

2023

SUMMARY

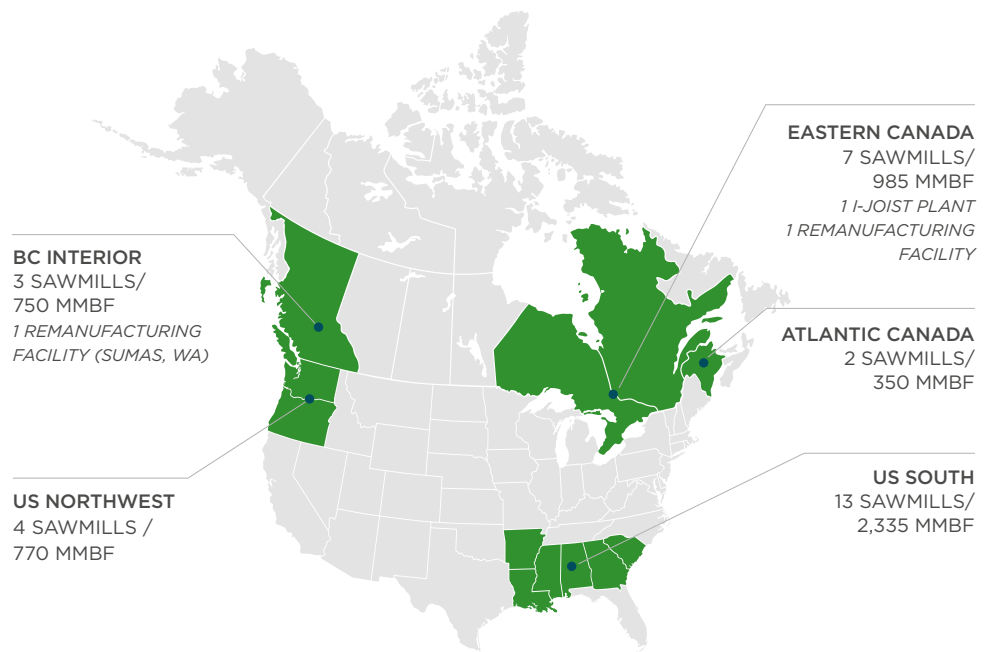
SUSTAINABILITY REPORT

**Building value through sound environmental,
social and governance practices**

Interfor's company-wide approach to sustainability is based on a broad appreciation for what it takes for our Company, and our society, to deliver on the needs of today without compromising our future.

IAN FILLINGER
President and CEO

Interfor Operations and Production Capacity – 2023



INTRODUCTION

Interfor is one of the world's largest lumber producers, with well-positioned facilities across all major timber-producing regions of North America.

We have solidified our reputation as a supplier of high-quality lumber, offering a diverse line of products in markets around the world. We have a history of investing in our people and operations—between 2010 and 2023, we invested more than \$3 billion to upgrade our facilities and grow our annual production capacity. Our success is driven by our vision to be the most profitable, valuable and respected forest products company in the world.

We know that to achieve this, we must provide our customers with quality products and service. We must invest in people and provide safe, stable and good-paying jobs that support local economies. Finally, we must conduct ourselves and our business with honesty and integrity and be committed to continuous improvement from the forests to our mills.

Building value sustainably is an ongoing effort that requires day-to-day decisions and actions that enhance the value of the products we produce, strengthen the relationships we build, and protect the environments in which we operate.

This summary version of our 2023 Sustainability Report provides an overview of our Sustainability Strategy and highlights from each chapter of our full report. For more information, including references and methodology for all metrics in this report, see our full **2023 Sustainability Report**.

Respecting Nature. Building Sustainably.

A Sustainability Strategy to Match our Growth Ambition

OUR PURPOSE

Embracing world-leading sustainability practices to advance renewable wood products as part of the climate solution.

OUR GOALS AND TARGETS

SAFETY

Our goal is that everyone returns home safely.

Reduce our medical incident rate (MIR) by 3% every year as we grow, leading to an MIR of <1.5 by the end of 2030.

Zero serious injuries.

PEOPLE

Our goal is to develop a workforce that reflects the diversity and strengths of our communities.

30% of our Board of Directors will be women by our 2024 AGM.

By the end of 2025:

- 40% of employees in leadership and development programs will be from an under-represented group;
- 15% of our supervisors and superintendents will be women;
- 30% of our hourly trades/skilled workforce will be from an under-represented group; and
- 15% of our hourly workforce will be women.

We completed an audit of our diversity practices in 2023.

CLIMATE & ENVIRONMENT

Our goal is to have a positive influence on the climate and environment.

Reduce our Scope 1 and 2 greenhouse gas (GHG) emissions by 40% by the end of 2030, using 2021 as our baseline year.

Continue to refine Scope 3 emissions inventory and complete external verification of our GHG inventories for our 2023 reporting.

Achieve water and waste reduction targets set for 2024.

Implement Biodiversity Interface Management Plans at 100% of our sawmill facilities by the end of 2024.

Maintain third-party internationally recognized sustainable forest management certification and chain-of-custody certification for 100% of our woodlands and sawmills, respectively.

Reporting on performance related to all targets can be found in our full 2023 Sustainability Report.

In addition, our support for local communities, investments in our operations and strong governance are a foundational part of our Company and integral to our approach to sustainability. See our full **2023 Sustainability Report** for details.

Safety

Our commitment to safety can be felt during a visit to any of our operations. It is the touchstone of our culture.

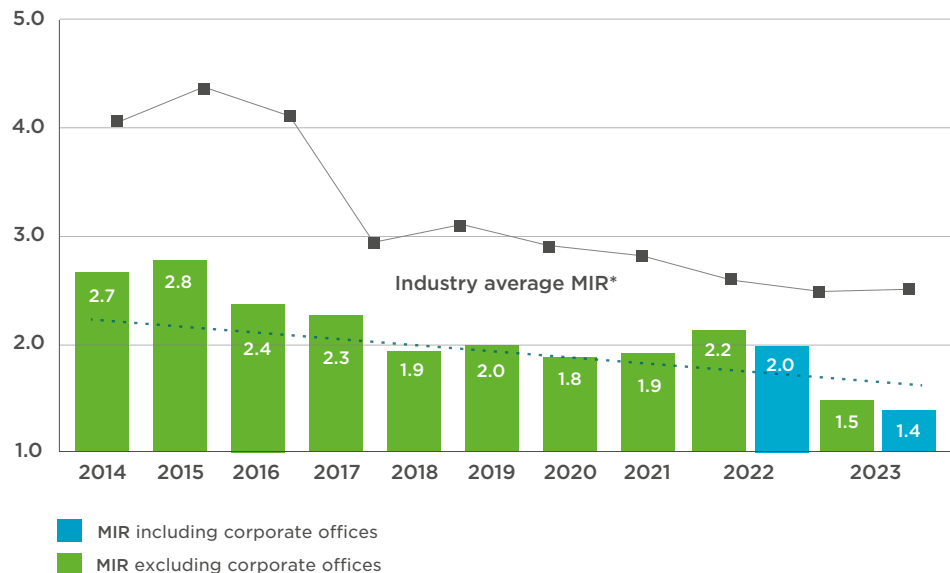
≈ 46
THOUSAND

proactive safety reports including near-miss reporting, hazards identified and safety actions.

We track both medical incident rate (MIR) and lost time frequency rate (LTFR), and the severity of incidents within each. The downward trend over the last decade demonstrates progress toward our goal. Our employees remain keenly focused on integrating safety with our operations to reach a zero-injury target.

Medical Incident Rate (MIR)

MIR represents the rate of recordable incidents per 100 employees working full-time in a year. It is calculated by multiplying the number of recordable incidents by 200,000 and dividing this by the number of hours all employees actually worked. Recordable incidents include medical treatments, lost-time incidents, restricted work incidents, and fatalities.



Serious incidents

While the MIR and recordable incidents continue to be a focus for our safety performance and reporting, we also track and report on serious injuries, with a goal of eliminating them. Serious injuries are a subset of work-related employee recordable incidents. They include life-threatening or life-altering injuries or injuries that result in a fatality. Currently serious injuries make up approximately 6% of all our recordable injuries.

SAFETY

OUR GOAL is that everyone returns home safely.



We have set interim targets to have zero serious injuries and to reduce our medical incident rate (MIR) by 3% every year as we grow, based on a three-year rolling average. Our interim targets to eliminate serious injuries and to reduce our MIR annually both support our ultimate goal of everyone returning home safely.

In 2023, we achieved our target of reducing our MIR by 3% (based on a 3-year rolling average) and 28 of our facilities had zero serious injuries.

People

Interfor builds value for employees, Indigenous partners, communities and customers.

> \$ **2.8** MILLION was spent in 2023 on learning and education for our employees.

PEOPLE

Employee Development

We are committed to supporting our people, which starts with living our core values and fostering a respectful and inclusive workplace. It includes recognizing potential and investing in the growth and development of our internal talent. It also means acknowledging the challenges that our employees face and supporting them both on and off the job.

We collaborate with each employee, shaping a personalized career vision through a structured onboarding process. This journey continues with tailored development and training programs, fostering growth aligned with each employee's development goals.

Diversity, Equity & Inclusion

We have a goal to develop a workforce that reflects the strengths and diversity of our communities. To reach this goal, we're continuing to build and understand our baseline, identify and work with best practices, and implement targets to drive change.

To further understand the needs of our employees, we set a target to audit our diversity practices by the end of 2023. We engaged employees through a voluntary and anonymous survey to identify priority areas. Each division carried out workplace assessments that will be used to create customized action plans to address the unique challenges faced by employees in the various regions.

TARGETS AND PERFORMANCE

METRIC	TARGET		PERFORMANCE	
	VALUE	YEAR**	2022	2023
Women on our Board of Directors	30%	2024	27%	25%
Employees in leadership and development programs from an under-represented group*	40%	2025	28%	33%
Hourly trades/skilled workforce from an under-represented group*	30%	2025	36% ⁺	35%
Women in our hourly workforce	15%	2025	7%	8%
Women supervisors and superintendents	15%	2025	9%	10%

We are **Learning as We Grow**. For details please see Diversity, Equity & Inclusion in our **2023 Sustainability Report**.

* Under-represented groups include women, ethnic and racial minorities, and Indigenous Peoples.

** All targets refer to end of year indicated, with the exception of "Women on Board of Directors" which refers to the AGM in May, 2024.

⁺ Restated value.

All metrics are as of December 31, 2023. For details on the data included in our targets and related performance please see References & Methodology in our **2023 Sustainability Report**.

OUR GOAL

is to develop a workforce
that reflects the diversity and
strengths of our communities.



We have set a number of specific targets to increase
diversity in our leadership and workforce by 2025.

Indigenous Peoples

We respect the deep connection Indigenous Peoples have to the land and work with them to develop strong relationships that offer mutual benefits.

Our Canadian operations are within the territories of more than 90 Indigenous Nations. Since 2010, we have signed more than 160 individual agreements with 56 Indigenous communities. We are committed to reconciliation and further expanding Indigenous participation and benefits within the forest industry.

To develop meaningful partnerships, our engagement and forestry operations are conducted in accordance with our **Indigenous Relations Policy**. The policy:

- Recognizes the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP);
- Acknowledges the calls to action of Canada's Truth and Reconciliation Commission and seeks opportunities to take action on those applicable to our business; and
- Commits to meaningful consultation including, where possible, the free, prior and informed consent (FPIC) of Indigenous Peoples and communities before proceeding with developments.

Partnership Highlights



14 new partnership agreements signed in 2023



\$5.4 million in financing was provided by Interfor for projects that supported Indigenous economic development and capacity building



39% of BC Woodlands contractors had Indigenous employees or were Indigenous-owned

PEOPLE

Truth and Reconciliation Commission (TRC) of Canada

Calls to Action

Our partnerships demonstrate our work towards meeting the TRC call to action #92 (ii) to ensure "that Aboriginal communities gain long-term, sustainable benefits from economic development projects."

The TRC call to action #92 (i) asks the business community to: "Commit to meaningful consultation, building respectful relationships, and obtaining the free, prior, and informed consent of Indigenous Peoples before proceeding with economic development projects. While we have much to learn and further work to do before we can achieve this call to action, by building governance frameworks collaboratively, we can begin to understand how to implement meaningful consultation and build respectful relationships as defined by our Indigenous partners."

The foundations of our agreements with our Indigenous partners can be organized into five categories. Each of these foundations supports the integral role that Indigenous Peoples have in the future of a strong, viable and sustainable forest economy in Canada.

Governance

Agreements that define our respective interests, identify common visions and objectives, and provide a framework for how we will work together.

Economic Benefit and Revenue

Partnerships built on the principle that Indigenous Peoples should benefit from resources in their territories.

Stewardship and Sustainability

Joint planning processes that incorporate traditional knowledge and Indigenous values in forest planning and operations.

Capacity Building and Employment

Opportunities to support and grow internal capacity through employment and forestry services opportunities.

Community Engagement

Engagement in and support for community initiatives, events and projects, leading to stronger relationships and making Interfor a better partner.

Communities

Interfor builds value for communities by supporting a healthy economy and environment. We do this through meaningful engagement and community support.

Giving Back to the Community

At Interfor, our promise to communities is to build value by supporting a healthy economy and environment. We understand the connection between our people and where they work and live; therefore, we want to ensure we are giving back strategically to causes that have the greatest local impact.

- **Habitat for Humanity Partnership:** Historically, Habitat for Humanity is an organization that various Interfor divisions have supported through individual and local initiatives. As a lumber producer, we are well-positioned to support affordable housing through building and repairing homes. Building materials are part of our core business and an essential component of this work. Interfor operations and offices continue to partner with Habitat for Humanity affiliates in local communities to create impact by identifying engagement opportunities and establishing long-term relationships.
- **Supporting Local Initiatives** In addition to our partnership with Habitat for Humanity, we are committed to the continued support of local initiatives and organizations in the heart of each of our unique

communities. Each Interfor division has a particular relationship with its surrounding communities and is given its own annual donation budget to be spent as the divisional leadership sees fit. Preference is given to activities involving education, children and youth, environment and health.

Engaging with the Community

We actively share information with the public and communities in and around our mills and woodlands operations through a number of broad formal frameworks along with local forums and events.

Sharing our Passion for Sustainable Forestry and Operational Excellence

Our foresters are passionate about sustainable forestry and many appreciate the chance to engage with local communities. Our operations are equally passionate about the high standards implemented in our sawmills and the ways in which our business contributes to a healthy economy and environment. We work with schools and non-profit organizations to host tree planting days, field trips and mill tours to raise understanding of the importance of forests and how we manage them while producing sustainable building materials.



\$350,000+ in total annual
donations in 2023

Customers

We focus on fostering partnerships with our customers and distribution partners because collaboration builds value for everyone.

Our performance tells the story of our commitment to build value for customers by delivering quality products on spec and on time. We're committed to ensuring that our customer service continues to improve and adapts to our customer and partner needs. We conduct periodic customer surveys to solicit feedback on what we do well, and where there is room for improvement.

Commitment to Customers

We are committed to promptly responding to and addressing any concerns or issues that arise regarding our products. We can deliver unmatched customer care by tracking every complaint as a metric and reporting on it.

Forecast Shipping Alignment

We consider our forecasted shipment date as a promise. Every order is managed through our forecast shipping alignment process and tracked at each step along the way. On-time shipments are a key metric for our team, and we track and report on this weekly.

Customer Safety

Our commitment to safety includes an assurance to customers that our products will meet their needs and industry grade standards. Our mills have quality control programs in place to ensure that our products meet exacting grade standards approved by the American Lumber Standard Committee (ALSC) Board of Review in the US and the Canadian Lumber Standards Accreditation Board (CLSAB) in Canada.

We provide information to help ensure our customers and employees handle and use our products safely. Information on health risks related to working with our products is available on our website and in our **Safety Data Sheets**.



97.5% of respondents indicated that their relationship with Interfor was Good or Excellent in our most recent customer survey.

Common words used by customers to describe our service included: relationship, partnership, commitment, professional and quality.

Climate Change

We are part of the solution. Combating climate change is a global effort, and we recognize our role in tackling this important issue.

We're providing low-carbon building products



The lumber we manufacture stores more carbon than is emitted during its production. This results in significantly lower greenhouse gas emissions than the production of other major structural building products, including concrete and steel. By offering carbon friendly building products, we are supporting low-carbon sustainable development for current and future generations.

We're part of a powerful, natural cycle



Trees use solar energy and carbon dioxide from the atmosphere to grow. The natural carbon cycle of forests includes capture, storage and release of carbon. Over the long term, sustainable forest management can increase the storage capacity of forests, transfer carbon into long-lived wood products, and reduce the forest's potential as a carbon source. Our commitment to sustainable forestry and forest renewal following harvest supports a continuous uptake of carbon for climate resilience.

We're reducing our footprint



We have set a target to reduce our Scope 1 and 2 GHG emissions by 40% by 2030 from a 2021 baseline. This reduction will be the equivalent of taking more than 22,000 cars off the road annually.

CLIMATE & ENVIRONMENT

See Interfor's **2023 Sustainability Report** for:

- Details on metrics and target methodology;
- Additional metrics;
- Alignment with the Task Force on Climate-related Financial Disclosures; and
- Climate Scenario Analysis.

OUR GOAL

is to have a positive influence on the climate and the environment.



“In the long term, a sustainable forest management strategy aimed at maintaining or increasing forest carbon stocks, while producing an annual sustained yield of timber, fiber or energy from the forest, will generate the largest sustained mitigation benefit.”

United Nation's Intergovernmental Panel on Climate Change 2007.

Forest Values

Interfor is a leader in sustainable forest management and responsible sourcing to ensure environmental, economic and social opportunities for current and future generations.

≈ **22**
MILLION

trees were planted by Interfor in 2023 in the woodlands we manage. Across our Canadian woodlands we plant a mix of more than 20 different species of tree.

Our team of professionals, whether working in log procurement or forest land management, is passionate about protecting wildlife, biodiversity, and forests of high conservation value.

Planting trees is part of our business

Interfor manages forests sustainably and does not undertake in any deforestation or conversion of forests to non-forest use.

We plant an average of three trees for every tree harvested

We use only species that are native and ecologically suitable to the sites on which they are planted. We monitor young trees for up to 20 years following planting. During this time, we assess tree growth and health, and take actions needed to ensure the success of the new forest.

Biodiversity and Conservation

We operate under a range of formal frameworks and internal procedures to protect wildlife, biodiversity and forests of high conservation value. Identifying, tracking and conserving habitat and habitat features for species at risk and other focal species is built into our operational planning process.

Some examples of habitat features that we manage for include nesting sites, ungulate calving or fawning sites, bear dens, waterfowl staging areas, and significant ecological areas like wetlands and estuaries.

We manage and maintain areas that have been identified as meeting the unique winter habitat requirements of ungulates based on forest cover, aspect and elevation. Our woodlands operations maintain mapped networks of winter range for deer, moose, elk, bighorn sheep, goats, and caribou.

In many cases, we work closely with Indigenous communities to better understand and manage wildlife habitat based on traditional ecological knowledge. For example, in BC we work closely with a number of coastal First Nations to map, protect and improve grizzly bear habitat, and in Ontario we are working with two First Nations to manage and improve browse in moose emphasis areas.

**CLIMATE &
ENVIRONMENT**

100% of our forest management operations are certified to internationally recognized Sustainable Forest Management standards

100% of our lumber manufacturing operations (excluding our most recent acquisitions*) are certified to internationally recognized Chain-of-Custody and Fiber Sourcing standards

* Excludes recently acquired Bathurst and Belledune sawmill operations in New Brunswick. Certification audits for both mills are scheduled for 2024.

Environmental Management

We maintain an internal Environmental Management System (EMS) that provides a structure to identify, address and manage environmental issues for all of our manufacturing facilities and woodlands operations in the US and Canada.

In our manufacturing operations, we use environmental monitoring programs that cover aspects such as water use, air emissions, waste management, fuel handling, spill and fire prevention and preparedness. We use third-party auditors to conduct compliance audits with a scoring system to track our performance.

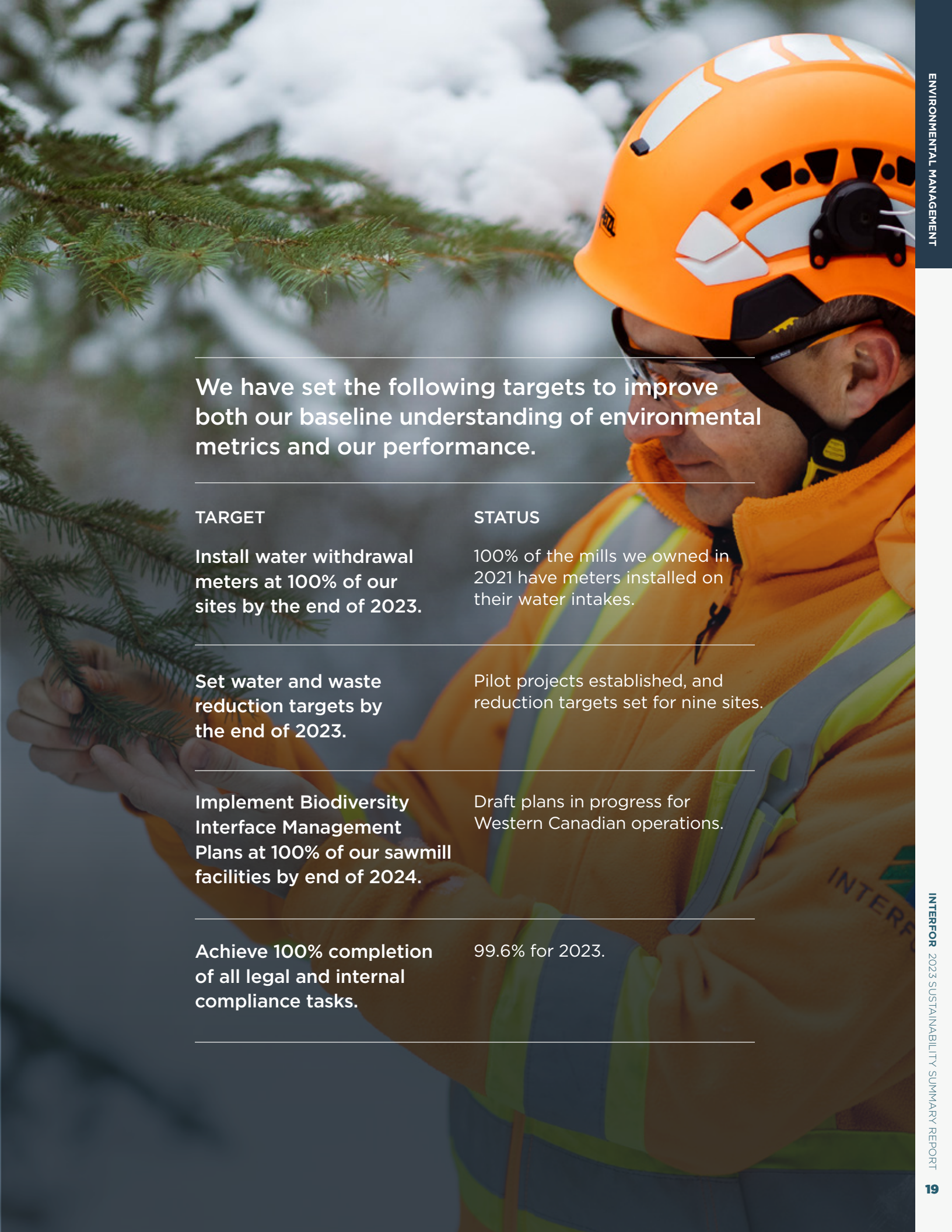
Water	Air	Waste	Fuel & Chemicals
We recognize that water is a universal human right and our EMS programs have strict guidelines for protecting water quality in both our mills and our woodlands operations. Although our operations are a relatively small water user compared to other industries, we understand that there is always room for improvement.	We minimize air emissions from our manufacturing facilities using pollution control technologies suited to each site. We identify and report the air emissions produced as required by applicable legal and regulatory requirements.	We sell, recycle or repurpose more than 99% of our waste and residual materials. Our sawmill residuals, such as sawdust, shavings, chips and bark, are sold, recycled or repurposed for many uses from energy to landscaping. We also produce limited amounts of other hazardous and non-hazardous waste and recycling.	Our manufacturing facilities and woodlands operations have strict guidelines that specifically address handling fuel and other chemicals. In addition to maintaining emergency spill response kits, we use spill plans and emergency spill response drills to ensure our teams are well prepared in the event of an incident.

CLIMATE & ENVIRONMENT

Reporting of metrics associated with water withdrawal, air emissions, waste produced and notable spills can be found in our **2023 Sustainability Report**.

As part of our Sustainability Strategy, we have set a goal not just to reduce or eliminate environmental impacts, but to have a positive influence on the environment.

In order to achieve this ambitious goal, we believe that a key step will be fostering a culture of environmental excellence. To help drive our commitment and focus on this important aspect of our business, we are setting targets and engaging our teams across all regions.



We have set the following targets to improve both our baseline understanding of environmental metrics and our performance.

TARGET**STATUS**

Install water withdrawal meters at 100% of our sites by the end of 2023.

100% of the mills we owned in 2021 have meters installed on their water intakes.

Set water and waste reduction targets by the end of 2023.

Pilot projects established, and reduction targets set for nine sites.

Implement Biodiversity Interface Management Plans at 100% of our sawmill facilities by end of 2024.

Draft plans in progress for Western Canadian operations.

Achieve 100% completion of all legal and internal compliance tasks.

99.6% for 2023.

Sustainable Products

Trust and honesty create space for innovation. Through partnerships with distribution partners and secondary manufacturers, we explore value creation collaboratively to provide cost-effective products for a wide range of end users.

≈ **6** MILLION
TONNES

**of carbon stored in the
lumber products sold
by Interfor in 2023.**

CLIMATE & ENVIRONMENT

Wood is Good

Wood is the ultimate natural, renewable and versatile building material. From houses and infrastructure to musical instruments and books, wood products not only support our basic need for shelter, but they also enrich our lives and standard of living. When wood products are manufactured in a way that is environmentally sustainable and socially responsible, we can all feel good about the significant role they play in our lives.

- Wood products store carbon for the lifetime of the product.
- Wood products offer superior insulation properties compared to materials such as concrete or steel, which require more energy and GHG to produce.
- The wood products industry provides meaningful economic and social benefits in our communities and beyond.

Responsible Resource Use

At Interfor, we recognize the responsibility we have when working with valuable forest resources. We maintain and maximize the value of every tree harvested through our approach to sustainable forest management, sawmill optimization, investment in technology, and a culture of operational excellence. We also embrace innovation and support our operations to be nimble, seeking the best use for every species and grade in our geographically diverse operations.

We work with our distribution partners, secondary manufacturers and other members of our industry to provide a range of products for a variety of end users. Our partnerships are built on trust and honesty so we can sit down with other companies and explore value creation collaboratively. The result is driving value, and ensuring products are available for a wide range of end users, from professional and custom builders to homeowners and hobbyists.

Infrastructure & Technology

By embracing the highest standards and advancing innovation in our manufacturing operations and woodlands, we keep our workplaces safe, increase efficiency, improve environmental performance, and deliver high-quality products.

\$148+
MILLION

has been spent annually on upgrades or investments to our facilities or systems to employ the latest technology.

CLIMATE & ENVIRONMENT

Investment in modern and efficient technology continues to be the foundation of our business. Accomplishments in 2023 included the completion of:

- A major sawmill upgrade at our Eatonton Division in Georgia;
- A new continuous drying kiln at our Grand Forks Division in British Columbia; and
- Sawmill upgrades at our Perry Division in Georgia.

Over the next several years, our investments will aim to grow lumber production, further optimize conversion costs, improve lumber recovery, and enhance grade and product mix. These benefits will help position our portfolio of manufacturing operations as some of the most competitive in the industry and ensure their safe, high-quality, efficient and sustainable operation through all market cycles.

Embracing Technology in Forest Management

We invest in new technology to be used in the woodlands we manage, and we support technology investments made by the timber harvesting companies and landowners that work with us. For example, in select regions, our team is utilizing handheld thermal cameras on contract logging operations to detect possible fire starts. They are also being used to monitor the temperature of ground fuels to help us track how they change throughout the day with different weather conditions.

Investing in Research

Research in partnership with other organizations enhances the efficiency and effectiveness of our operations and forest management activities. For example, in 2023, we partnered with the University of Georgia on a research project that utilizes LiDAR imaging to estimate the weight and volume of log loads. This research helps to minimize log truck weight variability, improve highway safety, reduce hauling costs, and increase profitability.

GOVERNANCE

Governance

Our industry-leading governance practices and policies promote the long-term interests of our stakeholders, ensure that we operate sustainably, and build public trust in our Company. They are built on a framework of written policies and guidelines, which we update and enhance regularly.

Code of Conduct & Ethics

Our Code of Conduct & Ethics (the “Code”) applies to all of Interfor’s directors, officers and employees. It highlights our core values and provides guidelines for acceptable behavior by requiring ethical business conduct, prohibiting bribery, regulating conflicts of interest, and restricting political donations. Compliance with the Code is a condition of employment for our employees and a condition of office in the case of our directors and officers. All directors, officers and salaried employees review and acknowledge the Code annually, thus increasing personal accountability.

Whistleblower Policy

Both the Code and the Company’s Whistleblower Policy protect those who in good faith raise a concern or report misconduct, and the Company provides a confidential whistleblower hotline to encourage employees, contractors, vendors and the general public to report any concerns.

In 2023, 69 reports related to safety, the environment, human resources and other matters were received through

our whistleblower hotline and other reporting avenues. All reports were investigated, and follow-up actions included addressing unsafe conditions, training and coaching, suspension and termination.

Risk Management

A report on company-wide material risks is reviewed by our senior executives and the Audit Committee of the Board on a quarterly basis. Annually, senior leaders throughout the Company contribute updates to a register of risks that have been identified as material to our business, which are reported to the Board and inform our risk mitigation strategies.

Information Security Governance Council

The Audit Committee oversees information systems security risk, receiving quarterly updates from senior leadership. A monthly Information Security Governance Council discusses processes like data protection, network security, employee education, incident response plans, and third-party security assessments, demonstrating a comprehensive approach to managing information security risk.

Other Policies

Along with the Code and Whistleblower Policy, all our corporate governance policies are publicly available on the Interfor website. Some highlights include:

- Diversity Policy
- Human Rights Policy
- Health and Safety Policy
- Environment Policy
- Anti-Bribery and Anti-Corruption Policy
- Compensation Policy
- Majority Voting Policy
- Insider Trading Policy
- Sustainable Forestry & Log Procurement Policy
- Indigenous Relations Policy

Board of Directors

12	Directors
11	Independent [92%]
3	Women [25%]
100%	Committee Independence
ANNUAL	Board Member Elections
96.36%	Vote in support of CEO
INDEPENDENT	Board Chair



Check us out on
Facebook, Instagram,
YouTube, LinkedIn
and TikTok.

**Respecting Nature.
Building Sustainably.**