



**ALBERTA
PACIFIC**
FOREST INDUSTRIES INC

Alberta-Pacific Forest Industries Inc.

Social Monitoring Report

2020-2022

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FOREST MANAGEMENT CERTIFICATION

Alberta-Pacific Forest Industries Inc. (Al-Pac) has been [Forest Stewardship Council® \(FSC®\)](#) forest management certified since 2005. This certification provides third-party validation that Al-Pac is maintaining responsible environmental, social and economic approaches to its forest management practices. In 2019, Al-Pac changed its forest management certification to the FSC® Forest Management Group Certificate, when their largest embedded quota holder, Northland Forest Products Ltd. (NFPL), achieved Forest Stewardship Council® certification (FSC® C022642). In 2020, the companies transitioned to the new FSC National Forest Stewardship Standard of Canada (NFSS).



A condition of maintaining this forest certification is that Al-Pac and NFPL monitor their environmental and social performance and adjust their practices as appropriate, in the spirit of continuous improvement.

This Social Monitoring Report provides the results of monitoring conducted since the companies transitioned to the NFSS (2020 to 2022) in regard to:

- Reporting on illegal activities within the Forest Management Agreement (FMA) area where the two companies operate
- Resolution of complaints
- Prevention of gender discrimination and the promotion of gender equality
- Worker health and safety
- Timely payment of wages

Other social monitoring results related to engagement with Indigenous communities and projected versus annual harvests of timber products can be found on [Al-Pac's website](#). Additionally, the *High Conservation Values in the Alberta-Pacific Forest Industries Inc. Forest Management Agreement Area* report and *Al-Pac's 2015-2020 FMA Area Forest Stewardship Report* may also be valuable sources of information and can be found on the website.

REPORTING ILLEGAL ACTIVITIES

Both Al-Pac and NFPL have systems in place for employees and contractors to report instances of poaching, illegal settlement or other unauthorized activities they may come across when working in the forest. Between 2020 and 2022, there has been one case of an unauthorized structure reported to authorities by NFPL.

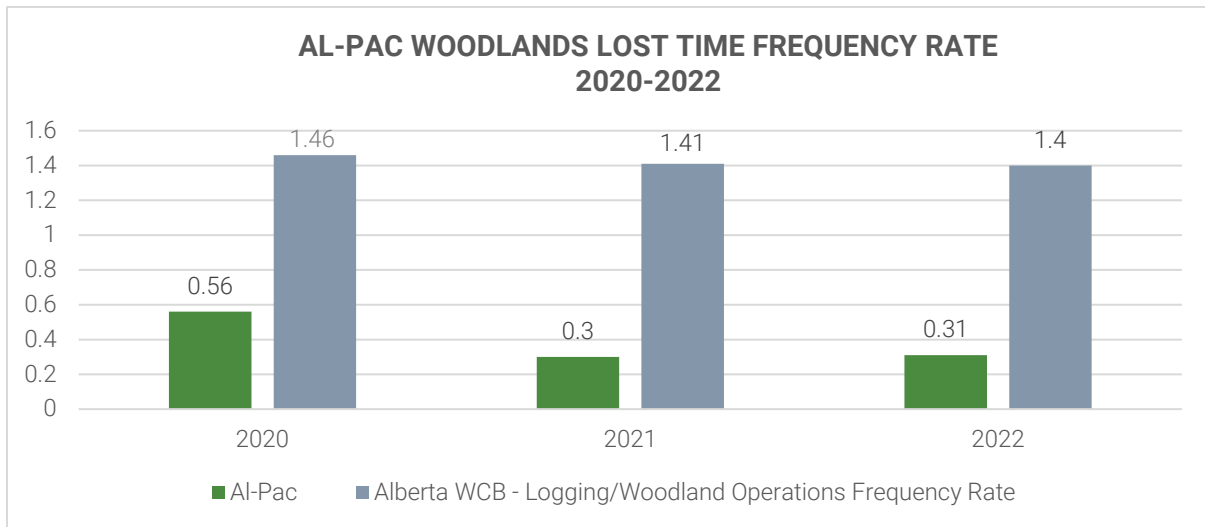
RESOLUTION OF COMPLAINTS

Al-Pac has two reporting hotlines publicly available on its website at: [Ethics and Reporting Concerns | Alberta-Pacific Forest Industries Inc. \(alpac.ca\)](#). In addition, both Al-Pac and NFPL have dispute resolution processes for forest management related issues that are available upon request and can be adapted through culturally appropriate engagement.

Al-Pac introduced the company's updated Harassment & Workplace Violence Prevention Policy in 2020, which includes a detailed process for reporting and investigating employee complaints. Harassment training is mandatory for new hires through Al-Pac's Learning Management System and Human Resources lead training has been introduced for the Al-Pac Summer Student Program and Al-Pac's shutdown orientations. Additional Human Resources lead workshops have been held throughout the organization.

Between 2020 to 2022, Al-Pac received 59 complaints in the following three categories: log haul activities, stakeholders with forest related values, and employee concerns. During that time period, Al-Pac received 8 log haul activity complaints, 26 stakeholder complaints and 25 employee complaints. The resolution rate for employee complaints was 100%, and for other complaints the resolution rate was 99%. The remaining 1% of complaints have carried forward into 2023.

HEALTH AND SAFETY

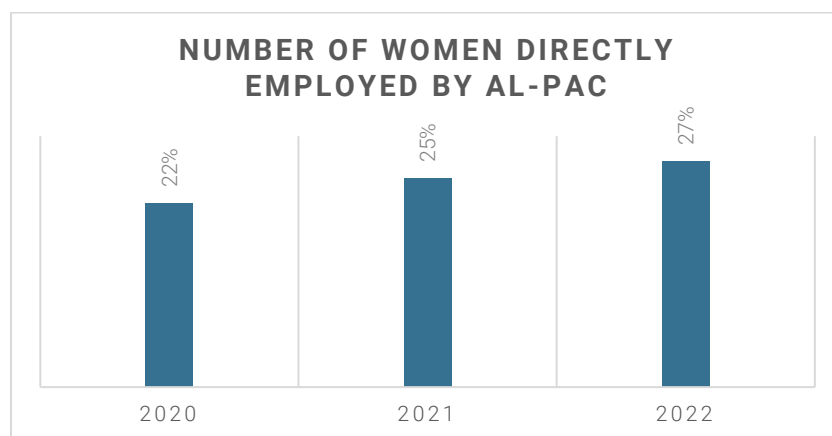


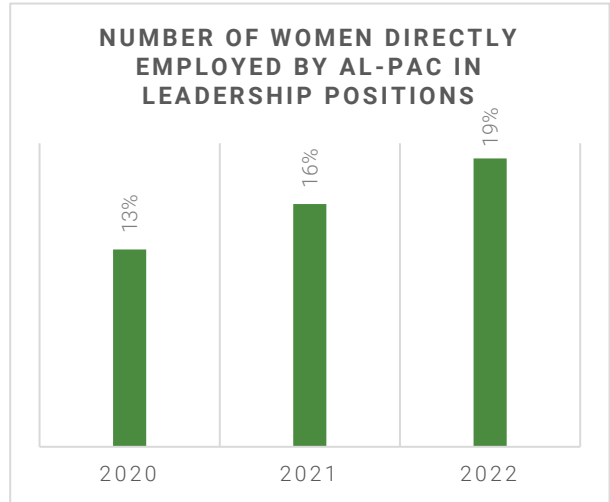
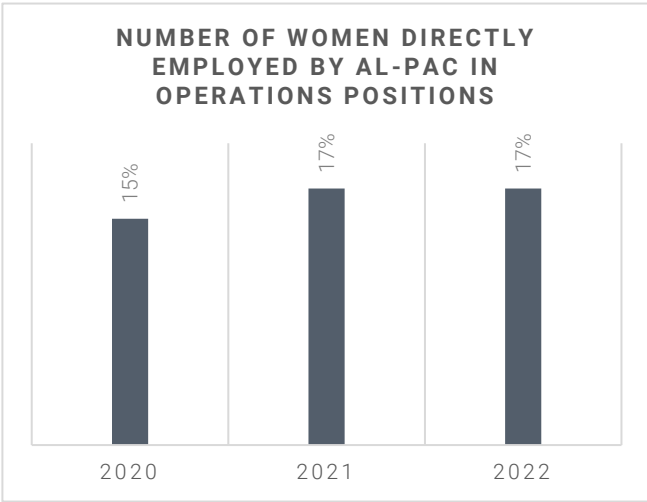
Al-Pac and NFPL prioritize the health and safety of their employees and contractors, and both companies have health and safety policies, standards and procedures in compliance with Alberta Occupational Health and Safety (OHS) policy, regulations and codes. A common industry standard for reporting on health and safety performance is the lost time frequency rate, which is the total number of injuries that occurred in the workplace resulting in an employee's inability to work the next full work day, relative to the total number of hours worked. From 2020 to 2022, NFPL had no Woodland related lost time incidents, and Al-Pac's Woodland lost time frequency was considerably lower than the overall forest industry logging/woodland operations rate in Alberta.

WORKPLACE EQUALITY

According to Statistics Canada's *Labour Force Characteristics by Industry* (Table 14-10-0023-01) from 2020 to 2022, women workers contributed to an average of approximately 17% of the forest and logging industry in Canada. Both NFPL and Al-Pac have supported efforts to increase the proportion of women in the forest industry within Canada and Alberta through the [Forest Products Association of Canada](#) and the [Alberta Forest Products Association](#).

The following data illustrates the gender diversity of Al-Pac's direct workforce, inclusive of all Al-Pac employment types, for the years 2020 to 2022:





TEAM MEMBER TOTAL REWARDS

Al-Pac and NFPL offer competitive total rewards, including wages, benefits and other rewards.

NFPL references the Government of Alberta ALIS data and speaks to industry members to ensure wages are in line with industry averages. Al-Pac utilizes third party benchmarking data to determine appropriate salary ranges based on a job evaluation process. Team members' education, experience and skills are assessed against the range to determine their individual compensation. A benchmarking and compensation review is conducted on an annual basis. Team members are paid on a bi-weekly pay cycle and in accordance with *Alberta Employment Standards*.

Components of Al-Pac's Total Rewards Package are illustrated below:

- Competitive Compensation
- Incentive Program
- Retirement Benefits
- Employee Assistance Program
- 4 Weeks Annual Vacation
- Extended Health Benefits
- Hybrid Work Program
- Compressed Work Week
- Work-Life Balance