Western Forest Products
DEFINING A HIGHER STANDARD™

2020 CARBON ACCOUNTING REPORT
SUMMARY

WESTERN FOREST PRODUCTS: NET CARBON SINK

Around the globe, experts agree that simply reducing GHG emissions will not be enough to stall a warming planet but rather we must start removing more carbon from the atmosphere than is emitted: in other words, become a net carbon sink.

Western Forest Products has joined this global effort and today carbon accounting confirms we are achieving this, and that we can be a significant net carbon sink for generations to come.

The forests we manage store over 2.3 billion tCO2e, of which 0.1% was harvested and transferred to forest products.

Western's carbon balance in 2020 was -970,032 tonnes of carbon dioxide equivalent (tCO2e).

This increases to -3,350,837 tCO2e by substituting concrete and steel with wood. That's the equivalent of removing the emissions from over 720,000 cars.

Western's activities could contribute to a net reduction of 249.1 million tCO2e over the next 100 years as carbon is sequestered by growing forests and captured in long-lived wood products.

> *In the long term, a sustainable forest management strategy, aimed at maintaining or increasing forest carbon stocks while providing an annual sustained yield of timber, fibre, or energy from the forest, will generate the largest sustained mitigation benefit ."*
>
> *— IPPC Fourth Assessment Report*

ABOUT OUR CARBON REPORT

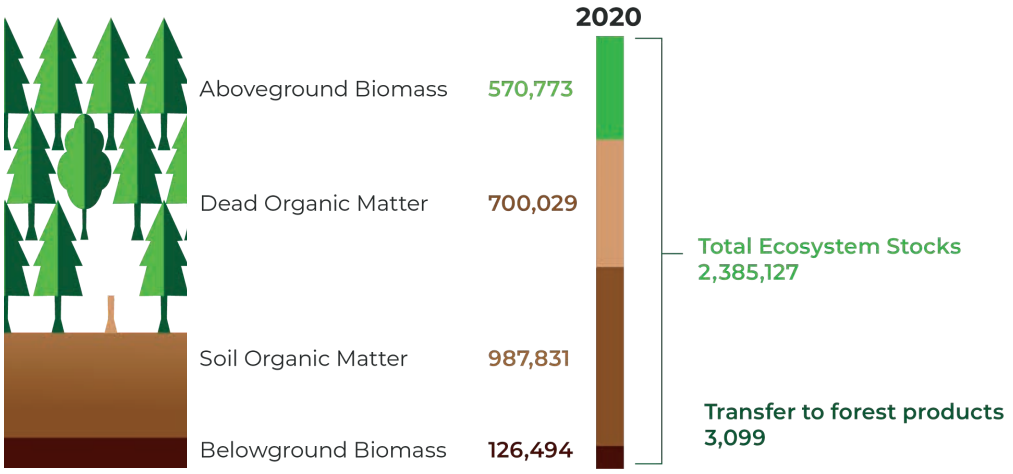
- The report covers the organizational carbon footprint for Western's Canadian operations from January 1, 2020 to December 31, 2020.
- The study was conducted in accordance with the GHG Protocol Corporate Accounting and Reporting Standard (World Resources Institute [WRI], 2004).
- KPMG LLP conducted a limited assurance in accordance with International Standard on Assurance Engagements ("ISAE") 3410 Assurance Engagements on Greenhouse Gas Statements and found no errors or omissions in Western's data or methodology.
- **To read the full carbon accounting report, use the QR code or visit westernforest.com/2020-carbon-accounting-report.**

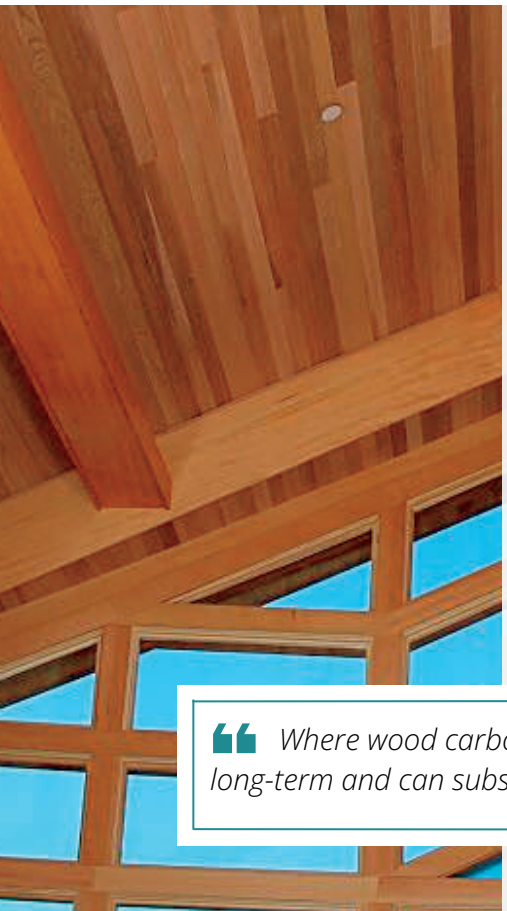
OUR WORK STARTS IN THE FORESTS

The forests we manage in British Columbia are an enormous carbon bank and store carbon in the form of live trees, dead trees, branches, leaves, roots, and soil.

In 2020:

- The forest ecosystems we manage stored 2,385,127 ktCO2e.
- 0.1% of the ecosystem carbon was harvested and transferred into forest products, of which a proportion is stored as long-lived wood products.
- We planted more than 4 million trees; that's 3 trees for every one harvested.





WOOD PRODUCTS HAVE AN IMPORTANT ROLE

The carbon benefits of substituting building materials such as steel and concrete with wood are well recognized.

The facts are:

- Wood is the only major building material that is renewable.
- Increasing our use of wood products over carbon-intensive materials and maximizing their reuse and recycling is a smart climate solution.
- By substituting building materials such as steel and concrete with wood, we can reduce emissions by −2,380,805 tCO2e or the equivalent to removing the pollution caused by over 720,000 cars (USEPA, 2022b).

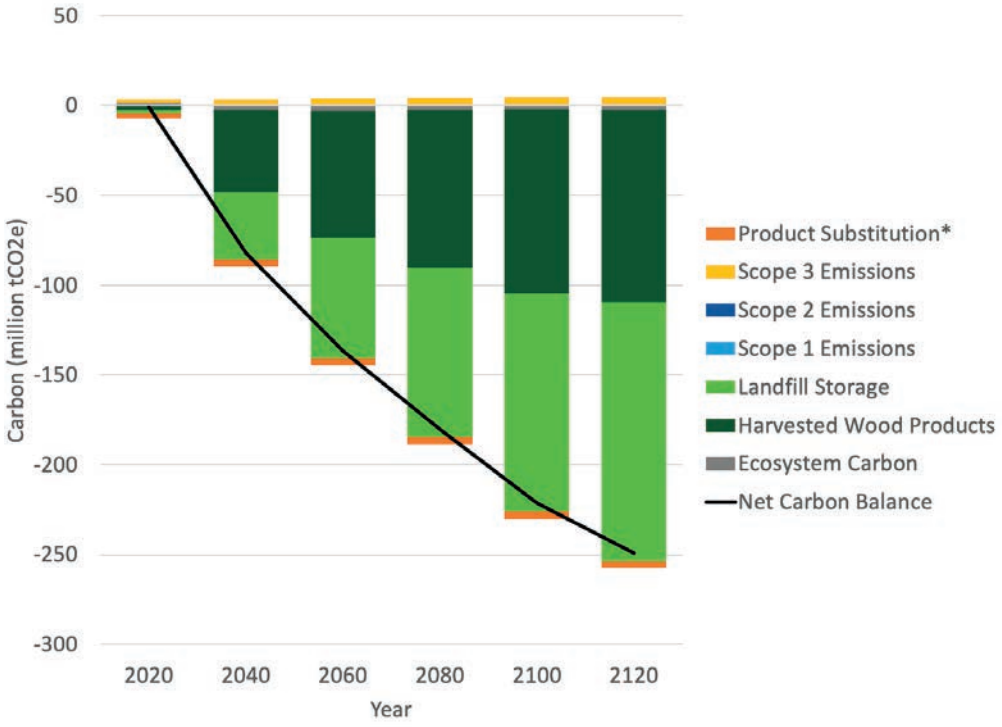
> *"Where wood carbon is transferred to harvested wood products, these can store carbon over the long-term and can substitute for emissions-intensive materials reducing emissions in other sectors."*
>
> *IPCC, 2020*

A CARBON-FRIENDLY FUTURE

The data we collect informs decisions today that will have impacts tomorrow. We need to know that our actions will have a positive impact on future generations.

To achieve that, Western has forecast its carbon balance 100 years into the future by linking carbon models to sustainable forest management plans.

As a result, Western's activities could contribute to a net reduction of 249.1 million tCO2e over the next 100 years as carbon is sequestered by growing forests and captured in long-lived wood products, as well as the continuous storage of significant amounts of carbon in landfills even after disposal. That's the equivalent to removing the emissions of over 54 million cars (USEPA, 2022b).



Projected net carbon balance from both forest ecosystem and harvested wood products processes in the next 100 years based on Western's current operations and forest management plans. Negative values indicate carbon uptake whereas positive values indicate an emission. Asterix demarks values not included in the net carbon balance.

Note: In accordance with the GHG Protocol Corporate Accounting and Reporting Standard, Scope 1, 2 and 3 emissions were also analyzed. Examples include upstream and downstream emissions associated with forest planning, silviculture, tree planting, road construction, log sorting, log-to-lumber custom cutting, off-site lumber kiln drying, energy purchases, capital investments and product distribution.

A COMMITMENT TO CONTINUOUS IMPROVEMENT

Carbon is becoming a key consideration in the development of long-term plans by Western and Indigenous partners. This may include carbon modelling work in the joint landscape planning processes with the ‘Namgis, Huu-ay-aht, Tla’amin and Quatsino First Nations and the Nanwakolas Council to address different forest management assumptions.

We are also evaluating opportunities to monetize carbon through the sale of carbon offsets.

Another avenue to help achieve carbon goals is by increasing our focus on high-value and long-lived specialty products:

- Resilient decay-resistant products for outdoor living
- Markets supplying treated building products
- Specialty building products, e.g., Japanese pre-fab housing market
- Home components and millwork such as door frames and mouldings
- Material for making laminated beams or trusses

Read more about our 2021 sustainability performance, including how we're supporting sustainable forestry, communities, reconciliation and climate action. Use the QR code or visit sustainability.westernforest.com.