



Sustainability Progress Report

2023 | Responsible Stewardship:
at the Heart of our Business

MOSAIC
FOREST MANAGEMENT

Our Values

- 1 Safety & Wellness**
Our highest priority
- 2 People**
A diverse and inclusive culture where people are inspired, empowered and engaged
- 3 Sustainability**
Responsible, science-based environmental management
- 4 Integrity**
Respectful and honest in our relationships by always doing the right thing and holding ourselves to account
- 5 Superior Performance**
Long-term value creation through operational excellence, innovation and an unrelenting focus on continuous improvement

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Message from the President and CEO



Mosaic Forest Management's business is built on sustainability and safety, which is critical to supporting our employees, contractors, Indigenous partnerships, and communities. Sustainable forests today are the forests in which we will continue to work in the future.

Everyone on the Mosaic team contributed to our continued advances and achievements outlined in this report. Our shared work in sustainability and safety helped Mosaic earn recognition for the third consecutive year as one of BC's Top Employers.

Some of the 2023 highlights for Mosaic included:

- Implemented Mosaic Capture, a company-wide digital safety system that delivers efficiencies and insights through data capture and analytics to improve safety through data and culture-based enhancements.
- Expanded Mosaic-sponsored training with the second-growth log scaling program, producing licensed workers for Mosaic and its contractors.

- Achieved the Leadership in Conservation Award from the Sustainable Forestry Initiative® (SFI®) for working to adapt to and mitigate climate change and our early and enthusiastic adoption to advance SFI's climate smart forestry objective, including creating the BigCoast Forest Climate Initiative.
- Earned gold-level Progressive Aboriginal Relations certification with the Canadian Council for Aboriginal Business, making Mosaic the first and only timberland owner in Canada to achieve this standard of excellence.
- Created the new Mosaic Pavilion at the Parksville Museum to share the story of local forests and modern, sustainable forest management practices.
- Conducted public consultations to help Mosaic's real estate arm, Couverdon, shape its application for rezonings to make the Powell River Benchlands project and its range of housing options a reality for the community.

In 2023, we commissioned a comprehensive environmental, social, and governance evaluation as part of our commitment to continuing to evolve our reporting framework. The top priorities in the assessment were sustainable forest management, Indigenous relations, water resources, and climate change adaptation, which align with Mosaic's core values. We are committed to continuous improvement and utilizing such reviews to enhance our 2024 and future reports.

Our 2023 sustainability performance and accomplishments are possible because of the talent and dedication of Mosaic's employees and contractors. I sincerely thank all our employees and contractors for their relentless commitment to sustainability.

– **Rob Gough**, President & CEO
Mosaic Forest Management

Key Achievements for 2023

Reduced the medical incident rate per 200,000 exposure hours to 1.16 on 2.5 million person-hours worked, representing a 14% reduction and exceeding Mosaic's original target of 5%.

—

Launched Mosaic's Safety-in-Action Strategy utilizing data-driven insights and behaviour-based safety campaigns to advance our safety culture.

—

Recognized as one of BC's Top Employers.

—

Continued our dedication to sustainability and commitment to becoming net-zero by 2035.

- **The BigCoast Forest Climate Initiative's first carbon credits were issued** under Verra's Verified Carbon Standard.
- **Received the Leadership in Conservation Award** from the Sustainable Forestry Initiative.
- **Planted 10.3 million seedlings of local species.**
- **Expanded the Emissions Reduction Initiative**, resulting in a 2% reduction in absolute emissions.

Installed the Mosaic Pavilion, a permanent forestry-themed educational exhibit at the Parksville Museum.

—

Donated over \$800,000 to community organizations across Coastal BC.

—

Supported Indigenous participation in the forest economy and continued to invest in Indigenous scholarships, bursaries and training programs while contributing to, and participating in, cultural events and initiatives.

- **Delivered tailored training programs to over 10 Indigenous partners** while supporting Indigenous economic participation through harvesting, silviculture, and purchase agreements and 17 formalized memorandums of understanding.
- **Invested over \$150,000 in Indigenous scholarships, bursaries and training programs**, across 7 post-secondary institutions and 11 secondary schools.
- **Achieved Gold-level Progressive Aboriginal Relations certification** from the Canadian Council for Aboriginal Business, becoming Canada's first and only timberland owner to achieve this standard of excellence.

BigCoast Forest Makes Big Strides in 2023

The BigCoast Forest Climate Initiative (BigCoast Forest) continued to move forward, building sustainability for BC and the planet on Mosaic's lands.

The first verified carbon credits for the global marketplace were officially issued in March 2023 under the Verified Carbon Standard (VCS), the world's most widely used and rigorous voluntary carbon program. Additional certifications include Grouped Project status to enable First Nations and other woodlot owners to use this initiative to efficiently participate in climate conservation.

The high-quality nature-based carbon credits are generated from 40,000 ha of Mosaic's lands set aside from timber harvesting.

Revenues are now flowing from BigCoast Forest to a pair of organizations driving scientific and First Nations cultural research on and around the project lands. The Indigenous Protected and Conserved Areas (IPCA) Innovation Program and the Pacific Salmon Foundation have started their work on the ecosystems, watersheds, and cultural significance of the lands.

To learn more about the initiative, visit BigCoastForest.com.

BigCoast Forest Climate Initiative United Nations Sustainable Development Goals (SDGs) Update

BigCoast Forest went beyond selling its first verified nature-based carbon credits in 2023. The initiative was also certified to the United Nations' Sustainable Development Goals Verified Impact Standard (SD VISta) for directly contributing to five SDGs.



17 aquatic stewardship projects within the project area



Corporate Sustainability Progress Reports published annually, ensuring adoption of sustainable practice



650,000 tonnes of CO2e reduced on average per year



17 anadromous fish stewardship projects within the project area



100% Sustainable Forestry Initiative Certification for all forestlands in the project

Safety

Digital technology enhances safety

Technology is constantly improving our lives. Mosaic harnessed its technical capabilities in 2023 to launch Mosaic Capture, a company-wide digital system dedicated to enhancing the company's highest priority—safety.

Mosaic Capture collects a wide range of safety data, everything from close calls to safety incidents, to good behaviours. Efficiently capturing the data from employees and contractors starts with a user-friendly input process and intuitive forms.

All that data plugs into new reports and dashboards that help the safety team analyze trends at the company. Those trends inform Mosaic's leadership to enhance the safety culture and consistently deliver targeted, fit-for-purpose safety campaigns.

Mosaic Capture is helping reinforce company efforts to prevent all injuries, and ensuring everyone goes home safe every day.

2023 ACHIEVEMENTS

- **Reduced the medical incident rate (MIR) per 200,000 exposure hours to 1.16 based on a total of 2.5 million person hours worked in the year.** This represents a 14% reduction and exceeds Mosaic's original target of 5%.
- **Implemented a behaviour-based safety culture program** by leveraging authentic leadership and storytelling to encourage improved safety attitudes, behaviours and practices, reinforced by the program's motto to Stop, Think, Act.
- **Launched Mosaic Capture**, a digital safety system to deliver further efficiencies, insights and safety themes through data capture and analytics.

2024 COMMITMENTS

- **Reduce the medical incident rate by a further 11%.**
- **Build risk-mitigation safety campaigns** utilizing validated Mosaic data and broader industrial statistics.
- **Enhance our serious incident review program** by better understanding root causes to enhance solutions and prevention measures.
- **Develop an operational training program** that eliminates risk from silviculture stand tending operations.
- For improved safety, **pilot electric chainsaws** for silviculture activities.

Enhancing Mosaic's Safety Culture

At Mosaic, safety is our highest priority. In 2023, the company launched its Safety-in-Action Strategy which includes on-going efforts to embed safety into everything, most notably through a new Safety Culture Program.

Mosaic's Safety Culture Program involves everyone from employees to contractors to leadership. The program empowers people to stop, think and act safely, supported by data-driven focuses and campaigns. The program also encourages sharing related close calls and best practices to foster peer-to-peer learning.

“Let's all work together by sharing stories and learn from each other to bring everyone home safely. Safety is everyone's responsibility; you can make a difference.”

— Mosaic's Safety Culture vision

Our inaugural safety campaigns focused on slips, trips and falls, and distracted driving. These targeted campaigns delivered critical

STOP THINK ACT

Safety Culture Program

Slips, Trips, and Falls Can End It All.

12 of 27 (44%) of Mosaic recordable incidents since January 2022 started with a slip!

Complete a hazard assessment of your surroundings & continue to use 3-point contact.

information into the hands of employees and contractors, so they were empowered to make a difference in their own safety in these areas.

We also enhanced the delivery of Mosaic's Safety and Environment Leadership Tours (SELTs), where senior leaders informally meet with workers in the field to support mutual engagement and awareness on safety and environment related matters.

CELEBRATING A JOB DONE WELL

Mosaic recognized 12 forestry contractors and employees in 2023 for their proactive steps to enhance safety and achieve excellence in environmental and workplace performance. Their safety, environment, and workplace achievements are helping create a better and stronger forest industry on Vancouver Island.

A list of all the winners is available at MosaicForests.com/Safety.

The Northwest Bay Company Crew from Nanoose Bay won Mosaic's 2023 Longstanding Safety Performance award.



Our People



Groundbreaking initiative forges new career pathways

Attracting and developing talent to ensure sustainable growth remains a key focus across our sector. Mosaic faced the challenge head-on through its innovative labour program, enhancing it in 2023 to include **a first-of-its-kind second growth scaling program.**

The company launched this groundbreaking program where people new to the industry learned how to measure cut trees to determine the wood's scale (volume) and quality (grade), preparing students for the Ministry of Forests' licensing exam. Mosaic worked closely with the Ministry to create this program leading to certified graduates for our industry.

Future workers for the company and its contractors were also given opportunities to experience the industry through Forestry Career Day events, log hauling and processor operating training.

“The log scaling course put on by Mosaic was a great way to get introduced into the forestry industry.”

— Sarah Siez



Mosaic's labour program 2023 highlights



11 Second-growth Scaling Graduates



3 Forestry Careers Day Direct Hires



11 Log Haul Training Graduates



46

Total Workers who Secured Employment



11 Contractor Training Positions



10 Processor Training Graduates

To learn how Mosaic is training the next generation of forest workers, visit MosaicForests.com/Careers.

2023 ACHIEVEMENTS

- **Recognized as one of BC's Top Employers for the third consecutive year.**
- **Recruited and developed new workers** through Mosaic-sponsored training for log scaling and log hauling to deliver skilled workers for Mosaic and its contractors.
- **Advanced Indigenous employment and training opportunities** at Mosaic and our contractor network.
- **Provided all Mosaic people leaders with a cultural competency training program**, which included an individual cultural competency assessment, an individual debrief session, and a group training session.

2024 COMMITMENTS

- **Expand diversity, equity and inclusion efforts**, demonstrating leadership as a community champion.

Molly Hudson,
Vice President,
Sustainability and
Chief Forester
*Recognized as one
of Canadian Forest
Industries' Top 20
Under 40.*



- **Support and advance Indigenous employment and training partnerships.**
- **Develop and pilot a formalized competency and coaching-based leadership development program.**
- **Measure and assess employee engagement** using a third-party facilitated survey and benchmarking activities to help inform talent and business strategies.

Two employees were named Mosaic's 2023 Citizens of the Year – (L) **Kitty Chadwick**, Sales Administrator, and (R) **Sarah Munro**, Letter of Credit Co-ordinator.



Supporting Indigenous training

Connecting Indigenous Peoples with training so they can be active participants in the forest sector is a key way Mosaic supports the future of the industry. Some actions taken in 2023 to accomplish this, while advancing efforts to support the company's Progressive Aboriginal Relations certification, included:

- Participated in the Indigenous Intern Leadership Program, a joint initiative of the Business Council of British Columbia, the British Columbia Assembly of First Nations, and Vancouver Island University, providing paid internship learning experiences.
- Reserved training spots in courses for First Nations partner attendees.
- Mosaic also delivered various learning opportunities for its staff and contractors, including an event in recognition of National Day for Truth and Reconciliation with keynote speaker Bob Joseph, founder and President of Indigenous Corporate Training, and hosted employee gatherings focused on cultural sharing and learning.

Environmental Leadership

Dedication to sustainability

A healthy, sustainable forest means operations for today and tomorrow. Our commitment to sustainable forest management has been on display and certified since 2000 when we became **the first company in Canada to obtain Sustainable Forestry Initiative® (SFI®) certification** for our forest lands.

The Sustainable Forestry Initiative recognized Mosaic with the 2023 SFI Leadership in Conservation Award for our early and enthusiastic adoption of SFI's climate smart forestry objective. Mosaic has several progressive initiatives to work toward carbon neutrality through operations and forest planning that consider climate change, reducing emissions, enhancing silviculture, and increasing carbon sequestration.

Mosaic's BigCoast Forest Climate Initiative plays a key role in increasing forest carbon sequestration by conserving 40,000 hectares of forest from Mosaic's lands. The first certified carbon credits from BigCoast Forest were sold on the global market in 2023.

"Forests across the globe play a prominent role in mitigating the effects of climate change. Mosaic's leadership in adopting progressive climate smart forestry practices that align with SFI certification is demonstrating the tremendous potential of forests in helping to address one of the greatest challenges we face."

— **Lauren Cooper**
Chief Conservation Officer of
Sustainable Forestry Initiative

Lauren Cooper (left), SFI Chief Conservation Officer, presents **Molly Hudson**, Vice President, Sustainability and Chief Forester at Mosaic with the SFI Leadership in Conservation Award.





Mosaic carried out commercial thinning projects in locations across Vancouver Island in 2023. In these projects, only a portion of a stand is harvested, leaving the remaining trees access to nutrients, water, and light so they can reach their full growth potential.

2023 ACHIEVEMENTS

- **The BigCoast Forest Climate Initiative's first carbon credits were issued under Verra's Verified Carbon Standard.** Additional certifications include Grouped Project status to allow First Nations and other woodlot owners to efficiently participate. BigCoast Forest was also certified to the UN's Sustainable Development Goals (SDGs) Verified Impact Standard (SD VISta) for directly contributing to five SDGs.
- **Received the Leadership in Conservation Award** from the Sustainable Forestry Initiative.
- **Collaborated on watershed research** with partners, including the National Council for Air and Stream Improvement.
- **Supported the installation of a new fish counting fence** at First Lake in partnership with the Snuneymuxw First Nation and the Nanaimo River Hatchery.

- **Expanded the Emissions Reduction Initiative,** resulting in a 2% reduction in absolute emissions.
- **Supported habitat restoration for salmon** in several Vancouver Island watersheds with various conservation groups, including the BC Conservation Foundation, the Pacific Salmon Foundation and Vancouver Island hatcheries.
- **Planted 10.3 million seedlings of local species.**
- **Increased our salvaged volume,** which removed more fibre from being burned in slash piles than historic levels.
- **Facilitated conservation efforts** for endangered species like the Taylor's Checkerspot butterfly and the Vancouver Island Marmot.

2024 COMMITMENTS

- **Implement a series of diversified approaches to hazard abatement** to further reduce slash pile burning.
- **Launch greenhouse gases (GHGs) accounting awareness and reduction opportunity programs** with staff and contractors.
- **Establish a new partnership with an academic institution** to support the development and publication of a Vancouver Island watershed study.
- **Support with funding and land access local wildlife research** conducted by the BC government to inform habitat management strategy and decisions.

Science-based best practices support future forests

Sustainability efforts starting with Mosaic's Mount Newton Seed Orchard and the company's reforestation work have shown success in the face of climate change.

Hotter, drier summers since the heat dome of 2021 also brought anticipated mortality on recently planted seedlings and younger plantations. However, after assessing 60,000 hectares in 2023, the impact was much lower than expected.

Mosaic is dedicated to producing climate-compatible seeds at the orchard, where more

than 6,000 trees produce seeds for three species. Each orchard tree produces seeds that are proven to grow well on our planting sites, and the western redcedar seeds are further sorted into wetter or drier varieties to align the seed source to the conditions where they will be planted.

The success is also a result of Mosaic's collaboration with other orchards, BC's Ministry of Forests, nurseries, and researchers to make science-based decisions on seed deployment and strategy that looks decades out, in response to ever-changing climatic conditions.

Indigenous Partnerships

Dedication to reconciliation and partnerships

Recognizing and respecting the rights of Indigenous Peoples is a bedrock principle at Mosaic.

We foster positive, mutually beneficial business partnerships with First Nations and Indigenous-led businesses to advance Indigenous participation in the forest economy. We have 17 formalized memorandums of understanding with Coastal First Nations. Mosaic committed a portion of the proceeds from the BigCoast Forest Climate Initiative to engagement and cultural research led by the West Coast Indigenous Protected and Conserved Areas Innovation Program.

In 2023, we increased our efforts to deliver more training opportunities in the forest industry in partnership with First Nations through training programs like our wildland firefighting training, Forestry Supervisor training, as well as hazard abatement training.

Mosaic is committed to continuous progress in Indigenous relations. We're pleased these efforts helped us become Canada's first and only timberland owner to achieve Progressive Aboriginal Relations Gold certification from the Canadian Council of Aboriginal Business.



Canadian Council for Aboriginal Business 

2023 ACHIEVEMENTS

- **Achieved Gold-level Progressive Aboriginal Relations** certification from the Canadian Council for Aboriginal Business, becoming Canada's first and only timberland owner to achieve this standard of excellence.
- **Invested over \$150,000 in Indigenous scholarships, bursaries and training programs**, across 7 post-secondary institutions and 11 secondary schools.
- **Actively contributed to Huu-ay-aht First Nations' Hišuk ma c'awak Integrated Resource Management Plan** as a member of the technical working group.
- Further strengthened our commitment to positive and progressive Indigenous relationships through enhanced cultural awareness training and programs, including an **all-employee learning event on National Day for Truth and Reconciliation**.
- **Supported Indigenous participation in the forest economy** through harvesting, silviculture, and purchase agreements, 17 formalized memorandums of understanding, and tailored training programs to over 10 Indigenous partners.
- **Supported numerous Indigenous artists** through art commissions, donation of cultural logs, and carving projects to amplify and celebrate Indigenous culture.

2024 COMMITMENTS

- **Contribute \$150,000 towards First Nations scholarships, bursaries and training programs.**
- **Support Indigenous stewardship initiatives,** including Indigenous Integrated Resource Management Plans and landscape plans, through collaboration and investment of resources.
- **Build on existing cultural awareness competencies** and learning opportunities for all staff and contractors.
- **Participate in the Indigenous Intern Leadership Program and the First Nations Forestry Council Internship Program.**

Mosaic donated \$10,000 to Tseshaht First Nation's ?uu?atumin yaqck'wiimitqin "Doing it for our Ancestors" fund, a multi-phase project aiming to heal and bring answers to those affected by the Alberni Indian Residential School.



Community Relationships and Investments

Mosaic's operations overlap with 48 distinct First Nations; we are neighbours and business partners with First Nations and Indigenous peoples. To strengthen these relationships in 2023, we:

- Continued support for Homalco First Nation's Raven FM 100.7 "Keeping Our Word" daily radio segment sharing a different Ayajuthum word spoken by an elder.
- Supported and participated in over 25 community-centred events like the NaaWaas Ciinuu (totem) raising event, Huu-ay-aht First Nation's Bamfield Road celebration, and community events for We Wai Kai, Wei Wai Kum, Lyackson, Malahat, and Lil'wat First Nations.
- Contributed to Season 2 of Bear's Lair, an Aboriginal Peoples Television Network reality show highlighting Indigenous-owned businesses and entrepreneurs.
- Sponsored the North Island Driving School, led by 'Namgis Business Development Corporation, which helps people secure driver's licenses, removing it as a barrier to employment.
- Provided financial support to Kwu'mut Lelum, Tsow tun Le Lum Helping House, Kuu-uus Crisis Line and 11 First Nations food programs.

Among the 59 logs donated to cultural initiatives, four went to the new Indigenous Learning Centre building at Cowichan Secondary School.



In the Community

Mosaic Pavilion puts forestry on display in Parksville

Forests surround us on Vancouver Island, and there is a new destination where you can learn the history and future of sustainable forestry on Vancouver Island. Mosaic worked with the Parksville Museum to create the Mosaic Pavilion to educate, delight and inspire visitors to see forests and forestry in an insightful new way.

The Pavilion is an open-air space with interactive displays for visitors of all ages to discover the majesty of BC's forests and learn about modern, sustainable forest management practices. It's the perfect addition to the park-like grounds of the Parksville Museum and its collection of historic buildings and exhibits.



Mosaic helped the Parksville Museum put Vancouver Island forestry on display with the Mosaic Pavilion.

2023 ACHIEVEMENTS

- Installed the **Mosaic Pavilion, a forestry-themed educational permanent exhibit** at the Parksville Museum.
- **Delivered forestry-related lesson plans** with Vancouver Island schools.
- **Hosted two stages of the BC Bike Race** and renewed a five-year trail management agreement with the Nanaimo Mountain Bike Club.
- **Supported the District of Sooke’s forestry mural revitalization project.**
- **Contributed over \$1 million** to community, environmental, and educational initiatives, including a multi-year commitment to the University of British Columbia’s Faculty of Forestry.

Nearly 700 mountain bike riders from 35 countries participated in the 17th annual BC Bike Race, thanks in part to Mosaic’s support. The company provided sponsorship and an access agreement that allowed riders to use trails on our managed forest lands. As part of the sponsorship BC Bike Race donated \$3,000 each to the Tilicum Lelum Friendship Centre and the Cumberland Community Schools Society.



“As British Columbians we have a deep and meaningful connection to our forests and the University of British Columbia is a global leader in sustainable forestry. Mosaic Forest Management takes their responsibility as stewards of their lands very seriously and this contribution will help in training the next generation of leaders and innovators in sustainable forestry.”

— Bruce Ralston, Minister of Forests

2024 COMMITMENTS

- **Develop interpretive signage** for two recreational areas on Vancouver Island.
- **Contribute to two community watershed planning groups.**
- **Support mountain biking opportunities** on Mosaic’s managed forest lands.
- **Expand forestry-related educational opportunities** with Vancouver Island schools.
- **Launch an Earth Day educational initiative** focused on tree planting.
- **Support Alberni District Secondary School’s Outdoor Education Program.**

We’re proud to have signed dozens of new or extended access and land-use agreements in 2023, including with the following groups, resulting in positive safety, sustainability, and recreational outcomes:

| | |
|--------------------------------|----------------------------------------------------------------------------------------------------------|
| BC Bike Race | World-class event on trails on Mosaic’s managed forest lands in Nanaimo and Cumberland |
| Cowichan Lake Trailblazers | Access to the Fairservice Fun trail network |
| Mount Washington Alpine Resort | Access to roads, Nordic trails and outback areas |
| Nanaimo Mountain Bike Club | Access to trails in the Doumont Trail Network |
| Nanaimo Search and Rescue | Joint training exercise with Mid-Island ATV Club to strengthen safety procedures |
| Rowing Canada Aviron | Access to Quamichan Lake lakebed to install key infrastructure needed for a new National Training Centre |
| Wilfred Creek Hatchery | Addition of rearing tanks for coho and chum salmon situated on Mosaic’s managed forest lands |

Responsible Stewardship: At the Heart of our Business

MosaicForests.com |     

Progressive
Aboriginal
RELATIONS **GOLD
LEVEL**

Canadian Council for
Aboriginal Business 

