

FALL 2024 NEWSLETTER



Safety Is Our Top Priority



Port Hawkesbury Paper's unwavering commitment to safety is evident in our continuous yearly improvement. Our five-year trend, culminated in our best performance in recordable incident rates in 2023. We are proud to be recognized, once again, as one of the safest mills in Canada in the most recent report from Pulp & Paper Canada Magazine.

We are encouraged and thankful for the commitment of our employees and contractors to work safely each day, and we will work to continue the trend to provide the safest work environment possible.

IN THIS ISSUE

Safety Is Our Top Priority

New SC Paper Launch: Altitude

Supporting the Local Economy:
2024 Economic Impact Study

Sustainability

Community Outreach and
Engagement

Log A Load For Kids

PHP Wind Update

The Undesirable
Impacts of Wildfire

TRIAD Forest Management

The More You Know:
What happens to a group of
trees when harvested?

Outcomes-Based Forestry
Pilot Project



Supporting the Local Economy: 2024 Economic Impact Study

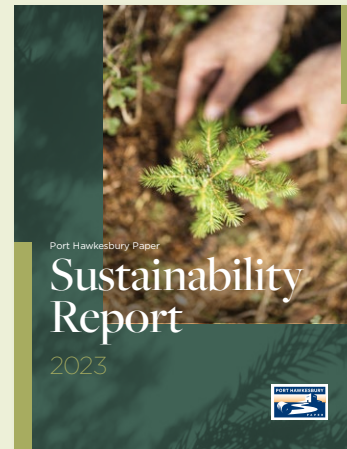
Port Hawkesbury Paper has been a cornerstone of economic development in the Province for decades. While growing the business and adapting to the changing times, our baseline goal has remained simple: **Support Local.**

Being the largest industrial organization in Cape Breton, employing over 325 direct employees and supporting over 900 contracted jobs, PHP generates approximately \$112 million in direct and indirect labor.

Learn more about PHP's economic impact in the 2023 Economic Impact Study.

New SC Paper Launch: Altitude

In response to customer demands for a brighter, more cost effective paper, we have introduced Altitude. This new grade is unmatched in the marketplace, setting a new standard for supercalendered papers. With quality and runnability on par with coated groundwood sheets, Altitude is offered in various basis weights and is suitable for both offset and rotogravure printing.



Sustainability

The company has released its Sustainability Report for the 2023 calendar year to document safety excellence, energy development, community outreach, and much more.

Find the full Sustainability Report here: Sustainability Report 2023

Community Outreach and Engagement



In April, the Leader of the Federal Opposition, Pierre Poilievre, spent a day in the Strait Area, stopping by PHP as part of his campaign.

Jill Balsler, Minister of Labour, Skills, and Immigration for the Province of Nova Scotia, announced in February that new grants would be available for apprentices at the PHP site. One grant can be used for tools and the other for computers and accessories.

PHP Wind held quarterly Community Liaison Committee meetings (Feb & May) at the Lincolnville Community Hall to discuss the project's development. Meeting minutes can be found at www.PHPWind.ca.

The Premier of Nova Scotia visited the PHP site in January to chat with workers about mill operations, the forest sector, and how the company is building the economy of rural Nova Scotia.



Log A Load For Kids

The 15th Annual Log A Load for Kids Tournament is planned for October 5th, 2024, at the Antigonish Golf and Country Club. Last year, we raised \$31,100, bringing our total since inception to \$310,900! There are many ways to support this great cause. If you are interested in entering a team, sponsoring a hole, or making a cash/prize donation, or if you would like further information, please contact beth.dobson@porthawkesburypaper.com.

"Port Hawkesbury Paper Woodlands' Log A Load For Kids Annual Golf Tournament supports Maritime children and families who need and rely on the IWK all year round. The funds raised go towards the urgent priority needs of IWK Health, such as new and advanced medical equipment, funding programs, leading-edge research, or upgrading care spaces and technology. We truly appreciate their commitment to the IWK and ensuring it can provide the very best care to the families in our region."

—Jason Thorpe

IWK Foundation Relationship Manager



PHP Wind Update

Fostering Community Engagement at Open House Sessions

On June 24th and 25th, the Goose Harbour Lake Wind Farm project team held open house sessions in Monastery and Mulgrave. The company presented transportation routes, shadow flicker maps, and sound modeling. These sessions were well received, with close to 50 community members attending. Several members of municipal councils and Port Hawkesbury Paper employees were also there to support the project. Subject matter experts were on hand to field inquiries, and everyone left with new knowledge about the project. Overall, the public feedback was neutral to positive, and the team was very pleased with the turnout.

Civil Work Update

After many delays, the project is set to begin construction near the end of this year. The full updated timeline can be found below.

WMA

PHP Wind is proud to announce its partnership with WMA - an economic development partnership owned by the 13 Mi'kmaq First Nations Communities.





The Undesirable Impacts of Wildfire

Port Hawkesbury Paper addresses the ecological and economic impacts of wildfires on forests alongside mitigation strategies. Please review our Wildfire Awareness Document for more details on the effects of wildfires.

Key takeaways include:

- Wildfires exacerbate climate change through carbon release, affect water and air quality by reducing vegetation and emitting harmful substances, and posing a threat to human health.
- Habitat is affected directly and by alteration of forest composition and age.
- There is a significant economic impact on infrastructure, property, and fibre supply.
- Port Hawkesbury Paper's wildfire mitigation measures include emergency planning, adherence to fire regulations, salvage harvesting, and prioritizing mature forest harvests to protect against damaging agents.

These efforts aim to mitigate wildfire risks and safeguard both the environment and forestry operations, emphasizing the importance of proactive management and awareness of wildfires' undesirable impacts.

TRIAD Forest Management

Nova Scotia's new TRIAD forest management paradigm continues to be rolled out across the Province on public land. This approach divides the Acadian forests into three different classifications:

- **Protected** – Prohibits forestry activity with the goal of preserving biodiversity
- **Matrix** – A lighter touch and a larger, dominant zone
- **High Production** – An assertive approach to fibre procurement

By implementing the TRIAD management system, the values Nova Scotians holds for its forests such as biodiversity, recreation, forest products, ecological services, and cultural values will be maintained across the three zones that work together to continually improve forest landscape management.





THE MORE YOU KNOW:
What happens to a group of trees when harvested?

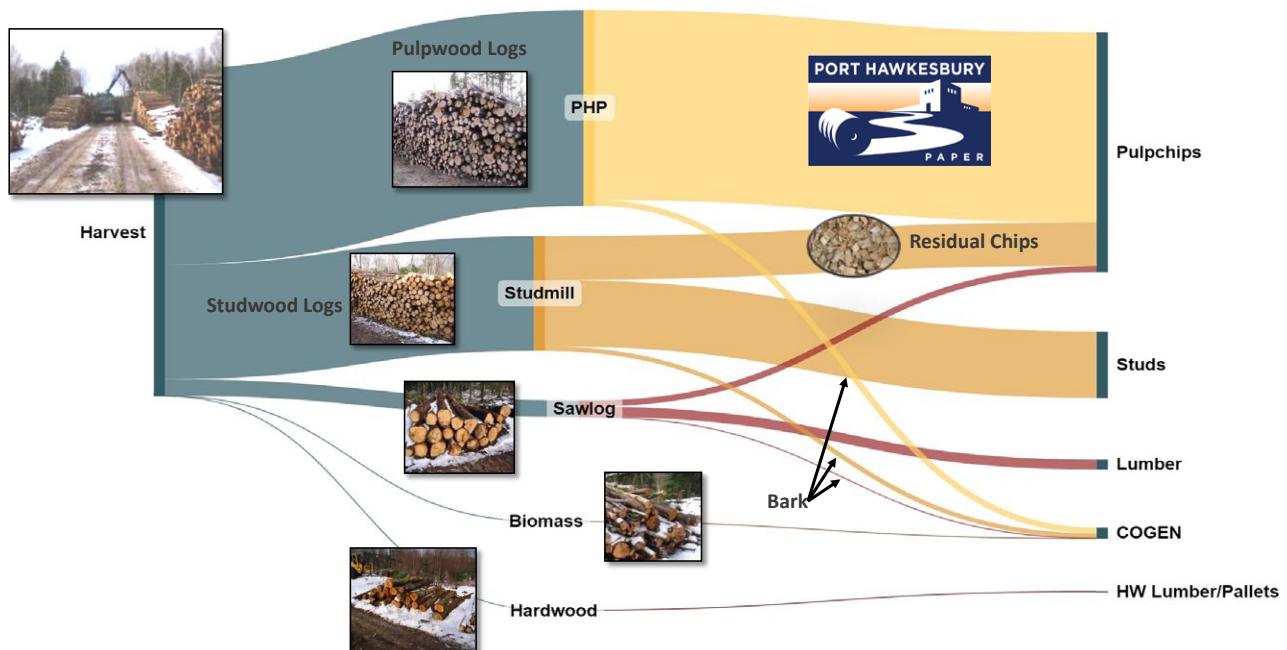
Optimizing Fibre Utilization

When we harvest a group of trees, they get delimbed at the stump often providing a vegetative mat to minimize disturbance to the forest floor. The tops, limbs, foliage, and root system will decay and contribute nutrients directly back to the soil. The log is then collected to the roadside and sorted by size.

Our forest fibre flow is a sophisticated and integrated system ensuring maximum derived value and optimal utilization. Bigger sawlogs are sent to sawmills, medium diameter logs are directed to stud mills, and the lower grade/smaller pieces are brought to the pulp mill. Before pulping, the bark is removed from the logs. The whitewood

goes to the pulp, and the bark goes to the hog (biomass) pile to be utilized in the biomass boiler for both green energy and steam, which in turn is used to power the operations. The biggest logs that go to the sawmills are cut into the highest value lumber sizes. About 60% of the log can be used for lumber. The remaining 40% (think outside slabs) are chipped and sent back to our pulp mill for pulp use. The bark, sawdust, and shavings from the sawmills are delivered to the biomass power boiler.

The typical healthy integrated wood flow system is a ratio of one pulp mill for every three to four sawmills. We value the excellent relationships with our sawmills and on-site cogeneration facility. This enables full utilization (zero waste) and the highest total derived value of the fibre possible, which is the basis for a strong forest sector.



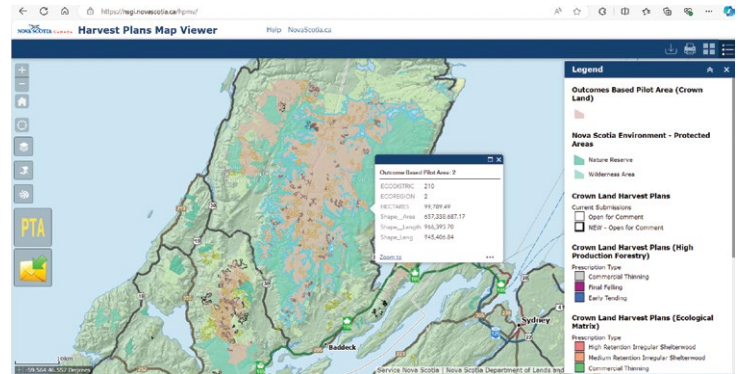
Outcomes-Based Forestry Pilot Project

Significant areas of Cape Breton Island are very different from the Acadian forest groups which dominate the mainland of the province. Climate, elevation, geology, forest disturbance, and predominant forest species such as highland fir and spruce, formulate the Martime Boreal forest group.

Since 2022, PHP and the NS Department of Natural Resources & Renewables (NRR) has partnered on an Outcomes-Based Forestry Pilot Project for the Cape Breton Highlands (Ecodistrict 210 of the NS Ecological Land Classification System). Outcomes-based forestry (OBF) is a forest management approach that focuses on achieving specific environmental, social, cultural, and economic outcomes rather than just following prescriptive practices or regulations. Unlike traditional forestry, which often emphasizes adherence to predefined rules (e.g., harvest methods, timing, and operational guidelines), outcomes-based forestry allows for more flexibility in decision-making. The primary goal is to meet desired outcomes such as:

- **Sustainable timber production:** Ensuring that timber harvesting is sustainable over the long term.
- **Biodiversity conservation:** Promoting the protection of ecosystems and wildlife habitats.
- **Watershed management:** Maintaining or improving the quality of water resources within forested landscapes.
- **Carbon sequestration:** Enhancing the forest's ability to capture and store carbon, thereby mitigating climate change.
- **Recreational and cultural values:** Preserving areas for public enjoyment, Indigenous cultural practices and knowledge, along with other societal values.

The approach involves significant collaboration with stakeholders, adaptive management, and the use of monitoring and metrics to ensure that these outcomes are being met. By focusing on results rather than how those results are attained, OBF seeks to balance economic use of forest resources with environmental protection and societal needs.



To gain practical experience with an outcome-based forestry approach on Crown land in Nova Scotia, NRR and PHP have worked together to design and implement a pilot project that explores an outcome-based approach for implementing ecological forestry in the maritime boreal forest of the Cape Breton Highlands (Ecodistrict 210). As recommended in the 2018 Independent Review of Forest Practices by Dr. William Lahey, the project's main goal will be to create a landscape approach for forest activities.

A prescriptive approach through OBF management benefits forestry companies. Instead of only adhering to a set of regulations without a clear end goal in mind, forest professionals can manage forests in accordance with a set of sustainable goals and targets at a landscape level. Companies accept accountability for selecting the best strategies to produce the desired results.

PHP has developed a draft five-year operating plan for the Cape Breton Highlands Ecodistrict 210. This allows for necessary adaptability and effectiveness to plan and approve forestry operations over a longer time scale across the landscape rather than block by block.

On August 1, 2024, NRR posted the draft five-year operating plan to the provincial Harvest Viewer website at [Harvest Plans Map Viewer \(novascotia.ca\)](https://reg.novascotia.ca). For additional background information on OBF, please visit [outcomes-based-forestry-background.pdf \(novascotia.ca\)](#)