Environmental Liaison Committee (ELC) "A

Community Liaison Committee"

Fifth Interim Project Summary

Submitted to Paper Excellence Canada, Northern Pulp Nova Scotia, and Ernst & Young Inc. acting as court appointed Monitor of the CCAA proceedings April 28, 2023

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Executive Summary

The ELC continues to operate under the Court approved mandate (Terms of Reference) with direct reporting to Ernst & Young Inc. acting as Court appointed Monitor of Northern Pulp Nova Scotia and related entities (the "Monitor") while Northern Pulp ("NP") is undergoing CCAA proceedings. The Monitor will consider this report as they continue with their professional responsibilities under the CCAA.

The ELC's role is to inform the Mill transformation by:

- Reaching out to stakeholders to ensure they have an opportunity to be heard.
- Holding meetings with Northern Pulp to provide feedback from stakeholders.
- Attending NP organized presentations to stakeholders to ensure dialogue is free flowing and recorded.

To date, the ELC has met with many community stakeholders and received presentations to better understand the views and perspectives on the Mill of various groups and individuals. While not all stakeholders have accepted the ELC's invitations to meet, efforts continue to ensure that all stakeholders understand the invitation remains open and the ELC would welcome their views at their convenience.

The ELC continues to engage with the community and aligns its active listening and engagement sessions with those held as part of Northern Pulp's community consultations for input into its Environmental Assessment Report. As well, the ELC has reached out directly to the public through newspaper print ads, and postcard and poster distribution throughout Pictou County

During the period covered by this report, Northern Pulp continued its extensive environmental studies related to air, light and water impacts of its transformation plan. As well, the consequences of the Hurricane Fiona damage have become clear for all to see. Large swaths of forests have been affected and the local electricity system continues to suffer from the infrastructure damage caused by the hurricane. The area is still recovering and efforts to re-establish normal community activities are ongoing.

This report should be read in conjunction with the ELC's February 2020 report (the "First Report"), the ELC's October 2021 (the "Second Report"), the ELC's April 2022 (the "Third Report") and the ELC's October 2022 (the "Fourth Report").

ELC Terms of Reference (TOR)

The TOR defines the ELCs purpose as:

"To encourage that any transformation of the Northern Pulp mill (the "Mill") be done in accordance with a manner that respects the environment (land, sea, and air) and promotes economic and social well being for its community partners, while respecting the unique cultural and traditional requirements of our Indigenous communities."

The ELC's October 14, 2021, Report details the objectives of the ELC.

Summary of Fifth Report Activities

Throughout the report period, the ELC met at least bi-weekly and considered many subjects to provide input to Northern Pulp and the Monitor. The main ELC activities included hosting or participating with external groups including;

- **Jean Blair** Director of Planning and Outreach at Torchlight Bioresources. Torchlight is involved in the Town of New Glasgow biomass project.
- **Dr. Sylvain Charlebois** Agriculture and Agrifood professor at Dalhousie University and frequent media commentator on natural resource policy and economics
- WSP Consultants Environmental technical experts who are engaged by Northern Pulp to assist
 with the development of the Environmental Assess Report for the transformation project. The
 ELC provided WSP consultants with the mill history and shared perspectives from the
 community.
- **NP Employee/ Retiree Sessions** ELC participated in five sessions with former mill employees and retirees on the transformation plan.
- Dan Campbell, STFX graduate with a BA & Science in Climate and Environment was strongly opposed to the mill and discussed his views and opinions on the topic. He has since joined the ELC.
- Produced and distributed newspaper print ads, postcards and posters inviting public questions and opinions. Along with email addresses, a phone message capacity was created.
- Hosted a booth at numerous community forums and events during the period including flea markets, Truro and Pictou County Home shows, and events. Discussed the ELC role, solicited feedback and distributed postcards to encourage further dialogue.
- Forestry sector events included:
 - Forestry sector meetings in Bridgewater and Truro on NP transformation. ELC facilitated discussions – 150 participants.
 - Booth at Forest NS AGM
 - Wallace and Area landowners and forestry information session
 - Booth at Tatamagouche Landowner meeting and participated in the Coalition of Concerned Citizens forum.
 - Cumberland woods crew safety meeting postcard distribution
 - o Booth at Canadian Woodlands forum

The ELC continued to reach out and seek presentations and information from groups and stakeholders that would be affected by the mill transformation. The following summarizes the current status of each major priority area as determined by the ELC. This Report provides updates of five subject areas: Mill Leadership, Environment, Forestry, First Nations, and Community.

1. Mill Leadership

The mill leadership has continued to evolve in this reporting period. Paper Excellence's transformation team led by JF Guillot has spent a lot of time meeting with many Nova Scotians and engaging with

governments during this period. The ELC is frustrated with Northern Pulp and the process, but they understand that the EA and CCAA process is a long and complicated one. The ELC is looking forward to further progress as the EA work continues and studies become available enabling Northern Pulp to fully engage with the general public. As well, the ELC wishes to acknowledge the retirement of mill General Manager, Bruce Chapman, in May after many years of service.

2. Environment

The technical analyses of the initial Environmental Assessment studies are being completed and will be released soon. Baseline information from the foundational "receiving water study" is completed and will help assess the optimal location and suitability of the treated effluent release location. This study's findings will help answer many of the questions that the ELC has received. The ELC is discussing with Northern Pulp their plans to share the study findings with the community and stakeholder groups.

3. Pictou Landing First Nation

Recently, Chief Andrea Paul announced that she was resigning as Chief of Pictou Landing First Nation effective June 2nd. The ELC would like to acknowledge the outstanding contribution Chief Paul made in representing her community during her tenure.

The ELC continues to encourage engagement with Pictou Landing First Nation ("PLFN") to meet and discuss issues and areas of common interest. The ELC will continue to find ways to foster dialogue with this vital community partner as new leadership emerges. The ELC understands and respects the PLFN position that its primary relationship is one of Nation to Nation with the Province of Nova Scotia. The ELC has availed itself of several opportunities to learn more about Indigenous perspectives during this period through direct presentations and continues to reserve two seats on the committee for them.

4. Forestry

In this period, concerns of the forestry sector and the ELC forestry subcommittee remains a high priority in the community. Generally, the situation for forestry has continued to deteriorate over the last six months. There are three fundamental areas of concern:

Forestry Supply Chain Viability – With the uncertainty of the Northern Pulp transformation plan timing, will there be a remaining forestry sector large enough to supply the required fiber? Currently harvesters, truckers, silviculture workers, sawmill operations and woodlot owners have been negatively impacted by the mill closure and many forestry businesses are now failing as both the initial Covid government financial support programs and higher than normal lumber prices have evaporated. There is growing anxiety and fear in the forestry sector of its ability to survive.

Bridging the Time Gap - The ELC continues to press PE and NP to provide options and bridge financial support to help the existing forestry sector sustain itself while the EA and construction process is underway. Paper Excellence has indicated it understands the importance of maintaining the supply chain to enable the transformation of the Mill. PE has been working to evaluate the feasibility of numerous transition period initiatives including the shipping of wood chips to other markets in Canada and internationally, using more wood for heating and biomass energy and exploring other uses for lower grade fiber such as mass timber and biochar. The ELC appreciates these efforts by PE and hopes they are successful as a transitional strategy until a permanent solution is determined.

Hurricane Fiona -forests from resource to waste— There continues to be increasing anxiety and concern in central Nova Scotia about the immense damage Hurricane Fiona caused to our forest resource. The damage is very visible, and the public is rightly concerned. Concerns range from the unsightliness of down trees to the danger of forest fires and pest infestations from so much dead wood lying on the forest floor. From a practical perspective, some of the downed trees have harvestable value if they are accessible, of a good species and quality and have a landowner who can act to recover the value before it degrades. As of this report markets for fiber (sawlogs and pulpwood) have been saturated, resulting in quota restrictions and price drops from many primary processing facilities. This has significantly impacted private landowner's stumpage values. The ELC encourages NP to take action to help mitigate this situation.

Generally, much of the damage is of such a scale that it will need some government intervention to help bridge the economic gap to harvest the fiber or expedite regulatory processes to seize this unique opportunity to salvage the resource while mitigating the potential catastrophic impact of large forest fires or mass infestations.

The ELC continues to hear that Nova Scotia's forestry sector requires a market for lower grade forest fibre of which Hurricane Fiona created even more.

5. Community

The primary role of the ELC is to ensure that the communities' issues with Northern Pulp are heard and responded to by Northern Pulp wherever possible. There has been progress in this area with the increased publication of more information and through Q's & A's, the public dashboard, and the enhanced outreach by the project team. The Provincial government had indicated it wants to hear feedback from the community that NP has addressed any fears and concerns satisfactorily.

New efforts have included more direct outreach by the ELC to non-forestry related events and making ELC access and information available online and directly through easy to engage channels.

Future Work Plan of the ELC

- The ELC will continue to meet and reassess its performance and impact on NP's activity and success in meeting its stated objectives.
- Re-produce and increase distribution of postcards.
- Attend many more community events with a booth to encourage greater citizen dialogue.
- Provide direct independent community channels to receive public input on NP EA study releases and share those with NP.
- Attend all NP public and online open houses and provide summary reports.
- Place ELC ad in the Atlantic forestry magazine
- Invite local area teachers' community to an ELC meeting.
- Engage Narrative Research to conduct a public opinion survey in September to accurately measure the public mood and if they would consider a mill transformation and factors that affect their views.

Recommendations and Summary Comments

The ELC continues to believe that its members can provide a valuable service to both Northern Pulp and the broader community. The ELC are the "eyes and ears" for the community acting as a liaison between the community and Northern Pulp by providing them with valuable feedback they would not otherwise receive.

The ELC ensures there is an appropriate and timely response by Northern Pulp to issues raised. This will enhance the reputation of the ELC in the community as an independent and transparent committee of interested participants who want to see Northern Pulp conduct its transformation plans in a manner that is reflective of the community's wishes and safe for our environment.

In the period covered by this report, the ELC would like to make the following recommendations for consideration by Northern Pulp, the Monitor and the Province of Nova Scotia that may help guide their future choices and conduct.

- The negative consequences of the mill uncertainty are growing.
 Forestry families are losing confidence that a path forward will be found in a timeline that will meet the need. All parties involved need to demonstrate they share the forestry sector's
- concern and are responding to it.
 The public wants informed; responsible action taken by Government. The ELC believes the change in the forestry economic conditions and the damage caused by Fiona created a wake-up call to all leaders to seek durable, practical, and environmentally sound solutions to the
- **3.** Encourage best efforts at the mediation table by all parties and explore greater non-legal dialogue. The ELC continues to encourage all the responsible parties to participate fully in the mediation efforts and processes. There are many livelihoods and interest's dependent on their efforts. As well, the ELC would encourage non-mediated dialogue to occur between all affected interests as the best solutions are those designed voluntarily by vested participants who ultimately will be responsible for implementing any commitments.
- Encourage more public engagement by Northern Pulp. The two home shows attended by the ELC and Northern Pulp were a tremendous success. Well over 400 people were contacted and discussions were had about the ELC role, and the transformation of Northern Pulp. Feedback was solicited and postcards were given out to encourage further dialogue. The ELC has heard from the public that they would like more of these information sessions. Some of the comments the ELC heard was:
 - We don't have any issue with the new transformation if they (Northern Pulp) do what they say they are going to do.
 - No smell, no plume that needs to change before we (the public) could ever allow the mill to re-open.
 - o Yes, we need the mill, the county needs jobs.
 - o Pictou County needs industry.

challenges we are facing.

- o Can we trust them to do the right thing and to be environmentally friendly?
- O Why haven't we heard more about the mill transformation?

o When are we going to hear more about the studies?

The consensus of the public was that they were curious and wanting to have these types of discussions compared to three years ago where it was a definitive no and dialogue was shut down.