



Social License to Practice Forestry

*Todd A. Payne - CEO
Seneca Family of Companies*

Company Overview - Seneca

- Founded – 1953
 - Celebrating over 60-years
- Lumber Production
 - 1953 – 18 mmbf
 - 2018 – 650 mmbf



Company Overview - Seneca

- Seneca Family of Companies
 - Seneca Sawmill Company
 - 4-lumber manufacturing facilities
 - Seneca Jones Timber Company
 - Seneca Sustainable Energy
- Employees – 450
- Ownership Transition:
 - Aaron Jones
 - Becky, Jody & Kathy Jones



100% TREE UTILIZATION: A MASSIVE ACHIEVEMENT

1"-3.5" Diameter
Whole Log Chipper

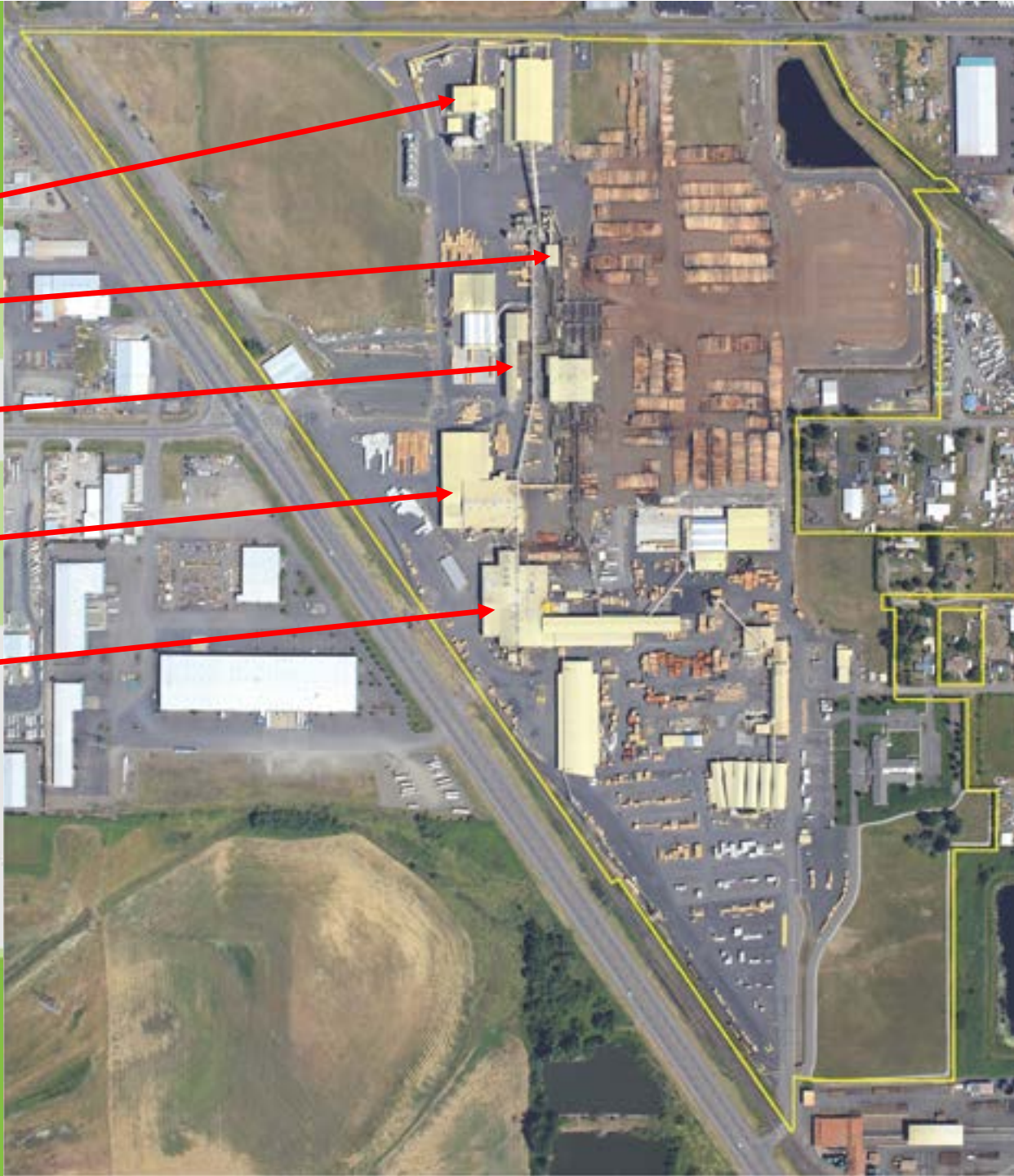
3.5"-7" Diameter
Stud Mill
Small Log Breakdown

7"-12" Diameter
Stud Mill
Large Log Breakdown

12"+ Diameter
Dimension Mill

All remaining material
from logging and mill
processes is utilized
as biomass fuel for our
Cogen Plant.

Utilizing every part of every tree is a
Seneca hallmark. We believe we do that
better than any other lumber mill on earth.



Dimension Lumber – 2x4-2x14 (8'-28')

Dry & Green Douglas-fir



2x4-2x6 (8', 9' & 10') - Dry & Green Douglas-fir Studs, Dry Hemlock Studs



Noti – 2x4-2x6 (8'-24') & RR Ties/Timbers Green Douglas-fir



Seneca Jones Timber Company

- ❑ Founded – 1992
- ❑ 170,000 acres
 - Three major land purchases
 - ❑ Smith River Tree Farm – 1989
 - ❑ Champion Tree Farm – 1992
 - ❑ Pope & Talbot Tree Farm – 1992
- ❑ 90% more timber today than 1992 (same acres)
- ❑ Lands managed on a sustainable yield



Seneca Sustainable Energy



- ❑ 19.8 MW renewable energy facility (wood biomass)
- ❑ Cogen – generating power and thermal energy from a single fuel source (wood biomass)
 - Steam – existing dry kilns
 - Steam – power generation
 - ❑ 100% of output to the grid (EWEB)



Seneca Sustainable Energy



- Project cost - \$65,000,000
 - 25% or \$16 million dollars dedicated to emission control equipment & technology
- Provide annual energy needs for 13,000 homes
- **Firm** source of renewable power
 - Non-firm – solar & wind
- Provide the capability to dry larger percentage of our lumber in the future

Then and Now.....

October 9, 2009



May 9, 2011



2015-18 Mill Upgrade Project

Project Overview

- ❑ Investment - \$63,000,000
- ❑ Time line
 - March 2015 – December 2018
- ❑ Project scope
 - Dimension Mill/Planer Upgrades
 - Stud Mill and Dimension Mill Dry Kilns
 - New Shipping and Rail Loading Area
 - New Log Yard Addition
- ❑ Fundamental shift in the lumber market
 - Green vs. Dry



Future - Seneca

□ Strengths

- Family focus
- Community member for more than 60-years
- Premier timber growing region
- Good workforce
- Good access to transportation – I5, UP, BN

□ Generational Change

- Owners
- Executive Management

□ Commitment.....

Social License to Practice Forestry



Social License – Overview

- ❑ **Social License – What does it mean?**
- ❑ **Forestry Context**
 - Past – Present – Future
 - Elements
- ❑ **Roles / Responsibilities**
 - Forest Landowners
- ❑ **Success**
 - How does it look like
- ❑ **Conclusion**
 - Simple, but necessary take-aways



Social License – The Basics

□ Social License – What does it mean?

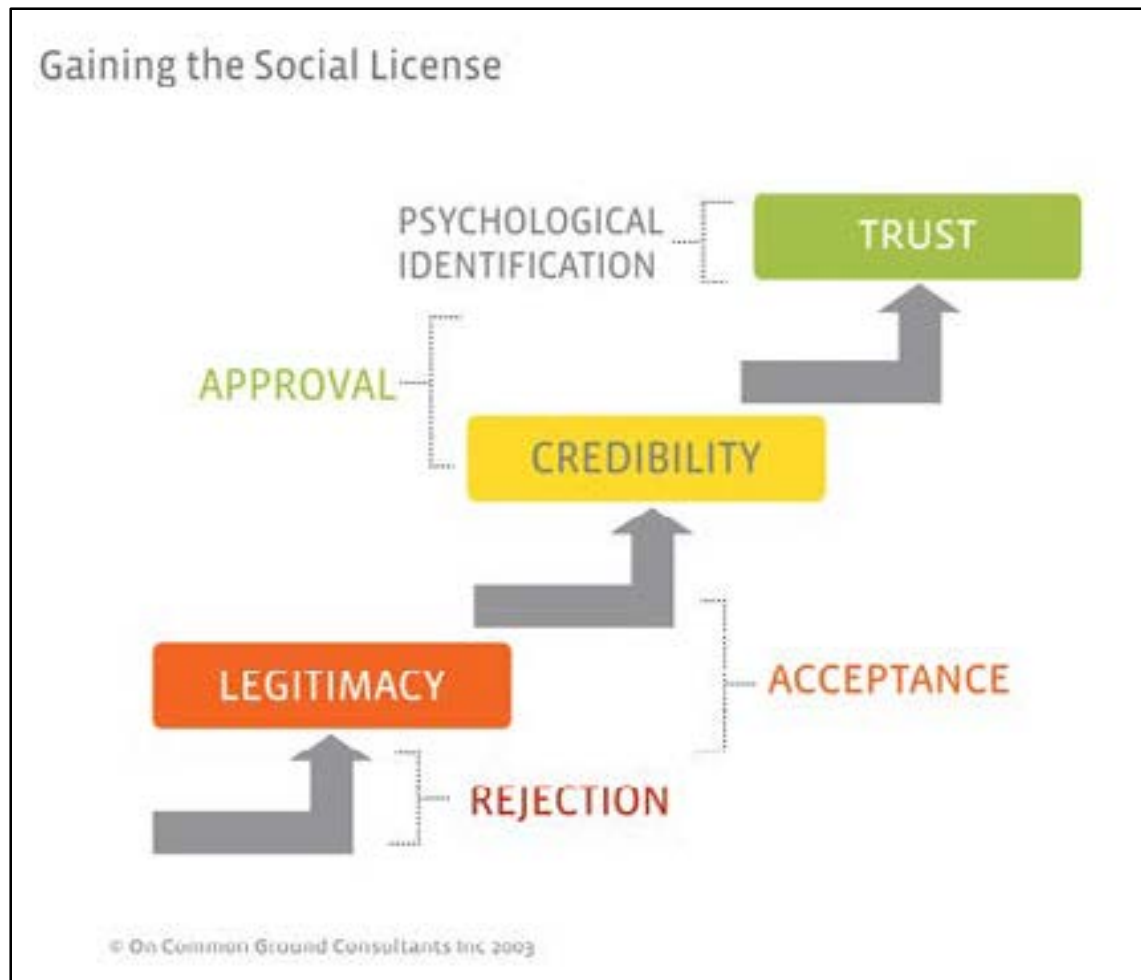
- **Social license** *exists when a project or practice has an ongoing approval or broad social acceptance.*
 - Based on the idea that companies need not only regulatory permission, but also a “social permission” to conduct their business.
 - Particularly in sectors with highly visible business practices.
 - Not only does the **Social License** have to be earned, but more importantly, it must be ***maintained***.

□ PUBLIC PERCEPTION.....



Social License – General

- ❑ **Social License – What does it mean?**
 - Steps to acquiring a social license:



Social License – Forestry Perspective

□ Past

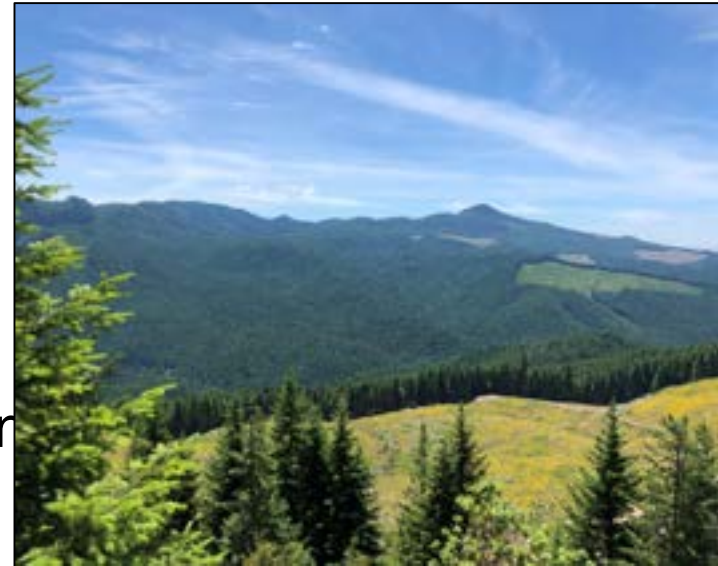
- Oregon was built on wood products
- Provided much needed employment
 - Especially for rural communities
 - Key economic driver
- Broad support



Social License – Forestry Perspective

□ Present

- Oregon's economy and population are more diversified
 - Forestry is still relevant
- Rural Oregon vs. Metro Oregon
- Greater environmental awareness
- Media impacts
 - Larger, broader reach
 - “Instant” news
 - Social media
- Communication / Education
 - We're behind, but that's changing



Social License – Forestry Perspective

□ Future

- Very Promising.....
- Strong, diversified coalition
- Constant and consistent messaging
 - Foundation - renewable & sustainable
- New and Innovative Products
 - Cross Laminated Timber (CLT) or Mass Plywood Panels (MPP)
 - Nano-Technology
- Evolution
 - Manual & mechanical
 - To high-tech & futuristic



Social License – Forestry Perspective

□ Elements of a Social License

■ Recognize the challenges

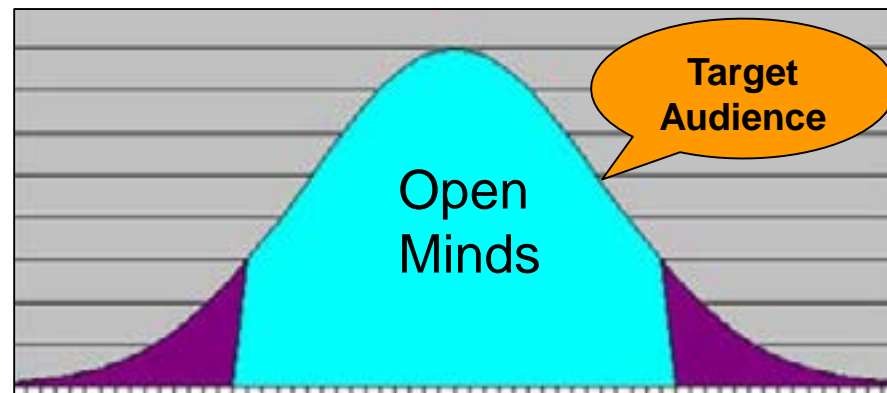
- Visible industry
- Changing perceptions about forest practices
- Lack of trust – We're playing from behind
- Time and money pressure
 - Lack of capacity to engage community (historically)

■ Prioritize needs

- Develop community acceptance, understanding and support
- Build trust
- Identify key influencers

■ Resource dedication

- Targeted efforts



Roles / Responsibilities - Industry

□ Easy story to tell

- Renewable and sustainable
- Carbon friendly

□ Developing “green” movement

- New building products / techniques
- Promoted by architects and engineers

□ Growing-adapting-innovating

□ ***Simple Fact:***

- Oregon is the #1 lumber producing state
- Lumber is produced from sustainably managed forests



Roles / Responsibilities - Industry

❑ Advocacy comes in many shapes and sizes

■ Forestland Owners

❑ Communication Specialists

- Return on investment (ROI)

❑ Professional Foresters

❑ Technology – i.e. virtual reality

■ Associations

❑ Oregon Small Woodlands Association (OSWA)

❑ Oregon Forest & Industries Council (OFIC)

❑ American Forest Resources Council (AFRC)

❑ Society of American Foresters (SAF)

❑ National Alliance of Forest Owners (NAFO)



OREGON FOREST &
INDUSTRIES COUNCIL
SUSTAINABILITY. SCIENCE. INNOVATION. GROWTH.

Roles / Responsibilities - Industry

□ Advocacy comes in many shapes and sizes cont.

■ Grass Roots Groups

- Lane Families for Farms and Forests (LI

■ Education

- Oregon State University College of Fore
- Oregon Forest Resources Institute (OFFRI),
- Forest Today & Forever



□ Certification

- Sustainable Forestry Initiative (SFI)
- Forest Stewardship Council (FSC)
- American Tree Farm System
- Oregon Department of Forestry



Roles / Responsibilities - Industry

▣ Seneca Experience:



Roles / Responsibilities - Industry

❑ Volunteer efforts

■ Oregon Plan for Salmon and Watersheds – 1997

- ❑ Lottery dollars, private funding
- ❑ Watershed Counsel development
- ❑ Diverse group of partners
 - Private, State and Federal

■ Industry conservation efforts

■ Recognition

❑ Community support

- “Quiet givers”
- Right reason



Roles / Responsibilities - OSWA

- ❑ OSWA carries a unique voice
 - Public perception
 - ❑ Small Private vs. Industrial
 - ❑ Gentler, kinder voice
 - “Relatable”
- ❑ Important role
 - Advocacy
 - Critical link in the forestry story



Social License Success

- ❑ Decided in the court of “Public Opinion”
- ❑ Ongoing practice, not an end result
 - Sustainable
- ❑ Internal and external advocacy
 - Development of external “bench strength”
- ❑ Education & messaging – key to success
 - Constant and consistent
 - Proactive, not reactive



Conclusion

- ❑ Social License to Practice Forestry - Reality
 - Issued by society
 - ❑ Takes time to build
 - ❑ Listen, understand and demonstrate we care (sincere).
 - ❑ No measurable metric – public perception
 - Must be earned, must be maintained
 - Broad participation
 - ❑ Forest Landowners – Big & Small
 - OSWA plays a critical role
 - ❑ Develop external advocates
 - Education & messaging – key to success
 - ❑ Constant and consistent
 - **Story and momentum are on our side**



A photograph of a dense forest. The scene is filled with tall, slender trees, likely spruce or fir, with light-colored bark. The forest floor is covered in a thick layer of green ferns and moss, with some fallen branches visible. Sunlight filters through the canopy, creating dappled light on the ground. The word "Questions" is written in a white, cursive font across the lower portion of the image.

Questions