



# Shareholder

A quarterly newsletter from Sealaska

## Overview of Sealaska's Success in 2017

As 2017 rapidly comes to a close, Sealaska is expected to have a very profitable year. We also expect to reach, or be very close to achieving, a key financial goal established in 2012, that Sealaska is profitable before 7(i) and investment income. Sealaska and its subsidiary management and staff have worked tirelessly to meet that goal. Sealaska's three primary sources of income are as follows:



### Operations

- Sealaska Operations continue to achieve substantial growth in profitability from its actively managed business endeavors. This has been a major initiative for the last several years and will continue to be going forward.
- Sealaska Foods has co-invested in two new seafood companies during 2017. First is Odyssey Foods which then purchased a 49% interest in Orca Bay Seafoods. Please check out their websites to learn more about these businesses.
- The 2017 annual report will have a new business segment that will reflect the financial results of our new investments in seafood.



### The Marjorie V. Young Shareholder Permanent Fund (MVY)

- The MVY Permanent Fund is having a very good year with returns well above the 2016 MVY fund returns.
- The MVY Permanent Fund continues to accomplish its intended purpose of providing returns sufficient to pay bi-annual shareholder dividends and for inflation proofing.



### ANCSA 7(i) / 7(j)

- In 2017, NANA and ASRC continue to provide substantial 7(i) income to Sealaska through their zinc and oil development profits.
- 7(i) is a section in the Alaska Native Claims Settlement Act (ANCSA) that requires the sharing of profits generated from the development of the natural resources from lands conveyed as part of the ANCSA by each regional corporation.

## Training the Next Natural Resource Stewards

When eight teenagers showed up for their first day of work in Kake, Alaska, XtraTuf boots and rain gear in tow, Bob Girt saw future foresters, botanists and marine scientists of Southeast Alaska.

"I get excited when I see students discovering the sciences," Girt said. "They didn't realize that they could do it and enjoy it!" And better yet, he added, do this work in their own hometowns. Girt is the Sr. Environmental Compliance and Liaison Specialist for Sealaska Timber.

From June to the middle of August, these youth worked on Sealaska lands, getting experience in watershed management, forestry, botany and trail maintenance, all while making over \$100 a day. Mentors from a variety of partnerships – the U.S. Forest Service, Department of Fish and Game, Tlingit & Haida – met with the students in the field and classroom. They learned everything from vegetation identification to how to file a tax return.

This was all made possible through the TRAYLS program, which stands for Training Rural Alaskan Youth Leaders & Students. Girt helped with winning a grant to develop the TRAYLS program. He saw it as an opportunity to train the next generation of natural resource stewards to protect and manage the same land their ancestors have for 10,000 years. The TRAYLS program will return next summer with more partnerships, mentors and opportunities for participants.

If you are 16 – 25 years of age, are an Alaska Native and are interested in earning a summer income while developing skills in natural resource management, the TRAYLS program is for you.

**For more information on the program, visit [SustainableSoutheast.net/trayls](http://SustainableSoutheast.net/trayls).**



TRAYLS participants on Prince of Wales Island  
Photo by Bethany Goodrich, courtesy of the Sustainable Southeast Partnership

## Sealaska's Land: Protecting Culture, Environment and People

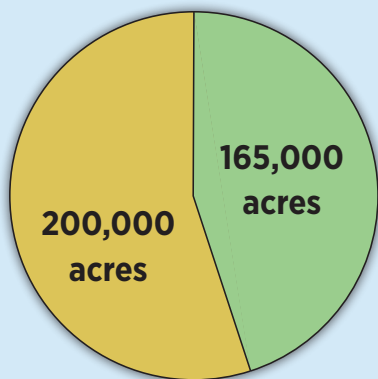
Sealaska is constantly looking for ways to optimize its land and natural resources for the greatest cultural, environmental and financial gain. Sealaska has begun a carbon offset project that will protect watersheds, help maintain healthy salmon and wildlife habitat, provide safe access to rural communities' drinking water, while creating financial benefit from traditional lands.

Over the last few years, Sealaska analyzed and selected the lands that will be set aside into a carbon offset program. Instead of logging these lands for timber, Sealaska set them aside and created a carbon bank. The trees will store carbon emissions from the atmosphere through a process called carbon sequestration.

One major benefit of doing this is to protect watersheds in communities such as Hydaburg, which support healthy runs of salmon and clean, safe supplies of drinking water. Sealaska is

near completion of verifying the amount of carbon that is annually banked - or sequestered - on our lands. This is quantified in "carbon credits."

Once verified, the credits are available to sell to any buyer that wants to offset their carbon emissions. Sealaska has a contracted buyer for all of its credits, with the sale occurring over multiple years. Carbon emitters, like power utility companies or oil companies, typically buy credits to offset their emissions that exceed their emissions cap.



Out of the 365,000 surface acres of land Sealaska owns, 165,000 acres have been set aside for a carbon offset project.

### How is carbon stored?

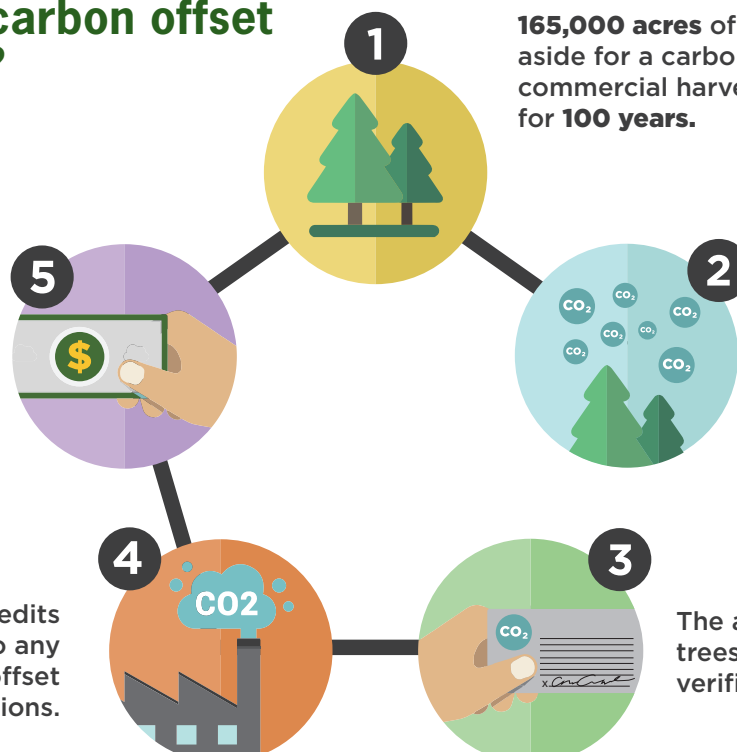
Carbon sequestration is a natural process of removing carbon dioxide from the atmosphere and storing it in a carbon reserve, such as trees and forested lands.

### How does this impact Sealaska's lands and communities?

The 165,000 acres in the carbon program are still owned by Sealaska and accessible by shareholders. Sealaska will continue to actively manage the lands over the course of the 100 years. Shareholders can continue subsistence activities on the lands. The land is available for harvest, such as berries, totem logs and cedar bark.

### How does the carbon offset program work?

Sealaska receives payment for the credits that are purchased. Revenue from carbon credits will support Sealaska and Tlingit, Haida and Tsimshian people, communities, culture and homelands.







## CEO Letter

Sealaska is excited to be culminating a 5-year strategic plan in 2017 that includes an improved operating performance of \$22 million. Significant work has gone into reducing costs and improving operating income. We are building sustainable growing businesses in industries that are meaningful to shareholders.

We are especially excited by the opportunity to grow a seafood business that provides consumers high quality Alaskan seafood tied to a story of how our own people have sustained themselves on seafood for the 10,000 + years in Southeast Alaska.

Sealaska's seafood platform began with Independent Packers Corporation (IPC) in 2016. Two new investments were made in 2017 with companies that market high quality seafood products that provide value add through processing plants.

Odyssey, a Seattle-based company was founded in 1981, offers a wide variety of retail and food service seafood products under their Treasures from the Sea and Chef's Treasures brands. It also provides food service products, custom processing and private label production at its Seattle

processing plant, Northwest Seafood Processors.

A new company has been formed, jointly owned by Orca Bay Seafoods, Inc. and Odyssey Foods, LLC. The combination of Odyssey and Orca Bay will help create a scalable marketing and sales effort which can introduce new innovative products to retailers, consumers and food service, while focusing on getting the greatest value for wild Alaskan seafood resources. We believe a long-term commitment to the seafood industry provides us an ability to build a story around our work in environmental services where we protect the ocean environment, while utilizing the resources of the ocean in a sustainable manner, taking the example of our ancestors and utilizing their values and knowledge.

The business momentum we achieved in 2017 will allow the new investments to provide growth in 2018.

Sincerely,

Anthony Mallott President and CEO

## Salmon Ladders and Weather Balloons

Sealaska Construction Solutions, a Sealaska Government Services subsidiary, is working on multiple projects in Southeast Alaska.



### Improving Pink and Coho Salmon Habitat

Sealaska Construction Solutions has begun reconstruction of the Lena Beach Recreation Area in Juneau, Alaska. Along with building new picnic shelters, aligning and reconstructing the road and improving parking, they will work to improve pink and coho salmon habitat. The existing Picnic Creek fish ladder and culvert will be removed, a 40-foot bridge installed and the creek regraded to improve the habitat. Preparatory work was conducted in the fall to remove trees and an existing shelter. The majority of the work is scheduled to occur between April and August of 2018.



### Creating Efficient Weather Service in Yakutat and Annette Island

Weather data gathering is about to get more efficient in two Southeast Alaskan communities - Yakutat and Annette Island. Sealaska Construction Solutions are preparing sites for installation of Autosonde (automatic balloon launcher) equipment. The foundation on Annette Island is pictured above. The equipment will remotely release weather balloons twice daily to collect meteorological data from the upper atmosphere for the National Weather Service. Along with local subcontractors, SCS is working on design, grading, foundations, electrical and fencing for the equipment. SCS recently completed this same kind of work at the National Weather Service offices in Fairbanks and St. Paul.



# THE CARVING PROGRAM JOURNAL



## What we heard at the California workshop:



*"I'm really thankful that the paddle workshop was held in California. A plane ticket to Alaska is not something that everybody can afford. When you visit shareholders down here, it's a huge blessing to us."*

**- Ryan Kozisek, lives in Sacramento**

*"I felt really good. It made me think about my ancestors."*

**- Linda Starbard, lives in Ocean Shores, Washington**

*"I wanted to connect with something that is traditional and is an enduring symbol of our culture. Certainly a handmade paddle is one of those things - it's almost like a rite of passage."*

**- Keith Fulton, lives in San Diego**

*"Doing these kind of workshops and these little mini culture camps has given us a family here in northern California. We are so appreciative of you all coming down here."*

**- Lauren Peters, lives in Winters, California**

*"When you make your own paddle, I felt it, there's an energy between everyone here. I genuinely respect and appreciate every single person here. They've all helped each other out in some way."*

**- Dean Suttles, lives in Los Angeles, California**



# WAYS TO

# California



Sealaska joined the One People Canoe Society for a paddle making workshop in Isleta, California in October. This is the first paddle workshop Sealaska has been part of outside of Alaska. The 28 participants started with planks of plain cedar from Southeast Alaska, and each walked away with a unique and traditional canoe paddle. Sealaska donated and delivered those cedar planks free of charge and assisted in travel expenses for the instructors to the three-day workshop.

“The Native spirit there brought tears to my eyes,” says Bill Bennett, General Manager for Sealaska Coastal Aggregates. He has managed the Sealaska Carving Program for over 20 years.

The youngest to attend was the 8-year-old son of Melanie Wolley, who made a paddle fitted just for him. Melanie said her grandmother would make Native art, and she wanted to make her grandmother proud.

Stacy McDonald, traveled from Boise, Idaho to make a paddle. She says it felt like a family gathering as they all told stories and got to know each other. Diana Lynn lives in Crockett, California. She says transforming the wood was a magical experience. She says using wood from Southeast and her traditional homeland was a real gift.

Doug Chilton with One People Canoe Society provided guidance in sanding, carving and designing the artwork on each paddle. Many of the participants want to travel to Juneau, Alaska for the upcoming Celebration in June 2018. The festivities include a Canoe Journey, and they are excited to use their newly designed paddles to take part.

“I’m so grateful that Sealaska is supporting our outreach efforts to reach more of our shareholders that can’t make it back to their homeland for whatever reason,” Bennett says. “It’s a really commendable thing.”



Frank Peratrovich, Assistant Manager (left) and Bill Bennett, Manager (right)

## About Sealaska Carving Program

The program donates cedar bark and wood to non-profit organizations such as schools, village corporation programs, culture camps, multiple canoe societies and other programs. The wood comes from Sealaska Timber lands and the Bill Bennett and Frank Peratrovich inspect each milled piece for the highest quality.

Contact Bill Bennett for requests and more information at [bill.bennett@sealaska.com](mailto:bill.bennett@sealaska.com)



# MySealaska.com

The simplest way to manage and access all your shareholder information and keep in touch with Sealaska.

## WHAT YOU CAN DO WITH MYSEALASKA

1. Vote your proxy online
2. Update mailing address
3. View and print stock certificate
4. Set up or change direct deposit
5. View distribution payment history
6. Access and print IRS form 1099
7. Calculate pending distribution \*
8. Verify Your Income \*

\* **New 2017 Feature**

## NEW MYSEALASKA FEATURES

**Calculation of a pending distribution** - Shareholders can visit MySealaska to learn how much a pending payment will be by the record date for a distribution, if a shareholder is registered.

**Income verification** - You can verify your income directly by logging on to MySealaska.com. Please note this is not available on the mobile app.

## WHAT YOU NEED TO REGISTER:



Your Birthdate



Last 4 Digits of Your Social



A Valid Email Address



Your Mailing Address



Create a Password for Mysealaksa

## In Memory

Sealaska pays tribute to shareholders who have recently walked into the forest.

Patricia Alma Adams - Soldotna AK (74)  
 William Auda Jr - Troutdale OR (57)  
 Kathleen E Baird - Sitka AK (48)  
 Roy V Banhart - Ketchikan AK (38)  
 Laine J Brooks - Anchorage AK (47)  
 Theresa L Chance - Ypsilanti MI (71)  
 Glenda M Christomos - Centralia WA (88)  
 Mark A Davis Jr - Juneau AK (36)  
 Herbert Didrickson Sr - Sitka AK (91)  
 Albert Dowd - Juneau AK (61)  
 Clarence B Dull - Sitka AK (91)  
 Anthony Dupea - Ketchikan AK (51)  
 Clifford A. Durgan - Juneau AK (26)  
 Nellie A Edge - LaConner WA (43)  
 James E Egan - Grand Blane MI (84)  
 William B Fawcett - Wasilla AK (95)  
 Christopher R Feller - Juneau AK (60)  
 Glen E Friberg - Federal Heights CO (77)

David L Friday - Kake AK (79)  
 Barbara A Greene - Vallejo CA (56)  
 Delmar L Haynes - Harvard ID (66)  
 Carline L Hendrixson - Ketchikan AK (90)  
 Marie E Howard - Hoonah AK (74)  
 Leslie Rae Isturis - Juneau AK (57)  
 Gary L Jackson - Kake AK (64)  
 Joni M Jackson - Sitka AK (55)  
 Geraldine N Jamestown - Anchorage AK (68)  
 Cristal Lewis Ketah - Juneau AK (27)  
 John Lindoff - Juneau AK (81)  
 Pete Martin JR - Kake AK (77)  
 Alvina J Martinez - Ketchikan AK (80)  
 Myrna G McKinley - Juneau AK (79)  
 Anita McNeil - Anchoage AK (87)  
 Mabel E Moy - Sitka AK (93)  
 Joseph A Mukpik - Monument CO (42)  
 Lisa T Mullins - Ketchikan AK (63)

Rebecca G Nelson - Prince Rupert BC (79)  
 Steven V Nelson - Angoon AK (52)  
 Sharal A Ortiz - Spokane WA (56)  
 Charles E Owen - Wasilla AK (77)  
 Terrance Ozanich - Atlanta GA (54)  
 Irene L Peratrovich - Klawock AK (92)  
 Earl H Reece Jr - Marysville WA (64)  
 Colleen T Barnes Rhone - Redwood City CA (61)  
 Alicia N Roberts - Klawock AK (93)  
 Carol M Sheridan - Langley WA (83)  
 Lani R Sowle - Big Lake AK (67)  
 Jacob St Clair - Seattle WA (71)  
 Richard D Torres - Marysville WA (70)  
 Cody M Wolf - Spokane WA (29)

**Please note** that Sealaska will publish shareholder names only after the Shareholder Relations Department has received proper documentation.



# News from Sealaska Heritage Institute

Sealaska established Sealaska Heritage Institute in 1980 to perpetuate Tlingit, Haida and Tsimshian culture and protect the “Container of Wisdom” left by our Elders. Since inception Sealaska has donated roughly \$32.2 million in cash donations and in-kind services to Sealaska Heritage Institute.

## Award-winning Baby Raven Program Expands Across Southeast Alaska

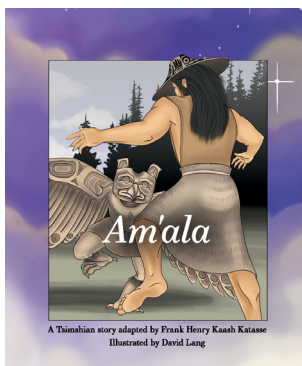
SHI is expanding its award-winning Baby Raven Reads program to nine new communities in Southeast Alaska in an effort to promote early literacy, language development and school readiness of Alaska Native children. The program also will fund development and publication of nine new culturally-relevant books over three years for children up to age 5. SHI—in partnership with Central Council of Tlingit and Haida Indian Tribes of Alaska (CCTHITA) Head Start program—will offer the three-year program in Juneau, Angoon, Craig, Hoonah, Klawock, Petersburg, Saxman, Sitka, Wrangell and Yakutat through 2020. Enrollment is now open. For more information, contact Katrina Hotch, [katrina.hotch@sealaska.com](mailto:katrina.hotch@sealaska.com).

***Baby Raven Reads was one of 15 programs in the world chosen for a 2017 Library of Congress Literacy Awards Program Best Practice Honoree award. SHI has published 18 Baby Raven books since 2016.***



## The New Baby Raven Book from SHI Is a Tsimshian Story

SHI has published a new culturally-based children's book through its Baby Raven Reads program. The new book, Am'ala, is based on a traditional Tsimshian story about a young man who is teased by his brothers for being lazy and dirty. The young man trains secretly with a spirit and gains superhuman strength. He takes on warriors, animals, and even a mountain before facing his greatest challenge—the world itself. The story was adapted by Tlingit writer Frank Henry Kaash Katasse and illustrated by Tsimshian artist David Lang. The book is available at the Sealaska Heritage Store in Juneau and online. Am'ala is the eighteenth children's book published through SHI's Baby Raven Reads.



## SHI's Tináa Art Auction Raises Money For New Endowment

We owe a huge thank you to the artists and collectors who donated pieces for our 2017 Tináa Art Auction. Thanks also to the people who attended the auction, sponsored the event, bought tickets, volunteered and purchased art and other items up for auction. Because of you, we raised nearly \$200,000 for SHI's new endowment, which will ensure that SHI's programming will benefit future generations and the public.

## IMPORTANT DATES

### SEALASKA SCHOLARSHIP

Apply starting December 22, deadline is March 1, 2018

\$50 incentive to those who apply on or before February 1, 2018

Apply at [scholarship.sealaskaheritage.org](http://scholarship.sealaskaheritage.org)

### CELEBRATION 2018 DANCE GROUPS

Applications are open now - March 30, 2018 at [sealaskaheritage.org](http://sealaskaheritage.org) > institute > celebration programs

### CELEBRATION 2018 NATIVE ART MARKET AND ART COMPETITIONS

Applications are open now - January 16, 2018 at [sealaskaheritage.org](http://sealaskaheritage.org) > institute > celebration programs

### CELEBRATION 2018

June 6-9, 2018



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## ANNUAL MEETING IN WRANGELL

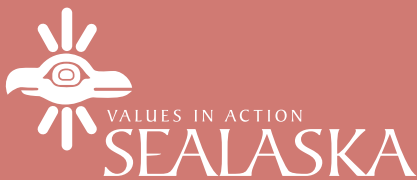
Sealaska is looking forward to the 2018 Annual Meeting in Wrangell, Alaska. This will be the 2<sup>nd</sup> annual meeting held there.

We hope you and your family can join us. Please visit [www.wrangellchamber.org](http://www.wrangellchamber.org) to learn more about the community. If you can't join in person, Sealaska will have a live webcast available.

Twitter@SEALASKA | Visit us on Facebook | YouTube@SEALASKAKWAAN

## Q4 2017

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800.848.5921 toll-free



Our PURPOSE is to strengthen our people, culture and homelands.

Our VISION is to be an Alaska Native enterprise of excellence built on our core cultural values.

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