



**Scope**

Canfor Corporation and Canfor Pulp Ltd.’s due diligence system (DDS) supports each allied company’s multi-site chain of custody certification registered under FSC-CW/CoC certificate codes:

**Canfor Corporation:** KF-COC-001058/KF-CW-001058

**Canfor Pulp Ltd.:** KF-COC-001056/KF-CW-001056

The list of participating sites, by company covered by the multi-site certifications include:

**Canfor Corporation:**

- Radium Hotsprings Sawmill,
- Elko Sawmill,
- Skookumchuck Whole Log Chipping Operation,
- Canfor Wood Products Marketing.

**Canfor Pulp Ltd.:**

- Prince George Pulp & Paper Mill,
- Intercontinental Pulp Mill,
- Northwood Pulp Mill,
- Canfor Pulp Sales.

Information on Canfor Corporation and Canfor Pulp Ltd. is available at <https://www.canfor.com/>

**FSC Products Groups**

**Canfor Corporation:**

- W1.1/SPF, Fdi/Lw, Cedar/Hemlock logs
- W1.2/SPF, Fdi/Lw, Cedar/Hemlock bark hog fuel,
- W3.1/SPF, Fdi/Lw, Cedar/Hemlock wood chips,
- W3.2/SPF, Fdi/Lw, Cedar/Hemlock sawdust,
- W3.3/SPF, Fdi/Lw, Cedar/Hemlock shavings,
- W6.1/SPF, Fdi/Lw lumber,
- W5.2/Fdi/Lw rough green lumber.

**Canfor Pulp Ltd.**

- P1.1/mechanical pulp,
- P1.1.2/mechanical, bleached - refiner pulp,
- P1.3/chemical pulp, bleached,
- P1.4/chemical pulp, unbleached,
- P2.3/wrapping and packaging paper.

**Species used in Canfor Corporation & Canfor Pulp Ltd.’s FSC® Product Groups**

<b>Pines</b>	<b>Spruces</b>	<b>True Firs</b>	<b>Other Conifers</b>	<b>Hardwoods</b>
Lodgepole Pine ( <i>Pinus contorta</i> ), Jack pine ( <i>Pinus banksiana</i> ), White pine ( <i>Pinus monticola</i> ), Ponderosa Pine ( <i>pinus ponderosa</i> )	White Spruce ( <i>Picea glauca</i> ), Engelmann Spruce ( <i>Picea engelmannii</i> ), Black spruce ( <i>Picea mariana</i> ) Hybrid White Spruce ( <i>Picea spp.</i> ),	Subalpine (Balsam) fir ( <i>Abies lasiocarpa</i> ), Amabilis fir ( <i>Abies amabilis</i> ), Grand fir ( <i>Abies grandis</i> )	Western larch ( <i>Larix occidentalis</i> ), Douglas-fir ( <i>Pseudotsuga menziesii</i> ), Western hemlock ( <i>Tsuga heterophylla</i> ), Western red cedar ( <i>Thuja plicata</i> )	Aspen ( <i>Populus tremuloides</i> ), Balsam poplar ( <i>Populus trichocarpa</i> ), Paper Birch ( <i>Betula papyrifera</i> )

**Defined Fibre Supply Areas**

Canfor Corporation and Canfor Pulp Ltd. have defined fibre supply areas in western Canada that are shown in the following figures.



**Figure 1: British Columbia Defined Fibre Supply Area**





**Figure 2: Alberta Defined Fibre Supply Area**

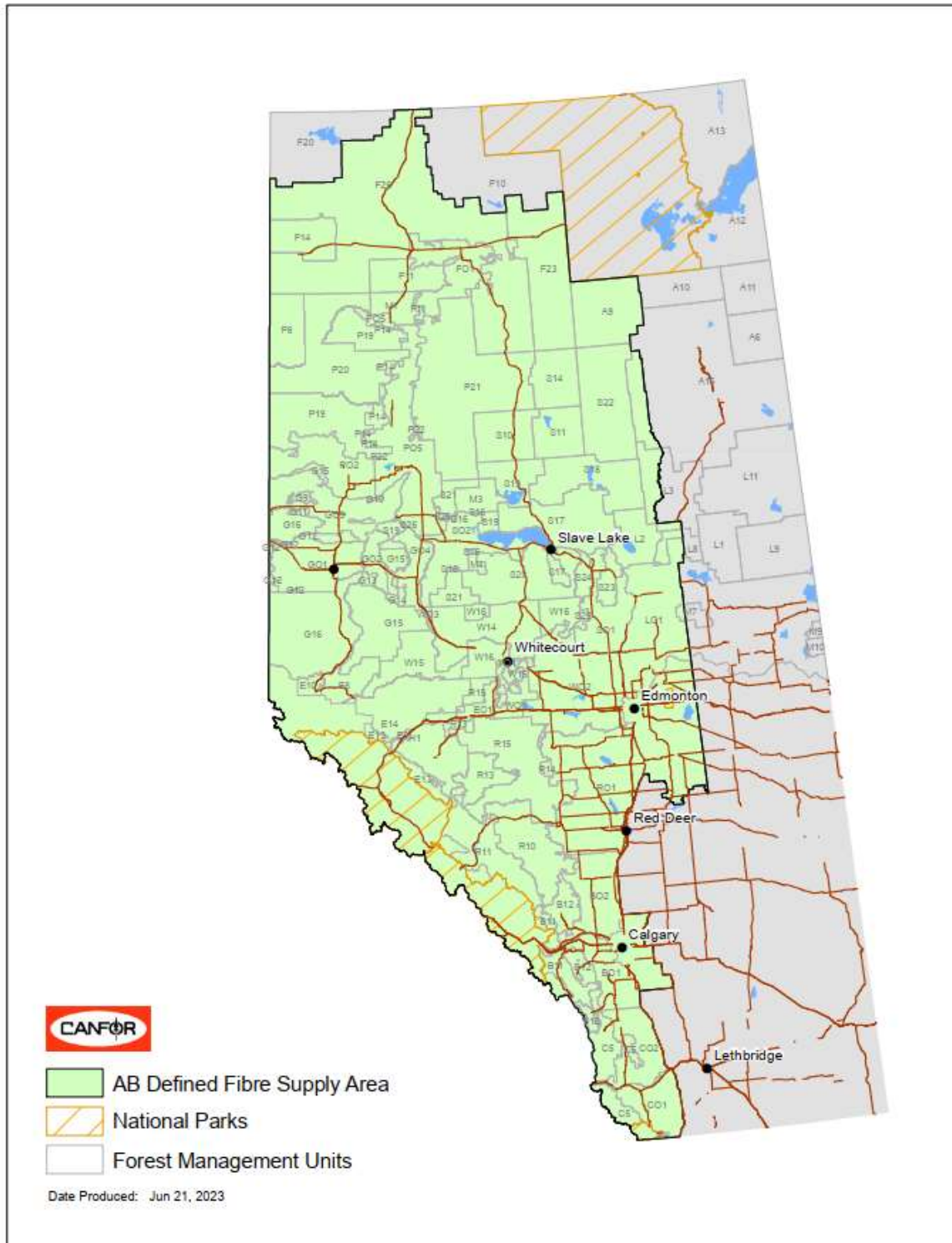
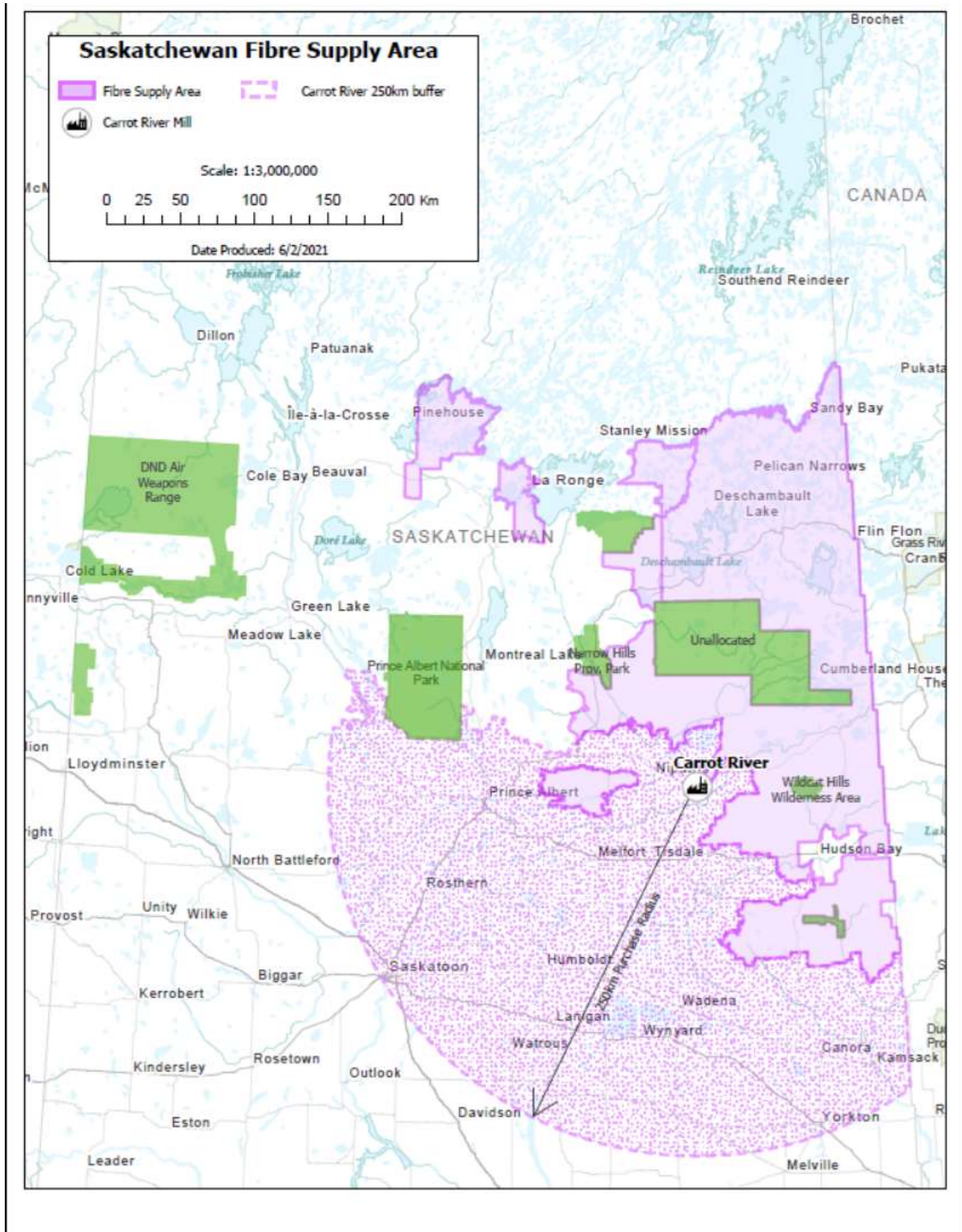




Figure 3: Saskatchewan Defined Fibre Supply Area





**Unacceptable Source Risk Assessment & Control Measures**

The most current version of the National Risk Assessment (NRA) for Canada V2-1 was approved November 5, 2019 and updated July 31, 2020 is available at <https://fsc.org/en/document-centre/documents/resource/344>. The NRA for Canada forms the basis of this unacceptable source risk assessment.

**Risk Mitigation under sec. 4.12 of the Controlled Wood Standard.**

Table #1 identifies the NRA indicators with specified risk within the British Columbia, Alberta and Saskatchewan defined fibre supply areas and the control measures selected by Canfor Corporation and Canfor Pulp Ltd. to mitigate the risk of sourcing material from unacceptable sources.

**Table #1 – Specified Risk and Control Measures**

<b>Controlled Wood Indicator</b>	<b>Selected Control Measure(s)</b>
2.3 The rights of Indigenous and Traditional Peoples are upheld.	1
<b>Control Measure #1:</b> Indigenous Peoples with legal and/or customary rights within the Forest Management Unit do not <i>oppose*</i> the Forest Management Plan.	
3.1 HCV 1: Species diversity.	8
<b>Control Measure #8:</b> Evidence demonstrates that forests in the sourcing area have a <i>management plan</i> <sup>1</sup> that contributes to the recovery of woodland caribou <i>critical habitat*</i> , as identified in the Federal Recovery Strategy. The management plan identifies and implements: a) Best Management Practices (BMPs) that reduce disturbance to and restore <i>critical habitat*</i> including, but not limited to: • access management (e.g. road decommissioning, integrated access plans, restoration of linear features); <b>OR</b> ▪ aggregate harvesting (i.e. harvest scheduling to minimize disturbance footprint). <b>OR</b> b) Harvest deferrals, set asides, and/or <i>protection areas</i> <sup>2</sup> within areas of <i>critical habitat*</i> , where forest operations are not permitted. Rationale is provided as to how such actions will contribute to reducing the level of disturbance over time in <i>critical habitat*</i> , in support of meeting the threshold <sup>3</sup> requirements in the Federal Recovery Strategy.	



**Table #1 – Specified Risk and Control Measures**

<b>Controlled Wood Indicator</b>	<b>Selected Control Measure(s)</b>
3.2 HCV 2: Landscape-level ecosystems and mosaics.	2 & 5
<p><b>Control Measure #2:</b> Evidence demonstrates that a minimum of 80% of the IFL is not <i>threatened*</i> by forest management operations in the <i>long-term*</i>. AND The cumulative impacts of forest harvesting will not reduce the IFL to below 50,000 ha.</p> <p><b>Control Measure #5:</b> Forest operations do not reduce IFLs below 50,000ha, AND all meet applicable options below: a) For an IFL between 50,000ha and 62,500, cumulative impacts forest operations do not affect more than 10% of the IFL. b) For an IFL between 62,501 and 75,000 ha, cumulative impacts forest operations do not affect more than 20% of the IFL. c) For an IFL between 75,001 and 200,000 ha, cumulative impacts forest operations do not affect more than 30% of the IFL. d) For an IFL between 200,001 and 500,000 ha, cumulative impacts forest operations do not affect more than 35% of the IFL. e) For an IFL larger than 500,001 ha, cumulative impacts forest operations do not affect more than 45% of the IFL.</p>	
4.1 Conversion of natural forests to plantations or non-forest use in the area under assessment is less than 0.02%, or 5000 hectares average net annual loss for the past 5 years (whichever is less). Applies to Boreal Plains ecozone of BC & Alberta only.	1, 2 & 3
<p><b>Control Measure #1:</b> Evidence demonstrates that supplied material does not originate from areas converted to non-forest.</p> <p><b>Control Measure #2:</b> Evidence demonstrates that supplied material originates from acceptable sources of conversion, including: ▪ Conversion that results in conservation benefits (e.g. ecological restoration, species at risk protection), and ▪ Publicly approved changes in zoning within urban areas</p> <p><b>Control Measure #3:</b> The Organization demonstrates support for existing integrated land management processes designed to reduce the cumulative impact of changes to non-forest landscapes. ▪ Documented support promoting integrated land management processes that aim to reduce the cumulative impact of conversion of forests to non-forest uses; ▪ Participation in integrated land management discussions; and ▪ Working within their sphere of influence to enact mitigation strategies designed to reduce the impact of conversion to non-forest uses.</p>	



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### **Complaints**

The complaints process addresses complaints and complaints that have escalated into disputes.

Complaints regarding Canfor Corporation's forest management and controlled wood certification can be forwarded to:

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Sara Cotter, RPF, FMS & Tenures Coordinator  
Canfor Administration Centre  
5162 Northwood Pulp Mill Road, PO Box 9000  
Prince George, BC, V2L 4W2  
T: 250-962-3500  
F: 250-962-3582

E: [Sara.Cotter@canfor.com](mailto:Sara.Cotter@canfor.com)

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Complaints regarding Canfor Pulp Ltd.'s controlled wood certification can be forwarded to:

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Vice President, Pulp and Paper Sales and Marketing  
Canfor Pulp Limited  
101 – 61 East 4<sup>th</sup> Avenue  
Vancouver, BC, V5T 1G4  
T: 604-264-6213  
F: 604-661-5253  
E: [Brian.Yuen@canforpulp.com](mailto:Brian.Yuen@canforpulp.com)

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### **Complaint Process**

- Within two weeks of receiving the complaint provide an initial response that notifies the complainant/s that the complaint has been received and inform the complainant/s of the complaints procedure,
- Conduct a preliminary assessment to determine whether evidence provided in the complaint is or is not substantial, by assessing the evidence provided against the risk of damaging the value (FM certification) or using material from unacceptable sources (CW/CoC certification),
- Engage in dialogue with the complainant/s that aims to solve the complaint provided and assessed as being substantial before further action is taken,
- Canfor Corporation/Canfor Pulp Ltd. will forward all substantial complaints and complaints that have elevated into disputes to the certification body and FSC Canada within two weeks of receipt of the complaint along with information on the steps taken to resolve the complaint with a description of how a precautionary approach will be used,
- Employ a precautionary approach towards FM operations and continued sourcing of the relevant material while a complaint is pending,
- Investigate a complaint assessed as substantial within two months of its receipt and determine corrective actions to be taken by Canfor Corporation/suppliers and the means to implement and enforce the corrective action. If a corrective action cannot be determined and/or enforced operations at the site or relevant material and/or suppliers shall be excluded from the FSC-FM certified lands and/or the Canfor Corporation/Canfor Pulp Ltd. controlled wood supply chain,
- Conduct follow up verification to ensure corrective action has been taken by Canfor Corporation/suppliers and that it is effective,
- Exclude the relevant material/suppliers from the Canfor Corporation/Canfor Pulp Ltd. controlled wood supply chain if no corrective action has been taken,
- Notify the complainant, the certification body and FSC Canada of the results of the complaint and any actions taken to achieve resolution,
- Maintain records of correspondence, investigation evidence and all actions taken to resolve the complaint.

Where substantial opposition from Indigenous Peoples to Canfor Corporation/Canfor Pulp Ltd.'s activities is identified Canfor Corporation/Canfor Pulp Ltd. as the case may be will cease operations at the identified site and address the event following the complaint process outlined above.



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**CFP & CPL Risk of Mixing Input Material with Ineligible Material Assessment**

The unacceptable sources risk assessment above indicates that material sourced from the geographic areas assessed in consideration of the guidance identified in the FSC National Risk Assessment for Canada and the control measures implemented by CFP and CPL results in CFP and CPL concluding that there is negligible or low risk of sourcing wood fibre from unacceptable sources in the western Canada fibre supply areas defined in this summary.

From a practical sense, preventing non-eligible material from entering the CFP & CPL supply chain is straightforward, at the sawmill and pulpmill, CFP & CPL inspect each load of input material to ensure that it includes the origin timber mark on every log or chip delivery, and simply prevent unidentified material (loads with no acceptable origin timber marks) from entering the respective sites. Timber is hammer stamped with the timber mark in the bush prior to transportation to the mill site, this eliminates the risk of mixing during transloading between the forest and the sawmill that might provide risk of contamination.

Purchase contracts utilized by CFP and CPL specify that the material provided must not originate from unacceptable sources. Supplier declarations are required and scrutinized to ensure that input material does not originate from unacceptable sources. In the unlikely event that ineligible material is discovered or alleged to have entered the CFP or CPL supply chain, the procedures identified in the CFP & CPL Complaint Process described above will be implemented. If corrective action cannot be determined and/or enforced operations at the site or relevant material and/or suppliers shall be excluded from the FSC-FM certified lands and/or the Canfor Corporation/Canfor Pulp Ltd. controlled wood supply chain. With these controls in place, coupled with the very low risk of sourcing unacceptable material at the origin level, CFP & CPL conclude that the risk of non-eligible material entering their respective supply chains is negligible.

With respect to CPL, the vast majority of input material sourced by CPL comes from SFI forest management certified suppliers, primarily from CFP. To date, very little, if any, logs or chips accessed by CPL are sourced from FSC forest management certified sources or acquired with the FSC Controlled Wood claim. By virtue of the screening of input material by way of this unacceptable sources risk assessment, the rejection of material without timber mark verifying acceptable origin, and the control measures noted above, all material entering the CFP and CPL supply chain is considered to be controlled material.

Therefore, CFP and CPL conclude that there is low risk of mixing non eligible material with acceptable input material and that there is low risk of mixing uncontrolled with controlled material.

Hence, input material sourced from these provinces is considered acceptable as “controlled material” and may be used as inputs to the CFP and CPL FSC product groups.