

CHAIN OF CUSTODY POLICY



CANFOR IS COMMITTED TO ESTABLISHING AND MAINTAINING A CHAIN OF CUSTODY SYSTEM WITHIN SELECTED OPERATIONS TO CREATE AN INFORMATION LINK BETWEEN THE RAW MATERIAL USED IN COMPANY MANUFACTURING PLANTS OR SOLD TO OTHER ORGANIZATIONS AND THE FOREST AREA OF ORIGIN OF THE RAW MATERIAL.

WE WILL:

- Track the origin of raw material from Canfor's forest tenures through transport to delivery in log yards and consumption in manufacturing plants.
- Track the origin of raw material from outside suppliers.
- Track and record separately, the volume of raw material from forests certified by standards defined by the following organizations:
 - Sustainable Forestry Initiative®
 - Forest Stewardship Council®
 - Canadian Standards Association CAN/CSA-Z809 Sustainable Forest Management
- Track and record the volume of raw material from uncertified forests and make best efforts to avoid sourcing and trading raw material from:
 - Illegally harvested areas;
 - Wood harvested in violation of traditional and human rights;
 - Wood from forests in which high conservation values are threatened by management activities;
 - Wood from forests being converted to plantations or non-forest use; and
 - Wood from forests in which genetically modified trees are planted; and
 - Suppliers in violation of any of the ILO Core Conventions.
- Avoid placing on the market material from illegal/controversial sources.
- Conduct regular audits of our Chain of Custody system.
- Communicate information about our Chain of Custody to meet the needs of our customers and other stakeholders.

FEBRUARY 2023

A handwritten signature in black ink that reads "Stephen Mackie".

STEPHEN MACKIE

Executive Vice President, North American Operations