



2021 CANFOR SUSTAINABILITY DATA PACK

Canfor's 2021 Sustainability Data Pack summarizes the performance data for the reporting year ending December 31, 2021, unless otherwise stated. Where possible, historic data has also been summarized based on information reported in our 2020 Sustainability Report.

The scope of this data pack covers Canfor Corporation and Canfor Pulp Products Inc. (Canfor Pulp), including all consolidated subsidiaries (hereinafter referred to as "Canfor" or "the Company"). This data pack also includes data of controlled subsidiaries on a 100% ownership basis (e.g., for a 51%-owned entity, we report 100% of the data) for the reporting period.

However, unless otherwise stated, the data pack excludes:

- Canfor's 70%-owned subsidiary Vida group (Vida); instead, see Vida's 2021 Sustainability Report
- Canfor's 60% interest in Houston Pellet, Inc. (HPLP)
- Millar Western Forest Product Ltd.'s solid wood operations and related data, as the acquisition was completed on March 1, 2022
- Canfor's associates or investments

Certain comparative amounts for prior years have been reclassified or restated to conform with updated reporting criteria. If prior years' data is restated, it will be indicated within this document as footnotes.

Data is reported using the metric system and in Canadian dollars unless otherwise stated.

The figures are unaudited and subject to restatement in future years as methodology changes or as more accurate data becomes available.

This Sustainability Data Pack is supplementary to our full 2021 Sustainability Report which can be found at <https://sustainability.canfor.com/>. Past sustainability reports, are available on our website.

The 2021 Sustainability Report is part of Canfor's annual reporting suite, which includes the following documents:

Canfor

[2021 Annual Report](#)
[Annual Information Form](#)
[Information Circular](#)

Canfor Pulp

[2021 Annual Report](#)
[Annual Information Form](#)
[Information Circular](#)

As we continue our sustainability journey, we welcome your feedback and suggestions at info@canfor.com.

Last updated: June 30, 2022



SAFETY, HEALTH & WELLNESS

Performance

Year over Year Comparison of Safety Metrics

| | 2021 | 2020 | 2019 | 2018 |
|---|-------------------|------------|------------|------------|
| Total Recordable Incident Frequencies (TRIF) | 1.42 | 1.62 | 1.54 | 1.42 |
| Total Recordable Incidents | 88 | 93 | 93 | 94 |
| Total Fatalities | 1 | - | - | - |
| Total Hours Worked | 12,408,932 | 11,503,262 | 12,086,627 | 13,240,986 |

Total Recordable Incident Frequencies (TRIF)^a

| Business unit | 2021 | 2020 | 2019 | 2018 |
|---|-------------|-------------|-------------|-------------|
| Wood Products Operations: Canada | 1.52 | 1.76 | 1.64 | 1.67 |
| Wood Products Operations: U.S. | 1.13 | 1.60 | 1.39 | 1.48 |
| Pulp Operations | 1.83 | 1.36 | 1.59 | 0.71 |
| Total | 1.42 | 1.62 | 1.54 | 1.42 |

^aOur targeted improvement is calculated on a three-year rolling average. To calculate TRIF, Canfor uses 200,000 hours worked. Incidents include work-related injuries. Our 2021 three-year average is based on average of 2018, 2019 and 2020 results. Canfor defines recordable incidents based on Manufacturing Advisory Group guidelines.

Total Recordable Incidents^b

| Business unit | 2021 | 2020 | 2019 | 2018 |
|----------------------------------|-----------|-----------|-----------|-----------|
| Wood Products Operations: Canada | 37 | 40 | 43 | 52 |
| Wood Products Operations: U.S. | 29 | 37 | 31 | 33 |
| Pulp Operations | 22 | 16 | 19 | 9 |
| Total | 88 | 93 | 93 | 94 |

^bCurrent definitions for recordable incidents are calculated on the basis of the Manufacturing Advisory Group guidelines. Recordable incidents are defined as an injury to an employee on the job that results in receiving medical treatment (treatment beyond first aid and medical treatment administered by a physician or by a registered medical professional), lost time (any incident in which an employee loses one or more days of work due to occupational injury or illness) or medical treatment with work restrictions (incident that keeps an employee from performing one or more of the routine functions of their job for an extended period of time). For future reporting years, all Canfor operations will be aligning work-related injury definitions to reflect OSHA's Recordable Work-Related Injuries methodology, which may increase the number of recordable incidents.

Total Fatalities

| Business unit | 2021 | 2020 | 2019 | 2018 |
|----------------------------------|----------|----------|----------|----------|
| Wood Products Operations: Canada | - | - | - | - |
| Wood Products Operations: U.S. | 1 | - | - | - |
| Pulp Operations | - | - | - | - |
| Total | 1 | - | - | - |

Total Hours Worked

| Business unit | 2021 | 2020 | 2019 | 2018 |
|----------------------------------|-------------------|-------------------|-------------------|-------------------|
| Wood Products Operations: Canada | 4,870,817 | 4,542,551 | 5,245,833 | 6,251,549 |
| Wood Products Operations: U.S. | 5,137,684 | 4,611,475 | 4,457,742 | 4,445,151 |
| Pulp Operations | 2,400,431 | 2,349,236 | 2,383,052 | 2,544,286 |
| Total | 12,408,932 | 11,503,262 | 12,086,627 | 13,240,986 |



INCLUSION & DIVERSITY

Performance

| Metric | 2021 |
|---|------|
| Under-represented groups* in executive leadership positions | 17% |
| Under-represented groups in all other senior leadership positions | 19% |
| Under-represented groups for new hires annually | 24% |
| Completion of Inclusion & Diversity (I&D) awareness training for salaried employees across North America | 94% |
| Completion of Indigenous Cultural Awareness and Understanding (ICAU) training for Canadian salaried employees | 97% |

* Under-represented groups include women, non-binary people, Indigenous Peoples, visible minorities, people living with disabilities, LGBTQ2S+ individuals and veterans.

2021 Workforce by Employment Type and Region^a

| Region | Hourly | Salaried | Temporary / Casual | Total |
|--------------|--------------|--------------|--------------------|--------------|
| Canada | 2,611 | 1,136 | 172 | 3,919 |
| U.S. | 1,741 | 363 | 1 | 2,105 |
| Asia | - | 17 | - | 17 |
| Total | 4,352 | 1,516 | 173 | 6,041 |

^aExcludes Vida; includes casual/temporary employees.

Workforce by Employment Type and Gender^b

| Employment Type | 2021 | | | 2020 ^c | | | 2019 | | |
|--------------------|--------------|------------|--------------|-------------------|------------|--------------|--------------|------------|--------------|
| | Men | Women | Total | Men | Women | Total | Men | Women | Total |
| Full-Time Hourly | 4,032 | 315 | 4,347 | 4,008 | 277 | 4,285 | 3,961 | 275 | 4,236 |
| Full-Time Salaried | 1,101 | 405 | 1,506 | 1,151 | 379 | 1,530 | 1,020 | 356 | 1,376 |
| Part-Time Hourly | 3 | 2 | 5 | 4 | 1 | 5 | 5 | 1 | 6 |
| Part-Time Salaried | 3 | 7 | 10 | 2 | 8 | 10 | 3 | 9 | 12 |
| Temporary | 94 | 79 | 173 | 78 | 50 | 128 | 85 | 47 | 132 |
| Total | 5,233 | 808 | 6,041 | 5,243 | 715 | 5,958 | 5,074 | 688 | 5,762 |

^bExcludes Vida; includes casual/temporary employees.

^cPrior year figures have been restated due to reclassification between employment types.

Total New Hires by Region, Age Group and Gender

2021^d

| Region | Women | Men | Total |
|---------------|------------|--------------|--------------|
| Canada | 121 | 422 | 543 |
| Under 30 | 50 | 187 | 237 |
| 30-50 | 60 | 180 | 240 |
| Over 50 | 11 | 55 | 66 |
| U.S. | 68 | 834 | 902 |
| Under 30 | 19 | 311 | 330 |
| 30-50 | 35 | 382 | 417 |
| Over 50 | 14 | 141 | 155 |
| Total | 189 | 1,256 | 1,445 |

^dExcludes Vida, temporary and casual employees.

2020^e

| Region | Women | Men | Total |
|---------------|-----------|------------|------------|
| Canada | 60 | 257 | 317 |
| Under 30 | 32 | 123 | 155 |
| 30-50 | 19 | 99 | 118 |
| Over 50 | 9 | 35 | 44 |
| U.S. | 33 | 491 | 524 |
| Under 30 | 9 | 186 | 195 |
| 30-50 | 20 | 222 | 242 |
| Over 50 | 4 | 83 | 87 |
| Total | 93 | 748 | 841 |

^eExcludes Vida, temporary and casual employees.

Employees by Age Group and Gender as a %

2021^f

| Age | Women | Men | Total |
|--------------|--------------|--------------|-------------|
| Under 30 | 2.2% | 13.1% | 15.3% |
| 30-50 | 5.9% | 39.2% | 45.1% |
| Over 50 | 4.3% | 35.3% | 39.6% |
| Total | 12.4% | 87.6% | 100% |

^fExcludes Vida and casual/temporary employees.

2020^g

| Age | Women | Men | Total |
|--------------|--------------|--------------|-------------|
| Under 30 | 2.0% | 13.0% | 15.0% |
| 30-50 | 5.3% | 39.1% | 44.4% |
| Over 50 | 4.1% | 36.5% | 40.6% |
| Total | 11.4% | 88.6% | 100% |

^gExcludes Vida and casual/temporary employees.

Employees by Gender and Job Category as a %

2021^h

| Job Category | Women | Men | Total |
|----------------------------------|--------------|--------------|-------------|
| Operations | 5.5% | 70.1% | 75.6% |
| Operations Management | 1.1% | 8.8% | 9.9% |
| Business Support | 1.4% | 0.4% | 1.8% |
| Professional | 3.0% | 5.2% | 8.2% |
| Professional Management | 1.0% | 1.0% | 2.0% |
| Executives and Senior Management | 0.4% | 2.1% | 2.5% |
| Total | 12.4% | 87.6% | 100% |

^hExcludes Vida and casual/temporary employees.

2020ⁱ

| Job Category | Women | Men | Total |
|----------------------------------|--------------|--------------|-------------|
| Operations | 5.0% | 70.1% | 75.1% |
| Operations Management | 1.1% | 9.7% | 10.8% |
| Business Support | 1.6% | 0.5% | 2.1% |
| Professional | 2.7% | 5.1% | 7.8% |
| Professional Management | 0.8% | 0.9% | 1.7% |
| Executives and Senior Management | 0.4% | 2.1% | 2.5% |
| Total | 11.6% | 88.4% | 100% |

ⁱExcludes Vida and casual/temporary employees.

Executives by Age Group and Gender as a %

2021

| Age | Women | Men | Total |
|--------------|--------------|--------------|-------------|
| Under 30 | 0% | 0% | 0% |
| 30-50 | 11.1% | 5.6% | 16.7% |
| Over 50 | 0% | 83.3% | 83.3% |
| Total | 11.1% | 88.9% | 100% |

2020

| Age | Women | Men | Total |
|--------------|-------------|--------------|-------------|
| Under 30 | 0% | 0% | 0% |
| 30-50 | 6.3% | 31.2% | 37.5% |
| Over 50 | 0% | 62.5% | 62.5% |
| Total | 6.3% | 93.7% | 100% |

Board of Directors by Company, Age Group and Gender as a %

2021

| Company | Women | Men | Total |
|--------------------------|--------------|--------------|-------------|
| Canfor | | | |
| Under 30 | 0% | 0% | 0% |
| 30-50 | 0.0% | 7.7% | 7.7% |
| Over 50 | 15.4% | 76.9% | 92.3% |
| Canfor Total | 15.4% | 84.6% | 100% |
| Canfor Pulp | | | |
| Under 30 | 0% | 0% | 0% |
| 30-50 | 0% | 0% | 0% |
| Over 50 | 14.3% | 85.7% | 100% |
| Canfor Pulp Total | 14.3% | 85.7% | 100% |

2020

| Company | Women | Men | Total |
|--------------------------|--------------|--------------|-------------|
| Canfor | | | |
| Under 30 | 0% | 0% | 0% |
| 30-50 | 0% | 8.3% | 8.3% |
| Over 50 | 16.7% | 75.0% | 91.7% |
| Canfor Total | 16.7% | 83.3% | 100% |
| Canfor Pulp | | | |
| Under 30 | 0% | 0% | 0% |
| 30-50 | 0% | 0% | 0% |
| Over 50 | 0% | 100% | 100% |
| Canfor Pulp Total | 0% | 100% | 100% |



INDIGENOUS RELATIONS

Performance

| Metric | 2021 |
|--|------|
| Operating area covered by agreements with willing Nations | 41% |
| Participation in Indigenous Cultural Awareness and Understanding (ICAU) training for Canadian salaried employees | 97% |
| Total spend for Canadian wood products operations with Indigenous vendors | 3.4% |



COMMUNITY ENGAGEMENT

Performance

| | In Canadian dollars (rounded) | Number of organizations supported |
|--|----------------------------------|--------------------------------------|
| 2021 | | |
| Donations from Good Things Come From Trees | \$ 1,800,000 | 310 |
| Other Donations | \$ 442,000 | 30 |



SUSTAINABLE FORESTRY

Performance

| Metric | 2021 |
|---|------|
| Canada | |
| Percentage of Canfor-managed forests certified to SFI or FSC Forest Management Standards | 100% |
| United States | |
| Percentage of certification to SFI Fibre Sourcing Standard for all sourced wood | 100% |
| Percentage of willing land and woodlot owners that have SFI Forest Management Standard or American Tree Farm System certification | 12% |

Number of IUCN Red List Species and National Conservation List Species in Canfor-Managed Lands in Canada

| Category | 2021 | 2020 |
|--|--|--|
| Extinct | 0 | 0 |
| Extinct in the Wild | 0 | 0 |
| Critically Endangered | 2 - Suckley's cuckoo bumble bee, - alkaline wing-nerved moss | 2 - Suckley's cuckoo bumble bee, - alkaline wing-nerved moss |
| Endangered | 2 - little brown bat - whitebark pine | 2 - little brown bat - whitebark pine |
| Vulnerable | 9 | 11 |
| Near Threatened | 8 | 7 |
| Least Concern ^a | 21 | 23 |
| Data Deficient ^b | 1 | 1 |
| Schedule 1 <i>Species at Risk Act (SARA) Only</i> ^c | 9 | Not reported for 2020 |

^aFor category "Least Concern", we disclosed only species that were found on both IUCN and Schedule 1 for national Species at Risk Act (SARA).

^bThe gypsy cuckoo bumble bee is considered 'Data Deficient' by IUCN and has not yet been assigned a ranking.

^cAn additional nine species with no assigned IUCN status are monitored by Canfor because they are on the Schedule 1 for SARA.

Number of U.S Fish & Wildlife Service Endangered Species in U.S Procurement Areas^d

| Category | 2021 |
|------------|------|
| Endangered | 39 |
| Threatened | 26 |
| Candidate | 3 |

^dThe listed data only implies that these endangered species are known to occur within each area's procurement region. It does not imply that the listed endangered species necessarily are found on any given tract that Canfor or its suppliers, are harvesting timber.



CLIMATE CHANGE

Performance

Year over Year Comparison of Overall GHG Emissions (tonnes of CO₂e)

| | 2021 | 2020 |
|---|------------------|------------------|
| Scope 1 | 790,461 | 657,236 |
| Scope 2 (location-based) | 86,368 | 107,500 |
| Scope 2 (market-based) | 498,389 | 348,022 |
| Scope 1 + 2 (location-based, non-biogenic emissions) | 876,829 | 764,736 |
| Scope 1 + 2 (market-based, non-biogenic emissions) | 1,288,850 | 1,005,258 |
| Biogenic emissions | 5,517,034 | 4,060,866 |

2021 Scope 1 and 2 GHG Emissions^{a,b,c,d,e,f} (tonnes of CO₂e)

| | Pulp Operations | Wood Products Operations: Canada | Wood Products Operations: U.S. | Total |
|---|------------------|----------------------------------|--------------------------------|------------------|
| Scope 1 | 616,158 | 91,866 | 82,437 | 790,461 |
| Scope 2 (location-based) | 4,757 | 3,309 | 78,302 | 86,368 |
| Scope 2 (market-based) | 416,778 | 3,309 | 78,302 | 498,389 |
| Scope 1 + 2 (location-based, non-biogenic emissions) | 620,915 | 95,175 | 160,739 | 876,829 |
| Scope 1 + 2 (market-based, non-biogenic emissions) | 1,032,936 | 95,175 | 160,739 | 1,288,850 |
| Biogenic emissions ^g | 3,147,497 | 1,380,506 | 989,031 | 5,517,034 |

^aExcludes Vida and Houston Pellet Limited Partnership (HPLP). Emissions associated with corporate offices are included in their corresponding business units. Woodlands emissions are included in Wood Products Operations - Canada.

^bScope 1 (direct) greenhouse gas emissions are emissions from energy sources that are owned or controlled by the company.

^cScope 2 (indirect) greenhouse gas emissions are emissions from the generation of purchased electricity consumed by the company. Scope 2 emissions physically occur at the facility where electricity is generated. Location-based Scope 2 reflects average emissions intensity of grids on which energy consumption occurs. Market-based Scope 2 reflects emission factors from contractual instruments, which includes power purchase agreements and any energy attribute certificates bought or sold. Canfor sells renewable energy certificates (RECs) and adds the equivalent amount of emissions based on the electrical grid where RECs are sold.

^dCanfor's quantification methodology for our Scope 1 and Scope 2 emissions is aligned with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard.

^eEmissions are stated in metric tonnes on a CO₂e basis, which is inclusive of greenhouse gases such as carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O) and hydrofluorocarbons (HFCs). It was determined that perfluorochemicals (PFCs), sulfur hexafluoride (SF₆) and nitrogen trifluoride (NF₃)

^fGreenhouse gases were converted from individual gases into CO₂e using the IPCC Sixth Assessment Report (AR6) global warming potential values (GWP).

^gBiogenic emissions increased from 2020 due to a change in methodology for estimating the amount of woodwaste for 2021 and use of the latest emission factors.

2020 Scope 1 and 2 GHG Emissions (tonnes of CO₂e)^h

| | Pulp Operations | Wood Products Operations: Canada | Wood Products Operations: U.S. | Total |
|---|-----------------|----------------------------------|--------------------------------|------------------|
| Scope 1 | 497,470 | 92,522 | 67,244 | 657,236 |
| Scope 2 (location-based) | 5,775 | 4,368 | 97,357 | 107,500 |
| Scope 2 (market-based) | 246,297 | 4,368 | 97,357 | 348,022 |
| Scope 1 + 2 (location-based, non-biogenic emissions) | 503,245 | 96,890 | 164,601 | 764,736 |
| Scope 1 + 2 (market-based, non-biogenic emissions) | 743,767 | 96,890 | 164,601 | 1,005,258 |
| Biogenic emissions | 2,901,541 | 505,267 | 654,058 | 4,060,866 |

^h Our prior year figures have been restated due to the review and refinement of our calculation methodology and assumptions, and to ensure consistency with current year comparatives. Market-based scope 2 values were not calculated for the Canadian and the U.S. wood products operations so they are stated to be the same as the location-based scope 2 emissions. The difference between scope 2 market-based and location-based emissions relates to the corresponding amount of renewable energy certificates sold to third parties.

Carbon Stored in Wood Products

| Business Unit | 2021 Stored Carbon ⁱ | 2020 Stored Carbon |
|---|--|--|
| Wood Products Operations: Canada | 1,110,252 tonne C 4,070,925 tonne CO₂e | 1,100,766 tonne C 4,036,144 tonne CO ₂ e |
| Wood Products Operations: U.S. | 725,000 tonne C 2,658,332 tonne CO₂e | 684,297 tonne C 2,509,091 tonne CO ₂ e |
| Total | 1,835,252 tonne C 6,729,257 tonne CO₂e | 1,785,063 tonne C 6,545,235 tonne CO ₂ e |

ⁱ Tonnes of carbon is calculated based on the total quantity of lumber produced by our Canadian and U.S. operations only (excludes other wood products, pulp and paper, pellets) (in MMBfm) converted to density per the NCASI Carbon Storage Tool for softwood lumber. The carbon content of wood is 50% by weight. Conversion from carbon to CO₂e is calculated using the molecular weight ratio between CO₂ and C of 44/12.

Estimated Scope 3 Emissions^j

| Total Greenhouse Gas Emissions | |
|--------------------------------|-----|
| Scope 1 | 7% |
| Scope 2 (Location-Based) | 1% |
| Scope 3 Category 1 | 17% |
| Scope 3 Category 9 | 11% |
| Scope 3 Category 10 | 31% |
| Scope 3 Category 12 | 26% |
| All Other Scope 3 Categories | 7% |

^jBased on guidance from the Greenhouse Gas Protocol and resources from the National Council for Air and Stream Improvement (NCASI), we considered 15 categories of emissions that cover upstream and downstream activities. The estimation methodology made use of emission factors based on current literature and industry standards; some emissions were calculated as a function of production when actual data could not be collected by Canfor. In line with best practices, an uncertainty factor was applied when Canfor's own data could not be used, so the resulting scope 3 emissions may be an overestimation in some categories. For more details about our Scope 3 estimation, see page 109 of our Sustainability Report.



AIR QUALITY

Performance

Year over Year comparison of Air Emissions by Substance (tonnes)

| Substance | 2021 | 2020 |
|------------------------------------|-------|-------|
| Nitrogen Oxides (NO _x) | 3,160 | 3,140 |
| Sulphur Oxides (SO _x) | 3,314 | 3,189 |
| Particulate Matter | 2,326 | 2,382 |

2021 Air Emissions by Business Units by Type (tonnes)^{a,b,c}

| Business Unit | Substance | | |
|----------------------------------|-----------------|-----------------|--------------|
| | NO _x | SO _x | PM |
| Wood Products Operations: Canada | 656 | 33 | 602 |
| Wood Products Operations: U.S. | 614 | 72 | 553 |
| Pulp Operations | 1,890 | 3,209 | 1,171 |
| Total | 3,160 | 3,314 | 2,326 |

^aParticulate matter emissions exclude road dust particulate emissions.

^bWe estimate NO_x and SO_x emissions based on the National Pollutant Release Inventory (NPRI) requirements for our pulp and wood products operations in Canada, and based on direct measurements as required by U.S. Environmental Protection Agency (US EPA) Title V guidelines for our operations in the U.S. The NPRI and US EPA have different reporting requirements and calculation methods. Information in this table may not reflect exactly the contents of NPRI and/or US EPA reports, due to different reporting definitions. Some air emissions are not directly measured but are monitored to maintain permitted levels using an estimation methodology informed by actual production quantities. We also monitor other air emissions, which vary based on permitted emissions for each location.

^cAdditional air emissions (such as volatile organic compounds (VOCs) and carbon monoxide (CO)) are reported separately through regulatory reporting.

2020 Air Emissions by Business Units by Type (tonnes)^{d,e,f}

| Business Unit | Substance | | |
|----------------------------------|-----------------|-----------------|--------------|
| | NO _x | SO _x | PM |
| Wood Products Operations: Canada | 641 | 32 | 470 |
| Wood Products Operations: U.S. | 613 | 73 | 763 |
| Pulp Operations | 1,886 | 3,084 | 1,149 |
| Total | 3,140 | 3,189 | 2,382 |

^dParticulate matter emissions exclude road dust particulate emissions.

^eWe estimate NO_x and SO_x emissions based on the National Pollutant Release Inventory (NPRI) requirements for our pulp and wood products operations in Canada, and based on direct measurements as required by U.S. Environmental Protection Agency (US EPA) Title V guidelines for our operations in the U.S. The NPRI and US EPA have different reporting requirements and calculation methods. Information in this table may not reflect exactly the contents of NPRI and/or US EPA reports, due to different reporting definitions. Some air emissions are not directly measured but are monitored to maintain permitted levels using an estimation methodology informed by actual production quantities. We also monitor other air emissions, which vary based on permitted emissions for each location.

^fAdditional air emissions (such as volatile organic compounds (VOCs) and carbon monoxide (CO)) are reported separately through regulatory reporting.



WATER MANAGEMENT

Performance

2021 Water Withdrawn (megalitres)^a

| Business Unit | Surface Water | Groundwater | Total |
|--|---------------|---------------|----------------|
| Wood Products Operations: Canada | 167 | 260 | 427 |
| Wood Products Operations: U.S. ^b | Not available | Not available | Not available |
| Pulp Operations | 99,202 | 547 | 99,749 |
| Total by source | 99,369 | 807 | 100,176 |

^aData not available for all operations for water discharged and consumed. Water withdrawn data is not currently available for our U.S. wood products operations, our two Canadian pellet plants and one Canadian sawmill. We have estimated water withdrawn based on water permits, invoiced estimates or utility metre readings where available. We are working on improving our data collection by installing flow metres for future reporting.

^bWater withdrawn for our Pulp Operations is based on utility meter readings, but for one pulp mill, volumes have been estimated based on last year's water intensity per unit of production, as metre data was not available.

2020 Water Withdrawn (megalitres)^c

| Business Unit | Surface Water | Groundwater | Total |
|--|---------------|---------------|---------------|
| Wood Products Operations: Canada | Not available | Not available | Not available |
| Wood Products Operations: U.S. ^b | Not available | Not available | Not available |
| Pulp Operations | 80,934 | 11,329 | 92,263 |
| Total by source | 80,934 | 11,329 | 92,263 |

^cThis data was included in text in our 2020 sustainability report and not in table format. Data has been reformatted for year over year comparisons in the future.



WASTE MANAGEMENT

Performance

2021 - Total Waste Generated, Diverted from Disposal and Directed to Disposal - Wood Products Operations (tonnes) ^a

2021 Total Waste Generated - Wood Products Operations^b

| Waste Composition | Waste Diverted from Disposal | Waste Directed to Disposal | Total Waste Generated |
|-------------------|------------------------------|----------------------------|-----------------------|
| Non-hazardous | 4,678,418 | 875,278 | 5,553,696 |
| Hazardous | - | 662 | 662 |
| Total | 4,678,418 | 875,940 | 5,554,358 |

^aAll waste data is collected in either oven-dried tonnes or tonnes. For the purposes of reporting, we have conservatively reported all amounts in tonnes. For Canadian wood products operations, waste data includes a blend of estimate and actuals.

^bData for waste generated by our U.S. wood products operations is incomplete at this time and only includes amounts related to residuals recovered for value-added products and biomass incinerated for energy recovery. It does not include hazardous and non-hazardous waste that is landfilled, recycled or recovered for beneficial use.

2021 Waste Diverted from Disposal - Wood Products Operations

| Waste Composition | Recovery Type | On-site | Offsite | Total |
|---|--|------------------|----------------|------------------|
| Non-Hazardous | Other Recovery Operations: Residuals Recovered for Value-added Products ^c | 3,828,736 | 807,129 | 4,635,865 |
| | Recovered in Beneficial Use Programs ^d | 34,732 | 6,187 | 40,919 |
| | Recycling | - | 1,634 | 1,634 |
| Total Waste Diverted from Disposal | | 3,863,468 | 814,950 | 4,678,418 |

^cResiduals recovered for value-added product are shavings, trim block, sawdust, chips and wood waste. They are generated by the lumber manufacturing process and recovered for use in manufacturing pulp or as fuel in our pulp operations, or they are diverted from disposal for use in other beneficial ways. See more in our Residuals Management section.

^dLog yard debris, gravel and ash that is recovered for beneficial use through Canfor's beneficial use programs on-site and offsite. It does not include fines that were recovered as part of the beneficial use programs that have not been landfilled or processed. Fines are currently stored on site as we explore recovery options.

2021 Waste Directed to Disposal - Wood Products Operations

| Waste Composition | Disposal operation | On-site | Offsite | Total |
|---|---|----------------|--------------|----------------|
| Non-Hazardous | Landfilled | 25,717 | 2,835 | 28,552 |
| | Incinerated (with Energy Recovery) ^e | 846,726 | - | 846,726 |
| Total Non-hazardous Waste Directed to Disposal | | 872,443 | 2,835 | 875,278 |
| Hazardous | Disposed ^f | - | 662 | 662 |
| Total Waste Directed to Disposal | | 872,443 | 3,497 | 875,940 |

^eResiduals incinerated represents bark and hog recovered for energy. See more in our Residuals Management section.

^fHazardous waste consists of small amounts of waste oil that is transported to licensed third parties for proper and safe disposal.

2021 - Total Waste Generated, Diverted from Disposal and Directed to Disposal - Pulp Operations (tonnes) ^g

2021 Total Waste Generated - Pulp Operations

| Waste Composition | Waste Diverted from Disposal | Waste Directed to Disposal | Total Waste Generated |
|--------------------------|-------------------------------------|-----------------------------------|------------------------------|
| Non-hazardous | 18,534 | 421,674 | 440,208 |
| Hazardous | - | 197 | 197 |
| Total | 18,534 | 421,871 | 440,405 |

^gAll waste data is collected in either oven-dried tonnes or tonnes. For the purposes of reporting, we have conservatively reported all amounts in tonnes. Waste data includes a blend of estimate and actuals.

2021 Waste Diverted from Disposal - Pulp Operations

| Waste Composition | Recovery Type | On-site | Offsite | Total |
|---|---|----------------|----------------|---------------|
| Non-hazardous | Other Recovery Operations: Residuals Recovered for Value-added Product ^h | - | 18,507 | 18,507 |
| | Recycling | - | 27 | 27 |
| Total Waste Diverted from Disposal | | - | 18,534 | 18,534 |

^hResiduals recovered for value-added product includes sludge collected from our operations and sold to external third parties. See more in our Residuals Management section.

2021 Waste Directed to Disposal - Pulp Operations

| Waste Composition | Disposal Operation | On-site | Offsite | Total |
|---|---|----------------|--------------|----------------|
| Non-hazardous | Landfilled ⁱ | 48,114 | 1,390 | 49,504 |
| | Incinerated (with Energy recovery) ^j | 372,170 | - | 372,170 |
| Total Non-hazardous Waste Directed to Disposal | | 420,284 | 1,390 | 421,674 |
| Hazardous | Disposed ^k | - | 197 | 197 |
| Total Waste Directed to Disposal | | 420,284 | 1,587 | 421,871 |

ⁱNon-hazardous waste landfilled offsite excludes data from our Taylor Pulp Mill, as data was not available.

^jRepresents biomass and sludge burned on site by pulp power boilers for energy recovery. See more in our Residuals Management section.

^kHazardous waste includes waste oil, asbestos and lead paint that is transported to licensed third parties for proper and safe disposal.

2020 - Total Waste Generated, Diverted from Disposal and Directed to Disposal - Wood Products Operations (tonnes)

Not available for 2020

2020 - Total Waste Generated, Diverted from Disposal and Directed to Disposal - Pulp Operations (tonnes)

2020 Total Waste Generated - Pulp Operations

| Waste Composition | Waste Diverted from Disposal¹ | Waste Directed to Disposal | Total Waste Generated |
|--------------------------|---|-----------------------------------|------------------------------|
| Non-hazardous | 19,711 | 363,889 | 383,600 |
| Hazardous | - | 125 | 125 |
| Total | 19,711 | 364,014 | 383,725 |

¹Our pulp mills either divert sludge from disposal or direct sludge to disposal through incineration. Our pulp mills also direct biomass to disposal through incineration. The total weight of these materials is measured in 'oven dried tonnes' (ODT). This is the total weight without the water content. Waste directed to landfill is measured in tonnes. For the purposes for reporting total waste generated, we have combined the units of tonnes and oven dried tonnes (ODT).

2020 Waste Diverted from Disposal - Pulp Operations^{m,n}

| Waste Composition | Recovery Type | On-site | Offsite | Total |
|---|---|----------|---------------|---------------|
| Non-Hazardous | Other Recovery Operations: Residuals Recovered for Value-added Product ^o | - | 19,711 | 19,711 |
| | Recycling | - | - | - |
| Total Waste Diverted from Disposal | | - | 19,711 | 19,711 |

^mData has been reclassified based on revisions made to our calculation methodology.

ⁿOur pulp mills either divert sludge from disposal or direct sludge to disposal through incineration. Our pulp mills also direct biomass to disposal through incineration. The weight of these materials is measured in oven dried tonnes (ODT). This is the total weight without the water content.

^oRepresents sludge collected onsite and diverted from disposal by being sold to external third parties.

2020 Waste Directed to Disposal - Pulp Operations

| Waste Composition | Disposal Operation | On-site | Offsite | Total |
|---|---|----------------|--------------|----------------|
| Non-hazardous | Landfilled ^p | 48,157 | 1,624 | 49,781 |
| | Incinerated (with Energy recovery) ^q | 314,108 | - | 314,108 |
| Total Non-hazardous Waste Directed to Disposal | | 362,265 | 1,624 | 363,889 |
| Hazardous | Disposed | - | 125 | 125 |
| Total Waste Directed to Disposal^r | | 362,265 | 1,749 | 364,014 |

^pNon-hazardous waste landfilled offsite and hazardous waste disposed offsite excludes data from our Taylor mill, as this metric is not currently tracked.

^qRepresents sludge burned onsite for pulp power boilers, and biomass directed to disposal through incineration. The weight of these materials is measured using oven dried tonnes (ODT) – the total weight without the water content.

^rFor the purposes of reporting total waste directed to disposal, we have combined the units of tonnes and ODT.



RESIDUALS MANAGEMENT

Performance

2021 Residuals Processed by Material (tonnes)^{a,b}

North American Wood Products Operations

| Material | Amount | % of Total |
|--|------------------|-------------|
| External sales | | |
| Trim blocks | 62,795 | 1.2% |
| Chips | 2,293,328 | 41.8% |
| Bark | 147,434 | 2.7% |
| Hog Fuel | 259,415 | 4.7% |
| Sawdust | 274,613 | 5.0% |
| Shavings | 433,614 | 7.9% |
| Salvage | 6,296 | 0.2% |
| Ash | 4,144 | 0.1% |
| Internal Sales | | |
| Hog Fuel | 846,726 | 15.4% |
| Chips | 878,696 | 16.0% |
| Sawdust | 177,449 | 3.2% |
| Shavings | 98,081 | 1.8% |
| Total Residuals Processed by Wood Products Operations | 5,482,591 | 100% |

^aAll residuals data is collected in either oven-dried tonnes or tonnes. For the purposes of reporting, we have conservatively reported all amounts in tonnes. For Canadian Wood Products Operations, data includes a blend of estimate and actuals.

^bThe data reported as residuals is also shown in the waste data tables in the “Incinerated (With Energy Recovery)” and “Residual Recovered for Value-added Products” categories. These categories are considered waste diverted from landfill. See more in our Waste Management section in our Sustainability Report.

Pulp Operations

| Material | Amount | % of Total |
|---|----------------|-------------|
| Hog Fuel | 368,319 | 94.3% |
| Sludge used for energy | 3,851 | 1.0% |
| Sludge applied to land or for agricultural use | 18,507 | 4.7% |
| Total Residuals Processed by Pulp Operations | 390,677 | 100% |

| | |
|---|------------------|
| Total Residuals Processed by Pulp and Wood Products Operations | 5,873,268 |
|---|------------------|

Wood Products Operations

| | |
|---|------------------|
| Total Residuals Processed (by Waste Recovery Type) (tonnes) ^c | 5,482,591 |
| Residuals recovered for value-added products: | 4,635,865 |
| Woodwaste recovered for energy: | 846,726 |

^cThe data reported as residuals is also shown in the waste data tables in the “Incinerated (With Energy Recovery)” and “Residual Recovered for Value-added Products” categories. These categories are considered waste diverted from landfill. See more in our Waste Management section in our Sustainability Report.

Pulp Operations

| | |
|---|----------------|
| Total Residuals Processed (by Waste Recovery Type) (tonnes) ^d | 390,677 |
| Residuals recovered for value-added products: | 18,507 |
| Woodwaste recovered for energy: | 372,170 |

^dThe data reported as residuals is also shown in the waste data tables in the “Incinerated (With Energy Recovery)” and “Residual Recovered for Value-added Products” categories. These categories are considered waste diverted from landfill. See more in our Waste Management section in our Sustainability Report.



ENERGY MANAGEMENT

Performance

Year over Year Comparison of Energy Consumption Within Organization (gigajoules, GJ)

| | | 2021 | 2020 |
|---|-----------------------|-------------------|-------------------|
| Source | Fuel Type | Total | Total |
| Non-Renewable Sources | Diesel | 1,047,392 | 992,496 |
| | Gasoline | 25,229 | 18,250 |
| | Natural Gas | 9,978,179 | 9,086,818 |
| | Propane | 54,106 | 54,818 |
| | Subtotal | 11,104,906 | 10,152,382 |
| Renewable Sources | Crude Tall Oil | 27,315 | 44,202 |
| | NCGs | 41,626 | 52,465 |
| | Pulping Liquor | 25,496,797 | 24,052,168 |
| | Wood waste / Hog Fuel | 16,679,880 | 17,808,877 |
| | Subtotal | 42,245,618 | 41,957,712 |
| Fuel Consumption | Subtotal | 53,350,524 | 52,110,094 |
| Electricity Purchased for Consumption | Non-renewable | 831,089 | n/a ^a |
| | Renewable | 2,854,660 | n/a ^a |
| | Subtotal | 3,685,749 | 4,320,006 |
| Electricity Sold | Subtotal | -864,973 | -876,788 |
| Total Energy Consumption Within Organization | | 56,171,300 | 55,553,312 |

^aInformation was not available to allocate electricity purchased for consumption between renewable and non-renewable sources.

Total Energy Consumption Within Organization (gigajoules, GJ)^{b,c}

| Source | Fuel Type | 2021 | | | | 2020 | |
|--|-----------------------|-------------------|----------------------------------|--------------------------------|---------------------------------------|-------------------|-------------------|
| | | Pulp Operations | Wood Products Operations: Canada | Wood Products Operations: U.S. | Corporate Offices and Other Locations | Total | Total |
| Non-Renewable Sources | Diesel | 107,131 | 336,481 | 603,780 | 0 | 1,047,392 | 992,496 |
| | Gasoline | 6,768 | 10,137 | 8,198 | 126 | 25,229 | 18,250 |
| | Natural Gas | 8,569,062 | 796,399 | 563,603 | 49,115 | 9,978,179 | 9,086,818 |
| | Propane | 35,194 | 18,878 | 34 | 0 | 54,106 | 54,818 |
| | Subtotal | 8,718,155 | 1,161,895 | 1,175,615 | 49,241 | 11,104,906 | 10,152,382 |
| Renewable Sources | Crude Tall Oil | 27,315 | 0 | 0 | 0 | 27,315 | 44,202 |
| | NCGs | 41,626 | 0 | 0 | 0 | 41,626 | 52,465 |
| | Pulping Liquor | 25,496,797 | 0 | 0 | 0 | 25,496,797 | 24,052,168 |
| | Wood waste / Hog Fuel | 4,511,397 | 7,244,637 | 4,923,846 | 0 | 16,679,880 | 17,808,877 |
| | Subtotal | 30,077,135 | 7,244,637 | 4,923,846 | 0 | 42,245,618 | 41,957,712 |
| Fuel Consumption | Subtotal | 38,795,290 | 8,406,532 | 6,099,461 | 49,241 | 53,350,524 | 52,110,094 |
| Electricity Purchased for Consumption | Non-renewable | 37,060 | 24,533 | 767,714 | 1,782 | 831,089 | n/a ^d |
| | Renewable | 1,727,723 | 1,046,308 | 75,831 | 4,798 | 2,854,660 | n/a ^d |
| | Subtotal | 1,764,783 | 1,070,841 | 843,545 | 6,580 | 3,685,749 | 4,320,006 |
| Electricity Sold | Subtotal | -685,805 | -179,168 | 0 | 0 | -864,973 | -876,788 |
| Total Energy Consumption Within | | 39,874,268 | 9,298,205 | 6,943,006 | 55,821 | 56,171,300 | 55,553,312 |

^b Our prior year figures have been restated due to the review and refinement of our calculation methodology and assumptions and to ensure consistency with current year comparatives.

^c Data excludes Vida and Houston Pellet Limited Partnership (HPLP).

^d Information was not available to allocate electricity purchased for consumption between renewable and non-renewable sources.