

### **Dispute Resolution Process**

This section describes the complaints process which applies to all complaints regarding Canfor's certification to the PEFC CoC, FSC FM/CW/CoC and SFI FS/FM standards. The complaints process addresses complaints and complaints that have escalated into disputes. Disputes represent a formal disagreement, after the initial attempts to resolve a complaint have not been achieved.

Complaints regarding Canfor Corporation's forest management, fibre sourcing, controlled wood, and chain of custody certification can be forwarded to:

#### **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

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

#### **Advisor, Marketing & Certification**

161 E 4<sup>th</sup> Ave #101  
Vancouver, BC V5T 1G4  
T: 604-661-5241

### **Description of Complaint / Dispute Resolution Process**

#### All Complaints

Upon receipt of the complaint, Canfor will:

- Within two weeks (ten workdays) of receiving the complaint, provide an initial response that notifies the complainant/s that the complaint has been received and informs 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 or FS certification) or using material from unacceptable sources (CW/CoC certification),
- Engage in dialogue with the complainant/s that aims to resolve the complaint provided and assessed as being substantial, using best efforts to resolve the issue(s) before further action is taken,
- Failing best efforts of both parties to resolve the issue(s), if the complaint remains unresolved, the parties will exchange written summaries of the issue(s), any resolutions reached, outstanding issues and will, if desired, describe any proposed solutions to be considered and arrange for appropriate senior Canfor personnel to meet with the complainant and attempt to resolve the issue(s),
- If after discussing the issue(s) with the appropriate senior Canfor personnel, the issue(s) remain unresolved, and if deemed appropriate, the parties may, by unanimous agreement, consider retaining the services of a facilitator or mediator to attempt to resolve the issue(s), the parties will bear their own costs in resolving the dispute and will equally share the expenses and fees of any facilitator or mediator retained.

#### FSC CW/CoC/FM Complaints

- Canfor Corporation/Canfor Pulp Ltd. will forward all substantial FSC-CW/CoC or FM 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 Forest Management operations and continued sourcing of the relevant material while a complaint is pending,

## Appendix 6 - Canfor Kootenay Operations SFMP

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- Investigate a FSC-CW/CoC or FM 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.

### PEFC CoC Complaints

- If an illegal/controversial source of logs/lumber/residuals with a substantiated complaint enters Canfor's supply chain, Canfor will (1) segregate the logs/lumber/residuals, (2) Canfor will investigate the issue and will not place the logs/lumber/pellets on the market unless or until the issue is clarified successfully such that it is confirmed the logs/lumber/residuals originate from an acceptable source consistent with appendix 1 sections 4 & 5 of the current PEFC CoC standard.

Where a dispute arising from the infringement of Indigenous Peoples rights or substantial opposition to Canfor Corporation/Canfor Pulp Ltd.'s forest management activities is expressed by Indigenous Peoples, Canfor Corporation/Canfor Pulp Ltd. as the case may be, will cease forest management operations at the identified site for as long as is required to address the dispute following the complaint process outlined above.