

REPORT Forest Certification



Conifex Timber Inc. - 2026 SFI Re-certification Audit

From June 15 to 19, 2026 KPMG Performance Registrar Inc. (KPMG PRI) carried out a re-certification audit of Conifex Timber Inc.'s (Conifex or "Company") Mackenzie, B.C. woodlands operations and fiber procurement activities against the requirements of the 2022 Sustainable Forestry Initiative® (SFI) forest management and fiber sourcing standards. To provide for a more efficient audit, a PEFC Chain of Custody surveillance audit was conducted at the same time. This Certification Summary Report provides an overview of the process and KPMG PRI's findings.

Description of Conifex's SFI Certification

Conifex Timber Inc.'s Mackenzie, B.C woodlands operations are covered by a single site SFI forest management/fiber sourcing certificate. The Company was certified to the SFI standard in 2008. Conifex's current SFI forest management/fiber sourcing certificate is valid until July 17, 2026.

Description of Conifex Timber Inc.'s Woodlands Operations

Conifex Timber Inc.'s woodlands operations are located in the vicinity of Mackenzie, B.C and encompass a total area of 787, 300 hectares of public forest land. Conifex's woodlands have a total AAC (allowable annual cut) of 782,500 m³/year from two tenues, Forest Licences A15385 and A93631, which the Company manages. The 2026 audit found that the Company's forest harvesting continues to conform to the AAC applicable to these operations.

The woodlands operations that are included within the scope of the Company's SFI certification are covered by a sustainable forest management (SFM) plan that addresses the Objectives of the SFI forest management standard and includes a variety of targets in relation to them. In addition, government-approved forest stewardship plans that address both timber and non-timber values are also in place. Various higher level plans developed by government (e.g., Land and Resource Management Plans, etc.) also provide direction to forest management within the areas managed by the organization.

The areas covered by Conifex's SFI certification fall within the following WWF ecoregions: (1) Central British Columbia Mountain Forest (2) Fraser Plateau and Basin Complex. The forests managed by Company are predominantly coniferous with the main commercial tree species being lodgepole pine, spruce (white, black, Englemann and hybrids), sub-alpine fir and trembling aspen.

The forest management approach employed by the Company is based on even-aged management, ground-based harvesting systems, clearcut harvesting with the retention of reserves of standing trees either within or adjacent to harvest areas, replanting of harvest areas within two years, where feasible, with a mix of ecologically suited tree species and control of competing vegetation through mechanical means.



Description of Conifex's Manufacturing Facilities and Fiber Sourcing Program

The mill included within the scope of the Company's SFI fiber sourcing certification is the Mackenzie Sawmill.

Conifex Timber Inc. sources fiber from the Mackenzie area. The Company's fiber sourcing needs vary considerably between facilities. While the majority of fiber is sourced directly from the Company's own woodlands, approximately one-third is purchased from third parties. The large majority of wood purchases are from other organizations (e.g., forest companies and B.C. Timber Sales) who hold their own SFM certifications, with a small percentage coming from uncertified private land and oilfield salvage operations. In addition, a small portion of the Company's fiber sourcing is obtained through purchase stumpage that is logged by Conifex's contractors under the Company's environmental management system.

Conifex's assessment of Forests of Exceptional Conservation Value (FECV) identifies G1 and G2 species including *bison*, *Limnodromus griseus*, *Carterocephalus Palaemon*, and *Colias gigantea*. Identified rare communities include *Trichophorum alpinum*, *Scorpidium revolvens*, *Picea glauca*, *Rose spirea*, and *Gymnocarpium Dryopteris*.

Conifex participates in the WCSIC Purchase Wood Monitoring Program by completing risk assessments for all wood purchases and purchase wood inspections as necessary. The results are then collated by WCSIC (of which Conifex is a member) in order to identify trends in performance and opportunities for improvement.

Audit Scope

The audit was conducted against the requirements of the 2022 edition of the SFI forest management and fiber sourcing standards, and incorporated an assessment against the SFI program objectives for:

- Forest management planning; Forest health and productivity;
- Protection and maintenance of water resources;
- Conservation of biological diversity;
- Management of visual quality and recreation benefits; Protection of special sites;
- Efficient use of fiber resources;
- Recognize and respect Indigenous Peoples' rights;
- Climate Smart Forestry;
- Fire Resilience and Awareness;
- Legal and regulatory compliance;
- Forestry research, science and technology;
- Training and education;
- Community involvement and landowner outreach;
- Public land management responsibilities;
- Communications and public reporting; and
- Management review and continual improvement.

Conifex Timber Inc.. SFI Re-certification Audit Findings

Open non-conformities from previous audits	0
New major non-conformities	0
New minor non-conformities	1
New opportunities for improvement	1

Types of audit findings

Major non-conformities:

Are pervasive or critical to the achievement of the SFM Objectives.

Minor non-conformities:

Are isolated incidents that are non-critical to the achievement of SFM Objectives.

All non-conformities require the development of a corrective action plan within 30 days of the audit. Corrective action plans to address major non-conformities must be fully implemented by the operation within 3 months or certification cannot be achieved / maintained. Corrective action plans to address minor non-conformities must be fully implemented within 12 months.

Opportunities for Improvement:

Are not non-conformities but are comments on specific areas of the SFM System where improvements can be made.

Conifex Timber Inc. - 2026 SFI Re-certification Audit

Page 3

The scope of the 2026 SFI surveillance audit of Conifex's included 787,300 hectares of woodlands operations noted above, as well as fiber procurement activities for the Conifex's sawmill located within the community of Mackenzie, BC.

The Audit

Audit Team – The audit was conducted by John Drummond, FIT and Richard Osei, PBIOL. Both Auditors are employees of KPMG PRI, and have conducted numerous forest management audits under a variety of standards including SFI, ISO 14001, CSA Z809 and FSC.

2026 SFI Re-certification Audit – The audit involved an on-site assessment of all elements of the Company's environmental management system (EMS) and SFI program. It included visits to several field sites (6 roads, 6 cutblocks, and 3 wood procurement sites) to evaluate conformance with the requirements of the current SFI forest management and fiber sourcing standards. The 2026 Conifex audit took a total of 13 auditor days to complete, 7 days of which were spent on-site at the operations included in the audit sample. The balance of audit time was spent preparing the audit plan, completing an off-site review of selected Company documents and records and completing various audit checklists and preparing the main and public summary audit reports.

Conifex's SFI Program Representative – Doug Ambedian, RPF, Silviculture Superintendent for Conifex Timber Inc., served as Conifex's SFI program representative during the audit.

Use of Substitute Indicators

The audit involved an assessment of conformance against the applicable objectives, performance measures and indicators included in the 2022 version of the SFI forest management and fiber sourcing standards. None of the indicators included in the SFI standards were modified or substituted for the purpose of this audit.



The field audit included assessment of bridge constructions and protection of water resources.

Audit Objectives

The objective(s) of the audit were to evaluate the sustainable forest management system at Conifex to:

- Determine its conformance with the requirements of the SFI 2022 forest management and fiber sourcing standards;
- Evaluate the ability of the system to ensure that operations meet applicable regulatory requirements;
- Evaluate the effectiveness of the system in ensuring that the Company meets its specified SFM objectives; and
- Where applicable, identify opportunities for improvement.

Evidence of Conformity with the SFI 2022 Forest Management and fiber Sourcing Standards

Primary sources of evidence assessed to determine conformity with the SFI 2022 forest management and fiber sourcing standards are presented in the following tables.

SFI Forest Management Objective	Key Evidence of Conformity
1. Forest Management Planning	Forest Stewardship Plan (FSP), AAC Rationale.
2. Forest Health and Productivity	FSP, EMS/EPRP, Mackenzie Silviculture Working Group Reports.
3. Protection and Maintenance of Water Resources	FSP, EMS/EPRP, Harvesting Inspection Forms, Operations Post Harvesting Activities Sign-off, Post Harvest Certification.
4. Conservation of Biological Diversity	Conifex EOP11 Mackenzie Migratory Bird Field Layout, EOP09 Terrestrial Lichen Habitat Protection, FSP, EMS/EPRP, Harvesting Inspection Forms, Conifex EOP07 Riparian Assessments, Conifex EOP08 Biodiversity and CWD Management.
5. Management of Visual Quality and Recreational Benefits	BC Visual Quality polygons, Visual Impact Assessment (VIA) Reports, FSP, EMS/EPRP.
6. Protection of Special Sites	FSP, EMS/EPRP, Harvesting Area Maps with Special sites, Indigenous Policy.
7. Efficient Use of fiber Resources	FSP, EMS/EPRP, Harvesting Inspection Forms.



The audit verified efficient utilization of harvested wood.

SFI Forest Management Objective	Key Evidence of Conformity
8. Recognize and Respect Indigenous Peoples Rights	Indigenous Policy, FSP, EMS/EPRP, Consultation Records.
9. Climate Smart Forestry	Climate Change Vulnerability Assessment (CCVA), 2025 SFI Annual Survey Report
10. Fire Resilience and Awareness	CCVA, FSP, EMS/EPRP, 2025 SFI Annual Survey Report
11. Legal and Regulatory Compliance	FSP, EMS/EPRP, Harvesting Inspection Forms, 2025 SFI Annual Survey Report
12. Forestry Research, Science and Technology	CCVA, 2025 SFI Annual Survey Report, LiDAR datasets, Forest Landscape Plan (FLP)
13. Training and Education	EMS/EPRP, 2025 SFI Annual Survey Report, EOPs, Annual Training Reports in DATS
14. Community Involvement and Landowner Outreach	WCSIC Wood Producer Information Package, WCSIC Meeting Summaries, 2025 SFI Annual Survey Report , Conifex Outreach records
15. Public Land Management Responsibilities	FSP, EMS/EPRP, Conifex Work Contribution Agreement with Chu Cho Forestry LLP
16. Communications and Public Reporting	2023-2025 SFI Annual Survey Reports, Forest Stewardship Plan, EMS/EPRP, CCVA
17. Management Review and Continual Improvement	2026 Annual Management Review Minutes, 2026 Internal Audit Report



Retention of merchantable trees and wildlife elements was an integral part of the field audit.

Evidence of Conformity with the SFI 2022 fiber Sourcing Standard

SFI fiber Sourcing Objective #	Key Evidence of Conformity
1. Biodiversity in fiber Sourcing	WCSIC BC FECV assessments, WCSIC Wood Producer Information Package, EMS, NatureServe printouts
2. Adherence to Best Management Practices	EMS/EPRP, Harvesting Inspection Forms, Operations Post Harvesting Activities Sign-off, WCSIC Wood Producer Information Package
3. Use of Qualified Resource Professionals, Qualified Logging Professionals and Certified Logging Companies	WCSIC Wood Producer Information Package, List of Qualified Logging Professionals, Annual Training Materials, 2025 SFI Annual Survey Report
4. Legal and Regulatory Compliance	Forest Stewardship Plan (FSP), EMS/EPRP, Harvesting Inspection Forms, Issues Tracker,
5. Forestry Research, Science and Technology	CCVA, 2025 SFI Annual Survey Report, LiDAR datasets, Forest Landscape Plan (FLP)
6. Training and Education	EMS/EPRP, 2025 SFI Annual Survey Report, EOPs, Annual Training Reports in DATS
7. Community Involvement and Landowner Outreach	WCSIC Wood Producer Information Package, WCSIC Meeting Summaries, 2025 SFI Annual Survey Report, Conifex Outreach records
8. Public Land Management Responsibilities	FSP, EMS/EPRP, Conifex Work Contribution Agreement with Chu Cho Forestry LLP
9. Communications and Public Reporting	2023-2025 SFI Annual Survey Reports, Forest Stewardship Plan, EMS/EPRP, CCVA
10. Management Review and Continual Improvement	2026 Annual Management Review Minutes, 2026 Internal Audit Report
11. Avoid Controversial Sources	Due Diligence System (DDS), Chain of Custody system, procurement records, Load slips



The audit confirmed on-the-ground implementation of requirements in site plan maps .

Conifex Timber Inc. - 2026 SFI Re-certification Audit

Page 7

Good Practices

A number of good practices were identified during the course of the audit. Examples included:

- **SFI Forest Management Objective 7 (Efficient Use of fiber Resources):** Fiber utilization continues to be a strength demonstrated by the Company's pulp program and power plant fiber consumption - a recent example of efficient fiber utilization includes the purchase of missorted pulp logs from a neighbouring mill where Conifex purchased an amount to run through the mill for lumber while also utilizing any small diameter pieces and rot at the Company's power plant.
- **SFI Forest Management Objective 9 (Climate Smart Forestry):** The Climate Change Vulnerability Assessment is a comprehensive analysis of real and potential climate impacts applicable to the organization and region and also details mitigation measures and available tools to address and plan for climate impacts.
- **SFI Forest Management Objective 3 (Protection and Maintenance of Water Resources):** Good management of soils, natural retention, and delineation of block boundaries and features were noted at purchased wood sites

Follow-up on Findings from Previous Audits

At the time of this assessment, there were a total of two open non-conformities from previous Conifex external SFI surveillance audits. The audit team reviewed the status of the action plans that were developed by the Company to address these previous audit findings and concluded that they:

- (1) had been implemented as required, and
- (2) were effective in addressing the root cause(s) of these non-conformities. As a result, all of the previously identified non-conformities have now been closed.

Areas of Nonconformance

One minor non-conformity was however identified during the SFI re-certification audit of Conifex's woodlands and fiber sourcing operations. This includes:

- **SFI Forest Management Performance Measure 1.1 (Forest Management Planning):** Site visits noted good understory retention at sampled sites. However, site plan prescriptions requiring retention of 90% of deciduous and 1-5 stems per hectare of merchantable standing trees across all diameter classes was not well demonstrated at two sampled sites.

Opportunities for Improvement

One new opportunity for improvement was also identified during the audit:

- **SFI Forest Management Performance Measure 14.2 (Community Involvement and Landowner Outreach):** Interviews noted that informal conversations relating to forest resource interests with stakeholders (e.g., trappers) regularly occur in the field though these conversations do not always get documented. There is an opportunity to strengthen the existing tracking of stakeholder engagement by keeping a record of any discussions with members of the public to maintain defensible evidence of any conversations relating to stakeholder concerns whether or not they lead to a commitment of any kind.



The KPMG PRI audit team found minimal soil disturbances in the cutblocks allowing natural regeneration to occur.

Conifex Timber Inc. - 2026 SFI Re-certification Audit

Page 8

Audit Conclusions

The audit found that the Conifex Timber Inc.'s sustainable forest management system and fiber sourcing program:

- Were in full conformance with the requirements of the SFI 2022 forest management and fiber sourcing standards included within the scope of the audit, except where noted otherwise in this report;
- Have been effectively implemented; and
- Are sufficient to systematically meet the commitments included within the organization's environmental and SFM policies, provided that the systems continue to be implemented and maintained as required.

As a result, a decision has been reached by the lead auditor to recommend that Conifex Timber Inc. continue to be certified to the SFI 2022 forest management and fiber sourcing standards.

Corrective Action Plans

Corrective action plans designed to address the root cause(s) of the non-conformities identified during the audit have been developed by Conifex and reviewed and approved by KPMG PRI. The next surveillance audit will include a follow-up assessment of these issues to confirm that the corrective action plans developed to address them have been implemented as required.

Focus Areas for the Next Audit

The following focus areas have been identified for the next audit:

- Follow-up on the actions taken by Conifex to address the findings identified in the 2026 audit.
- Management of scrap metals remaining stored on site at forestry camp.
- Progress on addressing residue piles in a timely manner.



Conifex employs aerial surveillance to confirm that cutblock sizes and retention areas are consistent with site plan requirements.

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