

CONIFEX **NORTH AMERICA'S NEXT GENERATION FOREST PRODUCTS COMPANY**

2024 Sustainability Report



CONIFEX

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Table of Contents

Message from President and COO Andrew McLellan3

Conifex – Our Business.....4

Conifex Environmental, Social and Governance Commitments.....5

Sustainability Facts.....6

2024 Workforce7

2024 Safety Performance8

Indigenous Engagement.....9

Community Engagement.....10

Climate and Carbon11

Forest Sustainability.....12

About our Sustainability Report...13



CONIFEX

OUR VISION – TO BUILD A NORTH AMERICAN PREMIER NEXT GENERATION FOREST COMPANY.

OUR STRATEGY

Leverage our Canadian assets and strong timber base; grow to increase shareholder returns and cash flow sustainability; and develop new revenue streams around our core lumber business.

OUR RESPONSIBILITY

As stewards, we recognize the merits of leaving the world a better place for future generations. Performance on environmental, social and governance (ESG) matters allows Conifex to demonstrate how we deliver value to all our stakeholders including employees, communities, Indigenous peoples, supply chain partners, customers, shareholders, investors and government. Each of our stakeholders is essential and we are committed to deliver value to all of them, for the future success of our company.



ENVIRONMENTAL



SOCIAL



GOVERNANCE

Message from President and COO



At Conifex, sustainability is more than a core value—it is fundamental to how we operate and grow. We are pleased to share our 2024 Sustainability Report, which outlines our progress in environmental stewardship, climate action, community engagement, and reconciliation with Indigenous Peoples.

Since our founding in 2008, we have worked to establish Conifex as a next-generation forest products company—one that leverages innovation, operational excellence, and responsible resource management to create long-term value for all stakeholders. Our operations in Mackenzie, British Columbia, continue to demonstrate that economic performance and strong environmental and social governance can - and must - go hand in hand.

Sustainable forest management remains central to our business. One hundred percent of our harvesting operations are independently certified to rigorous forest stewardship standards, ensuring our forests remain healthy and productive over the long term. We integrate biodiversity conservation into our planning processes, protect wildlife habitat, and support the establishment of ecological reserves and conservation areas.

Across our lumber manufacturing and biomass power generation facilities, we are focused on reducing our environmental footprint through improved efficiency, lower emissions, and the consistent production and use of renewable

energy. Our long-term harvest strategies are designed to maintain ecological integrity and fiber supply for future generations.

We are equally committed to the well-being and safety of our people. Through our “Journey to Zero” initiative, we continue to drive improvements in workplace safety and foster a culture where every team member feels responsible for maintaining a safe environment.

Building meaningful partnerships with Indigenous communities and our neighbours in Mackenzie is another cornerstone of our approach. We recognize the importance of these relationships in shaping a sustainable and inclusive future.

As stakeholder expectations continue to evolve, we remain committed to transparency, accountability, and continuous improvement in everything we do. Thank you for your interest in our sustainability journey. We look forward to sharing our progress in the years ahead.

Andrew McLellan
President and COO, Conifex

Conifex – Our Business

Established in 2008, Conifex Timber Inc. is a growth-oriented publicly traded Canadian company operating in one of the richest fibre baskets in North America: British Columbia’s northern interior. We manufacture structural grade SPF dimension lumber and produce clean, renewable energy from our sawmill residuals. We practice safety and sustainability in everything we do. Our strong fibre basket supports lumber production increases and our bioeconomy footprint.



244
EMPLOYEES

240M

Board Feet
SAWMILL
PRODUCTION CAPACITY



\$129M
ANNUAL REVENUE
IN 2024



230 GWh
POWER PLANT
PRODUCTION CAPACITY

OPERATIONS

2

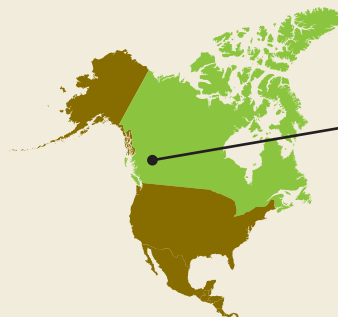
- Conifex Power Limited Partnership
- Conifex Mackenzie Forest Products



637,540 m³/yr*
ANNUAL
ALLOWABLE CUT



Mackenzie, BC



**On August 13, 2024 Conifex’s Annual Allowable Cut (AAC) was reduced to 637,540 m³/yr to align with the Chief Forester’s May 4, 2023 AAC determined for the Mackenzie TSA.*

Conifex
**Environmental,
 Social and
 Governance
 Commitments:**



ENVIRONMENTAL

- > Practice sustainable forest management upon the lands where we operate, in a manner that is scientifically based, socially acceptable and economically practicable.
- > Continual improvement of environmental performance through objectives and targets.
- > Demonstrate leadership in our use of low carbon forest products including our sawmill residuals to produce clean, renewable energy.

SOCIAL

- > Work together with the communities where we live, work, and play to better serve their needs, interests, and local economies.
- > Make zero injury or harm our most important priority with “Journey to Zero”.
- > Support our safety goals with comprehensive safety programs such as Conifex 5 and Recover at Work.
- > Abide by the principles of UNDRIP as a framework for Indigenous reconciliation.
- > Collaborate and consult with First Nations on forest planning, job opportunities, and training.
- > Partner with Indigenous companies for products and services.
- > Employ workplace diversity policy and foster a culture of inclusivity.

GOVERNANCE

- > Uphold responsible corporate governance by applying best practices in corporate structure, sound financial management systems, and compliance with all laws and regulations.
- > Operate with the highest ethical standards to keep us accountable to our shareholders, workers, partners, and the public.
- > Use verifiable information to communicate our performance to interested parties.

Sustainability Facts

TIMBER SUPPLY

Lands directly operated by Conifex are **100%** sustainable forest management certified



Planted over **50,249 Ha** creating a significant carbon sink



2024 HIGHLIGHTS

230 GWh of green energy generated per year



Total trees planted since inception is

OVER 67M

Conifex harvests **less than 2%** of our forests per year

36 MW biomass power plant

FUELS 20,000 BC homes each year



98%

of energy sourced by BC Hydro is clean and renewable

2.4 TRIR
(Total Recordable Incident Rate)

\$12,600 in First Nations & Community Donations

\$3.8M Total Spend with Indigenous Owned Businesses

23% Voluntary turnover

38% Women in leadership roles

Total Number of Suppliers and Businesses **508**



All employees are offered **INCLUSION & DIVERSITY** training

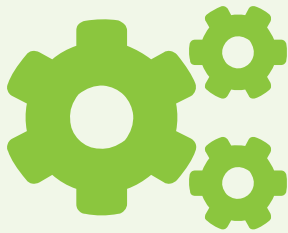


We provide **Conifex Core Competencies Program** for all leaders

\$66,871,346 Total Spend with Suppliers & Businesses

Our people are actively working to make a difference in our communities!

2024 Workforce



2 facilities



244
employees

38%
Women in
LEADERSHIP
roles



25%
WOMEN
employed

- › Competitive and equitable pay and benefits.
- › Fifth year of the Core Competencies Program for all leaders.
- › All employees are offered Diversity & Inclusion training.
- › All employees are offered developmental training career progression.
- › Our people are actively working to make a difference in our communities.

23%
Voluntary
turnover
in 2024

2024 Safety Performance

Safety is our top priority, and we are committed to providing a safe and healthy workplace through the prevention of hazards, illness, and injury. We value and recognize people as a key driving force in a dynamic and continuously improving business who instill a culture of safety first, above all else. Working together on a foundation of commitment, enthusiasm, effort and integrating safety into all facets of our operations we will achieve our goal of zero harm.

JOURNEY TO ZERO

Conifex Safety Vision JOURNEY TO ZERO

ZERO Fatalities **ZERO Critical Incidents** **ZERO Injuries** **ZERO Harm**

At Conifex, our safety vision is “Journey to Zero” and our aspiration is zero incidents. We measure this as zero recordable injuries at all our operating sites. Everyone at Conifex has the responsibility to make safe choices, in every task, every time. We take a consistent continuous improvement approach to training our people in safety policy, procedures, regulations, and safe behaviors. This common goal of zero harm is our key focus and our most important priority.

Our company wide safety management system guides our employees and leaders to implement and maintain safe work practices. Our comprehensive safety programs such as the Conifex 5 and the Recover at Work (RAW) program help establish key performance indicators to support our goals.

In 2024, our TRIR (total recordable incident rate) was 2.4 (above industry average of 2.04). We had five (5) recordable injuries.

In early 2023 we began the implementation of a strategic plan that continued to be implemented throughout 2024.

For 2024, we continued to keep the health and safety of our people as a top value in our “Journey to Zero” harm.

Indigenous Engagement

A collaborative approach with Indigenous Peoples towards sustainable forest management is critical on our path to becoming leaders in responsibly maximizing fibre value.

Our current forestry operations overlap the traditional territories of McLeod Lake Indian Band, Tsay Keh Dene, Kwadacha, Nak'azdli and Takla Lake First Nations.

We are proud to maintain strong relationships with Indigenous Peoples through regular forest management planning consultations, contracting opportunities, direct employment, various internship and training initiatives and business-to-business arrangements.



 **\$12,600** **Community Donations**

Community Engagement

Conifex is committed to supporting the communities in which it operates. We believe that an essential component of our social and corporate responsibility is to provide charitable support to local organizations, demonstrating a commitment to community growth and betterment. We consider both monetary and in-kind donation requests from local organizations.

We believe in enhancing the community through initiatives that support positive social impact in the areas of economic development, education, and youth. Our community support initiatives are based on alignment with these values.

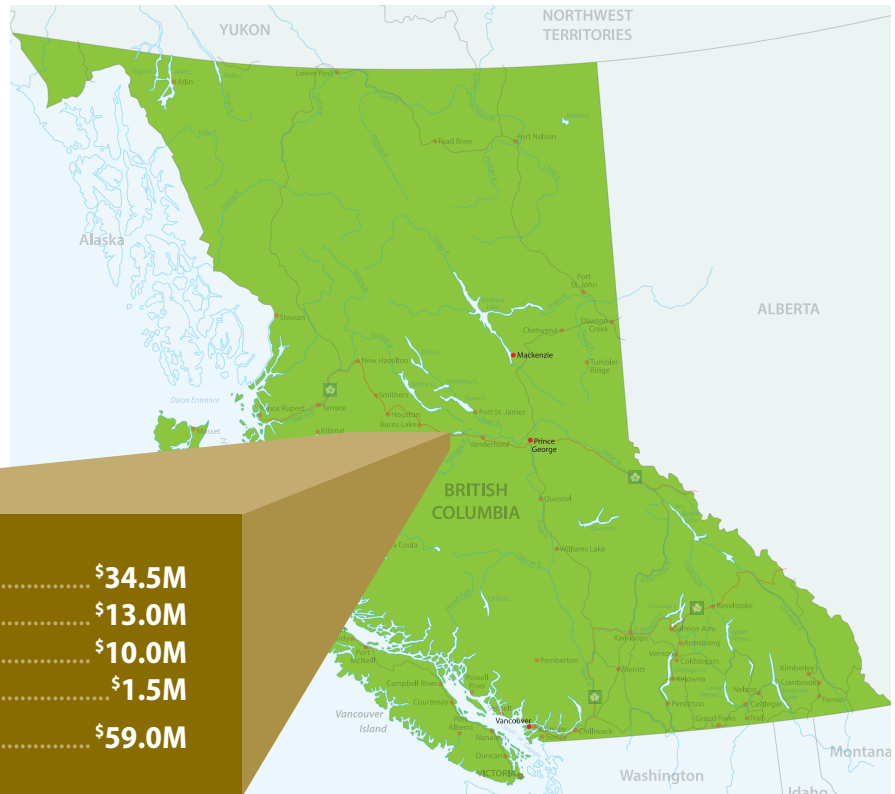
Total number of Indigenous Owned Businesses **7**

\$3.8M **Total Spend with Indigenous Owned Businesses**

Total Number of Suppliers and Businesses **508** 

\$66.8M **Total Spend with Suppliers & Businesses**

Spend in British Columbia



BC Interior	\$34.5M
Mackenzie	\$13.0M
Vancouver Isl./Lower Mainland	\$10.0M
Southern Interior	\$1.5M
TOTAL SPEND IN BC	\$59.0M

Climate and Carbon



- > British Columbia's forests perform a critical role in storing carbon and addressing climate change. Since inception, **Conifex has planted over 52,200 hectares** which has created a significant carbon sink.

Burning Wood Waste in Boiler vs in the Forest =

17%

Reduction in CO₂e, and



- > Conifex has achieved virtually **100% log utilization** through improving the handling and management of wood fibre that would have traditionally been burned or landfilled. Virtually all the wood waste is used in our biomass power plant.

96%

Reduction in Particulate Matter



- > Conifex Power uses residuals and waste products from our forest products business to generate **230 GWh of green energy per year** in British Columbia.

Source: *Journal of the Air & Waste Management Association*

98%

of the energy sourced by BC Hydro is clean and renewable.



- > Our **36 MW biomass power plant fuels 20,000 BC homes** each year, equivalent to removing more than 13,500 cars from the road.

Forest Sustainability

Conifex is committed to responsible stewardship of the forests in which we operate. We recognize that environmental excellence, particularly sustainable forest management, is crucial to long-term success.

At Conifex, sustainable forest management means ensuring that the forests of today will be available for everyone to enjoy and benefit from in the future. It also means that customers can be confident Conifex products come from sustainably managed and certified forests.

**On August 13, 2024 Conifex's Annual Allowable Cut (AAC) was reduced to 637,540 m³/yr to align with the Chief Forester's May 4, 2023 AAC determined for the Mackenzie TSA.*



Conifex plants two trees for each one harvested

Total trees planted since inception is

OVER 67M



100% Certified – lands directly managed by Conifex are 100% SFI Sustainable Forest Management Certified

Woodland operations are 100% pesticide & herbicide free



787,500 Ha

The Conifex Mackenzie woodlands operation is located in the Mackenzie TSA (Timber Supply Area) which cover approximately 787,500 hectares of public forest land

Conifex has an Annual Allowable Cut (AAC) of

637,540 m³/yr*

About our Sustainability Report

Conifex 2024 sustainability report is prepared in accordance with our social, environmental and governance commitments and responsibilities which are fundamental to how we engage with our community, stakeholders and Indigenous partners.

For further information on our ESG Reporting – Contact:
info@conifex.com or **investorrelations@conifex.com**





CONIFEX

www.conifex.com