



KPMG Forest Certification Services Inc.  
Box 10426, 777 Dunsmuir Street  
Vancouver BC V7Y 1K3  
Canada

Telephone (604) 691-3000  
Fax (604) 691-3031  
www.kpmg.ca

To: West Fraser FSC® CoC/CW Stakeholders

April 25, 2022

Dear Stakeholder

## Stakeholder Consultation

**KPMG Forest Certification Services Inc. (KPMG FCSI) to conduct an FSC® Chain and Custody/Controlled Wood Re-certification Audit of West Fraser Mills Ltd. in 2022**

### Purpose and scope of the audit

KPMG Forest Certification Services Inc. (KPMG FCSI) will be conducting a re-certification audit of West Fraser Mills Ltd. (West Fraser) against the requirements of the current Forest Stewardship Council® (FSC®) chain of custody (CoC) and controlled wood (CW) standards. A stakeholder consultation process is planned for the spring and summer of 2022, with the main assessment scheduled to begin on June 15, 2022 and conclude on July 12, 2022.

West Fraser holds a multi-site FSC CoC/CW certificate that includes the following sites:

- Cariboo Pulp & Paper (part of the 2022 audit sample)
- Quesnel River Pulp
- Hinton Pulp (part of the 2022 audit sample)
- Slave Lake Pulp
- Ranger Board MDF
- West Pine MDF (part of the 2022 audit sample)
- West Fraser Sales, including West Fraser International Ltd. (part of the 2022 audit sample)

The supply area for the above participating sites is those portions of the WWF ecoregions listed below that are located within the provinces of Alberta and British Columbia:

- Fraser Plateau and Basin Complex
- North Central Rockies Forest
- Cascade Mountains Leeward Forests
- Central British Columbia Mountain Forests
- Okanagan Dry Forests
- Alberta-British Columbia Foothills Forests

- Alberta Mountain Forests
- Canadian Aspen Forests and Parklands
- Mid-Continental Canadian Forests
- Midwestern Canadian Shield Forest
- Northern Cordillera Forests
- Muskwa-Slave Lake Forests

A map of the WWF Canadian ecoregions containing forest landscapes can be found at:  
[http://www.westfraser.com/sites/default/files/Canadian%20Ecoregions\\_Forest%20Landscapes.pdf](http://www.westfraser.com/sites/default/files/Canadian%20Ecoregions_Forest%20Landscapes.pdf)

The audit will be based on the current FSC CoC (FSC-STD-40-004 V3-1) and CW (FSC-STD-40-005 V3-1) standards.

This letter serves as an invitation to interested and affected stakeholders who wish to provide comments that are pertinent to West Fraser's FSC CoC/CW certification. The comments received will be considered by KPMG FCSI in reaching its conclusions regarding West Fraser's conformance with the applicable FSC CoC and CW standards.

#### **About FSC and the CoC and CW standards**

The FSC is an international non-profit organization founded in 1993 to support environmentally appropriate, socially beneficial, and economically viable management of the world's forests. It supports the development of national and regional standards to be used to evaluate whether a forest is being well-managed.

It is an association of members consisting of a diverse group of representatives from environmental and social organizations, forest and product industries, Indigenous People's organizations, community forestry groups and certification bodies from around the world. Membership is open to all who are involved in forestry or forest products and share its aims and objectives.

FSC, with its head office in the city of Bonn, Germany, is governed by an elected Board which consists of people from industry, environmental, social and labor groups, Indigenous People's representatives and others.

FSC-STD-40-004 V3-1 was recently released for use by FSC. Organizations holding certifications to the previous version of this standard must be assessed against the current version by December 31, 2022. The current version of FSC-STD-40-005 (V3-1), to which West Fraser is certified, remains unchanged.

#### **Your role**

We would appreciate your comments on issues that are pertinent to West Fraser's FSC CoC/CW certification. Such comments may include, but are not necessarily limited to, concerns or observations regarding the Company's due diligence system (i.e., the system of measures and procedures developed by the organization to minimize the risk of sourcing material from unacceptable sources), one component of which is the control measures adopted and implemented by the Company to mitigate the risk regarding those specified controlled wood risk indicators applicable to West Fraser's defined fiber supply area. Both the specified control wood risk indicators applicable to West Fraser and the associated control measures selected by West Fraser to

mitigate them come out of the FSC Canada National Risk Assessment (the NRA). Comments received will be considered by KPMG FCSI in assessing West Fraser's performance against the requirements of the applicable FSC CoC and CW standards. A summary of stakeholder comments will also be included in the West Fraser FSC CoC/CW certification audit summary report.

A questionnaire is provided with this letter for your comments on issues that are pertinent to West Fraser's FSC CoC/CW certification. However, additional materials and other methods of communication will also be accepted. Upon request, arrangements may also be made to allow stakeholders to meet with members of the audit team during the on-site portion of the audit.

### **Access to information**

FSC requires that stakeholders be provided access to certain information as part of the consultation process, including:

- A description of the supply area and respective risk designation. This information is included within the body of this letter and the summary of the West Fraser Due Diligence System (DDS).
- A written summary of the West Fraser DDS. A copy of this document is available on KPMG FCSI's website at <https://home.kpmg/ca/en/home/services/environmental-social-and-governance/assurance/certification/fsc-stakeholder-consultations.html>.
- Copies of the applicable FSC CoC and CW standards. These can be obtained from FSC International at <https://fsc.org/en/document-centre>.
- A copy of the latest version of the FSC Canada National Risk Assessment can be found at: <https://ca.fsc.org/ca-en/controlled-wood/national-risk-assessment>
- The procedure for filing complaints. A copy of KPMG FCSI's dispute resolution procedures are available on KPMG FCSI's website at: <https://home.kpmg/ca/en/home/services/environmental-social-and-governance/assurance/certification/kpmg-forest-certification-services.html>
- Contact information of the person or position responsible for addressing complaints. This can be obtained by visiting the KPMG FCSI website noted above.

**KPMG FCSI Contact information**

All comments and requests for additional information should be directed to Craig Roessler at:

KPMG Forest Certification Services Inc.  
PO Box 10426, Pacific Centre  
Vancouver, B.C.  
V7Y 1K3  
Fax: (604) 691-3031  
Email: croessler@kpmg.ca

**Our commitments**

- 1 The source of specific comments received will remain confidential unless the commenting party specifically indicates to the contrary.
- 2 We will respond to all stakeholders who provide comments and provide information on how their comments were taken into account.
- 3 A summary of stakeholder comments and how they were considered by KPMG FCSI will be included in the West Fraser FSC CoC/CW certification audit summary report.

Yours very truly,



Craig Roessler, RPF(BC), EP(EMSLA)  
KPMG FCSI  
(604) 691-3115

Enclosures



Updated: April 22, 2022

## **1. SCOPE**

The West Fraser due diligence system (DDS) supports the multi-site chain of custody certification current registered under FSC chain of custody code KF-COC-001045 and FSC Controlled wood code KF-CW-001045. The list of participating sites covered by the multi-site certification includes:

- Quesnel River Pulp, located in Quesnel, BC
- Cariboo Pulp and Paper, a joint venture between West Fraser Mills Ltd and Mercer International Ltd, located in Quesnel, BC
- Hinton Pulp, located in Hinton, AB
- Slave Lake Pulp, located in Hinton, AB
- WestPine MDF, located in Quesnel, BC
- Ranger Board MDF, located in Blue Ridge, AB

Additional information is available at:

[Pulp Environmental Specifications](#)

[MDF Environmental Specifications](#)

## **2. DEFINED FIBRE SUPPLY AREA**

The defined fibre supply area for the West Fraser DDS is located in the provinces of British Columbia, Alberta and Saskatchewan as detailed in Figures #1-3.



Figure #1 – Fibre Supply Area within British Columbia





Figure #2 – Fibre Supply Area within Alberta

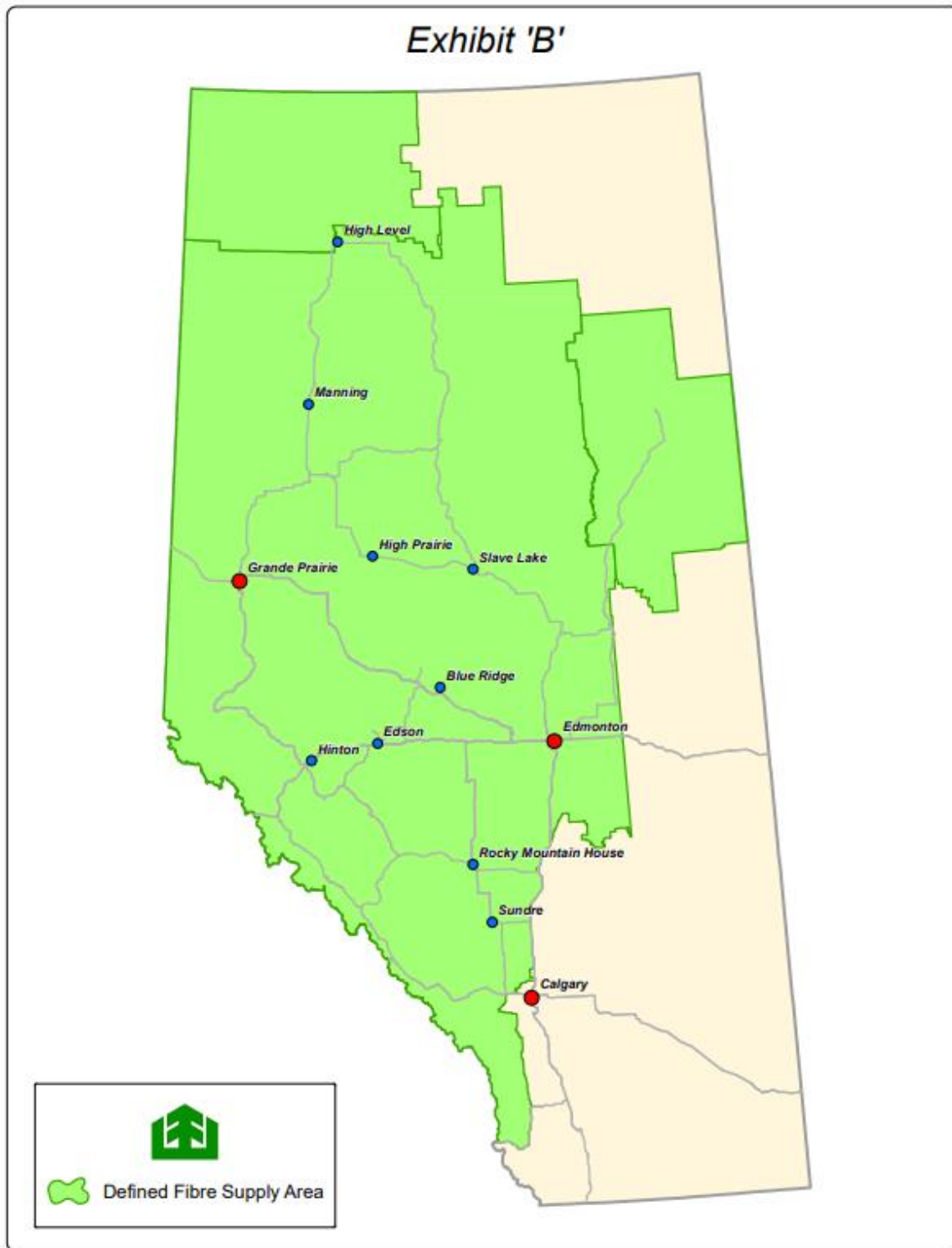
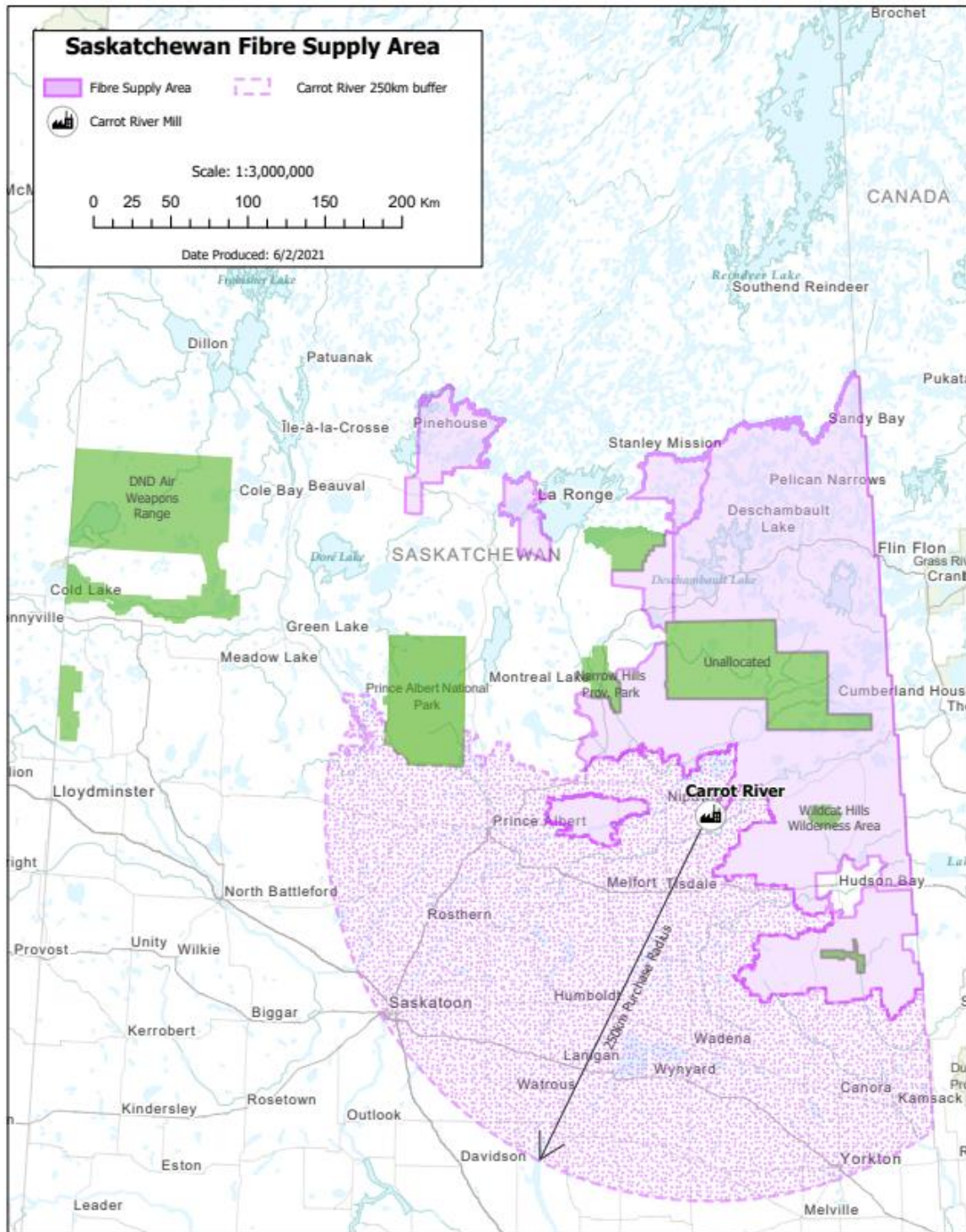




Figure #3 – Fibre Supply Area within Saskatchewan







### 3. RISK ASSESSMENT AND CONTROL MEASURES

#### 3.1. DDS – Risk Assessment

The [FSC Canada National Risk Assessment](#) (the 'NRA') was approved November 5<sup>th</sup>, 2019 and revised July 31<sup>st</sup>, 2020.

#### 3.2. DDS – Risk Mitigation Under Section 4.12 of the CW Standard

Table #1 lists the controlled wood indicators for which the NRA determines specified risk within the defined fibre supply area and indicates the selected control measures implemented by West Fraser.

Table #1 – Specified Risk and Control Measures

Controlled Wood Indicator	Selected Control Measure(s)
2.3 The rights of Indigenous and Traditional Peoples are upheld.	1
<b>Control Measure #1:</b> Indigenous Peoples with legal and/or customary rights within the Forest Management Unit do not <i>oppose*</i> the Forest Management Plan.	
3.1 HCV 1: Species diversity.	8
<b>Control Measure #8:</b> Evidence demonstrates that forests in the sourcing area have a <i>management plan</i> <sup>1</sup> that contributes to the recovery of woodland caribou <i>critical habitat*</i> , as identified in the Federal Recovery Strategy. The management plan identifies and implements: a) Best Management Practices (BMPs) that reduce disturbance to and restore <i>critical habitat*</i> including, but not limited to: <ul style="list-style-type: none"> <li>• access management (e.g. road decommissioning, integrated access plans, restoration of linear features);</li> </ul> <b>OR</b> <ul style="list-style-type: none"> <li>• aggregate harvesting (i.e. harvest scheduling to minimize disturbance footprint).</li> </ul> <b>OR</b> b) Harvest deferrals, set asides, and/or <i>protection areas</i> <sup>2</sup> within areas of <i>critical habitat*</i> , where forest operations are not permitted. Rationale is provided as to how such actions will contribute to reducing the level of disturbance over time in <i>critical habitat*</i> , in support of meeting the threshold <sup>3</sup> requirements in the Federal Recovery Strategy.	
3.2 HCV 2: Landscape-level ecosystems and mosaics.	2 and 5
<b>Control Measure #2:</b> Evidence demonstrates that a minimum of 80% of the IFL is not <i>threatened*</i> by forest management operations in the <i>long-term*</i> . AND The cumulative impacts of forest harvesting will not reduce the IFL to below 50,000 ha.	
<b>Control Measure #5:</b> Forest operations do not reduce IFLs below 50,000ha, AND all meet applicable options below: a) For an IFL between 50,000ha and 62,500, cumulative impacts forest operations do not affect more than 10% of the IFL.	



<p>b) For an IFL between 62,501 and 75,000 ha, cumulative impacts forest operations do not affect more than 20% of the IFL.</p> <p>c) For an IFL between 75,001 and 200,000 ha, cumulative impacts forest operations do not affect more than 30% of the IFL.</p> <p>d) For an IFL between 200,001 and 500,000 ha, cumulative impacts forest operations do not affect more than 35% of the IFL.</p> <p>e) For an IFL larger than 500,001 ha, cumulative impacts forest operations do not affect more than 45% of the IFL.</p>	
<p>4.1 Conversion of natural forests to plantations or non-forest use in the area under assessment is less than 0.02%, or 5000 hectares average net annual loss for the past 5 years (whichever is less). [Specified risk applies to the Boreal Plains ecozone only]</p>	1, 2 and 3
<p><b>Control Measure #1:</b> Evidence demonstrates that supplied material does not originate from areas converted to non-forest.</p> <p><b>Control Measure #2:</b> Evidence demonstrates that supplied material originates from acceptable sources of conversion, including:</p> <ul style="list-style-type: none"> <li>▪ Conversion that results in conservation benefits (e.g. ecological restoration, species at risk protection), and</li> <li>• Publicly approved changes in zoning within urban areas</li> </ul> <p><b>Control Measure #3:</b> The Organization demonstrates support for existing integrated land management processes designed to reduce the cumulative impact of changes to non-forest landscapes.</p> <ul style="list-style-type: none"> <li>▪ Documented support promoting integrated land management processes that aim to reduce the cumulative impact of conversion of forests to non-forest uses;</li> <li>▪ Participation in integrated land management discussions; and</li> <li>▪ Working within their sphere of influence to enact mitigation strategies designed to reduce the impact of conversion to non-forest uses</li> </ul>	

#### 4. COMPLAINTS PROCESS

Complaints regarding the West Fraser controlled wood certification can be addressed to:

Stephen Vinnedge, Stewardship and Environmental Manager  
1250 Brownmiller Road,  
Quesnel, BC  
V2J 6P5  
Phone: 250-992-0888  
Fax: 250-992-3027  
Email: [Stephen.Vinnedge@westfraser.com](mailto:Stephen.Vinnedge@westfraser.com)

West Fraser will:

- Within two (2) weeks of receiving the complaint provide an initial response that notifies the complainant that the complaint has been received and informs the stakeholder 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 provide against the risk of using material from unacceptable sources;



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- Engage in dialogue with the complainant(s) that aims to solve complaints assessed as being substantial before further action is taken;
  - West Fraser will forward substantial complaints to the certification body and FSC Canada within two (2) weeks of receipt of the complaint along with information on the steps to be taken to resolve the complaint, as well as how a precautionary approach will be used;
  - Employ a precautionary approach towards the continued sourcing of the relevant material while a complaint is pending;
  - Investigate a complaint assessed as substantial within two (2) months of its receipt and determine corrective actions to be taken by suppliers and the means to enforce its implementation by a supplier. If a corrective action cannot be determined and/ or enforced the relevant material and/ or suppliers shall be excluded from the West Fraser controlled wood supply chain;
  - Conduct follow up to verify that corrective action has been taken by suppliers and it is effective;
  - Exclude the relevant material and suppliers from the West Fraser controlled wood supply chain if no corrective action is taken;
  - Notify the complainant, the certification body and FSC Canada of the results of the complaint and any actions taken towards its resolution, and for maintaining copies of relevant correspondence; and
  - Record and file all complaints and actions taken.

## Stakeholder Questionnaire – 2022 West Fraser Mills FSC® Chain of Custody/Controlled Wood Re-certification Audit

**To:** Craig Roessler, KPMG FCSI      **Fax #:** 604-691-3031  
**Email:** croessler@kpmg.ca

**From:** \_\_\_\_\_      **Phone #:** \_\_\_\_\_

**Organization (if applicable):** \_\_\_\_\_

KPMG Forest Certification Services Inc. (KPMG FCSI) will be conducting a re-certification audit of West Fraser Mills Ltd. (West Fraser) against the requirements of the current Forest Stewardship Council® (FSC®) chain of custody (CoC) and controlled wood (CW) standards. A stakeholder consultation process is planned for the spring and summer of 2022, with the main assessment scheduled to begin on June 15, 2022 and conclude on July 12, 2022. This questionnaire is intended to obtain information from interested and affected stakeholders regarding issues that are pertinent to West Fraser’s FSC CoC/CW certification. Such comments may include, but are not necessarily limited to, concerns or observations regarding the Company’s due diligence system (i.e., the system of measures and procedures developed by the organization to minimize the risk of sourcing material from unacceptable sources), one component of which is the control measures adopted and implemented by the Company to mitigate the risk regarding those specified controlled wood risk indicators applicable to West Fraser’s defined fiber supply area. Both the specified control wood risk indicators applicable to West Fraser and the associated control measures selected by West Fraser to mitigate them come out of the latest version of the FSC Canada National Risk Assessment (the NRA). Comments received will be considered by KPMG FCSI in assessing West Fraser’s performance against the requirements of the applicable FSC CoC and CW standards. A summary of stakeholder comments will also be included in the West Fraser FSC certification report. However, the identity of individuals/organizations providing comments will be kept confidential by KPMG FCSI unless the party providing comments specifically indicates in writing to the contrary.

NB: In order to be considered during the 2022 audit, comments must be received no later than July 12, 2022.

<p>1. Do you have any specific concerns regarding the West Fraser due diligence system (DDS), the control measures adopted and implemented by the Company to mitigate the risk respecting the controlled wood indicators for which the NRA has determined specified risk within West Fraser’s defined fibre supply area or other issues that are pertinent to the Company’s FSC CoC/CW certification?</p> <p><u>Comments:</u></p>	<p><b>YES/NO/ NA</b></p>
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**Stakeholder Questionnaire – 2022 West Fraser FSC CoC/CW Audit**

**To:** Craig Roessler, KPMG FCSI

**Fax #:** 604-691-3031

**Email:** croessler@kpmg.ca

**From:** \_\_\_\_\_

**Phone #:** \_\_\_\_\_

**Organization (if applicable):** \_\_\_\_\_

<p>2. If you answered yes to question 1 above, have you communicated your concerns to West Fraser?</p> <p><u>Comments:</u></p>	<p><b>YES/NO/ NA</b></p>
<p>3. If you answered yes to question 2 above, in your opinion has West Fraser made a reasonable attempt to address your specific concerns?</p> <p><u>Comments:</u></p>	<p><b>YES/NO/ NA</b></p>

## Stakeholder Questionnaire – 2022 West Fraser FSC CoC/CW Audit

**To:** Craig Roessler, KPMG FCSI

**Fax #:** 604-691-3031

**Email:** croessler@kpmg.ca

**From:** \_\_\_\_\_

**Phone #:** \_\_\_\_\_

**Organization (if applicable):** \_\_\_\_\_

<p>4. Do you have any other concerns regarding West Fraser's FSC CoC/CW certification that have not been addressed in the above questions?</p> <p><u>Comments:</u></p>	<p><b>YES/NO/ NA</b></p>
<p>5. Are there any specific issues or requirements of the FSC CoC or CW standards (FSC-STD-40-004 V3-1 and FSC-STD-40-005 V3-1) that you believe merit special attention during the 2022 West Fraser FSC CoC/CW audit?</p> <p><u>Comments:</u></p>	<p><b>YES/NO/ NA</b></p>