

For Immediate Release

October 5, 2021

Canfor Announces New Sustainability Goals and Investment in New Arbios Biotech Low Carbon Biofuel Plant in B.C.

Canfor Releases its 2020 Sustainability Report

Vancouver, B.C. — Canfor Corporation (TSX:CFP) announces our bold ambition to become a leader in sustainability, a vision that includes commitments to sustainable forestry, a stronger focus on safety, health, wellness, inclusion and diversity amongst our employees, and strengthening partnerships with Indigenous communities. Canfor is also announcing its positive final investment decision in support of the construction of the first phase of Arbios Biotech's (Arbios) innovative biomass to low carbon biofuel plant in Prince George, British Columbia. The plant will use first-of-a-kind technology to convert sawmill residues, primarily bark, into high value renewable biocrude which can be further processed in refineries to produce low-carbon transportation fuels. Arbios is a joint venture between Canfor and Licella Holdings Ltd.

"Today, we begin an ambitious sustainability journey that will change how we work and the impact we have on our communities and the planet. We imagine a future as sustainable as our forests," said Don Kayne, President and CEO, Canfor. "This is an opportunity as much as it is our responsibility. Sustainable solutions are in demand around the world. Customers consider environmental and social impact a priority when making their buying decisions. Employees want to work for a company that's protecting and nurturing their environment and communities. Together we will frame the future."

"As part of our sustainability journey, Canfor is committed to growing our business to include bio-materials and bio-innovation to support a low carbon future. Our decision, as part of the Arbios joint venture, to support investment in a state-of-the-art biomass to low carbon biofuel plant in British Columbia is a demonstration of our commitment. We are also building a Bio-Innovation team that will unlock the full value of each log by developing and commercializing new opportunities," added Kayne.

The launch of our strategy marks a [new era in sustainability for our company](#). Our vision of creating a future as sustainable as the forests is grounded in our deep respect for the people our business touches, the products we create and the planet we rely on to thrive. Our strategy is built on three critical pillars of People, Products, Planet and brings to life five focus areas in which the business can make the most tangible impact. The five focus areas and associated targets, include:

Safety, Health and Wellness: We are committed to a zero-incident workplace and supporting the health and wellness of our people.

- 10% improvement year over year on our Total Recordable Incident Frequency (TRIF)
- Achieve 98% performance on Return-to-Work relative to medical Recovery Time Standards by 2023

Inclusion and Diversity: We will foster a more inclusive and equitable culture and increase the diversity in our workforce.

- 30% under-represented groups in executive leadership positions by 2030
- 30% under-represented groups in all other senior leadership positions by 2025
- 33% under-represented groups for new hires annually by 2025
- 50% under-represented groups for new hires annually by 2030
- 100% availability of gender specific Personal Protective Equipment (PPE) at all operations in North America by 2023
- Achieve 100% completion of Inclusion and Diversity awareness training for all staff across North America by the end of 2021
- Launch inclusive leadership training, tools and resources for supervisors and managers across North America by 2022

Indigenous Relations: Canfor aspires to be a partner of choice for Indigenous Peoples, a privilege afforded by fostering strong relationships and deeply respecting Indigenous histories, cultures, values and beliefs. We commit to co-creating lasting, mutually beneficial partnerships that advance social, economic and environmental priorities for Indigenous Peoples.

- 100% of operating area covered by agreements with willing Indigenous Nations by 2030
- Achieve 100% participation in Indigenous Cultural Awareness and Understanding training for all Canadian staff by 2021
- 5% of total spend with Indigenous vendors for Canfor's Wood Products Canada business by 2025

Sustainable Forestry: We are committed to practicing world class sustainable forestry that will result in resilient, productive and biodiverse forests. We commit to building collaborative partnerships and developing innovative solutions to contribute positively to forest health and climate change mitigation.

- Maintain 100% certification to SFI® (Sustainable Forestry Initiative) or FSC® (Forest Stewardship Council) forest management standards for all Canfor managed forests
- Enhance the climate change resilience and future productivity of our forests by implementing credible science-based sustainable forest management practices
- Achieve 100% certification to the SFI Fibre Sourcing Standard for all sourced timber in the U.S.
- Support U.S. land and woodlot owners to achieve 50% of SFI forest management or American Tree Farm System® certification by 2030
- Maintain biodiversity and habitat for wildlife by employing ecosystem-based management and collaborative partnerships, with special consideration for species at risk
- Conserve water quality and fish habitat by implementing best management practices to minimize erosion and sedimentation

Climate Change: Canfor is committed to playing a leading role in the transition to a low-carbon economy by reducing emissions and producing products that contribute to the mitigation of climate change. In early 2022 we will release our goal and targets. We recently completed our Scope 1 and 2 carbon inventory and estimation of our Scope 3 carbon inventory is underway.

Today Canfor also announces the release of our [2020 Sustainability Report](#), which includes our new goals and targets and demonstrates our progress made to date on our sustainability efforts.

Among Canfor's many sustainable achievements in 2020, we started to build a Bio-Innovation team to develop new sustainable solutions, we planted 64 million seedlings, we maintained 100% SFI or FSC certification in our Canadian woodland operations, we achieved 99% SFI Fibre Sourcing Standard in our U.S.-sourced timber, and we generated enough electricity to power over 78,000 homes for one year, of which 76% of the fuel consumed was from renewable sources.

"Over the coming years we will further define our sustainability goals and targets and implement a comprehensive roadmap in our journey to become a sustainability leader," added Kayne.

- Visit canfor.com/sustainability-journey
- Watch [Canfor's Sustainability Video](#)
- Read [Canfor's Sustainability Journey Overview](#)
- View [Canfor's 2020 Sustainability Report](#)

Forward Looking Statements

Certain statements in this press release constitute "forward-looking statements" which involve known and unknown risks, uncertainties and other factors that may cause actual results to be materially different from any future results, performance or achievements expressed or implied by such statements. Words such as "expects", "anticipates", "projects", "intends", "plans", "will", "believes", "seeks", "estimates", "should", "may", "could", and variations of such words and similar expressions are intended to identify such forward-looking statements. These statements are based on management's current expectations and beliefs and actual events or results may differ materially. There are many factors that could cause such actual events or results expressed or implied by such forward-looking statements to differ materially from any future results expressed or implied by such statements. Forward-looking statements are based on current expectations and Canfor assumes no obligation to update such information to reflect later events or developments, except as required by law.

Canfor is a leading integrated forest products company based in Vancouver, British Columbia ("B.C.") with interests in B.C., Alberta, North and South Carolina, Alabama, Georgia, Mississippi, Arkansas and Louisiana, as well as in Sweden with 70% interest in Vida Group. Canfor produces primarily softwood lumber and also owns a 54.8% interest in Canfor Pulp Products Inc., which is one of the largest global producers of market Northern Bleached Softwood Kraft Pulp and a leading producer of high performance kraft paper. Canfor shares are traded on The Toronto Stock Exchange under the symbol CFP. For more information visit canfor.com.

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Media Contact:

Michelle Ward
Senior Director, Communications & GR
(604) 661-5225
communications@canfor.com

Investor Contacts:

Pat Elliott
CFO & SVP, Sustainability
(604) 661-5441
Patrick.Elliott@canfor.com

Dan Barwin
Director, Corporate Finance
(604) 661-5390
Daniel.Barwin@canfor.com