

## Certification update (Volume 1, Number 1) - May 2007

### Welcome to the first certification update from Canfor Pulp Limited Partnership

July 2006 saw the creation of Canfor Pulp Limited Partnership (CPLP) comprising the pulp mills of Intercontinental Pulp, Northwood Pulp and Prince George Pulp and Paper. The new company also includes the pulp marketing for these mills, this group also continues to look after the sales and logistics for Howe Sound Pulp and Taylor BCTMP.

Canfor is the majority shareholder in the new company and continues to be the primary source of fibre to the pulp mills. The symbiotic linkage between Canfor and CPLP has meant that for customers there has been no change in either the quality of the fibre or in its environmental pedigree. Long term fibre supply agreements are in place to ensure that this situation continues.

### Certification is nothing new at Canfor

Since the late 1990's Canfor has been implementing a very deliberate and comprehensive strategy for third-party certification of its forest operations. The company's Forestry Principles define the concept of "accountability" for its forestry practices, and independent third party certification is the mechanism required to ensure that this occurs. The first step was the certification of the Environmental Management System for all forest operations to the ISO 14001 standard, initially obtained in 1999 and re-certified as required for subsequent 3-year terms. This was followed shortly by the development of sustainable forest management plans for certification to the CSA SFM Standard. All of these sustainable forest management plans are available on the Canfor website at [www.canfor.com](http://www.canfor.com).

During 2006 Canfor met the Forest Products Association of Canada commitment to 100% certification (see sidebar). For Canfor this meant applying CSA SFM certification at the company's Forest Management Agreement area at Grande Prairie, Alberta, the Tree Farm Licences at Chetwynd, Prince George and Vavenby, British Columbia, the Forest Licences at Fort St John, Houston, Prince George, Fort Nelson, Vanderhoof, Quesnel, Radium and Vavenby, British Columbia and the Pulpwood Agreements at Fort St John and Fort Nelson, British Columbia. Certification is currently underway at sites in Alberta and in Quebec. These latter operations are excluded from the FPAC commitment because Canfor is either a minor partner in a shared tenure or the location is a recent acquisition.

#### The Forest Products Association of Canada commitment to third party certification

In January 2002, FPAC members committed to achieving third-party SFM certification on all lands under their management by the end of 2006 to one of three internationally recognized standards: Canadian Standards Association (CSA), Forest Stewardship Council (FSC), or Sustainable Forestry Initiative® (SFI). As of December 2006, FPAC members had essentially achieved their goal.

### Canfor Pulp Limited Partnership – continuing the stewardship tradition

As Canfor we always tried to demonstrate world class levels of environmental stewardship and to work with customers to ensure that environmental messages were properly communicated. As CPLP our intent is to continue on the same path.

As a business we appear to be one step further removed from the forest, but as a producer of premium reinforcing pulps, the same environmental principles as before will guide our actions.

### World Wild Life Fund gives "Gift to the Earth" award to BC

May 2007.

WWF has given their highest international conservation accolade, their Gift to the Earth award, to the people and processes involved in the Great Bear rainforest process in British Columbia. The work of First Nations, environmental groups, forest companies and the British Columbia government have led to innovative agreements that foster cultural, ecological and economic balance in the region, the largest remaining temperate rainforest on earth and home to the unique Kermode or Spirit bear.

In 2000 Canfor was one of five companies who joined with conservation groups to create the Joint Solutions Project to reduce conflict over logging in the region. The group also funded the work of the independent, multidisciplinary Coast Information Team that eventually became the cornerstone of consensus agreements for the Land Use Management Plans for the region. These plans require that the principles of Ecosystem based management (EBM) be employed exclusively in any forestry.



### PEFC

Canada's National Standard for Sustainable Forest Management, the CSA SFM Standard, was endorsed by the world's largest certification program, the Programme for the Endorsement of Forest Certification schemes (PEFC), in March 2005. Founded in 1999, PEFC is a non-profit, non-governmental organization that supports sustainable forest management globally. Formed for the assessment and mutual recognition of national forest certification standards, PEFC is the world's largest forest certification umbrella organization with members

from Europe, North America, South America, Oceania, Asia and Africa.

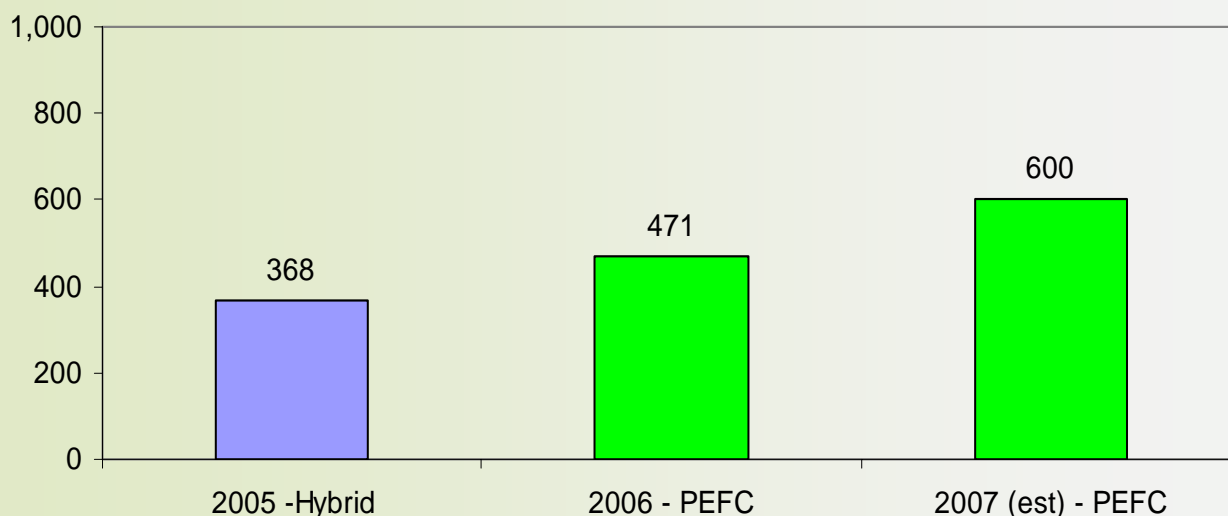
PEFC members represent 31 independent national forest certification schemes, of which to date 22 have been through a rigorous process of assessment and endorsement. Globally 196 million hectares have been certified under PEFC-endorsed standards, including over 73 million hectares in Canada certified to the CSA SFM Standard.

### Chain of Custody

Chain of Custody is the process of tracking forest products from their place of origin (the forest) through all stages of transfer and production to the final consumer as an end product. Tracking is a challenge given the way wood flows throughout the industry, with all major forest companies relying on external suppliers for at least some part of their wood supply. The systems that are now in place allow us to track the wood raw material and its certification status both from Canfor's own managed forest tenures and as well as those from outside suppliers.

CPLP has in place certified PEFC Chains of Custody for both the Prince George area mills and the Howe Sound Mill. These Chains of Custody provide independent verification of the integrity of the mill's fibre supply chain. The certificates were granted by KPMG Performance Registrars Inc., and copies of both the certificates and the audit reports are available to customers on request. Subject to availability, pulp certified under these systems is now available for customers who request it.

Certified sales (,000 ADmt)



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