

Forest Products Industry: A commitment to global sustainability

CEO Leadership Statement
June 8, 2006

The global forest products industry is a diverse industry that contributes to the economic development and social well-being of rural and urban communities world-wide. The industry is taking the challenge of sustainable development seriously, through action to improve forest management practices, combat illegal logging and improve environmental management practices. With renewable natural products that are sustainably produced and recyclable and strong sustainability practices that the sector is constantly striving to better, the forest products industry is working together to be a global leader in sustainability. This will be achieved by combining strong economic performance with sound environmental management and attention to the social conditions where we work.

Our Commitments

As global leaders in the forest products industry, we recognize our roles and responsibilities in promoting sustainability. We are committed to continuously improve our sustainability performance through action in all relevant areas, including the following :

Promoting Sustainable Forest Management World-wide

We support the principles of sustainable forest management (SFM) and are committed to managing forests accordingly. To this end, we strongly support the development of forest certification systems and other mechanisms to promote SFM and improve forest management on the ground. We support the extension of SFM certification systems to all nations, as an assurance that forest products are being produced sustainably from forests managed to the highest standards. We believe

that sustainable use of both natural and plantation forests will enable the world to meet its growing needs.

We endorse certification systems that have the following characteristics:

- Conforming with generally accepted rules applicable to certification and accreditation;
- Consistent with internationally-recognised SFM criteria;
- Employing a third-party independent certification process;
- Developed and implemented in a transparent manner with input from stakeholders;
- Promoting continuous improvement.

Combating Illegal logging

We strongly oppose the practice of illegal logging, which contributes to deforestation and undermines the viability of legally harvested and traded products world-wide. We encourage the development of laws and regulations, as well as effective government monitoring, enforcement and assessment of forests, which are necessary to counteract illegal logging and trade of illegally harvested wood. We recognize the importance of poverty alleviation in combatting illegal logging and support government initiatives to promote and advance sustainable forest management and the conservation of designated protected areas. Building on its expertise and resources, the industry is committed to do its part to prevent illegal logging, using a variety of tools, such as Geographic Information System (GIS), Environment Management System (EMS), responsible purchasing policies for its inputs, tracking/tracing systems, forest certification, codes of conduct, company sustainability reporting, independent third party auditing and certification.

Fibre use and recovery

Recovered paper and wood provide an essential and complementary source of fibre to meet society's needs for paper, board, packaging and wood products. The industry supports and encourages the recovery of pre- and post-consumer paper

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and wood products. The industry is committed to work with various stakeholders to increase recovery rates and invest in technology to increase recycled fibre input into modern paper and wood products, thus optimizing the use of wood as raw material.

Environmental management

We are committed to ensuring that our activities respect the environment, and maintain and improve the resources on which our industry depends. We will comply with all regulatory requirements and apply environmental management systems to continuously improve the environmental practices and performance in our operations, including continuing to reduce the use of water and energy in our industrial activities.

Creating solutions to global climate change and energy supply challenges

The global forest products industry is strongly committed to meeting the challenges of climate change. Trees, wood and paper products are uniquely renewable and recyclable resources that help reduce greenhouse gasses by storing CO₂ from the atmosphere. We believe that fibre from sustainably managed forests makes a positive contribution to the world's future energy supply. The industry is committed to innovative energy solutions that will increase efficiency, reduce reliance on fossil fuel and expand the use of renewable energy sources.

Investing in workers and communities

We are committed to maintaining a safe work environment and improving our health and safety standards and practices. We are committed to train our workforce to improve their skills and capacities. We will contribute to the economic and social well-being of our workers and the communities where we operate. We are committed to engaging with key stakeholders and interest groups, and with indigenous and other communities where we operate, in an open and respectful manner.

How We Will Work Together

We are committed to work through our national and regional associations to continue to develop and put in place meaningful sustainability initiatives which support these commitments.

The elements of effective sustainability initiatives are:

- Common principles
- Member companies' commitment to act on the principles
- Communication of progress through public reporting
- Engagement of key stakeholders in dialogue and partnerships
- Support for implementation through best practice guidance

The International Council of Forest and Paper Associations (ICFPA) will report on and highlight the progress of its member associations' national and regional initiatives.

This statement was signed at the 2nd ICFPA International CEO Roundtable by 56 CEOs of forest products companies and presidents of forest products associations from 25 countries. This is the initial launch of the commitment document and it is expected that other companies and associations will sign on over the coming months. Today's meeting was organized under the auspices of the International Council of Forest and Paper Associations. A list of companies and associations that are signatories to the global statement is attached.

Alphabetical list of Signatories

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| Abitibi Consolidated | Lecta |
| Assocarta | Masisa S.A. |
| Australian Plantation and Paper Industry Council | Mayr-Melnhof |
| Ballapur Industries | Metsäliitto Group |
| Billerud AB | Myllykoski Corporation |
| Biocel Paskov | Nippon Paper Group, Inc |
| Bracelpa (Brazilian Pulp and Paper Association) | NZ Forest Owners' Association |
| Canfor Corporation | Oji Paper Co., Ltd. |
| Cartiera del Maglio | Papierfabrik Palm |
| Cartiere Burgo Marchi | Papierfabrik Scheufelen GmbH |
| Celpa | Paper Manufacturers' Association of South Africa |
| Celulosa Arauco y Constitución S.A. (Arauco) | RAO Bumprom |
| Cenibra | Rottneros AB |
| Cham Paper Group | Sappi Europe |
| CMPC Group | SCA |
| Copacel | Swedish Forest Industries Federation |
| Crown Forestry Group | Smurfit Cartón de Colombia SA |
| CORMA | Smurfit Kappa Group |
| Favini | Södra |
| Fedrigoni Cartiere | Stora Enso |
| Forest Products Association of Canada | Tembec |
| Grupo Portucel/Soporcel | Thai Pulp & Paper Industry Association |
| Hancock Land Co. | The Siam Pulp and Paper Public Company Limited |
| Hansol | Tolko Industries |
| Holmen AB | VDP |
| India Paper Manufacturers' Association | Veracel |
| Klabin S.A. | Volga Inc. |
| Korea Paper Manufacturers' Association | VNP |

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In some cases, pending final approval by the board of directors.