

News release

For Immediate Release

Alberta-Pacific Awarded Forest Stewardship Council Certification

Boyle, AB Sept. 20, 2005—Alberta-Pacific Forest Industries Inc. (AI-Pac), a private company in northeastern Alberta owned by Mitsubishi Corporation (70 per cent) and Oji Paper Co. Ltd. (30 per cent), has been certified by the Forest Stewardship Council (FSC) accredited certifier, SmartWood, in recognition of the company's demonstrated environmentally responsible, socially beneficial and economically viable forest management practices.

The certification of 5.5 million hectares (13.6 million acres) of Alberta-Pacific's forest management area in northeastern Alberta represents the largest FSC-certified forest in the world. FSC is recognized internationally as one of the most independent, rigorous and credible forest certification systems.

The certification follows a comprehensive 10-month assessment according to FSC Canada's National Boreal Standard, which conforms to FSC's 10 international principles and 56 criteria that reflects regional conditions and practices to be applied in a well-managed Canadian boreal forest.

"This FSC certification independently validates the direction we have taken as a company since we started operations in 1993," explains Andy Neigel, Alberta-Pacific's general manager and vice president operations. "The achievement also exemplifies our team members' commitment to continuous improvement and to ensuring the forest is well managed and forest values are protected."

Neigel says Alberta-Pacific chose to pursue FSC certification because of its credibility in the global marketplace, track record as a results-oriented independent organization, endorsement by Aboriginal people, conservation groups and business, and focus on achieving social and economic as well as environmental standards.

"FSC certification is a good fit for our company, our customers and our position in the global market. We are now able to satisfy requests we are receiving from customers worldwide who are introducing FSC-certified paper and seeking suppliers of FSC-certified kraft pulp."

Neigel also acknowledges the contributions of Alberta-Pacific team members, the collaboration with local communities and conservation groups, and the leadership of the provincial government in its commitment to sustainable forest management and responsible stewardship to the successful certification.

Alberta-Pacific's Forest Management Agreement Area (FMA) is within publicly owned land that is awarded by the Province of Alberta's Department of Sustainable Resource Development.

"The Alberta Government supports any initiative that enhances forest practices and the sustainable management of Alberta forests," notes Sustainable Resource Development Minister David Coutts. "We congratulate Alberta-Pacific on the company's significant achievement."

FSC's Executive Director International Heiko Liedeker says the size and location of Alberta-Pacific's forest area will have a ripple effect on the supply and demand for FSC-certified products on the global market.



"We expect other companies and other countries to take notice of the achievement of Alberta-Pacific and the progress of Canada in embracing the responsible management of their forests, particularly in the boreal forests," says Liedeker. "We know from our surveys that the demand for many FSC-certified products is greater than the supply. Customers and consumers are becoming more aware and are requesting more products from well-managed forests, which now includes Alberta-Pacific's forest."

World Wildlife Fund (WWF) Canada, Canadian Parks and Wilderness Society and Ducks Unlimited were instrumental in helping the company meet ecosystem management objectives relating to forest, ecology and wildlife required under FSC certification. They also assisted Alberta-Pacific in identifying High Conservation Value Forests and areas that should be deferred from harvest and act as ecological benchmarks to compare to harvested landscapes.

"Alberta-Pacific's successful approach to responsible forest management demonstrates that good forestry practices can also be good for business," says WWF Canada President Mike Russill. "The certification of 13.6 million acres of boreal forest in western Canada will result in more choices for the increasing number of environmentally-conscious consumers who want FSC-certified products and will help ensure communities that rely on Alberta's forests for their livelihoods will continue to prosper into the future. We congratulate Alberta-Pacific on their achievement and look forward to continually working with them in the future to make further conservation gains."

Alberta-Pacific initiated the certification process in 2000 with a review of its forest management practices compared to FSC principles & criteria. The company engaged SmartWood, a program of the Rainforest Alliance, to develop a detailed audit that their assessment team conducted in late 2004. The audit included verification of Alberta-Pacific's forest management operations, interviews with more than 100 stakeholder, Aboriginal and community representatives, and reviews of written responses to surveys sent to 200 residents in the area.

"This certificate is significant because of both its size and location," notes SmartWood Director and Rainforest Alliance Chief of Forestry Richard Donovan. "Alberta-Pacific has joined in the FSC community's journey towards sustainability. Perhaps most importantly to those interested in, or affected by, the company's operations, this journey will include future annual FSC audits by SmartWood and continued interaction with interested parties on the key issues embodied within FSC's Principles and Criteria."

The Athabasca oil-sands area of Al-Pac's FMA, representing just under 300,000 hectares, was excluded from the certified area because this area is not managed according to Al-Pac's ecosystem management principles.

With Alberta-Pacific's certification, Canada is now the leading country in the world for FSC-certified forests with 14.3 million ha., or 22.8% of the global total. Alberta-Pacific's certification is also the first in Alberta as well as the first within the boreal forest of western Canada.

Alberta-Pacific, a private company in northeastern Alberta owned by Mitsubishi Corporation (70 per cent) and Oji Paper Co. Ltd. (30 per cent), operates Canada's newest, and North America's largest, single-line bleached kraft pulp mill. Alberta-Pacific is responsible for conducting inventories, planning roads and harvesting in an area of about 5.8 million hectares under its Forest Management Agreement with the Province of Alberta.

Alberta-Pacific is a signatory to the Boreal Forest Conservation Framework and a member of the Boreal Leadership Council.

An overview of Al-Pac's Certification Assessment Report by SmartWood is available under 'public summaries' at <u>www.rainforest-alliance.org/programs/forestry/smartwood/</u>.

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Backgrounders

Mitsubishi Corporation

Mitsubishi Corporation (MC) is Japan's largest general trading company (*sogo shosha*) with over 200 bases of operations in approximately 80 countries worldwide. Together with its over 500 group companies, MC employs a multinational workforce of approximately 48,000 people. MC has long been engaged in business with customers around the world in virtually every industry, including energy, metals, machinery, chemicals, food and general merchandise including forest products. In 2002, MC announced a corporate policy of endorsing third-party certification for all of its forest product operations and would seek FSC certification wherever practical. For more information visit www.mitsubishicorp.com.

Oji Paper Co. Ltd.

Founded in 1873, Oji Paper Co. Ltd. strives to be a leader in the pulp and paper industry and is world renowned for its application of technology and innovation in the field. Oji is committed to protecting the global environment through afforestation, materials recycling, energy saving and ecologically friendly production. The company has embraced third-party certification and has been FSC-certified in a number of its operations, including in New Zealand. For more information visit www.ojipaper.co.jp/english/

Forest Stewardship Council Canada

The Forest Stewardship Council 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 evaluate whether a forest is being well managed. FSC's membership consists 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. For more information visit <u>www.fsccanada.org</u>.

World Wildlife Fund - Canada

World Wildlife Fund Canada (WWF-Canada) is part of the WWF International network, the largest independent conservation organization in the world. WWF-Canada has been working with governments, the business sector and communities throughout Canada to carry out its mission, which is to stop the degradation of the planet's natural environment and to build a future in which humans live in harmony with nature, by:

- conserving the world's biological diversity
- ensuring that the use of renewable natural resources is sustainable
- promoting the reduction of pollution and wasteful consumption.

For further information visit the WWF-Canada web site at <u>www.wwf.ca</u>.

SmartWood/Rainforest Alliance

The mission of the Rainforest Alliance is to protect ecosystems and the people and wildlife that depend on them by transforming land-use practices, business practices and consumer behavior. Companies, cooperatives and landowners that participate in Alliance programs meet rigorous standards that conserve biodiversity and support workers and local communities. The SmartWood Program, the world's first and most recognized independent forestry certifier, has certified nearly 22 million hectares globally since 1989. For more information visit www.rainforestalliance.org.

Boreal Forest Conservation Framework

The Boreal Forest Conservation Framework is a comprehensive, balanced approach to protection and development that calls for at least half of Canada's vast Boreal region to be permanently set aside from development, and cutting-edge sustainable development practices on the remaining landscape.

Signatories to the Framework include: Alberta-Pacific Forest Industries Inc., Domtar Inc., Suncor Energy Inc., Tembec Inc., Dehcho First Nations, Innu Nation, Poplar River First Nation, Canadian Parks and Wilderness Society, Ducks Unlimited Canada, Forest Ethics and World Wildlife Fund Canada.Together, they are the founding members of the Boreal Leadership Council, first convened by the Canadian Boreal Initiative in 2003. For more information visit <u>www.borealcanada.ca</u>.