

CUSTOMER UPDATE

Canfor Certification

Volume 9, Number 1 - January 2008

96% of Canfor's Harvest Volume Certified to the CSA Sustainable Forest Management Standard

Canfor continues to make progress on its comprehensive strategy for third-party Sustainable Forest Management (SFM) certification of forest lands managed by the company. The Mackenzie operation is the latest to receive certification to the Canadian Standards Association (CSA) SFM standard in April 2007. This achievement means that 96% of Canfor's annual harvest volume is now certified to CSA SFM standards.

In addition to these latest accomplishments Canfor now has CSA SFM certification covering 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, Radium, Vanderhoof and Vavenby, British Columbia and the Pulpwood Agreements at Fort St John and Fort Nelson, British Columbia. Canfor is committed to having all forest lands managed by the company certified to the CSA SFM standard.

Canfor has implemented a very deliberate and comprehensive strategy for third-party certification of our forest operations. First 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 our website at www.canfor.com.

International Recognition for CSA Certification

The CSA SFM Standard is endorsed by the world's largest certification organization, the Programme for the Endorsement of Forest Certification schemes (PEFC). Founded in 1999, PEFC is a global umbrella organization for the assessment and mutual recognition of national forest certification schemes that are developed in a multi-stakeholder process.

PEFC is the world's largest forest certification organization with 200 million hectares of forest certified in 33 countries, including 76 million hectares certified to the CSA standard in Canada.

In addition to endorsement by PEFC – which is accepted by customers around the world, including the governments of France, Germany, Japan, New Zealand, Switzerland and the United Kingdom – the CSA SFM Standard is recognized by the United Kingdom's Central Point of Expertise on Timber Procurement as an assurance of both a legal and sustainable source of timber.

Chain of Custody

Canfor has seen an increased interest from customers world wide in understanding the origin of the products they purchase. Canfor continues to make significant progress in implementing a certified PEFC Chain of Custody system to provide this information.

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 PEFC Chain of Custody system Canfor has put in place is able to track our wood raw material and its certification status both from the company's own managed forest tenures and as well as those from outside suppliers. It also provides an assurance that any uncertified portion is from legal and non-controversial sources.

Canfor has successfully completed PEFC Chain of Custody certification for 12 of the company's 14 BC and Alberta sawmills and both our plywood plants. Certification of the remaining sawmills and remanufacturing locations will be completed in early 2008. Copies of the Chain of Custody certificates are available to customers on request.

To accompany the Chain of Custody certification, Canfor has also obtained a PEFC Logo Use Licence. The Licence allows Canfor to use the PEFC logo, subject to the logo use rules, on promotional material, and on products and packaging should customers desire it.

Please contact your sales representative for more information on how the use of certified lumber and plywood can benefit your business.





www.canfor.com

Canfor's CSA SFM Certified Forest Operations

- 1) Chetwynd - TFL 48
- 2) Grande Prairie - FMA
- 3) Prince George - TFL 30
- 4) Fort St. John – TSA Forest Licence & Pulpwood Agreement
- 5) Houston - Morice TSA Forest Licence
- 6) Fort Nelson - TSA Forest Licence & Pulpwood Agreement
- 7) Vanderhoof Forest Licences
- 8) Vavenby - TFL 18 & Forest Licence
- 9) Quesnel Forest Licences
- 10) Prince George Forest Licences
- 11) Radium Forest Licence
- 12) Mackenzie Forest Licence



Example COC certificate



Forest Certification Standards and the PEFC

In Canada there are 3 key SFM standards for on the ground forest certification; the CSA, the Forest Stewardship Council (FSC) and the Sustainable Forestry Initiative (SFI). These three standards have more similarities than differences. Each promotes multiple SFM criteria and best practices to ensure healthy forests are managed sustainably. Globally, the largest certification organisation is the PEFC. This umbrella certification organisation endorses local and national forest certification schemes provided they meet multiple SFM criteria and forest management best practices. Strict auditing standards measurement has allowed the PEFC to achieve global recognition as a credible entity. At present, only the CSA and SFI SFM standards have gained full endorsement by the PEFC in Canada.

For more information please contact:

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