

AN FSC MESSAGE FROM OUR PRESIDENT & CHIEF EXECUTIVE OFFICER

Since beginning operations in 1993, Al-Pac has taken pride in maintaining responsible environmental, economic and social approaches to its forest management practices. These efforts were validated in September 2005, when the company achieved Forest Stewardship Council® (FSC®) certification.

Today, the certification of over 5.9 million hectares (14.5 million acres) of Al-Pac's Forest Management Agreement (FMA) area represents the <u>largest contiguous FSC-certified forest in the world</u>.

As well, in 2019, Al-Pac was pleased to welcome the largest embedded quotaholder within Al-Pac's FMA area, Northland Forest Products Ltd (NFPL), to FSC certification. As Al-Pac and NFPL had been working to integrate our Woodlands operations, creating economic, social and environmental benefits, it was a logical next step for NFPL to join Al-Pac in a group forest management certificate.

FSC is highly regarded in the global marketplace where AI-Pac sells its kraft pulp, with many customers seeking suppliers of FSC-certified kraft pulp to meet growing consumer demand for environmentally responsible products. FSC also aligns nicely with AI-Pac's culture of environmental and social responsibility, and belief in continuous improvement.

To this end, Al-Pac is committed to:

- 1. Complying with all applicable laws, regulations and applicable nationally-ratified international treaties, conventions and agreements;
- 2. Maintaining or enhancing the social and economic well-being of workers. This includes conformity with the <u>ILO Core Labour Requirements;</u>
- 3. Identifying and upholding Indigenous Peoples' rights that may be affected by management activities;
- 4. Contributing to maintaining or enhancing the social and economic well-being of local communities;
- 5. Efficiently managing the range of multiple products and services within Al-Pac's FMA area to maintain or enhance long term economic viability and the range of social and environmental benefits;
- 6. Maintaining, conserving and restoring ecosystem services and environmental values and avoiding, repairing and mitigating negative environmental impacts;
- 7. Having a management plan consistent with Al-Pac's policies and including monitoring to allow for adaptive management;

- Monitoring progress towards achieving our objectives, evaluating impacts of our management activities and assessing the condition of the FMA area in order to better implement adaptive management;
- 9. Maintaining or enhancing High Conservations Values within the FMA area;
- 10. Conducting our activities consistent with our economic, environmental and social policies and objectives, and in compliance with the FSC Principles and Criteria.

Sincerely,

Satoshi Miyake President & Chief Executive Officer Alberta-Pacific Forest Industries Inc.

About FSC

FSC is an international, not-for-profit, membership-based organization whose mission is to promote environmentally appropriate, socially beneficial and economically viable management of the world's forests. More information on FSC, including their principles and criteria, is available on the <u>FSC Canada website</u>.

Continuous Improvement

Since 2005, annual audits have been conducted to the FSC Canada National Boreal Standard, and in 2020 to the new <u>FSC National Forest Stewardship Standard of Canada</u>. These audits evaluate AI-Pac's conformance to the forest management standards and highlight areas in which AI-Pac can make improvements. To view the annual Public Summary Reports, <u>click here</u>.

Al-Pac also maintains Chain of Custody (CoC) certification that focuses on tracking forest fibre through the supply chain; this allows pulp customers and paper consumers to track a product from the shelf back to the forest, confirming that the product originates either from a certified responsible source or a company controlled source. To view Al-Pac's performance to the Chain of Custody Standard, <u>click here</u>.