



**PAPER
EXCELLENCE**

FIBRE SUPPLY LEADERSHIP

Fibre supply is the lifeblood of Paper Excellence's pulp and paper mills and is crucial to the quality of our products and reputation of our company. Today, our customers and the public expect preservation of local ecosystems and protection of human rights as part of the equation in consuming that fibre. We only use forest fibre with known pedigree from well-managed, sustainable forests.

OUR TEAMS OF PROCUREMENT MANAGEMENT PROFESSIONALS ENSURE THAT:



100% of our fibre comes from well-managed, sustainable North American and European forests.



100% of our fibre is managed under our chain of custody programs. Our mills use globally recognized standards.



100% of our fibre supply is covered by our Due Diligence System allowing us to mitigate risk.

Chain of custody programs are in place at all of our mills to confirm the pedigree of the fibre is known; its location of harvest and compliance with applicable forest legislation and third party sustainable forest management standards.



Forest



Transportation



Mill



Customer



End User

Forest
Certification

Paper Excellence
Chain of Custody

Customer
Chain of Custody

Over 60% of our raw fibre comes as sawmill waste wood chips. Saw logs are converted at sawmills into dimensional lumber for homes. The by-product or residual chips come to our facilities for our pulp and paper products while we use the log's bark to generate green energy.



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or

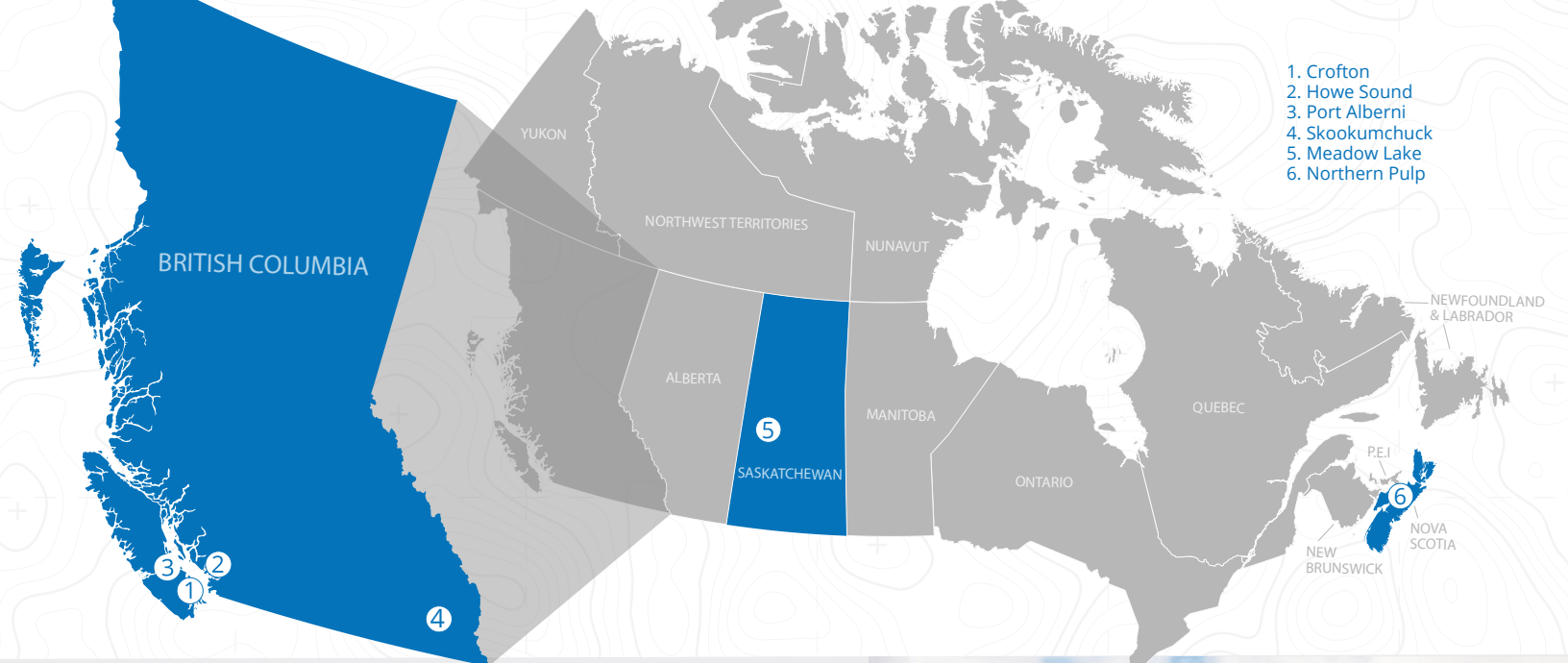


Paper Excellence relies on professional, independent third parties to verify that the wood fibre used within our products is:

- Not sourced from illegally harvested wood
- Not harvested in violation of traditional and human rights
- Not harvested from forests where high conservation values are threatened by management activities
- Not from plantations or lands being converted into plantations or non-forest use
- Not from genetically modified trees
- Not in violation of any International Labour Organization Core Conventions

» Paper Excellence maintains numerous collaborative relationships with Indigenous People's throughout North America creating well-paid local jobs and securing fibre for our mills.

» Every year, we grow 6 million seedlings in our Canadian nursery for replanting of 7,500 acres of softwood forests.



1. Crofton
2. Howe Sound
3. Port Alberni
4. Skookumchuck
5. Meadow Lake
6. Northern Pulp

CANADIAN FIBRE OVERVIEW

BRITISH COLUMBIA

- Five mills receive fibre from regions in BC, Alberta and the US.
- Crofton, Howe Sound and Port Alberni receive Coastal Hemlock, Douglas Fir, Balsam, Cypress and Cedar and Interior Spruce, Pine, and Fir (SPF) for pulp manufacture.
- Interior SPF and Coastal Hemlock are used for paper manufacturing.
- Skookumchuck buys SPF and Douglas Fir/Larch chips from local Kootenay manufacturers, Alberta and the US.

SASKATCHEWAN

- Meadow Lake receives Aspen from the boreal mixed hardwood forest and sawmill residual chips derived from White Spruce, Black Spruce and Jack Pine.
- The mill has integrated forest management operations through Mistik Management which is a partnership with nine Indigenous bands.

NOVA SCOTIA

- Northern Pulp sources fibre primarily from mainland Nova Scotia with secondary amounts coming from eastern New Brunswick, Prince Edward Island and Cape Breton Island.
- Most fibre used in pulp production is Red Spruce, Black Spruce and Balsam Fir with smaller volumes of other Acadian forest species.
- Our Nova Scotia operations include sustainable management of our private forest lands and a tree farm nursery growing and planting over 6 million seedlings annually.



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