

CONTROLLED WOOD RISK ASSESSMENT FOR SLAVE LAKE PULP

FSC STANDARD 40-005 V2.1

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| Certificate holder: | Slave Lake Pulp Corporation | Certification Body (CB): | KPMG FSCI |
| FSC CW certificate code: | Pending certification approval | Date of CB approval: | February 19 th , 2009 |
| Date of risk assessment: | Last reviewed on January 24 th , 2011 | Address of CB: | Box 10426 777 Dunsmuir Street, Vancouver, BC V7Y 1K3 |
| Certificate holder address: | PO Box 1790, Slave Lake, AB T0G 2A0 | | |

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| Districts, including countries covered with this risk assessment: | <p>For the purpose of FSC-STD-40-005 V2.1 the fibre supply District for Slave Lake Pulp are those portions of the ecoregions¹ listed below that are located within the province of Alberta.</p> <ul style="list-style-type: none"> • Alberta-British Columbia Foothills Forests • Alberta Mountain Forests • Canadian Aspen Forests and Parklands • Mid-Continental Canadian Forests, and • Northern Cordillera Forests |
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¹ World Wildlife Fund – US, Terrestrial Ecosystems of the World, 2004, URL:<http://www.worldwildlife.org/science/data.cfm>

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| 1. Illegally Harvested Wood. The district of origin may be considered low risk in relation to illegal harvesting when all the following indicators related to forest governance are present: | 1.1 Evidence of enforcement of logging related laws in the district 1.2 A robust and effective system of licensing, harvest permits, and other documentation demonstrating legality of harvests and wood purchases are present in the district. | http://www.srd.alberta.ca/MapsFormsPublications/Publications/Legislation.aspx http://www.srd.alberta.ca/ManagingPrograms/ForestManagement/ForestManagementDirectives/ComplianceEnforcement.aspx | Strong legislation is in place in Alberta regarding the granting and regulation of harvesting rights and the marking, scaling and transportation of timber. Alberta has government staff dedicated to the monitoring of compliance with and to enforce forest Acts and Regulations by forest companies. | Low Risk |
| | 1.3 Little or no evidence or reporting of illegal logging in the district of origin. | http://www.illegal-logging.info/ http://www.srd.alberta.ca/ManagingPrograms/ForestManagement/ForestManagementDirectives/ComplianceEnforcement.aspx | There is no reporting of illegal logging in Alberta. West Fraser has contracts or declarations stating that no fibre is coming from an illegal source for the Company's entire Canadian supply chain | |
| | 1.4 Low perception of corruption related to harvesting permits and related law enforcement. | http://www.transparency.org/ | As per Transparency International's 2008 Transparency International Corruption Perceptions Index (Transparency International, 2009), Canada ranks as the 10 th least corrupt country in the world. Canada ranks lower than Sweden, the least corrupt, but higher than the US, the 18 th least corrupt. | |

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| <p>2. Wood harvested in violation of traditional or civil rights.</p> <p>The district of origin may be considered low risk in relation to the violation of traditional, civil and collective rights when all the following indicators are present:</p> | 2.1 There is no UN Security Council ban on timber exports from the country concerned | http://www.un.org/en/ | There is no mention on UN site of a UN Security Council ban on timber sourced from Canada. | Low Risk |
| | 2.2 The country or district is not designated a source of conflict timber (e.g USAID Type 1 conflict timber) | http://www.illegal-logging.info/ http://www.globalpolicy.org/security/natres/timbrindex.htm AB: http://www.srd.gov.ab.ca/ | Canada is not designated as a source of conflict timber | |
| | 2.3 There is no evidence of child labor or violation of ILO Fundamental Principles and Rights at work taking place in forest areas in the district concerned | Canada: http://laws.justice.gc.ca/en/L-2/ AB: http://employment.alberta.ca/SFW/1224.html | Canada and Alberta have strong federal and provincial labour legislation. As such there is no evidence of child labour or violation of ILO Fundamental Principles and Rights at work taking place in the forest related workplaces. | |
| | 2.4 There are recognized and equitable processes ¹⁰ in place to resolve conflicts of substantial magnitude pertaining to traditional rights including use rights, cultural interests or traditional cultural identity in the district concerned. | Canada: http://www.ainc-inac.gc.ca/al/index-eng.asp AB: http://www.aboriginal.alberta.ca/1.cfm | <p>The courts of Canada have established a legally binding consultation system. There is a process in place with both the governments of Canada and the provinces to negotiate and implement land claims and self government agreements. Many First Nations have treaties with the government of Canada.</p> <p>Alberta has a First nation consultation policy that must be followed by industry. Approvals are dependent upon adequate First Nations consultation.</p> | |

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| <p>3. Wood harvested from forest in which high conservation values are threatened by management activities.</p> <p>The district of origin may be considered low risk in relation to threat to high conservation values if: a) indicator 3.1 is met; or b) indicator 3.2 eliminates (or greatly mitigates) the threat posed to the district of origin by noncompliance with 3.1.</p> | <p>3.1 Forest management activities in the relevant level (eco-region, sub-eco-region, local) do not threaten eco-regionally significant high conservation values.</p> | <p>http://www.worldwildlife.org/science/ecoregions/item1847.html</p> <p>http://www.fsccanada.org/docs/37b60f3055cda17c.pdf</p> <p>http://www.conservation.org/Pages/default.aspx</p> <p>http://www.cbd.int/countries/?country=ca</p> <p>AB Caribou Recovery Plan: http://www.srd.alberta.ca/BioDiversityStewardship/WildSpecies/Mammals/Deer/WoodlandCaribou.aspx</p> <p>West Central Alberta Caribou Landscape Plan: http://www.albertacariboucommittee.ca/PDF/WCCLPT-Plan-05_06_08.pdf</p> | <p>The fiber supply District does not contain any of the presently identified critical/endangered WWF global 200 ecoregions.</p> <p>The fiber supply District does not contain any Conservation International biodiversity hot spots or high priority wilderness areas</p> <p>The fiber supply District does not contain any ecoregions having globally, regionally or provincially significant intact forests that are threatened by forest management activities.</p> <p>Canada is a signatory to the Convention on Biological Diversity.</p> <p>No suppliers of virgin <i>controlled material</i> currently source fibre from within areas identified in the West Central Alberta Caribou Landscape Plan as core/primary woodland caribou range.</p> | <p>Low Risk at the Forest Management Unit (FMU) Level</p> |
| | <p>3.2 A strong system of protection (effective protected areas and legislation) is in place that ensures survival of the HCVs in the ecoregion.</p> | | | |
| <p>4. Wood harvested from areas being converted from forests and other wooded ecosystems to plantations or nonforest uses</p> <p>The district of origin may be considered low risk in relation to conversion of forest to plantations or non-forest uses when the following indicator is present:</p> | <p>4.1 There is no net loss AND no significant rate of loss (> 0.5% per year) of natural forests and other naturally wooded ecosystems such as savannahs taking place in the eco-region in question.</p> | <p>http://srd.alberta.ca/managing/programs/ForestManagement/documents/Forest-Resource-Ftsht.pdf</p> | <p>SRD Alberta states annual growth rate of Alberta's forest is 44 million cubic meters while approved annual cut was only 23.2 million cubic meters.</p> | <p>Low Risk</p> |

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| <p>5. Wood from forests in which genetically modified trees are planted</p> <p>The district of origin may be considered low risk in relation to wood from genetically modified trees when one of the following indicators is complied with:</p> | <p>a) There is no commercial use of genetically modified trees of the species concerned taking place in the country or district concerned</p> | <p>http://abtreegene.com/</p> | <p>No GMO trees have been planted in operational forest plantations on Crown lands in Alberta.</p> | <p>Low Risk</p> |
| | <p>b) Licenses are required for commercial use of genetically modified trees and there are no licenses for commercial use</p> | | | |
| | <p>c) It is forbidden to use genetically modified trees commercially in the country concerned</p> | | | |