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FOREVER GREEN®
ENVIRONMENTAL MANAGEMENT PROGRAM
GUIDING PRINCIPLES

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FOREVER GREEN® GUIDING PRINCIPLES

INTRODUCTION

The Tembec Forever Green Environmental Management Program aims to promote environmental protection, sustainable forest management, and conformance with the Tembec Environmental Policy for all forest operations. Tembec is committed to demonstrating responsible stewardship of resources, and a continual improvement of environmental performance.

As part of Forever Green, Tembec has developed Guiding Principles that direct forest managers in the establishment of environmental objectives and targets, and an environmental management system (EMS) that is based on the ISO 14001 standard. The Guiding Principles represent important environmental values that must be respected in all forest activities. Thus, the requirements of the Guiding Principles are realized by setting objectives, and by maintaining an effective EMS.

Tembec reviews the Forever Green Guiding Principles on an annual basis in order to ensure they remain current and effective.

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1. Respect all Laws and Regulations

Tembec operates responsibly while respecting the laws and regulations in effect. In the absence of laws and regulations, Tembec will implement and maintain good forest management practices.

- 1.1 Adhere to all federal, provincial and municipal legislation related to forest management activities.
- 1.2 Operate within policies and guidelines and maintain a process of follow-up and evaluation of activities with respect to laws and regulations.
- 1.3 Maintain monitoring and corrective action processes to ensure compliance with all applicable laws and regulations.
- 1.4 Identify the rights and responsibilities of persons and organizations with respect to ownership of land, land uses and forest management responsibilities.
- 1.5 Conform to the Tembec environmental policy.

2. Sustaining Forest Productivity

Establish a management system that maintains and improves the production and renewal capacity of a forested area.

- 2.1 Maintain and enhance productivity of forest types.
- 2.2 Minimize loss of productive forestland as a result of forest operations.
- 2.3 Identify opportunities for afforestation of marginal agricultural land.
- 2.4 Improve the utilization of all harvested tree species.

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3. Maintaining Environmental Integrity

Plan and implement forestry operations in a manner that maintains the environmental integrity of the forest.

- 3.1 Maintain an environmental management system to identify, evaluate and act on the environmental impacts of existing operations and new projects.
- 3.2 Maintain written operating procedures to ensure the protection of soil, water, vegetation, and timber resources (e.g. timber harvesting, road construction, site preparation).
- 3.3 Minimize the use of chemical pesticides, while developing effective alternatives.
- 3.4 Ensure procedures are in place for the safe transport, storage, use, disposal and minimisation of all waste and dangerous materials.
- 3.5 Maintain the environmental integrity of watershed hydrology.

4. Forest Conservation and Maintenance of Biodiversity

Support a two-pronged approach to forest conservation that includes well-managed forests and the establishment of ecologically representative protected areas.

- 4.1 Participate with government and non-government organizations in the establishment of protected areas.
- 4.2 Protect vulnerable threatened and endangered species and their habitats.
- 4.3 Manage harvest block characteristics and distribution in consideration of natural landscape patterns and cycles (fire, carbon storage).
- 4.4 Manage sensitive sites (water: riparian zones, lakes, intermittent streams, wetlands; soil: steep slopes, wet and shallow soils over bedrock) with high priority placed on soil and water conservation.
- 4.5 Maintain habitat for fish and wildlife species.
- 4.6 Maintain, enhance or restore ecological functions and values by:
 - Promoting natural regeneration where it contributes to production objectives;
 - Considering natural genetic, species and ecosystem diversity.

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- 4.7 Support measures aimed at reducing the loss of forest productivity to fire, insect and disease while recognizing that these natural processes are part of functioning ecosystems.

5. Sustaining Economic Benefits

Encourage the efficient use of the forest's multiple products and services to ensure economic viability as well as environmental and social benefits.

- 5.1 Make a positive contribution to local, regional and national economies of the timber and non-timber sectors.
- 5.2 Support the local procurement of supplies, employment, training and other services.
- 5.3 Sustain, improve and diversify the economic and related social benefits derived from the forest for communities in and near a forest management area.
- 5.4 Ensure a fair return on investment in order to create a positive economic benefit for the region and its people, employees and shareholders.

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6. Management Plans

A management plan shall be written appropriate to the scale and intensity of operations, be available to the public and kept current.

6.1 The management plan and supporting documents shall provide:

- Management objectives;
- Description of the forest based on inventories;
- Description of tree silvics and silvicultural system;
- Level of allowable harvest and rationale;
- Description of harvesting and regeneration systems and techniques;
- Growth and yield information;
- Maps identifying land tenure and timber operating areas;
- Provisions for the protection of fish, wildlife and other non-timber values.

6.2 Consider other forest values when developing long-term timber access corridors.

6.3 Undertake forest management planning and related activities in a manner that respects other forest-based businesses (i.e. tourism, trapping, recreation).

6.4 Engage in effective public involvement in forest management *planning* prior to decisions being made.

6.5 While respecting the confidentiality of information, the general management plan shall be publicly available.

6.6 Use the data and results of research programs to assist in improving overall forest management performance.

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7. Developing Relationships with First Nations

Promote long-term and mutually beneficial relationships with First Nations communities concerned by the company's activities, based on social and economic needs.

- 7.1 With the collaboration of First Nations communities, develop a process to address communications, commercial relationships, employment, training, and awareness.
- 7.2 Sites of special significance to First Nations shall be clearly identified and protected through an effective consultation process with local First Nations groups.
- 7.3 Establish consultation processes with First Nations in order to incorporate traditional knowledge and values into the company's planning processes.
- 7.4 Conform to the Tembec First Nations policy.

8. Community Relations

Maintain a process for receiving and responding to public input and providing information on forestry operations.

- 8.1 Engage in on-going employee and public education and awareness regarding the company's efforts to undertake sustainable forest management.
- 8.2 Maintain a record of responses to internal and external reviews and analysis of the company's activities, and any complaints against the company and resulting actions taken to improve performance.
- 8.3 Communicate company objectives and results to employees and the public.
- 8.4 Where avenues of consultation and dialogue are unsuccessful, explore alternate mechanisms for resolving disputes.

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9. Public, Employee and Worker Safety

Ensure that all personnel are properly trained and the health and safety of employees and the public are not compromised by any forestry activity.

- 9.1 Maintain health and safety policies and an emergency response program.
- 9.2 Ensure roles and responsibilities of all personnel are properly identified and understood.
- 9.3 Maintain programs to ensure the health and safety of employees, forest workers and the public.

10. Monitoring, Assessment and Continual Improvement

Ensure that new information is incorporated into existing practices to improve forestry management, as well as environmental, economic and social performance.

- 10.1 Develop partnerships and other opportunities with governments (Federal, Provincial and First Nations) and other interested parties to develop an increased sustainable forest management knowledge base and public understanding.
- 10.2 With the aid of indicators, monitor the state of the forest and employ an adaptive management approach to continually improve forestry practices.
- 10.3 Submit forest areas to independent audits (such as ISO-14001 and FSC audits).
- 10.4 Employ an Environmental Management System to improve performance including, but not limited to:
 - Establishment of quantifiable objectives and strategies;
 - Internal auditing;
 - Documentation of non-conformances;
 - Corrective action planning;
 - Reporting to senior management.

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11. Environmental Responsibility and Fibre Procurement

It is the intent of Tembec to extend its corporate principles throughout its **fibre supply chain**.

11.1 The Forever Green program requirements will be met or exceeded on:

- Public forest lands managed by Tembec
- Forest lands owned by Tembec
- Forest lands under management by a Tembec joint venture company.
- Non-company forest lands under lease or management agreement with Tembec

11.2 Tembec will encourage the responsible stewardship of non-company lands.

- Training of fibre procurement personnel on good forestry practices
- Provision of forest management services to land managers where applicable
- Support for the use of professional foresters and the education of land managers and forest workers regarding good forestry practices
- Over time, favour suppliers with environmentally secure fibre sources and those who have completed recommended training and education programs
- Support implementation of independent third party certification on non-company lands

11.3 Each region will implement Tembec's fibre procurement policy and procedures

- Maintain a system to track fibre supply by forest of origin that is consistent with FSC or PEFC chain of custody independent standards
- Ensure that procurement practices do not compromise the protection of legally defined protected areas and candidate areas identified by the company
- Make information available to the public and customers on request on progress made in implementing this principle