

Canadian Forest Products Industry Aims to be First Carbon-Neutral Sector

--Industry to Achieve Goal without Purchasing Offsets--

OTTAWA – October 30, 2007 – The Forest Products Association of Canada (FPAC) announced today that Canada’s forest products industry, a global leader in sustainable forest management, is setting a new bar for environmental responsibility and action on climate change: **industry-wide carbon-neutrality by 2015 without the purchase of carbon offset credits.** A partnership with WWF-Canada will inform and help guide the initiative. The announcement was made at the second annual Business of Climate Change Conference in Ottawa.

“We are pleased that FPAC is taking such a leadership position and not waiting for government regulations before taking action. My big hope is that other Canadian sectors will follow suit and rise to the challenge,” said Mike Russill, President and CEO of WWF-Canada.

“Climate change is the number one environmental threat facing the world today and becoming carbon neutral is the most significant step the forest products sector can take to reduce its overall environmental footprint,” said Avrim Lazar, President and CEO of FPAC. “Canada’s forest products industry has already made significant strides in mitigating its impact on the climate and its next step is to be carbon-neutral. The initiative we are announcing today has the potential to not only move the industry towards carbon-neutrality by 2015 but to go beyond, potentially removing more greenhouse gases from the atmosphere than we emit. And, unlike other sectors that rely significantly on the purchase of offsets, we can get there without having to do so.”

“The road will not be easy but we are confident that we can get there with the help of our partners and key stakeholders, and the guidance of other advisors,” added Lazar. “WWF has already begun some groundbreaking research into the global potential of sustainable forestry for bioenergy supply and climate change mitigation, and their Climate Savers program has established a high standard of emission reductions among leaders in many business sectors.”

Over the past two decades, FPAC members have set the pace for facility upgrades and innovative processes in a continued effort to improve their environmental performance and limit their impact on climate change. In so doing, they have reduced their fossil-fuel dependence to the point where almost 60% of their pulp and paper facilities’ energy needs are self-generated from renewable sources. From an environmental perspective, these efforts have had tangible results since 1990: a 45% cut in the use of fossil fuels, a 54% improvement in greenhouse gas emissions intensity, a 40% reduction in landfill

waste, and a 44% reduction in greenhouse gas emissions. These environmental improvements also bring distinct economic benefits, as FPAC members have increased their production by 20%.

"While we take great pride in our record of reducing emissions within our own operations, we are committed to going further and we encourage others to also voluntarily embrace stretch targets," concluded Lazar. "As a next step, by working with suppliers, customers and other stakeholders across our value chain, we hope to not only minimize our own carbon profile but also to provide our customers with the information and products they need to meet their own climate change objectives."

About WWF-Canada

WWF-Canada works to save nature by conserving species and protecting their habitats; by ensuring our use of natural resources is sustainable, and by helping individuals, companies and governments reduce pollution. For more information, visit wwf.ca.

About FPAC

FPAC is the voice of Canada's wood, pulp and paper producers nationally and internationally in government, trade and environmental affairs. Canada's forest industry is an \$80 billion dollar a year industry that represents 3% of Canada's GDP. The industry is one of Canada's largest employers, operating in over 320 Canadian communities and providing nearly 900,000 direct and indirect jobs across the country.

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For more information, contact:

Laura Ballance
Curve Communications
(604) 684-3170
(604) 771-5176 (cell)
laura@curvecommunications.com

Isabelle Des Chênes
Director, Communications
Forest Products Association of Canada
(613) 563-1441 ext: 323
ideschenes@fpac.ca

Maggie MacDonald
Manager, Communications
Climate Change Program
WWF-Canada
(416) 919-8905 (cell)
MMacDonald@wwfcanada.org