

Forestry Certification

Bowater has an established history of sustainable forestry and wood procurement practices that are certified to internationally recognized standards, and assessed and regularly audited by independent third parties.

- All certification programs used by Bowater - Sustainable Forestry Initiative® (SFI), Forest Stewardship Council (FSC), Canadian Standards Association (CSA) and Programme for the Endorsement of Forest Certification (PEFC) - have been globally recognized as sound and credible sustainable forest management (SFM) and wood purchasing standards.
- Each of the certification systems defined above sets out principles and objectives to balance the working forest with the protection of wildlife, fish, plants, soils and water, and the conservation of biological diversity and other land uses, such as recreational opportunities and sites of cultural heritage.
- Bowater will continue to pursue additional assurances of sustainability for its customers and other stakeholders through third-party certification.

Environmental Management Systems

- All of Bowater's sustainable forest management and wood fiber procurement operations have environmental management systems (EMS) that define policies, plans and procedures. In Canada, each EMS is registered to ISO 14001 environmental management standards by independent auditors.

Sustainable Forest Management

- Sustainably managed forests, defined by sustainable forest management standards such as those mentioned above, are better protected from forest fires, insect infestations, and unsustainable harvesting, than unmanaged forests.
- All of Bowater's US operations, and the company's Ontario, New Brunswick and Nova Scotia operations are third-party certified to the SFI® standard.
- The SFI standard is well suited for Bowater mills that are dependent upon market purchases of wood- such as those in the US that do not own or manage forestland - because of the SFI's unique "wood procurement" requirement.
- The majority of Bowater's Quebec operations are certified to the CSA Z809, the national forest management standard in Canada.
- The SFI and CSA standards are the largest sustainable forest management certification systems in North America, with over 53 million hectares (130 million acres) and 73 million hectares (181 million acres) of forestland certified respectively.
- The SFI and CSA standards are among more than 22 standards in the world endorsed by the Programme for the Endorsement of Forest Certification (PEFC), an umbrella organization that endorses national and international forest management standards that are consistent with the PEFC core requirements.
- The PEFC is the largest sustainable forest management certification system in the world, with more than 200 million hectares (494 million acres) of certified forests.

- The SFI and CSA standards are also recognized by the Canadian Sustainable Forestry Certification Coalition.
- Unlike SFI and CSA, which define a single set of standard requirements for North America and Canada respectively, FSC is an international standard with related national standards and regional standards.
- Bowater has assessed many of its operations to the FSC standards, and currently utilizes fiber from FSC-certified forests in its products whenever practical.

Responsible Wood Fiber Procurement

- Bowater has implemented fiber tracking systems at its mills to ensure our wood fiber supply comes from acceptable sources such as sustainably managed and certified forests and legal harvesting operations.
- At several mills, these systems are third-party certified to recognized Chain of Custody (CoC) standards, with still others in the process of being certified. Chain of custody can be defined as the process of tracking and recording the possession and transfer of wood and fiber from the forests of origin to the product at any given stage of production. Many CoC standards have been developed, the certification to which requires a third-party audit of the fiber tracking system.
 - Bowater's Thunder Bay, Ontario mill is third-party certified to the PEFC Annex 4 CoC standard.
 - At Bowater's Gatineau, Quebec and Catawba, South Carolina mills, certification to the PEFC Annex 4 CoC standard is currently in progress and third-party audits are expected to be conducted by the end of 2007.
 - Bowater's Dalhousie mill in New Brunswick is third-party certified to the Forest Stewardship Council (FSC) CoC standard.
- We encourage our private wood fiber suppliers to practice sustainable forest management and use best management harvesting practices.

General Statements

- While many certification systems are currently accepted and available, the most important emphasis should be on whether the forest is managed sustainably and harvested responsibly, not on the use of one particular system of certification at the exclusion of others.
- All certification systems used by Bowater have been recognized as sound and credible systems for promoting sustainable forest management and responsible wood fiber procurement by numerous independent government and university comparison studies (see attached certification fact sheet - <http://www.aboutsfb.org/miscPDFs/Diff&Sim.pdf>).

For a summary of Bowater's sustainable forest management and wood fiber procurement certifications, please see the table on the following page.

Certification of Bowater's North American SFM and Wood Procurement Operations

Bowater Location	EMS/ISO 14001	SFM Certification	CoC Certification
Calhoun, Tennessee	EMS	SFI	
Catawba, South Carolina	EMS	SFI	PEFC*
Coosa Pines, Alabama	EMS	SFI	
Covington, Tennessee	ISO EMS	SFI	
Grenada, Mississippi	EMS	SFI	
Usk, Washington	EMS	SFI	
Dalhousie, New Brunswick	ISO EMS	SFI	FSC
Dolbeau, Quebec	ISO EMS	CSA	
Donnacona, Quebec	ISO EMS	CSA	
Gatineau, Quebec	ISO EMS	CSA**	PEFC*
Liverpool, Nova Scotia	ISO EMS	SFI	
Thunder Bay, Ontario	ISO EMS	SFI	PEFC

* Certification audits expected by end of year 2007

** Certification audits expected in 2008.