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INTERNATIONAL  PAPER

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INTERNATIONAL  PAPER



Sustainable
forest management

All you need to know

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Introduction

In today's environmentally conscious world, consumers want to know that the paper and wood products they buy come from **sustainably managed forests** that will remain healthy and able to meet the needs of future generations.

International Paper answers this demand by having the sustainability of our forest management practices certified by independent third parties. We do this through the PEFC certification system, an initiative supported by a wide range of international groups.

Two-thirds of all certified forests globally have been endorsed by PEFC, making it the world's largest resource of certified wood. Its recognition in government and private procurement is growing rapidly.

Increasing numbers of paper and timber trading and processing sector companies have chosen **PEFC** as their efficient and reliable tool for the safe sourcing of raw materials and products.

This booklet contains answers to commonly asked questions about **PEFC and International Paper's engagement** with sustainably managed forest certification. We hope it will be a useful source of information in your discussion with customers.

If you have any additional questions, please contact Patricia LaRocca (patricia.larocca@ipaper.com) and we will do our best to answer them.



Q & A
Questions & Answers

1 What is meant by “sustainable forest management”?

This term means the sustained economic and social development of resources without compromising the needs of future generations. Sustainable forestry practices take into account:

- the balance between growth and removals
- cultural values
- biodiversity
- protective functions of forests
- forest health and vitality
- forest resources and global carbon cycles

2 What is International Paper’s commitment to sustainable forest management?

Sustainability is at the core of our operating philosophy. It is a business practice that is at the absolute core of the way we manage for today and the future.

We also ensure our forests will support clean air and water, diverse wildlife habitat, recreational opportunities and aesthetic beauty.

3

What is forest certification?

This is the mechanism using third party certification bodies to provide assurance that a forest is managed according to internationally recognised sustainability criteria.

In this voluntary, market-based approach, a forest's management and operations are rigorously audited by an independent, accredited organisation.

The certification process is carried out within the framework of a recognised forest certification scheme.

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What is the PEFC?



PEFC stands for Programme for the Endorsement of Forest Certification Schemes. The PEFC is an independent, non-profit, non-governmental organisation.

PEFC principle missions

- Promoting sustainable forest management through independent third-party certification
- Providing an assurance mechanism so purchasers of wood and paper products can be sure they are supporting sustainable forestry
- Strengthening the positive image of forestry and wood as a renewable raw material

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How does PEFC operate?

PEFC operates by endorsing national forest certification programmes. The national scheme must be developed in an open and transparent way through a multi-stakeholder process. It is then assessed by independent consultants to make sure it meets PEFC requirements for standard-setting, sustainable forest management, chain of custody and certification bodies.

Finally, all PEFC national forest certification schemes vote to mutually recognise the applicant scheme or not. This requires a 2/3 majority, and only recognised national schemes can use the PEFC logo. The schemes are reviewed at least every five years.

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How does a forest get certified and how is certification renewed?

In order to obtain the certificate, a full audit of a forest's management procedures is carried out. The certificate is valid for up to 5 years and surveillance audits are carried out annually.



7 What is a “chain of custody” certificate?

Chain of custody (CoC) is a tracing system used throughout all steps of wood and pulp manufacturing and distribution. The CoC provides confidence to customers that the company’s claim of a certified product is truthful.

A CoC certificate is issued by an independent, accredited certification body which verifies that the wood flow accounting system of an enterprise meets the exact requirements of the certification scheme.

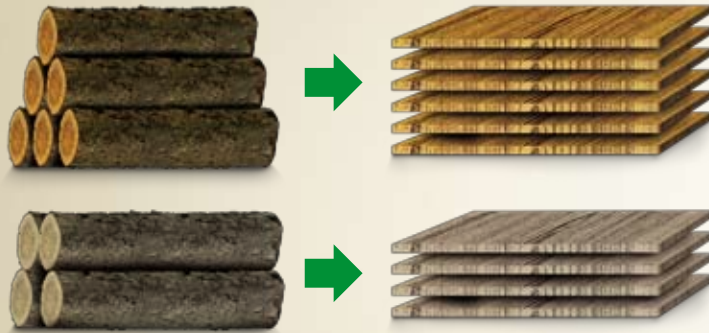
A CoC certificate is valid for up to five years but surveillance audits are carried out annually.



8 What are the two ways wood origin is traced?

In a chain of custody, the wood's origin is traced and the certified content is calculated in two different ways: through the percentage model or through physical separation. For papermaking, the percentage model is generally used.

Through physical separation



Using the **physical separation** of wood, each batch from certified forests must be kept physically separate from all other wood at every stage from harvesting and transport to intermediate storage and processing.

The percentage model



Using the **percentage model**, the enterprise may label the proportion of its production that corresponds to the amount of raw material used from certified sources. The implementation of this is verified by inventory records at each stage of the process. Once an enterprise achieves over 70% input from certified sources, it can label all of its production with a PEFC logo.

9 What are the different labelling options for certified products in PEFC?

A company may label its products with a PEFC logo once the PEFC-certified content exceeds 70%. This is verified by inventory records at each stage of the process. The PEFC logo on the products can be accompanied by different claims:

- a. **“From sustainably managed forests – For more info: www.pefc.org”** in cases where the wood comes from forests and suppliers that used the physical separation model in all previous stages of the chain, and the certified wood content is 100%.
- b. **“Promoting sustainable forest management – For more info: www.pefc.org”** in cases where the chain of custody certification is based on the percentage model or physical separation (where the conditions for “a” have not been met), and the certified wood content is at least 70%.
- c. **“Promoting sustainable forest management and recycling - For more info: www.pefc.org”** in cases where the certified product includes PEFC recycled raw material, and certified and recycled material add up to at least 70%. The PEFC logo in this case has to be accompanied by the Möbius loop and the percentage of recycled material has to be stated inside the Möbius loop.



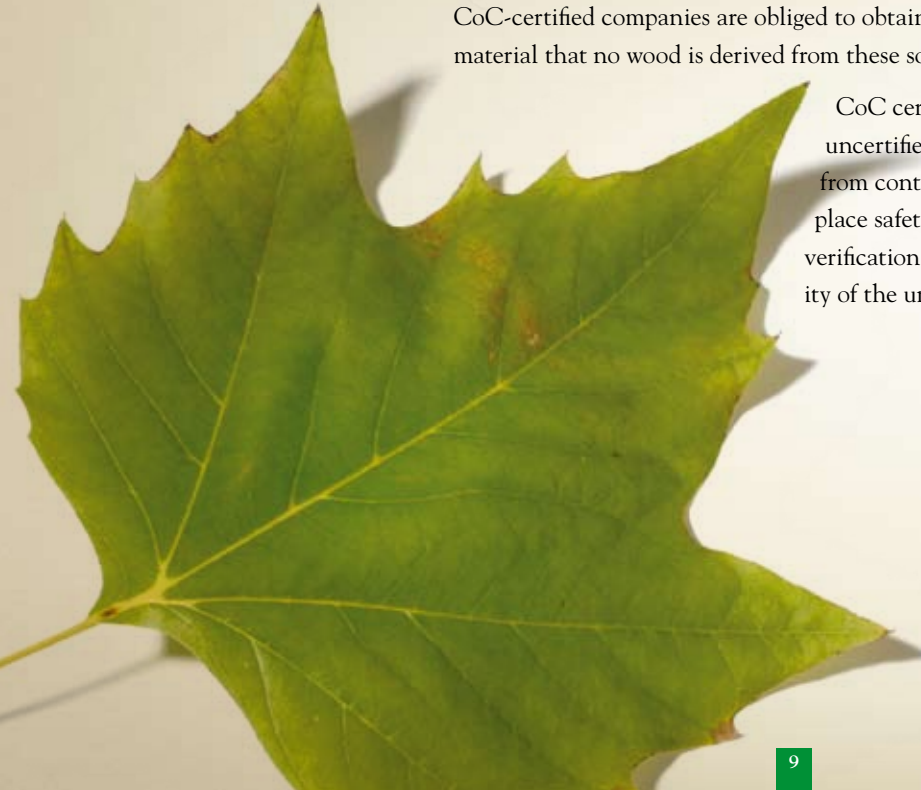
10

How does PEFC certification ensure that raw material doesn't come from a protected forest?

PEFC requires that no wood from controversial sources (e.g. illegal logging or strictly protected areas) may enter the certified product chain.

CoC-certified companies are obliged to obtain a signed self-declaration from all suppliers of uncertified material that no wood is derived from these sources.

CoC certified companies need to undertake risk analyses for uncertified wood. If a high risk exists that raw material originates from controversial sources, CoC-certified companies must put in place safety checks such as external assessments, second/third party verification mechanisms and on-site inspections, to ensure the legality of the uncertified wood.



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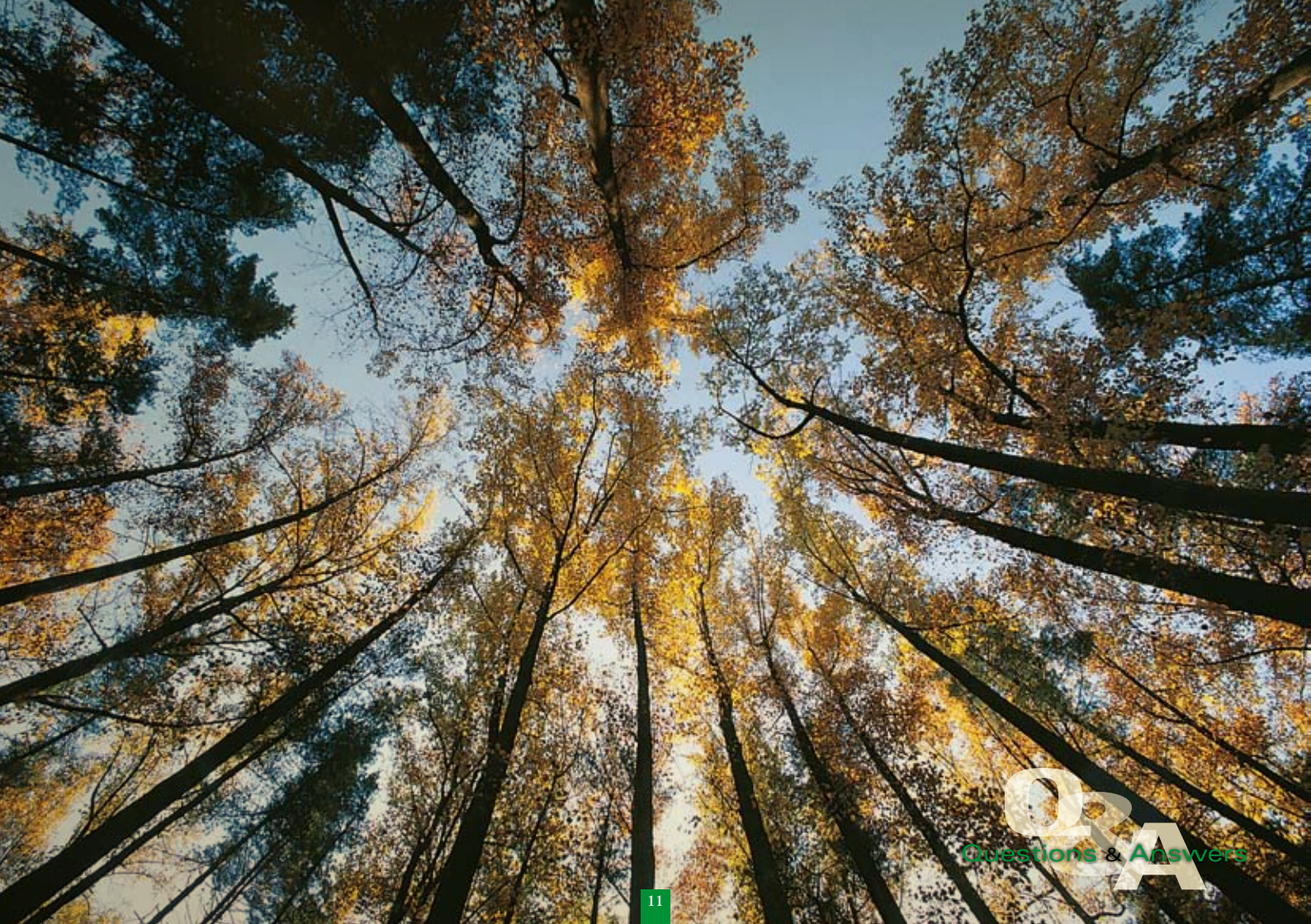
What are the industry benefits of PEFC forest and chain of custody certification?

Certified tracking of the wood flow offers a number of business bonuses to the wood-processing industry and business-to-business suppliers, as well as customers, retailers and traders.

- Improving market access, as increasing numbers of customers, retailers and traders specify wood from certified sources only
- Demonstrating their commitment to sustainable development
- Creating a wood flow accounting system to improve business efficiency
- Improving the image of the wood-processing sector
- Promoting wood and competing more successfully with other materials



PEFCTM



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Is International Paper certified? Or is the paper certified?

A manufacturing or distribution facility can be holder of a CoC certification. However this does not mean that (all) its products are (100%) certified. The CoC certificate guarantees that the company has assurance mechanisms in place to trace certified products in the company's production process.

The product certification is the customer's guarantee that the paper is made from pulp from certified forests. For example, International Paper's Rey, IP Pro, IP Preprint and JetSet Colour product ranges are made of PEFC certified fibres. Please check our website for the latest list of certified products.

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What organisations does PEFC represent?

Founded in 1999, the PEFC represents a wide range of bodies with interests in sustainable forest management. These include:

- forest owners and managers
- forest industry/processors
- trade unions
- traders/buyers
- government public institutions
- forest science
- indigenous/local communities
- consumers
- other forest users (e.g. recreation)

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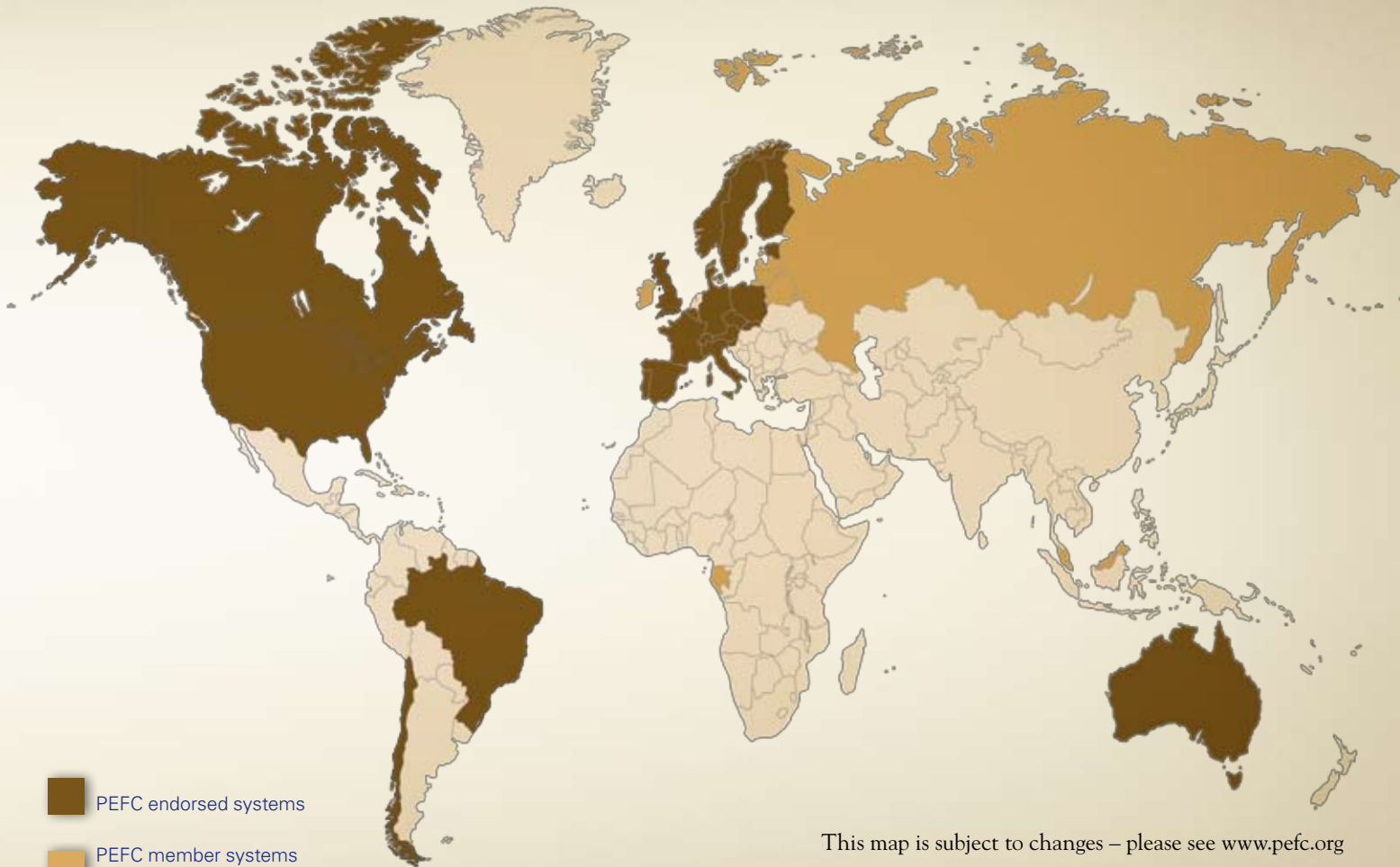
In what countries are PEFC-certified forests or businesses located?

PEFC members include more than 35 independent national forest certification schemes. Of these, more than 23 have already been through a rigorous assessment by independent consultants. The other national members' schemes are working towards PEFC endorsement. Only endorsed schemes can use the PEFC logo or claim their forests to be PEFC certified.

PEFC Members

The members are national organisations representing the various stakeholder groups in a country, such as forest owners, environmental groups, paper industries and trade unions.

For the latest information on endorsed forest certification schemes see www.pefc.org. All forest certification systems that have been endorsed by PEFC are marked with a tick (☑) on the website www.pefc.org > PEFC members & schemes.



This map is subject to changes – please see www.pefc.org for the latest information.

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How much forest is included in PEFC certification schemes?

Currently, there are about 200 million hectares (about 500 million acres) of PEFC-certified forests producing millions of tonnes of certified timber. This makes PEFC the world's largest certification scheme. Moreover, the majority of European forests are PEFC-certified.





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If a distributor wants to show that its products are PEFC-certified, can it use the PEFC logo?

The PEFC logo is a communication tool that certified companies can use on their certified timber, paper and wood-based products to inform customers and final consumers about the origin of the raw material.

The PEFC logo can be used on- or off-product (e.g. sales tools, etc.) under license from PEFC. Users must have a valid forest management certificate or chain of custody certificate.

The license number must be used together with the logo. A public online database at www.pefc.org provides information on all certificates or logo license numbers for each forest or chain of custody certificate in every PEFC national scheme.



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What products besides paper are certified PEFC?

Any forest-based product – including lumber, wood-based building materials and furniture – can be PEFC-certified as long as it is made with raw material from a certified forest. The seller must also have a chain of custody certificate verifying the origin of the raw material.



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What are the unique selling points of PEFC?

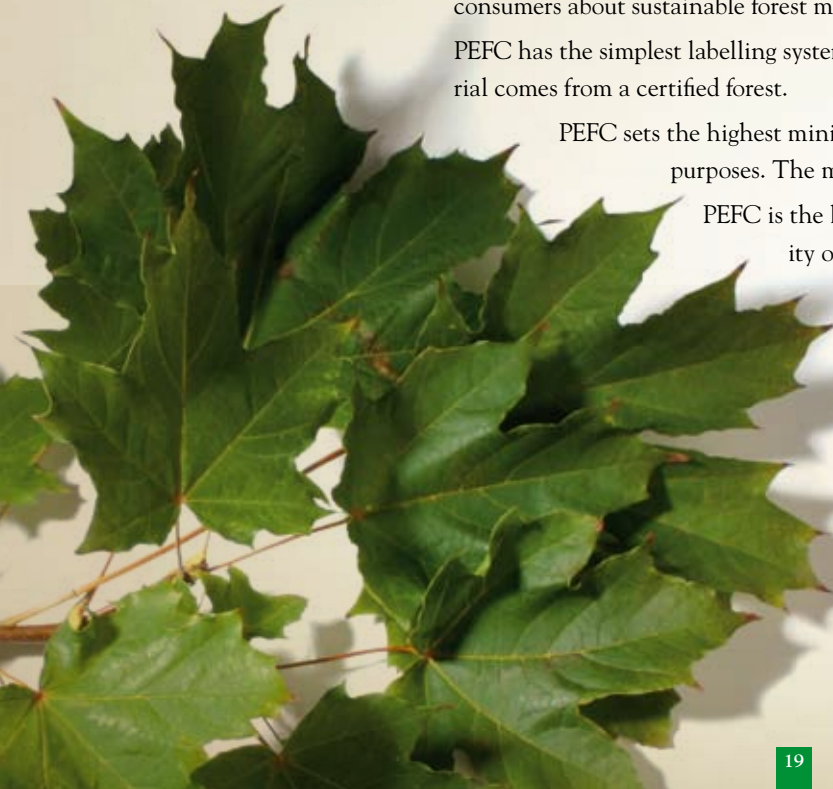
PEFC is fully recognised by many governments around the world as a guarantee of sustainable forest management. Supported by all players in the wood and paper sector, it is the industry standard.

In 2006 the European Parliament passed a resolution in which it recognised PEFC as a means to assure consumers about sustainable forest management.

PEFC has the simplest labelling system: a single label guaranteeing that at least 70% of the raw material comes from a certified forest.

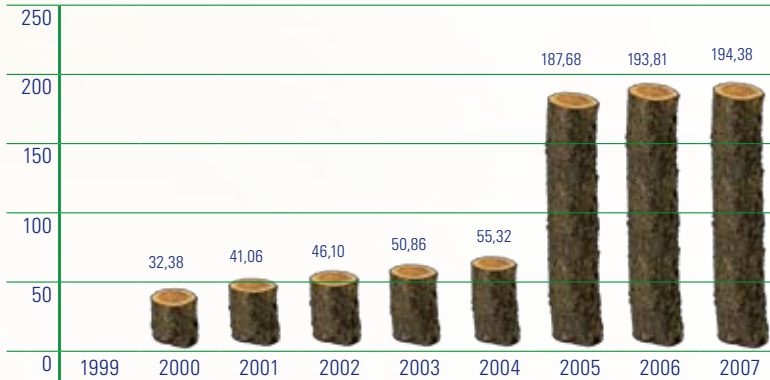
PEFC sets the highest minimum requirements in terms of certified wood content for labelling purposes. The minimum threshold is 70%.

PEFC is the largest forest certification scheme worldwide. Moreover, the majority of European forests are PEFC-certified.

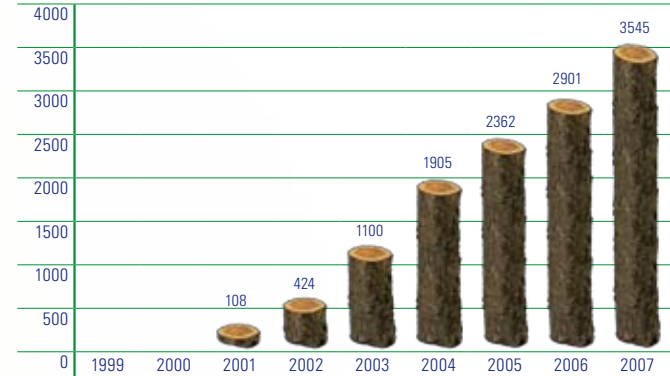


PEFC certified Companies

Mill. Hectares



Number of Chain of Custody certificates



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Does PEFC certification also cover recycled wood-based material?

In July 2005, PEFC introduced a new option allowing companies to communicate the content of recycled raw material in their products by using a combined label containing the PEFC logo and the Möbius loop.

The new label can be used on products where the total content of PEFC-certified wood or fibres and PEFC recycled raw material exceeds 70%. The percentage of the recycled material has to be stated inside the Möbius loop.

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Which International Paper plants in Europe use wood or pulp from PEFC-certified forests?



Saillat, France

About 45% of wood is from local PEFC-certified forests. This percentage is growing rapidly.

Kwidzyn, Poland

Over 80% of wood is from Polish State Forests. The endorsement of the Polish PEFC has been approved in March 2008.

Svetogorsk, Russia

The two national forest certification initiatives in Russia are members of the PEFC and have announced their intention to apply to international PEFC endorsement.

Inverurie, Scotland

About 90% of pulp is supplied by PEFC and SFI or CERFLOR certified forests.

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What is the link between PEFC/SFI and CERFLOR?

In December 2005, PEFC officially endorsed the North American Sustainable Forestry Initiative (SFI) certification system, a programme that is actively promoted by International Paper in the USA.

CERFLOR, the Brazilian forest certification programme, was endorsed by the PEFC Council in October 2005.

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What other environmental benefits do certified forests provide?

Sustainable forest practices help to fight global warming by preventing deforestation and by replanting trees in the certified forests. Managed forests constantly absorb carbon dioxide from the atmosphere. This captured CO₂ is eventually bound up in the timber and paper products.

