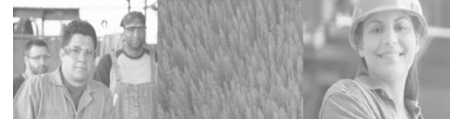


Sustainable Enterprise

Newsletter

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Launching a new focus on Sustainability at Canfor Pulp

While some businesses regard sustainability as a compliance requirement that primarily adds costs, CPLP regards sustainability as inseparable from our business strategy and an opportunity to create value. To this end, we have recently established a company-wide division of Sustainable Enterprise, tasked with evaluating and transforming all operations with a view to finding ways to operate in a more sustainable manner. During 2011 we will be launching the program and placing increased emphasis on all aspects of sustainability involving our company. This is an evolution rather than a revolution in our business, because economic and ecological efficiencies have always been linked in our industry. Our Sustainable Enterprise strategy is founded on five working principles:

1. Business success and sustainability go hand in hand
2. Sustainable Enterprise must embrace environmental, social and economic considerations
3. Resources must be used responsibly and ever more efficiently, to create more value from those resources
4. Sustainable Value will be measured and continuously improved
5. All activities must be conducted in a transparent and accountable manner

We have employed a consulting group, Stratos, with a proven track record of helping companies recognise the challenges and opportunities that sustainability initiatives present. They will be visiting the mills and meeting with many of us during the year. Please make them welcome.

As we develop the program during the year, you will be hearing lots more about specific activities, some of which will affect the mills and the staff working there, some will be aimed at the marketplace and the investment community. Updates on the roll-out of the program will be issued during the year

This promises to be an exciting year as we make the various process changes for which we have received federal government support under the Green Transformation Program. In all \$158 million is being spent at the mills, \$122 million from government, \$36 million from CPLP, and the result will be a much lower environmental impact on the local community as well as more eco-efficient mill operations overall.

I would encourage everyone to lend their support to the sustainability program as it develops during the year. Your feedback and ideas are encouraged.

Joe Nemeth
President and CEO