

Press Release – 28 September 2012

Group accounts for 40.7% of FSC® certified woodlands in Portugal

## Portucel Soporcel Group joins “FSC® Friday”

- The Portucel Soporcel group works to ensure efficient and responsible management of its agro-forestry holdings and regards forest certification as a key factor for sustainability, helping to strengthen its position in an increasingly competitive international market
- The Group’s forest management model has been certified for five years by the Forest Stewardship Council® (FSC)
- The Group’s certified woodlands include all its forestry holdings in mainland Portugal

As the leading European producer of bleached eucalyptus pulp, office paper and paper for the printing industry, the Portucel Soporcel group regards its woodlands as one of the central pillars of its business sustainability, and has obtained certification of its forest management according to the FSC® (Forest Stewardship Council - CO10852) and PEFC (Programme for the Endorsement of Forest Certification schemes). The Group was the first operator in Portugal to achieve certification of its forestry management under both systems.

In line with its strategy of promoting certified forest management in Portugal, and the adoption of the principles established by the FSC system, in 2007, when it first obtained certification, the Group again joins the “FSC Friday” initiative, held this year for the fifth time on 28 September.

Organized by FSC International Center, “FSC Friday” is an annual event celebrating forests all around the world, and involving schools, companies and forestry producers, with a focus on responsible forest management and wildlife conservation. This is a day on which the FSC invites individuals and organizations to think about the wood and paper products they normally purchase and to look for those with the FSC logo, which is the trademark of responsible forest management.

For José Honório, CEO of the Portucel Soporcel group, *“FSC certification of our forest was a decisive step in the process of constantly improving forestry management, with a view to optimizing yields from forest assets, whilst continuing to honour the Group’s*

*environmental and social responsibilities. We will accordingly continue to put our weight behind initiatives designed to raise awareness of the importance of certified forest management."*

The Group sees forestry certification as a route to strengthening its position in an international market which makes increasingly stringent demands as to the sourcing of raw materials, and as a way of responding to society's legitimate concerns.

The Portucel Soporcel group has also been one of the main driving force behind forestry certification in Portugal, as a key factor for ensuring the competitiveness of forest products on international markets and for encouraging the adoption of good forestry practices and wildfire protection plans. To this end, it has established cooperation agreements with producers' organizations and provided training and awareness raising of landowners. This has included a ground-breaking cash premium for certified wood, a measure which led the FAO's 2007/2008 Forestry Products Annual Review to regard Portugal as a pioneer in promoting certified forestry management.

The area of the certified woodlands under the Group's management has gradually increased, bearing witness to its efforts and investment in implementing the best forestry practices. In little over 5 years, the Group has expanded its certified woodlands by more than 20 thousand hectares, giving it today a total of more than 120 thousand hectares, with its certification renewed this year under both systems.

The Portucel Soporcel group has also obtained certification of the Chain of Custody, in accordance with the requirements of the FSC (certificate no. SW-CoC/CW-oo1829) and the PEFC (certificate no. APCER/2007/CDR.0008), at all its production units. This certification has the virtue of demonstrating to society that raw materials are traceable throughout all stages of the handling, manufacture and marketing of forestry products.

The use of the FSC logos on the Group's products helps to create value for its brands, assuring consumers that their products are manufactured from materials sourced from responsibly managed forests.

### **About the Forest Stewardship Council – FSC**

FSC – Forest Stewardship Council – (*headquarters in Bonn*) is an independent, non-governmental, non-profit making organization, set up to promote responsible forestry management around the world. The FSC promotes sound forestry management through compliance with principles and criteria which represent a standard which is internationally recognized and respected. Founded in the 1990s, the Council has mobilized professionals and organizations around the world working in different areas of interest to the management of forest resources. FSC certification provides a credible link between responsible production and the consumption of forestry products, permitting consumers

and companies to make purchase decisions which will benefit both people and the environment, as well as assuring continued growth in business.

## About the Portucel Soporcel group

The Portucel Group is one of Portugal's strongest players on the international stage.

The new paper mill has had a significant impact on the Portuguese economy, positioning the Group as the leading European manufacturer of uncoated woodfree (UWF) printing and writing paper and the 6<sup>th</sup> largest producer in the world. This has placed Portugal at the top of the European ranking of countries manufacturing this type of paper. The Group is also Europe's leading manufacturer, and one of the largest in the world, of bleached eucalyptus kraft pulp (BEKP).

The Portucel group is one of Portugal's three leading exporters, generating an extremely high level of national value added. The Group accounts for 90.7% of Portugal's GDP, approximately 3% of the country's exports and 10% of containerized and conventional cargo exported through Portuguese ports.

As a vertically integrated forestry group with its own forestry research institute, it leads the world in the genetic improvement of the *Eucalyptus globulus*. It manages woodlands holdings in Portugal of approximately 120 thousand hectares and the Group's responsible forest management practices are certified under two internationally recognized schemes, the FSC® (licence no. FSC C010852) and the PEFC™ (PEFC/13-23-001). It boasts annual production capacity for 1.6 million tons of paper, 1.4 million tons of pulp (of which 1.1 million is integrated into paper) and power generation of 2.5 TWh, adding up to annual turnover approximately of approximately 1.5 billion euros.

Thanks to recent investment in doubling the production capacity of its nurseries, the Group now operates one of Europe's largest nurseries for forestry plants, with annual production capacity of approximately 12 million certified plants of various species, ready for use in renewing Portugal's woodlands.

The Group has successfully pursued a strategy of innovation and development of its own brands, which today account for 64% of sales of manufactured products. Special mention should be made of the Navigator brand, the world's best-selling product in the premium office paper segment. The Group's sales are made to 120 countries over five continents, with Europe and the United States as the two main destinations.

The Group is also a leading operator in the energy sector, as Portugal's chief producer of "green energy" from biomass, a renewable source.

In keeping with its strategy of international expansion, the Group is currently investing in a major vertically integrated forestry project in Mozambique, set to culminate in the construction of a cellulose pulp mill with annual capacity of 1.3 million tons.