

Press Release - 15 July 2009

Priorities are cutting number of fires and area burned

Portucel Soporcel Group invests 3 million euros in protecting Portuguese forests against fire

- **60% of spending is on preventive measures and the remaining 40% allocated to supporting fire fighting activities;**
- **Raising public awareness in high risk areas;**
- **Strategic management of combustible materials in critical areas for landscape;**
- **Controlled burning of more than 200 hectares of pine forest, forestry waste and brush land;**
- **Clearance and pruning work over more than 1200 hectares of softwood plantations;**
- **Maintenance work on more than 10,000 hectares and upkeep of 5000 km of fire breaks and paths in woodlands managed by the Group;**
- **Rehabilitation of 6 watch towers;**
- **Mobilizing primary intervention resources for preventive activities, including awareness raising and treatment of forestry fuels.**

Close to 97% of forest fire incidents in Portugal are the result of human activity, in the form of negligent or wilful use of fire. In order to discourage negligent and wilful use of fire, the Portucel Soporcel Group is actively engaged in raising awareness amongst relevant sectors of the public. In 2009 these initiatives have included developing the awareness of forestry operators, timber hauliers in high-risk areas and owners of agricultural and forestry land, assigning top priority to the need to reduce the number of fires being ignited. The Group's efforts in the field have included distribution of leaflets, participation in public meetings, a poster campaign and awareness raising in the most critical areas.

In 2009, the Group has invested approximately 3 million euros in preventing and fighting forest fires, representing by far the largest private sector contribution to the protection of Portugal's woodlands.

As part of the policy of forestry conservation pursued by the Group, the 2009 campaign a renewed commitment to prevention as the crucial component in its efforts to protect forests from the risk of fire.

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In addition to woodlands maintenance and reforestation with a view to sustainable forest management, the Group has therefore focussed in 2009 on prevention and presuppression. This has involved:

- Management of combustible materials in more than 880 ha of cork oak forest;
- Construction of 6 fire hydrants at strategic locations;
- Management of combustible materials in 1200 ha of softwood plantations through crop clearance, pruning, controlled fires, sanitary felling and mechanical and manual bush clearance;
- Rehabilitation of six watch towers: Alcoentre, São Luís, Vale Beja, Amarelo, Castanheiros and Grândola.

Despite its strategy of focussing on prevention, the Group has maintained its level of participation in the fire fighting system, contributing directly and through Afocelca (an industry organization in which the Group is the main participant) to Portugal's national defence system against forest fires. Afocelca plays an important role, tackling more than 1500 fires each year, of which more than 85% are in neighbouring properties.

Afocelca has been engaged in the following initiatives:

- Improving the system for mobilizing fire fighting resources which are deployed on the basis of the risk and value of each area;
- Selection and recruitment of personnel for Afocelca and the Portucel Soporcel Group with specific training designed to achieve increased integration with district fire fighting systems;
- Rental for a period of 2 and a half months of 4 helicopters, 16 semi-heavy vehicles (3000 litres) and 35 smaller vehicles (600 litres) and assignment of decision-making powers to a 24-hour command centre.

The 2009 campaign involves more than 300 people, supported by eight forest fire officers from Chile who, alongside the Portuguese fire officers, make up the helicopter fire squads. In addition to operational issues, geared to efficient intervention, prime importance is attached to managing the system to assure safety and the technical quality of operations, which continue through to the end of September.

The human and material resources deployed in the campaign are divided as follows:

- 1 central command centre operating on a 24 hour basis from 15 June to 30 September;
- 13 liaison officers in each District Emergency Operations Command;
- 6 watch towers manned 10 hours a day;
- 4 helicopters with 4 brigade of 5 forest fire officers each;

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- 35 4WD primary intervention units, with kits of 600 litres of water and 4 firemen each;
- 16 semi-heavy units, with 5 firemen each, using Unimog vehicles equipped with kits carrying 3,500 litres of water and foam ;
- 40 employees of member companies, operating in vans with kits carrying 600 litres of water.

Portucel Soporcel Group joins Movimento ECO

For the third year running, the Portucel Soporcel Group has put its weight behind *Movimento ECO – Industry against Fires*. This is a private sector organization launched in 2007 as a partnership between companies/brands, the Ministry of Internal Administration and the Ministry of Agriculture, Rural Development and Fisheries. The organization's main goal is to inform the public and to change attitudes in the area of forest fire prevention and fire fighting.

US expert assesses progress in Portugal on forest fires

The Portucel Soporcel has monitored progress in Portugal's wildfire defence system and invited Mark Beighley, an American expert in wildfires with more than 30 years' experience in forest and fire management for the US Government to assess the current situation in prevention and fighting of forest fires in Portugal. As part of this project, Mark Beighley recently visited Portugal, taking part in the international seminar organized by the Group on "Forests, Sustainability and Prosperity, and will return again in August. In Mark Beighley's view, environmental factors – extreme weather conditions – explain only part of the problem suffered by Portugal each year as a result of forest fires. Human behaviour is the main issue, as "...97% of all fires are started by people, (...) and the annual number of occurrences is still very high when compared with neighbouring countries", he explained.

Mark Beighley is a consultant with in-depth knowledge of the situation in Portugal. He came to the country in 2004 at the head of a mission to help the Portuguese Government and co-authored "*USA – Portugal Wildland Fire Technical Exchange Project Final Report – 2004*". He came back to Portugal in 2005 to advise on the drafting of the National Fire Defence Plan, and in October 2008 took part in the meeting organized by the Nature Conservation League.

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About the Portucel Soporcel Group

The Portucel Soporcel Group is one of Portugal's strongest players on the international stage, operating in one of the country's core sectors and occupying a highly prominent position in the international paper and pulp market.

The Group is a major European producer of UWF (Uncoated Woodfree Paper), and also the largest producer in Europe, and one of the largest in the world, of bleached eucalyptus kraft pulp (BEKP).

With production capacity of 1.05 million tons of paper and 1.35 million tons of pulp (of which approximately 765 thousand tons is incorporated into paper), the Group has annual turnover in excess of € 1,100 million, sending exports worth more than 950 million euros to more than 90 countries, which represents approximately 93% of its paper and pulp sales. It therefore accounts for approximately 3% of Portuguese exports of goods which, in conjunction with sales on the home market, correspond to 0.7% of the country's GDP.

With a leading position in the eucalyptus forestry sector, the Portucel Soporcel Group is responsible for management of around 120 thousand hectares of woodlands, of which 85% is certified by the FSC (Forest Stewardship Council), representing 54% of certified forests in Portugal.

The Group's plans for future development are currently centred on the construction of a new paper mill at its industrial complex in Setúbal, some 50 kilometres from Lisbon, which will boast the world's largest and most sophisticated machine for production of UWF paper, with annual production capacity of 500,000 tons.

Due to start up during the third quarter of 2009, the new plant represents investment of € 550 million and brings the Group's paper production capacity up to a total of around 1.5 million tons a year. This will allow it to lead the European UWF market and to build further on its already impressive position in the North American market.