



12 January 2016

Mr. Richard Garneau, President

Resolute FP Canada Inc.

5000-111 Duke Street

Montréal, QC H3C 2M1

Dear Mr. Garneau,

Let me take this opportunity to wish you a very happy New Year. I hope we can find ways to make 2016 a constructive and fruitful year for the engagement between FSC and Resolute Forest Products.

Thank you for your responses to my letter of December 16<sup>th</sup>. I appreciate your personal engagement in this matter and have read with great interest your suggestions related to the mediation process I proposed. I look forward to discussing your ideas and the ideas brought forward by other stakeholders in greater detail later this month with a view to shaping the next steps of a way forward.

I agree with your points regarding the necessary leadership role of the government in questions related to territorial rights and the regulation of responsible forest management. As clearly stated in FSC's Principle 1, respect for government legislation is at the core of FSC certification.

Within this framework, however, FSC is a voluntary certification system, where all stakeholders are expected to work constructively together to agree shared solutions. This is true for environmental issues such as management decisions of importance to the protection of species at risk, as well as for issues related to the consent of First Nations. This is nothing new in FSC. Environmental protection requirements and respect for Indigenous Peoples' rights have been part of FSC Canada's forest management standards for more than 10 years, and it is the responsibility of the certificate holder to meet these requirements. This includes obtaining the consent of First Nations within the certificate holder's sphere of influence. I believe that Resolute Forest Products, being the largest forest company in Canada, has great potential to show leadership in this regard and be the example to follow.

At present, however, I do not see Resolute Forest Products assuming this leadership role. Instead, I see a company entangled in unconstructive infighting with other members of FSC, particularly members of the environmental chamber. This is the situation that I want us to get away from, so we can find shared solutions to the issues at stake in Canada.

In this context I must say that I am deeply disappointed by your continued insinuations that FSC is biased and under the influence of Greenpeace in particular. The reality is that FSC is governed by its full



membership, and allegations like these are unhelpful and divisive. In the same vein, I find your continued negative public comments on FSC's governance and policies unconstructive and disparaging. I will not engage in further discussion on these issues, but do hope that we can reach a new level of constructive engagement.

My proposal for a mediation process focusing primarily on the suspended Lac St-Jean Forest Management Unit (FMU) and the terminated Mistassini FSC FMU is an attempt to do exactly that: break the current impasse in your relations with different stakeholders and get into a constructive conversation about the most important issues leading to the suspension or termination of the certificates.

I do not believe it is the responsibility of the provincial government to solve Resolute's FSC certification issues. This viewpoint has also been expressed by the Forest Minister of Quebec, Mr. Lessard. At the same time, I am certain that the government will assist where needed in order to help certificate holders implement FSC certification. On this basis, I am still convinced that there is a scope for a mediation process between Resolute Forest Products and other stakeholders from all of the chambers of the FSC Canada membership, involving possibly other certificate holders as well.

Let us not forget that FSC is actually working in Canada, and there are 53 million hectares of FSC certified forest in the country. FSC is and remains a unique convener, bringing diverse groups together to find solutions that lead to positive, locally relevant impacts for forests and people. Sometimes these solutions go beyond legal baselines alone in order to meet a higher standard of practice. This is true all over the world, and also in Canada. Customers expect FSC certified products from responsible forest management.

As I mentioned in my last letter, I am planning to come to Canada in two weeks' time to meet with a wide range of stakeholders to discuss what a mediation process could look like and how and when it could be organised. I will be in Montreal on January 25 or 26 and would be very happy to meet with you at that time.

Best regards,

A handwritten signature in blue ink, appearing to read 'Kim Carstensen', written in a cursive style.

Kim Carstensen

*FSC Director General*

Cc. Laurent Lessard, Minister of Forests, Wildlife and Parks, Quebec

Bradley Martin, Board Chair, Resolute FP

Francois Dufresne, President, FSC Canada