

FIBRE PROCUREMENT POLICY

KRUGER HAS BEEN COMMITTED TO PROTECTING THE ENVIRONMENT, AS WELL AS THE QUALITY OF LIFE OF ITS EMPLOYEES AND THE WELL-BEING OF THE COMMUNITIES WHERE IT OPERATES. OUR ENVIRONMENTAL, FORESTRY AND WOOD FIBRE PROCUREMENT POLICIES ARE A TESTIMONY TO OUR COMMITMENT TO SUSTAINABLE DEVELOPMENT.

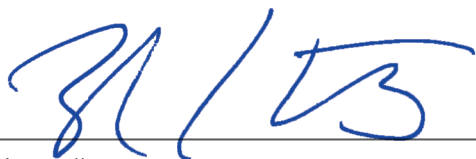
KRUGER SHARES IMPORTANT RESPONSIBILITIES WITH ALL COMMUNITIES WITH REGARD TO THEIR LIVING AND WORK ENVIRONMENTS. THE COMPANY FAVORS SUSTAINABLE FOREST ECOSYSTEM MANAGEMENT, AS WELL AS THE RESPONSIBLE USE OF NATURAL FOREST RESOURCES.

Kruger will make its best effort to ensure that its wood fibre is sourced from forests where management practices comply with the requirements of recognized forest certification standards, such as FSC®, SFI®, PEFC and CSA Z809, and that wood fibre is not sourced from conflict timber or from controversial sources, such as:

- illegally logged forests;
- genetically modified trees;
- high conservation value forests that are threatened by forest industry activities;
- areas where civil or traditional rights under laws, agreements or treaties recognized by governmental authorities are violated;
- (natural or primary) forests being converted to plantations or non-forest uses; and
- areas where any ILO Core Conventions, as defined in the ILO's 1998 Declaration on Fundamental Principles and Rights at Work, are violated.

Kruger further undertakes to maintain control measures to assure its customers that the forest products it produces contain no fibres obtained from controversial sources and that they meet the strictest environmental requirements.

In support of this commitment, Kruger shall provide the human, material and financial resources needed to administer, and comply with, this procurement policy at each of its subsidiaries.



Joseph Kruger II
Chairman of the Board and CEO



David A. Spraley
Executive Vice President and COO