



PRESS RELEASE

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SAN GROUP ENTERS INTO A WASTE WOOD VALUE ADDED LUMBER SUPPLY AGREEMENT

San Group and Seaton Forest Products of Smithers are pleased to announce they have entered into a strategic lumber supply agreement. This agreement will combine San Group's industry-leading integrated value-added manufacturing process with Seaton Forest Products' specialized processes of manufacturing waste wood into commodity grade lumber products. The San Group process is designed to maximize the utilization of each log harvested. Seaton's specialized process of manufacturing waste wood uses dry, under-utilized logs that would have otherwise been left in the forest.

Kamal Sanghera, CEO of San Group says, "Over the past few years, San Group has invested heavily into the BC value-added wood products sector. We have constructed one of North America's largest value-added wood products manufacturing facilities on Vancouver Island. We went against the grain. People wondered why we would build such a plant in Port Alberni. To us it was simple, value-added manufacturing saves the environment and creates jobs. Let's start with that and the rest will follow."

With utilization of fibre playing an increasingly critical role in every aspect of the forest business, San Group recognized that it needed to accelerate the development of carbon conscious ways to extend the life of the forests and ensure they remain on the leading edge of environmental stewardship. This San-Seaton agreement brings together deep skills in primary, secondary and tertiary value-added wood products manufacturing. Andy Thompson, Manager of Seaton, says, "At Seaton we process waste wood logs, logs that are generally burned in the forest, and we turn them into cants. San Group is now taking our cants and turning them into value-added wood products. San is fully integrated and has built a world class wood products plant, specialized to create products such as tables, molding, chairs and door frames. In doing this they are breaking the mold. Seaton also prides itself on its philosophy of jobs per metre not metres per job."

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The San-Seaton agreement reflects shared values and goals as well as a fundamental commitment to fully utilizing each log harvested. “Creating these relationships starts with values and we knew Seaton’s were aligned with ours when they told us that their staff was 75% First Nations and they view working in the forest industry as a responsibility not a job,” says Suki Sanghera, President of San Group.

Additionally, Seaton will become a part of San Group’s global initiative to manufacture the world’s most carbon friendly wood products. This is a three-year plan in which San Group has invested over \$150,000,000 into Vancouver Island developing one of North America’s most integrated, carbon conscious, environmentally friendly wood manufacturing processes. The process is designed to manufacture logs into finished wood product in under a 7km radius. “Within a 7Km radius we constructed an integrated manufacturing eco system of two standalone and six interconnected facilities. We want to show the world that value-added, renewable wood based building products can be manufactured at scale in Canada. Why waste our fibre and let other countries manufacture the wood we harvest? I always say that the forest doesn’t belong to us. Respect and treat it well and good things will happen,” says Kamal Sanghera, San Group CEO.

This agreement represents the highest standards of value-added wood products manufacturing and will create some of the world’s most environmentally friendly renewable carbon conscious wood products.

San Group, From Harvest to Home. We Use Less of the Forest to Create More.

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