

## ENVIRONMENTAL POLICY

West Fraser Timber Co. Ltd. is committed to responsible stewardship of the environment. A philosophy of continual improvement of our forest practices and manufacturing procedures has been adopted to optimize the use of resources and minimize or eliminate the impact of our operations on the environment.

West Fraser recognizes that environmental excellence is an integral aspect of long-term business success. Our Company and its employees are committed to the following:

- Complying with all applicable environmental laws and regulations, and with other requirements to which the organization subscribes.
- Preventing pollution and continuing to improve our environmental performance by setting and reviewing environmental objectives and targets.
- Conducting periodic environmental audits.
- Providing training for employees and contractors to ensure environmentally responsible work practices.
- Communicating our environmental performance to employees, customers, shareholders, local communities and other stakeholders.
- Reviewing, on a regular basis, this policy to ensure that it reflects the Company's ongoing commitment to environmental stewardship.

## INTERNAL AUDITS

West Fraser has programs for internal environmental audits of its woodland and manufacturing operations.

During 2002, forest practices audits were conducted at the woodland operations of Alberta Plywood and the Smithers and Chasm sawmills. Environmental audits were conducted at the manufacturing operations of Quesnel River Pulp, Slave Lake Pulp, Ranger Board and the sawmills at Chasm, Blue Ridge, Williams Lake and Quesnel. No significant issues were identified.

## CERTIFICATION

There is increasing demand in the marketplace for forest companies to obtain independent verification that their manufacturing and forest practices meet an acceptable standard of environmental performance. This has resulted in the development of a number of certification standards. West Fraser has achieved certification under several different environmental standards at its various mills and woodlands.

In 2002, West Fraser consolidated the separate ISO 14001 registrations of its B.C. and Alberta woodlands operations into a single registration. As part of this process, all woodlands operations were successfully audited by KPMG Quality Registrar Inc. The ISO standard ensures that there is rigorous, independent assurance that a company's management systems carefully consider and take measures to minimize or eliminate the environmental impact of its activities and that the company continually strives to improve its performance.

The Quesnel River Pulp mill also maintained an ISO 14001 registration for its manufacturing operations.

The timberlands supplying most of the logs to West Fraser's sawmills at Joyce and Huttig have been independently verified to meet the requirements of the Sustainable Forestry Initiative ("SFI") of the American Forest & Paper Association. The SFI is a comprehensive set of performance measures that integrates the perpetual growing and harvesting of trees with the protection of wildlife and plants and soil and water quality.

## Teachers' Tour



West Fraser appreciates the opportunity to share information and demonstrate how its practices in the field are being conducted. (Pictured: The Smithers sawmill and the Northern Forest Products Association host a woods tour for the teachers of the Bulkley Valley.)



FORESTCARE certification was maintained at Blue Ridge Lumber, Ranger Board, Slave Lake Pulp, Alberta Newsprint Company and Alberta Plywood and their associated woodlands. The Alberta Forest Products Association, along with community stakeholder groups, created FORESTCARE as a forest industry stewardship program. This certification ensures that industry continually improves environmental performance and maintains a cooperative relationship with community stakeholders.

The Ranger Board and WestPine manufacturing operations maintained the Green Cross certification of Scientific Certification Systems in 2002. The certification verifies that their medium density fibreboard products are made from 100% recycled wood fibre with at least 50% post-industrial recycled content. In addition, in 2002, Ranger Board achieved Environmentally Preferred Product certification from the Composite Panel Association, which is similar to the Green Cross certification.

#### EFFLUENT QUALITY

The Kitimat mill continues to work with federal and provincial regulators and local stakeholders to address issues related to the effect of its effluent on the taste of the eulachon fish that use the Kitimat River estuary for spawning during a brief period each year.

#### AIR QUALITY INITIATIVES

The mills in Quesnel and Williams Lake continue to participate in the local community airshed management program.

The Smithers sawmill is considering alternative solutions that would enable it to discontinue using its beehive burner, including transporting wood waste to various energy systems in the northwest. Initiatives completed through to 2002 have resulted in a 50% reduction in burner operating time.

#### NON-COMPLIANCES, CHARGES AND SPILLS

Slave Lake Pulp received a \$7,500 administrative penalty from Alberta's Ministry of Environment with respect to a toxicity test failure in December 2001. The test failure resulted from elevated biochemical oxygen demand within the effluent treatment system. Studies indicated that there was no environmental impact on the Slave River.

Slave Lake Pulp was charged with three offences regarding the interpretation of bioassay test results. At issue was a mill practice of conducting tests on duplicate samples but not reporting and taking subsequent action when one test result passed and the other indicated a failure. Procedures at Slave Lake have been changed and the charges are being defended.

In December 2002, the Kitimat mill experienced an overflow of a chemical pulp residual into a nearby stream. The mill's ability to retain the material that overflowed was affected by heavy rainfall. The incident is under investigation by regulatory agencies.

The Huttig sawmill log yard pond discharge had a total suspended solids exceedance due to the formation of silt within the lagoon through the action of wind-generated waves. Measures have been taken to address the erosion of the pond berm.

When the Huttig operations were purchased in 2000 the sewage lagoon discharge was identified as an issue because it had exceeded permit levels on several previous occasions. The former owner agreed to correct the problem by installing a filtration system to treat the discharge. The filtration system became operational in January 2002 but further permit violations occurred. The former owner continues to be responsible to rectify the problem.

#### Tree Planting



*Large photo:* In 2002, the Smithers sawmill woods department invited 60 Beavers, Cubs, Scouts, Ventures and cadets from the Christian Reformed Cadet Group to plant 3,120 pine, spruce and balsam seedlings near Smithers.

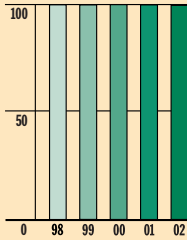
*Left to right:* Lee Bouvier and Brett Roulston

*Inset photo:* Bare root stock nursery

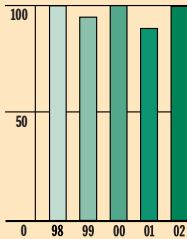
## ENVIRONMENTAL REPORT CHARTS

### COMPLIANCE WITH TOXICITY REGULATIONS

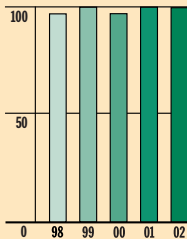
**Eurocan Pulp & Paper**  
(%)



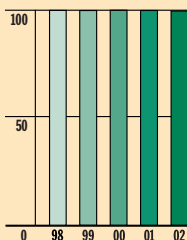
**Slave Lake Pulp**  
(%)



**Quesnel River Pulp**  
(%)

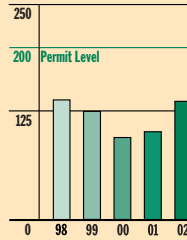


**Alberta Newsprint**  
(%)

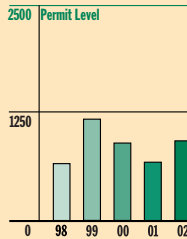


### TOTAL SUSPENDED SOLIDS (TSS)

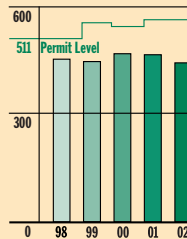
**Eurocan Pulp & Paper**  
(milligrams per litre)



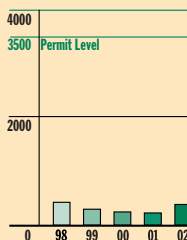
**Slave Lake Pulp**  
(kilograms per day)



**Quesnel River Pulp**  
(milligrams per litre)

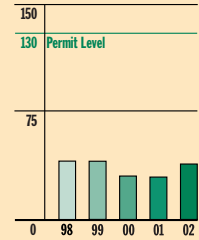


**Alberta Newsprint**  
(kilograms per day)

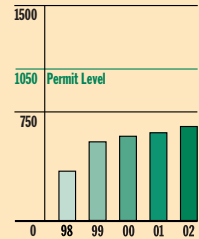


### BIOCHEMICAL OXYGEN DEMAND (BOD)

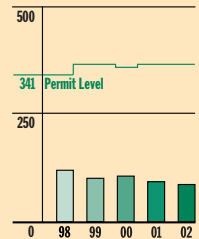
**Eurocan Pulp & Paper**  
(milligrams per litre)



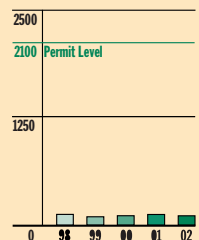
**Slave Lake Pulp**  
(kilograms per day)



**Quesnel River Pulp**  
(milligrams per litre)



**Alberta Newsprint**  
(kilograms per day)



## REFORESTATION 101 – WEST FRASER’S BRITISH COLUMBIA WOODLANDS



### PLANNING A NEW FOREST

Before a mature forest is harvested, the site is evaluated. A professional forester makes up a plan to reforest the area after harvest, subject to government approval. West Fraser then accrues the entire estimated cost of the reforestation activities.



### FINAL SURVEY

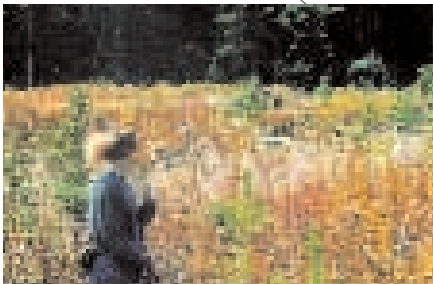
After about 15 years, a final survey of the growing trees is conducted. The young stand must be shown to be above the competition, healthy and growing well. Once that standard has been met, the stand of trees may be left free to grow.



### GETTING THE JOB DONE

On some sites, the conditions permit waiting for the cones left after harvesting to provide the tree seed. The sun and warm soil open the cones and the seeds germinate. On other sites, it is more appropriate to plant seedlings immediately after harvesting.

The seedlings are grown in nurseries and planted by hand. The species planted are selected to match the mix of trees found on the site.



### TENDING THE YOUNG FOREST

After the seedlings are established, the site is visited to ensure that the young trees are growing well. If brush grows taller than the trees, then it may be cut down. If there are too many young trees, they are thinned to reduce competition.



### PREPARATION

Young trees may be left standing to help reforestation if there are enough of them on the site prior to harvest.