



### 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.

### AUDITS

West Fraser has programs for internal environmental audits of its forest practices and manufacturing operations. During 2003 forest practices audits were conducted at the woodlands operations of Blue Ridge Lumber, Quesnel and Williams Lake. Environmental audits were conducted at the manufacturing operations of Eurocan Pulp & Paper, WestPine MDF, both the Edmonton and the Slave Lake operations of Alberta Plywood, and the Chetwynd and Fraser Lake sawmills. While there were no significant issues identified, recommendations for improvements were made. Action plans are in place to address audit findings.

The independent public body, the B.C. Forest Practices Board, conducted an audit of the Chasm woodland operations in 2003. No report has been issued to date.

### CERTIFICATION

West Fraser is seeking independent verification that its manufacturing and forest practices meet an acceptable standard of environmental performance. It has achieved certification under several different environmental standards at its various mills and woodlands and is pursuing further certification of its woodlands operations.

The ISO standard ensures that there is rigorous, independent assurance that an operator's management systems consider and take measures to minimize or eliminate the environmental impact of its activities and that the operator continually strives to improve its performance.

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, KPMG Quality Registrar Inc. successfully audited all woodlands operations. This registration was maintained in 2003.

In addition to the ISO 14001 registration, West Fraser is in the process of obtaining certification of its Canadian woodlands operations under the Sustainable Forestry Initiative (SFI) program, and has targeted the end of 2004 for obtaining this

### Eurocan Pulp & Paper



Andrew Wozney, environmental technologist



certification. The timberlands supplying most of the logs to West Fraser's U.S. sawmills at Joyce and Huttig have been independently verified to meet the requirements of SFI.

The SFI is a comprehensive set of performance measures that integrate the perpetual growing and harvesting of trees with the protection of wildlife, plants, and soil and water quality.

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 emphasizes maintaining a cooperative relationship with community stakeholders

The Quesnel River Pulp mill maintained ISO 14001 registration for its manufacturing operations in 2003.

The Ranger Board and WestPine manufacturing operations maintained the Green Cross certification of Scientific Certification Systems in 2003. The certification verifies that the medium density fibreboard products are made from 100% recycled wood fibre with at least 50% post-industrial recycled content. In addition, in 2003 WestPine achieved and Ranger Board maintained Environmentally Preferred Product certification from the Composite Panel Association, which is similar to the Green Cross certification.

#### **EFFLUENT QUALITY**

The Eurocan pulp and paper mill at Kitimat 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 eulachon, a species of fish that uses the Kitimat River and other northern rivers for spawning during a brief period each year. In collaboration with the regulators and stakeholders, Eurocan developed a 5-year action plan aimed at eliminating the flavour effects and its effluent permit incorporates this plan. Eurocan is

appealing a permit amendment that requires the elimination of taint by March 2007 on the ground that elimination cannot be guaranteed.

Alberta Newsprint Company took steps to further optimize the operation of its effluent treatment system.

Quesnel River Pulp plans to make modifications to its effluent system in 2004 to increase the treatment capacity of the system.

#### **AIR QUALITY INITIATIVES**

The sawmills in Quesnel and Williams Lake continued to participate in local community airshed management programs. Dust minimization initiatives have been implemented, and a finalized overall plan is expected in 2004.

As part of mill upgrades at Huttig, its environmental permit was modified to allow the installation of a new wood-fired boiler and three dry kilns and to permit an increase in production. The modification required an in-depth study to determine the Best Available Control Technology (BACT). The most stringent controls were selected providing the best overall control of possible pollutants.

The phase-out date for the Smithers burner was extended to June 30, 2005. A capital project designed to substitute woodwaste for natural gas in the lumber drying process has been approved. Other alternatives are being evaluated to allow for the phase-out of the burner in the permitted time period.

As part of Canada's commitment to the Kyoto Protocol, the federal government has targeted certain industrial sectors for greenhouse gas (GHG) reductions. Pulp and paper is one of these sectors. West Fraser, as a member of the Forest Products Association of Canada, was party to a memorandum of understanding (MOU) signed in November 2003 with the federal government, the first MOU involving an industrial sector. The MOU provides for the negotiation of a covenant between pulp and paper mills and the federal government to meet specified GHG reduction targets during the first Kyoto Commitment period of 2008 to 2012. The covenants are expected to be negotiated in 2004. West Fraser has many

energy reduction programs planned and underway that are expected to enable it to meet the targets.

### **NON-COMPLIANCES, CHARGES AND SPILLS**

Three charges brought against Slave Lake Pulp in 2002 were dropped. The charges related to the interpretation and reporting of bioassay test results.

Eurocan experienced a spill of white liquor. The spill was fully contained within its spill containment ditch systems but several fish that had previously entered the containment ditch were found dead after the spill. The incident is under investigation by the regulators.

The Edmonton operation of Alberta Plywood had two incidents where sander dust was blown offsite. Modifications have been made to the dust collection system and procedures have been implemented to prevent further similar occurrences.

The Slave Lake operation of Alberta Plywood did not meet the permitted temperature requirements for its beehive burner for 8 out of 12 months in 2003. Steps have been taken to correct the problem. During the first 4 months of 2003 Seehta Forest Products did not meet the permitted temperature requirements for its burner. This was largely due to modifications to the mill that resulted in insufficient fuel for the burner. This has since been corrected and no further action is anticipated.

Steps taken by the former owner of the Huttig sawmill have failed to rectify the problem of occasional exceedances of the sewage lagoon permit levels. A plan, funded by the previous owner, is now in place to redirect the domestic sewage to the municipal treatment system and to discontinue the use of the sewage lagoon.



**Conifer forest**



**Aspen forest**



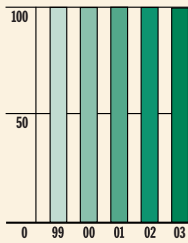
**Southern Yellow Pine Plantation**



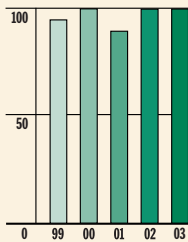
### ENVIRONMENTAL REPORT CHARTS

#### COMPLIANCE WITH TOXICITY REGULATIONS

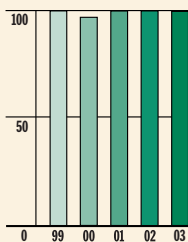
**Eurocan Pulp & Paper**  
(%)



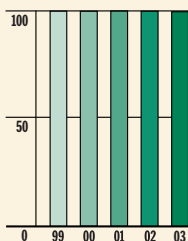
**Slave Lake Pulp**  
(%)



**Quesnel River Pulp**  
(%)

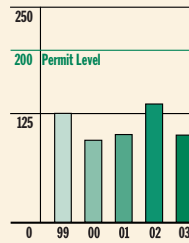


**Alberta Newsprint**  
(%)

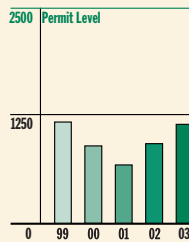


#### TOTAL SUSPENDED SOLIDS (TSS)

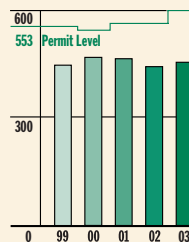
**Eurocan Pulp & Paper**  
(milligrams per litre)



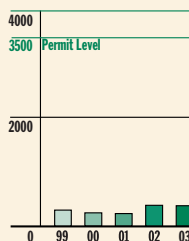
**Slave Lake Pulp**  
(kilograms per day)



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

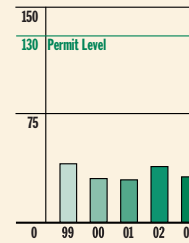


**Alberta Newsprint**  
(kilograms per day)

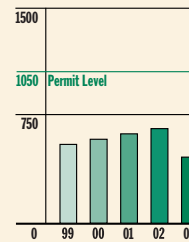


#### BIOCHEMICAL OXYGEN DEMAND (BOD)

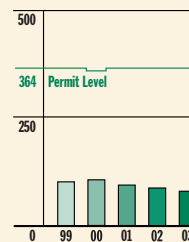
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