

Environmental Report

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 this policy on a regular basis to ensure that it reflects our ongoing commitment to environmental stewardship.

INTERNAL AUDITS

West Fraser has a program of internal environmental and forest practices audits. During 2001, environmental audits were conducted at the Kitimat mill and the sawmills at Smithers, Terrace, Joyce, Huttig, and Red Earth. Two significant issues were identified at one of the U.S. operations regarding the handling and storage of hydrocarbons and were corrected immediately.

Forestry audits were conducted at all of West Fraser's wholly owned B.C. and Alberta operations as part of the ISO certification. Many good forest

practices were noted in the course of the audits, and minor issues were quickly addressed.

CERTIFICATION

In recent years, awareness of environmental certification has expanded. There is increasing demand in the marketplace for forest companies to obtain independent verification that their manufacturing and forest practices meet a standard of environmental performance. This has resulted in an increase in the number of certification standards from which to choose. West Fraser has achieved certification to several different environmental standards at various mills and woodlands.

Eight of West Fraser's nine woodlands operations in B.C. and Alberta were audited in 2001 and were found to meet the requirements for ISO 14001 certification, the international standard for environmental management systems. The ISO standard verifies that a company's management system carefully considers the environmental impact of its activities, takes measures to minimize or eliminate these impacts and strives to make continual improvements to its performance.

The Quesnel River Pulp mill also achieved ISO 14001 certification for its manufacturing operations.

The timberlands that supply the majority of the logs to West Fraser's U.S. sawmills in Joyce and Huttig have been independently verified to meet the requirements of the Sustainable Forestry Initiative ("SFI") of the American Forest and Paper Association, an industry trade group recognized for its high environmental standards. The SFI is a comprehensive set of performance measures that integrate the perpetual growing and harvesting of trees with the protection of wildlife and plants and soil and water quality.

ForestCare certification, the environmental standard in Alberta, was maintained at all of West Fraser's Alberta operations. The Alberta Forest Products Association, along with community

stakeholder groups, created ForestCare as a forest industry stewardship program. This certification ensures that industry makes continual improvements to environmental performance and maintains a cooperative relationship with community stakeholders.

The Ranger Board and WestPine operations maintained the Scientific Certification System's Green Cross certification in 2001. This certification verifies that their medium density fibreboard products are made from 100% recovered and recycled wood fibre with at least 50% post-industrial, recycled content.

EFFLUENT QUALITY

Slave Lake Pulp completed a \$1.7 million upgrade to its effluent treatment system in order to decrease loading to the system and improve its performance.

The Kitimat mill continues to work with federal and provincial regulators and local stakeholders to address issues related to the effect of the mill's 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 Quesnel and Williams Lake operations continue to participate in the local community airshed management program.

The Smithers sawmill is pursuing several options that would allow it to discontinue using its beehive burner, including transporting wood waste to various energy systems in the northwest.

PCB REMOVAL

A major initiative was undertaken to dispose of PCB-contaminated capacitors and transformers stored on site at the Kitimat mill. This will allow the decommissioning of the PCB storage facility in 2002.

NON-COMPLIANCES AND CHARGES

Slave Lake Pulp received a \$5,000 administrative penalty from Alberta Environmental Protection with respect to a glycol spill in December 1999. Subsequent studies of the Slave River indicate that there was no environmental damage to the river. Procedures have been introduced to prevent future spills.

In December 2001 Slave Lake Pulp, while attempting to improve the effectiveness of its treatment system, caused an increase in biochemical oxygen demand ("BOD") resulting in a failure of a toxicity test. Steps were taken immediately to reduce the BOD loading to the river. The incident is under investigation by environmental regulatory agencies.

The Kitimat mill experienced two incidents of non-compliance for permitted total suspended solids emissions.

Certain charges laid against West Fraser in 1998 under the *Waste Management Act* (British Columbia) relating to the operation of three ambient air monitors at the Kitimat mill were dropped.

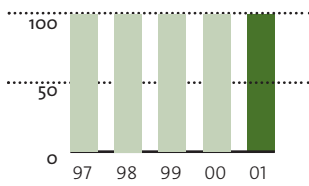
Environmental Report Charts

COMPLIANCE WITH TOXICITY REGULATIONS

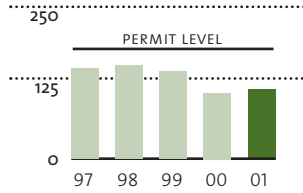
TOTAL SUSPENDED SOLIDS (TSS)

BIOCHEMICAL OXYGEN DEMAND (BOD)

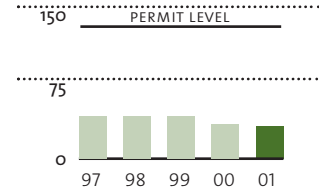
EUROCAN PULP & PAPER
(%)



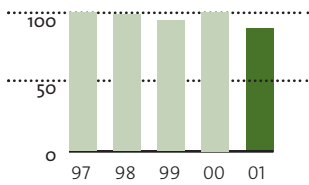
EUROCAN PULP & PAPER
(milligrams per litre)



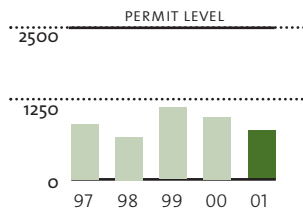
EUROCAN PULP & PAPER
(milligrams per litre)



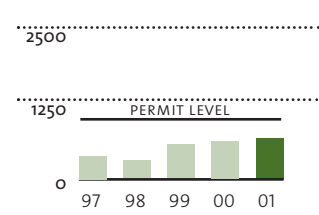
SLAVE LAKE PULP
(%)



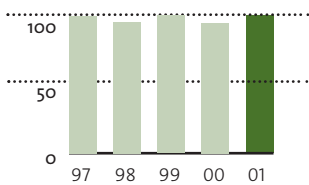
SLAVE LAKE PULP
(kilograms per day)



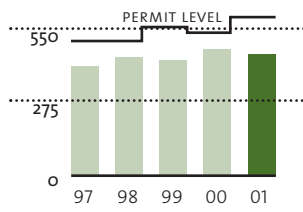
SLAVE LAKE PULP
(kilograms per day)



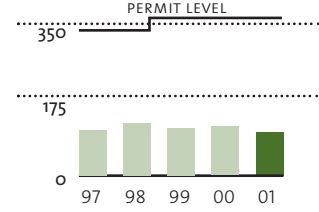
QUESNEL RIVER PULP
(%)



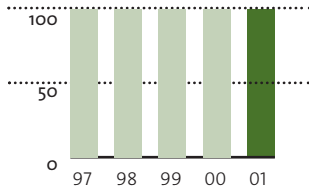
QUESNEL RIVER PULP
(milligrams per litre)



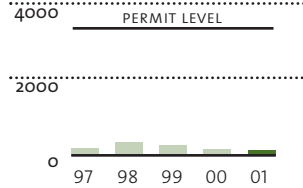
QUESNEL RIVER PULP
(milligrams per litre)



ALBERTA NEWSPRINT
(%)



ALBERTA NEWSPRINT
(kilograms per day)



ALBERTA NEWSPRINT
(kilograms per day)

