

# Canfor Pulp Limited Partnership Fact Sheet



Canfor Pulp Limited Partnership (CPLP) is a leading global supplier of pulp and paper products with operations based in the central interior of British Columbia. The Partnership's strategy is to maximize cash flows and enhance the value of its assets by: (i) preserving its low-cost operating position, (ii) maintaining the premium quality of its products and (iii) opportunistically acquiring high quality assets.

CPLP owns and operates three mills with annual capacity to produce over one million ADMT of northern softwood market kraft pulp, 90% of which is bleached to become NBSK Pulp, for sale to the market and approximately 135,000 tonnes of Kraft Paper. The Mills are among the lowest cost producers in Canada with a first quartile ranking based on average cost of production of NBSK Pulp in the most recent PricewaterhouseCoopers LLP Market Pulp study (2004) of competitive costs of Canadian pulp mills.

## EMPLOYEES

CPLP employs approximately 1,250 people throughout the organization. Approximately 75% of these employees are hourly employees covered by collective agreements with the Communications, Energy and Paperworkers Union ("CEP") and the Pulp, Paper and Woodworkers of Canada ("PPWC"). Negotiations with the CEP and the PPWC for the renewal of the agreements covering the pulp and paper operations were successfully concluded and ratified in 2003 for terms of five years expiring on April 30, 2008.

## THE MILLS

**Northwood** is a two-line pulp mill with annual production of approximately 570,000 ADMT of NBSK Pulp, making it the largest NBSK Pulp facility in North America. Northwood's pulp is used to make a variety of products including printing and writing paper, tissue and specialty papers and is primarily delivered to customers in North America, Europe and Asia.

**Intercontinental** is a single line pulp mill with annual production of approximately 310,000 ADMT of NBSK Pulp. Intercontinental's pulp is used to make substantially the same products, and is delivered to the same markets, as Northwood's pulp.

**Prince George Pulp and Paper** is an integrated two-line pulp and paper mill with an annual market pulp production of approximately 153,000 ADMT of pulp and approximately 135,000 tonnes of Kraft Paper. PGP&P supplies pulp markets in North America, Europe and Asia as well as its internal paper making facilities. The paper mill produces a wide range of both bleached and unbleached Kraft Paper, is the largest producer of its types of bleached Kraft Paper in North America and primarily supplies North American and European markets.

## CERTIFICATION

All of the forest areas from which CPLP obtains its fibre supply have environmental management systems registered to the ISO 14001 standard. In addition, the Canfor forest tenures from which the Partnership obtains its fibre supply (4.86 million hectares) are certified to the Canadian Standards Association Sustainable Forest Management Standard (CAN/CSA-Z809).

## ENVIRONMENTAL STEWARDSHIP

The Mills are subject to a wide range of general and industry-specific environmental statutes, laws, regulations, bylaws, guidelines, policies, directives and other requirements (the "**Environmental Requirements**") governing or relating to among other things: air emissions, wastewater discharge, waste management, landfill sites, pollution prevention, site contamination and hazardous and residual materials. In addition, the Mills have obtained numerous environmental permits, authorizations and approvals relating to the protection of the environment and operation of equipment. Compliance with the Environmental Requirements requires the Mills to incur expenses and to monitor their operations on an ongoing basis.

The Mills have an Environmental Management System ("**EMS**") that is certified under ISO 14001. Risks to the environment are formally assessed providing the foundation for continuous improvement on a priority basis. This systematic approach ensures optimum utilization of resources. Third party EMS audits and internal audits of the EMS, compliance with legal requirements, company policies and good industry practice are conducted on a regular basis.

The Mills are actively engaged in the local airshed management program including areas of ambient monitoring and research. Staff serving on air quality committees work to ensure that future airshed plans are guided by sound science.

Future regulations or permits may place lower limits on allowable emissions of all kinds, including air, water, waste and hazardous materials, and may increase the financial consequences of remaining in compliance with Environmental Requirements or conducting future remediation, if required, of spills. The Mills' EMS and policies have enabled CPLP to develop and implement effective measures to maintain emissions in material compliance with Environmental Requirements to date. Although Management believes that adherence to and strengthening of the EMS and the policies will enable the Mills to comply with future Environmental Requirements in a cost-effective manner, there can be no assurance that this will be the case.

# Operations



## PULP & PAPER

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|----------------------------|---|
| Intercontinental           | 1 |
| Northwood                  | 2 |
| Prince George Pulp & Paper | 3 |

## NOT SHOWN ON MAP

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