



# Canfor Pulp Ltd.

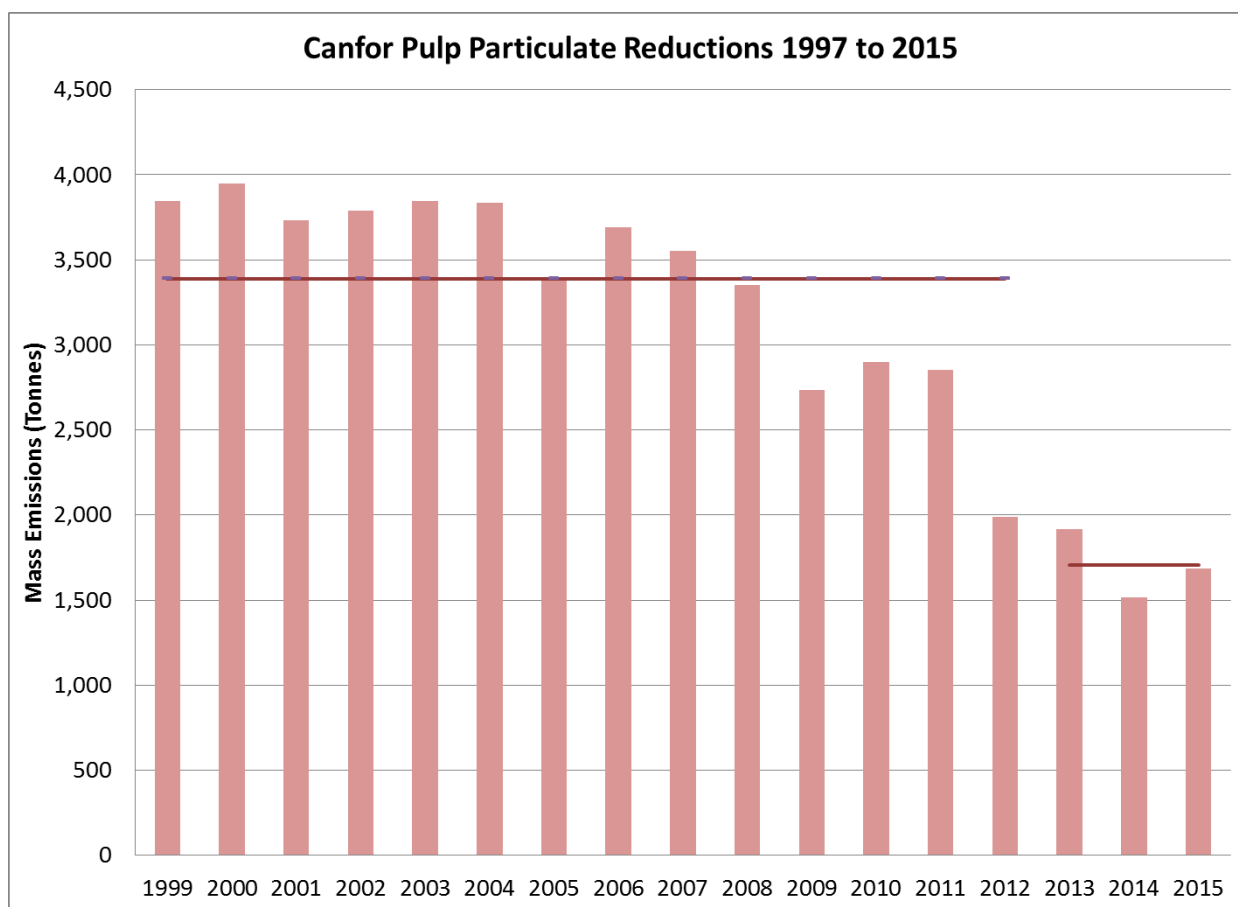
and affiliated companies

September 1, 2016

Prince George Air Improvement Roundtable,

Canfor Pulp Ltd. is proud to take this opportunity to discuss our company's actions throughout PGAIR's phased approach to bettering the local air quality. Canfor Pulp has taken the aspirational goal of a 40% reduction in PM<sub>2.5</sub> from all significant sources by 2016 very seriously and would like to highlight the results below and share how we got there.

Canfor Pulp measures particulate discharge from 17 significant point sources on a quarterly basis. With the ability to measure and quantify results, we believe we are the leader in particulate reductions among all emitters. Since 1999, we have achieved a reduction of 50% in particulate discharged to the Prince George Airshed. Not only is this an accomplishment exceeding the expectations of PGAIR, but one done while maintaining or increasing profitability, pulp production, green energy utilization and growing a strong electrical power business.



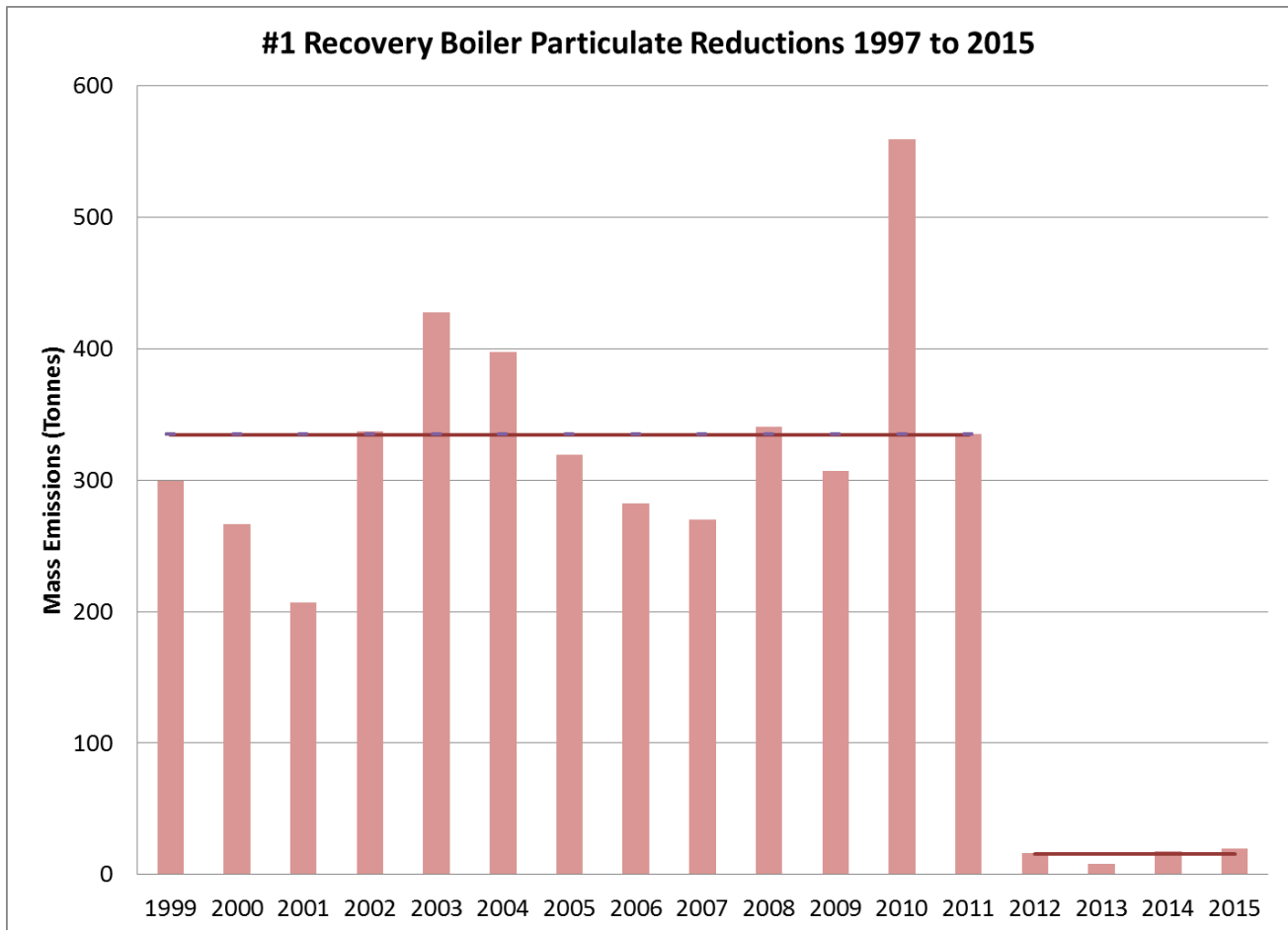
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Not unlike PGAIR, Canfor Pulp’s path to improvement was also a phased approach. Three sources were identified as those which would yield the greatest returns on investment.

Canfor Pulp worked with Natural Resources Canada to retrofit to the Northwood Pulpmill’s #1 Recovery Boiler under the Pulp and Paper Green Transformation Fund. Offering large improvements in Total Reduced Sulphur emissions as well as particulate discharge, the final spend on the project approaching \$150 Million.

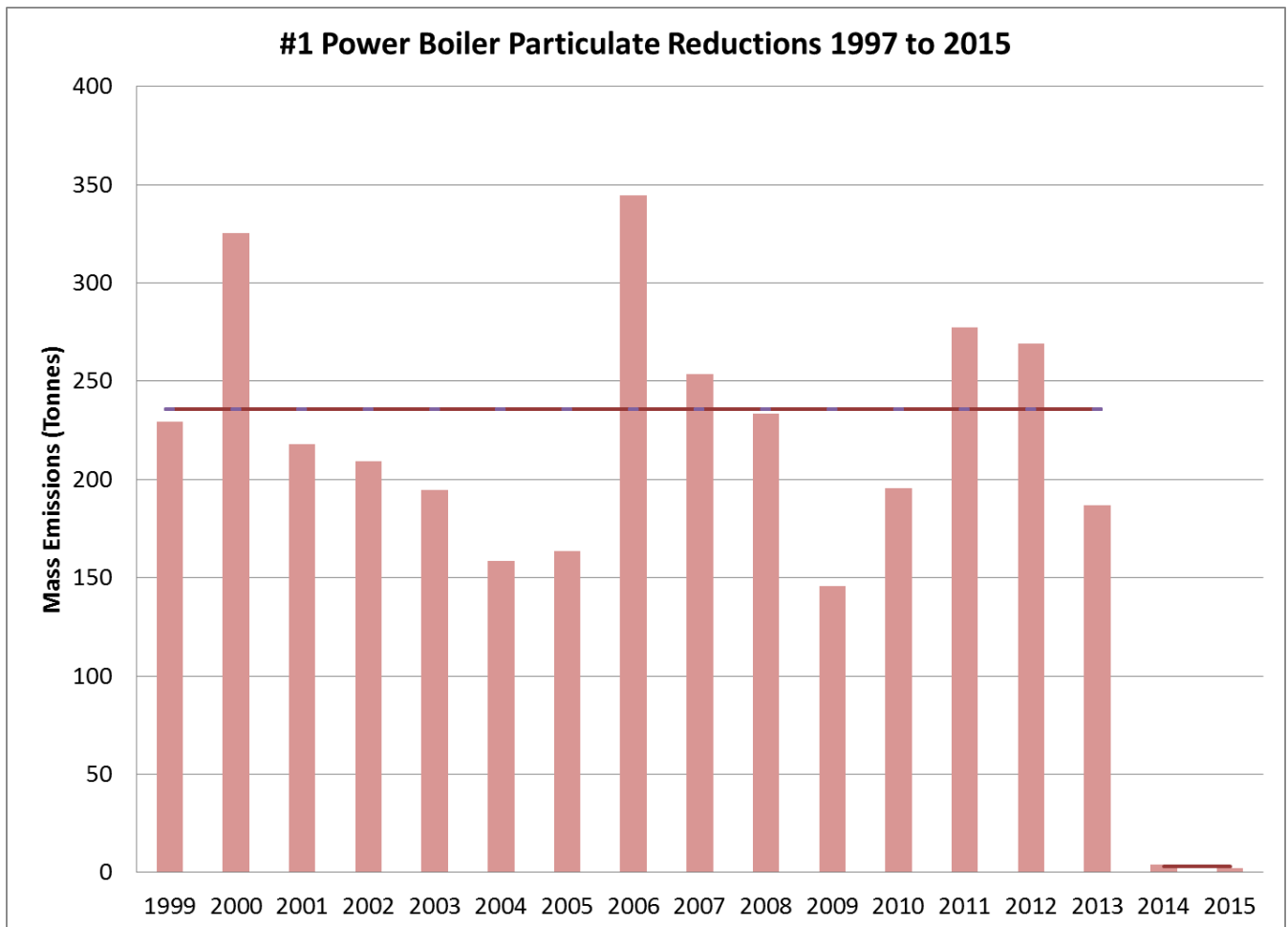
Installation of an Electrostatic Precipitator, the Best Achievable Technology for particulate control was extremely successful. This source was the highest emitting particulate source among the three operations in Prince George and realized a benefit in particulate emissions reduction of over 95%.



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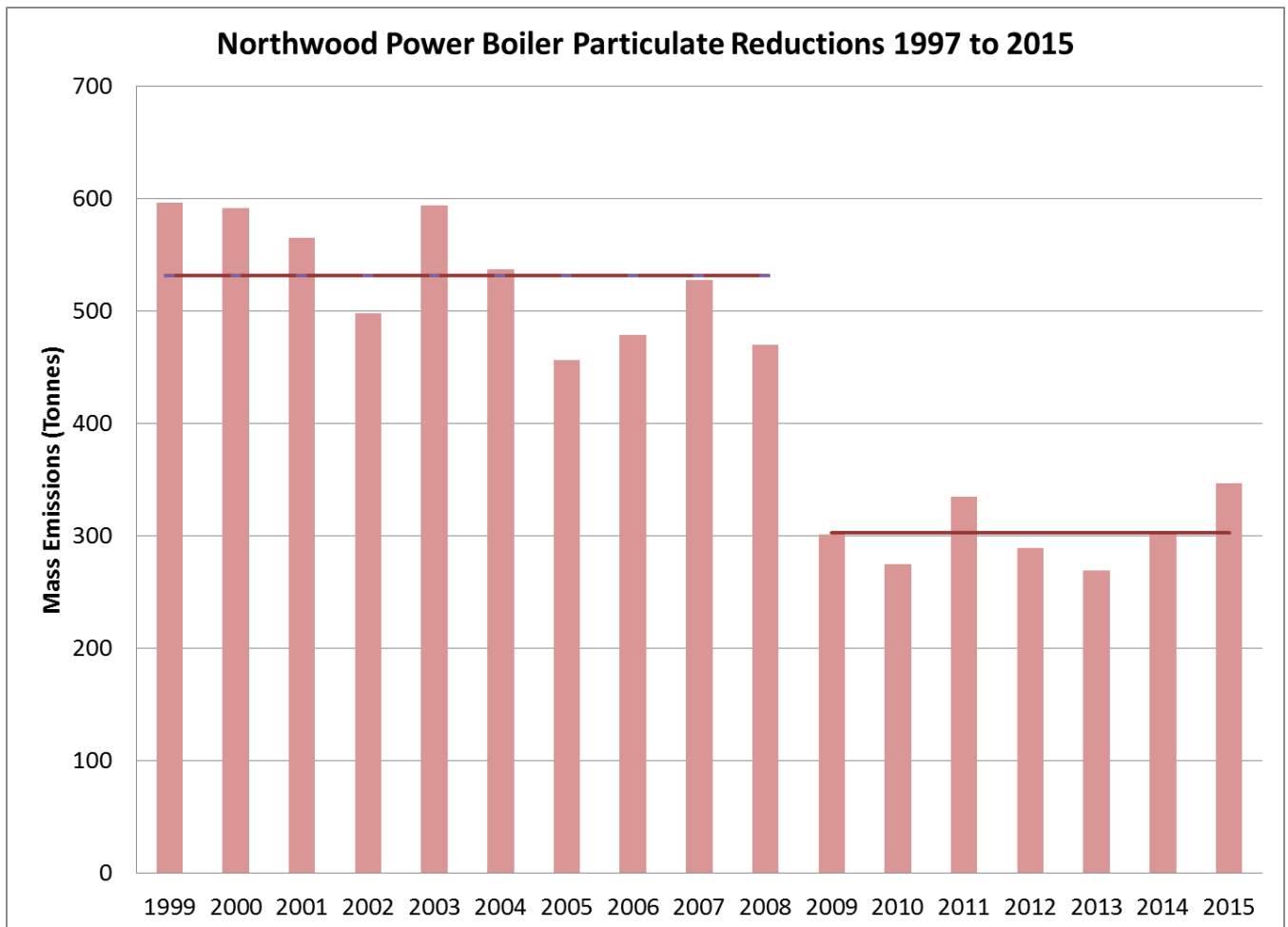
The flagship improvement occurred at Prince George Pulp and Paper Mills on the #1 Power Boiler Stack. The #1 Power Boiler Stack was modelled to have the most significant impact on Prince George air quality, and it was reduced to next to nothing. This project was wholly funded by Canfor Pulp. With expected emissions reductions of approximately 60%, we achieved a reduction of nearly 99% with a state-of-the-art Electrostatic Precipitator.



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Changes to pollution control equipment coupled with improvements energy efficiency allowing boiler curtailment resulted in significant Power Boiler emission reductions at the Northwood site. From 2009 on, we achieved a 43% reduction in particulate from years previous. Better utilization of energy proves to be a “ground up” approach to emissions reduction.





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With such significant reduction projects behind us, we shifted focus to improvements on a smaller scale. Three projects in 2016 accounted for most of the work:

- Nearly 20 acres of soil were hydroseeded to help reduce windblown dust issues. This is something in the past that would likely have been left untouched.
- Work to reduce ambient dust conditions around our Intercon mill made significant progress in improving the local environment for our workers and contractors that come on site.
- The equivalent over 12km of single lane road was treated with calcium chloride for dust abatement at our Prince George and Intercon sites, those closest to the downtown core.

In 2016, Canfor Pulp sponsored Science Alliance Day Camps for school aged kids. We believe our continued partnership with the Exploration Place is an effective way to foster responsible behavior through education and awareness.

Canfor Pulp's has proven to be the leader in reduction initiatives and will continue to improve when opportunities are identified.

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