

2.1 SUSTAINABLE FOREST MANAGEMENT AND ENVIRONMENTAL POLICY

PURPOSE

Establish and maintain a Sustainable Forest Management and Environmental Policy for Sinclar's woodlands operations.

SCOPE

- ◆ Quota volume from the associated land base of Forest Licenses A30526, A16821, A17842, A55578, A18156, A18171, A18163, and Non Replaceable Forest Licenses A64418 Ta Da Chun, A81516, and A82364 directly managed by the Woodlands Department of the Sinclar Enterprises in the Prince George, Vanderhoof, Fort St. James Forest Districts and the Lakes Forest District. Lakeland's activities on its private land, District Lot (D.L.) 877A near Shelly, D.L. 2113 at Ferguson Lake, D.L. 4881 in the Blackwater area, and D.L.1184 and 1185 in the Finmore area.
- ◆ Those activities managed by the Woodlands Department of Sinclar include all environmentally related aspects associated with the planning, development, harvest, delivery, and regeneration of new forests in the Prince George, Fort St. James, Vanderhoof and the Lakes operating areas. The Environmental Management System does not include our Log Storage, Sawmill facilities and planer mill facilities.
- ◆ The activities covered under and excluded from Sinclar's Environmental Management System are detailed on the following two pages. ISO 14001 REFERENCE

Clause 4.2 Sustainable Forest Management and Environmental Policy

INTRODUCTION

Sinclar has developed appropriate goals to guide the decision-making processes with respect to environmental issues specific to its woodland's operations. The policy forms the basis upon which the company has established its Sustainable Forest Management and Environmental Policy and set objectives and targets.

The policy must cover:

- Be appropriate for the nature, scale and environmental impacts of the company's woodlands operations.
- Be committed to continual improvement and prevention of pollution.
- Comply with environmental legislation, regulations and any corporate commitments.
- Provide framework for setting and reviewing environmental objectives and targets.

Sustainable Forest Management and Environmental Policy

- Be documented, implemented, maintained and communicated to employees and external parties.

PROCEDURE

The Woods Manager prepared the Sustainable Forest Management and Environmental Policy for approval by the company president.

The approved policy is to be prominently displayed in the woodlands offices, as well as the Avison Management Services office in Vanderhoof. The policy will be distributed to employees, contractors and forestry services contractors. The policy is freely available to customers and the public and will be available as a handout at the reception area of the mill woodlands office.

The Sustainable Forest Management and Environmental Policy will be reviewed periodically by the Woods Managers to ensure that it accurately reflects corporate commitment policies and the nature of the woodlands operations.

The Sustainable Forest Management and Environmental Policy is on 2.1 page 3

RESPONSIBILITIES

Company President	- approve the environmental policy
General Manager	- approve the environmental policy
Woods Manager and/or Designate	- maintains and distributes to staff and public

RELATED DOCUMENTATION

Records	Responsibility	Retention
n/a	n/a	n/a

RELATED EMS PROCEDURES

- Environmental Aspects (Section 3.1)
- Objectives and Targets (Section 3.3)
- Environmental Management Programs (Section 3.4)
- Structure and Responsibility (Section 4.1)
- Communication (Section 4.3)
- Operational Control (Section 4.6)

L&M LUMBER LTD.

SUSTAINABLE FOREST MANAGEMENT AND ENVIRONMENTAL POLICY WOODLANDS OPERATIONS

The Sinclar Group of Forest Companies is committed to the responsible stewardship of the forest and the environment throughout our operations.

In conducting our business, we are committed to the following:

- To practice Sustainable Forestry to meet the needs of the present without compromising the ability of future generations to meet their own needs
- Practice a land stewardship ethic that integrates reforestation and the managing, growing, nurturing and harvesting of trees for forest products with the conservation of soil, air, and water quality, biological diversity, wildlife and aquatic habitat, recreation and aesthetics
- Meet or exceed all applicable environmental laws, regulations, policies and other pertinent requirements;
- Minimizing adverse environmental impacts and striving to prevent pollution;
- Promoting Sustainable Forest Management awareness throughout our operations;
- Monitoring our Sustainable Forest Management performance by regularly reviewing our practices, performance measures, procedures, objectives and targets;
- Providing training for our employees and contractors in environmentally responsible work practices;
- Communicating our Sustainable Forest Management and environmental performance to our directors, shareholders, employees, customers, stakeholders and other interested parties;
- Reviewing our Sustainable Forest Management System and environmental performance on a regular basis in order to effect continual improvement;