

Boise and the Environment



At Boise, we take our environmental responsibilities seriously. The success of our customers, our employees, and our company depends on our ability to sustain the resources that underlie the products and services we offer. While our overall environmental responsibilities are very broad, the following areas receive special attention.



I. Protecting the World's Forests

Boise recognizes and shares the worldwide concern about the protection of forests, including endangered areas throughout the world and old-growth forests and wilderness areas in the United States that contribute to biodiversity and other important ecological values. To address this concern, Boise will eliminate completely the purchase of wood products from endangered areas as they are identified and mapped by major conservation organizations and others through consensus-building processes. We will also continue to support forest resource planning efforts that include the participation of local stakeholders. Boise will undertake specific actions in these areas:

Old-Growth Forests in the United States

Effective in 2004, Boise will no longer harvest timber from old-growth forests in the United States. We will continue to support public land managers' objectives of improving forest health, particularly in the Pacific Northwest.

Endangered Areas of the World

Where we have fiber procurement operations or paper and wood products suppliers, Boise will directly participate in or support efforts to work with governments, conservation organizations, and others to identify endangered areas that may be found in key regions such as Chile, Indonesia, the United States, and Canada's boreal forests. As those areas are identified, Boise will review wood and wood products procurement operations with special attention to key species such as *Shorea* spp. (meranti and lauan), *Swietenia macrophylla* (American mahogany), *Khaya senegalensis* (African mahogany), and *Chamaecyparis nootkatensis* (Alaska yellow-cedar) so that these species are responsibly sourced. Our procurement practices for the purchase of logs, pulpwood, and chips reinforce efforts to thwart illegal logging and theft of timber or logs, including cutting in parks, reserves, or other similar areas where logging is prohibited by law.

Most recently, Boise took a lead role in developing a standard under the Sustainable Forestry Initiative® (SFI®) program to advance the protection of Forests With Exceptional Conservation Value (FECV). Based upon the NatureServe protocol originally developed in conjunction with The Nature Conservancy, the standard protects imperiled and critically imperiled species and communities. These are plants, plant communities, and animals that are globally rare or extremely rare and are very vulnerable to extinction.

Wilderness Areas in the United States

Boise supports the Wilderness Act and the administrative process that includes collaborative community involvement for evaluating and designating federal lands as wilderness areas. We encourage federal agencies and Congress to use this wilderness designation process and will support the results of that effort.

II. Responsible Sourcing Through Supply Chain Management

Boise recognizes the importance of proper forest management and understands that managing our supply chain can affect forest conservation decisions. We seek to protect forest characteristics that contribute to global biodiversity and other important ecological values. Boise is dedicated to implementing a wood and paper procurement policy that helps to protect endangered areas and ensures that we actively promote conservation of local environmental resources. We address our responsibilities in protecting forest values that contribute to global biodiversity within the constraints of good business practices and market conditions, including product availability, consumer demand, and profitability.

Domestically, we provide technical expertise and planning assistance to private landowners from whom we purchase timber to help them sustain their forests into the future. We also provide and/or support training for independent logging contractors who supply our facilities to ensure that they follow environmentally sound procedures.

Internationally, Boise works with and/or supports efforts by international conservation organizations to identify biodiversity hot spots, tropical wilderness areas, and other important areas so that Boise can make informed decisions regarding procurement practices.



Fiber Supply

Boise maintains a forest stewardship and certification program for company lands and fiber procurement programs so that we can assure our customers and others that wood used in our manufacturing facilities originates from well-managed forests. We completed initial third-party audits of this program in 2002, and a second round of third-party audits began in summer 2003. In addition, during 2003 and 2004, Boise will implement a chain-of-custody program for timber used in our Pacific Northwest operations. In 2005, the company will evaluate the effectiveness of the system and determine its appropriateness for use in other North American areas of operation.

Finished Products

Boise purchases and distributes finished forest products through our office products and building materials distribution businesses. To satisfy our customers' needs, Boise uses a constantly changing list of thousands of suppliers. In 2002, more than three-quarters of the wood products sold through Boise's building materials distribution business were from suppliers that were certified or were in the process of becoming certified, a 10% increase from 2001. Our goal is to continue to increase that percentage to the maximum feasible level. A small minority of our purchases come from tropical forests, and in those areas, Boise works with conservation organizations and others to promote sustainable forest management. We will accomplish this by:

- Tracking the source of paper and wood products to the country, region, mill of origin, or beyond when practicable and data is available;
- Giving purchasing preference to suppliers that provide paper and wood products from certified, well-managed forests whenever feasible;
- Encouraging our paper and wood products suppliers to participate in national or international certification programs;
- Working with major conservation organizations and others to identify and map endangered areas and to increase our understanding of offshore certification programs, suppliers' environmental practices, and forest management issues;
- Identifying and supporting paper and wood products that demonstrate environmental qualities, such as recycled-content paper, composites, and engineered wood products; and
- Expecting our paper and wood products suppliers to maintain compliance with laws and regulations pertaining to their operations so that Boise does not knowingly purchase wood products manufactured from illegally logged timber. If a supplier is determined to be out of compliance with applicable laws and regulations, Boise will either seek immediate corrective action or aggressively transition as rapidly as feasible to a new supplier.



III. Sustainable Forestry

Boise helped develop the SFI program, a comprehensive system of principles, objectives, and performance measures that integrates the sustainable growing and harvesting of trees with protection of wildlife, plants, and soil and water quality. Under the SFI program, we successfully completed independent, third-party audits of all U.S. timberlands we own or control, as well as the land of others on which we harvest. Our audit results demonstrate our compliance with the rigorous standards required by the SFI program. New SFI program requirements address stewardship responsibilities, including reforestation on third-party lands that provide logs or other raw materials to Boise manufacturing facilities. Audits are conducted by recognized, independent university and consulting experts in hydrology, wildlife biology, roads and harvesting, and forest management. These forest management audits are ongoing, with new audits regularly scheduled.

Boise also has in place our own set of policies and standards, known as our Forest Stewardship Values and Measures (FSVM), which often exceed the requirements of SFI. An independent Forest Stewardship Advisory Council, composed of nationally known conservation experts from academia and the U.S. Forest Service, reviews our performance under both SFI and FSVM and makes recommendations for continuous improvement.

When seeking forest certification, Boise evaluates applicable national and international programs to determine which program is most suitable for Boise operations. In addition to the SFI program, other forest certification programs include, but are not limited to, the Forest Stewardship Council (FSC) program, the Canadian Standards Association (CSA) program, and the Pan European Federation Certification (PEFC) program. Boise is currently evaluating FSC certification for our Brazilian eucalyptus plantation operations.

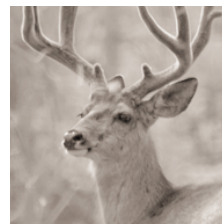
Managing and Protecting Forest Values

Forests provide a wide range of social and economic values and benefits, including a sustainable supply of raw materials to meet the world's demand for forest products. In many forests, active resource management is an effective tool in maintaining and protecting those values and benefits. This is especially true for privately owned forestlands and those publicly owned forestlands that have a history of forest management activities, including harvesting. In other forests, where the association of plants and animals has created rare or unique communities, limited or no active resource management is the chosen option for maintaining and protecting those values and benefits. This is especially true for wilderness areas in the United States, biodiversity hot spots and tropical wilderness areas identified by Conservation International, and similar areas.

On Boise forestlands, we plant and/or support the natural reforestation of native species after harvesting. We minimize the planting of exotic species – those that are outside their natural range and that have not become “naturalized” with a naturally reproducing population. We encourage similar reforestation efforts by other landowners supplying raw materials to our manufacturing facilities. In addition, management practices on company-owned lands generally retain native species in riparian areas, wetlands protection areas, wildlife habitat management areas, old-growth forest reserves, and similar protective measures for other special sites. Again, other landowners supplying raw materials to our manufacturing facilities are encouraged to provide similar measures in their operations. Through these measures, forests of native tree species and the indigenous fish and wildlife species those forests support are being retained and maintained across the landscape over time.

Genetic Diversity

Boise does not plant genetically modified trees in its reforestation program, nor do we utilize them in the manufacture of paper, lumber, plywood, or other forest products.





IV. Recycling and Use of Recycled, Recycled-Content, and Low-Impact Products

Boise continues to develop environmentally sound products. Boise Paper Solutions has produced and distributed recycled-content paper products since 1991. We use recycled fiber to manufacture copy papers, containerboard, business forms, envelopes, and offset printing papers. Our product line includes ASPEN™ 30% recycled-content paper, a high-quality, multiuse paper that contains 30% postconsumer fiber and meets all federal and state guidelines for recycled-content paper of this type. In 2002, we introduced ASPEN™ 100 paper, a multiuse paper that contains 100% post-consumer fiber and is compatible with all plain paper office imaging equipment.

Boise Office Solutions is a leading distributor of recycled-content office products, offering nearly 2,000 recycled-content paper, plastic, and steel items, including our own ASPEN and ASPEN 100 papers. Boise Office Solutions also offers customers free consulting services to improve their recycled-content product awareness and use and provides recycling collection services for toner cartridges, catalogs, and other products.

Boise Building Solutions is a major producer of engineered wood products, such as laminated veneer lumber and wood I-joists. These products use about half as much wood as the wide-dimension lumber they displace in home construction, making better use of available forest resources. In 2003, we began producing residential siding made from recycled plastic and recovered urban wood. We believe our proprietary technology will eventually allow us to manufacture several other building products using these same recycled materials.

V. Air, Water, and Solid Waste

Boise continuously invests in processes to keep the air and water around our manufacturing facilities clean. We use modern technologies and equipment in our manufacturing processes to help prevent the formation of pollutants. Pollution-control equipment removes compounds formed during manufacturing.

To ensure that it is clean and safe, the water used in the papermaking process is treated rigorously before it is returned to the environment. In another important environmental improvement, we have completely replaced elemental chlorine with chlorine dioxide in the pulp-bleaching process at our pulp and paper mills. This elemental chlorine-free bleaching process has virtually eliminated the formation of dioxin compounds and has significantly reduced discharges of adsorbable organic halide (AOX). We also find beneficial uses for much of the waste generated during manufacturing.

All of our manufacturing facilities undergo a comprehensive environmental audit program every three to five years. This program was evaluated in 2001 by Arthur D. Little, a leading environmental auditing company, and was found to be in conformance with recognized environmental auditing practices.

VI. Measurement and Reporting

Boise is committed to communicating with our stakeholders about environmental issues. We report our practices and progress in forest stewardship and other environmental areas through our Environmental and Safety Report. We also provide regular updates on environmental issues in the environmental section of our website at www.bc.com.



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