

# Environment, Health and Safety Report

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# Message to Shareholders

Norbord's environment, health and safety activities are based on two fundamentally important beliefs: first, we must provide a safe, injury-free workplace; and second, the management of environmental risk is an integral part of our business planning and success.

## NORBORD TAKES AGGRESSIVE ACTION TO IMPROVE SAFETY PERFORMANCE

It saddens me to report that a serious injury in Genk, Belgium resulted in the death of one of our European team members this year. The incident was thoroughly investigated and the findings were shared across all mills to prevent a similar incident from happening again.

This fatality reinforced the need for an immediate and lasting improvement in Norbord's safety culture. Two important safety initiatives have been launched this year as a result:

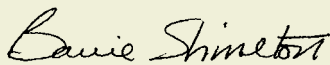
1. Safety Leadership Program for all operational managers and supervisors. We know that our front-line leaders will be the key to creating immediate and lasting change in our mills. This training program will provide our operational supervisors with the tools needed to create a safer working culture at all Norbord mills.
2. Norbord Safety Star management system. All Norbord mills will achieve a common safety management system based on the Occupational Safety and Health Administration (OSHA)'s Voluntary Protection Program (VPP) model. I expect all mills to achieve Norbord Star status by the end of 2010.

The commitment from every employee across the Company to change our safety behaviours combined with the initiatives outlined above will result in a safer Norbord.

## ENVIRONMENTAL COMPLIANCE RECORD REMAINS STRONG

In 2007, Norbord continued to strengthen our commitment to 100% compliance with environmental laws and regulations. Over the last five years, we have invested more than \$55 million in environmental improvements. This investment has ensured that most of our US mills are in compliance with the Maximum Achievable Control Technology (MACT) regulations and has allowed us to re-permit certain mills to increase production capacity. In 2008, we will make an additional investment of \$12 million to complete our MACT compliance plan. These projects are already underway and we expect all of our US mills to be operating in compliance with the latest MACT regulation standards before October 2008.

I look forward to updating you on our progress again next year.



J. BARRIE SHINETON  
*President and Chief Executive Officer*

# Health and Safety Policy

We are committed to safeguarding the health and well-being of our employees, contractors and visitors by creating and maintaining a safe working environment.

## Beliefs

- All injuries and occupational illnesses are preventable.
- Health and safety is a top priority and an integral part of our business and decision-making.
- Management is ultimately responsible for workplace health and safety.
- Safe operating practices are a shared responsibility among management, employees, contractors and visitors.
- Employees and contractors are accountable for their safety and that of fellow workers.
- Working safely is a condition of employment.
- Sharing best practices improves performance.

## Practices

- Design safe facilities.
- Continually review and improve processes and procedures.
- Identify hazards and assess risks.
- Develop, implement and enforce safe work practices.
- Ensure all facilities comply with applicable laws and regulations.
- Provide employees with information and training to work safely.
- Require employees and contractors to execute their work in accordance with legislative requirements and Norbord policy.
- Establish and monitor health and safety objectives.
- Take action to prevent recurrence of incidents.
- Implement health and safety management systems to continually improve performance.
- Conduct health and safety audits.
- Report health and safety performance to senior management, the Board of Directors, shareholders, employees and the public.

# Environment Policy

*Norbord recognizes that our environment is fundamental to our existence, and that our businesses and the communities where we operate depend on its health. We strive for excellence, leadership, sustainability and competitive advantage – with integrity – through continual improvement in our environmental performance and management of forest land. For Norbord, sustainable development means creating economic growth and caring for society and the environment, while taking into account the needs of future generations.*

Norbord will integrate environmental protection into our business processes and decisions. Our belief in sustainable development means we are committed to:

**FULL COMPLIANCE:** Comply fully with all applicable environmental legislation and regulations that affect our activities.

**FOREST MANAGEMENT:** Manage forest resources in a manner consistent with the principles of sustainable forestry, this policy and applicable legislation.

**MINIMIZATION OF ENVIRONMENTAL IMPACT:** Improve our environmental performance as the expectations of society change. We shall do this by using forest, energy and other resources with increasing efficiency, and by reducing all forms of waste.

**RISK MANAGEMENT:** Continually identify, evaluate and control the environmental risks associated with our operations. We shall have procedures in place to prevent and respond to emergencies.

**ENVIRONMENTAL MANAGEMENT SYSTEMS:** Implement systematic environmental management that supports this policy at every operation. We shall assign appropriate human and financial resources. Every year we shall establish measurable objectives and targets for environmental management and performance improvement.

**INNOVATION:** Support pollution prevention and environmental research, and implement findings consistent with this policy.

**PERFORMANCE EVALUATION:** Evaluate the environmental performance of our operations and personnel, and recognize achievements that support this policy. We shall provide our employees with information and training for them to fully integrate this policy into their responsibilities at work.

**COMMUNICATION WITH STAKEHOLDERS:** Engage in constructive dialogue with the communities in which we operate and other key stakeholders, taking their needs into account when we make our decisions.

**OPEN GOVERNMENT RELATIONS:** Work constructively with governments and regulators on the establishment of scientifically and economically sound requirements for our operations.

**AUDITS:** Conduct environmental audits at all our operations at a frequency appropriate to their risks.

**REPORTS:** Report regularly on our environmental performance to the management of the Corporation, the Board of Directors, our shareholders, employees and the communities in which we operate.

Norbord requires its operations to develop policies, systems, organizations, and competencies, and to embrace an environmental commitment consistent with these principles. Norbord requires all employees to take responsibility for environmental protection in their jobs.

# 2007 Report Card

	2007 Target	2007 Performance	2008 Target
<b>Health and Safety</b>	<ul style="list-style-type: none"> <li>• 2007 OSHA recordable injury rate (RIR) of less than 2.00, with the ultimate goal of zero.</li> <li>• Increase employee participation in safety activities.</li> </ul>	<ul style="list-style-type: none"> <li>• Achieved an OSHA RIR of 2.37 – a 9% improvement over 2006. Eight of 15 mills achieved an OSHA injury rate of less than 2.00.</li> <li>• Initiated company-wide safety participation tracking in the second quarter. Achieved monthly employee safety participation rate of 61% at year-end.</li> <li>• Achieved VPP Safety Star recertification at mills in Nacogdoches, Jefferson and Cordele.</li> </ul>	<ul style="list-style-type: none"> <li>• Complete Norbord Safety Leadership Certification requirements for all operational management and supervisors.</li> <li>• Increase monthly employee safety participation rate to greater than 80%.</li> <li>• All mills receive equivalent of OSHA VPP Star Site certification by 2010.</li> <li>• Achieve OSHA RIR of 2.00 or less, with ultimate goal of zero injuries.</li> </ul>
<b>Full Compliance</b>	<ul style="list-style-type: none"> <li>• Full compliance with Boiler MACT requirements in the US.</li> <li>• Complete Dangerous Substances and Explosive Atmospheres Regulations (DSEAR) initiatives at Genk.</li> </ul>	<ul style="list-style-type: none"> <li>• US Boiler MACT rules revoked by court order in June 2007.</li> <li>• Completed DSEAR compliance on Genk OSB line.</li> </ul>	<ul style="list-style-type: none"> <li>• Complete Plywood and Composite Wood Products (PCWP) MACT air emission reduction projects in Huguley, original Cordele production line; Bemidji and Guntown.</li> </ul>
<b>Impact Minimization</b>	<ul style="list-style-type: none"> <li>• Reduce fossil fuel dependence by an additional 10%.</li> <li>• Start-up of Genk and Nacogdoches biomass heat energy systems.</li> </ul>	<ul style="list-style-type: none"> <li>• Reduced fossil fuel intensity in OSB manufacturing by about 10%. Reduced overall fossil fuel intensity by approximately 5%.</li> <li>• Completed Genk and Nacogdoches biomass heat energy systems.</li> </ul>	<ul style="list-style-type: none"> <li>• Reduce Volatile Organic Compounds (VOC) emissions from OSB production by 20%.</li> </ul>
<b>Environment, Health and Safety (EH&amp;S) Audits</b>	<ul style="list-style-type: none"> <li>• Complete audits in Val-d’Or, Cowie, Deposit and Cochrane.</li> <li>• Train 10 new EH&amp;S auditors.</li> <li>• Focus 2007 audits on hazard assessment in routine task and root cause analysis.</li> <li>• ISO 14001 Environmental Management System Standard registration at Cowie.</li> </ul>	<ul style="list-style-type: none"> <li>• Completed audits in Val-d’Or, Cowie, Deposit and Cochrane.</li> <li>• Trained eight new EH&amp;S auditors.</li> <li>• Increased audit action plan follow-up capabilities and management accountability.</li> <li>• Achieved ISO 14001 Environmental Management System Standard registration at the Cowie mill in October 2007.</li> </ul>	<ul style="list-style-type: none"> <li>• Complete EH&amp;S audits in Jefferson, Inverness, Joanna, South Molton, Nacogdoches and Huguley.</li> <li>• Further develop behavioural safety program and Norbord Safety Star/VPP auditing capabilities.</li> </ul>

## MANAGING ENVIRONMENT, HEALTH AND SAFETY RISKS

In this report we discuss the environment, health and safety risks that have the greatest potential to impact the sustainability of our business. To prioritize improvement initiatives and allocate resources to sustainability projects, Norbord continually evaluates the known and potential risks to the business. While risks vary between regions, sites and by specific manufacturing process, there are six general categories of environment, health and safety risk that have the greatest potential to impact Norbord's success in the near and long term:

1. Employee health and safety
2. Management of formaldehyde
3. Energy use and greenhouse gases
4. Compliance with environmental permits
5. New regulations to limit air emissions
6. The sustainability of our fibre resources

Each of these key sustainability factors is explored in detail below. For a more thorough review of Norbord's performance across a broader range of performance indicators, we invite you to refer to the 2007 Compendium of Environment, Health and Safety Data available on our website ([www.norbord.com](http://www.norbord.com)).

### 1. EMPLOYEE HEALTH AND SAFETY

In 2007, we made progress toward our vision of an injury-free workplace. Our 2007 OSHA recordable injury rate of 2.37 was a 9% improvement compared to 2006 and 20% below our five-year average of 2.97.

The South Molton, England, mill completed the year with an industry-leading OSHA rate of 0.34, continuing a strong improving trend. Other key safety milestones in 2007 included the completion of one million hours worked without a lost time recordable injury at the Cordele, Georgia; Jefferson and Nacogdoches, Texas; and South Molton mills. Mills at Cordele, Jefferson and Nacogdoches were recertified as OSHA VPP Star Sites.

Unfortunately these achievements were overshadowed by a fatal incident at the Genk mill. In August, a production supervisor with more than 30 years' experience at the mill was conducting maintenance on a conveyor system when he was fatally injured. When Norbord acquired the Genk mill in September 2004, we recognized that the plant did not have a safety culture that was compatible with Norbord's values. Since 2004, Norbord has invested more than \$2.0 million at the Genk mill to improve safety equipment, establish new safety procedures, and enhance safety training. These investments have helped to reduce recordable injury rates by more than 50%. However, more work is needed to change the safety culture at Genk. Since the fatality, Norbord has committed additional resources to the Genk mill to ensure rapid and sustained improvement. These resources will increase the visibility of safety leadership on the plant floor, improve hazard recognition, ensure clear accountability for safety performance and develop safety behaviour observation practices.

Health and Safety Data	2007	2006	2005 <sup>(2)</sup>	2004	2003
Hours worked (000s)	<b>6,076</b>	6,044	5,984	5,728	5,612
Lost time incidents	<b>20</b>	23	40	12	32
Lost time frequency <sup>(1)</sup>	<b>0.66</b>	0.76	1.34	0.42	1.14
OSHA recordable injury rate <sup>(1)</sup>	<b>2.37</b>	2.61	3.21	2.41	2.82

(1) Per 200,000 hours worked.

(2) Genk mill acquired in 2004; figures included starting in 2005.

In October 2007, Norbord announced the implementation of two company-wide safety initiatives: the Norbord Safety Star Management System and the Norbord Safety Leadership Program. We believe that these programs will accelerate the changes necessary to eliminate serious injury from our workplaces.

#### Norbord Safety Star Management System

Norbord has several mills that have demonstrated long-term success in safety. A common element in three of these sites is their commitment to the OSHA VPP and their certification as VPP Star Sites. The VPP, established by OSHA in 1982, sets performance-based criteria for a managed safety and health system. Under the VPP framework, employers and employees are encouraged to reduce the number of occupational safety and health hazards by emphasizing:

- An effective safety and health management system
- Trust and cooperation between the employer, employees and local regulators
- Employee participation in the safety program
- Demonstrated good performance

Norbord conducted a thorough assessment of our own internal safety management systems and a review of external programs. Our conclusions point to the VPP framework as the foundation of a successful world class safety culture. As a result, Norbord will pursue VPP Star Site certification at all US operations. In Canada and Europe, Norbord has established the Norbord Safety Star certification program to guide development and implementation of VPP equivalent safety management systems at all mills. Norbord expects all sites to achieve certification as a VPP Star or Norbord Safety Star site by the end of 2010. Norbord's VPP Star sites in Cordele, Jefferson and Nacogdoches, along with the South Molton site, are expected to play key roles in mentoring the other sites in implementing the key elements of success.

#### Norbord Safety Leadership Program

Norbord recognizes that a world class safety culture must permeate all aspects and activities of the Company. We also recognize that the operational leadership (line supervisors, managers and department heads) are at the heart of our safety culture. Front-line supervisors are best positioned to understand the barriers to improvement, ensure consistency in the application of best practices, and motivate lasting and meaningful change.

In 2007, Norbord established the Norbord Safety Leadership Program to re-establish a common understanding of our values, improve risk perception and further develop operational management's safety leadership skills. The program focuses on defining the roles and responsibilities of our leadership team in ensuring safety success and provides coaching and communications skills development. More than 250 operational leaders will go through the two-day intensive program. Following the initial training, each participant is required to complete a Safety Leadership Certification process that involves completion of several tasks demonstrating safety leadership and improved safety communication. Safety Leadership Certification is required for every employee in an operational leadership position.

#### Measuring Safety Improvement

Norbord believes that it is important to track safety performance indicators that reflect the activities underway to prevent injury. In 2007, Norbord established a set of leading indicators, including: progress on Safety Leadership Certification, the identification of new risks and safety hazards, the documentation of best practices and improved process standards, and employee involvement in the safety program.

Efforts to increase employee participation in safety activities are already generating positive results. In 2007, Norbord increased monthly participation rates by more than 50% amongst hourly employees. In 2008 we will increase monthly employee participation from 61% (at the end of 2007) to at least 80% – a level that is consistent with our current best performers.

## 2. MANAGEMENT OF FORMALDEHYDE

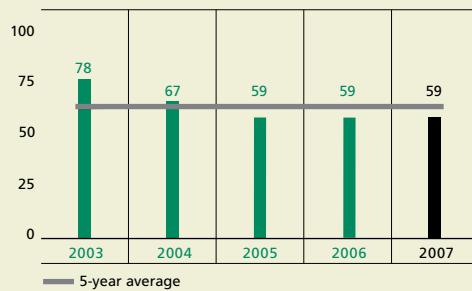
Formaldehyde exists naturally in wood, the human body and in the atmosphere. It is present in very low concentrations in some of the adhesives used in our panel products and is released from wood in the drying process. In January 2005, the International Agency for Research on Cancer (IARC) reclassified formaldehyde as a known human carcinogen. While formaldehyde is still a widely used and commercially beneficial material, Norbord is particularly careful in its use and handling.

Employee exposure to formaldehyde is tightly controlled at Norbord. The free formaldehyde content of the formaldehyde-based resins is maintained below 0.1% and materials are contained within process equipment. Ventilation and personal protective equipment further protect employees from inhalation or contact. The potential for exposure is assessed regularly through ambient air sampling and results compared to recognized standards. In addition, periodic health evaluations are undertaken to ensure that employees are not experiencing any adverse health effects.

Prior to start-up of a new mill or a new production line, we develop models to predict formaldehyde emissions from the plant and ensure that local communities will not be at risk. Air emission control equipment prevents most of the formaldehyde from ever reaching the atmosphere. The small amount that is released is carefully monitored and publicly reported to the regulators.

Norbord products are tested to ensure that they comply with agreed standards for formaldehyde content and emissions. Standards for all our products are well below the levels associated with any observed health effects and Norbord works with industry associations and resin suppliers in North America and Europe to set more demanding product quality targets.

**FORMALDEHYDE EMISSIONS**  
9% BELOW FIVE-YEAR AVERAGE  
(GRAMS/Msf-3/8\*)

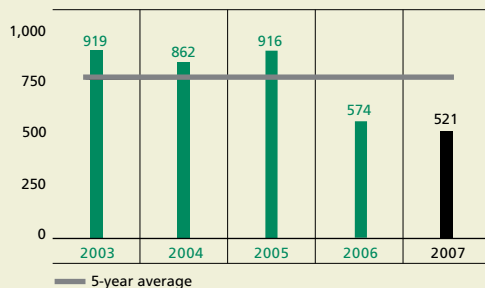


## 3. ENERGY USE AND GREENHOUSE GAS EMISSIONS

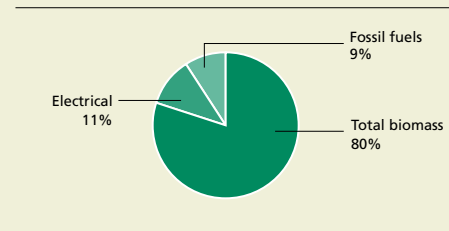
Energy use is a key manufacturing input and significant cost in the production of wood panel products. Norbord's manufacturing processes generate residual wood material that cannot be used in the final product. This material can be used as a biomass fuel to produce heat and in some cases electricity used in the manufacturing process.

In 2007 Norbord completed a four-year \$55 million program to reduce dependence on fossil fuels by switching to biomass-fuelled heat energy systems. Subsequently, overall energy efficiency has increased and the emission of greenhouse gases has been greatly reduced. Biomass heat

**FOSSIL FUEL USE IN OSB PRODUCTION**  
30% BELOW FIVE-YEAR AVERAGE  
(MEGAJOULES/Msf-3/8\*)



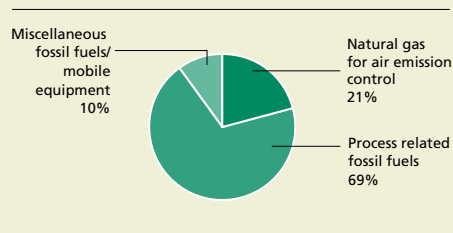
**ESTIMATED 2008 OSB ENERGY USE DISTRIBUTION**



energy projects in Genk and Nacogdoches were completed in the Fall of 2007. With these projects, approximately 80% of the total manufacturing energy needs and all of our process heat requirements for OSB production are met with biomass fuel.

While efforts will be made to continue to reduce our overall dependence on fossil fuels, the biggest steps have already been taken. Environmental regulations in the United States continue to increase the need for air emission control equipment that depends on natural gas. In 2008, approximately 21% of our natural gas will be used to operate air emission control equipment – Regenerative Thermal Oxidizers (RTOs) and Regenerative Catalytic Oxidizers (RCOs).

IN 2008 MORE THAN 20% OF FOSSIL FUEL USE WILL GO TOWARDS AIR EMISSION CONTROL



DIRECT GHG EMISSIONS MORE THAN 10% BELOW FIVE-YEAR AVERAGE



All Norbord operations in the UK have entered into Kyoto climate change energy efficiency agreements that have resulted in savings of more than £12 million through tax and energy efficiency cost reductions to-date. A “cap and trade” carbon trading program is in place in Europe and will create further potential for financial gains at Norbord’s Genk and Cowie, Scotland, mills. The program enters its second phase in 2008. As a result of investment in biomass-fuelled energy projects in 2006 and 2007, both of these mills will have valuable unallocated carbon credits available for trading.

There are similar programs under discussion in North America. However, as Norbord is a relatively small user of fossil fuels, and biomass derived energy is generally exempt from these programs, we do not expect that any of these initiatives will significantly impact our business. We will continue to monitor developments and regularly reassess the risks associated with climate change issues.

In addition to initiatives to reduce energy use in the manufacturing process, Norbord’s Solar Board® radiant barrier sheathing product helps to reduce home cooling costs. Solar Board® uses a heat-reflecting foil laminated to Norbord’s roof and wall sheathing product. The product reduces radiant heat transfer through the roof and walls by 97%, thereby keeping the home cooler in the summer.

**4. COMPLIANCE WITH ENVIRONMENTAL PERMITS**

All Norbord sites are subject to regulation and permit requirements imposed by jurisdictional government agencies. In the United States, strict environmental regulations are set federally and imposed through detailed state issued permits. In Canada, provincial regulations require certificates of authorization defining the requirements of operation. In Europe, federal, regional and local government bodies work together to develop detailed integrated operating permits for each plant. Failure to comply with these regulations can result in prosecution for non-compliance and erode the confidence of the communities in which we operate.

On a day-to-day basis Norbord manages compliance with these regulations and approvals by recording any deviation from a permit-required monitoring parameter. Most of these deviations are only minutes in duration and do not result in exceedance of permit emission limits or harmful releases to the environment. Continuous monitoring allows us to react to emission control equipment malfunctions before there is a risk to the environment.

Environmental Compliance	2007 <sup>(1)</sup>	2006	2005 <sup>(2)</sup>	2004	2003
Percent compliance	<b>98.4</b>	97.9	99.2	98.9	98.0
Formal notices of violation (NOVs) <sup>(3)</sup>	<b>4</b>	1	2	2	3
Deviations from permit-required monitoring parameters	<b>527</b>	529	169	230	409
Environmental penalties (US \$ 000s)	–	14	–	5	477
Environment, Health and Safety capital (US \$ millions)	<b>2</b>	21	28	11	6

(1) Of the 527 deviations reported in 2007, over half were from Nacogdoches, where strict air permit requirements and new air emission control equipment have required operators to stay within tight operating restrictions. The control equipment is working well and accounts for a 600 ton per year reduction in VOC and formaldehyde emissions.

(2) Genk mill acquired in 2004; figures included starting in 2005.

(3) Of eight enforcement notices received in 2007, four were withdrawn after Norbord responded to state government information requests. Another two of these eight have been contested and Norbord is awaiting a response from the regulators.

Additional permit requirements and increasingly sophisticated abatement equipment mean that the number of parameters controlled by Norbord operators is always increasing. In 2007 Norbord took over 32,000 compliance measurements, an increase of more than 20% compared to 2006. Of these there were 527 that did not meet our operating criteria accounting for an overall environmental compliance rate of 98.4%.

## 5. NEW REGULATIONS TO LIMIT AIR EMISSIONS

The science of interpreting the potential environmental impact of industrial emissions, and the technology used to control these emissions are continually evolving. Norbord has traditionally invested in initiatives to keep pace with a constantly changing regulatory landscape. Failure to anticipate, understand or plan for regulatory change can lead to unwise allocation of capital and non-compliance with permit requirements.

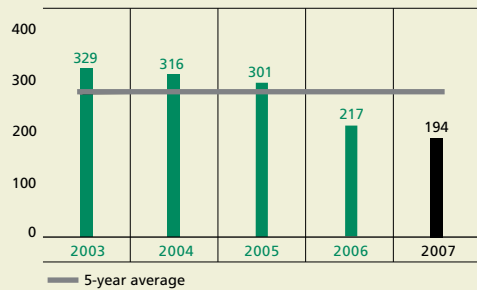
MACT regulations, designed to reduce the release of potentially hazardous materials to the air, were introduced in the US in 2004. The new standards apply to more than 200 mills manufacturing plywood, OSB, MDF, particleboard and other composite wood panels. A second set of MACT rules regulating industrial boilers was also approved in 2004.

In June 2007, the US Court of Appeals ruled on several cases brought by environmental groups against the EPA contesting the details of numerous MACT regulations. These court decisions affected both the Plywood and Composite Wood Products (PCWP), and Boiler MACT rules.

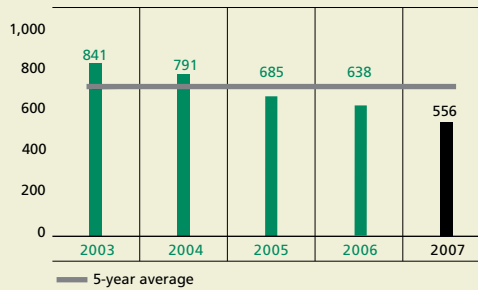
- First, the court's decisions resulted in the removal of the low risk exemption available to some sources covered under the PCWP MACT
- Second, the court restored the original October 1, 2007, PCWP MACT compliance deadline
- Third, the decisions resulted in the withdrawal of the Boiler MACT standards for the time being

While these decisions are significant for the industry, the changes to the MACT rules have only a minor impact on Norbord's compliance strategy. The changes do not impact the \$35 million invested over the last four years on improved air emission control equipment. Mills in Joanna, South Carolina; Deposit, New York; Nacogdoches, Jefferson, and the new Cordele OSB production line were fully compliant with all MACT requirements prior to the October 1, 2007 deadline. Mills in

**PARTICULATE EMISSIONS**  
**29% BELOW FIVE-YEAR AVERAGE**  
 PARTICULATE EMISSIONS TO AIR (GRAMS/Msf-3/8")



**VOC EMISSIONS**  
**20% BELOW FIVE-YEAR AVERAGE**  
 VOC EMISSIONS TO AIR (GRAMS/Msf-3/8")



Huguley, Alabama; Bemidji, Minnesota; and Guntown, Mississippi, which were previously exempt under the low risk provisions of the PCWP MACT rules, and the original Cordele OSB production line have all successfully negotiated compliance extensions with their respective states. Their compliance deadline will remain October 1, 2008. Norbord's 2008 capital plan includes \$12 million to cover the air emission control improvements required to comply with these regulations. These investments will further reduce criteria air emissions by more than 1,000 metric tons.

Actions to comply with these regulations ahead of the compliance deadline have been favourable for Norbord's business. Overall air emissions have been reduced by more than 25,000 metric tons. At the same time, our mills have been allowed to increase production without restrictive production caps. And early investment has minimized capital requirements in a difficult market environment.

**6. SUSTAINABLE WOOD PROCUREMENT**

Norbord's success is dependent on the sustainability of the wood fibre used to manufacture our products. It is in our best interest to advance the science and understanding of good forestry and to encourage the practice of reforestation.

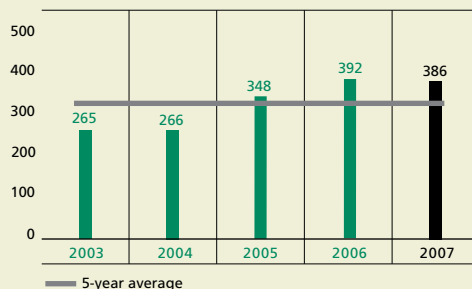
Norbord does not own forest land. Wood fibre is supplied through contracts with private or industrial landowners, other forest products companies with long-term leases on public lands or directly from public forest management agencies. In Quebec and Ontario, Norbord holds long-term licences that permit the annual harvesting of approximately 880,000 cubic metres of aspen and birch.

At all Norbord operations wood is delivered to our mills under specific contracts with qualified, professional loggers. Norbord sets strict standards for wood quality and regularly monitors contractors to ensure they meet our environmental standards.

Norbord continues to utilize recycled wood fibre in the manufacture of particle-board and MDF. The substitution of virgin fibre with recycled fibre has several advantages:

- It conserves natural forests
- It reduces the volume of material going to landfill
- It is drier than virgin fibre and therefore requires less energy to process prior to pressing

**USE OF POST-CONSUMER RECYCLED FIBRE**  
**14% ABOVE FIVE-YEAR AVERAGE**  
 RECYCLED POST-CONSUMER FIBRE - METRIC TONS (000s)



In 2007, Norbord used approximately 380,000 metric tons of post-consumer wood fibre – material that was reclaimed after being used in crating, pallets, window and door frames, or other building materials. In the UK, much of this material is eligible to generate packaging recovery notes (PRNs) under the UK Packaging Waste Regulations. As accredited packaging reprocessors, the South Molton and Cowie mills generated more than £600,000 in PRNs in 2007, which can be sold to packaging producers.

Norbord continues to support initiatives to monitor and certify the sustainability of forest management in our procurement areas. Third parties are engaged to certify that our wood procurement and forest management practices meet internationally recognized standards endorsed by the Sustainable Forestry Initiative® (SFI), Forest Stewardship Council (FSC) and the International Organization for Standardization (ISO), depending on the location of the mill. In 2007 Norbord continued to expand its support for these certification systems and added FSC Chain of Custody (CoC) certifications to the operations in Val-d'Or and La Sarre, Quebec. Nine of Norbord's North American wood procurement operations are third-party certified to be in compliance with the SFI wood procurement requirements. The four European mills and the Cochrane, Ontario, mill also meet the FSC CoC standards.