



Lakeland Mills Ltd.

October 31, 2014

Statement from Lakeland Mills on penalties imposed by WorkSafeBC

Lakeland Mills Ltd. and its management group have reflected on the terrible accident of April 23, 2012, and recognize with sorrow the impact the explosion and fire has had on all of our employees and their families, particularly the families of Glenn Roche and Al Little, the company and the broader community.

After assessing all the evidence gathered by WorkSafe BC about the Lakeland accident, on April 14, 2014, Crown counsel decided not to prosecute the company for regulatory infractions under the *Workers Compensation Act*.

In May 2014, despite the Crown decision, WorkSafe BC nevertheless chose to issue sanctions (an “administrative penalty” and “claims cost levy”) against Lakeland Mills, based on the very same facts that the Crown had declined to pursue.

Lakeland Mills has now filed an appeal (called a “Request for Review”) of the WorkSafe BC sanction decision, including the facts on which the WorkSafe BC decision was based.

No appeal can change what happened, nor alter the impact on the lives of our employees, families who lost loved ones, the company and our community. Lakeland has taken this action for a number of reasons after carefully weighing its responsibility for the tragedy against its sincere belief that the responsibility is shared with all stakeholders with an interest in ensuring safe workplaces.

To accept a regulatory sanction for this tragedy would leave the wrong impression that Lakeland and its people were not diligent or were reckless. Lakeland believes that the facts do not bear out such a conclusion. To leave a sanction unchallenged would not fairly reflect what Lakeland believes is the whole truth about this tragedy. If the company had foreseen the risk of a catastrophic accident, those responsible for the operation of the mill would never have placed their people and the facility in harm’s way.

Crown Counsel reviewed all the same evidence as WorkSafe BC. The Crown published a Clear Statement that concluded that a sawdust-related explosion hazard was a “previously unrecognized hazard” to both the BC sawmilling industry and WorkSafe BC. The Crown even discovered that a WorkSafe BC officer responsible for inspecting the Lakeland mill in the months prior to the incident did not observe a dust violation and in fact stated that he believed Lakeland was a “clean mill” compared to others. The Crown also learned that, after the Babine accident, Lakeland started to make diligent inquiries to attempt to learn about sawdust-related hazards and took steps to acquire new equipment to improve sawdust collection at its mill.

In summary, the Crown Counsel Clear Statement confirmed that the risk of a catastrophic explosion like the one that occurred at the Lakeland mill was not foreseeable to Lakeland, and that the company did take reasonable steps to reduce risks that it did foresee before the accident occurred.

It was not until three days *after* the Lakeland accident that WorkSafe BC began an urgent initiative with the wood products manufacturing industry, to draw attention to the hazard of combustible dust and publicly share information with workers, their families, industry and other stakeholders.

For over 50 years, Lakeland Mills has built a reputation for integrity and commitment to the wellbeing of its employees and the community in which it operates. We believe that an appeal of the WorkSafe BC sanction is consistent with our reputation.

The company also believes that an appeal will permit all parties to learn more to prevent unforeseen hazards from emerging without attention and from materializing without notice, so that such a thing never occurs again.

As the appeal process occurs, Lakeland will be focused on helping our employees get back to work, and to bringing greater certainty to their lives and to the community of Prince George.

Lakeland does not expect to make further statements about the Request for Review as it proceeds.

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Media inquiries:

Cam McAlpine
250-961-6611