



TFL 48 – Canfor and BC Timber Sales – 2012 CSA Z809 Surveillance Audit Public Summary Report

Between August 13th and 16th, 2012 KPMG Performance Registrar Inc. (KPMG PRI) carried out a CSA Z809 surveillance audit of Canadian Forest Products Ltd.'s and B.C. Timber Sales (BCTS)' Tree Farm Licence 48 Defined Forest Area (DFA). This certification summary report, which covers both the Canfor and BCTS certifications, provides an overview of the audit process and KPMG's findings.

Description of the TFL 48 Defined Forest Area

TFL 48 is located in northeast B.C. near the communities of Chetwynd, Hudson's Hope and Tumbler Ridge. The TFL encompasses just over 643,200 hectares and has an allowable annual harvest of 900,000 cubic meters.

Certification History

The TFL 48 DFA has been certified to the CSA Z809 standard since the year 2000. In 2011, the DFA was recertified to the current CSA Z809-08 standard. Canfor and BCTS hold separate CSA Z809-08 certificates covering their operations on the TFL, each of which is valid until December 20, 2014.

Audit Scope

The 2012 surveillance audit was a limited scope assessment against all elements of the CSA Z809-08 standard.

The Audit

- **Audit Team** – The audit was conducted by Bodo von Schilling, RPF, EP (EMSLA). Bodo is an experienced sustainable forest management (SFM) system auditor who has completed numerous audits to various environmental, forest management and chain of custody standards.
- **Document Review** – An off-site document review was completed prior to the field audit in order to assess the sustainable forest management (SFM) system documentation (e.g. SFM Plan and associated values, objectives, indicators and targets, documentation pertaining to the Public Advisory Committee (PAC) process, etc.) and increase the efficiency of the field portion of the audit.
- **Field Audit** – The on-site field audit included interviews with a sample of staff and contractors, and an examination of EMS and SFM system records, monitoring information and public involvement information. The team also conducted assessments of a sample of field sites of Canfor's and BCTS' planning, harvesting, silviculture, and road construction, maintenance and deactivation practices on TFL 48.





▪ **Number of field sites visited during the audit:**

	<u>Canfor</u>	<u>BCTS</u>
Roads:	12	1
Harvesting:	11	1
Silviculture:	6	1

- **Client Representatives** – Jeremy Srochenski, RPF, Canfor Planning Forester, and Jason Pederson, RFT, BCTS Certification Standards Officer served as the client representatives during the audit.

Audit Objectives

The objective of the audit was to evaluate the sustainable forest management (SFM) systems employed on TFL 48 by Canfor - Chetwynd and BC Timber Sales - Peace Liard Business Area, their implementation, effectiveness and conformance with the requirements of CSA Z809-08.

Good Practices

A number of good practices were noted during the 2012 audit. The following list highlights some of the examples noted:

- CSA Z809-08 element 7.4.6: Canfor Chetwynd has developed a comprehensive ‘material replenishment’ tracking system using cards and folders on a cork board to assist in tracking wood development, ensure proper assessments and gather data to make the system more efficient and effective.
- CSA Z809-08 element 7.4.6: Water management was found to be appropriate to the site and season. Seasonal, semi-permanent and permanent deactivation is done promptly and to a high standard. Field inspection over two days did not reveal any significant concerns even on active harvest blocks with no formal deactivation activities completed.
- CSA Z809-08 element 7.5.1: A Canfor harvesting supervisor has developed monitoring sheets to document regular monitoring of road construction and harvesting activities, supporting the supervisor’s due diligence monitoring documentation, document on-going issues and actions and address contract considerations.

Follow-up on Findings from Previous Audits

At the time of this assessment there were a total of 3 open non-conformities from previous audits. The audit team reviewed the implementation of the action plans developed by Canfor – Chetwynd and BC Timber Sales – Peace-Liard Business Area to address these issues, and found that they had been effectively implemented. As a result, all of the non-conformities identified during previous audits have now been closed.

2012 Canfor/BCTS TFL 48 CSA Z809

Major non-conformities	0
Minor non-conformities	0
Opportunities for improvement	3

Types of audit findings

Major non-conformities:

Are pervasive or critical to the achievement of the SFM Objectives.

Minor non-conformities:

Are isolated incidents that are non-critical to the achievement of SFM Objectives.

All non-conformities require the development of a corrective action plan within 30 days of the audit, which must be fully implemented by the operation within 3 months.

Major non-conformities must be addressed immediately or certification cannot be achieved / maintained.

Opportunities for Improvement:

Are not non-conformities but are comments on specific areas of the SFM System where improvements can be made.

New Areas of Nonconformity

No new non-conformities were identified during the 2012 surveillance audit.

Opportunities for Improvement

Three new opportunities for improvement were identified during the 2012 surveillance audit, as follows:

- CSA Z809 element 7.4.6 requires the organization to identify operational controls needed to meet the SFM requirements. Canfor Fuel Management Guidelines specify the procedures for mobile tanks. Inspection of a sample of field sites found that these procedures had been implemented as required in the large majority of instances. However, in one isolated instance a mobile tank did not have a legible inspection tag and the operator who owned the tank was not aware of the required tank recertification date. Further, the mobile tank nozzle did not have drip containment. (Finding applies to Canfor only).
- CSA Z809 element 7.4.7 requires organizations to develop and implement procedures for emergency preparedness and response. This requirement is addressed through the Canfor 2012 Emergency Preparedness and Response Plan, which includes the following requirements: (1) pickups must have a fire extinguisher, (2) a water delivery system must be in place for road construction projects, and (3) waste disposal procedures for contaminated products. Inspection of a sample of field sites found that these procedures had been implemented as required in the large majority of instances. However, a few isolated weaknesses in implementation were observed (e.g., a discharged fire extinguisher was found in the road construction supervisor's pick-up on one block, the logging contractor on another block was not certain of procedures to properly dispose of used spill pads and contaminated oil, etc.). (Finding applies to Canfor only).
- CSA Z809 element 7.5.3 requires the organization to establish and maintain procedures for SFM records, including those related to training. The Canfor FMS Manual section 7 specifies that training records must be kept. Inspection of a sample of field sites found that these procedures had been implemented as required in the large majority of instances. However, in one isolated instance (Block T4328) the contractor had no system in place to document FMS block-level pre-work training with truckers. (Finding applies to Canfor only).

Corrective Action Plans

No non-conformities were identified during the audit. As a result, written corrective action plans were not required. However, notwithstanding the fact that corrective action plans are not required to address opportunities for improvement, the next surveillance audit will still include a follow-up assessment of these issues to determine the extent to which they have been addressed.



Water management was found to be appropriate to the site and season. Seasonal, semi-permanent and permanent deactivation is done promptly and to a high standard. Field inspection over two days did not reveal any significant concerns even on active harvest blocks with no formal deactivation activities completed.

Audit Conclusions

The audit found that Canfor - Chetwynd's and BC Timber Sales - Peace Liard Business Area's SFM systems for Tree Farm Licence 48:

- Were in full conformance with the requirements of the CSA Z809 standard included within the scope of the audit, except where stated in this report;
- Continue to be effectively implemented, and;
- Are sufficient to systematically meet the commitments included within the organization's environmental and sustainable forest management policies, provided that the systems continue to be implemented and maintained as required.

As a result, a decision has been reached by the audit team to recommend that Canfor - Chetwynd as well as BC Timber Sales - Peace Liard Business Area continue to be registered to the CSA Z809 standard within TFL 48.

Focus Areas for the Next Audit

The following issues/topics have been identified as focus areas for the next surveillance audit:

- The silviculture program, with several specific areas of concentration, including: (1) the recent decrease in the herbicide program on the TFL and its implications for the achievement of free growing requirements, (2) the system to ensure proper allocation of stock to blocks according to seed zones, and (3) the system to ensure that free growing blocks have proper seed zone allocation.
- SFM awareness at the contractor or supervisor level.
- Root cause analysis of incidents.



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