

Fort St John Pilot Project—2014 CSA Z809 Re-registration Audit Summary

In July 2014, an audit team from KPMG Performance Registrar Inc. (KPMG PRI) carried out a CSA Z809 re-registration audit of the Fort St. John Pilot Project (FSJPP) Participant's operations against the requirements of the CSA Z809-08 sustainable forest management (SFM) standard. This Certification Summary Report provides an overview of the process and KPMG's findings.

Description of the FSJPP Defined Forest Area

The FSJPP area encompasses the Fort St. John Timber Supply Area (TSA) in the Peace region of northeast BC. The combined assessment on the FSJPP area applies to a defined forest area (DFA) of approximately 4 million hectares with an allowable annual harvest of over 2 million m³.

Scope of Certification

The scope of FSJPP's CSA Z809 certification includes the sustainable forest management system (including related public involvement, planning, harvesting, road and silviculture activities) implemented by FSJPP participants in the FSJPP Defined Forest Area.

The FSJPP Participants include Canadian Forest Products Ltd (Canfor), BC Timber Sales (BCTS), Cameron River Logging Ltd., Chetwynd Mechanical Pulp Ltd, Dunne-Za Ventures LP, and Louisiana-Pacific Canada Ltd. However, all field operations along with planning are carried out by Canfor and BCTS. All of the participants have consented in writing to take part in the pilot project and be subject to the terms and conditions of the FSJPP Regulation.

The Fort St. John Pilot Project was implemented across the Fort St. John TSA in 2001 as a pilot for an improved regulatory framework for forest practices. The main components of the project include regulatory flexibility to facilitate adaptive approaches to forest management, landscape level planning through an SFM plan, ongoing public involvement through a Public Advisory Group (PAG) and the adoption and implementation of certification systems as surrogates for the existing administrative process.

Audit Scope

The audit was conducted against all of the requirements of the CSA Z809-08 standard, including those related to:

- The public participation process;
- Development and maintenance of the SFM plan;
- Monitoring of SFM performance, and;
- Implementation of the various management system components (e.g., training programs, operational controls, monitoring and inspections, internal audits, etc.) that are required under the CSA Z809 standard.



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The Audit

- **Audit Team** – The audit was conducted by Yurgen Menninga RPF, EP(EMSLA) acting as Lead Auditor, and Del Ferguson, RPF. Yurgen is an employee of KPMG PRI and Del acts as a contractor to KPMG PRI. Both have conducted numerous forest management audits under a variety of standards including ISO 14001, CSA Z809, SFI and FSC.
- **CSA Z809 Re-registration Audit** – The audit included an on-site assessment of the FSJPP participants’ implementation of their SFM system. Conclusions regarding conformance with the requirements of the standard were based on the collection of sufficient and appropriate audit evidence drawn from the following sources: (1) review of various SFM system procedures and records and responses to questionnaires sent to public advisory group (PAG) members and local First Nations, (2) interviews with a sample of FSJPP participant staff and contractors and representatives of local First Nations, and (3) visits to several field sites to evaluate conformance with the applicable requirements of the CSA Z809 standard.
- **Surveillance Audits** – Surveillance audits are conducted annually by the audit team to ensure that CSA Z809 requirements continue to be met.
- **FSJPP’s CSA Z809 Certification Representative** – Ms. Jennifer McCracken, RPF of Canfor and Mr. Jason Pedersen, RFT, Certification Standards Officer of the BCTS Peace-Liard business area served as FSJPP’s representative during the audit.

Audit Objectives

The following audit objectives were included within the scope of the audit:

- A CSA Z809 re-certification audit to evaluate the Operation’s conformance with the requirements of the 2008 version of the CSA Z809 standard.
- Evaluation of the extent to which the participants have addressed the open findings from previous CSA Z809 audits.

Good Practices

A number of good practices were identified during the course of the audit. Examples included:

- **CSA Z809 element 5 (public participation requirements)** - The public advisory group has good representation from a range of interests, and a good amount of material is covered at the meetings (relates to FSJPP participants).
- **CSA Z809 element 6.2 (respect for aboriginal forest values, knowledge, and uses)** - BCTS has developed a formal process with timeframes for follow-up for First Nations consultation for planned herbicide use.
- **CSA Z809 element 1.2 (species diversity)** - Canfor has a well structured process to protect active nests as required under the migratory bird act, including likelihood of nests based on stand characteristics, timing of operations, and bird surveys in some situations.
- **CSA Z809 element 3.1 (soil quality and quantity)** - Canfor has increased the amount of harvesting during non-frozen conditions, and it was found the company has developed a number of strategies to minimize impacts to soil productivity.

FSJPP Ltd. 2014 CSA Z809 Audit Findings

Open non-conformities from previous audits	0
New major non-conformities	0
New minor non-conformities	0
New opportunities for improvement	2

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.

Major non-conformities must be addressed within three months and minor non-conformities must be addressed by the next annual audit or certification cannot be maintained.

Opportunities for Improvement:

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

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Good Practices (continued)

- **CSA Z809 element 2.2 (ecosystem productivity)** - Trends show that Canfor has maintained regeneration targets with reduced herbicide use over the last several years.
- **CSA Z809 element 7.4.6 (operational controls)** - One of the Canfor contractors was noted to have a well organized presentation for newcomers to the harvest block regarding safety and environmental hazards and block characteristics.

Follow-up on Findings from Previous Audits

At the time of this assessment there were five open opportunities for improvement from previous audits. The audit team reviewed the implementation of the action plans developed to address the issues, and found that they had been effectively implemented. As a result, all of the findings from previous audits have now been closed.

New Areas of Nonconformance

No new non-conformities were identified.

New Opportunities for Improvement

Two new opportunities for improvement were identified:

- **CSA Z809 element 7.4.6 (Operational Controls)** - At a Canfor contractor's camp the propane storage tank adjacent to the parking area had no crash protection from vehicle impact.
- **CSA Z809 7.4.6 (Operational Controls)** - On a block prescribed for herbicide treatment by BCTS, it was noted that the proposed treatment area enveloped a brushy riparian area that was not previously timbered and would not benefit from the treatment (i.e. there were no cut stumps and there was little to no seedling presence).

Audit Conclusions

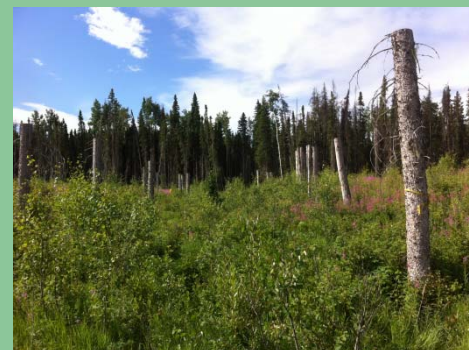
The audit found that FSJPP's SFM system:

- Was in full conformance with the requirements of the CSA Z809 included in the scope of the audit, except where noted otherwise in this report;
- Continues to be effectively implemented, and;
- Is sufficient to systematically meet the commitments included in the Operation's environmental and SFM policy, provided that the system continues to be implemented and maintained as required.

Focus Areas for the Next Audit

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

- Consideration of First Nation topics on the PAG field tour, and status of a First Nation / Canfor herbicide use agreement



Example of stubbed trees left by harvesting equipment on a BCTS block, providing habitat for cavity nesters, and in this case also clearly identifying a riparian machine-free zone to subsequent harvesting equipment .

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