

# UPDATE Forest Certification



## Canadian Forest Products Chetwynd BC Timber Sales – Peace-Liard Business Area TFL 48

March 2007

### Background

Tree Farm Licence (TFL) 48 is located in northeast B.C. around 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 approximately 466,000 cubic meters. As part of Canfor's and BC Timber Sales' commitment to sustainable forest management and independent forest certification, an audit team from KPMG Performance Registrar Inc. completed the following assessments of Canfor's Chetwynd and BC Timber Sales' TFL 48 operations in September 2006:

- Periodic assessment of Canfor's TFL 48 operations to the Canadian Standards Association's standard for Sustainable Forest Management Systems (CSA-SFM);
- Scope extension audit of BC Timber Sales – Peace-Liard Business Area's operations in TFL 48 to the CSA-SFM standard designed to expand CSA-SFM registration within the TFL to include BC Timber Sales under a shared certificate with Canfor; and
- Field assessment of the Canfor Chetwynd operation as part of a corporate-wide periodic assessment to the ISO 14001 standard for Environmental Management Systems (EMS).

The periodic assessment determined that Canfor's Chetwynd operation continues to demonstrate strong performance in relation to EMS requirements and that Canfor's operations on TFL 48 continue to meet SFM requirements.

In addition, the scope extension audit found that BC Timber Sales – Peace-Liard Business Area's SFM system has been effectively implemented in its operations on TFL 48. Consequently, CSA-SFM registration on the TFL has been extended to include BC Timber Sales – Peace-Liard Business Area as a co-registrant with Canfor.

Combined with BC Timber Sales' existing ISO 14001 registration over the entire Peace-Liard Business Area, the combination of ISO 14001 and CSA-SFM registration demonstrates a strong commitment to sustainable forest management on the TFL and is a significant achievement for Canfor and BC Timber Sales – Peace-Liard Business Area.

### The Audit

- **Background** – The ISO 14001 and CSA Z809 standards require regular assessments by an accredited Registrar to assess continuing conformance with the standards and the implementation of action plans related to previous assessments.





- **Audit Team** – The audit was conducted by a three person audit team. Two of the auditors are accredited SFM/EMS auditors and Registered Professional Foresters while the third auditor is a Registered Professional Geologist.
- **Field Audit** – The on-site field audit included interviews with a sample of Canfor and BC Timber Sales staff, contractors and Public Advisory Committee (PAC) members and examination of EMS and SFM system records, monitoring information and public involvement information. The team also conducted field assessments of over 20 sites to assess the operation’s planning, harvesting, silviculture, camp operations and road construction, maintenance and deactivation practices.

### Good Practices

- Our re-registration assessment determined that the EMS and SFM systems continue to be effectively implemented by Canfor and the SFM system has been effectively implemented by BC Timber Sales on the TFL. In addition, Canfor has effectively addressed all nonconformities identified during the previous assessment.
- Canfor Chetwynd’s recent internal audit was very comprehensive and addressed all elements of the FMS, CSA and Chain of Custody.
- The Club Creek Camp was found to be well set-up and maintained.
- The “Project Monitoring Sheets” were being effectively used for inspecting harvesting, road construction and road deactivation operations and for risk rating as a means of triggering the number of inspections required.
- There was effective use of a post-harvest contractor to address and remedy road, bridge maintenance and grass-seeding issues.

### Key Areas of Nonconformity

- Weaknesses were identified in identified SFM roles, responsibilities, authorities and training for BC Timber Sales (BCTS) staff, as follows:
  - Although recent training sessions involved general discussion of key aspects of the SFM system, there has been no targeted training to date for key BCTS staff on their indicator-specific SFM monitoring and reporting responsibilities documented in the Responsibility Action Matrix (RAM) and selected interviews revealed some weaknesses in understanding of these RAM responsibilities.
  - The EMS Responsibility Matrix does not include SFM plan responsibilities as required by the EMS Manual.
- BCTS has not yet conducted an internal audit of its SFM system on the TFL.

Appropriate action plans were received and approved by KPMG to address each of the identified areas of nonconformity.

#### CSA-SFM and ISO 14001 Periodic Assessment Findings

Major nonconformities	0
Minor nonconformities	2
Opportunities for improvement	6

#### Types of audit findings

##### **Major nonconformities:**

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

Major nonconformities must be addressed immediately or certification cannot be achieved / maintained.

##### **Minor nonconformities:**

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

All nonconformities 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.

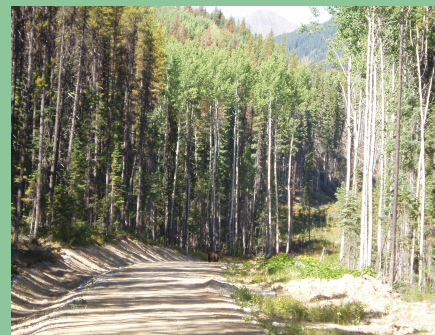
##### **Opportunities for Improvement:**

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

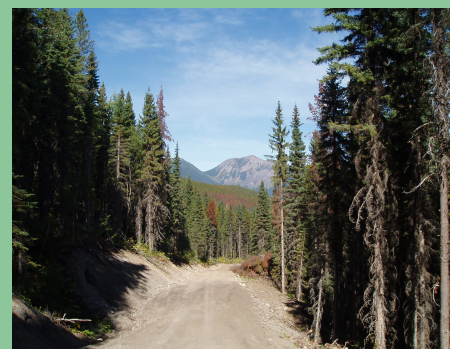


### Key Opportunities for Improvement

- Although BCTS has established processes to ensure that it can monitor and report on SFM performance requirements, the following opportunities for improvement were identified:
  - Although BCTS plans to adopt Canfor’s SFM plan block layout guidelines to ensure non-timber resource values are discussed and considered during the pre-work of multi-phase contractors, there is no clear linkage between the development and planning pre-work form used by BCTS and these guidelines. In addition, the SFM plan checklist developed by BCTS to assess SFM conformance on harvested blocks, roads and silviculture units does not include an assessment of all SFM indicators that could be impacted by these operational activities.
  - The RAM does not reflect the BCTS responsibility for annually reporting on average retention widths for blocks harvested (indicator 7).
- Although BCTS has established an SFM (as well as EMS) policy, communicated it to staff and has made the policy publicly available, the SFM plan has not incorporated BCTS’ management principles and commitments including the SFM policy.
- SFM plan text reflects BCTS’ changing role as a CSA co-registrant on the TFL. In relation to a particular BCTS licensee’s allocation, the text indicates that “BCTS assumes responsibility to ensure layout and harvesting activities are consistent with this SFM plan”. However a proportion of the volume allocated to the licensee that has yet to be harvested (representing 178,101 m<sup>3</sup>) was planned and laid out under a former management plan and as such may not be completely consistent with all SFM plan requirements.
- The sample of SFM documents reviewed was found to be adequately controlled overall, however the SFM policy is not noted as a controlled document in BCTS’ EMS Manual or Document Control Matrix.
- Although monitoring and measurement processes are built into the RAM, a review of BCTS’ EMS Manual and various EMS procedures indicated an opportunity to better incorporate SFM monitoring and measurement procedures into the EMS.
- The field audit determined that operational controls were overall effectively implemented by Canfor, with the following isolated exceptions:
  - There was no water in one hand-tank pump in the back of a pickup on one active harvest block.
  - Significant litter was observed along the Hasler and Shell FSRs.
  - Cruise plots are not noted on site plan maps to assist feller buncher operators of their location.



A post-harvest contractor has been effectively employed to address road and bridge maintenance and grass-seeding issues.



“Project Monitoring Sheets” were being effectively used for inspecting harvesting, road construction and road deactivation operations and for risk rating operations as a means of determining the number of required inspections.

### Contacts:

Mike Alexander, RPF, CEA (604) 691-3401  
 David Bebb, RPF, CEA (604) 691-3451  
 Chris Ridley-Thomas, RPBio, CEA (604) 691-3088

This report may only be reproduced by the intended client, Canadian Forest Products, with the express consent of KPMG. Information in this issue is of a general nature with respect to audit findings and is not intended to be acted upon without appropriate professional advice. © 2007 KPMG. All rights reserved.