



February 2005

# Certification Report



## Canadian Forest Products Ltd. Fort Nelson Defined Forest Area

As a component of Canfor’s ongoing commitment to sustainable forest management and forest certification, an audit team from PricewaterhouseCoopers LLP conducted a CAN/CSA Z809-02 registration audit on Canfor’s Sustainable Forest Management Plan (SFM Plan) and the Fort Nelson Defined Forest Area (“DFA”), and an ISO 14001:1996 Surveillance Audit on Canfor’s Environmental Management System (EMS) in December 2004.

The audits determined that Canfor’s Fort Nelson Division had successfully implemented a Sustainable Forest Management System and developed a SFM Plan that met the requirements of the CAN/CSA Z809-02 Standard for Sustainable Forest Management. The company also successfully continued to implement and maintain an EMS that met the requirements of the ISO 14001:1996 Standard for Environmental Management Systems (EMS). The audit results demonstrate Canfor’s strong commitment to Sustainable Forest Management on the lands that it manages.

### Background Information

The Fort Nelson DFA is located in northeast British Columbia near the community of Fort Nelson and encompasses all of the Fort Nelson Timber Supply Area which borders on the Yukon, the Northwest Territories and Alberta. The Defined Forest Area (The Fort Nelson TSA) covers 9,800,000 hectares with an allowable annual harvest of 1.5 million cubic metres (all licensees). Canfor’s AAC in the DFA is 1.16 million cubic metres.

The development of the SFM Plan and interaction with the Public Advisory Group were done in co-operation with the other major licensee operating on the DFA, BC Timber Sales.

Certification to the ISO 14001:1996 and CAN/CSA Z809-02 Standards (the “Standards”) requires independent third-party audits.

A four person team of auditors from PricewaterhouseCoopers and independent specialists conducted the audits in December 2004:

- Lead Auditor – Bruce Eaket RPF, CEA (SFM), EMS (LA)
- Auditor – Graham Wilson RPF, CEA (SFM), EMS (LA)
- First Nations & Public Advisory Group Specialist – Tawney Lem, BA
- Landscape Management & Forest Ecology Specialist – Phil Lee, PhD



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The team met with and interviewed staff, contractors, stakeholders, members of the public, and government, and examined the SFM Plan, records, Standard Operating Procedures, monitoring information and the minutes and operating procedures of the Public Advisory Group (PRISM).

The team conducted field assessments on 15 sites during the audit to assess the company's planning, harvesting, silviculture, road construction, road maintenance, road deactivation, fuel management and facilities management.

### Good Management Practices

The audit team identified Sustainable Forest Management practices that exceeded expectations. A sample of the good management practices are listed below:

The negotiation of Memoranda of Agreement with First Nations should improve relationships and aid their capacity building. Those processes will likely assist Canfor in meeting the First Nations related measures in the SFM Plan.

Canfor recognizes the individuality of each First Nation and is willing to tailor processes according to the interests, needs and capacity of each First Nation.

Contractors and operators interviewed during the audit had good awareness of the SFM/EMS system and their Environmental Instructions.

Contractors and Canfor personnel are using the EMS Knowledge and Skills form to test the operators' knowledge of Canfor's Environmental Instructions and their general awareness of the EMS/SFM system.

Coarse woody debris piles left for wildlife use were present and well spaced within the harvest units.

Final harvest unit inspections are repeated in snow-free conditions, which is a good method of assessing conformance by the contractors.

Excellent layout standards/practices were observed in the field. Boundaries were marked with paint and ribbon, and were highly visible, which should assist the contractors in identifying their location while harvesting the unit.

### Areas of Nonconformity

The audit team identified six nonconformities against the Standards and/or Canfor policies. Canfor has subsequently provided PricewaterhouseCoopers with action plans, including timelines, for addressing the issues.

Machine tracks (skidder or excavator) were observed entering some Machine Free Zones adjacent to streams. Damage to the stream and/or stream banks likely did not occur due to the winter conditions, however, the operating procedures specified on the harvest map were not followed by the machine operators.

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Two CSA SFM Elements do not have clearly documented values, objectives, indicators and targets:

- a) Genetic diversity (Element 1.3) is discussed in an appendix to the SFM plan, however it should be further discussed in section 5 of the SFM Plan, including the development of measures; and
- b) Water quality and quantity (Element 3.2) has indicators and targets developed in the SFM Plan, but they are not clearly tied together by a value and objective.

Two measures in the SFM plan require detailed implementation action plans so the organization and audit team can assess the timeliness and likelihood of Canfor achieving its goals:

- a) Measure 8-2.2 (Access to Resources for First Nations)
- b) Measure 8-3.2 (Consideration and Accommodation of First Nations Rights and Interests of Non-Timber Forest Products)

The SFM Plan references the Forest Management Plan (“FMP”), but a summary of the FMP should be included within the SFM Plan itself.

Fuel management/storage at airstrips was not noted on Canfor’s list of significant aspects. Fuel caches are located at several isolated airstrips.

Several annexes in the Canfor EMS manual need to be revised to reflect staff and role changes that have occurred as a result of the Canfor/Slocan merger.



## Opportunities for Improvement

The audit team also identified opportunities for improvement for Canfor’s consideration. The following list is a representative sample of their suggestions:

Additional content could be added to the Public Advisory Group (PAG) Terms of Reference to facilitate the PAG meetings. Examples include:

- a) the parameters for a meeting in which decisions can be made (i.e. number of people, procedures) versus meetings that are for information sharing/discussion;
- b) the role of Government representatives (technical/advisory input versus member of the public).

Over time, Canfor may wish to refine the alternate scenarios (forecasts) that are run in order to improve the decision making capabilities of both Canfor and the PAG members. Both the audit team and the PAG members found the alternate scenarios to be somewhat limited in scope.

While the PAG members had sufficient opportunity to review the various sections of the SFM Plan in draft, they had only limited time to review the final SFM Plan in its entirety. In the future, there is an opportunity to ensure appropriate time is allocated for a final review of the complete plan.

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Canfor may wish to revisit the role of the contract facilitator in the Public Advisory Group as the facilitator also had an implementation role with Canfor and was perceived as not being completely independent.

For several of the measures related to carbon storage (3-1.1, 3-1.2 and 3-3.1), Canfor has elected to work with other organizations and develop improved methods of calculation. While this approach is preferred over the long-term, there are interim methods of calculation that could be used.

In Section 5.1 of the SFM Plan there is an opportunity to provide further discussion for Indicator 1.3 regarding invertebrate species. Currently the indicator and subsequent measures (1-3.1 to 1-3.4) focus on vertebrate species. This may be appropriate but discussion on invertebrate species is lacking.

Fort Nelson Woodlands may wish to consider developing a guiding procedure for foresters to use when developing site plans to ensure snags and/or live trees are prescribed where appropriate. Measure 1-2.1 specifies a specific number of snags and/or live trees/ha. to be left where prescribed.

Communication internally and externally has been sufficient to date, however, there is an opportunity for Fort Nelson Woodlands to develop an ongoing communication plan.

All of the Nonconformities and Opportunities for Improvement will be followed up by the audit team at the next surveillance audit.

#### For More Information, Contact:



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