

CUSTOMER UPDATE

Certifying Our Forests

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80% of Canfor's Harvest Volume Now Certified to SFM Standards

KPMG Performance Registrar Inc. concluded their registration audit of the Fort St. John Pilot Project for CSA Sustainable Forest Management (SFM) certification on October 17, 2003. KPMG recommended the project for certification to CSA SFM standard, which will be made official with the completion of the technical review by KPMG and the presentation of the certification documentation in mid-November.

The certification covers a defined forest area of 4.2 million hectares, making it the second largest CSA certification in Canada, and represents 2,115,000 cubic metres of allowable annual cut. This CSA certification is unique in that it is issued to a group of participants operating in the Fort St. John Timber Supply Area (TSA). These operators include:

BC Timber Sales
Cameron River Logging
Canfor
Louisiana-Pacific Canada Ltd.
Slocan Forest Products Ltd.
Tembec Inc.

In 1999, the participants initiated the results-based pilot project under the Forest Practices Code of BC with the intent of testing ways to improve the regulatory framework of forest practices while maintaining the same or higher levels of environmental standards. The provincial government established a Fort St. John Pilot Project Regulation, which required the development of an SFM plan for the area. The participants worked with a Public Advisory Group comprised of local citizens representing a variety of environmental, social and economic interests to develop the SFM plan. A decision was made early in the process to develop the SFM plan to also meet the CSA SFM Standard.

With this latest certification Canfor now has 80% of its annual harvest volume certified to SFM standards, either CSA or the Sustainable Forestry Initiative (SFI). Additional certification work underway will see that total rise to 91% by the end of the year.

Canfor Certification Progress

Certification Standard	Status
ISO 14001	All forestlands certified
CSA	All area-based tenures and Fort St. John TSA
SFI	Prince George & Quesnel TSA's and TFL 30 certified

Canfor's SFM Certified Forest Operations

- 1) TFL 37
- 2) TFL 48
- 3) Grande Prairie FMA
- 4) TFL 30
- 5) Prince George & Quesnel TSA licences
- 6) Fort St. John TSA



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Revised CSA Sustainable Forest Management Standard Approved

The CSA Sustainable Forest Management (SFM) Standard was first published as a National Standard of Canada in 1996. Canada's national standards system requires that standards be reviewed and, if appropriate, revised approximately 5 years after they are first published to ensure they remain current and relevant. In keeping with this requirement the CSA SFM standard review and revision process began in 2001 with the work carried out by the CSA SFM Technical Committee. The Committee is made up of a balanced matrix of stakeholders representing a variety of interests in forest management. The revision process concluded in June 2003 with the standard again being approved by the Standards Council of Canada (SCC) as a National Standard of Canada.

Most of the changes to the standard focused on streamlining the structure to make it more readable and understandable. However a new SFM Element was added to enhance the requirement to recognize sites of special biological significance in the forest management area and to implement strategies for their long-term maintenance. The revised standard has maintained the rigorous public participation component as a key requirement. All certifications under the 1996 version of the standard must be upgraded to the revised standard within 3 years of the SCC approval, in other words by June 2006.

Unlike the 1996 version of the standard the revised version is available free of charge from CSA-International and can be downloaded at:

<http://www.csa.ca/%5Crepository%5Cgroup%5CZ809-02july.pdf>

Pan European Forest Certification (PEFC)

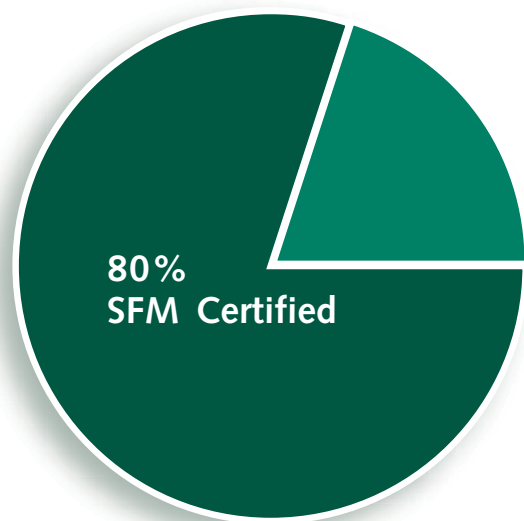
The Pan European Forest Certification Council was created in 1999 as an umbrella organization to provide a framework for the mutual recognition of credible national or regional forest certification standards developed to meet internationally recognized requirements for sustainable forest management. PEFC, as the name implies, was created originally as a European-only organization. Since its creation PEFC has grown to 26 national members and now includes non-European

countries Canada, the US, Australia, Malaysia, Brazil and Chile. Canada was the first non-European country to join PEFC in 2001 and CSA International holds the PEFC membership on behalf of Canada.

Since its formation PEFC has increasingly gained brand recognition and credibility throughout Europe. At the PEFC General Assembly held in Luxembourg on October 31st, 2003 a decision was made to retain the PEFC acronym and logo but to change the organization's name to the Programme for the Endorsement of Forest Certification schemes to recognize that the organization has grown beyond the European community. The General Assembly also elected a new Board of Directors which now includes 2 non-European members, one each from Canada and the United States.

CSA International is preparing to submit the CSA SFM standard for PEFC endorsement before the end of 2003. While the CSA standard is a rigorous and credible standard on its own, PEFC endorsement will enhance CSA's European market acceptance.

Total Canfor Annual Harvest 9.4 million m³



Annual Harvest Certified to SFM Standards (CSA & SFI)
7.5 million m³

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