



Fort St John Pilot Project—2017 CSA Z809-08 Re-registration Audit Summary

From July 17-21, 2017, an audit team from KPMG Performance Registrar Inc. (KPMG PRI) carried out a CSA Z809-08 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 Fort Saint John Pilot Project's Defined Forest Area

The FSJPP Defined Forest Area (DFA) encompasses the Fort St. John Timber Supply Area (TSA) in the Peace region of northeast BC. The DFA is approximately 4 million hectares in area, with an allowable annual harvest of over 2 million cubic metres per year.

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 are made up of organizations that have forest management tenure on the DFA, which are 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 forestry activity is carried out by BCTS and Canfor — while BCTS manages its activities on its own tenure, Canfor manages its tenure as well as those of the remaining participants by agreement. 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. The Fort St. John Pilot Project CSA Z809-08 certification is valid until September 15, 2018 (after which companies are required to be certified to the Z809-16 version of the standard).

Audit Scope

The audit was conducted against all elements 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 (including operational controls, monitoring and inspections, internal audits, etc.) that are required under the CSA Z809 standard.



The Audit

- **Audit Team** – The audit was conducted by a two person audit team comprising Yurgen Menninga, RPF, EP(EMSLA) – Lead Auditor, and Dennis Lozinsky, RPF, EP(EMSLA). All members of the audit team have considerable experience conducting audits against the requirements of the ISO 14001 and CSA Z809 standards.
- **Document Review** – DFA-specific off-site document reviews were completed prior to the field audit in order to assess environmental management system (EMS) documentation (e.g., SFM Plan and associated values, objectives, indicators and targets, documentation pertaining to the Public Advisory Group (PAG) 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 dozens of staff/contractors and two PAG members and external stakeholders, and examination of forest SFM system records, monitoring information and public involvement information. The audit team conducted field assessments of a number of field sites (7 roads, 6 harvesting blocks, and 11 silviculture sites) to assess the Company’s planning, harvesting, silviculture, camps and road construction, maintenance and deactivation practices. The 2017 audit took approximately 11 days to complete, 10 of which were on-site. The balance of audit time was spent preparing the audit plan, conducting off-site document reviews, completing various audit checklists and preparing the main and public summary audit reports.
- **FSJPP Certification Program Representatives** – Evan Hauk, RPF of Canfor and Andrew Cosens, RFT of BC Timber Sales served as the FSJPP participants’ representatives during the audit.

Audit Objectives

The objectives of the audit were to evaluate the sustainable forest management system of the FSJPP Participants to:

- Determine conformance with the requirements of CSA Z809-08 standard;
- Evaluate the ability of the system to ensure the FSJPP Participants meet applicable regulatory requirements;
- Evaluate the effectiveness of the system in ensuring that FSJPP Participants meet the specified objectives, and;
- Where applicable, identify opportunities for improvement.

These objectives were met.

Good Practices

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

- Canfor has developed an above-average moose management plan, with site-specific methods to maintain habitat around features. CSA Z809 @ 6.2 SFM criteria (Canfor)
- The pilot project participants meet several times a year, where key personnel from the companies review current topics related to the pilot project, such as stakeholder communications, SFM Plan amendment & approval status, Public Advisory Group field trip feedback, among other items. This is effective at the participants keeping current regarding issues, and having coordinated and well thought out approaches & responses. CSA Z809 @ 6.2 SFM criteria. (Canfor & BCTS)

Fort St John Pilot Project 2017 CSA Z809 Audit Findings

Open non-conformities from previous audits	0
New major non-conformities	0
New minor non-conformities	5
New opportunities for improvement	2

Audit Conclusions in Relation to Significant Concerns Raised by Third Parties during the Audit

The following significant concerns were brought to the attention of the audit team by third parties during the audit:

- Concern #1. Amount of retention left following harvest.
- Concern #2. Harvest levels in specific areas.
- Concern #3. Maintenance of core ecological indicators in high intensity forest management areas.
- Concern #4. Treaty rights indicators.

The audit team investigated the above concerns and concluded that they did not represent a non-conformity with the requirements of CSA Z809-08. As a result, no audit findings were issued in relation to the concerns raised.

New Areas of Nonconformance

Five minor non-conformities were identified during the re-registration audit. These included:

- **CSA Z809 7.5.2 Checking and corrective action:** The audit found that a number of BCTS incidents were missing or had inadequate root cause, corrective actions, or key details. The incidents had been reviewed at the last EMS committee meeting but these gaps were not identified.
- **CSA Z809 7.5.2 Checking and corrective action:** The audit found that while BCTS' corrective and preventive actions were developed for non-conformities identified in the last internal audit, root cause was not established.
- **CSA Z809 7.4.2 Training:** While most BCTS training was found to have been completed as well as documented as required, a number of gaps were identified in this regard for the 2016 aerial herbicide crew, as well as a licensee permittee contractor's crew, and a sample of staff.
- **CSA Z809 7.5.2 Corrective and preventive action:** A review of the Canfor incident tracking file found that in some cases closed incidents lack documentation for corrective action or root cause as specified in Canfor's EMS program.
- **CSA Z809 7.4.6 Operational Controls :** The audit found that in one Canfor block a culvert had been prescribed to divert ditchline siltation from entering a non-classified watercourse, but the culvert had not been installed.

New Opportunities for Improvement

Two new opportunities for improvement were also identified during the audit, as follows:

- **CSA Z809 6.1 DFA-specific performance requirements:** The audit noted that Canfor's Moose Strategy documented would be more useful if summarized for planners & field layout personnel.

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. Corrective action plans to address major non-conformities must be fully implemented by the operation within 3 months or certification cannot be achieved / maintained. Corrective action plans to address minor non-conformities must be fully implemented within 12 months.

Opportunities for Improvement:

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

- **CSA Z809 5.5 Communication:** the audit noted that the Fort St. John Pilot Project website has content that is out of date, and also that some of the certification documents posted on the internal BCTS website have links that are broken.

Corrective Action Plans

Corrective action plans designed to address the root cause(s) of the non-conformities identified during the audit have been developed by the FSJPP participants and reviewed and approved by KPMG PRI. The next audit will include a follow-up assessment of these issues to confirm that the corrective action plans developed to address them have been implemented as required.

Audit Conclusions

The audit found that the FSJPP SFM system:

- Was in full conformance with the requirements of the CSA Z809-08 standard 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 participants' environmental and SFM policy, provided that the system continues to be implemented and maintained as required.

As a result, a decision has been made to continue to certify the Fort Saint John Pilot Project to the CSA Z809-08 standard.

Focus Areas for the Next Audit

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

- Completion of the draft First Nations memorandum of understanding, which relates to the information sharing process and First Nations' capacity for this.
- BCTS developing/ applying the moose strategy.

Contacts:

Chris Ridley-Thomas, RPBio, EP(EMSLA) (604) 691-3088
David Bebb, RPF, EP(EMSLA) (604) 691-3451

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