



# REPORT Forest Certification



## Canadian Forest Products Ltd., WynnWood Division—2018 SFI Surveillance Audit

From May 29-30, 2018 an audit team from KPMG Performance Registrar Inc. (KPMG PRI) carried out an SFI re-certification audit of Canadian Forest Products Ltd. (Canfor)'s, WynnWood division woodlands operations and fibre procurement activities against the requirements of the 2015-2019 edition of the Sustainable Forestry Initiative® (SFI) standard. This Certification Summary Report provides an overview of the process and KPMG's findings.

### Description of Canfor WynnWood's Woodlands Operations

The Canfor WynnWood division's woodlands operations are located in the North Central Rockies Forests ecoregion, and are managed from offices in the community of Wynndel, near Creston B.C. The division's certified woodlands operations encompass a total area of 54,730 hectares of Crown land held in forest license A20214 and have an annual allowable cut (AAC) of 65,461 cubic metres per year. The audit found that the Company's forest harvesting continues to conform to the AAC applicable to these operations.

The forest types are coniferous with the main commercial species harvested by Wynnwood being lodgepole pine, Douglas-fir, spruce, western larch, western red cedar and subalpine fir. Based on the stand compositions and uniform ages, these stands are managed using even-aged silvicultural systems, and planted using ecologically based government-approved stocking standards.

A Forest Stewardship Plan (FSP) establishes the objectives for key timber and non-timber values to guide forest management and takes management direction from the Kootenay-Boundary Land-Use Plan which sets regional land use objectives and was established through a government managed stakeholder consultation process.

### Description of Canfor WynnWood Division's Manufacturing Facilities and Fibre Sourcing Program

Canfor Wynnwood division's SFI fibre sourcing certification includes the WynnWood sawmill, which manufactures finished building products such as siding, trim, and flooring.

While most of the mill's demand is met through Canfor WynnWood's own woodlands, approximately 40% is purchased from the Kootenay region of B.C. from other certified Crown land sources including other Canfor divisions, some non-certified Crown land sources (including purchased stumpage), and a minor amount from private land.

Canfor WynnWood participates in the Western Canada SFI Implementation Committee (WCSIC) Purchase Wood Monitoring Program by completing risk assessments for all wood purchases and purchase wood inspections as necessary. The results are then collated by WCSIC (of which Canfor WynnWood is a member) in order to identify trends in performance and opportunities for improvement.

### Audit Scope

The audit was conducted against the requirements of the 2015-2019 edition of the SFI Forest Management and Fibre Sourcing standards. The SFI objectives that were assessed during the 2018 audit are shown in tables on pages 3&4 later in this report.

The scope of the audit included the company's woodlands operations noted above, as well as fibre procurement activities for the Company's sawmill located in Wynndel, B.C.



## Findings: Canadian Forest Products Ltd., WynnWood Division—2018 SFI Surveillance Audit

### The Audit

- **Audit Team** – The audit was conducted by Yurgen Meninga, RPF, EP(EMSLA), and Branden Beatty, RPBio, EP(EMSLA), who are both employees of KPMG PRI and have conducted forest management audits under a variety of standards including SFI, ISO 14001, CSA Z809 and FSC.
- **2018 SFI Surveillance Audit** – The audit involved an on-site assessment of all elements of the Company’s SFI program, and included visits to several field sites (5 harvesting cutblocks, 4 road construction project, 2 silviculture cutblocks, and 3 fibre sourcing sites) to evaluate conformance with the requirements of the current SFI forest management and fibre sourcing standards. The audit took a total of 8 auditor days to complete, 5 days of which were spent on-site. The balance of audit time was spent preparing the audit plan, completing various audit checklists, and preparing the main and public summary audit reports.
- **Canfor WynnWood’s SFI Program Representative** – Don Vaillancourt, silviculture forester, served as WynnWood’s SFI program representative during the audit.

### Use of Substitute Indicators

The audit involved an assessment of conformance against the applicable objectives, performance measures and indicators included in the 2015-2019 version of the SFI forest management and fiber sourcing standards. None of the indicators included in the SFI standards were modified or substituted for the purpose of this audit.

### Audit Objectives

The objective(s) of the audit were to evaluate the sustainable forest management system at WynnWood to:

- Determine its conformance with the requirements of the SFI 2015-2019 forest management and fibre sourcing standards;
- Evaluate the ability of the system to ensure that WynnWood’s woodlands operations meet applicable regulatory requirements;
- Evaluate the effectiveness of the system in ensuring that WynnWood meets its specified SFM objectives, and;
- Where applicable, identify opportunities for improvement.

<b>WynnWood SFI Surveillance Audit Findings</b>	
Open non-conformities from previous audits	0
New major non-conformities	0
New minor non-conformities	0
New opportunities for improvement	1

#### 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.

## Findings: Canadian Forest Products Ltd., WynnWood Division—2018 SFI Surveillance Audit

### Evidence of Conformity with the SFI 2015-2019 Forest Management and Fibre Sourcing Standards

Primary sources of evidence assessed to determine conformity with the SFI 2015-2019 forest management and fibre sourcing standards are presented in the following tables.

SFI Forest Management Objective	Key Evidence of Conformity
1. Forest Management Planning	n/a not in scope
2. Forest Health and Productivity	n/a not in scope
3. Protection and Maintenance of Water Resources	Field inspections of riparian areas, review of site plans & harvest plans.
4. Conservation of Biological Diversity	n/a not in scope
5. Management of Visual Quality and Recreational Benefits	Forest management plan, Forest Stewardship Plan, harvest plans, field inspections.
6. Protection of Special Sites	n/a not in scope
7. Efficient Use of Fibre Resources	Forest management plan, waste reports, field inspections.
8. Recognize and Respect Indigenous Peoples Rights	n/a not in scope
9. Legal and Regulatory Compliance	Forest management plan, health & safety policy, field inspections.
10. Forestry Research, Science and Technology	n/a not in scope
11. Training and Education	n/a not in scope
12. Community Involvement and Landowner Outreach	Forest management plan, SIC minutes & resources, community and landowner outreach records, staff interviews.
13. Public Land Management Responsibilities	n/a not in scope
14. Communications and Public Reporting	n/a not in scope
15. Management Review and Continual Improvement	Forest management plan, management review records, internal audit and related action plans.



An example of mature trees retained following harvest on a purchase wood site in the Creston area.

## Findings: Canadian Forest Products Ltd., WynnWood Division—2018 SFI Surveillance Audit

### Evidence of Conformity with the SFI 2015-2019 Fibre Sourcing Standard

SFI Fibre Sourcing Objective #	Key Evidence of Conformity
1. Biodiversity in Fibre Sourcing	Program to promote biodiversity in fibre sourcing, records of involvement in local conservation efforts.
2. Adherence to Best Management Practices (BMPs)	Fibre sourcing policy and records of its distribution to wood producers, written fibre sourcing agreements, records of implementation of the BMP monitoring system, inspection of a sample of procurement sites.
3. Use of Qualified Resource and Qualified Logging Professionals	n/a not in scope
4. Legal and Regulatory Compliance	Company policies regarding regulatory compliance, review of company compliance program, field inspections.
5. Forestry Research, Science and Technology	n/a not in scope
6. Training and Education	n/a not in scope
7. Community Involvement and Landowner Outreach	SIC minutes & resources, community and landowner outreach records, staff interviews.
8. Public Land Management Responsibilities	n/a not in scope
9. Communications and Public Reporting	n/a not in scope
10. Management Review and Continual Improvement	Management review records, internal audit and related action plans.
11. Promote Conservation of Biological Diversity, Biodiversity Hotspots and High-Biodiversity Wilderness Areas	n/a not in scope
12. Avoidance of Controversial Sources Including Illegal Logging	n/a not in scope
13. Avoidance of Controversial Sources Including Fibre Sourced from Areas without Effective Social Laws	n/a not in scope



In block retention on a block harvested on WynnWood's managed forest land.

## Findings: Canadian Forest Products Ltd., WynnWood Division—2018 SFI Surveillance Audit

### Follow-up on Findings from Previous Audits

At the time of this assessment there were two open non-conformities from previous audits. The audit team reviewed the implementation of the action plans developed by Wynnwood to address these issues, and found that the action plans had been effectively implemented, and as a result these findings are now closed.

### Areas of Nonconformance

No major non-conformities were identified during the audit.

### Opportunities for Improvement

One new opportunity for improvement were also identified during the audit. The key opportunities noted during the audit included:

- SFI Forest Management Objective 9 (legal and regulatory compliance) – Under the environmental management system, WynnWood staff identified and tracked a weakness in implementing the stream crossing procedures in a harvest cutblock. The audit found that while the corrective action taken addressed the issue by removing debris from the watercourse, it did not address the root cause around inadequate communication.

### Audit Conclusions

The audit found that Canfor WynnWood's sustainable forest management system and fibre sourcing program:

- Were in full conformance with the requirements of the SFI 2015-2019 forest management and fibre sourcing standards included within the scope of the audit, except where noted otherwise in this report;
- Have been effectively implemented, and;
- Are sufficient to systematically meet the commitments included within the organization's environmental and SFM policies, provided that the systems continues to be implemented and maintained as required.

As a result, a decision has been reached by the lead auditor to recommend that Canfor WynnWood division continue to be certified to the SFI 2015-2019 forest management and fibre sourcing standards.

### Corrective Action Plans

N/A—as no non-conformities were identified, corrective action plans are not required.

### Focus Areas for the Next Audit Visit

The following issues/potential concerns have been identified as focus areas for the next audit visit:

- Approval of the new Forest Stewardship Plan (FSP), which combines three existing FSPs.
- Field assessment on blocks and roads with professionally developed terrain hazard assessment prescriptions.

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