



TFL 48 – Canfor and BC Timber Sales – 2013 CSA Z809 Surveillance Audit Public Summary Report

Between August 12th and 16th, 2013 KPMG Performance Registrar Inc. (KPMG PRI) carried out a CSA Z809 surveillance audit of Canadian Forest Products Ltd.'s and B.C. Timber Sales (BCTS)' operations within the Tree Farm Licence 48 Defined Forest Area (DFA). This certification summary report, which covers both the Canfor and BCTS certifications, provides an overview of the audit process and KPMG's findings.

Description of the TFL 48 Defined Forest Area

TFL 48 is located in Northeast B.C. near 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 900,000 cubic meters.

Certification History

The TFL 48 DFA has been certified to the CSA Z809 standard since the year 2000. In 2011, the DFA was re-certified to the current CSA Z809-08 standard. Canfor and BCTS hold separate CSA Z809-08 certificates covering their operations on the TFL, each of which is valid until December 20, 2014.

Audit Scope

The 2013 surveillance audit was a limited scope assessment against the following elements of the CSA Z809-08 standard:

- 5.4: Public participation requirements—content.
- 6.1: DFA-specific performance requirements.
- 7.3.3: Rights and regulations.
- 7.4.6: Operational procedures and control.
- 7.5.1: Monitoring and measurement.
- 7.5.2: Corrective and preventive action.
- 7.5.4: Internal audits to the SFM requirements.
- 7.6: Management review.

The Audit

- **Audit Team** – The audit was conducted by Dave Bebb, RPF, EP(EMSLA) and Bodo von Schilling, RPF, EP(EMSLA). Dave is an employee of KPMG PRI, and has conducted numerous forest management audits under a variety of Standards including SFI, ISO 14001, CSA Z809 and FSC. Bodo is a contract auditor with considerable experience in conducting audits against a range of certification standards including the CSA Z809 standard.
- **Document Review** – An off-site document review was completed prior to the field audit in order to assess the Sustainable Forest Management (SFM) system





documentation (e.g. SFM Plan and associated values, objectives, indicators and targets, documentation pertaining to the Public Advisory Committee (PAC) process, etc.) and increase the efficiency of the field portion of the audit.

- **Field Audit** – The on-site field audit included an examination of EMS and SFM system records, monitoring information and public involvement information. The team also conducted assessments of a sample of field sites of Canfor’s and BCTS’ planning, harvesting, silviculture, and road construction, maintenance and deactivation practices on TFL 48.

▪ **Number of field sites visited during the audit:**

| | Canfor | BCTS |
|---------------|--------|------|
| Roads: | 8 | 2 |
| Harvesting: | 11 | 1 |
| Silviculture: | 6 | 2 |

- **Audit interviews** – A sample of Canfor and BCTS staff and contractors were interviewed during the audit. Due to the limited scope of the 2013 audit, no interviews with Public Advisory Committee (PAC) members or outside stakeholders were conducted.
- **Client Representatives** – Colin Germsheid, RPF, Canfor Planning Forester, and Jason Pederson, RFT, BCTS Certification Standards Officer served as the client representatives during the audit.

Audit Objectives

The objective of the audit was to evaluate the SFM systems employed on TFL 48 by Canfor - Chetwynd and BC Timber Sales - Peace Liard Business Area, their implementation, effectiveness and conformance with the requirements of CSA Z809-08.

Good Practices

A number of good practices were noted during the 2013 audit. The following list highlights some of the examples noted:

- CSA Z809-08 element 7.4.6: LiDAR (Light Detection and Ranging) technology has been incorporated into Canfor logging plan maps for a number of years, and logging contractors and workers indicated that the technology has resulted in significant improvements in harvesting on and adjacent to steep slopes.
- CSA Z809-08 element 7.4.6: The audit interviewed Canfor staff, logging contractors and workers as well as layout contractors and workers and found a high level of awareness regarding the EMS and SFM systems.
- CSA Z809-08 element 7.4.6: Two Canfor logging contractors were found to have harvested the riparian management zones adjacent to NCDs and S6 streams in two passes. The first pass involved cutting and yarding the adjacent areas allowing feller-bunchers, hoe forwarders and skidders to maximize the retention of shrubs, non-merchantable conifer and mature deciduous structure in the riparian management zone in the second pass.

2013 Canfor/BCTS TFL 48 CSA Z809 Surveillance Audit Findings

| | |
|-------------------------------|---|
| Major non-conformities | 0 |
| Minor non-conformities | 1 |
| Opportunities for improvement | 5 |

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, which must be fully implemented by the operation within 3 months.

Major non-conformities must be addressed immediately or certification cannot be achieved / maintained.

Opportunities for Improvement:

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

- CSA Z809-08 element 7.4.6: The audit found that a Canfor logging contractor working on one block had achieved a high level of retention of stubs and non-merchantable conifers through careful logging practices.

Follow-up on Findings from Previous Audits

There were no open non-conformities from previous audits at the time that the 2013 surveillance audit took place.

New Areas of Nonconformity

One new minor non-conformity was identified during the 2013 surveillance audit, as follows:

- CSA Z809 element 7.6 requires the organization to conduct a management review at least annually. However, a management review of BCTS operations on TFL 48 during the past year was not conducted as required. (BCTS).

Opportunities for Improvement

Five new opportunities for improvement were also identified during the 2013 surveillance audit, as follows:

- CSA Z809 element 7.4.6 requires the organization to identify operational controls needed to meet the SFM requirements. Canfor Fuel Management Guidelines specify the procedures for mobile tanks. However, isolated weaknesses in the implementation of these procedures were noted. Two tidy tanks inspected during the audit had tie downs; however, it is not clear whether the tie-downs were sufficiently robust to meet legal requirements. (Canfor).
- CSA Z809 element 7.4.7 requires the organization to establish and maintain procedures to identify the potential for, and response to, accidents and emergencies on the DFA. However, interviews with several workers for one logging contractor found that the workers were not aware of the contractor's used spill pad disposal procedures. (Canfor).
- CSA Z809 element 7.5.2 requires organizations to investigate the cause of system non-conformities. The Canfor incident investigation procedures include a requirement to determine incident significance ranking and conduct a root cause analysis. However, the audit found some incident investigations with documented root cause analyses and other incidents where root cause analysis was done but not documented. (Canfor).
- Under CSA Z809 element 6.3.1, Canfor has created DFA specific performance requirements for Biodiversity including Block Recce and Pre-work forms. Layout contractors are trained and aware of requirements to field identify species at risk not previously identified or known to occur at sites slated for development. However, interviews conducted during the audit found that contractors are looking for opportunities to learn more and take advantage of published or unpublished reports, assessments, papers etc., that Canfor might receive and further distribute. (Canfor).
- Under CSA Z809 element 6.3.1, The TFL 48 SFM plan includes DFA-specific performance requirements related to forest productivity. However, the audit noted areas adjacent to one harvest block with a low volume dead pine overstory, significant mountain alder cover and little conifer natural regeneration. Without further disturbance, it is unlikely that these types of stands will regenerate naturally within a reasonable time frame, which poses a risk to long forest productivity on the TFL. An ecosystem restoration approach may be required to address stands of this nature. (Canfor).



The audit team conducted assessments of a sample of field sites (10 roads, 12 harvesting blocks and 8 silviculture sites) to assess Canfor and BCTS planning, harvesting, silviculture, and road construction, maintenance and deactivation practices against the requirements of the CSA Z809 standard.

Audit Conclusions

The audit found that Canfor - Chetwynd's and BC Timber Sales - Peace Liard Business Area's SFM systems for Tree Farm Licence 48:

- Were in full conformance with the requirements of the CSA Z809 Standard included within the scope of the audit, except where noted otherwise in this report;
- Continue to be effectively implemented, and;
- Are sufficient to systematically meet the commitments included within the organization's environmental and Sustainable Forest Management policies, provided that the systems continue to be implemented and maintained as required.

As a result, a decision has been reached by the audit team to recommend that Canfor - Chetwynd as well as BC Timber Sales - Peace Liard Business Area continue to be registered to the CSA Z809 standard within TFL 48.

Focus Areas for the Next Audit

The following issues/topics have been identified as focus areas for the 2014 audit:

- BCTS TFL 48 harvesting, road construction and silviculture activities.
- Canfor and BCTS silviculture planning and practices.
- Public Advisory Group participation and activities.
- Canfor and BCTS efforts to address forest management concerns expressed by local First Nations.

Date of the Next Audit

The next CSA Z809 audit of Canfor's and BC Timber Sales' operations within the Tree Farm Licence 48 DFA will take place in the summer of 2014. As both the Canfor and BC Timber Sales CSA Z809 certificates expire on December 20, 2014, the 2014 audit will include a full-scope re-certification audit against the requirements of the CSA Z809 standard. The audit procedures employed will include: (1) a review of selected SFM documents related to TFL 48, (2) questionnaires that are mailed out to PAC members and local First Nations whose traditional areas overlap the DFA, (3) follow-up interviews with PAC members and First Nations representatives where required, (4) interviews with a sample of Canfor and BCTS staff and contractors, and (5) inspection of a sample of field sites within the TFL 48 DFA.



Inspection of a sample of silviculture sites during the audit found a high level of compliance with site-specific reforestation requirements.

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