

# Forest UPDATE Certification



## Canadian Forest Products – Prince George Defined Forest Area January 2006

As part of Canfor's commitment to sustainable forest management and independent forest certification, an audit team from KPMG Performance Registrar Inc. completed a registration assessment of Canfor's Prince George Region woodlands operation to the Canadian Standards Association's standard for Sustainable Forest Management Systems (CSA-SFM) in November 2005. These operations had previously been certified under the Sustainable Forestry Initiative® (SFI®) standard since 2002.

The registration assessment determined that the sustainable forest management system established and implemented by Canfor's Prince George operation meets the requirements of the CSA-SFM standard.

The CSA-SFM registration, in combination with the existing certification to the ISO 14001 standard for Environmental Management Systems (EMS), demonstrates a strong commitment to sustainable forest management on the Prince George Defined Forest Area (DFA) and is a significant achievement for Canfor. The Prince George Defined Forest Area is covered by a multi-licencee SFM plan and comprises the Prince George Forest District within the Prince George Timber Supply Area (TSA). Canfor's activities within the DFA take place under Forest Licence A18165, A18167, A40873 and A15384 on an operating area of just over 1,297,000 hectares with a current annual harvest of approximately 2,547,000 cubic meters.

### The Audit

- **Background** – The CSA Z809 standard requires an initial registration assessment by an accredited Registrar to assess the operation's conformance with the requirements of the standard.
- **Audit Team** – The audit was conducted by a three person audit team (two BC Registered Professional Foresters and a BC Registered Professional Biologist), all of whom are accredited SFM auditors.
- **Document Review** – An off-site document review was completed prior to the initiation of the final audit in order to assess the SFM plan, including a comprehensive review of SFM values, objectives, indicators and targets.
- **Field Audit** – The on-site field audit included interviews with a sample of staff, contractors and Public Advisory Group (PAG) members and examination of EMS and SFM system records, monitoring information and public involvement information. The November 2005 field audit also builds on fieldwork conducted in June 2005 as part of the Prince George woodlands ISO 14001 field assessment (as part of the corporate-wide ISO 14001 re-registration assessment) and the re-verification of Prince George woodlands operations to the SFI® standard. The team conducted field assessments during the June and November field audits of 38 sites to assess the operation's planning, harvesting, silviculture and road construction, maintenance and deactivation practices.





### Good Practices

- Our registration assessment determined that the SFM system was effectively implemented by the operation over its DFA.
- The management unit planning program currently under development is backed by Woodstock Stanley and is an impressive approach to managing multiple timber and non-timber objectives.
- The development of new phase I Vegetation Resources Inventory (VRI) and Predictive Ecosystem Mapping for the Prince George Timber Supply Area will significantly enhance the quality of available inventories.
- Strong performance was noted in tracking and meeting regulatory reforestation objectives.
- The regulatory framework provides a strong ecological basis for the species mix planted.
- Herbicide use is effectively minimized. A Pesticide management plan is in place that provides a range of chemical and non-chemical options with prevention of the problem in the first place as an emphasis. The only chemicals currently used are Vision and Glyphosate.
- EMS inspection and monitoring processes were effective in minimizing site disturbance.
- A GIS based risk ranking of existing road networks is in place to drive road maintenance priorities.
- The operation demonstrated strong performance in management of riparian areas, including the application of a conservative classification process and good use of block boundaries and Wildlife Tree Patches to provide additional stream channel protection.
- Effective use and deactivation of portable bridges on within-block roads was observed during the audit.
- There is an excellent record over the last 3 years of identifying and making improvements in landscape level biodiversity programs based on new research and coordination between licencees and government (e.g., Old growth, patch and interior requirements are all based on better research and are now in place).
- Significant improvements have been made in Canfor’s field guide for managing Species at Risk.
- Ongoing development of a spatial planning capability significantly enhances the ability to demonstrate implementation of landscape level biodiversity objectives over time.
- Visual quality objectives are established and implemented across the operating area.
- The operation has a “Creating Opportunities” process for gathering public input relevant to its forest management planning, including the identification of visually sensitive areas that are additional to those identified by regulatory agencies.

#### CSA-SFM and ISO 14001 Re-certification Findings

Major nonconformities	0
Minor nonconformities	4
Opportunities for improvement	11

#### Types of audit findings

##### **Major nonconformities:**

Are pervasive or critical to the achievement of the SFM Objectives.

Major nonconformities must be addressed immediately or certification cannot be achieved / maintained.

##### **Minor nonconformities:**

Are isolated incidents that are non-critical to the achievement of SFM Objectives.

All nonconformities 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.

##### **Opportunities for Improvement:**

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



- Field operators are well aware of processes to follow when previously unidentified special sites are encountered during operations.
- Overall, there was a generally high level of utilization with little merchantable waste.
- Canfor management of Prince George District FIA research projects is helping to effectively prioritize research efforts.
- Ongoing research is being focused on the highest priority items (stand level management) in the highest priority area (Supply Block F) to address short term needs related to mountain pine beetle salvage.
- Good examples of changes to planning were noted resulting from recent research related to landscape level biodiversity management.
- The Forest Management System includes comprehensive action plan development and tracking requirements to facilitate continual improvement in relation to identified non-conformances.
- The new Community of Natural Resources Committee's PlanScapes newsletter and website provides a good vehicle to improve public access to public land SFM planning processes.
- The management unit planning approach being adopted by Canfor for managing multiple timber and non-timber objectives provides an improved avenue for gathering public comment over previous regulatory mechanisms.

### Key Areas of Nonconformity

- The CSA-SFM Element 1.2 requires participants to conserve species diversity by ensuring that habitats for native resident species are maintained through time. Our assessment found that while strategies have been developed to address species at risk there are inconsistencies in the text of indicator 1.2.A.a.vi (*Species at Risk & Management Strategies*) that significantly reduces the clarity of the indicator and associated proposed actions.
- CSA-SFM Element 4.2 requires participants to protect forestlands from deforestation or conversion to non-forests. Indicator 4.2.A.a.ii is designed to address this element through the establishment of a target of 5% for the percentage of cutblock area occupied by total permanent access structures. Our assessment determined that this indicator is not an appropriate indicator because the target (1) is too high for the type of terrain in which the participants operate in (and is significantly higher than the current practice of most participants within the SFM plan), (2) does not address off-block road construction and (3) does not consider existing access levels.
- The CSA-SFM standard requires the SFM plan to include descriptions of the assumptions and analytical methods used for forecasting and a description of the chosen strategy. Our assessment found that while forecasting was completed and the strategies, assumptions and analytical methods discussed with the Public Advisory Group (PAG), the SFM plan does not appropriately disclose the alternative scenarios applied, the underlying assumptions used in forecasting or the resulting cut level volumes.



- The CSA-SFM standard requires the organization to demonstrate that all public input is considered and responded to. Our audit determined that the PAG terms of reference stipulates a consensus decision-making process and that meeting minutes document the results of decisions including dissenting opinions and associated reasons. However, a review of the SFM Criteria and Elements Performance Matrix incorrectly indicates that consensus was reached on a number of indicators where 100% consensus was not achieved on these specific indicators.

### Key Opportunities for Improvement

- Our assessment of the appropriateness of indicators and targets under CCFM SFM Criterion 1 (Conservation of Biological Diversity) noted the following opportunities for improvement:
  - Our assessment found that while strategies have been developed to conserve ecosystem diversity at the landscape level there is an opportunity to improve the potential effectiveness of these strategies through the incorporation of “ecosystem representation” concepts.
  - SFM plan Indicator 1.1.A.a.iii establishes targets for young patch size distribution. Because the criteria for these were not part of the modeling constraints applied during forecasting, the future forecast condition shows that for most of the categories there is a trend away from the targets over time (particularly in relation to larger openings). While it is recognized that the final design of patches is an operational planning issue rather than a long-term modeling exercise there is a clear opportunity to improve or amend the modeling process to better reflect intentions or to better demonstrate how future operational plans are addressing this issue.
  - While landscape level planning has progressed significantly, the necessary research to address stand level planning has yet to be completed for a large scale salvage operation. Elements yet to be addressed include (1) the measurement of internal stand level retention targets based on the location and quality of retention at the patch level and (2) the provision of post-natural disturbance stand conditions within the completed harvest unit.
  - The current SFMP plan indicator for Coarse Woody Debris retention (1.1.A.a.vii) refers to meeting targets set in operational plans but does not adequately describe a basis for setting these targets.
- While the PAG was provided with information relevant to the entire area under the plan, there is an opportunity to add clarity to the information provided and correspondingly allow for more meaningful PAG input on targets by providing disaggregated information on current performance by individual licensee (rather than providing information on a rolled up basis for all participants).
- Our assessment found that while indicators and targets have been documented in the SFM plan, there were a number of opportunities to improve the clarity of indicators, as follows:
  - While the information in indicator 1.3.A.a.i (Landscape Level Biodiversity Reserves) is important for describing the level of set-asides



in the DFA, the indicator is outside the control of the applicants at this time and the associated target is not a true target.

- The wording of indicator 3.2.A.a.v (Forest Continuity) in the SFM plan is inconsistent with the wording of the indicator in the matrix.
- Indicator 4.1.A.a.iii regarding Areas with stand damaging agents will be prioritized for treatment would be more accurately expressed as Area with stand damaging agents that is prioritized for treatment.
- The CSA-SFM standard at 5.3 requires a policy commitment to “promote conditions and safeguards for the health and safety of DFA-related workers and the public”. Indicator 5.3.A.a.iii addresses this requirement through the measurement of lost time accidents but is based only on date for woodlands staff. There is an opportunity to reassess what numbers are reported in relation to this indicator given that the CSA definition of DFA-related workers also includes workers in the company’s manufacturing plants associated with the DFA and given the fact that almost all field operations are carried out by contractors.
- A risk assessment matrix has been developed as part of the planning process to identify where the critical risks to targets lie for the DFA as a whole (including non-participant activities). However, internal audits have not to date (1) fully assessed the extent to which the detail in the matrix remains accurate or (2) included within the scope of the audit consideration of performance by external parties that may impact the applicants’ ability to achieve DFA level targets.
- Review of the current status table for quantifiable indicators in the SFM plan identified the following isolated deficiencies in current status information:
  - Indicator 5.1.A.b.vii (*Percentage of DFA volume advertised for sale through open competitive bid*) current status data for BC Timber Sales (BCTS) does not include volume sold to licencees not participating in BCTS’ EMS.
  - Indicator 5.1.A.b.ix (*The number of opportunities given to the public and stakeholders to express forestry related concerns and be involved in planning processes*) current status includes instances of multiple counting of single opportunities in relation to Forest Stewardship Plans, open houses and PAG meetings.
  - Indicator 5.1.A.b.x (*Percentage of timely responses to written public enquiries*) current status has been miscalculated. This has resulted in the percentage being incorrectly stated as 100% rather than the correct figure of 95%.
  - Indicator 5.2.A.a.i relates to the percentage of money spent by North Central Interior suppliers and contractors on forest operations and management on the DFA. However, no current status information has been provided for Lakeland Mills.
- Our assessment of the SFM plan indicates that a “one size fits all” approach was generally applied when determining SFM targets, with the majority of targets being set for the licencee group as a whole but at levels that are at or below current performance levels for Canfor. This has resulted in indicators



and targets being set around practices that do not provide a strong basis for continual improvement in the operation's SFM performance, an explicit requirement of the CSA-SFM standard. However, it is recognized that there is considerable value to the initiation of a multi-licencee SFM process and that there is no expectation of a reduction in current performance levels.

- Although Canfor undertook an internal audit of the current status data used in the SFM plan and BC Timber Sales undertook an internal audit of the plan and shared the information with Canfor, Canfor itself did not conduct an internal audit of the new SFM plan.
- While the SFM plan includes a variety of indicators and targets which are adequate to measure performance against the related SFM objectives, the following indicators could be improved upon:
  - Indicator 3.2.A.a.iii (*The percentage of unnatural known sediment occurrences where mitigating actions were taken*) could be clarified as it does not describe the methods used to identify unnatural sediment occurrences (i.e., through the road inspection program).
  - Indicator 3.2.A.a.vi (*Percent of watersheds with Peak Flow Index (PFI) calculations calculated*) does not include consideration of the potential impact of Mountain Pine Beetle on PFI appropriateness and does not set timelines for implementation of the use of PFI for all participating licensees.
  - Indicator 6.1.A.a.ii (*All Forest Stewardship Plans and associated major amendments are referred to affected aboriginal bands*) provides a basis for evaluating the success of the involvement opportunities afforded aboriginal people in forest management planning processes. However, since specific block-level plans are not disclosed in FSPs, there is an opportunity to improve the linkage of this indicator with indicator 5.1.A.b.xii (Percentage of communication strategy requirements met) to better ensure that site-specific aboriginal concerns are addressed.
- The operation has used a number of methods to encourage the participation of First Nations in the PAG and to communicate SFM matters to bands with an interest in the DFA (e.g., formal letter of invitation, distribution of Planscapes newsletter, provision of PAG minutes, agendas and SFM plan documents, etc.). There are also several band members that sit as observers on the PAG. In addition, individual licensees communicate with a number of bands on operational and other issues on an ongoing basis. Despite these efforts however, there remains a lack of formal representation from the bands on the PAG and, consequently, there is further opportunity to encourage First Nations involvement in SFM planning through participation in the PAG or by other means.
- While PAG records indicate that meetings were carried out in accordance with the terms of reference developed and approved by the PAG and completed questionnaires indicate that appropriate processes were followed there remain a number of PAG members with significant concerns with the process. There is a significant opportunity to review existing PAG processes to address the concerns of PAG members and re-engage them in the process.