



Forest *Certification*

Canadian Forest Products Prince George

As part of Canfor's commitment to sustainable forest management and forest certification, an audit team from KPMG Performance Registrar Inc. completed the following assessments of Canfor's Prince George Region woodlands operations in June 2004:

- Periodic assessment of Tree Farm Licence (TFL) 30 to the Canadian Standards Association's standard for Sustainable Forest Management Systems (CSA-SFM);
- Field assessment of Canfor's Prince George woodlands as part of a corporate-wide periodic assessment to the ISO 14001 standard for Environmental Management Systems (EMS); and
- Periodic assessment of Canfor's Prince George woodlands to the AF & PA's Sustainable Forestry Initiative® (SFI) standard.

The audit determined that the Environmental Management System and Sustainable Forest Management System in use at Canfor's Prince George Region continue to meet the requirements of the ISO 14001 and AF & PA's SFISM standard and the requirements of the CSA-SFM standard continue to be met on TFL 30.

The combination of ISO 14001, SFISM and CSA-SFM assessments demonstrates a strong commitment to sustainable forest management and is a significant achievement for Canfor. The combined registration applies to an allowable annual harvest of approximately 4,500,000 cubic meters.

Background

- The ISO 14001, SFISM and CSA-SFM standards require regular audits by the Registrar to assess continuing conformance with the standards and the implementation of action plans related to previous assessments and changes to the standards.
- A team of four auditors conducted the assessments over a period of 15 man-days for the Prince George Region.
- The team conducted interviews with staff, contractors and stakeholders and examined EMS, CSA and SFISM records, monitoring information and public involvement information.
- The team conducted a field assessment of conformance, visiting 32 sites to assess operational planning, harvesting, silviculture, road construction, maintenance and deactivation, bridge installation, camp management and wood procurement operations.

Noteworthy comments

- Our periodic assessment indicates that the SFM and EMS systems continue to be effectively implemented.
- The operation has improved its tracking of bridge inspection and maintenance requirements through the use of a bridge ledger.



Findings - Canadian Forest Products Prince George

- Effective management practices designed to minimize the incidence and spread of spruce bark beetle were noted during the audit (i.e., minimization and rapid elimination of harvest debris in blocks).
- The operation maintains an up-to-date inventory to track species at risk as they are discovered in the field.
- The operation has been proactive in developing maps of and ground-truthing the habitat capability and suitability for species of concern (e.g., grizzly bear, wolverine, etc.).
- A comprehensive process (i.e., "Creating Opportunities") has been developed to ensure that public values, interests and uses of the forest are identified not only during planning processes (e.g., Forest Development Plan referrals) but on an ongoing basis through the use of such communication processes as stakeholder questionnaires. This has allowed the operation to identify and respond to public issues of concern in a timely manner as they arise.
- SFM indicators and targets continue to be well tracked, documented and made publicly available in a comprehensive annual report.

Key Areas of Nonconformance

- Isolated weaknesses in operator awareness of operational-level issues were noted (i.e., fire tool requirements and spill reporting levels and requirements).
- The operation's procedures require the final report from the internal audit be submitted within two weeks of the audit exit meeting. Despite the internal audit of the Prince George operations having been conducted over one month prior to the periodic assessment, the final audit report had yet to be issued at the time of the assessment.
- Although fuel management on the majority of active operations assessed met the requirements of Canfor's Fuel Management Standard, a number of isolated deficiencies were identified (e.g., missing fire extinguishers from fuel tank and piling hoe; excavator parked overnight on a temporary bridge over a fish bearing stream; improperly secured truck box fuel tank without proper certification and exemption permit).
- The assessment identified the following instances where records were not available to demonstrate the operation's conformance with the requirements of the ISO 14001 standard:
 - Pre-work and inspection records for two completed planting blocks.
 - Inspection record for completed harvest block.
 - Internal audit plan record having been sent at least two weeks prior to audit commencement.
 - Records of the annual Pest Management Plan knowledge tests.

CSA-SFM, SFISM and ISO 14001 Periodic Assessment

Major nonconformances	0
Minor nonconformances	4
Opportunities for improvement	2

Major nonconformances:

- Are pervasive or critical to the achievement of the EMS/SFM Objectives.

Minor nonconformances:

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

All nonconformances require an action plan within 30 days and must be addressed by the operation.

Major nonconformances must be addressed immediately or registration can not be achieved/maintained.

Opportunities for Improvement:

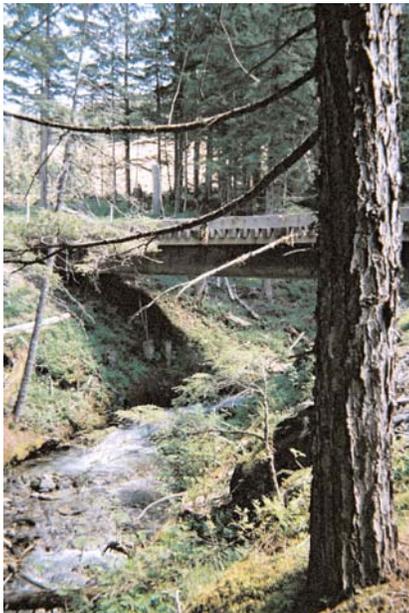
- Are not nonconformances but are comments on specific areas where improvements can be made.

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Key Opportunities for Improvement

- Although the internal EMS/SFM audit of the operation generally met EMS and SFM requirements, the audit did not include a significant field component (approximately ½ day in the field). Consequently, the audit appears to have been of limited utility in helping the operation to assess the effectiveness of EMS implementation on the ground (although the audit results have helped the operation to identify a number of EMS elements requiring revision).
- The assessment identified opportunities to improve the following operational controls:
 - With a single pre-work often being used to record information for multiple harvest blocks involving a single contractor and additional information often being recorded for these blocks on a non-controlled sheet of paper, an opportunity exists to ensure that pre-works can accommodate all the detailed block-specific information required for multiple block situations.
 - Although the recently developed "bridge inspection sheet" template is useful and comprehensive for recording bridge inspections, EMS document control requirements have not been applied to the form to help ensure that recent versions of it are in circulation.
 - Planning personnel indicated that the planning pre-work form could benefit from having species at risk training added to the template.



Establishment and implementation of a bridge ledger has enabled the operation to improve its tracking of bridge inspection and maintenance requirements.

Through KPMG QRI, KPMGs Vancouver based forestry specialist group registers forest companies to ISO 14001, CSA-SFM and AF&PA SFI certification standards. The group is lead by Mike Alexander and consists of a highly qualified team of professional foresters and industry experts.

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