



February 2006

# Certification Report



## Canadian Forest Products Ltd. Vavenby Defined Forest Area

As a component of Canfor's ongoing commitment to sustainable forest management and forest certification, an audit team from PricewaterhouseCoopers LLP conducted a CAN/CSA Z809-02 registration audit and an ISO 14001:2004 Transition/Surveillance Audit on the Vavenby Defined Forest Area ("DFA") in June 2005.

The audits determined that Canfor's Vavenby Division had successfully implemented a Sustainable Forest Management System (SFM) and developed a SFM Plan that met the requirements of the CAN/CSA Z809-02 Standard for Sustainable Forest Management and also had successfully implemented and maintained an EMS that met the requirements of the ISO 14001:2004 Standard for Environmental Management Systems (EMS).

### Background Information

The Vavenby Defined Forest Area (DFA) is located in the southern interior of British Columbia near the community of Vavenby and is defined as the Crown land within Canfor's Forest License (FL) A18688 and Tree Farm License (TFL) 18. Woodlot Licenses, as well as all private lands are excluded. The DFA is within the Headwaters Forest District of the Southern Interior Forest Region. Activities on the DFA include forest management planning, public reporting, public involvement, harvesting, road construction and silviculture. The DFA covers approximately 242,600 hectares with an Allowable Annual Cut (AAC) of 436,788 cubic metres.

Canfor has implemented a Vavenby SFM Plan that is consistent with the Timber Supply Area (TSA) level SFM Plan that was developed by the Kamloops TSA Public Advisory Group (PAG) and Licensees.

As of July 2005, the membership of the Kamloops TSA Licensee Team consists of Canfor, BC Timber Sales' (BCTS) Clearwater and Kamloops Districts, Ainsworth Lumber Co. Ltd., Chasm Sawmills (a division of West Fraser Ltd.), Clearwater and Kamloops District Woodlot Associations, Gilbert Smith Forest Products Ltd., Interfor Adams Lake Lumber, Meeker Log and Timber Kamloops Ltd., Simpcw Development Corporation Ltd., Sk7ain Ventures Ltd., Tolko Industries Ltd. and Weyerhaeuser Co. Ltd.

Certification to the ISO 14001:2004 and CAN/CSA Z809-02 Standards (the "Standards") requires independent third-party audits.

A three person team comprised of auditors from PricewaterhouseCoopers and an independent specialist conducted the audits in June 2005:

- Lead Auditor – Bruce Eaket RPF, CEA(SFM), EMS (LA)
- Auditor – Graham Wilson RPF, CEA(SFM), EMS (LA)
- First Nations & Public Advisory Group Specialist – Tawney Lem, BA



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### Vavenby Defined Forest Area – cont'd



The team met with and interviewed staff, contractors, stakeholders and members of the public and examined the SFM Plan, records, Standard Operating Procedures, monitoring information and the minutes and operating procedures of the Public Advisory Group.

The team conducted field assessments on several sites during the audit to assess the company's planning, harvesting, silviculture, road construction, road maintenance, road deactivation, fuel management and facilities management.

### Good Management Practices

The audit team identified several Sustainable Forest Management practices that exceeded the requirements. A sample of the good management practices are listed below:

The Public Advisory Group is well informed, their input to the CSA process is being considered and rolled into the SFM Plan, the practice of consensus decision making appears to be working well and the meetings of the PAG are well facilitated.

Contractors interviewed had good general awareness of their environmental aspects and Environmental Instructions, especially with respect to fuelling of equipment and fuel handling. Contractors also recognized the value of pre-work meetings.

### Areas of Nonconformity

The audit team identified five nonconformities against the Standards and/or Canfor policies. Canfor has subsequently provided PricewaterhouseCoopers with action plans, including timelines, for addressing the issues.

Field staff should ensure that unplanned activities conducted in the field are updated on maps and that Site Plan areas are amended as necessary. A road short-cut running through a block was fully deactivated, however, it was not updated on the maps.

On two road construction sites, drainage water was observed running along the roads and depositing directly into a stream. In both cases, the problem was remediated shortly after it was found.

Canfor staff were not fully aware of all the types of "other requirements" that Canfor subscribes to and the relationship to their operational decisions (i.e. LRMP, TSA SFMP, Forestry Principles etc.) and had not fully investigated as a group the "other requirements" to which they subscribe.

The Vavenby SFM Plan did not include a summary of the most recent Forest Development Plan (i.e. FDP).

Canfor Vavenby had not yet made their SFM Plan publicly available.

### Opportunities for Improvement

The audit team also identified opportunities for improvement for Canfor's consideration. The following list is a representative sample of their suggestions:

The road construction and maintenance practices observed during the audit generally met standards, however, some issues were observed:

Two culverts were left on-site in one block, which were not included in the regularly updated inventory of culverts left on the roadside

A ditch off a switchback in a block did not extend far enough to ensure that the ditch water could be dispersed.

Fill slopes on a section of road were supported by standing timber in several locations and a temporary trail built below the final road location should have received some pullback since the fill slope was over steepened.

## Canadian Forest Products Ltd. Vavenby Defined Forest Area – cont'd

Canfor may wish to consider balancing the public and licensee representation on the Public Advisory Group. The PAG is currently more heavily weighted to licensee and government representation. Canfor may also wish to clarify the role of government and licensees in the Terms of Reference (ToR).

The Vavenby SFM Plan lists the red and blue listed (endangered) wildlife species and programs that exist at the land-use and planning levels for the protection of the associated habitat. Canfor may wish to provide awareness training to operational staff and contractors for the red and blue listed species and their associated habitats.

The indicators and targets from the TSA level SFM Plan have been incorporated in the Vavenby SFM Plan and staff are focused on collecting and reporting data against the indicators. Canfor may wish to consider incorporating additional information from the TSA level SFM Plan into the Vavenby SFM Plan relative to the “means of achieving the objective and target”, which would facilitate continual improvement.

In 2004/2005 the management review was performed in two stages. A management review was conducted on the EMS in February, 2005 and a review of the SFMS was completed in June 2005. To ensure all topics related to the CSA Standard and the ISO Standard are addressed, Canfor could develop a template for creating the agenda and keeping the minutes for these meetings.

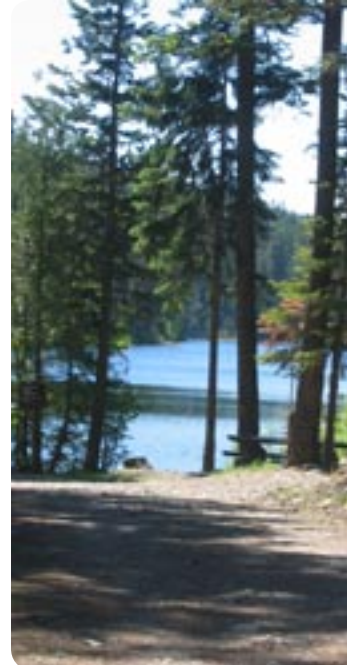
Canfor may wish to consider revising the wording in Area 5 of their SOP for Incident Reporting to more fully address the requirements in Section 4.5.3 (e) of the ISO Standard for reviewing the effectiveness of corrective action (s) and preventive action(s) taken.

Opportunities for improvement were also identified for the TSA level SFM Plan:

Indicator 7 (Level of compliance with management strategies for all known rare ecosystems): The indicator for the identification and mapping of unique sites requires the site to be identified through government process and listed as a “known” site. This requirement may be too strict as currently the Licensee Team reports that there are no unique sites on their DFAs. The Licensee Team should consider changing the definition of unique sites so that more data is reported for this indicator.

Indicator 10 (Annual percent of harvested areas in permanent access structures): There is a footnote explaining that the actual percentage of permanent access structures should be used if the Ministry of Forests (MoF) has identified that the percentage of permanent access structures identified in the site plan has been exceeded. The Licensee Team should consider removing this footnote since the Licensees should always be using the actual percentage, if the estimate in the site plan is exceeded.

All of the open Nonconformities and Opportunities for Improvement will be followed up by the audit team at the next surveillance audit.





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