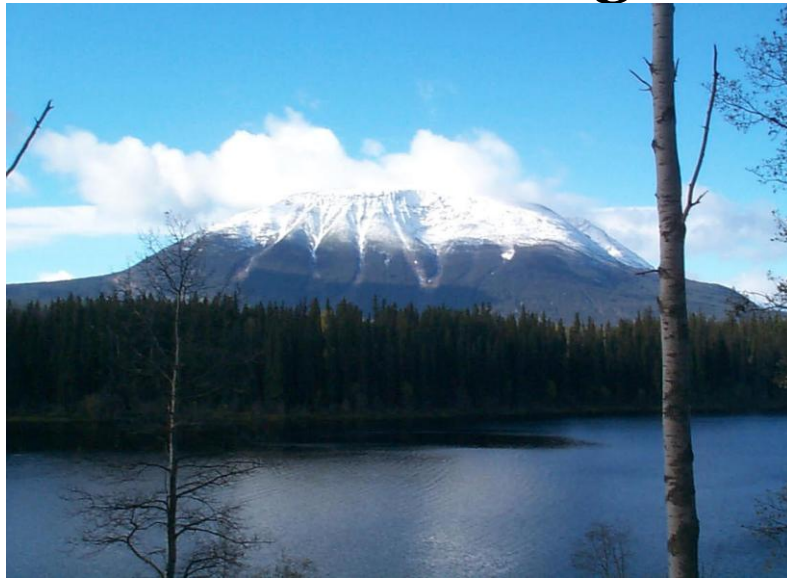


Morice

Sustainable Forest Management Plan



2012/13 Annual Report

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Morice Timber Supply Area
British Columbia
Canada

Canadian Council of Forest Ministers' Criteria for SFM

1. Conservation of Biological Diversity
2. Maintenance and Enhancement of Forest Ecosystem Condition and Productivity
3. Conservation of Soil and Water Resources
4. Forest Ecosystem Contributions to Global Ecological Cycles
5. Multiple Benefits to Society
6. Accepting Society's Responsibility for Sustainable Development



Photos: hiway16.com.

1.0 Introduction

This is the 2012/13 Annual Report for the Morice Sustainable Forest Management Plan (SFMP), covering the reporting period of April 1, 2012 to March 31, 2013. The SFMP is a result of the combined efforts of one major licensee (Canadian Forest Products Ltd.) and British Columbia Timber Sales (BCTS) to achieve and maintain Canadian Standards Association (CSA) certification to the CSA Z809-08 standard¹. The current signatories to the plan are:

1. BC Timber Sales, Babine Business Area
2. Canadian Forest Products Ltd. (Canfor), Morice Operations

The Morice SFMP includes a significant public involvement component. In developing the SFM Plans for the DFA, over 100 meetings were held with local participants who represented a wide range of stakeholder interests. Well over 200 people with an interest in how local resources are managed have contributed their knowledge and expertise to the development of the SFM Plans; they represented a cross-section of local interests including recreation, tourism, ranching, forestry, conservation, water, community and Aboriginals. These dedicated volunteers from the public have helped develop the goals, objectives and indicators needed to deliver the SFM Plans.

In the fall of 2010, the licensees started the transition to the Canadian Standards Association (CSA) Sustainable Forest Management (CSA Z809-08) standard.

The SFMP includes a set of values, objectives, indicators and targets that address environmental, economic and social aspects of forest management in the Morice Defined Forest Area. An SFMP developed according to the CSA standard sets performance objectives and targets over a defined forest area (DFA) to reflect local and regional interests. Consistent with most certifications, and as a minimum starting point, the CSA standard requires compliance with existing forest policies, laws and regulations. Changes to this annual report reflect the 2008 (CSA Z809-08) standard requirements as embodied in the Morice Defined Forest Area SFMP.

It is important to note that the Morice SFMP is a working document and is subject to continual improvement. Over time, the document will incorporate new knowledge, experience and research in order to recognize society's environmental, economic and social values.

This Annual Report measures the signatories' performance in meeting the indicator targets outlined in the SFMP over the Morice Defined Forest Area (DFA). The DFA is the Crown Forest land base within the Nadina Forest District and the traditional operating areas of the signatory licensees and BCTS, excluding woodlots, Parks, Protected Areas and private land. The intent of this Annual Report is to have sustainable forest management viewed by the public as an open, evolving process that is taking steps to meet the challenge of managing the forests of the Morice DFA for the benefit of present and future generations.

The following Table summarizes the results for the current reporting period. For clarification of the intent of the indicators, objectives or the management practices involved, the reader should refer to the Morice Sustainable Forest Management Plan document (March 2012).

1.1 List of Acronyms

Below is a list of common acronyms used throughout this annual report. For those wishing a more comprehensive list should consult the Morice Sustainable Forest Management Plan.

BCTS – BC Timber Sales
 BEC – Biogeoclimatic Ecosystem Classification
 CSA – Canadian Standards Association
 CE & VOIT- Criterion, Element & Value Objective Indicator Target
 DFA – Defined Forest Area
 FPPR – Forest Planning and Practices Regulation
 LOWG – Landscape Objectives Working Group
 MoFR – Ministry of Forest and Range

¹ Carrier Lumber Ltd. announced its departure from the CSA SFM certification process in early October 2010.

NDU – Natural Disturbance Unit
 PAG – Public Advisory Group
 PG TSA – Prince George Timber Supply Area
 SAR – Species at Risk
 SFM – Sustainable Forest Management
 SFMP – Sustainable Forest Management Plan

1.2 Executive Summary

Of the 33 indicators listed in Table 1, 25 indicators were met within the prescribed variances and 8 indicators were not met within the prescribed variances. For each off-target indicator, a corrective and preventative action plan is included in the indicator discussion.

Table 1: Summary of Indicator Status, April 1st 2011 to March 31st 2012

Indicator Number	Indicator Statement	Target Met	Pending	Target Not Met
1.1.1	Total hectares logged in rare and uncommon ecosystems			X
1.1.2	Percent distribution of forest type (treed conifer, treed broadleaf, treed mixed) >20 years old across DFA	X		
1.1.3 & 4.1.1	Percent late seral distribution by ecological unit across the DFA. & Maintain the retention of existing (or replacement of) old forest retention area.			X
1.1.4(a)	Percent of stand structure retained across the DFA in harvested areas	X		
1.1.4(b)	Percent of blocks meeting dispersed retention levels as prescribed in the site plan/logging plan	X		
1.1.4(c)	Number of non-conformance where forest operations are not consistent with riparian management requirements as identified in operational plans	X		
1.1.5	Percent forest in each patch type by patch size class by BEC variant by licensee.			X
1.2.1 & 1.2.2	Percent of forest management activities consistent with management strategies for Species of Management Concern.	X		
1.2.3 & 1.3.1	Regeneration will be consistent with provincial regulations and standards for seed and vegetative material use.	X		
1.4.1	Percent of forest management activities consistent with management strategies for protected areas and sites of biological significance.	X		
1.4.2	Percent of identified Aboriginal forest values, knowledge and uses considered in forestry planning processes.	X		
2.1.1	The regeneration delay, by area, for stands established annually			X
2.2.1	Percent of gross forested landbase in the DFA converted to non-forest land use through forest management activities			X
2.2.2 & 5.1.1 (a)	Percent of volume harvested compared to allocated harvest level.	X		
3.1.1	Percent of harvested blocks meeting soil disturbance objectives identified in plans.			X
3.1.2	Percent of cutblocks reviewed where post harvest CWD levels are within the targets contained in plans	X		
3.2.1(a)	Sensitive watersheds that are above Peak Flow targets will have further assessment.	X		
3.2.1(b)	Percentage of high hazard drainage structures in sensitive watersheds with identified water quality concerns that have mitigation strategies implemented.	X		

Indicator Number	Indicator Statement	Target Met	Pending	Target Not Met
4.1.1	See 1.1.3	(refer to related indicators)		
4.2	See 2.2.1	(refer to related indicators)		
5.1.1(a)	See 2.2.2	(refer to related indicators)		
5.1.1(b)	Conformance with strategies for non-timber benefits identified in Plans.	X		
5.2.1(a)	Investment in local communities			X
5.2.1(b)	Benefits directed into local communities by licensee (Local Indicator).			X
5.2.2	Training in environmental & safety procedures in compliance with company training plans	X		
5.2.3	Level of direct & indirect employment	X		
5.2.4	Number of opportunities for Aboriginals to participate in the forest economy	X		
6.1.1	Employees will receive Aboriginal awareness training	X		
6.1.2	Evidence of best efforts to obtain acceptance of management plans based on Aboriginal communities having a clear understanding of the plans.	X		
6.1.3	Percent of forest operations in conformance with operational/site plans developed to address Aboriginal forest values, knowledge and uses	X		
6.2.1	(see 1.4.2)	(refer to related indicators)		
6.3.1(a)	Primary and by-products that are bought, sold, or traded with other forest-dependent businesses in the local area	X		
6.3.2 & 6.3.3	Implementation and maintenance of a certified safety program	X		
6.4.1	PAG established and maintained, and satisfaction survey implemented according to the Terms of Reference	X		
6.4.2	Numbers of educational opportunities for information and/or training that are delivered to the Public Advisory Group	X		
6.4.3	See 6.1.2	(refer to related indicators)		
6.5.1	Number of people to whom educational opportunities are provided.	X		
6.5.2	SFM monitoring report made available to the public.	X		
	Totals	25		8

1.3 SFM Performance Reporting

This annual report will describe the success of the licensee and BCTS in meeting the indicator targets over the DFA. The report is available to the public and will allow for full disclosure of forest management activities, successes, and failures. Each signatory to the SFMP has reported individual performance within its traditional operating areas as well as performance that contributes to shared indicators and targets across the plan area. Each signatory to the plan is committed to work together to fulfill the PG SFMP commitments including data collection and monitoring, participation in public processes, producing public reports, and continuous improvement.

2.0 SFM Indicators, Targets and Strategies

Indicator 1.1.1 Ecosystem area by type

Indicator Statement	Target and Variance
Total hectares logged in rare and uncommon ecosystems	Target: Rare ecosystems groups as identified in the previous table will not be harvested. Variance: Harvesting may occur in rare ecosystems for access, forest health, or safety issues as rationalized and documented by a qualified professional.

Was the Target Met? No

Based on PEM 0.3 hectares were harvest in 3 different blocks most occurrence had been put in WTP's. However, based on Site Plan data 310 hectares have been harvested. This indicator has been managed based on the PEM data set that can be avoided in advance. Site plan check list will be set up to check based on field collection of data.

BCTS reports no hectares harvested.

Indicator 1.1.2 Forest area by type or species composition

Indicator Statement	Target and Variance
Percent distribution of forest type (treed conifer, treed broadleaf, treed mixed) >20 years old across DFA	Target: Canfor (Treed conifer: 85-95%; Treed Broadleaf: 2.5-7.5%; Treed Mixed: 2.5-7.5%) BCTS (Treed conifer: 80-90%; Treed Broadleaf: 5-10%; Treed Mixed: 5-10%) Variance: None below proposed targets

Was the Target Met? Yes

Table 1: Forest area by type

Percent distribution of forest type (coniferous, broadleaf, mixed) >20 years old across the DFA			
Report Year	Forest type	BCTS	Canfor
2011	Coniferous	82.8%	91.2%
	Broadleaf	8.3%	3.4%
	Mixed	8.8%	5.4%

Indicator 1.1.3 Forest area by seral stage or age class

Indicator Statement	Target and Variance
Percent late seral distribution by ecological unit across the DFA	Target: As per table. Variance: As per table.

Was the Target Met? No

The high biodiversity target for SBSdk is not met for BCTS and Canfor.

Table 2: Old Forest by Natural Disturbance Unit Merged BEC

Licensee	LRMP Area-specific Management	BEC	Seral Stage	Current Status	Forecasted Target	Variance	Achieve Target by
Canfor	High Biodiversity Emphasis Area	ESSF mc & ESSF mv3	Old	82%	>= 42%	0	Immediately
		ESSF mk	Old	96.1%	>= 84%	-6%	Immediately
		SBS dk	Old	13.6%	>= 16%	0	2033
		SBS mc2 and SBS wk3	Old	42.1%	>= 26%	0	Immediately
	General Forested Area	ESSF mc & ESSF	Old	76.2%	>= 34%	0	Immediately

		mv3					
		ESSF mk	Old	78.5%	>= 82%	0	Immediately
		SBS dk	Old	21.2%	>= 8%	0	Immediately
		SBS mc2 and SBS wk3	Old	37.1%	>= 17%	0	Immediately

Licensee	LRMP Area-specific Management	BEC	Seral Stage	Current Status	Forecasted Target	Variance	Achieve Target by
BCTS	High Biodiversity Emphasis Area	ESSF mc & ESSF mv3	Old	51.7%	>= 42%	0	Immediately
		SBS dk	Old	7.5%	>= 16%	0	2033
		SBS mc2 and SBS wk3	Old	27.3%	>= 26%	0	Immediately
	General Forested Area	ESSF mc & ESSF mv3	Old	56.3%	>= 34%	0	Immediately
		SBS dk	Old	22.6%	>= 8%	0	Immediately
		SBS mc2 and SBS wk3	Old	32.5%	>= 17%	0	Immediately

Canfor and BCTS will establish recruitment strategies that will return SBS dk Old percentage up to target levels by 2033. Reports indicate the SBS dk old is increase as there are a number of stands that a few years off changing to old.

Indicator 1.1.4(a) Degree of within-stand structural retention

Indicator Statement	Target and Variance
Percent of stand structure retained across the DFA in harvested areas	<u>Target:</u> Landscape level target of 7%
Was the target met? Yes	

Stand level retention consists primarily of wildlife tree patches (WTP) and riparian management areas. WTP are forested patches of timber within or adjacent to a harvested cutblock while riparian management areas are associated with water features within or adjacent to the harvest cutblock. Stand retention provides a source of habitat for wildlife, sustains local genetic diversity, and protects important landscape or habitat features, such as mineral licks and raptor nesting sites. Maintenance of habitat through stand retention contributes to conservation of ecosystem diversity by conserving a variety of forest age classes, stand structure and unique features at the stand level.

Licensees and BCTS manage stand level retention for each cut block. Retention levels in each block are documented in the associated Site Plan, recorded in the Licensee/ BCTS database systems and reported out in RESULTS (Ministry of Forests and Range data base) on an annual basis.

The current status for average stand level retention for all cutblocks completed harvesting between April 1, 2011 and March 31, 2012 in the DFA is found in Table 2.

Table 2: Stand Level Retention in Harvested Areas, 2012/13

Licensee	Total Gross area harvested between April 1 st and March 31 st	Total retention in blocks harvested between April 1 st and March 31 st	Percentage
Canfor	6,604.8	954.9	14.5
BCTS	946.1	76.9	8.1
TOTAL	7,550.9	1,031.8	13.7

Average % Retention = (Total WTRA / Total Block Area) X 100

Indicator 1.1.4(b) Degree of within-stand structural retention

Indicator Statement	Target and Variance
Percent of blocks meeting dispersed retention levels as prescribed in the site plan/logging plan	<u>Target:</u> 100% of the blocks <u>Variance:</u> 0
Was the target met? Yes	

Table 3: Dispersed Stand Level Retention in Harvested Areas, 2012/13

Licensee	Number of blocks with dispersed retention	No. those Blocks that were in Conformance	Percent
Canfor	0	Na	100
BCTS	0	Na	100
TOTAL	0	Na	100

Indicator 1.1.4(c) Degree of within-stand structural retention

Indicator Statement	Target and Variance
Number of non-conformance where forest operations are not consistent with riparian management requirements as identified in operational plans	<u>Target:</u> 100% of the blocks <u>Variance:</u> 0
Was the target met? Yes	

Canfor and BCTS report no non conformances. Canfor had an opportunity for improvement around to better describe what to do if some riparian objective could not be met.

Indicator 1.1.5 Degree of habitat connectivity (local indicator)

Indicator Statement	Target and Variance
Percent forest in each patch type by patch size class by BEC variant by licensee.	<u>Target:</u> Trending toward <u>Variance:</u> None
Was the target met? No	

Table 4: Current status by patch type and class and BEC, 2012/13

Licensee	BEC Variant	Patch Type	Patch Size Class (ha)	Current Status (2012)	Forecasted Target (trend toward)
BCTS	ESSF	Early	Large	56.8%	50% - 60%
		Early	Small	27.5%	15% - 25%
	SBS	Early	Large	40.2%	50% - 60%
		Early	Small	15.3%	20% - 30%
Canfor	ESSF	Early	Large	49.2%	50% - 60%
		Early	Small	20.7%	15% - 25%
	SBS	Early	Large	72.7%	50% - 60%
		Early	Small	7.8%	20% - 30%

Age criteria for patch types are as follows:

- Early ≤ 20 year old forest.
- Mature/old ≥ 100 year old forest

Patch size classes are as follows:

- Small >1 and ≤ 40
- Medium >40 and ≤ 250 No targets set.
- Large >250

Canfor is generally trending toward targets but need to create more small patches in the SBS. BCTS is trending away. In the ESSF and the SBS there are a shortage of large patches and too many small patches. With an emphasis on mountain pine salvage it is difficult to control patchsize. In this case two different objectives are in conflict (salvage versus patchsize) and salvage has been given priority. This Indicator will be managed for more proactively once the Pine Partition has concluded in the Morice TSA. By the next time analysis takes place in 2017 Canfor and BCTS will be trending towards the forecasted targets.

Indicator 1.2.1 Degree of habitat protection for selected focal species, including species at risk

Indicator 1.2.2 Degree of suitable habitat in the long term for selected focal species, including species at risk

Indicator Statement	Target and Variance
Percent of forest management activities consistent with current Best Management Practices for Species of Management Concern	Target: 100% Variance: 0%
Was the target met? Yes	

This indicator evaluates the success of implementing specific management strategies for Species of Management Concern, including Species at Risk, as prescribed in operational plans. Appropriate management of these species and their habitat is crucial in ensuring populations of flora and fauna are sustained in the DFA.

Canfor and BCTS must ensure:

- Key staff are trained in Species at Risk (SAR) identification;
- SAR listings are reviewed and management strategies are updated periodically

- Strategies are implemented via operational plans.

Canfor and BCTS currently have systems in place to evaluate the consistency of forest operations with operational plans. Tracking this consistency will ensure problems in implementation are identified and corrected in a timely manner. BCTS has implemented new Best Management Practices for Species at Risk and of Management Concern.

No incidents or conformance issues reported.

Indicator 1.2.3 Proportion of regeneration comprised of native species

Indicator 1.3.1 Genetic diversity (*not a core indicator*)

Indicator Statement	Target and Variance
Regeneration will be consistent with provincial regulations and standards for seed and vegetative material use.	Target: 100% Variance: none

Was the Target Met? Yes

Adherence to the Chief Forester's Seed Use Standards is crucial for sustainable forest management as the standards are designed to establish healthy stands composed of ecologically and genetically appropriate trees. Planting unsuitable genetic stock could result in stands that will not meet future economic and ecological objectives.

Table 5 details the areas planted within the DFA in accordance with the Chief Forester's Standards for Seed Use for this reporting period.

Table 5: Compliance with Chief Forester's Standards for Seed Use, 2012/13

Licensee	Total Planted Seedlings	Planted in Accordance with Chief Forester's Standards*	Total % DFA**
Canfor	4,739,025	4,739,025	100%
BCTS	2,016,000	2,016,000	100%
TOTAL	6,755,025	6,755,025	100%

Reported based on the number of seedlings planted.

Indicator 1.4.1 Proportion of identified sites with implemented management strategies

Indicator Statement	Target and Variance
Percent of forest management activities consistent with management strategies for sites of biological significance	Target: 100% Variance: 0%
Was the target met? Yes	

Canfor and BCTS currently have systems in place to evaluate the consistency of forest operations with operational plans. Tracking this consistency will ensure problems in implementation are identified and corrected in a timely manner.

No incidents or conformance issues reported. Canfor had a stick nest that was identified at the time of harvesting, work in the area stopped and the plan was changed to protect the nest.

Includes delineation of protected areas (eg. parks, ecological reserves) to achieve the geographic and ecological goals of provincial Protected Areas Strategies (PAS), through representation of a cross-section of ecosystems and old forest attributes. At the stand level, sites of biological significance include fisheries sensitive features (e.g. waterfalls, staging area, spawning area); significant mineral licks and wallows; bird stick nests (e.g. Bald Eagle, Osprey, Great Blue Heron, Goshawk); bat hibernating and roosting areas; dens (e.g. bear, fisher, wolverine); hot springs; goat cliff and avalanche chutes. Unique areas of biological significance are identified in the field during the planning phase and are managed through avoidance (either by relocating the road and/or harvest area or by protecting it with a wildlife tree retention area) or using an appropriate conservation management strategy such as timing of harvest.

Indicator 1.4.2 Protection of identified sacred and culturally important sites

Indicator 6.2.1 Evidence of understanding and use of Aboriginal knowledge through the engagement of willing Aboriginal communities, using a process that identifies and manages culturally important resources and values

Indicator Statement	Target and Variance
% of identified Aboriginal forest values, knowledge and uses considered in forestry planning processes	<u>Target:</u> 100% of blocks and roads have consultation and a cultural heritage resource assessment. <u>Variance:</u> 0%
Was the target met? Yes	

All blocks go through an information sharing and the culture heritage values are reviewed. High potential areas or areas with any resource values identified go through a field archaeological impact assessment. This a check at the planning stage and the permitting stage. The ministry also does an independent review of all Canfors submitted permits and info sharing packages.

BCTS performs CHR recees, and consults on all TSL's. The Timber Sale Manager signs off that adequate consultation has taken place as the Ministry Designated Decision Maker (DDM) . BCTS consultation procedures are outlined in the SFM Plan.

Indicator 2.1.1 Reforestation success (regeneration delay)

Indicator Statement	Target and Variance
Average regeneration delay for stands established annual	<u>Target:</u> CFP less or equal 2.5 years and (BCTS less or equal to 2.5 years after harvest completion). <u>Variance:</u> CFP: +0.5 years, BCTS no variance
Was the target met? No	

Year	Average years to declare regeneration delay following the start of harvesting.
2012	Canfor 2.1
2012	BCTS 3.0

Canfor is under target and BCTS is over target. This is the last year for BCTS reporting. No further action plan was provided.

Indicator 2.2.1 Additions and deletions to the forest area

Indicator Statement	Target and Variance
Percentage of gross forested land base in the DFA converted to non-forest land use through forest management activities	<u>Target:</u> <2.2% for Canfor and less than 3.0% for BCTS. <u>Variance:</u> None
Was the target met? No	

Canfor is reporting 2.4% and BCTS 1.6% for 2012. Pine salvage has increased road density with increased harvest (NRFL's, Uplift and volume transfers) levels. These numbers will reduce over time as pine salvage is completed and harvesting levels reduced.

Indicator 2.2.2 Proportion of the calculated long-term sustainable harvest level that is actually harvested

Indicator Statement	Target and Variance
Percent of volume harvested compared to allocated harvest level	<u>Target:</u> 100% over cut control period as defined by Timber supply forecast harvest flow. <u>Variance:</u> 10% for Canfor and 50% for BCTS.

Was the target met? Yes

Year	2012	2013	2014	2015	2016	Total
Harvest volume	915,330					915,330
Cut control	940,424					940,424

BCTS is at 95% for their 2012 reporting year.

Indicator 3.1.1 Level of soil disturbance

Indicator Statement	Target and Variance
Percent of harvested blocks meeting soil disturbance objectives identified in plans	<u>Target:</u> 100% of blocks meet soil disturbance objectives <u>Variance:</u> 0%
Was the target met? No	

Canfor had two ITS incidents relating to soil disturbance in 2012. Both Toch0065 and Toch0255 required rehabilitation activities.

BCTS report no incidents from this last reporting year.

Indicator 3.1.2 Level of downed woody debris

Indicator Statement	Target and Variance
Percent of cut blocks where post harvest CWD levels are within the targets contained in Plans	<u>Target:</u> 100% of blocks harvested annually will meet targets <u>Variance:</u> -10%
Was the target met? Yes	

100% compliance for BCTS and Canfor.

Indicator 3.2.1(a) Proportion of watershed or water management areas with recent stand-replacing disturbance

Indicator Statement	Target and Variance
Sensitive watersheds that are above Peak Flow targets will have mitigation measures instituted.	<u>Target:</u> 100% <u>Variance:</u> 0%
Was the target met? Yes (indicator was changed and endorsed by PAG on July 3, 2013)	

Mountain Pine Beetle landscape level impacts and resulting forest management activities have left 4 sensitive watersheds exceeding the the ECA threshold of 30%. Therefore Canfor and BCTS require a change to the indicator statement as follows; "sensitive watersheds that are above Peak Flow targets will have mitigation measures instituted". These mitigation measures include; Stream crossing quality surveys, Inventory reviews (ground review of disturbed areas to determine hydrologic recovery), Deactivation to manage runoff and ditch flow by the follow specific features or tools, Ditch blocks, Sumps, Silt fences, Cross drains, Grass seeding the cut or fill slopes and the road bed and Water bars. These measures will be listed in the site plans for blocks that fall inside these Sensitive watersheds and carried out during and post harvest. For 2012_13 BCTS harvested one TSL in a watershed where peak Flow targets exceed 30% a risk and mitigation assessment is to be carried out and strategies implemented.

Indicator 3.2.1(b) Proportion of watershed or water management areas with recent stand-replacing disturbance

Indicator Statement	Target and Variance
Conduct inventory of high hazard drainage structures within sensitive watersheds and develop mitigation strategy for each of the structures. Action plans with respect to the identified drainage structures are being implemented.	<u>Target:</u> 100% <u>Variance:</u> 0%
Was the target met? Yes	

For 2012_13 BCTS harvested one TSL in a watershed where peak Flow targets exceed 30% a risk assessment and mitigation assessment is to be carried out and strategies implemented, including assessing drainage structures.

Canfor had 8 structures in sensitive watersheds installed. Seven were removed and the last is low risk.

Indicator 4.1.1 Net Carbon Uptake

Indicator Statement	Target and Variance
Maintain the retention of existing (or replacement of) old forest retention area	<u>Target:</u> As per indicator 1.1.3 <u>Variance:</u>
Was the target met? See indicator 1.1.3	

Indicator 4.2 Forest Land Conversion

Indicator Statement	Target and Variance
Maintain the retention of existing (or replacement of) old forest retention area	<u>Target:</u> As per indicator 2.2.1 <u>Variance:</u>
Was the target met? See indicator 2.2.1	

Indicator 5.1.1(b) Quantity and quality of timber and non-timber benefits, products, and services produced in the DFA

Indicator Statement	Target and Variance
Conformance with strategies for non-timber benefits identified in Plans	<u>Target:</u> No non-conformances for site level plans <u>Variance:</u> 0
Was the target met? Yes	

Indicator 5.2.1(a) Level of investment in initiatives that contribute to community sustainability

Indicator Statement	Target and Variance
Investment in local communities	<u>Target:</u> >=45% for Canfor and 21% for BCTS (5 year rolling average) <u>Variance:</u> -10%
Was the target met? No	

Licensee	2008 Status	2009 Status	2010 Status	2011 Status	2012 Status	Average
Canfor	52.17%	45.0%	48.0%	79.8%	74.7%	59.9%
BCTS	15.48%	18.0%	9.89%	9.0%	23.92%	15.3%

BCTS investment in local communities is limited by government procurement policy.

Indicator 5.2.1(b) Level of investment in initiatives that contribute to community sustainability

Indicator Statement	Target and Variance
Amount of benefits directed into local communities	<u>Target:</u> \$38,000 for canfor - 5-year rolling average <u>Variance:</u> -10%
Was the target met? No	

Licensee	2008 Status	2009 Status	2010 Status	2011 Status	2012 Status	5-yr rolling average
Canfor	\$28,248.20	\$34,390.00	\$8,113.25	\$20,289.93	\$47,997.03	\$27807.68
BCTS	N/A**	N/A**	N/A**	N/A**	N/A**	N/A**

** This is an indicator that BCTS did not report on due to it being a government ministry.

On June 18, 2013 Canfor presented information council regarding CSA, this indicator specifically, and requested suggestions for legacy project funding. Currently Canfor has not heard back from Houston town council formally. However the Morice Mountain Cross country ski club has recently pursued a donation request application.

Indicator 5.2.2 Level of investment in training and skills development

Indicator Statement	Target and Variance
Training in environmental & safety procedures in compliance with company training plans	<u>Target:</u> 100% of company employees and contractors will have both environmental & safety training. <u>Variance:</u> -5%
Was the target met? Yes	

Licensee	2012 Status	Target
Canfor Employees	100%	100%
Canfor Contractors	100%	100%
BCTS Employees	100%	100%
BCTS Contractors	100%	100%

Indicator 5.2.3 Level of direct and indirect employment

Indicator Statement	Target and Variance
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Maintain average level of direct and indirect employment	<p>Target: Canfor: = $940,424\text{m}^3 * 2.65\text{jobs}/1000\text{m}^3$ = 2492 direct and indirect jobs</p> <p>BCTS: = $339,410\text{m}^3 * 2.65\text{ jobs}/1000\text{m}^3$ = 899 direct and indirect jobs</p> <p>Variance: Canfor: -10% or 249 jobs per year BCTS: -40% or 360 jobs per year</p>
Was the target met? Yes	

Canfor volume:

	2012	2013	2014	2015	2016	Total	Percent
AAC	940,424					940,424	
Total Cut	915,330					915,330	97%

$940424 * 2.65\text{ jobs}/1000\text{m}^3 = 2425\text{ jobs}$

BCTS Volume:

	2007	2008	2009	2010	2011	2012	Total
AAC	339410	339410	339410	339410	339410	339410	2,036,460
Total Cut	457410	332588	359,530	325326	318534	393349	2,186,737

$2,186,737/6 = 364,456 * 2.65\text{ jobs}/1000\text{m}^3 = 965\text{ jobs}$

Indicator 5.2.4 Level of Aboriginal participation in the forest economy

Indicator Statement	Target and Variance
Number of opportunities for Aboriginals to participate in the forest economy.	<p>Target: \geq number of realized opportunities from baseline assessment (3-year rolling average)</p> <p>Variance: -10% of baseline</p>
Was the target met? Yes	

Licensee	2010 Status	2011 Status	2012 Status	Target
Canfor	4	5	5	≥ 5
BCTS	12	27	21	> 2

Indicator 6.1.1 Evidence of a good understanding of the nature of Aboriginal title and rights

Indicator Statement	Target and Variance
Employees will receive Aboriginal awareness training	<p>Target: 100%</p> <p>Variance: -10%</p>
Was the target met? Yes	

Licensee	2012 Status	Target
Canfor	100	100%
BCTS	100	100%*

*BCTS staff were trained according to a Business Area First Nation's Training Framework which was created in the 2012_13 reporting period and delivered in June 2013.

Canfor staff were trained as per training matrix.

Indicator 6.1.2 Evidence of best efforts to obtain acceptance of management plans based on Aboriginal communities having a clear understanding of the plans

Indicator 6.4.3 Evidence of efforts to promote capacity development and meaningful participation for Aboriginal communities

Indicator Statement	Target and Variance
Evidence of best efforts to obtain acceptance of management plans based on Aboriginal communities having a clear understanding of the plans.	<u>Target:</u> >=3 approaches/Aboriginal community within the DFA, for 100% of management plans, as required <u>Variance:</u> None
Was the target met? Yes	

COPI records and arch/cultural reports demonstrate communication and assessment efforts.

Indicator 6.1.3 Level of management and/or protection of areas where culturally important practices and activities (hunting, fishing, gathering) occur

Indicator Statement	Target and Variance
Percent of forest operations in conformance with operational/site plans developed to address Aboriginal forest values, knowledge and uses	<u>Target:</u> 100% compliance with operational plans and corresponding results and strategies. 100% of blocks and roads that have had a CHR assessment completed. 100% of blocks and roads have a completed consultation record. <u>Variance:</u> -0%
Was the target met? Yes	

Licensee	2011 Status	Target
Canfor	100%	100%
BCTS	100%	100%

BCTS 11 TSL's with 35 consultation records.

Canfor 81 blocks with consultation records

No non conformances.

Indicator 6.3.1 Evidence that the organization has co-operated with other forest-dependent businesses, forest users, and the local community to strengthen and diversify the local economy

Indicator Statement	Target and Variance
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Primary and by-products that are bought, sold, or traded with other forest-dependent businesses in the local area.	<u>Target:</u> Maintain ≥ 13 relationships, 85 bidders <u>Variance:</u> -20%
Was the target met? Yes	

Product	Number of opportunities	Organization
Logs	8	Decker Lake, HPLP, Hunky Dory, Tahtsa Timber, Kermodei, Steve Corneau, Clark Milling, Groot Bros.
Trim Blocks	3	Kyah, D7H, Brinks/PVR
Sawdust/shavings	1	Houston Pellet (HPLP)
Chips	1	Canfor Pulp limited Partnership
Total	13	

BCTS bidders: 40

Indicator 6.3.2 Evidence of co-operation with DFA-related workers and their unions to improve and enhance safety standards, procedures and outcomes in all DFA-related workplaces and affected communities

6.3.3 Evidence that a worker safety program has been implemented and is periodically reviewed and improved

Indicator Statement	Target and Variance
Implementation and maintenance of a certified safety program	<u>Target:</u> 100% <u>Variance:</u> 0%
Was the target met? Yes	

All safe certification has been maintained for both BCTS and Canfor.

Indicator 6.4.1 Level of participant satisfaction with the public participation process

Indicator Statement	Target and Variance
PAG established and maintained, and satisfaction survey implemented according to the Terms of Reference.	<u>Target:</u> PAG meeting satisfaction score of ≥ 4 <u>Variance:</u> 0
Was the target met? Yes	

PAG Meeting Number - Date	Average Meeting Score
75 – July 2012	4.4

Indicator 6.4.2 Evidence of efforts to promote capacity development and meaningful participation in general

Indicator Statement	Target and Variance
Numbers of educational opportunities for information and/or training that are delivered to	<u>Target:</u> ≥ 1 (annual) <u>Variance:</u> None

the Public Advisory Group	
Was the target met? Yes	

Durring the July 12, 2012 meeting/field trip James David demonstrated how to do a stream crossing assessment and mitigate erosion hazards.

Indicator 6.5.1 Number of people reached through educational outreach

Indicator Statement	Target and Variance
Number of people to whom educational opportunities are provided.	<u>Target:</u> =50 people <u>Variance:</u> -10
Was the target met? Yes	

There were 25 people who visit a public display at the Houston Mall put on BCTS and Canfor October 6 2012. There were also 25 people from the Hazelton/Houston highschoools and that took part in a Council of Forest Industries (COFI) field trip in September 2012.

Indicator 6.5.2 Availability of summary information on issues of concern to the public

Indicator Statement	Target and Variance
SFM Annual report made available to the public.	<u>Target:</u> SFM monitoring report available to public annually via the web. <u>Variance:</u> None
Was the target met? Yes	

This report will be avialiable to the public prior to September 30, 2013.

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