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FM-06- 24 July 2013



Forest Management **2016 Annual audit** Report for:

Canadian Forest
Products Ltd. (East Kootenays)
In
Cranbrook, British-Columbia,
Canada

Report Finalized: March 21st 2017
Audit Dates: October 18 to 20, 2016
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Certificate code: RA-FM/COC-001348
Certificate issued: October 29, 2014
Certificate expiration: October 28, 2019

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TABLE OF CONTENTS

LIST OF ACRONYMS& ABBREVIATIONS.....	3
1. INTRODUCTION.....	4
2. AUDIT FINDINGS AND RESULTS.....	4
2.1. AUDIT CONCLUSION.....	4
2.2. CHANGES IN FMEs' FOREST MANAGEMENT AND ASSOCIATED EFFECTS ON CONFORMANCE TO STANDARD REQUIREMENTS:.....	5
2.3. EXCISION OF AREAS FROM THE SCOPE OF CERTIFICATE.....	5
2.4. STAKEHOLDER ISSUES (COMPLAINTS/DISPUTES RAISED BY STAKEHOLDERS TO FME OR RAINFOREST ALLIANCE SINCE PREVIOUS EVALUATION):.....	5
2.5. CONFORMANCE WITH APPLICABLE NONCONFORMITY REPORTS.....	8
2.6. NEW NONCONFORMITY REPORTS ISSUED AS A RESULT OF THIS AUDIT.....	10
2.7. AUDIT OBSERVATIONS.....	11
2.8. NOTES.....	12
2.9. NEW NOTES AS A RESULT OF THIS AUDIT:.....	14
3. AUDIT PROCESS.....	14
3.1. AUDITORS AND QUALIFICATIONS:.....	14
3.2. AUDIT SCHEDULE.....	15
3.3. SAMPLING METHODOLOGY:.....	15
3.4. STAKEHOLDER AND INTERESTED PARTY CONSULTATION PROCESS.....	15
3.5. CHANGES TO CERTIFICATION STANDARDS.....	16
3.6. REVIEW OF FME DOCUMENTATION AND REQUIRED RECORDS.....	16
APPENDIX I: FSC Annual Audit Reporting Form:.....	18
APPENDIX II: List of visited sites (confidential).....	20
APPENDIX III: List of stakeholders consulted (confidential).....	21
APPENDIX IV: Forest management standard conformance(confidential).....	23
APPENDIX V: Chain-of-Custody Conformance (confidential).....	31
APPENDIX VI: Rainforest Alliance Database Update Form.....	37

Standard Conversions

1 mbf = 5.1 m³
1 cord = 2.55 m³
1 gallon (US) = 3.78541 liters

1 inch = 2.54 cm
1 foot = 0.3048 m
1 yard = 0.9144 m
1 mile = 1.60934 km
1 acre = 0.404687 hectares

1 pound = 0.4536 kg
1 US ton = 907.185 kg
1 UK ton = 1016.047 kg

LIST OF ACRONYMS& ABBREVIATIONS

AAC	Annual Allowable Cut
AMA	Access Management Area
ATV	All-terrain Vehicle
BMP	Best Management Practice
CRSC	Concerned Residents of Sheep Creek
CCVF	Cultural and Conservation Value Forest
CoC	Chain of Custody
COPI	Creating Opportunities for Public Involvement – data based recording all public interactions
COS	Conservation Officer Service
DCS	Documented Control System
DFA	Defined Forest Area
ECA	Equivalent Clearcut Area
FL	Forest Licence
FLNRO	BC Ministry of Forests, Lands and Natural Resources Operations
FM	Forest Management
FMG	Forest Management Group (Canfor)
FMP	Forest Management Plan
FPB	B.C. Forest Practices Board
FSC	Forest Stewardship Council
FSR	Forest Services Roads
HCV	High Conservation Value
HCVF	High Conservation Value Forest
MFLNRO	Ministry of Forests, Lands and Natural Resource Operations
NCR	Non-conformity Report
NGO	Non-government Organization
NRFL	Non-renewable Forest Licence
OBS	Observation
OGMA	Old Growth Management Area
RA	Rainforest Alliance
RONV	Range of Natural Variation
SFMP	Sustainable Forest Management Plan
TSA	Timber Supply Area
TFL	Tree Farm Licence
WIM	Woodland Information Management (System)
WTP	Wildlife Tree Patch

1. INTRODUCTION

The purpose of this report is to document annual audit conformance of Canadian Forest Products Ltd. (Canfor) hereafter referred to as Forest Management Enterprise (FME). The report presents the findings of Rainforest Alliance auditors who have evaluated company systems and performance against the Forest Stewardship Council™ (FSC®) forest management standards and policies. Section 2 of this report provides the audit conclusions and any necessary follow-up actions by the company through nonconformity reports.

The Rainforest Alliance founded its previous SmartWood program in 1989 to certify responsible forestry practices and has grown to provide a variety of auditing services. Rainforest Alliance certification and auditing services are managed and implemented within its RA-Cert Division. All related personnel responsible for audit design, evaluation, and certification/verification/validation decisions are under the purview of the RA-Cert Division, hereafter referred to as Rainforest Alliance or RA.

This report includes information which will become public information. Sections 1-3 and Appendix I will be posted on the FSC website according to FSC requirements. All other appendices will remain confidential. A copy of the public summary of this report can be obtained on the FSC website at <http://info.fsc.org/>.

Dispute resolution: If Rainforest Alliance clients encounter organizations or individuals having concerns or comments about Rainforest Alliance and our services, these parties are strongly encouraged to contact Rainforest Alliance regional or Headquarters offices directly (see contact information on report cover). Formal complaints or concerns should be sent in writing.

2. AUDIT FINDINGS AND RESULTS

2.1. Audit conclusion

Based on Company's conformance with FSC and Rainforest Alliance requirements, the audit team makes the following recommendation:	
<input checked="" type="checkbox"/>	Certification requirements <u>met</u>, certificate maintenance recommended Upon acceptance of NCRs issued below
<input type="checkbox"/>	Certification requirements <u>not met</u>:
Additional comments:	Annual Audit revealed on-going high level of performance
Issues identified as controversial or hard to evaluate.	

2.2. Changes in FMEs’ forest management and associated effects on conformance to standard requirements:

Since the reassessment in 2014, the company has developed a new Strategic Forest Management Plan (SFMP). The plan includes updated strategies for managing a number of ecological, economic and social values. The updated plan does not change conformance to the standard’s requirements, but is a milestone nonetheless in management of the company’s certified lands.

In September of 2015, Canfor announced that it is permanently closing its Canal Flats sawmill, laying off approximately 70 workers. The closure is not expected to alter management of the forest. The company’s response to the closure was reviewed in the context of Principle 4 of the Standard (Community Relations and Worker’s Rights) and was found to be in conformance.

2.3. Excision of areas from the scope of certificate

Not applicable. Check this box if the FME has not excised areas from the FMU(s) included in the certificate scope as defined by FSC-POL-20-003. *(delete the rows below if not applicable)*

2.4. Stakeholder issues *(complaints/disputes raised by stakeholders to FME or Rainforest Alliance since previous evaluation):*

FSC Principle	Stakeholder comment	Rainforest Alliance response
P1: FSC Commitment and Legal Compliance	No comments were received.	N/A
P2: Tenure & Use Rights & Responsibilities	No comments were received.	N/A
P3: Indigenous Peoples’ Rights	No comments were received.	N/A
P4: Community Relations & Workers’ Rights	A community relations representative was concerned about a communication barrier between Canfor and the public due to the technical complexity of the industry, however acknowledged the use of an effective facilitator and encouraged regular Public Advisory Group meetings.	Canfor continues to use an external facilitator to encourage dialogue over complex issues dealt with at the Public Advisory Group. Public Advisory Group participation peaked during consultation regarding the new Sustainable Forest Management Plan, however Canfor intends to maintain scheduled meetings. The public participation process implemented to ensure meaningful engagement in forest management planning activities is in conformance with the standard.
	A municipal government representative expressed concerns regarding summer dust control at the	No clear Standard Work Procedures exist for dust control for active logging roads and the management of mill sites are not

	<p>Canal Flats log yard and whether any plans/measures were in place to rehabilitate the area.</p> <p>A union representative and municipal government representative commented that the Transition office for Canal Flats mill workers has been relatively successful in facilitating worker relocation and training.</p> <p>A union representative identified ongoing grievances between workers and management at Canfor mill sites.</p>	<p>within the scope of this audit, however the audit team did examine Canfor's level of engagement with communities and stakeholders. Stakeholder interviews confirmed that Canfor was responsive to concerns brought forward by directly affected persons which included dust control measures to address a public concern.</p> <p>Interviews with Canfor staff confirmed that resources were dedicated to the transitioning of Canal Flats mill resources.</p> <p>Manager's actions must demonstrate support for the rights of forest workers and grievances must be resolved through a process mutually agreed to by the manager and the grievor. Workers' grievances related to Canfor's mills are outside the scope of the audit. Interview with union representative confirmed that worker relations were stable for Canfor's forest operation divisions within the Defined Forest Area of the FSC certificate.</p>
<p>P5: Benefits from the Forest</p>	<p>One member of the public was concerned about the economic and forest management implications from the lack of harvesting on ground over 40% slope and that half of the volume on this ground has been removed from the AAC calculation for this TSR as a result.</p>	<p>Interviews with Canfor and documentation review demonstrated that Canfor is aware of the issue and is working towards developing operational solutions to harvest in steep slopes with the aim to ensure an optimal value of forest products. The removal of operationally inaccessible volume by the Ministry from the AAC is in conformance with the standard (indicator 5.6.1 d), as this demonstrates the AAC truly reflects the "on-the-ground" harvesting conditions and constraints and is thus sustainable.</p>
<p>P6: Environmental Impact</p>	<p>One stakeholder commended Canfor on developing strategies for managing Species at Risk even before Federal Recovery strategies have been finalized.</p> <p>Concerns were raised over harvesting in High Conservation Value Forests and thereby potentially impacting Grizzly bears following spring emergence.</p>	<p>Auditors have also observed Canfor's proactive response to manage rare, threatened and endangered species and their habitats is systematic and well defined.</p> <p>Auditors found more than one incident where High Conservation Value Forest management strategies were either not clearly articulated within Site Plans or were not followed operationally. In so far as avoiding harvesting within the HCVF during the spring minimizes the risk to the long-term persistence of the Grizzly,</p>

	<p>Concerns were raised as to whether management strategies for Cultural Conservation Value Forests were being implemented, particularly for areas identified for Huckleberry use.</p> <p>A First Nation raised concern over the impacts to water quality and quantity as a result of forest harvesting in the Palliser watershed.</p> <p>A First Nation raised concerns about major sedimentation delivery into a creek directly connected to a fish-bearing stream resulting from road building and a stream crossing.</p>	<p>Canfor's block-level planning documents need to reflect the HCVF management strategy or provide rationale when strategies cannot be followed. See NCR 01/16.</p> <p>Two sites within areas identified under the Cultural Conservation Value Forest assessment did not acknowledge management strategies within the blocks Site Plans to protect sites with either special cultural, ecological, economic or religious significance to First Nations. See NCR 01/16.</p> <p>The Palliser watershed is outside of the Defined Forest Area of Canfor's FSC certificate, and therefore outside of the scope of this audit.</p> <p>This incident was thoroughly reported by Canfor to implement mitigative measures to decrease waterborne sediment into the creek however the audit found that processes to monitor, qualify and systematically track mitigative measures were limited. See OBS 03/16.</p>
<p>P7: Management Plan</p>	<p>No comments were received.</p>	<p>N/A</p>
<p>P8: Monitoring & Assessment</p>	<p>Several stakeholders commended Canfor for their inclusion of community non-governmental organizations in the monitoring of High Conservation Value Forests (HCVFs).</p>	<p>Canfor has moved towards a model of relying on both field staff and technical experts through community partnerships for delivering their implementation and effectiveness monitoring programs.</p>
<p>P9: Maintenance of High Conservation Value Forest</p>	<p>A First Nation raised concern that not all important traditional plants are being managed under the current Cultural Conservation Value Forest (CCVFs) management strategies.</p>	<p>There is clear evidence of work being done to develop a monitoring protocol for evaluating the effectiveness of CCVFs, including commitments from Canfor to provide supporting resources. These concerns could be addressed through this process, in addition to concerns being brought forward and addressed within the scope of the active Information Sharing protocols Canfor has with First Nations. However, in the case mentioned by the First Nation, forest management activities have not been implemented in such a way as to protect certain sites of special significance to the First Nation. The NCR 01/16 is issued.</p>

P10: Plantations	No comments were received.	N/A
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2.5. Conformance with applicable nonconformity reports

The section below describes the activities of the certificate holder to address each applicable non-conformity report (NCR) issued during previous evaluations. For each NCR a finding is presented along with a description of its current status using the following categories. Failure to meet NCRs will result in non-conformances being upgraded from minor to major status with conformance required within 3 months with risk of suspension or termination of the Rainforest Alliance certificate if Major NCRs are not met. The following classification is used to indicate the status of the NCR:

Status Categories	Explanation
Closed	Operation has successfully met the NCR.
Open	Operation has either <u>not met</u> or has <u>partially met</u> the NCR.

Check if N/A (there are no open NCRs to review)

NCR#:	01/15	NC Classification:	Major	Minor X
Standard & Requirement:	BC Regional Standard			
Report Section:	2.5 Conformance with Applicability Non-Conformity Reports, Indicator 7.3.1			
Description of Nonconformance and Related Evidence:				
Two of the recent decommissioned culverts (on the same stream) that were inspected during the site visit portion of the audit and found to be of poor quality. Erodible material was only removed a short distance from the stream channel and left in piles with steep sites that will very likely be washed into the stream during high-flow events. A root-cause analysis undertaken by Canfor confirmed this was attributable to inadequate training of the operators who carried out the decommissioning. Appropriate training on decommissioning was provided to contractor supervisors, but the training was not in turn relayed to the operators conducting the work. This is contrary to the requirements of Indicator 7.3.1 that "Forest workers receive adequate training and supervision to ensure proper implementation of the management plan". Canfor does not have a procedure in place that ensure that training of this nature is adequately passed on to contracted operators.				
Corrective Action Request:	Organization shall implement corrective actions to demonstrate conformance with the requirement(s) referenced above. Note: Effective corrective actions focus on addressing the specific occurrence described in evidence above, as well as the root cause to eliminate and prevent recurrence of the nonconformance.			
Timeline for Conformance:	By the next annual audit			
Evidence Provided by Organization:	<ul style="list-style-type: none"> -Training records (specific training on sedimentation) -Field visit of a culvert decommissioning site -Site plans -Interviews with workers and staff 			
Findings for Evaluation of Evidence:	<p>Canfor held a specific training session on erosion and sediment control in June 2016. Many contractors were present during the training. Interviews with operators and contractors confirmed their awareness of sediment control issues, even when not directly involved in road decommissioning. The audit team witnessed the results of a culvert decommissioning and there was no sedimentation problem.</p> <p>Canfor demonstrated that sufficient training was done to ensure proper implementation of the management plan at the worker's level. This NCR can thus be closed.</p>			
NCR Status:	CLOSED			
Comments (optional):				

NCR#:	02/15	NC Classification:	Major	Minor X
Standard & Requirement:	BC Regional Standard			
Report Section:	2.5 Conformance with Applicability Non-Conformity Reports, Indicator 9.1.2			
Description of Nonconformance and Related Evidence:				
The assessment of HCVs related to categories 5 and 6 for the Ktunaxa Nation (Lower Kootenay) cultural and conservation values was completed in 2008 and so is somewhat dated. Canfor views the Cultural and Conservation Forest Values Reports as 'living' documents and has approached the First Nation about the need to revisit the assessment. To some extent annual monitoring of HCVs has kept the Canfor abreast of developments in the evolution of the First Nations' values, but this needs to be formalized in a completed HCV assessment with input from these First Nations.				
Corrective Action Request:	Organization shall implement corrective actions to demonstrate conformance with the requirement(s) referenced above. Note: Effective corrective actions focus on addressing the specific occurrence described in evidence above, as well as the root cause to eliminate and prevent recurrence of the nonconformance.			

Timeline for Conformance:	By the next annual audit
Evidence Provided by Organization:	Interviews with Canfor staff Interviews with KNC <i>Ktunaxa Cultural Conservation Value and Monitoring Project Outline (2016)</i> <i>Monitoring project draft budget</i> <i>HCVF Effectiveness Monitoring Program – 2015 Canfor East Kootenay Operations report</i>
Findings for Evaluation of Evidence:	Canfor is working with the Ktunaxa Nation Council (KNC) in supporting the review and development of Cultural and Conservation Forest Value areas. A draft project outline has been proposed by the KNC that summarizes monitoring methodologies, staffing and training needs, including a detailed budget over 5 years. The scope of the project includes revising CCVF areas and management strategies and designing and implementing a monitoring program. Canfor has indicated that resources will be allocated to this project (both in-kind and cash) however the details have still to be worked out. In addition to a project outline, Canfor staff confirmed that dialogue was ongoing with KNC staff to integrate monitoring planning and resources. Interviews with KNC staff indicated that Canfor had provided an open invitation to participate in the monitoring of CCVF; staff had been out with Canfor staff during monitoring; and KNC was developing a monitoring program with the aid of a consultant. Discussions with Canfor had confirmed Canfor's willingness to put resources to support the project. KNC anticipated the implementation of the monitoring project by the summer of 2017. The current SFMP also confirms that Canfor will work to collaboratively develop management strategies for HCVF Category 4 with First Nations (<i>High Conservation Value Forest (Areas) Strategy, p. 268.</i>) HCanfor demonstrated through documentation and interviews that the CCVF assessment methodology is progressing in an inclusive manner has met the requirements of this indicator, therefore this NCR is closed.
NCR Status:	CLOSED
Comments (optional):	

2.6. New nonconformity reports issued as a result of this audit

NCR#:	01/16	NC Classification:	Major	Minor X
Standard & Requirement:	BC Regional Standard, Indicator 9.3.1			
Report Section:	Appendix IV			
Description of Nonconformance and Related Evidence:				
<p>Site Plans for blocks within designated CCVF areas are not consistently documenting the CCVF management strategies, or stating when these strategies are not applicable due to the pre-harvest absence of the conservation attributes in the blocks.. Block 295-002 (Grave Creek) is within CCVF#2310 (for huckleberry conservation attribute), and although this block site plan was done in 2011 (before the CCVF's were identified in 2012) and logged in 2015-16, there is no mention of any overlap with cultural resources or management strategies to maintain those conservation attributes. Similarly block 257-007 within CCVF#3224 (Tobacco Plains Flathead Huckleberry Cultural Use Area) does not identify any management strategies to maintain or restore the conservation attributes, should they have been present in the block. While in the CCVF's are in the process of being updated (see 9.1.2) the existing CCVF assessment report clearly identifies specific management measures to maintain or restore the conservation attributes of the CCVFs (see <i>St. Mary's and Akisqnuq CCVF assessment report</i>).</p> <p>A similar example was found in an HCVF 1 Grizzly 'Linkage' habitat area. The HCVF has specific management strategies that aim to <i>avoid road-building or logging during spring (April 1-June 30) to the extent practicable</i>. Canfor logged a block (186-001) starting on April 13th and ending on July 6th. The site plan (written in 2011) only references timing restrictions for road building (no mention of logging). Road-building</p>				

pre-work was done in mid-January (before timing restrictions). Other conservation actions outlined in the HCVF Management Strategies were written into the Site Plan. While Canfor has documented pre-cautionary measures to maintain or restore Grizzly habitat, in this case the measures were not documented within the operational plan.	
Corrective Action Request:	Organization shall implement corrective actions to demonstrate conformance with the requirement(s) referenced above. Note: Effective corrective actions focus on addressing the specific occurrence described in evidence above, as well as the root cause to eliminate and prevent recurrence of the nonconformance.
Timeline for Conformance:	By the next annual audit
Evidence Provided by Organization:	PENDING
Findings for Evaluation of Evidence:	PENDING
NCR Status:	OPEN
Comments (optional):	

2.7. Audit observations

Observations can be raised when issues in the early stages of a problem are identified which does not of itself constitute a nonconformance, but which the auditor considers may lead to a future nonconformance if not addressed by the client. An observation may be a warning signal on a particular issue that, if not addressed, could turn into a NCR in the future (or a pre-condition or condition during a 5 year re-assessment).

OBS 01/16	Reference Standard & Requirement: FSC BC Regional Standard, Indicator 4.4.3
Canfor utilizes a correspondence database (COPI) for tracking dialogue with directly affected persons. This database is a transparent articulation of Canfor's public participation process (open door policy). While the database is extensive, the audit found at least one case where Canfor staff communicated with a member of the public who was disputing the boundaries of a block, which resulted in a shut-down of operations in an area. Canfor had indicated that increased access was the root issue of the disagreement, and had ceded to decommission the road after harvesting via re-contouring to resolve the issue. However, no record of this resolution (block name, or name of the member of public) was found in the COPI database.	
Canfor should be able to provide evidence of the steps planned and implemented to protect the rights or interest of a directly affected person.	

OBS 02/16	Reference Standard & Requirement: FSC BC Regional Standard, Indicator 6.2.2
The 2015 HCVF Field Effectiveness Monitoring Report highlights a block where two Grizzly bear habitat objectives were not achieved. In this case there were skid trails adjacent to roads and effective visual buffers (between feeding sites and open roads during leaf-off) were not maintained.	
In so far as avoiding skid trails adjacent to roads and maintaining effective visual buffers within the HCVF minimizes the risk to the long-term persistence of the Grizzly, operational measures should reflect the HCVF management strategy or rationale provided when strategies cannot be followed.	

OBS 03/16	Reference Standard & Requirement: FSC BC Regional Standard, Indicator 6.5.1
Monitoring by Canfor staff and First Nations identified an erosion control issue at a stream crossing that was not previously recorded. Block 189-2 (Kid creek) had a creek crossing that was estimated to be contributing major sedimentation into a creek that is directly connected to fish habitat. Natural	

gully and fine parent soil materials were contributing factors to the problem, however there was little evidence of mitigative measures to reduce sediment delivery from the sediment sources (cutslopes, road surfaces, fill slopes). The incident was recorded in detail and may have been identified within the Incident Tracking System for a mitigation plan to be developed prior to the spring freshet (no clear linkage between records).
 Canfor does have documented measures for mitigating sedimentation (*Sediment Erosion and Control document*), and has strategies to evaluate the impact of road-work on stream crossings (*High-Risk Stream Crossing Evaluations*). As such the Kid creek crossing would have been a candidate for having been previously identified within the Bridge and Road Monitoring Program, which in turn leads to implementing measures to control waterborne erosion and sedimentation.

For the purposes of reducing the occurrence of waterborne erosion and sedimentation, Canfor should ensure operational procedures are implemented to evaluate water quality, and where necessary, implement erosion control measures, and ensure clear linkages between incidents (block/road names) and actions within their ITS.

2.8. Notes

Notes are for the audit team only, and identify items that should be looked at during subsequent audits.

NOTE 01/15	Reference Standard & Requirement: FSC BC Regional Standard, Indicator 6.3.14	
During this audit, a number of sites were inspected and no evidence of site damage or impairment of water quality was noted. Further, the company provided evidence that a good system to avoid site damage is in place. However, following the field work portion of the audit, input was received from stakeholders expressing concerns about impacts on water quality and site damage. Because of the timing of the stakeholder input, the audit team was not able to view the specific sites during this year's assessment.		
NOTE: Future annual audit teams should attempt to get input from stakeholders regarding locations of site damage sufficiently ahead of site visits so that they can be inspected during the audit week.		
<input type="checkbox"/> Closed	<input type="checkbox"/> Followed-up but still open	<input checked="" type="checkbox"/> Not followed-up this year
2016 Audit Team Response: While the lead auditor decided to give priority to see ongoing forest management activity for this surveillance, the team did observe systematic measures to monitor and maintain water quality in the DFA. The note stays open for next surveillance audit.		

NOTE 02/15	Reference Standard & Requirement: FSC BC Regional Standard, Indicator 6.5.8	
Canfor conducts in-depth monitoring on HCV/Domestic/Community watersheds, including active ECA tracking. While able to review evidence of conformance for 6.5.8 through documentation for these three watershed types (HCV/Domestic/Community), the audit team was not able to fully assess how measures are employed to control increases in peak flows due to forest management activities in other watershed types.		
NOTE: Future auditors should field inspect measures to control increases in peak flows resulting from management activities in watersheds with greater than 25% ECA and that are not of the HCV/Domestic/Community w/s list.		
<input checked="" type="checkbox"/> Closed	<input type="checkbox"/> Followed-up but still open	<input type="checkbox"/> Not followed-up this year
2016 Audit Team Response: A hydrologist was retained to conduct a hydrological assessment for watersheds where ECA calculations were above or approaching 25%. These include all watersheds (not just community watersheds, domestic watersheds or HCV3 watersheds). Guidelines for controlling increases in peak flows are outlined within the hydrologic assessment document (nearing completion at the time of the audit) and are meant to be applied when ECA calculations are approaching (or above) 25%. An action has been identified to further refine the SFMP to include 'RAU' watershed assessments and guidance on controlling increases to peak flows in all areas outside of sensitive watersheds. Canfor having demonstrated conformance to 6.5.8, this note is considered closed.		

NOTE 03/15	Reference Standard & Requirement: FSC BC Regional Standard, Indicator 4.2.1, 4.2.2
The field audit in October 2015 was unable to visit active operations in order to confirm safety compliance and awareness of forest workers.	
NOTE: Future auditors should make efforts to visit active operations to interview forest workers and ensure OH&S compliance.	
<input checked="" type="checkbox"/> Closed	<input type="checkbox"/> Followed-up but still open <input type="checkbox"/> Not followed-up this year
2016 Audit Team Response: The audit team visited several sites with active harvesting and interviewed representatives from 5 different contractors and verified OH&S compliance. This note is closed.	

NOTE 04/15	Reference Standard & Requirement: FSC BC Regional Standard, Indicator 5.6.1
An updated Timber Supply Review and subsequent Allowable Annual Cut (AAC) determination for the Cranbrook and Invermere Timber Supply Areas (TSA's) were underway during the 2015 annual audit. Canfor is an active participant in the TSR, whose timing is regulated through the Provincial Forest Act. While projected long-term harvest levels have not been updated since 2008, the current documented and comprehensive analyses are still applicable and relevant to the FMU and therefore meet indicator 5.6.1. A new AAC is expected in 2017 and will likely amend the current long term harvest levels of the FMU.	
NOTE: Future auditors should ensure that the new projected long-term harvest rate for the Defined Forest Area has been re-calculated on the basis of the new AAC resultant, reflective of FSC management.	
<input type="checkbox"/> Closed	<input checked="" type="checkbox"/> Followed-up but still open <input type="checkbox"/> Not followed-up this year
2016 Audit Team Response: The TRS was still ongoing during the audit. Canfor was working towards making the new TSR reflect FSC management strategies' impacts.	

2.9. New notes as a result of this audit:

NOTE 01/16	Reference Standard & Requirement: FSC BC Regional Standard, Indicator 6.3.8	
Coarse Woody Debris (CWD) levels are below targets within three licenses in the DFA, however when combining licenses targets are met for mean large CWD density except for the ESSF BEC zone. Targets are set by BEC zone and piece size and density (a recent transition from volume-based targets). Recent (2016) staff and contractor training was aimed to rectify this issue to ensure the targets are met across the DFA.		
NOTE: Future auditors should review the monitoring results for CWD relative to BEC zone and piece density across the DFA and the RONV targets set under the Sustainable Forest Management Plan.		
<input type="checkbox"/> Closed	<input type="checkbox"/> Followed-up but still open	<input type="checkbox"/> Not followed-up this year
2017 Audit Team Response: PENDING		

3. AUDIT PROCESS

3.1. Auditors and qualifications:

Auditor Name	David Brunelle	Auditor role	Lead Auditor, Forest Ecologist
Qualifications:	Forest engineer cumulating 10 years of experience in integrated resource management, forest management and in forest and environmental certification. David was first in charge of a forest management project for a consulting firm specialized in technical work. He then worked for a logging company for 3 years as Forestry Department Coordinator. In this position, he was involved in all tasks related to forest management and forestry operations' support. As the head of the integrated resource management projects for the Société des Établissements de Plein Air du Québec, he worked in harmonizing the uses in Quebec's wildlife reserves for 3 years. During his short stint at the Ministère des Ressources Naturelles du Québec in 2012, he participated in the implementation of forestry and environmental certifications at the provincial level. Finally, he held a management position in a forest management consulting firm. In addition, he holds a Law certificate from the Université de Montréal. David joined the Canada Rainforest Alliance team in January 2016 as a Forest Management Associate and completed the FSC lead auditor training. David already took part in more than 15 FM and COC audits.		
Auditor Name	Nicholas Reynolds	Auditor role	Environmental and social aspects
Qualifications:	Nick's work in forest management has ranged from work with government, industry, academia and First Nations over the last 20 years. He studied ecological restoration at the University of Victoria and received a diploma in advanced GIS analytics at the University of Northern British Columbia. Nick's work has included 8 years in wildlife biology, conducting wildlife inventories and participating in habitat suitability studies. Nick is a lead contractor to the province of BC's Growth and Yield program, establishing and re-measuring PSP's along the coast of BC. He was the Chair of the Joint Technical Team for the implementation of the Haida Gwaii Strategic Land Use Agreement, which helped set the legal parameters for protected area management and Ecosystem Based Management on Haida Gwaii (2010). Representing the Council of the Haida Nation he co-chaired the technical		

	team that led to BC's first Timber Supply Review that saw a First Nation and a provincial government collaboratively reach an Allowable Annual Cut in 2012. Nick continues to consult on policy and forest ecology for Territorial, Federal and Provincial governments. Nick is a Registered Professional Forester in British Columbia with a Master's of Sustainable Forest Management from UBC. He completed the Rainforest Alliance's FM Lead Auditor training in 2014, and is also a Lead Auditor for FSC Chain of Custody for Rainforest Alliance.
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3.2. Audit schedule

Date	Location /Main sites	Principal Activities
October 7	Auditor/Canfor offices	Audit Planning teleconference
October 7	Auditor offices	Stakeholder interviews initiated
October 7	Auditor offices	Commencement of evidence review
October 18-20	Canfor Office/Field	Field work
November 18	RA office	Draft report sent to client
November 25	Canfor office	Review of draft report sent to RA
December 2	RA office	Finalization of report

Total number of person days used for the audit:9.5 = number of auditors participating 2X4.75 average number of days spent in preparation, on site and post site visit follow-up including stakeholder consultation
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3.3. Sampling methodology:

The audit team worked with the Canfor Staff to identify potential field sites based on the scope of the annual audit. Site selection was based on harvest activity from past year, water crossing management, and sites upon which activities had been undertaken that were the subject of concern expressed in the recent assessment. One full day was spent in the field assessing operations. One auditor was accompanied by a Canfor staff and three additional operations personnel rendezvoused with the auditor at specific sites. The other auditor was accompanied by five Canfor staff.

3.3.1 List of FMUs selected for evaluation

FMU/Group Member Name	Rationale for Selection
Canfor East Kootenay	Primary forest included in the scope of this certificate.

3.4. Stakeholder and interested party consultation process

Stakeholder/Interested Party type (i.e. NGO, government, local inhabitant etc.)	Stakeholders/Interested Parties notified(#)	Stakeholders/ Interested Parties consulted or providing input (#)
Community stakeholders, tourism providers, Environmental interests,	11	7
First Nations	2	4

Municipality	1	1
Workers	9	9
Union	1	1
ENGO	1	1

3.5. Changes to Certification Standards

Forest stewardship standard used in audit:	FSC Regional Standards for British Columbia (2005)
Revisions to the standard since the last audit:	<input checked="" type="checkbox"/> No changes to standard. <input type="checkbox"/> Standard was changed (detail changes below)
Changes in standard:	
Implications for FME:	Not applicable - no new requirements

3.6. Review of FME Documentation and required records

a) All certificate types

Required Records	Reviewed
Complaints received by FME from stakeholders, actions taken, follow up communication	Y <input checked="" type="checkbox"/> N <input type="checkbox"/>
Comments: There was a formal complaint from a trapper (march 2016), The audit team received the letters exchanged as part of the evidence. Canfor addressed the issue by answering the complaint and opening the door to further discussions.	
Accident records	Y <input checked="" type="checkbox"/> N <input type="checkbox"/>
Comments: Mean Incident Rate (MIR), Medical Aid Frequency, and Hazard and Near Miss incident ratio statistics were reviewed for Canfor's Kootenay Operations.	
Training records	Y <input checked="" type="checkbox"/> N <input type="checkbox"/>
Comments: Harvesting group were trained on decommissioning (June 2016). A full day of training was done on the SFMP (May 2016). Staff training records were reviewed for all employees, including training type (ex. driver training, EPRP, First Aid etc.), participant, completion date and expiry date. Staff training records specific to FSC certification were reviewed, which also include training type (ex. FSC Awareness, Riparian Management, Riparian Standards, FSC and Environment training), participant, completion date and expiry date.	
Operational plan(s) for next twelve months	Y <input checked="" type="checkbox"/> N <input type="checkbox"/>
Comments: These were considered in planning the field visit selection of sites. They were also reviewed during the audit with the staff.	
Inventory records	Y <input checked="" type="checkbox"/> N <input type="checkbox"/>
Comments: Silvicultural inventory documents were reviewed (tracking treatment histories, areas not-satisfactorily restocked etc.). Vegetation Resource Inventory (forest inventory) data, including tracking of forest health/unsalvageable losses were reviewed.	
Harvesting records	Y <input checked="" type="checkbox"/> N <input type="checkbox"/>

Comments: FSC Defined Forest Area harvest records (and projections) by tenure were reviewed relative to the long term sustainable harvest level for the time period between 2013 and 2017. Example cutting permit authorizations were also reviewed.

APPENDIX I: FSC Annual Audit Reporting Form:

Forest management enterprise information:			
FME legal name:	Canadian Forest Management Ltd.		
FME Certificate Code:	RA-FM/CoC – 001348		
Reporting period	Previous 12 month period	Dates	October 2015 to October 2016

1. Scope Of Certificate			
Type of certificate: single FMU	SLIMF Certificate: not applicable		
New FMUs added since previous evaluation	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	
Group Certificate: Updated of FMU and group member list provided in Appendix II:			
Multi-FMU Certificate: List of new FMUs added to the certificate scope:			
FMU Name/Description	Area	Forest Type	Location Latitude/Longitude¹
	ha		
	ha		
	ha		

2. FME Information	
<input checked="" type="checkbox"/> No changes since previous report (if no changes since previous report leave section blank)	
Forest zone	Boreal
Certified Area under Forest Type	
- Natural	hectares
- Plantation	hectares
Stream sides and water bodies	Linear Kilometers

3. Forest Area Classification	
<input checked="" type="checkbox"/> No changes since previous report (if no changes since previous report leave section blank)	
Total certified area (land base)	ha
1. Total forest area	ha
a. Total production forest area	ha
b. Total non-productive forest area (no harvesting)	ha
- Protected forest area (strict reserves)	ha
- Areas protected from timber harvesting and managed only for NTFPs or services	ha
- Remaining non-productive forest	ha
2. Total non-forest area (e.g., water bodies, wetlands, fields, rocky outcrops, etc.)	ha

4. High Conservation Values identified via formal HCV assessment by the FME and respective areas			
<input checked="" type="checkbox"/> No changes since previous report (if no changes since previous report leave section blank)			
Code	HCV TYPES²	Description:	Area
HCV1	Forest areas containing globally, regionally or nationally significant concentrations of biodiversity values (e.g. endemism, endangered species, refugia).		ha

¹The center point of a contiguous FMU or group of dispersed properties that together comprise a FMU in latitude and longitude decimal degrees with a maximum of 5 decimals.

²The HCV classification and numbering follows the ProForest HCVF toolkit. The toolkit also provides additional explanation regarding the categories. Toolkit is available at <http://hcvnetwork.org/library/global-hcv-toolkits>.

HCV2	Forest areas containing globally, regionally or nationally significant large landscape level forests, contained within, or containing the management unit, where viable populations of most if not all naturally occurring species exist in natural patterns of distribution and abundance.		ha
HCV3	Forest areas that are in or contain rare, threatened or endangered ecosystems.		ha
HCV4	Forest areas that provide basic services of nature in critical situations (e.g. watershed protection, erosion control).		ha
HCV5	Forest areas fundamental to meeting basic needs of local communities (e.g. subsistence, health).		ha
HCV6	Forest areas critical to local communities' traditional cultural identity (areas of cultural, ecological, economic or religious significance identified in cooperation with such local communities).		ha
Number of sites significant to indigenous people and local communities			

5. Workers

Number of workers including employees, part-time and seasonal workers:

Total number of workers	653workers	
- Of total workers listed above	579 Male	59 Female
Number of serious accidents	0	
Number of fatalities	0	

6. Pesticide Use

FME does not use pesticides. (delete rows below)

APPENDIX II: List of visited sites (confidential)

FMU or other Location	Compartment/ Area	Site description / Audit Focus and Rationale for selection
Fassifern A91306	CBK0008	Species at Risk management, Wildland urban interface harvesting, HCVF management; active harvesting.
Fassifern A91306	CBK00011	Worker safety and rights; high value snag retention, Ungulate Winter Range management; utilization; active harvesting.
Fish Lake Rd- 43km off Caven (Plumbob South)	510-002	Intensive silviculture- juvenile spacing; road crossings
A19040 west of Kragmont	LIN004	Ecological restoration; utilization; worker safety and rights; active harvesting.
A19040 west of Kragmont	LIN013	Access management; Wildlife Tree Retention Areas; Ecological restoration; road rehabilitation
A 19040	UBR 0002	Access management; Ungulate winter range; Green snags retention;
A 19040	UBR 0001	Access management; Green snags retention; Riparian habitat; Douglas Fir protection; HCVF 3156
A 18978	WHI0008	Access management; Green snags retention; Active harvesting;
A 86450 Skookumchuk Prairie	001	Open range harvest; Wildlife Tree retention area; Ecosystem restoration; Ungulate Winter Range
A18978	151-001	Free growing block

APPENDIX III: List of stakeholders consulted (confidential)

List of FME Staff Consulted

Name	Title	Contact	Type of Participation
Stephanie Keightley	Canfor, Forest Science Assistant	stephanie.keightly@canfor.com	Field & Interviews
Kari Stuart-Smith	Canfor, Senior Forest Scientist	Kari.Stuart-Smith@canfor.com	Field & Interviews
Nick McRae	Canfor Silviculture Coordinator	250-529-7211 X247	Field & Interviews
Grant Neville	Canfor, First Nations and Planning Coordinator	Grant.Neville@canfor.com	Field & Interviews
Ian Johnson	Canfor Forestry Supervisor	ian.Johnson@canfor.com	Field & Interviews
Ken Streloff	Canfor, Forestry Supervisor	ken.streloff@canfor.com	Field & Interviews
Brian Feeney	Canfor, Planning Supervisor	250-347-6655	Phone Interview
Kerri Simmons	Canfor FMS Coordinator and Tenure Coordinator	kerri.simmons@canfor.com	Phone Interview
Paul Freeze	Canfor, Forestry Supervisor	250-529-7211 (246)	Field & Interviews
Dave Dobi	Canfor, Operations Supervisor	250-529-7211 (290)	Field & Interviews
Tyson von den Steinen	Canfor, Manager, Safety & Continuous Improvement- FMG	tyson.vondensteinen@canfor.com	Phone Interviews
Glen Kovacic	Canfor, Sr. Operations Supervisor	250-529-7211 (224)	Interviews
Gerry George	Canfor, Forestry Supervisor	250-349-5294 (109)	Field & Interviews
Bruce Pope	Canfor Woodlands Information Management Analyst	250-426-9364	Interviews
Geordie Driscoll	Canfor, Operations Supervisor	Geordie.driscoll@canfor.com	Field & Interviews
Mark Todd	Canfor FMG Human Resources Manager	mark.todd@canfor.com	Interviews

List of other Stakeholders Consulted
Confidential

List of Indigenous Groups Consulted
Confidential

APPENDIX IV: Forest management standard conformance(confidential)

The table below demonstrates conformance or nonconformance with the Forest Stewardship Standard used for evaluation as required by FSC. The Rainforest Alliance Task Manager should provide guidance on which sections of the standard should be evaluated in a particular audit. Rainforest Alliance may evaluate only a subset of the criteria or principles of the standard in any one particular audit provided that the FME is evaluated against the entire standard by the end of the certificate duration. Findings of conformance or nonconformance at the criterion level will be documented in the following table with a reference to an applicable NCR or OBS. The nonconformance and NCR is also summarized in a NCR table in Section 2.4. All nonconformances identified are described on the level of criterion though reference to the specific indicator shall be noted.

P & C	Conform ance: Yes/No/ NE	Findings	NCR OBS (#)
Principle 1: COMPLIANCE WITH LAWS AND FSC PRINCIPLES			
1.5	YES	No change in this Criterion since last audit. No illegal harvesting has been recorded in the Kootenay operations since the last audit. Canfor tracks all such activities in their ITS data management system, identifies trespass incidents as a FMG environmental program objective, provides trespass training for contractors and sends out FMS alerts when a trespass occurs.	
Principle 2. TENURE AND USE RIGHTS AND RESPONSIBILITIES			
2.3	YES	There have been no disputes, as defined in the BC Standard, brought forward to Canfor.	
Principle 3. INDIGENOUS PEOPLES' RIGHTS			
3.2	YES	<p>Canfor has continued to follow the information sharing Protocol Agreement signed with the Ktunaxa Nation Council (KNC) which in turn seeks to identify traditional resources and mitigate any impacts during the planning process.</p> <p>Canfor's High Conservation Value forest types 5 and 6 (referred to as CCVF's) are another tool meant to document and in turn inform strategies to maintain key Indigenous resources.</p> <p>HCV monitoring continues by Canfor, and results/reports have been provided to First Nations. Many of the values identified within the current HCV monitoring overlap with Indigenous resource rights, and as such the maintenance of the resource rights can be qualified through effectiveness monitoring.</p> <p>Canfor continues to follow an Information Sharing Protocol Agreement with the Ktunaxa Nation Council (KNC). The Protocol Agreement puts an onus on Canfor to a) share specific locations of development and demonstrate strategies to protect cultural resources identified in the CCVF's; b) relies on the KNC to communicate whether previously unknown resources may be affected, including the scale and location of those resources, and c) requires Canfor to proactively respond to ensure those resources are protected as per criterion 3.2.</p> <p>However, some blocks within designated CCVF areas are not consistently following the CCVF management strategies. It is due to a lack of updates of the site plans to the CCVF strategies prepared a few years back. (See NCR 01/16)</p>	

Principle 4. COMMUNITY RELATIONS AND WORKERS' RIGHTS			
4.1	YES	<p>Interviews with contractors and forest workers confirmed that local hiring was evident across those parts of the FMU that were audited. Interviewees confirmed wages and benefits were on par or exceeded the industry average. Current Log Rate guides were signed by contractors and confirmed as fair and flexible by contractors interviewed. Compensation and severance packages (including to mental health support through Employee and Family Assistance programs) are fair and are followed according to Union representatives as part the transition to new work for displaced employees.</p> <p>Training opportunities for upgrading relevant skills for workers and contractors continue to systematically occur, as demonstrated by a review of enrollment training records, schedules, training materials and interviews with staff and contractors.</p> <p>Targets for the local procurement of goods and services are set by Public Advisory Groups (ex. Radium) as outlined within indicator 5.2.1a of the <i>Sustainable Forest Management Plan</i>. Canfor's continued use of a Joint Management Advisory Committee (JMAC) with the Ktunaxa Nation has set baselines and targets for local procurement. Numbers of local vendors and local expenditures have increased from previous years (up over \$4.6 million to Ktunaxa vendors), meeting JMAC targets. Results are reported in the <i>KNC-Canfor Engagement & Benefits 2015-2016 Annual Report</i>. Requirements related to local employment, training and other services are met.</p>	
4.2	YES	<p>Canfor continues to implement an occupational health and safety program, whereby training, incident tracking, reporting and continuous improvement systems are coordinated at the Forest Management Group level and implemented at the divisional level. Interviews with 5 different contractors at various active harvesting sites confirmed that forest workers were aware of potential health and safety risks and trained to respond to incidents. Canfor's Kootenay division has the second lowest Hazards and Near Miss reporting ratio per hours worked out of Canfor's Forest Management Group in British Columbia, and the Staff and Contractor Hazard and Near Miss to Incident ratio are both above the divisional target. Note however that an increased Hazard and Near Miss to Incident ratio indicates a robust OH&S reporting process. The Kootenay divisions Medical Incident Ratio (MIR) is over twice that of the average for the Forest Management Group (FMG) at 1.89 and 0.84 respectively. This rate, which is an expression of the number of recordable (medical treatment and severe) incidents per100 full-time employees per year is still below the company target of 2.0, and below the equivalent industry average (WorksafeBC's Injury Rate which was 5.0 in 2015). The requirements under 4.2 continues to be met.</p>	
4.3	YES	<p>Canfor continues to demonstrate support for the rights of forest workers to organize and voluntarily negotiate collective agreements. The current collective agreement is in effect between Canfor and the United Steelworkers Union until 2018. Interviews with workers and a Union representative confirm that this criterion is in conformance for all of Canfor's Woodlands operations within the DFA.</p>	
4.4	YES	<p>Canfor provides opportunities for on-going public participation through the support of and implementation of various engagement mechanisms, including: an active Public Advisory Group, face to</p>	OBS 01/16

		<p>face meetings, emails, mail-outs, and public forums for information exchange. Canfor sent out harvest notice mailouts to 89 stakeholders (including First nations) between April- Oct. 2016. Stakeholder interviews confirmed that Canfor was responsive to concerns brought forward by directly affected persons. Interviews with staff and stakeholders confirmed that when directly affected persons request more information (such as maps) or there is a need for a site visit, Canfor is responsive at accommodating those requests.</p> <p>Canfor utilizes a correspondence database (COPI) for tracking dialogue with directly affected persons. This database is a transparent articulation of Canfor's public participation process (open door policy). While the database is extensive, the audit found at least one case where Canfor staff communicated with a landowner who had disputed the boundaries of a block, which resulted in a shut-down of operations in an area. Canfor had indicated that increased access was the root issue of the disagreement, and had ceded to decommission the road after harvesting via re-contouring. No record of this issue (block name, or name of the member of public) was found in the COPI database.</p>	
4.5	YES	<p>Interviews with staff and stakeholders, as well as a review of the COPI correspondence tracking database and the Incident Tracking System (ITS) confirmed that, through proactive engagement with directly affected persons, disagreements are rarely elevated to grievances that involve the potential loss or damage related to forestry activities. In an event that a stakeholders' property has been damaged as a result of Canfor's forestry activities, Canfor has resolved the grievances by fairly compensating the grievor. Evidence of this was provided with an example invoice from a trapper for damage to trapping equipment and subsequent payment by Canfor. A separate and recent grievance notice had been submitted to Canfor staff by a trapper concerning alleged impacts on trapping rights, however there was evidence (ex. COPI, letters and staff interviews) that steps were being taken to resolve the grievance in a mutually agreeable manner.</p>	
Principle 5. BENEFITS FROM THE FOREST			
5.6	YES	<p>Very little change in this Criteria since last year's audit. Canfor is still waiting for the TSR reviews and is doing its own analysis on the FSC sensibilities on the whole FMU.</p> <p>The Ministry of Forests, Lands and Natural Resource Operations is in the midst of conducting Timber Supply analyses, and Canfor is an active participant in the process, whose timing is regulated through the Provincial <i>Forest Act</i>. While projected long-term harvest levels have not been updated since 2008, the current documented and comprehensive analyses are still applicable and relevant to the FMU and therefore meet indicator 5.6.1. A new AAC is expected in 2017 and will likely amend the current long term harvest levels of the FMU. As the MFLNRO timber supply analysis may not use Canfor's FSC management assumptions as a default or 'base case', Note 04/15 is kept open for future auditors to ensure that the new projected long-term harvest rate for the Defined Forest Area has been re-calculated on the basis of the new AAC resultant, reflective of FSC management.</p>	NOTE 04/15

		Meanwhile, the documentation reviewed and the interviews with the ministry and the Certificate manager demonstrated that Canfor still is in conformance with this criterion. Indeed, the actual AAC is still respected.	
Principle 6. ENVIRONMENTAL IMPACT			
6.2	YES	<p>Habitats of red- and blue-listed species and plant communities and threatened and endangered species continue to be identified and delineated on maps. Species are listed within the Sustainable Forest Management Plan under indicator 1.2.1. <i>Species at Risk Identification and Management Guidebook</i> (2016), as well as documented training, provides direction to staff and contractors for the identification of these species. Interviews with staff and forest workers confirmed an awareness of key habitat features and species as well as precautionary protocols in the event of incidental discovery to protect and promote the survival of the species. Reserve networks (including HCVFs) for protecting habitats continue to be in place, and Canfor provided evidence of proactive measures (operational and landscape level) for managing species which have recently had COSEWIC status updates (ex. Rocky Mountain Tailed Frog, <i>Ascaphus montanus</i>), signifying a responsive adaptiveness. Silvicultural prescriptions that align with the Ecosystem Restoration project for the Rocky Mountain trench continue, despite decreases in Provincial government coordination. Canfor has collated a management document <i>Identification and Management Action Guide to Species of management Concern in Canfor's East Kootenay Operating Area (2016)</i> which provides clear guidance for planning and operational staff, as well as for forest workers.</p> <p>The 2015 HCVF Field Effectiveness Monitoring Report highlights a block where Grizzly bear habitat objectives were not achieved. In this case there were skid trails adjacent to roads and effective visual buffers (between feeding sites and open roads during leaf-off) were not maintained. In this case variances between HCVF strategies and their implementation may be localized but needing attention. See OBS 02/16</p>	OBS 02/16
6.3	YES	<p>Standard Working Procedures are in place for planning prescriptions, layout, harvesting, silviculture and reclamation as part of ecosystem restoration in the Rocky Mountain trench. Restoration initiatives for Open Range and Open Forest habitats continue within a scale appropriate to Canfor's operations. Implementation of seeding and burning strategies by the BC Provincial government have declined. Training records and interviews with staff and contractors confirm an understanding of the intent and application of practices to restore these habitats.</p> <p>A review of regeneration survey data, site plans and staff interviews verify that areas are being regenerated using government stocking standards as guided by the Biogeoclimatic Ecological Classification system.</p> <p>Examples of site preparation was reviewed in the field (mulching) which was achieving management objectives (lowering competition) while minimizing negative environmental impacts. Canfor continues to have a <i>Post Harvest Assessment Management System</i> in place to determine the best prescription for site preparation relative to the ecosystem types.</p>	Note 01/16

		<p>Modelling of early seral dependent species suggest lower habitat availability relative to historic distributions (publication <i>Incidental Take and Protecting habitat for Migratory Birds in the East Kootenay Region, British Columbia</i>, 2009). Long-term harvesting trends and an increase in fire frequency since 2009 suggest early seral habitat availability will increase in the near to mid term (figure 30- <i>Sustainable Forest Management Plan, 2016</i>). Updated habitat modelling, commission by Ktunaxa Nation Council, will be available for the current Timber Supply Review and may further inform early seral habitat availability.</p> <p>The SFMP indicator 1.2.3 and 1.3.1a are consistent with 6.3.5 (use of select seed from local provenance based on the <i>Chief Foresters' Standards for Seed Use</i>). Species and genetic diversity targets are being met, in part through major components of natural regeneration in free growing stands (75% of blocks have >60% natural regeneration in 2015 free growing surveys). The SFMP sets targets (1.2.3.c and 1.3.1c) for planting 100% of hectares with more than one species to maintain forest resilience and biological diversity.</p> <p>Relative to 6.3.8-6.3.9, stand management prescriptions are guided by pre-and post-operational Standard Work Procedures to maintain landscape level stand structures compatible with RONV. Available monitoring data show that Green Tree and Snag retention were met relative to SFMPs targets, particularly when stubs are included in snag categories. Coarse Woody Debris (CWD) levels are below targets within three licenses in the DFA, however when combining licenses targets are met for mean large CWD density except for the ESSF zone. Targets are set by BEC zone and piece size and density (a recent transition from volume-based targets). Recent (2016) staff and contractor training was aimed to rectify this issue to ensure the targets are met across the DFA (<i>2015 Annual Report</i>). See Note 01/16.</p> <p>Indicators 6.3.9-6.3.13 continue to be in conformance. SFMP sets retention targets for Old and Mature forest and seral and structural stages (indicator 1.1.3 a & b respectively) relative to RONV, while patch size is determined by at the Ecosection and NDT type level (as per government recommendations in the Biodiversity Guidebook). The SFMP also uses indicators for Interior Forest Habitat and Patch Size Distribution. Examples of a response to managing areas for interior forest dependent species includes Woodland Caribou Ungulate Winter Range reserves for all suitable high elevation winter habitat and access management. Landscape connectivity exists through key habitat reserves and management areas (ex. HCVFs, including UWR mapped reserves, Grizzly bear high suitability, linkage and movement zones etc.) and maintained through SFMP indicators, and Standard Work Procedures (SWP) at the planning and operational scales.</p> <p>Access management measures are implemented relative to meeting non-timber objectives, with procedures developed to determine the impacts from loop road designs, including regular deactivation. Best Management Practices and SWPs continue to guide management of unique ecosystem features. Access to training and operational guidance is evident through interviews with staff and contractors from planning, layout and harvesting phases.</p> <p>Processes for minimizing or mitigating detrimental soil disturbance (6.3.14-6.3.15) are in place. Soil disturbance measurement surveys</p>	
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		are standardized for staff and contractors with many examples reviewed during the audit. Post-harvest data from one block visited (LIN013) indicated soil disturbance levels higher than 6.3.14 thresholds, however a rehabilitation plan had been drafted and implemented (re-contouring, seeding). There continues to be no fertilizers used on the forest, addressing the requirements of 6.3.16 and 6.3.17.	
6.5	YES	This indicator does not form part of the audit plan's scope for this annual surveillance audit. However, evidence from interviews with the public, First Nations and Canfor staff, as well as documentation supported a review for conformance. Block 189-2 (Kid creek) had a creek crossing that was reported to be contributing major sedimentation into a creek that is directly connected to fish habitat. Natural gulying and fine parent soil materials were contributing factors to the problem, however there was little evidence of mitigative measures to reduce sediment delivery from the sediment sources (cutslopes, road surfaces, fill slopes). The incident was recorded in detail and may have been identified within Incident Tracking System for a mitigation plan to be developed prior to the spring freshet (no ID linkage). Canfor does have documented measures for mitigating sedimentation (<i>Sediment Erosion and Control document</i>), and has strategies to evaluate the impact of road-work on stream crossings (<i>High-Risk Stream Crossing Evaluations</i>). As such the Kid creek crossing would have been a candidate for having been previously identified within the Bridge and Road Monitoring Program, which in turn leads to implementing measures to control waterborne erosion and sedimentation (see OBS 03/16). Canfor does maintain two hydrometric stations in use in their DFA, and the results of one station in Sandown Creek identified turbidity exceedances of the recommended guidelines in the fall of 2015 and has been attributed to anthropogenic disturbance in or around the creek (<i>Sandown Creek Water Quality and Quantity Monitoring Program – 2015</i>). This event may also have potential links to sedimentation from road maintenance/stream crossing activities. Training has been provided for union contractors to address sediment control in 2016 to mitigate road-building impacts to waterborne erosion and sedimentation.	OBS 01/16
6.9	YES	Canfor continues to use a mix of grass seed for erosion control and site rehabilitation that has been specifically developed by the local company Interior Seed and Fertilizer Ltd. to meet this FSC Criterion. The mix includes only species that are long naturalized to the East Kootenay area and are considered non-invasive.	
Principle 7. MANAGEMENT PLAN			
7.1	YES	The forest management plan is complete, comprehensive, thorough and has been updated a few weeks before the audit. It includes every aspect required by this criterion.	
7.2	YES	The forest management plan was reviewed a few weeks prior to the audit and included changes induced by new scientific or monitoring data and stakeholder input. For example, the economic and community information was updated and information on the current conditions for Invasive Plants was included per stakeholder comments. Canfor's revision process is efficient and well rigged, meeting the requirements under 7.2.	
7.3	YES	Appropriate training on the forest management plan and specifically on decommissioning and erosion (see closing of NCR 01/15) was	

		provided to contractor supervisors and workers. Training sessions on the FMP were held in May and June 2016. Canfor also conducts continual informal training to workers through supervision and inspections on the field, ensuring proper implementation of the management plan. This criterion is met.	
7.4	YES	<p>Except for sensitive cultural information, Canfor makes available the management plan, supporting operational plans and assessments to the public. During the very recent revision of the SFMP, Canfor addressed many stakeholder comments and made changes to the plan accordingly. Canfor also diligently responded to all the comments in a respectful way. The SFMP clearly indicates how inputs from interested parties were solicited during public review of the draft management plan. Records of these actions were provided to the audit team.</p> <p>Actions to address these input were documented in the management plan (SFMP pp.11).</p>	
Principle 8. MONITORING AND ASSESSMENT			
8.2	YES	<p>Canfor continues to have a robust monitoring program. Tracking continues for all forest products harvested. Pre-harvest inventories (cruise) and silviculture surveys, including free growing surveys, are systematic for the FMG.</p> <p>Canfor has been incorporating effects of climate change onto regeneration impacts (participating in provenance trials, density trials, and in provincial Forest Genetics Council). Biological diversity monitoring continues at the block and landscape level for HCV's, including for species at risk. Environmental impacts are tracked via the ITS management system (tracking actions and outcomes), while social impacts are tracked through the COPI consultation database, as well as through participation in public advisory committees (ex. EVIRTF, PAG, JMAC). Costs and productivity are tracked and reported by year to date. Canfor's monitoring program meets the requirements under this criterion.</p>	
Principle 9. MAINTENANCE OF HIGH CONSERVATION VALUE FORESTS			
9.3	NO	<p>Site Plans for blocks within designated CCVF areas are not consistently documenting the CCVF management strategies, or stating when these strategies are not applicable due to the pre-harvest absence of the conservation attributes in the blocks.. Block 295-002 (Grave Creek) is within CCVF#2310 (for huckleberry conservation attribute), and although this block site plan was done in 2011 (before the CCVF's were identified in 2012) and logged in 2015-16, there is no mention of any overlap with cultural resources or management strategies to maintain those conservation attributes. Similarly block 257-007 within CCVF#3224 (Tobacco Plains Flathead Huckleberry Cultural Use Area) does not identify any management strategies to maintain or restore the conservation attributes, should they have been present in the block. While in the CCVF's are in the process of being updated (see 9.1.2) the existing CCVF assessment report clearly identifies specific management measures to maintain or restore the conservation attributes of the CCVFs (see <i>St. Mary's and Akisqnuq CCVF assessment report</i>).</p> <p>A similar example was found in an HCVF 1 Grizzly 'Linkage' habitat area. The HCVF has specific management strategies that aim to <i>avoid road-building or logging during spring (April 1-June 30) to the extent practicable</i>. Canfor logged a block (186-001) starting on April 13th and ending on July 6th. The site plan (written in 2011) only references timing restrictions for road building (no mention of</p>	NCR 01/16

		<p>logging). Road-building pre-work was done in mid-January (before timing restrictions). Other conservation actions outlined in the HCVF Management Strategies were written into the Site Plan. While Canfor has documented pre-cautionary measures to maintain or restore Grizzly habitat, in this case the measures were not documented within the operational plan.</p> <p>See NCR 01/16</p>	
9.4	YES	<p>Canfor employs a detailed annual monitoring program to assess the effectiveness of management strategies to maintain or enhance conservation attributes. Auditors reviewed field data, interviewed monitoring, operational and planning staff, contractors and reviewed key reports that summarize monitoring results. When HCVF monitoring identifies a need to amend a Standard Work Procedure (SWP) then the changes are incorporated and annual training highlights the changes. Significant issues relative to an impact to a conservation attribute are brought forward to supervisors as they are encountered and monitoring results are presented to senior management.</p> <p>Considerable effort has been made to form partnerships with a local community non-governmental organization to extend the scale and transparency of effectiveness monitoring. The requirements related to HCVF monitoring are met.</p>	

APPENDIX V: Chain-of-Custody Conformance (confidential)

Note: This CoC Appendix is used for FMEs only selling standing timber, stumpage, logs, chips and/or non-timber forest products (NTFPs) produced within a FMU covered by the scope of the certificate. FME certificate scopes that include primary or secondary processing facilities shall include an evaluation against the full FSC CoC standard: FSC-STD-40-004. Refer to that separate report Appendix.

Definition of Forest Gate: (check all that apply)

<input type="checkbox"/>	Standing Tree/Stump: FME sells standing timber via stumpage sales.
<input type="checkbox"/>	The Log Landing: FME sells wood from the landing/yarding area.
<input type="checkbox"/>	On-site Concentration Yard: Transfer of ownership occurs at a concentration yard under the control of the FME.
<input checked="" type="checkbox"/>	Off-site Mill/Log Yard: Transfer of ownership occurs when offloaded at purchaser's facility.
<input type="checkbox"/>	Other: <i>explanation</i>
Comments:	

Scope Definition of CoC Certificate:

Does the FME further process material before transfer at forest gate? <i>(If yes then processing must be evaluated to full CoC checklist for CoC standard FSC-STD-40-004 v2.)</i>	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
Note: This does not apply to on-site production of chips/biomass from wood harvested from the evaluated forest area or onsite processing of NTFPs.	
Comments: No material is processed before the transfer at the forest gate.	
Is the FME a large scale operation (>10,000 hectares) or a Group Certificate? <i>(If yes then CoC procedures for all relevant CoC criteria shall be documented.)</i>	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
Comments: Canfor is a large scale operation, not a Group Certificate	
Does non-FSC certified material enter the scope of this certificate prior to the forest gate, resulting in a risk of contamination with wood/NTFPs from the evaluated forest area (e.g. FME owns/manages both FSC certified and non-FSC certified FMUs)?	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
Comments: Non-FSC certified material does not enter the scope of this certificate prior to the forest gate. Several licenses (Forest Licenses, Tree Farm Licenses, NRFL's) are certified and managed under this FME, however, in line with provincial legislation (Forest Act), these are tracked from each cutblock using a unique Timbermark for each load of logs. While Canfor does purchase non-certified logs via fibre agreements, they are not mixed with logs from the FME prior to reaching the forest gate. All Controlled wood loads are similarly tracked through Timbermark up to the forest gate.	
Does FME outsource handling or processing of FSC certified material to subcontractors (i.e. milling or concentration yards) prior to transfer of ownership at the forest gate? <i>(If yes a finding is required for criterion CoC4.1 below.)</i>	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
Comments: Canfor does not outsource the handling or processing of FSC certified material. All hauling/transport of material up to the forest gate is conducted directly from Canfor contractors	
Does FME purchase certified wood/NTFPs from other FSC certificate holders and plan to sell that material as FSC certified? <i>(If yes then a separate CoC certificate is required that includes a full evaluation of the operation against FSC-STD-40-004 v2.)</i>	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
Comments: Canfor does not purchase and sell non-certified wood under the scope of this FM/CoC certificate.	
Does FME use FSC and/or Rainforest Alliance trademarks for promotion or product labeling? <i>(If FME does not nor has no plans to use FSC/RA trademarks delete trademark criteria checklist below.)</i>	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
Comments: Canfor does not use FSC or Rainforest Alliance trademarks for promotion or product labeling. Senior Analyst for Marketing and Certification (Arthur Tsai) mentioned that FSC was being used promotionally on brochures several years ago, however that has now been discontinued.	

Annual Sales Information

Total Sales/ Turnover	100 000 000 CAD
Volume of certified product sold as FSC certified (i.e. FSC claim on sales documentation) (previous calendar year)	780 000 bdf
Total volume of forest products harvested from certified forest area during reporting period defined in Appendix I above.	973 056 m3

Chain-of-Custody Criteria [FM-35 Rainforest Alliance Chain-of-Custody Standard for Forest Management Enterprises (FMEs)]

1. Quality Management	
COC 1.1: FME shall define the personnel/position(s) responsible for implementing the CoC control system.	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
Findings: The Document Control System (dated March 31, 2015) identifies the multisite coordinator as the person responsible for implementing the CoC control system. Currently that person is Mark Pounder.	
COC 1.2: All relevant staff shall demonstrate awareness of the FME's procedures and competence in implementing the FME's CoC control system.	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
Findings: Staff demonstrate awareness of the FME's procedures and competence in implementing the FME's CoC control system. Currently Mark Pounder is the multisite CoC coordinator for Elko and Conrad Robson is also a CoC site coordinator. Other primary contacts include the Senior Analyst (A.Tsai) and Log Purchaser (John Hatalcik).	
COC 1.3: FME procedures/work instructions shall provide effective control of FSC certified forest products (including NTFPs) from standing timber until ownership is transferred at the forest gate. <i>Note: For large scale operations (>10,000ha) and Group Entities, CoC procedures covering all relevant CoC criteria shall be documented.</i> Including: a) Procedures for physical segregation and identification of FSC certified from non-FSC certified material. (If applicable) b) Procedures to ensure that non-FSC certified material is not represented as FSC certified on sales and shipping documentation. (If applicable) c) Procedures to include the FME's FSC certificate registration code and FSC claim (FSC 100%) on all sales and shipping documentation for sales of FSC certified products. d) Recordkeeping procedures to ensure that all applicable records related to the production and sales of FSC certified products (e.g. harvest summaries, sales summaries, invoices, bills of lading) are maintained for a minimum of 5 years. e) Procedures to ensure compliance with all applicable FSC/Rainforest Alliance trademark use requirements.	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
Note 1: In the case of group certificates, the Group Manager must ensure Group Members implement CoC control system as defined in documents procedures/work instruction.	
Note 2: In cases where it is not possible or practical to include the FME's certificate registration code on shipping documents, the FMEs procedures shall provide for a clear, auditable link between the material included in the shipment, a FMU included in the scope of the certificate and the applicable sales documentation (i.e. harvest or procurement contract) that includes the required information detailed in c) above.	
Findings: The March 31, 2015 Document Control System provides clear procedures for the effective control of FSC certified forest products. With regards to a) there is no mixing of non-FSC material with FSC material prior to the forest gate; b) DCS section 4 covers <i>Systems for Controlling FSC Claim</i> and section 5 describes <i>Sales and Delivery</i> procedures, each ensuring that non-FSC certified material is not represented as FSC certified on sales. Currently Canfor makes no direct round-wood FSC sales prior to reaching the forest gate; c) section 5 of the DCS covers procedures to include the FSC certificate registration code and FSC claim on sales and shipping documentation. Separate delivery documentation (such as the Load Description Slips) contain Timbermark information which is sufficient to link the material to the FME; d) section 1.6 describes procedures for maintaining applicable records related to the production and sales of FSC certified products. The interview with the Sr.	

Analyst confirmed the procedures to maintain such records for at least 5 years; e) section 6 of the DCS provides detailed procedures for trademark use, however Canfor currently does not use Trademarks either promotionally or on-product.

2. Certified Material Handling and Segregation	
<p>COC 2.1: FME shall have a CoC control system in place to prevent the mixing of non-FSC certified materials with FSC certified forest products from the evaluated forest area, including:</p> <p>a) Physical segregation and identification of FSC certified from non-FSC certified material.</p> <p>b) A system to ensure that non-FSC certified material is not represented as FSC certified on sales and shipping documentation.</p> <p>Note: If no outside wood/NTFP is handled by FME within scope of certificate, mark as N/A.</p>	<p>Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input checked="" type="checkbox"/></p>
<p>Findings: No outside wood is handled by the FME within the scope of the certificate. Any external (controlled wood) purchases are not mixed prior to entering the forest gate- at which point they are tracked using the credit system and is outside of the FM CoC scope for this audit.</p>	
<p>COC 2.2: FME shall identify the sales system(s) or “Forest Gate”, for each FSC certified product covered by the Chain of Custody control system: i.e. standing stock; sale from log yard in the forest; sale at the buyer’s gate; sale from a log concentration yard, etc.</p>	<p>Yes <input checked="" type="checkbox"/> No <input type="checkbox"/></p>
<p>Findings: The forest gate for Canfor’s FME are the weigh scales at Elko, Radium, Canal Flats and Skookumchuck mills. Occasionally round-wood is sold directly to purchasers, in which case the forest gate are the purchasers’ facilities.</p>	
<p>COC 2.3: FME shall have a system that ensures that FME products are reliably identified as FSC certified (e.g. through documentation or marking system) at the forest gate.</p>	<p>Yes <input checked="" type="checkbox"/> No <input type="checkbox"/></p>
<p>Findings: Log Description Slips and Timbermarks accompany each load, in turn linking the origin of the load to the FME as it enters the forest gate.</p>	
<p>COC 2.4: FME shall ensure that certified material is not mixed with non-FSC certified material at any stage, up to and including the sale of the material.</p> <p>Note: If no outside wood is handled by FME within scope of certificate, mark as N/A.</p>	<p>Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/></p>
<p>Findings: Wood from the FSC certified FME is at no time mixed with non-FSC certified material prior to entering the forest gate. While Canfor does handle non-FSC logs, they are tracked by Timbermark, and are traceable in Canfor’s Logs Production Module by Forest Tenure. After having reached the forest gate, all loads (either FSC 100% or Controlled wood) are tracked using the credit system, administered under the scope of their CoC certificates.</p>	

3. Certified Sales and Recordkeeping	
<p>COC 3.1: For material sold with FSC claim the FME shall include the following information on sales and shipping documentation:</p> <p>a) FME FSC certificate registration code, and</p> <p>b) FSC certified claim: FSC 100%</p> <p>Note: In cases where it is not possible or practical to include the FME’s certificate registration code on shipping documents, the FMEs shall ensure there is a clear, auditable link between the material included in the shipment, a FMU included in the scope of the certificate and the applicable sales documentation (i.e. harvest or procurement contract) that includes the required information detailed above.</p>	<p>Yes <input checked="" type="checkbox"/> No <input type="checkbox"/></p>
<p>Findings: Section 5.1 of the DCS provides procedures to include (a) the FSC certificate registration code, and (b) the FSC certified claim of FSC 100% for all sales and shipping documents. In cases where shipping documents do not have (a) and (b) above, Canfor ensures there is a traceable/auditable link between the sales and shipping documents, namely through the use of the Load Description Slip (LDS). In this case the LDS contains the Timbermark, linking the load to the forest and cutblock of origin (including approval date and number). Secondly, the sales/production coordinator ensures that the load matches the invoice prior to the truck leaving the site. Currently Canfor does not sell FSC-certified wood under the scope of the FM CoC certificate</p>	

(i.e. all FSC-certified sales first go through the forest gate, therefore administered under their multisite CoC certificate).	
COC 3.2: FME shall maintain certification production and sales related documents (e.g. harvest summaries, invoices, bills of lading) for a minimum of 5 years. Documents shall be kept in a central location and/or are easily available for inspection during audits.	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
Findings: Section 1.6 of the DCS provides procedures to maintain certification production and sales related documents for a minimum of 5 years. Currently Canfor has documents since the time of their acquisition of the FME from Tembec in 2012.	
COC 3.3: FME shall compile an annual report on FSC certified sales containing monthly sales in terms of volume of each FSC certified product sold to each customer. This report shall be made available to Rainforest Alliance staff and auditors during regular audits and upon request.	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
Findings: Canfor provided monthly volume sales for the 2014 calendar year for FSC certified products sold to each customer. Note that these sales were not under the scope of the FM CoC certificate, but rather the multisite certificate. No FSC certified products were sold under the scope of the FM CoC certificate since the last audit period.	

4. Outsourcing	
COC 4.1: FME shall obtain approval from Rainforest Alliance prior to initiating outsourcing of handling (e.g. storage concentration yards) or processing of FSC certified material to subcontractors.	Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input checked="" type="checkbox"/>
CoC 4.2: FME control system shall ensure that CoC procedures are followed at subcontracted facilities for outsourcing and FME shall collect signed outsourcing agreements covering all applicable FSC outsourcing requirements per FSC--40-004 <i>FSC Standard for Chain of Custody Certification</i> . Note 1: If FME outsources processing or handling of FSC certified material the outsourcing report appendix is required. Note 2: Check N/A If FME does not outsource processing or handling of FSC material.	Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input checked="" type="checkbox"/>
Findings: Canfor does not outsource handling or processing of FSC certified material.	

5. FSC/Rainforest Alliance Trademark (TMK) Use Criteria

Standard Requirement: The following section summarizes the FME's compliance with FSC and Rainforest Alliance trademark requirements. Trademarks include the Forest Stewardship Council and Rainforest Alliance names, acronyms (FSC), logos, labels, and seals. This checklist is directly based on the FSC standard. FSC-STD-50-001 <i>FSC Requirements for use of the FSC trademarks by Certificate Holders</i> . References to the specific FSC document and requirement numbers are included in parenthesis at the end of each requirement. (Rainforest Alliance Certified Seal = RAC seal).	
General	
COC 5.1: FME shall have procedures in place that ensure all on-product and promotional FSC/Rainforest Alliance trademark use follows the applicable policies:	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
Findings: Sections 6.1 and 6.2 of the DCS outlines procedures to ensure all on-product and promotional FSC/Rainforest Alliance trademark use follows applicable policies. Currently Canfor is not using any on-product or promotional trademarks.	
COC 5.2: FME shall have procedures in place and demonstrate submission of all FSC/Rainforest Alliance claims to Rainforest Alliance for review and approval prior to use, including” a) On-product use of the FSC label/RAC seal; b) Promotional (off-product) claims that include the FSC trademarks (“Forest Stewardship Council”, “FSC”, checkmark tree logo) and/or the Rainforest Alliance trademarks (names and seal)(50-001, 1.1.6).	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
Findings: Canfor has procedures in place under 6.1.1 of their DCS relative to the submission of proposed trademark use to Rainforest Alliance for review and approval prior to use.	

COC 5.3: FME shall have procedures in place and demonstrates that all trademark review and approval correspondence with Rainforest Alliance is kept on file for a minimum of 5 years:	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
Findings: Section 1.6 of the DCS provides procedures to maintain all trademark review and approval correspondence with Rainforest Alliance is kept on file for a minimum of 5 years. Currently Canfor has documents since the time of their acquisition of the FME from Tembec in 2012.	

Off-product / Promotional	
<input checked="" type="checkbox"/> Check if section not applicable (FME does not, and does not plan to use the FSC trademarks off-product or in promotional pieces)	
Note: promotional use items include advertisements, brochures, web pages, catalogues, press releases, tradeshow booths, stationary templates, corporate promotional items (e.g., t-shirts, cups, hats, gifts).	
When applicable to the FME's promotional/off-product use of the trademarks, the criteria below shall be met:	Yes <input type="checkbox"/> No <input type="checkbox"/>
Findings:	
COC 5.4: If the FSC trademarks are used for promotion of FMUs, FME shall limit promotion to FMUs covered by the scope of the certificate.	
COC 5.5: In cases that the Rainforest Alliance trademarks are used (50-001, 6.2): a) The FSC trademarks shall not be at a disadvantage (e.g., smaller size); b) The FSC checkmark tree logo shall be included when the RAC seal is in place.	
COC 5.6: If the FSC "promotional panel" is used, the following elements shall be included: FSC checkmark logo, FSC trademark license code, FSC promotional statement, FSC web site address (50-001, 5.1). Note: the promotional panel is a prescribed layout with a border available to certificate holders on the FSC label generator site.	
COC 5.7: In cases that the FSC trademarks are used with the trademarks (logos, names, and identifying marks) of other forestry verification schemes (SFI, PEFC, etc.), Rainforest Alliance approval shall be in place (50-001, 7.2).	
COC 5.8: Use of the FSC trademarks in promotion of the FME's FSC certification shall not imply certain aspects are included which are outside the scope of the certificate (50-001, 1.9).	
COC 5.9: Use of the FSC trademarks on stationery templates (including letterhead, business cards, envelopes, invoices, paper pads) shall be approved by Rainforest Alliance to ensure correct usage (50-001, 7.3, 7.4 & 7.5).	
COC 5.10: In cases that the FSC trademarks are used as part of a product name, domain name, and/or FME name, R approval shall be in place (50-001, 1.13).	

On-product	
<input checked="" type="checkbox"/> Check if section not applicable (FME does not, and does not plan to apply FSC labels on product)	
COC 5.11: FME shall have a secure system in place for labeling products that ensures the following (50-00,1 1.19): a) Only those products originating from forests covered by the scope of a valid FSC certificate are FSC-labeled; b) Only those products that meet the eligibility requirements per CoC standard requirements for FSC-labeling are FSC-labeled; c) Only the FSC 100% label is used.	Yes <input type="checkbox"/> No <input type="checkbox"/>
Findings:	
When applicable to the FME's on-product labeling, the criteria below shall be met:	Yes <input type="checkbox"/> No <input type="checkbox"/>
Findings:	
COC 5.12: The FSC trademark license code assigned by FSC shall be used in the FSC label (50-001, 1.5).	

COC 5.13: FME shall not use the FSC labels together with the logos or names of other forestry verification schemes (50-001, 2.6).

COC 5.14: The FSC label shall be applied to products in such a way that it is clearly visible (50-001, 2.3).

APPENDIX VI: Rainforest Alliance Database Update Form

Instructions: For each FSC certificate, Rainforest Alliance is required to upload important summary information about each certificate to the FSC database (FSC-Info). During each annual audit RA auditors should work with the certificate holder to verify that the information posted on FSC-Info is up to date as follows:

1. Print out current Fact Sheet prior to audit from FSC-Info website or direct link to fact sheets (<http://www.fsc-info.org>)
2. Review information with the FME to verify all fields are accurate.
3. If changes are required (corrections, additions or deletions), **note only the changes** to the database information in the section below.
4. The changes identified to this form will be used by the RA office to update the FSC database.

Is the FSC database accurate and up-to-date? YES NO
(if yes, leave section below blank)

Client Information (contact info for FSCwebsite listings)

Organization name			
Primary Contact	Grant Neville	Title	
Primary Address		Telephone	(250) 426-9252
Address		Fax	
Email	grant.neville@canfor.com	Webpage	

Forests

Change to Group Certificate	<input type="checkbox"/> Yes <input type="checkbox"/> No	Change in # of parcels in group	total members
Total certified area		Hectares (or)	Acres

Species (note if item to be added or deleted)

Scientific name	Common name	Add/Delete

Products

FSC Product categories added to the FM/CoC scope (FSC-STD-40-004a)		
Level 1	Level 2	Species