



Forest *Certification*

Canadian Forest Products Chetwynd TFL 48

Tree Farm Licence (TFL) 48 is located in northeast B.C. around the communities of Chetwynd, Hudson's Hope and Tumbler Ridge. The TFL encompasses 643,500 hectares and has an allowable annual harvest of 580,000 cubic meters.

As part of Canfor's continuing commitment to sustainable forest management and forest certification, an audit team from KPMG Performance Registrar Inc. conducted a field assessment in August 2004 to assess the operation's continuing conformance with the CSA standard for Sustainable Forest Management (SFM) Systems (CAN/CSA Z809-96) and the ISO 14001 standard for Environmental Management Systems (EMS).

The periodic assessment determined that Canfor's Chetwynd operation continues to demonstrate strong performance in relation to EMS requirements and that Canfor's operations on TFL 48 continue to meet SFM requirements.

The combination of ISO 14001 and CSA-SFM registration demonstrates a strong commitment to sustainable forest management on the TFL and is a significant achievement for Canfor.

Background

- The ISO 14001 and CSA Z809 standards require regular assessments by an accredited Registrar to assess continuing conformance with the standards and the implementation of action plans related to previous assessments.
- A team of two auditors conducted interviews with staff, contractors and stakeholders and examined EMS and SFM System records, monitoring information and public involvement information.
- The team conducted field assessments of 17 sites comprising cable and conventional harvesting, road construction, maintenance and deactivation, culvert replacement, planting, plantation maintenance and forest health related activities.



Noteworthy comments

- Our periodic assessment findings indicate that the SFM system continues to be effectively implemented. In addition, the operation has effectively addressed all opportunities for improvement identified during the previous assessment.
- The operation has demonstrated a proactive and comprehensive response to the recent arrival of the Mountain Pine Beetle on the TFL.
- The operation continues to develop broader landscape level management strategies, including strategies for maintaining ecological representation across the landscape.



Findings - Canadian Forest Products Chetwynd TFL 48

- Overall, operator awareness of block-specific environmental concerns was found to be very high.
- Site maps were of high quality and provided excellent direction to operators.
- Contractor maintenance records were found to be in good order (e.g., training, pre-works, inspections, etc.).
- Progress is being made on the development of spatially explicit landscape level plans for Management Plan No. 4.
- The operation's road deactivation program was found to be effectively implemented, with water well managed on the deactivated roads assessed in the field.
- Exemplary riparian management practices were observed during the field audit.

Key Areas of Nonconformance

- A number of bridge inspections scheduled for 2003 had not been carried out as per the operation's internally established 2 year inspection cycle (Prior to December 2003, regulatory requirements varied between 2 and 3 year cycles depending on the type of bridge). This has resulted in some bridges not meeting regulatory inspection requirements. Although the operation had identified this as an issue and developed an action plan to address it, a number of bridge inspections remain outstanding. Additionally, in an isolated incident, bridge deficiencies identified in 2001 were not addressed and no further inspection was carried out in 2003 prior to initiating active hauling, leading to an incident involving failure of the bridge decking during log hauling. An action plan has now been developed by the operation and approved by KPMG PRI providing for the timely completion of bridge inspections and the development of new standards for bridge inspections.
- Although an internal audit of the Chetwynd operations had been conducted in 2004, the final audit report had not been prepared in a timely fashion, delaying the completion of action plans in relation to identified nonconformances. An action plan has now been developed by Canfor and approved by KPMG PRI providing for more timely reporting.



CSA-SFM and ISO 14001 Periodic Assessments	
Major nonconformances	0
Minor nonconformances	2
Opportunities for improvement	4

Major nonconformances:

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

Minor nonconformances:

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

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

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

Opportunities for Improvement:

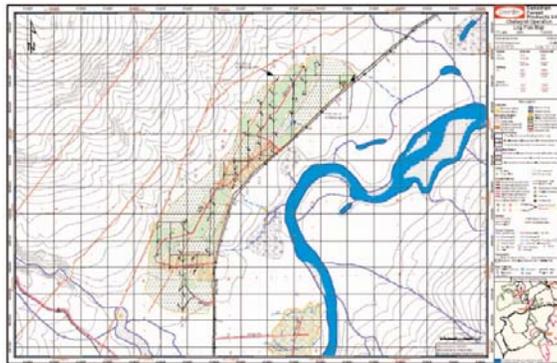
- Are not nonconformances but are comments on specific areas where improvements can be made.

The operation was observed to have implemented outstanding riparian management practices on the ground.

Findings - Canadian Forest Products Chetwynd TFL 48

Key Opportunities for Improvement

- Although EMS management reviews have been conducted and corresponding SFM performance documented in the annual report for TFL 48, the "to do" items in the annual report lack detail with respect to timelines and responsibilities for addressing review findings. However, there is no indication that any of the "to do" items are not currently being addressed.
- Overall, the SFM annual report provides a comprehensive picture of SFM performance on TFL 48. However, in an isolated instance the annual report indicates incorrect information with respect to community donations (i.e., "\$0" is shown in the report, despite the fact that community donations occurred).
- The implementation of key SFM plan commitments is generally managed through the operation's EMS, under which environmental programs are developed for the timely implementation of these commitments. However, our assessment noted that while the SFM plan identifies a broad range of continual improvement activities for wildlife, these are not reflected in the associated environmental programs (although they continue to be implemented).
- Although appropriate training records were being maintained by the operation, the training records reviewed during the assessment did not accurately indicate the number of staff who had taken training on the new Forest and Range Practices Act.



High-quality logging plan maps with an exceptional level of operational detail were being produced and used by the operation.

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

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