

# Forest DATE Certification



## Canadian Forest Products Houston

As part of Canfor's commitment to sustainable forest management and forest certification, an audit team from KPMG Performance Registrar Inc. completed the following assessments of Canfor's Houston woodlands operation in July and November 2003:

- Registration assessment of operations within the Morice Timber Supply Area (TSA) to the Canadian Standards Association's standard for Sustainable Forest Management (CSA-SFM); and
- Field assessment of the operation as part of a corporate-wide periodic assessment to the ISO 14001 standard for Environmental Management Systems (EMS).

The audit determined that the Sustainable Forest Management System (SFM) in use at the operation meets the CSA-SFM standard. Additionally, the audit determined that the EMS continues to meet the requirements of ISO 14001.

The combination of ISO 14001 and CSA-SFM registration demonstrates a strong commitment to sustainable forest management by the Houston operation, and is a significant achievement for Canfor. The combined assessment applies to a defined forest area (DFA) of 599,134 hectares (gross area), with an allowable annual harvest of 1,064,484 cubic meters.

### Background

- Canfor's CSA SFM system registration covers its forest management activities on Forest License A16828, which is located in the Morice TSA. The Company's forest practices are governed by the Morice TSA SFM Plan, which was developed by representatives of government, the forest industry, local stakeholders and various forestry consultants in fulfillment of a requirement of the Morice Innovative Forest Practices Agreement (IFPA).
- The ISO 14001 and CSA-SFM standards require an initial registration audit by the Registrar to assess conformance with the standards as well as regular periodic audits to assess continuing conformance with the standards and the implementation of action plans arising from previous assessments.
- A team of two auditors conducted the ISO 14001 and CSA-SFM assessments over two site visits during July and November 2003. The team conducted interviews with staff, contractors and stakeholders and examined EMS and CSA records, monitoring information and public involvement information.
- The team visited a total of 34 sites to assess the operation's planning, harvesting, silviculture and road construction, maintenance and deactivation.



### Noteworthy comments

- The Morice and Lakes IFPA participants have invested significant time and resources over several years in developing an SFM Plan for the area.
- Interviews with several public advisory group (PAG) members conducted during the audit indicated that there is strong public support for the planning process.
- Access to the Morice TSA SFM Plan for advisory group members is exemplary. An innovative approach to data sharing has been applied using the internet and a plan hyperlinked to the underlying data and rationales.
- The operation has effectively addressed all EMS nonconformances and opportunities for improvement identified during previous ISO 14001 assessments.
- Field observations indicated strong protection of riparian and archaeological features.
- A high level of conformance with EMS and regulatory requirements was noted on the field sites included in the audit.

## Findings – Canadian Forest Products Houston

### Performance against CSA-SFM Objectives

Overall, the audit found a high level of conformance with the requirements of the CSA-SFM system standard. The field assessment of Canfor’s Houston woodlands operation did however identify 5 minor nonconformances and 7 opportunities for improvement, which are discussed below. Action plans have been developed and approved for each of the nonconformances.

### Minor Nonconformances

- For a number of the SFM Plan indicators, the targets in the SFM plan are based on modeling outcomes only, and it has not yet been determined whether the outcomes appropriately address the related CSA SFM elements. For these interim targets, the SFM plan lacks a clear description and timeline for the steps required to determine and implement final targets for each of the indicators.
- The SFM indicator for carbon storage (mean annual increment) is not appropriate as it does not accurately reflect carbon uptake in younger stands of timber.
- The specific performance requirements for SFM Plan indicators’ regarding the number of public communications sent and the number of aboriginal participation opportunities appears too limited to provide a clear assessment as to whether the objectives associated with the indicators will be met.
- The scope of the most recent internal audit of the operation did not address the entire SFM system.
- The scope of the most recent management review of the operation did not address the entire SFM system.



**The Company’s harvesting efforts are currently focused on the salvage of timber that has been killed by the Mountain Pine Beetle. However, the protection of riparian values (as seen in the above picture) remains a priority.**

#### July and November, 2003 CSA-SFM Registration Assessment

Major nonconformances	0
Minor nonconformances	5
Opportunities for improvement	7

#### 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 the 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 cannot be achieved/maintained.

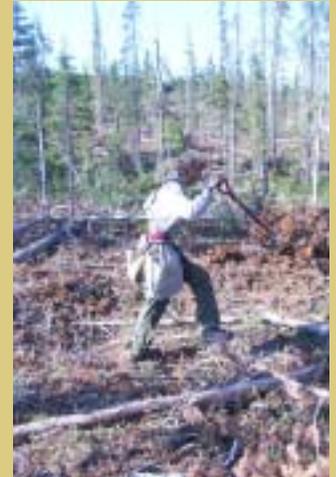
#### Opportunities for Improvement:

- Are not nonconformances, but are comments on specific areas of the EMS or SFM where improvements can be made.

## Findings – Canadian Forest Products Houston

### Key Opportunities for Improvement

- While the operation appears to have committed to SFM effectiveness monitoring, the SFM Plan does not make clear whether effectiveness monitoring also includes an assessment of areas where targets are being met, in order to ensure that the underlying objectives are actually being achieved.
- The current indicator for reforestation success is based on a broad rolling average that is difficult to interpret and does not provide a measure of successful achievement of free growing status.
- An opportunity exists to tailor biodiversity objectives to better reflect current understanding of natural disturbance patterns. While current targets are based on information in the BC Government's Biodiversity Guidebook more recent information is available that provides a more appropriate baseline for natural disturbance patterns.
- Interviews with the Public Advisory Group (PAG) members identified smoke management within the Bulkley Valley as an important element under CCFM Criterion #5. However, the SFM Plan does not currently include an associated indicator or target to address this public concern.
- While the audit found that the current PAG terms of reference address the majority of the provisions outlined in the standard, they do not appear to adequately address timelines and access to information.



**Where feasible, understorey trees are often retained after forest harvesting to enhance biodiversity and provide habitat diversity. These areas are then replanted with a variety of tree species, often within 1 year of harvest.**

Through KPMG PRI, KPMG's Vancouver based forestry specialist group is accredited to register 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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