



March 2006

# Certification Report



## Canadian Forest Products Ltd. Quesnel Defined Forest Area

As a component of Canadian Forest Products Ltd.'s (Canfor) ongoing commitment to sustainable forest management and forest certification, an audit team from PricewaterhouseCoopers LLP (PwC) conducted a CAN/CSA Z809-02 registration audit and an ISO 14001:2004 Transition/ Surveillance Audit at Canfor-Quesnel Woodlands in September 2005.

The audits determined that Canfor-Quesnel Woodlands had successfully implemented a Sustainable Forest Management (SFM) System and developed an SFM Plan for the Quesnel Defined Forest Area (DFA) that met the requirements of the CAN/CSA Z809-02 Standard for Sustainable Forest Management and also had successfully implemented and maintained an EMS that met the requirements of the ISO 14001:2004 Standard for Environmental Management Systems (EMS). The audit results demonstrate Canfor's strong commitment to Sustainable Forest Management on the lands that it manages.

### Background Information

The Canfor-Quesnel DFA is located in British Columbia within the central portion of the Fraser River Basin and the Interior Plateau. The DFA is situated west of the community of Quesnel in the Quesnel Timber Supply Area. The DFA is defined as the "Crown Land" within the operating area for Canfor's replaceable Forest License which covers an area of 378,348 hectares. Activities on the DFA include forest management planning, public reporting, public involvement, timber harvesting, road construction and silviculture. Timber harvesting, by Canfor in the Quesnel DFA, is conducted under the authority of Canfor's replaceable and non-replaceable Forest Licences. Canfor-Quesnel Woodlands has drafted and implemented an SFM Plan and is working with an established public advisory group, the North Cariboo Sustainable Forest Advisors (NCSFA).

Certification to the ISO 14001:2004 and CAN/CSA Z809-02 Standards (the "Standards") requires independent third-party audits. In September 2005, a five person team comprised of auditors from PricewaterhouseCoopers and independent specialists conducted the audits:

**Lead Auditor** – Bruce Eaket RPF, CEA (SFM), EMS (LA)  
**Auditor** – Graham Wilson RPF, CEA (SFM), EMS (LA)  
**Contract Auditor** – Dave Barker RPF, CEA (SFM), EMS (A)  
**First Nations & Public Advisory Group Specialist** – Tawney Lem, BA  
**Landscape Management & Forest Ecology Specialist** – Phil Lee, PhD



# Certification Report

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



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

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

### Good Management Practices

The audit team identified Sustainable Forest Management practices that exceeded expectations. Examples of the good management practices are listed below:

The use of alternate harvesting techniques on steeper slopes and the commitment not to disc trench on slopes exceeding 15% is making a positive contribution to soil conservation.

Canfor management has empowered their contractors to initiate shut-down decisions if the operators determine that soil and water resources are being negatively impacted. Canfor has fostered an environment that supports the contractor's decision.

Element 1.3 of the CAN/CSA Z809-02 Standard (Genetic Diversity) has traditionally been a difficult element to address. Canfor has done an excellent job in developing three measures to address this element:

- The proportion of seeds for coniferous species collected and seedlings planted in accordance with the current regulations;

- The area that is naturally regenerated; and,

- The amount of natural ingress in planted areas.

The option was given to the NCSFA whether or not to use information from other SFM plans. The group chose to use other information but was given full flexibility to amend measures as they saw fit. While there are some issues not yet resolved, Canfor did not veto the group's decisions on the selection of measures and did not include material in the plan where the group did not reach consensus.

Canfor brought the results of another CAN/CSA Z809-02 audit to the NCSFA group to suggest potential edits/additions to their draft SFM plan. This is a good example of proactive adaptive management and continual improvement.

The suite of First Nation indicators and measures are a good start for ensuring Aboriginal rights will be respected and recognized. The measures cover all of the basic issues: building a good relationship, identifying interests, protecting/accommodating interests, and monitoring the effectiveness of practices to address interests. The commitment to developing culturally appropriate participation processes is progressive.

There is evidence of good communication among Canfor supervisors, contractors and contractor employees. Canfor supervisors are on-site regularly, and make themselves available to address changes to work procedures when contractors face difficult and/or unusual field conditions such as wet ground during summer operations. As a result, there was very little site disturbance observed during the audit.

Site plans state a target number of wildlife tree patches/wildlife stub patches to be left in the blocks and the minimum number of trees/stubs per patch. During the audit, the observed patches were consistently larger than required and there were up to 20% more of them than indicated in plans.

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

### Non-conformities

The audit team identified seven (7) nonconformities against the Standards and/or Canfor policies. Canfor has subsequently provided PricewaterhouseCoopers with acceptable action plans, including timelines, for addressing the issues.

Currently, there is no documented procedure specific to night harvesting activities.

The SFM Plan does not describe the role and interaction of the mining interests operating in the DFA.

A number of the ecological and social measures did not have targets and associated permissible variances.

Individual measures are expected to be developed to the point of data collection and analysis. In lieu of this, a detailed action plan can be temporarily used to fulfill this requirement. A large number of measures were not fully developed and did not have the associated detailed workplan describing the actions to complete the measure and a realistic due date.

CSA defines “aboriginal” as including Métis. There is a local Métis association in Quesnel and efforts were not made to contact the Métis association, and to encourage them to become involved in identifying and addressing SFM values.

Canfor did not review and discuss all components of the completed SFM Plan, including design of the monitoring program, with the NCFSA and the plan is not yet publically available.

Canfor has not proactively communicated to the public regarding the work of the NCSFA and the pursuit of CSA certification by Canfor. Increased, proactive communication may encourage new members to join the NCFSA. In addition, Canfor has not sent NCFSA meeting summaries to interested parties, as required by the NCFSA Terms of Reference.

### Opportunities for Improvement

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

Disc-trenching site preparation activities are not being conducted on slopes greater than 15%, however, the current silviculture contract allows for activities on slopes up to 25%. The contract could be updated to reflect current practices and ensure consistency.

The two SFM measures relating to “within block stand structure” could be combined into a single measure as both are promoting/tracking additional structure to be left for wildlife.

Canfor may wish to consider working with the NCFSA to develop and consider additional alternative strategies or “what if” scenarios that more fully reflect the “entire collection of actions that could be taken to achieve all the targets”.

There is inconsistency between the intent of Measure 4-4.1 (Number of documented opportunities for local Aboriginals to enter into contracts with Canfor) and the data that is being collected. The current status of actual contracts has been reported, but the measure requires instead that the number of opportunities be reported.



## Certification Report

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



Canfor may wish to consider combining two measures relating to communication initiatives, into one measure for the development and implementation of a communications plan that addresses:

- input from the NCFSA (e.g. NCFSA meetings, annual report review, FSP review)
- input from the broader public (e.g. methods of communication to be used such as tours, minutes to interested parties, newspaper articles, websites)
- methods of communication (e.g. number per year), and
- key messages to communicate (e.g. SFM, FSP)

As written, Measure 8-1.1 (Percent conformance to legally established treaty rights and customary use rights established through written documents) is focused on the resolution of disputes. However, the description of the target is to develop a procedure for resolving disputes. Therefore, Canfor may wish to develop two separate measures: one to ensure that a culturally appropriate procedure exists; and another to measure how successful Canfor is at resolving/avoiding disputes.

Canfor may wish to provide the members of the NCSFA group with a copy of the CAN/CSA Z809-02 Standard, so that they will have a complete understanding of their role in the development of the SFMP.

The following improvements could be made to the Terms of Reference (ToR) of the NCSFA group:

The ToR does not outline any conditions under which resources/access to information may not be provided to the NCSFA. This has not been an issue to date, however additional language could be added to more fully meet the guidance given in the CSA Standard.

Recognizing that not all NCSFA members can attend all meetings, and that each member has specific expertise that they contribute to the process, the NCSFA has informally implemented a good practice where they will not make a decision on a particular issue if the relevant member is not present. This procedure could be formalized in the ToR.

Canfor may wish to consider developing a plan and timeframe to address the NCSFA's list of unresolved issues which include: invertebrate species, water quantity, peak flows and sediment sources. There is a procedure to ensure they are tracked and recorded, but timelines are not specified.

Ten fire extinguishers out of fifteen inspected during the audit were greater than two years old or did not have an inspection label as required by the Canfor fuel management procedures. Overall, the fuel management procedures were well implemented so this was determined not to be a non-conformity.

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

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