

REPORT Forest Certification



BC Timber Sales – Strait of Georgia Business Area SFI Certification Audit – November 2008

In October 2008, an audit team from KPMG Performance Registrar Inc. (KPMG PRI) carried out an SFI certification audit of the BC Timber Sales – Strait of Georgia Business Area (Strait of Georgia BA) woodlands operations against the requirements of the 2005 – 2009 edition of the Sustainable Forestry Initiative® (SFI) standard. An ISO 14001 surveillance audit was conducted at the same time. This Certification Summary Report provides an overview of the process and KPMG's SFI findings.

Description of Strait of Georgia Business Area's Crown Land Forest Operations:

British Columbia (BC) Timber Sales is an autonomous organization within the Ministry of Forest and Range, with financial and operational independence from regional and district operations. This organization is comprised of 12 business areas across the province and supports the Ministry's goal of providing British Columbians with sustainable benefits from the commercial use of public forests. BC Timber Sales provides these benefits by planning, developing, and selling through auction a substantial and representative portion of the province's annual available timber volume. The bid prices received from auctioned timber drive the Market Pricing System for setting stumpage in coastal and interior operating areas of the province. The organization manages about 20% (16 million m³) of the provincial allowable annual cut (AAC).

The Strait of Georgia BA, situated on the southern half of Vancouver Island and the Sunshine Coast of BC, encompasses the Campbell River, South Island and Sunshine Coast Forest Districts. The scope of the audit covered the Strait of Georgia BA's sustainable forest management planning and practices within the its entire Business Area, which encompasses its operations in the Strathcona, Arrowsmith and Sunshine Coast Timber Supply Areas (TSA) and in Tree Farm Licences' (TFL) 19, 25, 39, 44, 45, 46, 54 and 57.

Six statutes form the legal framework for forest management on Crown lands in BC: the Forest Act, the Forest Practices Code of British Columbia Act, the Ministry of Forests Act, the Forest and Range Practices Act (FRPA), the Wildfire Act, and the Foresters Act. Numerous other provincial and federal acts, regulations, guidelines and policies also have implications for forestry operations on Crown lands. BC Timber Sales offices issue timber sale licences to successful bidders under the authority of the Forest Act. The AAC of each TSA is determined by the provincial chief forester, every 5 years, under authority of Section 8 of the Forest Act. The AAC allocated to the Strait of Georgia BA in the three TSAs and eight TFLs is 1,570,466 m³. The BA's current operating area encompasses over 516,000 hectares.

FRPA and its regulations in particular set the requirements for planning, road building, logging, reforestation, and grazing. FRPA prescribes levels of protection for forest values including watersheds and wildlife habitat, and



Findings – BC Timber Sales Strait of Georgia BA SFI Certification Audit – November 2008

defines planning processes. BC Timber Sales has developed Forest Stewardship Plans (FSP) to meet the requirements of FRPA.

The Strait of Georgia BA has developed a Sustainable Forest Management Plan (SFMP) which describes how the operation will achieve the broad objectives of higher level plans developed through public involvement processes and guides the development and content of other planning documents including the FSPs. The SFMP reflects the bounds established by higher level plans and through the regulatory framework described above. The Strait of Georgia BA ensures that all lower-level plans it is responsible for developing (i.e., its FSPs and all site level plans) are consistent with the commitments made in their SFMP.

Strait of Georgia BA crown land woodlands operations are managed from the timber sales office in Campbell River, B.C. with two field teams located at offices in Port Alberni, B.C. and Powell River, B.C.

Audit Objectives

The following audit objectives were included within the scope of the audit:

- An SFI certification audit to evaluate the operation’s conformance with the requirements of the 2005-2009 version of the SFI standard.
- An ISO 14001 surveillance audit against selected elements of the ISO 14001:2004 standard.

Audit Scope

The audit was conducted against the requirements of the 2005-2009 edition of the SFI standard, and incorporated an assessment against the SFI program objectives for:

- Land management (SFI objectives 1 – 7);
- Forestry research, science and technology (SFI objective 9);
- Training and education (SFI objective 10);
- Legal and regulatory compliance (SFI objective 11);
- Public and landowner involvement in the practice of sustainable forestry (SFI objective 12); and,
- Management review and continual improvement (SFI objective 13).

The scope of the 2008 SFI certification audit of the Strait of Georgia BA’s operations included all of the SFI objectives noted above. Fiber procurement activities were not included in the scope of the certification as BC Timber Sales does not procure wood fiber.

The Audit

- *Audit Team* – The SFI certification and ISO 14001 surveillance audits of the BA’s operations was conducted by Craig Roessler, RPF, CEA(SFM), EMS(LA), Bodo von Schilling, RPF, CEA(SFM), EMS(LA) and Steve Lackey, RPF.
- *SFI Certification Audit/ISO 14001 Surveillance Audit* – This SFI certification audit involved an on-site assessment of all elements of the Strait of Georgia BA’s SFI

SFI and ISO 14001 Audit Results

Major nonconformities	0
Minor nonconformities	1
Opportunities for improvement	12

Types of audit findings

Major nonconformities:

Are pervasive or critical to the achievement of the SFM Objectives.

Major nonconformities must be addressed immediately or registration cannot be achieved / maintained.

Minor nonconformities:

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

All nonconformities (major and minor) require an action plan within 30 days and must be addressed by the operation.

Opportunities for Improvement:

Are not nonconformities but are comments on specific areas of the SFM System where improvements can be made.

Findings – BC Timber Sales Strait of Georgia BA SFI Certification Audit – November 2008

program within the Business Area. Field inspections were carried out in relation to operations managed by the Campbell River, Port Alberni and Powell River field teams. The inspection included 19 harvest sites, 35 roads and 18 silviculture sites

- *Surveillance Audits* – Annual surveillance audits are conducted by the audit team to ensure that the existing EMS (first certified in 2004) continues to conform to the requirements of ISO 14001. Surveillance audits are based on the assessment of selected elements of the standard each year.
- *SFI Program Representative* – William Hughes, RPF served as the Strait of Georgia BA’s SFI program representative during the audit.

Use of Substitute Indicators

The audit was based on the indicators included in the 2005-2009 version of the SFI standard. No substitute indicators were used during the 2008 certification audit.

Audit Conclusions

The audit found that:

- The BA’s woodlands operations meet the requirements of the 2005-2009 version of the SFI standard in all material respects.
- The operation’s EMS continues to be effectively implemented and the EMS meets the requirements of ISO 14001:2004 in all material respects.
- The one nonconformity identified was minor in nature. As a result, a decision has been made to continue the ISO 14001 registration and grant certification to the SFI standard for a period of 5 years. Strait of Georgia BA’s SFI certification is valid until December 10, 2013.

Good Practices

During the course of the audit, a number of good practices were identified. The following list outlines some of the more notable examples of good practices that were observed by the audit team:

- Key operational issues were well documented on pre-works and inspections.
- A high level of awareness of EMS, SFM and operational requirements was found during interviews with BC Timber Sales staff.
- The operation is doing a good job in gaining control of log dumps and assessing and managing environmental issues associated with the acquired dumps.
- Log dumps visited in Powell River Field Team’s area were well set up to minimize environmental risks (e.g., fuel trays located well away from foreshore and connected to oil water separators; a trend towards longer, gentler sloped skidways to reduce debris transfer to water; etc.).
- All field teams were found to encourage contractors to show flexibility and initiative in their road construction practices to respond to unforeseen management issues and reduce associated environmental risks. Correspondingly, a number of noteworthy road construction practices were observed during the field audit, including the minimization of right of way clearing width on a road recently constructed in a



During block planning in scenic areas, the operation conducts visual impact assessments and designs and lays out cutblocks in a manner which preserves the visual quality objectives established for the areas.



Examples of high-quality road construction practices were observed in the field.

Findings – BC Timber Sales Strait of Georgia BA SFI Certification Audit – November 2008

community watershed, installation by contractor of additional, unplanned cross drain culverts to better manage the water on an active road construction project and excellent layout and construction on a difficult, challenging road heading.

- Roads, ditches and culverts well set up for temporary suspension of activities to manage water risks on a road which was temporarily suspended for markets.
- The silviculture program was determined to be effectively managed overall, with good controls, tracking systems and records to promote and demonstrate compliance with silviculture obligations.
- The operation is making good use of contract EMS monitors, who have done a good job of conducting and documenting site inspections and following up on action plan implementation and provide an opportunity to interact with and coach operators on the EMS and SFM system (SFMS).

Follow-up up on Open Nonconformities from Previous Assessments

At the time of this assessment there were no open nonconformities from previous audits.

Areas of Nonconformity

Full conformance was found in relation to majority of the indicators included in the SFI standard and the selected elements of the ISO 14001 standard. 1 minor nonconformity was however identified, as follows:

- The organization’s audit program under its EMS requires internal audits to be annually conducted to determine whether its SFM system is being properly maintained and implemented. Although an SFI pre-assessment was conducted by the internal auditor, it was restricted to a high level review of the draft SFMP. Consequently, a full scope SFI internal audit has not been conducted in the Strait of Georgia BA to date.

Opportunities for Improvement

12 opportunities for improvement were identified during the 2008 SFI certification / ISO 14001 surveillance audit, including:

- The field audit observed isolated instances where operational practices could have been improved upon to better protect water quality, including isolated examples of poorly located parked equipment, ditchlines containing logging debris and one example of a ditchline that led directly into a stream.
- The operation has made significant progress in identifying and managing species and ecological communities at risk. However, weaknesses currently exist with respect to species at risk (SAR) training programs, which have not yet included all multi-phase (planning and layout) contractors and loggers and have focused on federally listed and selected provincially listed species while provincial red-listed and G1/G2 species and ecological communities potentially present in the BA are not yet fully addressed in the training programs.
- As currently set up, EMS inspections of operations, sites and facilities are tied to active timber sale licences. Lacking a mechanism within the management system for requiring inspections between sales introduces the potential risk that not all



The operation has strong controls in place to promote adherence to silviculture obligations, including meeting regen delay and free growing standards.



Example of dispersed tree retention on a recently harvested block. Retained trees have been pruned to reduce the risk of blowdown.

Findings – BC Timber Sales Strait of Georgia BA SFI Certification Audit – November 2008

environmental issues will be identified and managed (i.e., such as in those cases involving inactive log dumps).

- The audit determined that the operation effectively implemented its nonconformity, corrective and preventive action procedure overall, with the exception of isolated action items that were not effectively followed up on and closed.
- The last Management review did not include an explicit and comprehensive discussion of the progress being made in achieving SFI objectives and performance measures.

Corrective Action Plans

Corrective action plans designed to address the root cause of the one nonconformity identified during the audit have been developed by the Strait of Georgia BA and reviewed and approved by KPMG PRI. The next surveillance audit will include a follow-up assessment of these issues to confirm that the corrective action plans developed to address them have been implemented as required.



On-the-ground environmental performance was very good overall, demonstrating effective operational controls and implementation of operational, EMS and SFM system requirements.



Log dumps visited during the field audit were well designed to minimize environmental risks (e.g., longer, gentler sloped skidways to minimize bark introduction to water during dumping and well located, effectively functioning oil-water separators).

Contacts:

David Bebb, RPF, CEA (604) 691-3451
 Chris Ridley-Thomas, RPBio, CEA (604) 691-3088
 Gregor Macintosh., RPF, CEA(SFM) (250) 480-3510

This report may only be reproduced by the intended client, BC Timber Sales, with the express consent of KPMG. Information in this issue is of a general nature with respect to audit findings and is not intended to be acted upon without appropriate professional advice. © 2008 KPMG. All rights reserved.