



## **2016 SFI Public Summary Report**

### **Capacity Forest Management Ltd. First Nation Licensee Group Sustainable Forestry Initiative® (SFI) 2015-2019 Forest Management Standard**

**Date: March 18, 2016**

#### **Project Scope and Objectives**

PricewaterhouseCoopers LLP (PwC) completed a Re-Registration and Transition Assessment on Capacity Forest Management Ltd. First Nation Licensee Group's ("CFML" or "the Group") forest management in British Columbia. CFML is a group certification and forest management activities are managed by the Central Office in Campbell River, BC. PwC's audit team included the lead assessor, Dan O'Brien, RPBio, EMS(LA), and Colin Campbell, RPF. The audit team was accompanied by CFML's SFI Representative, Mike Beck, RPF.

The primary objective of the assessment was to assess the Company's SFI management system and to evaluate the Company's implementation of the SFI Standard in the field. There have been changes to the scope of the multi-site certification since the last public summary. Capacity Forest Management Ltd. First Nation Licensee Group was previously certified to the 2010 version of the Standard and transitioned to the new 2015 – 2019 version of the Standard this year.

#### **Indicators**

All of the indicators in the SFI Forest Management Standard were within the scope of the assessment. There were no substitute indicators.

#### **Assessment Process**

On September 22, 28, and 29, 2015 and on February 5, 2016, the assessment team conducted interviews and reviewed appropriate documentation to assess policies and procedures, and tested the implementation of SFI program requirements at the Central Office in Campbell River, BC. Between September 28 and 29, 2015, the audit team physically inspected five harvesting blocks, three silviculture sites, and two road projects in forest licenses managed by CFML near the Keremeos, BC. These sites corresponded to the Lower Similkameen Community Forest, Lower Similkameen Indian Band, and Skul'qalt Forestry business units sampled for this audit. In total, the audit took a total of 6 auditor days to complete. The audit team spent two days on-site at the central office and two days on-site for field assessments. The audit report was dated March 18, 2016.

CFML has a multi-site group certification for forest management with locations on Vancouver Island, the North and Central Coast, and Southern Interior of British Columbia, Canada. PwC uses a rotational audit approach where the central office is audited annually and 10 sites are sampled on a 3 year rotating schedule that conforms to the International Accreditation Forum Inc.'s Mandatory Document 1.

## **Description of Forest Lands**

Capacity Forest Management Ltd (CFML) public timberland operations are situated on Vancouver Island, North & Central Coast and Southern Interior of BC, Canada. Forestry operations are exclusively First Nation Licensee holders that currently encompass approximately 328,000 hectares. The Group Members include: Atli Resources LP, CRIBCO Forest Products Ltd. Partnership, Kitasoo Forest Company Ltd., Kvamua Enterprises LP, Lower Similkameen Community Forests LP, Lower Similkameen Indian Band, Matchlee Forestry LP, Skul'qalt Forestry LP, Qwe'qwa'sot'em Forestry Limited Partnership, and Tsain-Ko Forestry Development Corporation.

Various provincial and federal acts, regulations, guidelines and policies have implications for CFML's operations on Crown Lands. In particular, the Forests and Range Practices Act (FRPA) and its regulations set the requirements for planning, road building, logging and reforestation.

Each First Nation Licensee has an approved Forest Stewardship Plan (FSP) or is under a major licensee approved FSP that establishes the objectives for key timber and non-timber values to guide forest management in each of the operational areas. The public land operations include Forest Licenses (FL), Non-replaceable Forest License (NRFL), Community Forests (CF), Woodland licenses (WL), and Woodlot and Indian Reserves (IR). The AAC (Annual Allowable Cut) of each timber supply area is determined by the provincial Chief Forester, at least once every 5-10 years, under the authority of section 8 of the Forest Act. The apportionment of Annual Allowable Cut of CFML First Nation Client Licensees is approximately 340,000 cubic meters/year.

The forest lands comprise of mix of old growth and second growth timber with the old growth/mature forest stands making up the majority of the current harvest (approx. 90% in 2015). The woodland operations are found within Coastal biogeoclimatic zones (Coastal Western Hemlock and Coastal Douglas Fir) and Southern interior biogeoclimatic zones (Mountain Spruce, Engelman Spruce Subalpine Fir, and Interior Douglas fir). The forest types are coniferous with the main commercial species harvested being: Douglas fir, spruce, western red cedar, hemlock, balsam fir and lodgepole pine. Because of the stand compositions and uniform age classes, these stands are managed using even-aged silvicultural systems. The stands are harvested and planned for reforestation using government approved stocking standards that are ecologically based.

## **Summary of Conformance**

A description of evidence used to assess conformity to the SFI 2015-2019 forest management standards are presented in the following table.

<b>SFI Forest Management Objective</b>	<b>Evidence of Conformity</b>
<p><b><i>Objective 1. Forest Management Planning</i></b> To ensure forest management plans include long-term sustainable harvest levels and measures to avoid forest conversion</p>	<p><i>Evidence:</i> Geographic Information System (GIS), Timber Supply Reviews (TSR), Site Plans (SPs), silviculture treatment prescriptions, Forest Stewardship Plans (FSP), CFML Commitment to Sustainable Forestry.</p> <p><i>Summary:</i> In volume based tenures, forest management plans and long term harvest levels are based on annual allowable cut (AAC) levels determined through the Provincial Timber Supply Review (TSR).</p> <p>For area-based tenures, a long-term resource analysis is</p>

	<p>conducted for each licensee utilizing forest inventory and growth and yield models developed by government.</p> <p>Short term non-renewable forest licenses have pre-determined harvest levels set by government.</p> <p>Cut control record indicate actual harvest levels do not exceed planned harvest levels.</p>
<p><b>Objective 2. Forest Health and Productivity</b>  To ensure long-term forest productivity, carbon storage and conservation of forest resources through prompt reforestation, afforestation, minimized chemical use, soil conservation, and protecting forests from damaging agents.</p>	<p><i>Evidence:</i> Harvesting and silviculture plans, Standard Operating Procedures (SOPs), Silviculture Activity Status Reports, harvest unit Site Plans(SP), GIS, Weekly Rainfall Record records, Harvest Inspection Reports.</p> <p><i>Summary:</i> Silvicultural plans designate planting requirements consistent with Provincial stocking standards.</p> <p>CFML maintains a planting obligations ledger that indicates all planting is completed within 2 years.</p> <p>Results from regeneration surveys are reported in the Provincial Government RESULTS system, which is used to track licensee planting obligations.</p> <p>CFML maintains an SOP on Use of Improved Seedlings for reforestation.</p> <p>Planting activities were verified during site visits and reviews of planting summary reports.</p> <p>CFML’s SOPs for Ground Based Harvesting and road construction include provisions for operating on sensitive soils, minimizing soil impacts, maintaining water quality, guidance for in-block disturbance and wet weather work shut down criteria.</p> <p>Effective implementation of site plans and SOPs was verified during site visits to harvesting and road construction projects.</p> <p>CFML does not use chemical pesticides or herbicides in their operations.</p>
<p><b>Objective 3. Protection and Maintenance of Water Resources</b>  To protect the water quality of rivers, streams, lakes, wetlands and other water bodies through meeting or exceeding best management practices.</p>	<p><i>Evidence:</i> SOPs, Site Plans, Employee/Contractor training records, Inspection Reports, GIS, Pre-Work Checklists,</p> <p><i>Summary:</i> CFML works under Provincial forestry legislation including the Forest Act and the Forest and Range Practices Act (FRPA). On some Coastal operations, CFML are committed to meeting Ecosystem Based Management (EBM) requirements which are to a standard beyond FRPA.</p> <p>All activities, including planning and operational requirements, are detailed in Forest Stewardship Plans (FSP) that are developed either by the Licensees CFML works with or are developed by CFML themselves.</p>

	<p>Logging and road building contractors are trained and required to follow CFML's SOPs which cover all aspects of operations.</p> <p>CFML's contracts include provisions to comply with legislated requirements and conform with best management practices.</p> <p>Phase inspection reports reviewed indicate monitoring of BMPs is completed on a weekly basis.</p>
<p><b>Objective 4. Conservation of Biological Diversity</b>  To manage the quality and distribution of wildlife habitats and contribute to the conservation of biological diversity by developing and implementing stand-and landscape-level measures that promote a diversity of types of habitat and successful stages, and the conservation of forest plants and animals, including aquatic species, as well as threatened and endangered species, Forests with Exceptional Conservation Value, old-growth forests and ecologically important sites.</p>	<p><i>Evidence:</i> Ecosystem Based Management (EBM) implementation plans, minutes of Coast Region FRPA Implementation Team meetings.</p> <p><i>Summary:</i> FRPA has requirements for retention of stand-level features for wildlife. Strategic Landscape Reserve Designs are required for EBM implementation on the Mid Coast and North Coast. The Vancouver Island Land Use Plan guides landscape level retention requirements. These are achieved by creating set asides during harvest planning. In the Interior, Land and Resource Management Plans provide higher level guidance on landscape level retention requirements.</p> <p>CFML's FSPs specify requirements for retention of habitat elements based on these requirements, which are decided at the site level/ operationally by CFML foresters  When planning, CFML also talks with other licensees to determine landscape level issues.</p>
<p><b>Objective 5. Management of Visual Quality and Recreational Benefits</b>  To manage the visual impact of forest operations and provide recreational opportunities for the public.</p>	<p><i>Evidence:</i> Harvest unit Site Plans, Digital Terrain Models, FRPA Visual Quality objectives, Kingcome Mainland FSP, GIS, SFI Annual Report, Phoenix database</p> <p><i>Summary:</i> Visual Quality Objectives in British Columbia are established through FRPA.</p> <p>FSPs include visual modelling and assessments to meet legislative requirements and those of other stakeholders.</p> <p>On the Coast, cut block sizes are limited to 40 ha, with some exceptions (e.g., to address forest health issues). FRPA limits cut blocks to 60 ha in the Southern Interior region.</p> <p>CFML's ArcGIS and Phoenix database document clearcut sizes and average block size is reported in the annual SFI report.</p> <p>Green up assessments are completed on all harvest units during the planning process prior to submitting the Cutting Permits. The legal requirement for green up in BC surpasses the SFI requirement.</p>
<p><b>Objective 6. Protection of Special Sites</b>  To manage lands that are geologically or culturally important in a manner that takes into account their unique qualities.</p>	<p><i>Evidence:</i> GIS, Archaeological Overview Assessments, Archaeological assessments.</p> <p><i>Summary:</i> Special sites are identified by First Nations, and Band members have training on culturally modified tree assessment. Blocks rates with high archaeology potential are assessed by an archaeologist.</p>

	<p>Archaeology assessments are documented in reports and incorporated in forest development plans.</p> <p>Ecologically important sites are identified through a query of CFML's ArcGIS database, the FSP, discussions with the Ministry of Forests and consultation with experts.</p>
<p><b>Objective 7. Efficient Use of Fiber Resources</b> To minimize waste and ensure the efficient use of fiber resources.</p>	<p><i>Evidence:</i> FRPA, Cutting Permits.</p> <p><i>Summary:</i> Utilization standards are specified in the Cutting Permit issued by the BC Provincial Government.</p> <p>In areas where it is not economically feasible to utilize harvesting residuals, slash is typically left on site, either scattered for nutrient cycling or burned in piles.</p> <p>Waste and residue surveys are completed to monitor the waste left on site and the results are reported to the BC Government.</p>
<p><b>Objective 8. Recognize and Respect Indigenous Peoples' Rights</b> To recognize and respect Indigenous Peoples' rights and traditional knowledge.</p>	<p><i>Evidence:</i> Capacity Forest Management Ltd Policy Statement: Recognizing and Respecting Indigenous People, SOPs.</p> <p><i>Summary:</i> CFML has provided a written policy acknowledging a commitment to recognize and respect the rights of Indigenous Peoples.</p> <p>In British Columbia, it is the Crown's responsibility on public lands to confer with affected Indigenous Peoples with respect to sustainable forest management practice. The licensee is expected to share information with First Nations.</p> <p>CFML's business is focused on working closely with First Nations and advocating for their interests.</p>
<p><b>Objective 9. Legal and Regulatory Compliance</b> To comply with applicable federal, provincial, state, and local laws and regulations.</p>	<p><i>Evidence:</i> FRPA, FSPs, SOPs, Health and Safety Policies and Procedures Manual.</p> <p><i>Summary:</i> Higher Level Plans and Forest Stewardship Planning cover all Federal and Provincial laws and regulations. All relevant regulation is covered in the FSP process.</p> <p>Additional systems to achieve compliance are covered in CFML's various SOP's and review processes.</p> <p>No recent incidents have been reported by government Compliance and Enforcement.</p>
<p><b>Objective 10. Forestry Research, Science and Technology</b> To invest in forestry research, science and technology, upon which sustainable forest management decisions are based and broaden the awareness of climate change impacts on forests, wildlife and biological diversity.</p>	<p><i>Evidence:</i> Records of financial support for research, training for First Nations, Western Canada SIC involvement, records of attendance at Coastal Silviculture Committee workshops</p> <p><i>Summary:</i> CFML has made in-kind contributions to numerous support numerous local research initiatives. Staff attend industry workshops and are aware of current forestry research and potential impacts of climate change as it relates to forest management.</p>

<p><b>Objective 11. Training and Education</b> To improve the implementation of sustainable forestry practices through appropriate training and education programs.</p>	<p><i>Evidence:</i> Capacity Forest Management Ltd Commitment to Sustainable Forestry document, SOPs, employee/contractor training records, records of attendance at SIC meetings</p> <p><i>Summary:</i> CFML maintains a "Commitment to Sustainable Forestry" statement that is communicated through an employee and contractor training package and sign-off Form. Roles and responsibilities have been established and are documented for CFML's staff.</p> <p>Records of staff training are maintained. Contractor training is tracked through a Contractor/Supervisor training log.</p> <p>British Columbia has no specific logger certification programs. Logging professionals are qualified by a mix of targeted contractor training by CFML as well as the BC Safe Certified contractor program. CFML exclusively uses qualified logging professionals.</p> <p>CFML is a member of the Western Canada SIC and is involved in the initiatives of the SIC.</p>
<p><b>Objective 12. Community Involvement and Landowner Outreach</b> To broaden the practice of sustainable forestry through public outreach, education and involvement, and to support the efforts of SFI Implementation Committees.</p>	<p><i>Evidence:</i> Records of attendance at SIC meetings, First Nations training modules, SOPs</p> <p><i>Summary:</i> CFML is an active member of the WCSIC which supports a variety of initiatives and identified key resources for various owners of private and crown forest lands.</p> <p>CFML also support forest landowner education through ongoing communication including workshops with First Nations</p> <p>A First Nations Training Package for Land Stewardship has been developed.</p>
<p><b>Objective 13. Public Land Management Responsibilities</b> To participate and implement sustainable forest management on public lands.</p>	<p><i>Evidence:</i> Forest Stewardship Plans.</p> <p><i>Summary:</i> On British Columbia's Crown Forest lands, all public land planning and management are governed by a Forest Stewardship Plan. All FSPs are subject to a public review and commentary process. During this process, the public and identified stakeholders are invited to review the FSPs and provide comments.</p> <p>CFML has responded to local stakeholders such as a local ATV club.</p>
<p><b>Objective 14. Communications and Public Reporting</b> To increase transparency and to annually report progress on conformance with the SFI 2015-2019 Forest Management Standard.</p>	<p><i>Evidence:</i> SFI Public Summary Reports</p> <p><i>Summary:</i> A public summary report is prepared as part of the audit and submitted to SFI for posting on its website.</p> <p>Annual reports are submitted to SFI as required and records and past reports maintained.</p>
<p><b>Objective 15. Management Review and Continual Improvement</b> To promote continual improvement in the practice of sustainable forestry by conducting a management review and monitoring performance.</p>	<p><i>Evidence:</i> Annual Management Review, SOPs</p> <p><i>Summary:</i> Capacity's most recent Annual Management review took place in December 2015.</p> <p>Performance is assessed based on monitoring/ inspection</p>

	reports, external audits, and reviews of procedures. Areas for improvement and modifications to SOPs are communicated through quarterly meetings with foresters, engineers and operational planners. New SOPs are developed where necessary.
--	--

## **Summary of Findings**

Specific Good management practices are noted below:

- CFML has developed a comprehensive SFI Environmental Management System Awareness Handbook for employees and contractors.
- In response to First Nations' request for greater opportunities in forestry, CFML has developed a First Nations Training Package to educate and prepare First Nations workers for forestry employment.

There was one minor non-conformity identified during the assessment, which has been subsequently addressed by CFML and closed by PwC:

- CFML had not completed a formal management review in the prior year (SFI FM Performance Measure 15.1)

Opportunities for improvement were identified in the following areas:

- CFML's Commitment to Sustainable Forestry lacks a statement that it does not convert forest cover types (SFI FM Performance Measure 1.3). Addressed and Closed.
- Questions in inspection checklists could be clarified to avoid spurious responses (SFI FM Performance Measure 3.2). Addressed and Closed.
- A statement of commitment recognizing and respecting the rights of Indigenous People could be included in procedures for information sharing and working with Aboriginal First Nations (SFI FM Performance Measure 8.1). Open.

## **Conclusion**

Capacity Forest Management Ltd has implemented the requirements of the SFI 2015-2019 Forest Management Standard. The Certificate can be obtained by contacting Mike Beck, RPF of Capacity Forest Management Ltd First Nation Licensee Group at (250) 287-2120. More information on CFML's sustainable forestry program can be found at: <http://www.capfor.ca>