

# REPORT Forest Certification



## Carrier Lumber Limited — Woodlands Operation — June 2015

In June 2015, an audit team from KPMG Performance Registrar Inc. (KPMG PRI) carried out an SFI surveillance audit of Carrier Lumber Limited's woodlands operations against the requirements of the 2010-2014 edition of the Sustainable Forestry Initiative® (SFI) standard. This Certification Summary Report provides an overview of the process and KPMG's findings.

### Description of Carrier Lumber Ltd's Woodlands Operations

Carrier's Crown land woodlands operations are situated in central BC, Canada and comprise forest licences FL A18158 in the Prince George Timber Supply Area (TSA), FL A15429 and FL A15430 in the Robson Valley TSA and FL A70174 in both TSAs. These licenses comprise an area of 165,434 hectares, and have an annual allowable cut (AAC) of 514,455 cubic meters. They are managed from the Company's office located in Prince George, BC.

Carrier has developed two Forest Stewardship Plans (one FSP per TSA) which describe how the company will achieve the objectives of higher level plans developed under public involvement processes.

### Audit Scope

The SFI portion of the audit was conducted against the requirements of the 2010-2014 edition of the SFI standard, and incorporated assessment against the SFI program objectives listed in the table starting on page 2.

The scope of the 2014 SFI surveillance audit of Carrier Lumber Ltd's woodlands operations included all of the woodlands operations noted above, as well as fibre procurement activities for the Company sawmill located within the community of Prince George, BC.

### The Audit

- *Audit Team* – The audit was conducted by lead auditor Neil MacEachern, MSc, RPF. Mr. MacEachern is a Senior Assessor with KPMG PRI with broad experience in auditing against SFI, FSC, and CSA Z809 forest management standards.
- *SFI Certification Audit* – The audit involved an on-site assessment of selected elements of the Company's SFI program, and included visits to several field sites to evaluate conformance with the requirements of the SFI standard.
- *SFI Surveillance Audits* – Surveillance audits occur annually to ensure the SFI system continues to be implemented
- *Carrier Lumber Ltd's SFI Program Representative* – Keith Taite, RPF, served as Carrier Lumber Ltd's SFI program representative during the audit.

### Use of Substitute Indicators

No substitute indicators were utilized during the audit.



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### Audit Objectives

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

- An SFI surveillance audit to evaluate the Company’s conformance with requirements of the 2010-2014 version of the SFI standard.
- Evaluate the ability of the management systems to ensure that Carrier Lumber Ltd. meets applicable regulatory requirements;
- Evaluate the effectiveness of the systems in ensuring that Carrier Lumber Ltd. meets its specified objectives, and;
- Where applicable, identify opportunities for improvement.

### Evidence of Conformity with SFI 2010-2014

Primary sources of evidence assessed to determine conformity with the SFI 2010-2014 standard are presented in Table 1 below.

SFI Objective #	Key Evidence of Conformity
1. Forest Management Planning	Forest Stewardship Plans, land use plans timber supply reviews and associated information and decisions, environmental procedures.
2. Forest Productivity	Forest Stewardship Plans, environmental procedures, site plans, silviculture reports including planting and reforestation compliance records, field inspection, audit field inspections.
3. Protection and Maintenance of Water Resources	Forest Stewardship Plans, geographic information system (GIS) site plans, logging plans, road permits, pre-work meetings, harvest and road inspections, training needs matrix, training records, logging contracts, environmental procedures, audit field inspections.
4. Conservation of Biological Diversity	Forest Stewardship Plans, land use plans, land use/biodiversity orders, Mountain Caribou Recovery Implementation Plan, environmental procedures, site plans, logging plans, pre-work meetings, inspection reports, research and forest inventory records, GIS, audit field inspections.
5. Management of Visual Quality and Recreational Benefits	Forest Stewardship Plans, legal orders respecting scenic areas, site plans, logging plans, GIS including visual resources and assessments, field inspections, silviculture report, audit field inspections.

<b>Carrier Lumber Ltd. SFI Surveillance Audit Findings</b>	
Major non-conformities	0
Minor non-conformities	1
Opportunities for improvement	2
Potential non-conformities against SFI 2015-2019 standards	5

SFI Objective #	Key Evidence of Conformity
6. Protection of Special Sites	Forest Stewardship Plans, First Nations referrals, cultural heritage evaluation, archeological assessments, site plans, logging plans, pre-work meetings, inspection reports, Heritage Conservation Act, audit field inspections
7. Efficient Use of Forest Resources	Forest Stewardship Plans, site plans, logging plans, logging contracts, contractor training records; pre-work meetings, inspection reports; audit field inspections, Provincial Waste and Residue Manual.
8. Landowner Outreach	Wood Procurement Plan, Western Canada SFI Implementation Committee (WC SIC) Wood Producer Information Package, WC SIC brochure, Private Managed Forest Land Council Field Practices Guide, timber purchase agreements, wood delivery records, WCSIC Procurement Wood Risk Assessments.
9. Use of Qualified Resource and Logging Professionals	Wood Procurement Plan, WC SIC Wood Producer Information Package, WC SIC brochure, List of Qualified Logging Professionals, WCSIC SFI Training Policy, timber purchase agreements, wood delivery records, WC SIC Procurement Wood Risk Assessments, WCSIC SFI Training Policy.
10. Adherence to Best Management Practices	Wood Procurement Plan, WC SIC Wood Producer Information Package, WC SIC brochure, List of Qualified Logging Professionals, WCSIC SFI Training Policy, timber purchase agreements, wood delivery records, WCSIC Procurement Wood Risk Assessment WCSIC Purchase Wood Monitoring System Overview, WCSIC procurement wood inspections, fibre sourcing policy.
11. Promote Conservation of Biological Diversity, Biodiversity Hotspots and Major Tropical Wilderness Areas	N/A – not in scope
12. Avoidance of Controversial Sources including Illegal Logging	N/A – not in scope

**Types of audit findings**

**Major non-conformities:**

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

**Minor non-conformities:**

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

All non-conformities require the development of a corrective action plan within 30 days of the audit. Corrective action plans to address major non-conformities must be fully implemented by the operation within 3 months or certification cannot be achieved / maintained. Corrective action plans to address minor non-conformities must be fully implemented within 12 months.

**Opportunities for Improvement:**

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

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SFI Objective #	Key Evidence of Conformity
13. Avoidance of Controversial Sources including Sources without Effective Social Laws	N/A – not in scope
14. Legal and Regulatory Compliance	SFI Evidence Package, Electronic and hardcopy laws and regulations, management review meeting minutes, inspection records, internal audit records, government compliance records, audit field inspections.
15. Forestry Research & Technology	Records of involvement with research projects, regeneration survey records, inspections.
16. Training and Education	NA – Not in scope for 2015.
17. Community Involvement in the Practice of Sustainable Forestry	NA – Not in scope for 2015.
18. Public Land Management Responsibilities	NA – Not in scope for 2015.
19. Communications and Public Reporting	SFI Annual Report.
20. Management Review and Continual Improvement	Management review records, internal audit, field inspection records, incident and action plan records.



Example of a straw bales being used to reduce the chance of sediment deposition next to a bridge alongside a stream.

### Good Practices

The following good practice was identified during the course of the audit:

*SFI Objective 3 - Protection of water resources:* Loggers from more than one contractor operating in multiple blocks used logs crossings/corduroy road to prevent the disturbance of moisture receiving soils.

### Major Non-conformities

No major non-conformities were identified during the course of the audit.

### Minor Non-conformities

One major non-conformities was identified during the course of the audit.

*Objective 3 - Best Management Practices:* At one active site and at one camp, small fuel spills had not been remediated, as required by the company's procedures.

### Opportunities for Improvement

One opportunity for improvement was identified during the audit:

*Objective 16 —Training and Education:* Interviews in the field indicated difficulty of an operator to recall when stop work procedures were required.

### Non-conformities against the 2015-2019 SFI standards

#### Forest Management Standard

*Objective 11 - Training and Education:* The Standard at 11.1.1 requires a written statement of commitment to the SFI 2015-2019 Forest Management Standard. Carrier Lumber's current SFI commitment statement does not reference the SFI 2015-2019 Standard.

*Objective 11 - Training and Education:* The Standard at 11.1.5 requires program participants to have written agreements for the use of qualified logging professionals and/or certified logging professionals. Carrier Lumber's current logging contracts do not require the use of QLPs/CLPs.

#### Fibre Sourcing Standard

*Objective 6 - Training and Education:* The Standard at 6.1.1 requires a written statement of commitment to the SFI 2015-2019 Fibre Sourcing Standard. Carrier Lumber's current SFI commitment statement does not reference the SFI 2015-2019 Standard.

*Objective 6 - Training and Education:* The Standard at 6.1.5 requires program participants to have written agreements for the use of qualified logging professionals and/or certified logging professionals. Carrier Lumber's current log purchase agreement does not require the use of QLPs/CLPs.

*Objective 10 - Management Review and Continual Improvement:* The Standard at 10.1.3 requires "annual review of progress by management and determination of changes and improvements necessary to continually improve conformance to the SFI 2015-2019 Fibre Sourcing Standard." Carrier Lumber's current management review does not specifically refer to performance with respect to the SFI 2015-2019 Fibre Sourcing Standard.

### Audit Conclusions

Carrier Lumber's SFI program was found to be effectively implemented by the Company, and continues to meet the requirements of the 2010-2014 version of the SFI standard except where noted otherwise in this report. As a result, Carrier Lumber's B.C. Operations will continue to be certified to the SFI standard.



The audit included an assessment of the company's reforestation program, including the verification of regenerating stands such as in this photo.

### Contacts:

Chris Ridley-Thomas, RPBio, CEA (604) 691-3088  
David Bebb, RPF, CEA (604) 691-3451

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