



CAN/CSA Z809-2016 External Audit Report Summary
24 Month Maintenance Assessment of Western Forest Products Inc. Port Alberni Forest Operation
(TFL 44 General Partner Inc.) and Englewood Forest Operation
Report Date: August 23, 2019

Western Forest Products Inc. (WFP) underwent a 24 month maintenance assessment of their sustainable forest management (SFM) system to the CAN/CSA Z809-2016 Sustainable Forest Management Standard on May 17, 21 – 24, 28 – 29 and 31, 2019. The audit was conducted by PricewaterhouseCoopers LLP (PwC) with the scope being the Defined Forest Area for the Port Alberni Forest Operation (Tree Farm License No. 44 in the vicinity of Port Alberni, BC (TFL 44 General Partner Inc.)), Englewood Forest Operation (Tree Farm License 37 excluding BCTS take-back area in the vicinity of Woss, BC) as well as at the WFP Timberlands Corporate Office located in Campbell River, BC. These three sites formed the 2019 sample for this multisite registration with both office and field assessments occurring at Port Alberni and Englewood Forest Operations and office review occurring at the WFP Timberland Corporate Office.

The assessment comprised of nine man-days onsite and one man day for offsite work. Activities assessed at Port Alberni Forest Operation included the following forest management activities: planning (documentation review and interviews), harvesting (3 active sites, 1 completed site), road construction/maintenance (3 active sites) and planting/silviculture (6 completed sites). Activities assessed at Englewood Forest Operation included the following forest management activities: planning (documentation review and interviews), harvesting (3 active sites, 1 completed site), road construction/maintenance (2 active sites, 1 completed site) and planting/silviculture (3 completed sites). In some cases, single field sites reviewed had multiple activities occurring and/or completed activities which have been included in sample numbers presented. The WFP Timberlands Corporate Office was also assessed for corporate requirements related to the multisite registration and SFM indicators managed by corporate staff. The objective of the audit was to confirm the management system complies with the applicable elements of the Standard; to confirm the organization complies with its own SFM policies and procedures; to confirm the management system is suitable and effective for the organization; and to confirm the management system enables the client to achieve its own SFM objectives.

The scope of the multisite certification is as follows: The forest management processes, including harvesting, planning, road construction, silviculture and the transportation of logs managed through the Timberlands Corporate and the timberlands offices managing the Defined Forest Areas (DFA) of North Island, Mid-Island, Englewood, Port Alberni and Stillwater. The Defined Forest Areas within scope are: Tree Farm License TFL6, Managed Forests MF29, MF31, MF61, Forest License FL A94737, T0860, T0592 at WFP's North Island Forest Operation; TFL 37 at WFP's Englewood Forest Operation, TFL 39 Block 2 at WFP's Mid Island Forest Operation; TFL 44 at WFP's Port Alberni Forest Operation (TFL 44 General Partner Inc.) and TFL 39 Block 1 at WFP's Stillwater Forest Operation. A total of 847,193 Ha are included in WFP's CSA SFM forest area with an annual allowable cut of 4,442,864m³.

The audit team included James Lucas, RPF, (EMS LA - Lead Assessor), Jeff Koch, RPF (EMS LA – Assessor), Shawn Ellsworth, RPF (EMS LA - Assessor) and Sean Pledger (EMS LA – Assessor). The WFP SFM representative was Will Sloan, RFT, Certification and EMS Manager. The audit involved

field tours and office visits (interviews and file reviews) of the Port Alberni and Englewood Forest Operations and office visits (interviews and file reviews) at the WFP Timberlands Corporate Office. Interviewees included eighteen WFP staff, twenty five contractors working on the DFAs and eight West Island Woodlands Advisory Group (WIWAG) members. One WIWAG member accompanied the audit team on one of the Port Alberni Forest Operation field tour days. One government official from the British Columbia Ministry of Forests, Lands, Natural Resource Operations and Rural Development Compliance and Enforcement Branch in Port Alberni was interviewed during this audit and WFP's compliance record for the Port Alberni Forest Operation was examined. Overall WIWAG members interviewed during a face-to-face meeting were complimentary towards WFP's overall transparency, provision of information, access to expert speakers, and inclusivity with regards SFM indicator development and review as part of the public participation requirements for CAN/CSA Z809-2016. There was one WIWAG member that felt more could be done by WFP with regards to bear habitat preservation in addition to concerns with the Allowable Annual Cut (AAC) levels and provincial cut control process on the Port Alberni Forest Operation DFA.

Requirements assessed included the scope of the Port Alberni and Englewood Forest Operations 2018 Sustainable Forest Management Plans which includes 2018 SFM indicator performance versus targets.

SFM REQUIREMENTS ASSESSED

Defined Forest Area (DFA) – Port Alberni Forest Operation (PAFO) (TFL 44 – Field & Office Review), Englewood Forest Operation (EFO) (TFL 37 – Field and Office Review) and Timberlands Corporate Office (Office Review)

Elements Audited	Indicators Reviewed	Office/Field
<u>Element 1.1</u> – Ecosystem Diversity	<u>1.1.4</u> : Within-stand Structural Retention (PAFO) <u>1.1.4</u> : Degree of Within Stand Retention (EFO)	Office/Field Office/Field
<u>Element 1.2</u> – Species Diversity	<u>1.2.1</u> : Habitat Protection for Selected Focal Species (PAFO) <u>1.2.1</u> : Degree of Habitat Protection for Focal Species (EFO) <u>1.2.3</u> : Regeneration Comprised of Native Species (PAFO) <u>1.2.3</u> : Proportion of Regeneration Comprised of Native Species (EFO)	Office/Field Field Office/Field Office/Field
<u>Element 1.3</u> – Genetic Diversity	<u>1.3.1</u> – Genetic Diversity	Office
<u>Element 1.4</u> – Protected Areas and Sites of Special Biological, Geological, Heritage or Cultural Significance	<u>1.4.1</u> : Protection of Sites of Special Significance (PAFO) <u>1.4.1</u> : Protection of Identified Sacred and Culturally Important Sites (EFO) <u>1.4.2</u> : Identified Sites with Implemented Management Strategies (PAFO/EFO)	Office/Field Field Office/Field
<u>Element 2.1</u> – Forest Ecosystem Condition and Productivity	<u>2.1.1</u> : Reforestation Success (PAFO/EFO) <u>2.1.2</u> : Regeneration Comprised of Native Species (PAFO) <u>2.1.2</u> : Regeneration of Native Species (EFO)	Office/Field Office/Field Office/Field
<u>Element 3.1</u> – Soil Quality and Quantity	<u>3.1.1</u> : Level of Soil Disturbance (PAFO/EFO) <u>3.1.2</u> : Level of Downed Woody Debris (PAFO/EFO) <u>3.1.2A</u> : Limit Herbicides (PAFO)	Office/Field Office/Field Field
<u>Element 3.2</u> – Water Quality and Quantity	<u>3.2.2</u> : Forest Management Activities Consistent with Prescriptions to Protect Identified Water Features (PAFO) <u>3.2.2A</u> : Watershed Condition (PAFO) <u>3.2.2</u> : Water Features (EFO) <u>3.2.2C</u> : S4 Streams (PAFO) <u>3.2.2D</u> : S5 Streams (PAFO)	Field Office Field Field Field

<u>Element 4.1</u> – Carbon Uptake and Storage	<u>4.1.1:</u> Net Carbon Uptake (PAFO) <u>4.1.2:</u> Reforestation Success (PAFO/EFO)	Office Field
<u>Element 5.1</u> – Timber and Non-Timber Benefits	<u>5.1.1:</u> Diversity of Timber and Non-Timber Resources Produced in the DFA (PAFO) <u>5.1.2:</u> Respectful Communications with Forest Dependent Businesses, Forest Users and Local Communities to Integrate Non-Timber Resources (PAFO) <u>5.1.2A:</u> Park Perimeter (PAFO) <u>5.1.2C:</u> Mushroom Habitat Access (PAFO)	Office Office Field Field
<u>Element 5.2</u> – Communities and Sustainability	<u>5.2.1:</u> Participation and Support that Contribute to Community Stability (PAFO) <u>5.2.2:</u> Level of Participation and Support in Training and Skills Development (PAFO) <u>5.2.3:</u> Level of Direct and Indirect Employment (PAFO)	Office Field Office
<u>Element 6.1</u> – Fair and Effective Decision-Making	<u>6.1.3:</u> Public Concerns (PAFO)	Office
<u>Element 6.2</u> - Safety	<u>6.2.1:</u> Co-operation with Workers to Improve Safety Standards and Procedures (EFO) <u>6.2.2:</u> Worker Safety Program (PAFO)	Field Field
<u>Element 7.1</u> – Aboriginal and Treaty Rights	<u>7.1.1:</u> Understanding the Nature of Aboriginal Title and Rights (PAFO) <u>7.1.2:</u> Respectful Communications with Aboriginal Communities to Foster Meaningful Engagement (PAFO)	Office Office
<u>Element 7.2</u> – Respect for Aboriginal Forest Values, Knowledge and Uses	<u>7.2.1:</u> Promoting Capacity Development and Meaningful Participation for Aboriginal Individuals, Communities and Forest-Based Companies (PAFO) <u>7.2.2:</u> Using Aboriginal Knowledge to Manage Culturally Important Resources and Values (PAFO) <u>7.2.2:</u> Aboriginal Knowledge of Identified Sources/Values that are Culturally Important (EFO) <u>7.2.3:</u> Management and/or Protection of Culturally Important Practices and Activities (PAFO)	Office Office Field Office/Field

Previous Nonconformity Update

Previous assessment results were reviewed with two Minor Nonconformities remaining open from the 2017 audit. Each of these Minor Nonconformities have acceptable actions plans in place to close them by the 2020 audit or prior to. All other previous nonconformities have been closed.

Results of the 2019 Assessment

There were no Nonconformities identified.

There were 3 Opportunities for Improvement identified:

480-A2-OFI-01: WFP utilizes Harvest, Road and Silviculture Instruction maps to show block activities by phase. These maps are released to field operators during a discussion between WFP supervisors and company crew or contractors. A comprehensive legend contains numerous symbols for identification of items shown on the maps.

Consideration could be given to rationalizing/decluttering items that are shown on the map legends as some field operators interviewed were struggling with identifying applicable items during the field audit.

480-A2-OFI-05: While there was no direct observation of issues with roads and roads maintenance during the field portion of the audit, there was evidence that the program may need some extra focus. This includes items identified in the WFP internal audit, comments by C&E in the Port Alberni District and an overdue review of the WFP Road Inspection program under the Western Planning Standard (2018 initiatives). One of the key focus areas of the 2020 external audit will be roads management.

480-A2-OFI-06: WIWAG utilizes a Terms of Reference to manage the public participation process. Section 7.5 (Members Attendance) states that a member “who misses three consecutive meetings without cause and without arranging for an alternate, is considered to have resigned.” There are some members that fall into this category but are valued for their insights and local knowledge. Communication is still regular with these members but is often outside the regular WIWAG group meetings.

WFP may wish to consider revising the WIWAG TOR Section 7.5 (Members Attendance) to allow for absences from valued participants beyond the “three consecutive meetings” statement to allow for continued input from these members.

Good Management Practices

The following good management practices were noted:

- Efforts to review and improve the planning processes to create a “Western Planning Standard” are a positive development towards a cohesive approach to planning across the company.
- Changes/updates to the WFP Stewardship and Conservation Program have been well coordinated and include a variety of innovative conservation initiatives.
- WFP is doing a very thorough job of identifying and protecting special features including cultural sites, riparian areas and karst features. By flagging them in the field and prescribing high stumping around them, they are ensuring these features can be clearly identified throughout all phases of operations and management.
- The SNAP application used by WFP’s operations supervisors is a quick and efficient way to document any required follow up actions, amendments or general block notes, and communicate them throughout the organization on a daily basis.
- Bridge design on the Bamfield main project was designed to be well clear of the wetted perimeter and resulted in protection of the full bank and the aquatic resources within the riparian area (Port Alberni).
- Good knowledge and environmental commitment noted with contractors interviewed during field days.
- Wind firming (spiral and topping) noted on Parsons project along Road BM-30 (Port Alberni).
- Robust FRPA checklist used for tracking block activities throughout planning and renewal activities.

Conclusion of the Assessment

Western Forest Products Inc. continues to be registered to the CAN/CSA Z809-2016 Sustainable Forest Management Standard. All of the applicable requirements of the standard were considered to be adequately implemented. The current certification was issued on August 23, 2019 and will expire on May 14, 2022. The next audit will be scheduled for May 2020 and will focus on sampling the North Island Forest Operations (Port MacNeill) and Stillwater Operations (Powell River). For further information on the WFPs SFM system please view the WFP website (<https://www.westernforest.com/responsibility/environment/certification/>) or contact Will Sloan, RFT at wsloan@westernforest.com.