

2019 SFI Public Summary Report

Western Forest Products Inc.

Sustainable Forestry Initiative® (SFI) Fiber Sourcing Standard [2015-2019]

Sustainable Forestry Initiative® (SFI) Forest Management Standard [2015-2019]

Date: August 23, 2019

Project Scope and Objectives

PricewaterhouseCoopers LLP (PwC) completed a multi-site Maintenance Assessment on Western Forest Products Inc.'s ("the Company", "Western", or "WFP") Forest Management activities on the Nootka Operation and Wood Fiber Procurement company-wide in British Columbia. The forest management activities for the Nootka Forest Operation are managed by WFP's Timberlands group based in Gold River and the corporate fiber sourcing activities are managed by WFP's Fibre Supply Group based in Nanaimo, BC. The Lead Assessor was James Lucas, EMS (LA). The additional audit team member was Jeff Koch, EMS (LA), PwC Contract Assessor. The audit team was accompanied by WFP's SFI Representative, Will Sloan, RFT.

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.

Client Profile

Western Forest Products is an integrated Canadian company sustainably managing forests and manufacturing wood products on the coast of British Columbia. The Company has an annual available harvest of approximately 6.0 million cubic meters of timber, of which approximately 5.9 million cubic meters is from Crown lands. WFP has a lumber capacity in excess of 1.1 billion board feet from 6 milling facilities in Canada and 1 in the US plus two value added facilities. Principal activities conducted by the Company include timber harvesting, reforestation, sawmilling logs into lumber and wood chips, and value-added remanufacturing. WFP's SFI certification covers both their Mainland Coast and Nootka Forest Operations.

Indicators

All of the indicators in the SFI Forest Management and Fiber Sourcing Standard were within the scope of the assessment, except for Fiber Sourcing Objectives 11, 12 and 13, since none of the fiber procured by WFP comes from outside of Canada and the US. There were no substitute indicators.

Assessment Process

On May 22, 2019 the Lead Auditor conducted a field review of Huu-ay-aht Fiber Sourcing sites. And on May 23, 2019 an office assessment of Fiber Sourcing activities was conducted and included interviews

and a review of appropriate documentation to assess policies and procedures, and tested the implementation of SFI program requirements at the office in Nanaimo. During the following week (May 28 to 30, 2019) the assessment team consisting of James Lucas and Jeff Koch conducted a combination of office and field reviews of Forest Management program documentation and operations located in the Gold River and Zeballos operating areas. In total the assessment team spent 3.5 days completing office reviews and 4 days on field assessments. In total, the field audit team visited 1 active harvesting site, 1 active road construction site, 6 completed or inactive harvesting sites and 2 silviculture sites. No active operations were available for review in Gold River as the area was shut down due to extreme fire danger.

WFP has a multi-site certification for the forest management and wood fiber procurement in North America by the following locations: Mainland Coast and Nootka Forest Operations, and Wood Fiber Procurement company-wide in British Columbia. PwC uses a rotational audit approach where the central office is audited annually and the locations are sampled on a 3 year rotating schedule that conforms to the International Accreditation Forum Inc.'s Mandatory Document 1.

Summary of Conformance, Findings, and Good Management Practices

FIBER SOURCING

SFI Fiber Sourcing Objective	Evidence of Conformity
<p>Objective 1. Biodiversity in Fiber Sourcing To address the practice of sustainable forestry by conserving biological diversity.</p>	<p><i>Evidence: Interviews with WFP staff and contractors. Review of WFP Appendix 10 - SFI Certification Matrix (Sept. 2016 version), SFI Fibre Sourcing Information Package (March 2019), 2018 SFI FS Risk Assessment, WFP FSC Risk Assessments, WFP CoC Procedures V.1, WFP WCSIC Risk Assessment forms, and site visits to stumpage sales.</i></p> <p>Summary: Of the suppliers selling to WFP in 2018, the majority were small scale (<1000 m3). Approximately a quarter of the purchases were SFI certified. Many of the sources come from public lands and have been through stringent planning and review processes and meet the requirements of this indicator via various planning processes. WFP purchased 10 small to medium sized stumpage sales from private land in the 12 months leading up to the assessment. All sources are subject to a "Risk Assessment" at the time of purchase and where warranted, field inspections are conducted to ensure Best Management Practices are being implemented, and that operations meet FRPA requirements around biodiversity, soil conservation, and riparian management, among other things.</p> <p>WFP is involved in a wide variety of programs and efforts to address and conserve biodiversity in British Columbia. These efforts include the following: Ecosystems Explorer and NatureServe Resources for Global Occurrence Ranks Identification, Participation/ Support for: Marbled Murrelet Recovery Team, Northern Goshawk Recovery Team, Technical Assistance for Federal and Provincial Northern Goshawk Recovery Strategies, Vancouver Island Marmot Recovery Team, Coast Forest Products Species at Risk Committee, SARA National Roundtable, Meeting for interest in Western Screech Owl, SAR Mapping (Government and WFP), THLB Stabilization Pilot San Jo landscape unit, Marbled Murrelet and Northern Goshawk habitat mapping into WHAs, and Rare ecosystems. The Company has multiple biologists on staff.</p>
<p><i>No Nonconformities or Opportunities for Improvement were identified related to this objective.</i></p>	
<p>Objective 2. Adherence to Best Management Practices To broaden the practice of sustainable forestry</p>	<p><i>Evidence: Interviews with WFP staff and contractors. Review of WFP Appendix 10 - SFI Certification Matrix (Sept. 2016 version), SFI Fiber Sourcing Information Package (March 2019), WFP Trained Logger List - 2019, 2018 SFI FS Risk Assessment, WFP FSC Risk Assessments, WFP CoC Procedures V.1, WFP WCSIC Risk Assessment forms, and Site visits to stumpage sales.</i></p> <p>Summary: For all purchased stumpage, excluding BC Timber Sales, (standing timber that WFP or WFP Contractors harvest), the WFP EMS is followed which includes BMPs (SOPs).</p>

<p>through the use of best management practices to protect water quality.</p>	<p>For BCTS sales, WFP follows the BCTS EMS/SFI requirements as a minimum and the WFP EMS when they exceed the BCTS requirements. The stumpage procurement program includes an initial assessment of each stumpage sale to assess timber quality, logistics and other factors including resource values, a WCSIC Risk Assessment is completed for all stumpage purchases (may be multiple blocks) and trained/qualified logging contractors are hired by WFP for each stumpage sale and in many situations WFP hires an RPF directly to write the SP. Additionally, all of the road building (if any) and harvesting activities are carried out under WFP's EMS and the associated SOP's associated with that. The EMS also includes harvest inspections which are carried out by WFP staff at the various offices which administer the stumpage sales on behalf of the WFP procurement group.</p> <p>The Chain of Custody Standard Operating Procedure (SOP), which includes the FSC and PEFC risk assessment and Chain of Custody training information provide additional rigor around fiber sourcing with respect to Best Management Practices and sustainable forest practices.</p> <p>At present, the majority of the WFP verifiable monitoring system is described in the CoC procedures under the Verification of Fiber Supply section - it consists of supplying Fiber Sourcing Information and training package, WCSIC Risk Assessment for each stumpage purchase and field inspection forms to assess levels of compliance with BMP's across WFP stumpage sales.</p>
<p><i>No Nonconformities or Opportunities for Improvement were identified related to this objective.</i></p>	
<p>Objective 3. Use of Qualified Resource and Qualified Logging Professionals To encourage forest landowners to utilize the services of qualified logging professionals, certified logging professionals (where available) and qualified resource professionals.</p>	<p><i>Evidence: Interviews with WFP staff and contractors. Review of WFP Appendix 10 - SFI Certification Matrix (Sept. 2016 version), SFI Fibre Sourcing Information Package (March 2019), WFP Trained Logger List - 2019, 2018 SFI FS Risk Assessment, WFP FSC Risk Assessments, WFP CoC Procedures V.1, WFP WCSIC Risk Assessment forms, and site visits to stumpage sales.</i></p> <p>Summary: The Wood Producer Information Package encourages the use of qualified logging and resource professionals. Certification of logging professionals is not readily available in BC so WCSIC members provide training for their contractors, including annual training updates.</p> <p>WFP Operations retain lists of trained loggers maintained within the EMS Files (and training database where applicable). These logging contractors generally work on company tenures and are well known to the company and trained in the companies EMS program. Logging contractors used at the Port Alberni operations are all qualified contractors and used on WFP public land management. Discussed with WFP Divisional Operations Manager and Operations Technician.</p> <p>A list of trained Fiber Suppliers is maintained by Fiber Supply (record of circulation of the FS Information Package to suppliers).</p>
<p><i>No Nonconformities or Opportunities for Improvement were identified related to this objective.</i></p>	
<p>Objective 4. Legal and Regulatory Compliance To comply with applicable federal, provincial, state and local laws and regulations.</p>	<p><i>Evidence: Interviews with WFP staff and contractors. Review of WFP Appendix 10 - SFI Certification Matrix (Sept. 2016 version), SFI Fibre Sourcing Information Package (March 2019), WFP Trained Logger List - 2019, 2018 SFI FS Risk Assessment, WFP FSC Risk Assessments, WFP CoC Procedures V.1, WFP WCSIC Risk Assessment forms, WFP MR - April 2019, Environmental Policy, EMS Compliance Log and Site visits to stumpage sales.</i></p> <p>Summary: WFP has a comprehensive EMS program in place which includes legal and regulatory commitments, procedures to ensure compliance, defined roles and responsibilities, internal auditing of activities and review and revision of legal compliance by senior management. There have been no enforcement actions or administrative penalties initiated by regulatory bodies against WFP since the last external audit.</p> <p>The Company also monitors websites, and changes to relevant laws and regulations. The Certification Coordinator conducts periodic reviews of changes to relevant laws and</p>

	<p>regulations, and will determine if changes are required to programs or procedures to facilitate compliance. Any documentation changes will be made in accordance with EMS document control procedures.</p> <p>The Company complies with provincial and federal social and labor legislation in Canada. A variety of WFP corporate policies are in place to ensure conformance including a health and safety policy, an annual employee code of conduct sign-off and policies for bullying and harassment and workplace violence. The Company is Safe Certified with the Forest Safety Council of British Columbia.</p>
<p><i>No Nonconformities were identified related to this objective.</i></p>	
<p><i>Two Opportunities for Improvement were identified.</i></p>	
<p><i>In general, all of the firefighting equipment and training was up to date during the Assessment on both the forest management and fibre sourcing side of the field visits (~15+ machines and ten contractors). On one unit, the fire extinguishers for a sub-contractor (loader operator) had no evidence that they been tested or tagged for the current year.</i></p>	
<p><i>Western's procurement group does an annual training session every June which covers WFP's policies and procedures for Procurement and Chain of Custody. WFP may wish to consider adding a legal changes/review section to SFI FS internal training, similar to what the forest management program currently does.</i></p>	
<p>Objective 5. Forestry Research, Science and Technology 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: Interviews with WFP staff and contractors. Review of WFP Appendix 10 - SFI Certification Matrix (Sept. 2016 version), Goshawk Research Program, Migratory Birds project through COFI, various other projects, and WCSIC website</i></p> <p>Summary: WFP has a robust Corporate Research Program: examples include Variable Retention Adaptive Management, Species at Risk, Silviculture Strategies and Best Practices, Seed and Seedling projects, and Growth and Yield and EBM research and monitoring. Additional projects are undertaken through support for/partnerships with FP Innovations.</p> <p>The Company utilizes provincial growth and yield data and results of timber supply analysis.</p> <p>WFP has its own Climate Change Committee and staff attends ABCFP Workshops and monitors the webpage for information. WFP staff also monitor the SFI website and various sources of research information including the BC Government website.</p> <p>Through the Timber Supply Review process, the Company participates in MFLNRORD forest health, productivity and ecosystem functions analysis that includes carbon research.</p>
<p><i>No Nonconformities or Opportunities for Improvement were identified related to this objective.</i></p>	
<p>Objective 6. Training and Education To improve the implementation of sustainable forestry practices through appropriate training and education programs.</p>	<p><i>Evidence: Interviews with WFP staff and contractors. Review of WFP Appendix 10 - SFI Certification Matrix (Sept. 2016 version), SFI Fibre Sourcing Information Package (March 2019), WFP Trained Logger List - 2019, 2018 SFI FS Risk Assessment, WFP FSC Risk Assessments, WFP CoC Procedures V.1, WFP WCSIC Risk Assessment forms, WFP MR - April 2019, and Site visits to stumpage sales.</i></p> <p>Summary: WFP updated their SFM policy in January 2018. It includes a commitment to Sustainable Forest Management and the principals of SFI. It is signed by Vice President and Chief Forester Shannon Janzen, and Vice President Timberlands Rob Regner. Additionally, the company has provided more detail regarding their commitment to Fiber Sourcing in the WFP CoC SOP and the WFP Fiber Sourcing Information Package.</p> <p>The WFP EMS Manual Appendix 5 describes the Roles and Responsibilities of the various staff and departments with regard to the SFI program. Key roles are: Vice President and Chief Forester, Vice President, Timber Supply, Systems Coordinator, the MERC (Management</p>

	<p>Environmental Review Committee), Managers and various other Departments. Roles are well defined including Tasks and Responsibilities. Training requirements are found in the Training Table document and include EMS and SFI Fiber Sourcing and Manufacturing CoC SOP's.</p> <p>The WFP Training Table identifies all the training requirements of woodlands, shop and warehousing staff and contractors. The frequency of review and listings of the specific SOP's required by position are included. Training records are maintained to ensure all active workers are competent in their tasks.</p> <p>WFP Fiber Sourcing Information Package (developed consistent with WCSIC Wood Producer Package and Training Policy) is given to all contractors. The materials include WFP's EMS training including SOP's. All contractors are trained in WFP's EMS prior to any work being conducted on WFP harvest units - either on their managed tenures or on stumpage sales.</p> <p>The WCSIC Training Policy and Wood Producer Information Package identify criteria and delivery mechanisms for wood producers. The WCSIC website also contains links to sources of training material. Western conducts annual training to address continual improvement and informs contractors when appropriate training courses are available</p>
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No Nonconformities or Opportunities for Improvement were identified related to this objective.

<p>Objective 7. Community Involvement and Landowner Outreach 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: Interviews with WFP staff and contractors. Review of WFP Appendix 10 - SFI Certification Matrix (Sept. 2016 version), WCSIC member roster, WCSIC website and inconsistent reporting line.</i></p> <p>Summary: The Company encourages forest landowners to participate in forest management certification programs through the distribution of the WCSIC Wood Producer Information Package. WFP has a certified Chain of Custody which tracks all certified fiber from large and small landowners.</p> <p>WFP conducts tours of its facilities and forest management activities from time to time. WFP provides in-kind support of school programs (e.g., classroom visits, tree planting events, etc.), run summer student programs, support/ participate in National Forestry Week and the Festival of Forests (teacher's tour).</p> <p>The company also maintains recreation sites, trails and maintains resource roads utilized by the public and guide outfitters.</p> <p>WFP promotes the WCSIC Inconsistent Practice/Complaint Flow Chart for members and have provided a contact on their web page for reporting inconsistent practices. The WFP web site and contact us page also gives the public the ability to get in touch regarding any issues they might have regarding logging or other practices.</p>
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No Nonconformities or Opportunities for Improvement were identified related to this objective.

<p>Objective 8. Public Land Management Responsibilities To participate and implement sustainable forest management on public lands.</p>	<p><i>Evidence: Interviews with WFP staff and contractors. Review of WFP Appendix 10 - SFI Certification Matrix (Sept. 2016 version), Western FSP and SP's.</i></p> <p>Summary: As WFP manages multiple public tenures across Vancouver Island and the BC Coast, the company is involved in a variety of planning and management efforts including: Land Use Orders and FRPA, Forest Stewardship Plan Consultations, Permits (CP, RP, SUP, etc.), PMP Consultations, Information Sharing and Engagement, Timber Supply Review, Stakeholder meetings and information sharing. Since the 2016 Great Bear Rainforest Order came into effect, the successful approval of any forest management planning or activates is largely dependent on the strength of relationships between WFP and partnering First Nations. As such, significant information sharing takes place as part of this process.</p>
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No Nonconformities or Opportunities for Improvement were identified related to this objective.

<p>Objective 9. Communications and Public Reporting To increase transparency and to annually report progress on conformance with the SFI Fiber Sourcing Standard.</p>	<p><i>Evidence: Review of SFI survey submission records.</i></p> <p>Summary: PwC is responsible for producing this report and submitting it to SFI on behalf of WFP. WFP submitted their annual progress report to SFI on time, in March of 2019.</p>
<p><i>No Nonconformities or Opportunities for Improvement were identified related to this objective.</i></p>	
<p>Objective 10. Management Review and Continual Improvement 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: Interviews with WFP staff. Review of MERC Q1 2018 to Q1 2019 meeting minutes, EMS Manual - Management Review Process, Audits – Internal and External, Inspections – Internal and External, and additional Data and Information: EMS Files, GIS Files, Cutblock Files/Cenfor.</i></p> <p>Summary: Western undertakes Management Reviews as part of the EMS process. This includes a review of the SFI program and performance measures. Topics of discussion include SFI, previous findings, and a review of the SFI program for Forest Management and Fiber Sourcing.</p>
<p><i>No Nonconformities or Opportunities for Improvement were identified related to this objective.</i></p>	

FOREST MANAGEMENT

<p>SFI Forest Management Objective</p>	<p>Evidence of Conformity</p>
<p>Objective 1. Forest Management Planning To ensure forest management plans include long-term sustainable harvest levels and measures to avoid forest conversion</p>	<p><i>Evidence: Interviews with WFP staff and contractors. Review of WFP Appendix 10 - SFI Certification Matrix (Sept. 2016 version), TFL management plans and Info packages, GIS data and Woodstock data and sample TSA files with constraint files and outputs, 2018 Cut Control Summary by TFL and License, Lidar review, VILUP, WFP Forest Strategy, forest management plans, site plans and field observations.</i></p> <p>Summary: The Allowable Annual Cut (AAC) is determined through the BC Timber Supply Review (TSR) process. WFP harvests on various licenses at different points during their cut control period to manage stumpage prices, green up constraints and First Nations concerns. Inventory information is a combination of provincial VRI data and digitized Mylar information. Lidar data is being processed to generate inventory information and will be incorporated into the multiyear planning process.</p> <p>Volumes are found on an operational basis by the planning and engineering groups. There is a split of second growth and old growth, which follow the WFP Forest Strategy and the Vancouver Island Land Use Plan (VILUP). District planning staff and engineers locate timber and are responsible for layout and Cutting Permit (CP) development.</p> <p>WFP has full in-house capability to perform internal timber supply analysis (“TSA”). WFP utilizes Woodstock to perform timber supply analysis. G and Y data (VDPY and TIPSY) are</p>

	<p>taken both from internal and Government sources (VRI). WFP also manages all spatial data in their in-house ArcGIS system. Data inputs include forest inventory, roads, THLB layer, non-timber values and constraint layers (e.g. UWR, WTPs, WHAs, etc.).</p> <p>Stand conversion into other types is not acceptable under BC forest practices rules and Western has not implemented this type of conversion in the past. Western manages plantation establishment using approved FSP stocking standards that include specifications for preferred and acceptable species as per Provincial silvicultural legislation requirements.</p> <p>The Company does not have forestlands that have been converted into non forestland use within the scope of their certification.</p>
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No Nonconformities or Opportunities for Improvement were identified related to this objective.

<p>Objective 2. Forest Health and Productivity 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: Interviews with WFP staff and contractors. Review of WFP Appendix 10 - SFI Certification Matrix (Sept. 2016 version), Western Site Plans, BC silviculture regulations, BC Stocking Standards, silviculture records, EMS procedures, harvest site plans, and Pest Management Plan. Field assessments/observation and records.</i></p> <p>Summary: The Company plants most harvest areas within one to two years after harvesting with sampled blocks showing planting one year after harvest. Following planting, the Company completes regeneration surveys in order to ensure all harvested areas are satisfactorily stocked and survival rates are acceptable. Stocking standards and acceptable species are determined by the requirements stated in Forest Stewardship Plans (FSP) and carried down to the Site Plan (SP) level.</p> <p>The Company has a valid Pesticide Use License issued by the BC Ministry of Environment for herbicide use in their Nootka Operations (FL A19231 and TFL 19). Chemical use is limited to ground based operations. No Aerial spraying takes place.</p> <p>Forest Stewardship Plans have site disturbance limits for permanent and temporary access structures. The Company’s Environmental Management System (EMS) includes measures to maintain forest and soil productivity. This information is communicated to contractors at pre-work meetings and continually monitored through WFP inspections.</p> <p>Soil samples are taken to determine soil textures and vulnerability to disturbance. Harvest plans specify logging methods, including cable harvesting and helicopter systems for steep slopes and the use of excavators to forward logs on sensitive lower slope terrain. Road drainage structures are regularly maintained. FSP and SP's have soil disturbance ratings based on site sampling, post-harvest assessments to ensure soil disturbance targets met in field. Post-harvest piling and road deactivation for most units.</p> <p>The Company conforms to applicable laws, regulations and follows guidelines regarding measures that must be taken to protect forest resources (i.e., Wildfire Act). Landscape level and Site Plans address forest health issues. Monitoring and quantifying pest incidence within reforested stands is performed by forestry professionals. Harvest inspections ensure compliance with fire preparedness expectations. Additionally, the Company works cooperatively with MFLNRORD programs to ensure that pest and fire prevention challenges are identified and dealt with in a timely manner.</p> <p>Research, testing and evaluation of genetically improved seedlings are conducted by the MFLNRORD. All seedlings are grown in privately owned nurseries, each of which is involved in various research endeavors and trials for the forest industry and the MFLNRORD. Western owns Class A Seed at the Surrey Seed Centre for future use.</p>
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One Nonconformity was identified related to this objective. WFP has a detailed planning process to identify constraints on block maps, and includes mitigating measures on the backside of maps to manage these constraints. Field operators are to review and follow the instructions as written.

In one harvest unit a sensitive terrain feature had been identified with a prescription to limit wood piling. A pullout had been constructed directly above the area and a considerable amount of slash had been piled directly adjacent. Additionally, a culvert (800CMP) was noted to be completely covered by soil with no inlet visible, allowing no through flow of water. However, the ditch around the culvert had been cleaned of slash prior to the crew leaving.

No Opportunities for Improvement were identified related to this objective.

**Objective 3.
Protection and
Maintenance of
Water Resources**

To protect the water quality of rivers, streams, lakes, wetlands and other water bodies through meeting or exceeding best management practices.

Evidence: Interviews with WFP staff and contractors. Review of WFP Appendix 10 - SFI Certification Matrix (Sept. 2016 version), WFP Rainfall Shutdown Standard, Roads Standard Operating Procedures (SOPs), Road Inspection Records, Field Observations, FSP, Site Plans, records of Pre-work meetings, Western logger training records, and EMS/SFI Safety Manual.

Summary: Standards Operating Procedures (SOP) in the WFP EMS state environmental criteria to be managed which includes management of water quality. These requirements are incorporated into the development of site level plans for harvesting, road building and silvicultural activities that have the potential to impact the environment. Contracts with loggers also include requirements to comply with BMPs. Harvest units reviewed during the assessment included pre-harvest reviews, active harvest inspections and post-harvest closeouts.

The Company complies with applicable laws, regulations and guidelines (where appropriate) regarding management and protection of water bodies and riparian zones. Operational controls, including monitoring, have been implemented through the WFP Environmental Management System (EMS) to protect the soil and water resources.

All operations are inspected to ensure compliance with the legislation and conformance with the EMS. The Company maintains a GIS system which contains a layer for riparian features which is used to track riparian features and is updated with field provided information as required.

No Nonconformities were identified related to this objective. One Opportunity for Improvement was identified.

In general, the condition of equipment was good across both WFP's and other logging and road building contractor operations. It was noted on one machine that was being stored roadside on the Zeballos Lake Mainline, there was oil staining under the machine that was the result of a steady drip from the undercarriage. WFP may wish to consider advising the contractor of the issue and asking them to clean it up and address the leak in the machine.

**Objective 4.
Conservation of
Biological
Diversity**

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

Evidence: Interviews with WFP staff and contractors. Review of WFP Appendix 10 - SFI Certification Matrix (Sept. 2016 version), CENFOR, ARCGIS, Provincial Forestry databases, Plant/animal inventory and OGMA changes, WFP invasive species procedure, Forest Stewardship Plans, Pest Management Plans, Grass Seeding Standard, Land Use Order and FRPA requirements, Timber Supply Analysis and Management Plans, WFP Biodiversity Management Strategy, and Site Plans, WFP Species at Risk Training program, Goshawk Management Strategy and Field Card, WFP Rare Ecosystem Project includes habitat for T&E species, GIS Layers (various), Goshawk Management Standard and Field Card, Participation/Support for: Marbled Murrelet (Mamu) Recovery Team, Northern Goshawk Recovery Team, Technical Assistance for Federal and Provincial Northern Goshawk Recovery Strategies, Vancouver Island Marmot Recovery Team, Coast Forest Products Species at Risk Committee, SARA National Roundtable, WCSIC support for Nature Conservancy Project BC Species and Ecosystems Explorer, NatureServe, WFP Forest Strategy and WFP Big Tree Policy.

Summary: WFP's FSP, TSA plans and site plans all incorporate the conservation of biological diversity by setting objectives, results and strategies to meet legislative requirements such as landscape and stand level biological diversity, objectives for water, fish, wildlife and biological diversity within riparian areas, and objectives set for soils and wildlife. Measures are carried in

<p>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>the site level plans developed by Registered Professional Foresters. WFP has put significant resources into planning for and managing biological diversity. WFP has full time biologists on staff to support company goals for conservation of biological diversity. Conservation measures on a site basis were reviewed in the field. Any unique features such as Karst, terrain or rare ecosystems are identified in the field and protected in the engineering and harvest program.</p> <p>WFP is involved in various research initiatives to better understand T&E wildlife across their land base. The results of these initiatives are incorporated into their SOP's and FSP's when renewed. Their Level 1 training package includes identification of SAR, and field staff carry wildlife ID cards.</p> <p>Land Use Plans provide the framework for conservation of biological diversity through a 3 layered approach that entails the identification and establishment of Parks and Protected Areas, designation of Old Growth Management Areas (OGMAs), and site specific wildlife tree retention areas and riparian reserves. Special wildlife habitats (e.g., MAMU and Goshawks) are protected through establishment of Wildlife Habitat Areas, and Government Orders (GAR) that identify/restrict forest management practices in specific habitat types.</p> <p>Ecologically important sites are identified and mapped. Trained field crews identify ecologically important sites for protection. Site Plans are developed by foresters using the field information gathered. WFP SOPs describes how WFP ensures that personnel have the training, awareness and competency to perform their job. Training procedures aim to identify, deliver and record environmental training for all individuals that have potential to significantly impact the environment. Pre-work meetings are held prior to the commencement of contract activities.</p> <p>WFP subscribes to a variety of organizations (e.g. ABCFP, UBC Forestry, BC Conservation Data Centre, and the MFLNRORD) which maintain websites and newsletters to disseminate information on current research projects. These information centers help to keep practitioners aware of new forest management techniques, public opinion and forest policy/guidelines.</p>
<p><i>No Nonconformities or Opportunities for Improvement were identified related to this objective.</i></p>	
<p>Objective 5. Management of Visual Quality and Recreational Benefits To manage the visual impact of forest operations and provide recreational opportunities for the public.</p>	<p><i>Evidence: Interviews with WFP staff and contractors. Review of WFP Appendix 10 - SFI Certification Matrix (Sept. 2016 version), GIS, multiple harvest unit SP's including VIA's.</i></p> <p>Summary: The Company has visual quality strategies contained within its Forest Stewardship Plans and complies with government established higher level plans such as the Great Bear Rainforest Order. Visual Quality Objectives are reviewed pre-harvest, visual assessments are conducted (if required) from established viewpoints, and blocks are planned to ensure that visual requirements are met.</p> <p>Average size of cutblocks in WFP Operations can be calculated in GIS and CENFOR databases. The largest cutblock WFP has harvested in the Nootka operating area in the past year is less than 50 ha. The average size of the units harvested over the audit period is 20.3 ha.</p> <p>Green-up requirements are stated within WFP Forest Stewardship Plans (FSP) which are based on regional land use plan management zone requirements. WFP has tracking systems in use to ensure conformance with green-up requirements.</p> <p>The Company manages recreation sites for public use in various locations on Vancouver Island and maintains a layer in their GIS system to track these sites.</p>
<p><i>No Nonconformities or Opportunities for Improvement were identified related to this objective.</i></p>	
<p>Objective 6. Protection of Special Sites To manage lands</p>	<p><i>Evidence: Interviews with WFP staff and contractors. Review of WFP Appendix 10 - SFI Certification Matrix (Sept. 2016 version), GIS, and block files including FRPS checklists, AIA's and SP's. Field Observations.</i></p>

<p>that are geologically or culturally important in a manner that takes into account their unique qualities.</p>	<p>Summary: WFP Forest Stewardship Plans contain a cultural heritage resource strategy. The Company engages with stakeholders and First Nations to ensure that planning activities are able to manage all known special or culturally sensitive sites. Available special site or cultural information databases will also be consulted to allow for inclusion of any areas not already included in the planning process.</p> <p>Assessments to determine potential and presence of special sites, and strategies for their management are incorporated into harvest area planning. WFP maintains a layer within their GIS for special sites which includes cultural features. This information is used to determine potential harvesting constraints in block planning. GIS layers include: roads/landings/ water layers/geology/special features (e.g. karst, cabins)/Visual Quality Objectives/wildlife layers (deer winter range etc.)/arch sites/trappers/community watersheds etc.</p>
<p><i>No Nonconformities or Opportunities for Improvement were identified related to this objective.</i></p>	
<p>Objective 7. Efficient Use of Fiber Resources To minimize waste and ensure the efficient use of fiber resources.</p>	<p><i>Evidence: Interviews with WFP staff and contractors. Review of WFP Appendix 10 - SFI Certification Matrix (Sept. 2016 version), 2019 Residue and Waste Surveys spreadsheet, and Harvest Inspection Forms. Field Observations.</i></p> <p>Summary: Site Plans specify standards for post-harvest conditions. WFP utilization requirements are written into harvest contracts and are distributed and reviewed with field workers to ensure they are understood. Active harvest and post-harvest inspections confirm these standards are met. Log quality programs, waste audits and site inspections also ensure target utilization is met.</p>
<p><i>No Nonconformities or Opportunities for Improvement were identified related to this objective.</i></p>	
<p>Objective 8. Recognize and Respect Indigenous Peoples' Rights To recognize and respect Indigenous Peoples' rights and traditional knowledge.</p>	<p><i>Evidence: Interviews with WFP staff and contractors. Review of WFP Appendix 10 - SFI Certification Matrix (Sept. 2016 version) and WFP Sustainable Forest Management Statement.</i></p> <p>Summary: Western's Sustainable Forest Management Statement includes a commitment to recognize and respect the rights of First Nations' (FN's) Peoples. WFP program appears to be robust and is a foundational aspect of WFP SFM program.</p> <p>WFP engage in discussions with FN's at the FSP level as well as the individual Cutting Permit (CP) level. They also operates a series of joint ventures with FN's and has MOU's with several others. With some First Nations they have areas of interest where all units must be referred to them for review under the Maa'Nulth treaty and issues are addressed. In many areas, Archaeological Overview Assessment's (AOA's) are done where required and all pre-1846 Culturally Modified Tree's (CMT's) are documented and set aside within blocks were where found. There are a variety of other initiatives going on such as providing cedar logs for canoes and Non Timber Forest Products are being harvested/picked. WFP's GIS includes some areas of known high value sites, when those areas are shared with the Company.</p>
<p><i>No Nonconformities or Opportunities for Improvement were identified related to this objective.</i></p>	
<p>Objective 9. Legal and Regulatory Compliance To comply with applicable federal, provincial, state, and local laws and regulations.</p>	<p><i>Evidence: Interviews with WFP staff and contractors. Review of WFP Appendix 10 - SFI Certification Matrix (Sept. 2016 version), SFI Fibre Sourcing Information Package (March 2019), WFP Trained Logger List - 2019, 2018 SFI FS Risk Assessment, WFP FSC Risk Assessments, WFP CoC Procedures V.1, WFP WCSIC Risk Assessment forms, WFP MR - April 2019, Environmental Policy, EMS Compliance Log and Site visits to stumpage sales.</i></p> <p>Summary: WFP has a comprehensive EMS program in place which includes legal and regulatory commitments, procedures to ensure compliance, defined roles and responsibilities, internal auditing of activities and review and revision of legal compliance by senior management. There have been no enforcement actions or administrative penalties initiated by regulatory bodies against WFP since the last external audit.</p>

	<p>The Company also monitors websites, and changes to relevant laws and regulations. The Certification Coordinator conducts periodic reviews of changes to relevant laws and regulations, and will determine if changes are required to programs or procedures to facilitate compliance. Any documentation changes will be made in accordance with EMS document control procedures.</p> <p>The Company complies with provincial and federal social and labor legislation in Canada. A variety of WFP corporate policies are in place to ensure conformance including a health and safety policy, an annual employee code of conduct sign-off and policies for bullying and harassment and workplace violence. The Company is Safe Certified with the Forest Safety Council of British Columbia.</p>
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No Nonconformities or Opportunities for Improvement were identified related to this objective.

<p>Objective 10. Forestry Research, Science and Technology 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: Interviews with WFP staff and contractors. Review of WFP Appendix 10 - SFI Certification Matrix (Sept. 2016 version), Goshawk Research Program, Migratory Birds project through COFI, various other projects, and WCSIC website</i></p> <p>Summary: WFP has a robust Corporate Research Program: examples include Variable Retention Adaptive Management, Species at Risk, Silviculture Strategies and Best Practices, Seed and Seedling projects, and Growth and Yield and EBM research and monitoring. Additional projects are undertaken through support for/partnerships with FP Innovations.</p> <p>The Company utilizes provincial growth and yield data and results of timber supply analysis.</p> <p>WFP has its own Climate Change Committee and staff attends ABCFP Workshops and monitors the webpage for information. WFP staff also monitor the SFI website and various sources of research information including the BC Government website.</p> <p>Through the Timber Supply Review process, the Company participates in MFLNRORD forest health, productivity and ecosystem functions analysis that includes carbon research.</p>
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No Nonconformities or Opportunities for Improvement were identified related to this objective.

<p>Objective 11. Training and Education To improve the implementation of sustainable forestry practices through appropriate training and education programs.</p>	<p><i>Evidence: Interviews with WFP staff and contractors. Review of WFP Appendix 10 - SFI Certification Matrix (Sept. 2016 version), SFI Fibre Sourcing Information Package (March 2019), WFP Trained Logger List - 2019, 2018 SFI FS Risk Assessment, WFP FSC Risk Assessments, WFP CoC Procedures V.1, WFP WCSIC Risk Assessment forms, WFP MR - April 2019, and Site visits to stumpage sales.</i></p> <p>Summary: WFP updated their SFM policy in January 2018. It includes a commitment to Sustainable Forest Management and the principals of SFI. It is signed by Vice President and Chief Forester Shannon Janzen, and Vice President Timberlands Rob Regner. Additionally, the company has provided more detail regarding their commitment to Fiber Sourcing in the WFP CoC SOP and the WFP Fiber Sourcing Information Package.</p> <p>The WFP EMS Manual Appendix 5 describes the Roles and Responsibilities of the various staff and departments with regard to the SFI program. Key roles are: Vice President and Chief Forester, Vice President, Timber Supply, Systems Coordinator, the MERC (Management Environmental Review Committee), Managers and various other Departments. Roles are well defined including Tasks and Responsibilities. Training requirements are found in the Training Table document and include EMS and SFI Fiber Sourcing and Manufacturing CoC SOP's.</p> <p>The WFP Training Table identifies all the training requirements of woodlands, shop and warehousing staff and contractors. The frequency of review and listings of the specific SOP's required by position are included. Training records are maintained to ensure all active workers are competent in their tasks.</p> <p>WFP Fiber Sourcing Information Package (developed consistent with WCSIC Wood Producer</p>
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	<p>Package and Training Policy) is given to all contractors. The materials include WFP's EMS training including SOP's. All contractors are trained in WFP's EMS prior to any work being conducted on WFP harvest units - either on their managed tenures or on stumpage sales.</p> <p>The WCSIC Training Policy and Wood Producer Information Package identify criteria and delivery mechanisms for wood producers. The WCSIC website also contains links to sources of training material. Western conducts annual training to address continual improvement and informs contractors when appropriate training courses are available.</p>
<p><i>No Nonconformities or Opportunities for Improvement were identified related to this objective.</i></p>	
<p>Objective 12. Community Involvement and Landowner Outreach 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: Interviews with WFP staff and contractors. Review of WFP Appendix 10 - SFI Certification Matrix (Sept. 2016 version), WCSIC member roster, WCSIC website and inconsistent reporting line.</i></p> <p>Summary: The Company encourages forest landowners to participate in forest management certification programs through the distribution of the WCSIC Wood Producer Information Package. WFP has a certified Chain of Custody which tracks all certified fiber from large and small landowners.</p> <p>WFP conducts tours of its facilities and forest management activities from time to time. WFP provides in-kind support of school programs (e.g., classroom visits, tree planting events, etc.), run summer student programs, support/ participate in National Forestry Week and the Festival of Forests (teacher's tour).</p> <p>The company also maintains recreation sites, trails and maintains resource roads utilized by the public and guide outfitters.</p> <p>WFP promotes the WCSIC Inconsistent Practice/Complaint Flow Chart for members and have provided a contact on their web page for reporting inconsistent practices. The WFP web site and contact us page also gives the public the ability to get in touch regarding any issues they might have regarding logging or other practices.</p>
<p><i>No Nonconformities or Opportunities for Improvement were identified related to this objective.</i></p>	
<p>Objective 13. Public Land Management Responsibilities To participate and implement sustainable forest management on public lands.</p>	<p><i>Evidence: Interviews with WFP staff and contractors. Review of WFP Appendix 10 - SFI Certification Matrix (Sept. 2016 version), Western FSP and SP's.</i></p> <p>Summary: As WFP manages multiple public tenures across Vancouver Island and the BC Coast, the company is involved in a variety of planning and management efforts including: Land Use Orders and FRPA, Forest Stewardship Plan Consultations, Permits (CP, RP, SUP, etc.), PMP Consultations, Information Sharing and Engagement, Timber Supply Review, Stakeholder meetings and information sharing. Since the 2016 Great Bear Rainforest Order came into effect, the successful approval of any forest management planning or activates is largely dependent on the strength of relationships between WFP and partnering First Nations. As such, significant information sharing takes place as part of this process.</p>
<p><i>No Nonconformities or Opportunities for Improvement were identified related to this objective.</i></p>	
<p>Objective 14. Communications and Public Reporting To increase transparency and to annually report progress on conformance with the SFI 2015-2019</p>	<p><i>Evidence: Review of SFI survey submission records.</i></p> <p>Summary: PwC is responsible for producing this report and submitting it to SFI on behalf of WFP. WFP submitted their annual progress report to SFI on time, in March of 2019.</p>

Forest Management Standard.	
<i>No Nonconformities or Opportunities for Improvement were identified related to this objective.</i>	
Objective 15. Management Review and Continual Improvement To promote continual improvement in the practice of sustainable forestry by conducting a management review and monitoring performance.	<i>Evidence: Interviews with WFP staff. Review of MERC Q1 2018 to Q1 2019 meeting minutes, EMS Manual - Management Review Process, Audits – Internal and External, Inspections – Internal and External, and additional Data and Information: EMS Files, GIS Files, Cutblock Files/Cenfor.</i> Summary: Western undertakes Management Reviews as part of the EMS process. This includes a review of the SFI program and performance measures. Topics of discussion include SFI, previous findings, and a review of the SFI program for Forest Management and Fiber Sourcing.
<i>No Nonconformities or Opportunities for Improvement were identified related to this objective.</i>	

Specific Good management practices are noted below:

- 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.
- The WFP purchase stumpage partnership with the Huu-ay-aht First Nations (“HFN”) Forestry LP has been emphasizing complete utilization on harvest units at the HFN’s request.
- The WFP-HFN Forestry LP partnership has approached planning and operations treating private and treaty lands in the same manner as public lands.
- The creation of an EMS audit “prep” form for contractor staff has helped them prepare for audit interviews including providing distilled, key information which is clear and concise.
- 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.
- Good knowledge and environmental commitment noted with contractors interviewed during field days.
- Robust FRPA checklist used for tracking block activities throughout planning and renewal activities (Nootka).

Conclusion

The Company has maintained conformance with the requirements of the Sustainable Forestry Initiative Fiber Sourcing Standard [2015-2019] and the Sustainable Forestry Initiative Forest Management Standard [2015-2019]. The Certificate can be can be obtained by contacting Will Sloan, RFT of Western Forest Products Inc. at (250) 202-5290 or by email at wsloan@westernforest.com. More information on WFP's sustainable forestry program can be found at: <https://www.westernforest.com/responsibility/environment/certification/>

The next SFI Assessment will be a Maintenance Assessment in the Spring of 2020. The registration expires on November 6, 2021.