



# REPORT Forest Certification



## Atco Wood Products Ltd. – June 2011

On June 6-8<sup>th</sup>, 2011, an audit team from KPMG Performance Registrar Inc. (KPMG PRI) carried out an SFI recertification audit of Atco Wood Products' 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 Atco Wood Products' Woodlands Operations

Atco's Crown land woodlands operations are situated in south central BC, Canada and comprise forest licences FL A20193 in the Arrow Timber Supply Area (TSA) and FL A20218 in the Kootenay Lake TSA. Atco's Crown land woodlands operations are managed by the Company from offices in Fruitvale, BC. The Annual Allowable Cut for FL A20193 is 166,489 m<sup>3</sup> and for FL A20128 is 20,167 m<sup>3</sup>.

Atco has developed a Sustainable Forest Management Plan (SFMP) which describes how the company will achieve the objectives of higher level plans developed under public involvement processes such as the Kootenay Boundary Land Use Planning Process. It also guides the development and content of other planning documents including the Forest Stewardship Plan. The company ensures that all lower-level plans it is responsible for developing (e.g.: the FSP, and all site-level plans) are consistent with the commitments made in their SFMP.

### Audit Scope

The audit was conducted against the requirements of the 2010-2014 edition of the SFI standard, and incorporated an assessment against the SFI program objectives for:

- Forest management planning;
- Forest productivity;
- Protection and maintenance of water resources;
- Conservation of biological diversity;
- Management of visual quality and recreation benefits;
- Protection of special sites;
- Efficient use of forest resources;
- Fibre sourcing (landowner outreach, adherence to best management practices, promotion of conservation of biological diversity, etc.);
- Legal and regulatory compliance;
- Forestry research, science and technology;



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- Training and education;
- Community involvement in the practice of sustainable forestry;
- Public land management responsibilities;
- Communications and public reporting, and;
- Management review and continual improvement.

The scope of the 2011 SFI certification audit of Atco’s woodlands operations included all of the woodlands operations noted above, as well as fibre procurement activities for the company veneer plant located within the community of Fruitvale, BC.

### The Audit

- **Audit Team** – The audit was conducted by Mike Alexander, RPF, CEA and Yurgen Menninga, RPF. Mike Alexander is an independent consultant, and has conducted numerous forest management audits under a variety of standards including SFI, ISO 14001, CSA Z809 and FSC. Yurgen Menninga is a KPMG staff member with experience in conducting forest management audits against the ISO 14001, SFI, and CSA Z809 standards.
- **SFI Certification Audit** – The audit involved an on-site assessment of all elements of the Company’s SFI program, and included visits to several field sites to evaluate conformance with the requirements of the SFI 2010-2014 standard.
- **Atco Wood Product’s SFI Program Representative** – Andrea Vienneau RPF served as the company’s SFI program representative during the audit.

### Audit Objectives

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

- An SFI certification audit to evaluate the Company’s conformance with the requirements of the 2010-2014 version of the SFI standard.

### Audit Conclusions

The audit found that:

- The Company’s woodlands operations meet the requirements of the 2010-2014 version of the SFI standard in all material respects. As a result, a decision has been made to grant certification to the SFI standard for the next 3 years.

<b>Atco Wood Products Ltd. SFI Certification Audit Findings</b>	
Major non-conformities	0
Minor non-conformities	0
Opportunities for improvement	2

#### 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, which must be fully implemented by the operation within 3 months.

Major non-conformities must be addressed immediately or certification cannot be achieved / maintained.

##### **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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### 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 Plan (FSP), Sustainable Forest Management Plan (SFMP), Land use plans (LUPs), Cut Control Performance Summaries, Annual Allowable Cut apportionment, inventory audit results, inventory data and mountain pine beetle attack severity maps, Timber Supply Review, Rationale for cut increase, Forest License agreements and amendments, BC government State of the BC's Forest Report (2010).
2. Forest Productivity	Site plans, silviculture reports, environmental instructions, field inspections.
3. Protection and Maintenance of Water Resources	Field inspections of riparian areas, review of site plans & harvest plans.
4. Conservation of Biological Diversity	FSP, LUPs, site plans.
5. Management of Visual Quality and Recreational Benefits	SFMP, FSP, harvest plans, field inspections.
6. Protection of Special Sites	SFMP, FSP, harvest & site plans.
7. Efficient Use of Forest Resources	SFMP, waste reports, field inspections.
8. Landowner Outreach	SFM Plan; Atco Wood Procurement Information Package; Purchase wood inspections; Purchase Wood Contracts.
9. Use of Qualified Resource and Logging Professionals	SFM Plan; Atco Wood Procurement Information Package; Qualified Logging Professionals Contact List
10. Adherence to Best Management Practices	SFM Plan; Atco Wood Procurement Information Package; Qualified Logging Professionals Contact List; Purchase wood inspections
11. Promote Conservation of Biological Diversity, Biodiversity Hotspots and Major Tropical Wilderness Areas	NA – Atco does not source fiber outside of Canada or the US.



Atco has an excellent silviculture program which results in the rapid establishment of diverse and robust free-growing stands.

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SFI Objective #	Key Evidence of Conformity
12. Avoidance of Controversial Sources including Illegal Logging	NA – Atco does not source fiber outside of Canada or the US.
13 Avoidance of Controversial Sources including Sources without Effective Social Laws	NA – Atco does not source fiber outside of Canada or the US.
14. Legal and Regulatory Compliance	SFMP, environmental instructions, health & safety policy, Management review meeting minutes, inspection records, field inspections
15. Forestry Research & Technology	SFM Plan; records of involvement with research projects, Arrow IFPA annual report and workplan.
16. Training and Education	SFM Plan; training records.
17. Community Involvement in the Practice of Sustainable Forestry	SFM Plan; Atco Wood Procurement Information Package, Records of Relevant Public Inquiry; Records of Education and Outreach.
18. Public Land Management Responsibilities	SFM Plan, FSP and associated referral information, FSP Review and Comment Package, LUPs, site plans, First Nations and stakeholder correspondence records, communication and meeting records, archaeological assessments.
19. Communications and Public Reporting	Certification summary report.
20. Management Review and Continual Improvement	SFMP, management review



This photo shows a harvest area with a re-contoured (de-built) haul road in the foreground and through the block. Atco re-contours and re-forests the majority of skid trails and in-block haul roads, which has a positive impact on hydrology, erosion, soil disturbance, wildlife movement and forest productivity.

### Good Practices:

A number of good practices were identified during the course of the audit. Examples included:

*SFI Objective 2 (Forest Productivity)* – Continuing excellent silviculture program including site preparation, trail re-contouring, diverse tree species planting program and prompt mechanical brushing which results in the rapid establishment of diverse and robust free-growing stands.

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- *SFI Objective 3 (Protection and Maintenance of Water Resources)* – Innovative surface water control “off-takes” were found to be used to reduce the potential for erosion related to road surface water flows.
- *SFI Objective 5 (Visual Quality and Recreational Benefits)* – Very comprehensive and accurate visual impact assessment planning and post-harvest evaluation program; also effective working relationship with several recreational organizations, with examples of revision of harvest plans based on recreational groups’ input.
- *SFI Objective 7 (Efficient Use of Forest Resources)* – On-going program to achieve improved utilization efficiency through the harvest of Grade 4 (pulp) logs, which throughout the region are typically not utilized.
- *SFI Objective 15 (Research)* – Participation in the West Kootenay resilience and climate change program designed to identify potential climate change impacts and potential management actions to enhance ecological and forest management resilience.

### Areas of Nonconformance:

No non-conformities were however identified during the SFI re-certification audit of the company’s woodlands operations.

### Opportunities for Improvement

A total of two new opportunities for improvement were identified during the audit. The key opportunities noted during the audit included:

- SFI Objective 16 (training) – Some logging contractor crew members were not familiar with the application of all of Atco’s required spill response products.
- SFI Objective 20 (continual improvement) – The organization has a system to collect information on achieving progress on SFI objectives and performance measures, which includes an internal audit program. However, no internal audit was conducted in 2011.



Consultation with this cabin user’s group, whose cabin is on Atco’s operating area, resulted in a strategy to retain timber around the cabin, as well as the re-location of a planned haul road.

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