Forest Management
2012 Annual audit
Report for:
Alberta-Pacific Forest Industries Inc.
Forest Management Agreement (FMA) Area
In Alberta, Canada
(North of Athabasca and Lac La Biche)

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Standard Conversions

1 mbf = 5.1 m$^3$
1 cord = 2.55 m$^3$
1 gallon (US) = 3.78541 liters

1 inch = 2.54 cm
1 foot = 0.3048 m
1 yard = 0.9144 m
1 mile = 1.60934 km
1 acre = 0.404687 hectares

1 pound = 0.4536 kg
1 US ton = 907.185 kg
1 UK ton = 1016.047 kg

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1. INTRODUCTION

The purpose of this report is to document annual audit conformance of Alberta-Pacific Forest Industries Inc., hereafter referred to as Al-Pac. The report presents the findings of Rainforest Alliance auditors who have evaluated company systems and performance against the Forest Stewardship Council™ (FSC®) forest management standards and policies. Section 2 of this report provides the audit conclusions and any necessary follow-up actions by the company through non-conformity reports.

The Rainforest Alliance founded its previous SmartWood program in 1989 to certify responsible forestry practices and has grown to provide a variety of auditing services. Rainforest Alliance certification and auditing services are managed and implemented within its RA-Cert Division. All related personnel responsible for audit design, evaluation, and certification/verification/validation decisions are under the purview of the RA-Cert Division, hereafter referred to as Rainforest Alliance or RA.

This report includes information which will become public information. Sections 1-3 and Appendix I will be posted on the FSC website according to FSC requirements. All appendices will remain confidential. A copy of the public summary of this report can be obtained on the FSC website at http://info.fsc.org/.

Dispute resolution: If Rainforest Alliance clients encounter organizations or individuals having concerns or comments about Rainforest Alliance and our services, these parties are strongly encouraged to contact Rainforest Alliance regional or Headquarters offices directly (see contact information on report cover). Formal complaints or concerns should be sent in writing.

2. AUDIT FINDINGS AND RESULTS

2.1. Audit conclusion

Based on Company’s conformance with FSC and Rainforest Alliance requirements, the audit team makes the following recommendation:

| Certification requirements met, certificate maintenance recommended |
| 1 Major NCR and 5 minor NCRs are issued. |

| Certification requirements not met: |

Additional comments:

Issues identified as controversial or hard to evaluate.
2.2. Changes in FMEs’ forest management and associated effects on conformance to standard requirements

There are no significant changes in forest management activities on the Al-Pac Forest Management Agreement area (FMA) since the 2011 annual audit. However, there have been three sets of significant changes in the area of the FMA that is certified since the 2011 annual audit.

First, Al-Pac’s FMA was renewed by the Province of Alberta in September 2011 for a 21 year period. The FMA renewal resulted in removal of land from the FMA, as follows:

- Removal for the proposed Gipsy-Gordon Wildland Park;
- Removal for an urban development area around Fort McMurray;
- Removal of leases in the mineable oil sands area (MOSA) and other small areas in the FMA that are under energy sector development (portions of which were previously excised from the certified area); and
- Removal for Traditional Land Entitlements for Aboriginal groups.

The FMA renewal also resulted in significant additions to the FMA as follows:

- Addition of 615,523 ha in the western and central parts of the FMA by including a number of formerly excluded “donut holes” east and west of the Athabasca River within the new FMA. The “donut holes” are primarily forested and non-forested wetland complexes; and
- Addition of 359,705 ha to the northwestern corner of the FMA by including the S-14 forest management unit (FMU) within the FMA.

The additional areas are now included within the new boundaries of the FMA. With the additions and removals, the new area of the legal FMA (at the time of signing the new agreement) was 6,554,558 ha.

However, the Al-Pac forest management plan has not been revised to address the inclusion of the new areas, nor have any of the analyses related to timber supply and sustainable level of harvest, or the amount of old forest, ecological representation, gaps in protected areas or high conservation value forests been redone. These involve significant work that cannot be done quickly.

Thus, Rainforest Alliance has decided not to include these new areas of the FMA (a total area of 975,228 ha) within the defined forest area of the certificate until these analyses are completed and a new forest management plan for the new, larger FMA has been completed and conformance with Principles 5, 6, 7 and 9 is demonstrated. This is anticipated in 2015. There are no plans for any forest harvesting in any of the areas within the former “donut holes” or FMU S-14 until the work described above is completed and a new management plan is approved. RA anticipates that these areas will be included in the certified area in 2015 upon completion of the new forest management plan.

Second, the long-running Lower Athabasca Regional Plan (LARP) process was completed in September 2012 and the Alberta government announced that two areas of land within the FMA were designated as new protected areas. This resulted in an additional removal of 191,544 ha from the FMA for the Dillon River Wildland Park on the eastern boundary of the FMA and smaller recreational areas. The other new protected area, the Gipsy-Gordon, was already removed from the FMA at the time of the renewal in anticipation of its establishment as a protected area.
Third, as a result of on-going oil and gas developments, the Government of Alberta continues to legally remove forests from defined areas of the FMA for camps, wells, power stations, gravel pits, roads, transmission corridors and pipelines. On an annual basis, Al-Pac excises concentrated areas of these government withdrawals from the FMA (details of annual excision methodology and results are provided in a separate memo to Rainforest Alliance). In 2012, the area of the excision was re-calculated since some previous excisions were legally removed from the FMA at the time of the renewal. In 2012, an area of 69,258 ha, which remains within the outer perimeter of the legal FMA is excised because the dominant land use is now energy production, not forest management. The excision is further discussed below in Section 2.3.

With the areas legally removed from the FMA in the FMA renewal, the LARP completion and the areas excised, the certified area is reduced to 5,318,558 ha. This is a reduction of approximately 400,000 ha since the 2011 annual audit.

Since the last annual audit, there has also been significant involvement by Al-Pac in the activities of the Canadian Boreal Forest Agreement (CBFA). Two of the goals established in the agreement relate to conservation of species at risk (with an initial focus on woodland caribou) and the identification of candidate protected areas. Millar Western has also joined the discussions as a signatory to the agreement. The audit team notes that it will be important for future audit teams to monitor the progress to complete the Canadian Boreal Forest Agreement process and evaluate the plans and measures that emerge from that process for conformance with the National Boreal Standard (See Note 01/12).

Other important initiatives since the last annual audit involve the completion of a review in July 2012 of the timber supply and potential long-term harvest rates from the new and enlarged FMA following the changes in area described above, and completion of the required Forest Stewardship Technical Report (2006-2010) to report on the achievement of management objectives set out in the forest management plan over the last five years.

A project involving the reclamation of old seismic lines was completed by the Oil Sands Leadership Initiative (OSLI) Land Stewardship Working Group (on which Al-Pac participates) in the Algar caribou range.

### 2.3 Excision of areas from the scope of certificate

| Not applicable. Check this box if the FME has not excised areas from the FMU(s) included in the certificate scope as defined by FSC-POL-20-003. (delete the rows below if not applicable) |
| The FME has excised areas from FMU(s) included in the scope of the certificate since the last assessment/audit? If yes complete sections A, B and C below |
| The FME excised areas from FMU(s) included in the scope of the certificate prior to the last assessment/audit, and conformance with FSC-POL-20-003 was evaluated? If yes complete sections B and C below |

| A. Rationale for excision of area from FMU(s) included in scope of evaluation: |
| Note: Rationale shall be consistent with one of the permitted conditions specified in FSC-POL-20-003, under which such certifications may be permitted. |
| Finding: The area is undergoing significant change with removal of forest cover for the expansion of the oil and gas energy developments in northern Alberta. Forest harvesting has been completed on portions of the excised areas following an integrated planning process with the energy companies, and the timber has been salvaged. However, the energy infrastructure of wells, pipelines, transmission lines, roads, |
camps and other facilities is now the expected long-term use of these areas. Excision areas remain within the legal boundaries of the FMA. Those portions of the excision areas that become energy sector land dispositions will be withdrawn by the Alberta government at a later date. They are no longer managed for long-term forest uses but all energy land withdrawals have reclamation requirements tied to their approvals. Thus, they have been excised from the certified area of the FMA.

B. Summary of conformance evaluation against requirements of FSC-POL-20-003

**Finding:** As explained in the 2011 annual audit report, and confirmed in this annual audit, these areas meet the criteria of FSC-POL-20-003 “FSC Policy on the Excision of Areas from the Scope of Certification” as outlined below:

- The management of these areas are outside the control of Al-Pac;
- Al-Pac has made all reasonable efforts to avoid any negative impacts of the oil and gas sector in these areas through consultation and integrated planning and has a long-standing history of working closely with the oil and gas sectors to minimize impacts;
- Any negative impacts are dealt with promptly and thoroughly by Al-Pac;
- The overall forest management plan and Annual Allowable Cut (AAC) account for the impacts of the energy sector in these areas;
- The area impacted is very limited in relation to the scope of the FMA (1.3% of the certified area of the FMA is being excised in the period since 2010);
- The rest of the managed area within the certified area of the FMA is in compliance with the FSC National Boreal Standard (except where noted elsewhere in this report);
- The excised area has been defined and mapped by Al-Pac;
- The areas have been designated as non-controversial;
- Al-Pac has a long-standing FM/CoC and CoC certificate and is able to demonstrate the ability to designate between FSC-Certified Wood and Controlled Wood, and
- The areas excised do not compromise Al-Pac’s ability to adhere to Criterion 1.6.

C. Control measures to prevent contamination of certified wood with wood from excluded/excised forest areas.

**Finding:** Al-Pac’s control measures and documentation procedures in regard to its Chain of Custody and Controlled Wood Certificates were audited in association with this FM/CoC annual audit. Al-Pac’s Documented Control System for controlled wood and chain of custody describes the measures that identify wood coming from the certified forest area and distinguish it from wood coming from other sources. These measures allow Al-Pac to separate volumes of wood from certified and non-certified (controlled) forest in its record keeping systems.

2.4. Comments, complaints and issues (complaints/disputes raised by stakeholders to FME or Rainforest Alliance since previous evaluation)

Rainforest Alliance received a letter of concern from Alberta Wilderness Association in August of 2011. Rainforest Alliance replied to the letter with a detailed response to the concerns raised. In this letter, Rainforest Alliance committed to a review of Criterion 6.4 in this annual audit. As a result, Criterion 6.4 was included in this annual audit and Al-Pac was found to be in conformance with the criterion and associated indicators.

During the audit, the audit team spoke with four individual representatives of local, provincial and national-level non-government organizations. Two of these representatives feel Al-Pac should be more proactive in engaging with quota holders and energy sector companies and more aggressive in promoting conservation of woodland caribou populations, advocating conservation of forests within the major river corridors of the Athabasca, Clearwater and their tributary rivers and supporting establishment of protected areas.
Three of the representatives are concerned that much more needs to be done more quickly to address the precarious state of caribou populations on the FMA. These persons believe that Al-Pac has very good information and knows that caribou populations are in decline. They feel that Al-Pac needs to be more proactive in promoting effective solutions on the ground. They are concerned that the current process that Al-Pac is involved in to develop a Caribou Action Plan (through the Canadian Boreal Forest Agreement (CBFA) involves only some companies and some ENGOs. They also feel the CBFA operates in secrecy. They are concerned that the CBFA appears to have moved very slowly on its work related to caribou and protected areas since its inception in 2010.

One person stated that communication with some of the provincial-level NGOs active in Alberta has slipped in the last two years as Al-Pac staff have been more involved in the CBFA process which only involves the signatory organizations, which are national-level NGOs. In the past, Al-Pac had more regular communication with provincial groups through the Alberta Caribou Committee, but that process has lapsed with the emergence of the CBFA and the very limited engagement in the past two years by the government-led Alberta Caribou Committee. This person suggested that Al-Pac should be communicating on a more regular basis with interested provincial-level NGOs in Alberta.

On the other hand, one person, representing a local NGO commented that they felt Al-Pac is listening more and is now more receptive to modifying harvesting techniques to maintain biodiversity and connectivity between the portions of a watershed of interest, and to ensure that species requiring special habitats are accommodated.

Representatives of the NGOs also expressed their concern that some logging operations are continuing below the breaks in the major river corridors. This has been a long standing concern. They acknowledge that Al-Pac does not do any logging within the river corridors but believe Al-Pac has not advocated or put sufficient pressure on quota holder companies who continue to have cutblocks within the corridors.

The audit team acknowledges these long-standing concerns. Some of the concerns appear to relate in part to mis-information and a lack of communication. Observation 02/12 is written to suggest that Al-Pac should initiate more direct communication with the interested provincial-level non-government organizations, especially those organizations that are not members of the CBFA. The team also noted variable levels of Al-Pac’s engagement with the major quota holders in the FMA. Since the FSC certificate requires Al-Pac to demonstrate that all activities in the certified forest area meets FSC requirements at the Criterion level, it is imperative that Al-Pac engage directly with all quota holders to ensure that their activities are also consistent with the management initiatives on the FMA, especially those related to maintenance or restoration of high conservation values. CAR 04/10 is raised to MAJOR CAR 04/10.

In the course of this audit, the team reviewed the situations in regard to caribou, protected areas and High Conservation Value Forests. The team noted that Al-Pac and one quota holder have initiated deferrals of logging in some caribou habitat areas in 2012 and in proposed protected areas. Al-Pac is involved, with other companies and large NGO’s in a significant amount of work, under the umbrella of the CBFA. This work appears likely to provide for significant new measures including conservation areas and long-term deferrals for caribou habitat conservation on the FMA and further movement on establishment of protected areas. Although caribou are in a precarious situation in this forest, the team concluded that while Al-Pac is engaged in these processes to develop plans to address this situation, it
continues to meet Criterion 6.2, regarding management of species-at-risk in the National Boreal Standard, and Criterion 6.4 regarding representation of ecosystems in protected areas.

In regards to the management of HCVs, Al-Pac has recently revised their HCVF Management Strategy document to incorporate more broad landscape-level strategies to deal with landscape-level HCVs (such as caribou, large landscape level forests, etc.). The audit team has found that while these strategies are important, some of the HCV management strategies are missing specific measures describing how the value will be managed to maintain/enhance the value at a site/operational level (i.e. on the ground). NCR 05/12 is imposed.

Logging within river corridors is significantly reduced in recent years with the establishment of protected areas along the Athabasca and Clearwater Rivers. Al-Pac has also worked closely to modify the plans of at least one major quota holder. At present there appears to be little ongoing or proposed operations below the breaks, although there is a lack of clarity about the boundaries of the new protected area along the Clearwater River. The team also notes that while logging below the breaks in these river corridors has been contentious for years, it is not a non-conformance with the FSC Boreal Standard. The areas are identified as high conservation value forests, but the strategies to maintain these values do not preclude logging. During the field work portion of the audit, with one exception, the audit team did not observe any recent or active logging within the river corridors.

2.5. Conformance with applicable non-conformity reports

The section below describes Al-Pac’s activities to address each of the 3 applicable non-conformity reports (NCR) issued in the 2010 re-assessment and the 2011 annual audit. For each NCR a finding is presented along with a description of its current status using the following categories. Failure to meet NCRs will result in non-conformances being upgraded from minor to major status with conformance required within 3 months with risk of suspension or termination of the Rainforest Alliance certificate if Major NCRs are not met. The following classification is used to indicate the status of the NCR:

<table>
<thead>
<tr>
<th>Status Categories</th>
<th>Explanation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Closed</td>
<td>Operation has successfully met the NCR.</td>
</tr>
<tr>
<td>Open</td>
<td>Operation has either not met or has partially met the NCR.</td>
</tr>
</tbody>
</table>

☐ Check if N/A (there are no open NCRs to review)
### 2.6. Corrective actions for the 2012 Audit

<table>
<thead>
<tr>
<th>CAR #: 04/10</th>
<th>Reference Standard #: Indicator 9.3.3</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Non-compliance:</strong></td>
<td><strong>Description of non-compliance:</strong> Al-Pac has identified HCVFs which are located in areas that are impacted by overlapping tenures on the FMA Area. Though Al-Pac has initiated discussions with overlapping tenure holders not all significant overlapping tenure holders have been contacted and informed of the engagement process, HCVF locations, management strategies and monitoring program. In addition, HCV management and monitoring strategies (including, as appropriate, targets, management action thresholds, and specific future mitigation actions) have not yet been revised through consultation with overlapping tenure holders.</td>
</tr>
<tr>
<td><strong>Major ☐ Minor ☑</strong></td>
<td></td>
</tr>
</tbody>
</table>

**Corrective Action Request:** Al-Pac shall create conditions with a very high probability of securing the long-term maintenance or the restoration of applicable conservation attributes.

**Timeline for Compliance:** By the second annual audit.

Due to the high number of outside parties that are required to be involved in this process, a two year timeline is established for this CAR.

**Evidence to close CAR:**

Since this non-conformance was identified in 2010, several significant changes have taken place with respect to the management of conservation values on the FMA:

1. Government of Alberta approval of the Lower Athabasca Regional Plan (September 2012), which created new and expanded legislated protected areas, established regulatory requirements to implement Integrated Landscape Management (ILM), and identified cumulative effects management frameworks, including targets and thresholds.
2. Development of integrated planning activities with overlapping forest tenure holders (Millar Western, Bobocel Lumber).
3. Development of integrated planning pilot projects addressing harvest, access and reclamation issues with overlapping non-forest tenure holders (energy sector), including members of CEMA (Cumulative Effects Management Association), OSLI (Oil Sands Leadership Initiative).
4. Increase in coordinated industrial footprint and land reclamation projects via Integrated Landscape Services tree planting programs with non-forest tenure users, as well as coordination of operational activities (road access, harvest activities).
5. Continued involvement by Al-Pac in the Canadian Boreal Forest Agreement (CBFA) in regard to caribou and protected areas.

Al-Pac has just completed a revised HCV management strategy report (*Management and Monitoring Strategies for High Conservation Values in the Alberta-Pacific Forest Management Agreement Area (2010-2015)*). The revised version incorporates strategies that reflect and address the changes and activities above.

Al-Pac has continued to demonstrate the implementation of HCV management strategies in areas in which they operate. However, the main concern that initially led to this Corrective Action Request was the lack of information and control that Al-Pac had over the activities of overlapping tenure holders (specifically the non-forest tenure holders) to ensure that identified management measures for HCVs were being
consistently implemented within all parts of the FMA in a consistent way that would maintain or restore the values as required by Indicator 9.3.3.

Al-Pac's activities with both overlapping non-forest tenure holders and overlapping forest tenure holders were reviewed as follows:

Overlapping non-forest tenure holders:
Key to demonstrating whether the management strategies identified by Al-Pac will be effective at creating conditions by which HCVs will be maintained over the long-term with this group of tenure holders lies primarily in new collaboration initiatives with significant oil and gas players, as well as contributions to processes such as LARP.

Specifically, Al-Pac is providing advice and decision support tools and is collaborating on activities such as OSLI (Oil Sands Leadership Initiative), CEMA (Cumulative Environmental Association), and Landscape and Ecological Assessment Planning (LEAP) projects. Al-Pac is also actively involved in planning and implementation of Integrated Land Management (ILM), reclamation initiatives, and ultimately, the long-term management of HCVs with tenure holders in the oil and gas sector.

Furthermore, the implementation of LARP provides policy and regulatory requirements to assist with implementation of ILM, to create incentives and opportunities for collaboration, innovation and integration among the forestry and energy sectors. With regard to the overlapping non-forest tenure holders the audit team concluded that these actions meet the requirements of this CAR.

Overlapping forest tenure holders:
Since the re-assessment in 2010, the integration of planning and harvest activities with coniferous forestry overlapping tenures has advanced. The focus of efforts with overlapping tenure holders has been on the major quota holder with operations within the FMA (Millar Western), as well as active operators in the eastern (Lower Athabasca River planning region) portion of the FMA (Millar Western and Bobocel Lumber) where the majority of caribou range HCVFs and the Athabasca river corridors are located.

Regarding Millar Western (MW) and the management of HCVs, Al-Pac and MW are collaborating more closely on day-to-day planning and operational issues including assessments of harvest areas prior to the onset of activities. Evidence was provided that this process has been implemented for the harvesting in areas below the breaks in the Athabasca River valley. This was verified with a field visit during the audit.

At a broader level, Al-Pac and MW are collaborating on joint planning activities at strategic and regional scales (caribou and protected area HCVs) in the CBFA processes. Deferrals are in place and discussions are occurring. Detailed information was provided to the audit team but is not publicly available.

Regarding Bobocel Lumber, Al-Pac has signed an MOU outlining the integration of harvesting and planning operations within the FMA. This arrangement will assist in the implementation of management strategies to maintain the HCVs that have been identified by Al-Pac.
However, apart from MW and Bobocel, none of the other forest quota holders have been engaged regarding the HCV management strategies. There has not been any new engagement with Alberta Plywood or Vanderwell since 2010 when this non-conformance was initially issued. Al-Pac confirmed that quota holders were not given a copy of Al-Pac’s new HCVF management strategy document. Even though some of the other quota holders are inactive (S-11 Logging) or conducting salvage operations only (Northlands), Al-Pac has not demonstrated that all quota holders are aware of, or are implementing, the appropriate HCVF management strategies on areas within the FMA where HCVs have been identified. This is an important aspect to Al-Pac’s conformance to the FSC National Boreal Standard, which specifically states that in regards to overlapping tenure holders, “the onus is on the applicant to demonstrate that the forest and all activities carried out on it meet the conditions in this standard.”

The 2010 re-assessment report identified similar concerns that Al-Pac has not demonstrated that the management strategies and planning processes intended to maintain HCVs were being implemented fully. It does not appear that the concerns identified in 2010 have been fully addressed.

For this reason, the audit team cannot conclude that indicator 9.3.3 has been met, as this indicator requires that the applicant demonstrate that HCVF management strategies ‘are being implemented’ for all HCVs. This CAR is therefore upgraded to Major.

<table>
<thead>
<tr>
<th>NCR#</th>
<th>01/11</th>
<th>NC Classification:</th>
<th>Major</th>
<th>Minor X</th>
</tr>
</thead>
<tbody>
<tr>
<td>Standard &amp; Requirement:</td>
<td>Canadian National Boreal Standards Indicator 6.1.11</td>
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</tr>
<tr>
<td>Report Section:</td>
<td>Appendix IV, Criterion 6.1</td>
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<td></td>
</tr>
<tr>
<td>Description of Non-conformance and Related Evidence:</td>
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</tbody>
</table>

During the field reviews, two instances of large dimension conifer stems (coarse woody debris) piled in burn piles were detected. Subsequent review of the OGRs indicated that coarse woody debris is discussed in Sections 3.4.8, 3.6.3 and specifically in Section 7.3 where it states that the intent is “To manage the amount and distribution of woody debris left in harvest areas to; minimize wildfire risk, optimize ecological benefits, minimize loss of productive land and improve fire suppression”. Interviews with staff suggested that retention of large dimension horizontal structure is not emphasized with operators dealing with slash abatement.

Given the relatively small amount of large conifers that become coarse woody debris (slash) and the high ecological value they have in these stands over the rotation, keeping these large pieces out of burn piles does not appear to compromise the Objectives stated in OGR 7.3 and would help to achieve the objective of optimizing ecological benefits. In addition, the preliminary results of the stand level monitoring program indicate that one of the potentially deficient elements in Al-Pac harvested stands compared to fire origin stands of equivalent age is total coarse woody debris, the most persistent component of which is large dimension stems, particularly conifer.

The Team concludes that this is not a pervasive or persistent non-conformance and should be considered a minor. The non-conformance is specifically at the site level during and after harvest with respect to coarse
woody debris and in particular piling and burning large dimension pieces. In 6.1.10 specifically the National Boreal Standard refers to “assessments consider site-scale effects consistent with benchmark variables identified in indicator 6.1.8.” One of the elements listed in 6.1.8 is “Amount and coverage of coarse woody debris”.

### Corrective Action Request:

Organization shall implement corrective actions to demonstrate conformance with the requirement(s) referenced above.  
Note: Effective corrective actions focus on addressing the specific occurrence described in evidence above, as well as the root cause to eliminate and prevent recurrence of the non-conformance.

### Timeline for Conformance:

Prior to the next annual audit

### Evidence Provided by Organization:

For this annual audit, Al-Pac provided evidence that it has changed its operational guidance to harvest supervisors, contractors and equipment operators and has delivered the new procedures in operational training sessions as follows:

- Revisions to the operational guidance “Reclamation Flip book”. Page 12 in the revised May 2012 version under the heading “Burning – General Provisions” states “Large dry conifer should be left out of the burn piles to provide coarse woody debris to the cutblock.”
- Minutes of a harvest team meeting, September 13, 2011, that documents guidance to harvesting supervisors in response to NCR 01/11, as follows: “Based on this we would like harvest operators to leave conifer snags out in the block. First consideration would be to leave them standing in a clump incorporated into the stand structure. If for operational reasons the tree needs to be cut down then it should not be skidded to the landing (it) should remain on the block. If it does get skidded to the landing they should not end up in the burn piles it will be left at road side. Coarse woody debris can be left at road side or in block as per the operating ground rules”.
- A powerpoint presentation delivered to a Dec 20, 2011 winter training session for contractors and equipment operators that addresses “FSC audit results” as follows: “Leave all dead and dry conifers out of the burn piles; Leave all large conifer chunks out of the burn piles; Only pile tops and limbs”  
- A powerpoint presentation delivered to a June 19, 2012 spring training session for contractors and equipment operators that addresses “debris piling” and “slash spreading”. The presentation included the following direction: “Large dead conifer needs to be left out of the piles as much as possible. This provides animal and bug habitat to meet our FSC standards.”

### Findings for Evaluation of Evidence:

Al-Pac has provided strong evidence (above) that it has made revisions to standard operating procedures and has provided training for supervisors, contractors and equipment operators to address this NCR.

To evaluate NCR 01/11, the audit team attempted to verify that the new procedures requiring that large non-merchantable conifer pieces are retained on-site and not piled for burning, are being implemented in the field. Thus, the audit team visited 3 blocks with significant conifer content – one quota holder block and 2 Al-Pac blocks. In each of these blocks, some large non-merchantable conifer pieces were observed in burn piles. However, the field review was inconclusive because the piles viewed in these blocks were likely completed before the new guidance and training was completed and thus the few pieces observed in these piles reflected the old practices that led to the NCR in the 2011 audit. They do not
indicate any continuing non-conformity in 2012 operations since the new guidance and training was delivered.

Based on the evidence that Al-Pac did make revisions to the standard operating procedures and did make specific reference to this NCR and the need to retain large non-merchantable conifers pieces on site during training sessions, the team concluded that Al-Pac has addressed the non-conformity. The NCR is closed.

Observation 01/12 is written so Al-Pac continues to follow up with implementation of the guidance documents in its future training sessions.

<table>
<thead>
<tr>
<th>NCR#</th>
<th>NC Classification</th>
<th>Standard &amp; Requirement</th>
<th>Report Section</th>
</tr>
</thead>
<tbody>
<tr>
<td>02/11</td>
<td>Major X</td>
<td>Canadian National Boreal Standards Indicator 6.6.3</td>
<td>Appendix IV, Criterion 6.6</td>
</tr>
</tbody>
</table>

**Observation 01/12:** Al-Pac supervisors should ensure that directions to maintain large non-merchantable conifers on site, not pile them for burning, continue to be delivered in on-site meetings with contractors and operators and in training sessions and are implemented in the field.

**Description of Non-conformance and Related Evidence:**

The Organization provided information to demonstrate a continual reduction of chemical pesticide use with an eventual goal to their complete phase out over time. This is the case for Al-Pac as well as for other quota holders within the FMA. In the case of silviculture, chemical pesticides are used only when their use is essential to meet silviculture objectives and when non-chemical management practices are prohibitively expensive or ineffective.

In regards to control of roadside invasive weeds, the audit team found that the Organization could not demonstrate a continual reduction of chemical pesticide use with an eventual goal to their complete phase out over time. In fact, between 2006 and 2009 the use of Milestone (aminopyralid) increased from 6.6 kg active ingredient to 34.6 kg / annum, falling to 6.6 kg / annum in 2010. Al-Pac could not demonstrate that there was a plan in place to reduce chemical pesticide use for roadside invasive weed control over time or that the use of pesticides for this purpose is integrated with the use of pesticides for silvicultural.

Furthermore, the 2006 audit team also wrote a CAR for this indicator.

**Corrective Action Request:** Organization shall implement corrective actions to demonstrate conformance with the requirement(s) referenced above. Note: Effective corrective actions focus on addressing the specific occurrence described in evidence above, as well as the root cause to eliminate and prevent recurrence of the non-conformance.

**Timeline for Conformance:** Prior to the next annual audit

**Evidence Provided by Organization:** For this annual audit, Al-Pac provided the following evidence:

- A table showing Al-Pac silvicultural program herbicide use in the period 1995 through 2011
- A table showing Al-Pac roadside invasive weed program herbicide use in the period 2006 through 2011
- E-mails from Quota holders – Millar Western, Vanderwell, Bobocel Lumber, Northland and Alberta Plywoods, regarding roadside herbicide use and non-chemical treatment
- Email from Al-Pac regarding non-chemical use
Findings for Evaluation of Evidence:

Al-Pac provided separate evidence regarding herbicide use over the last five years in the roadside invasive weed control programs and silviculture program on the FMA. In 2011, the total use by Al-Pac in the roadside weed program was 27.0 kg of active ingredient (kg.a.i). This was an increase over the 6.6 kg.a.i used in 2010, as reported in the 2011 annual audit, but lower than the 34.6 kg.a.i reported for 2009. Al-Pac provided e-mails from 5 quota holders – Millar Western, Vanderwell, Northlands, Bobocel, and Alberta Plywoods - indicating that none of them have used herbicide in roadside spray programs in recent years. Thus 27.0 kg represents the total herbicide use for roadside weed control by the forestry tenure holders within the FMA in 2011. The non-forest tenure holders use herbicides for weed control on permanent roads and corridors that have been excluded from the FMA. Previous evidence has shown that no chemicals on the FSC Highly Hazardous list are used.

In addition, the emails state that most quota holders used handpulling methods for weed control along roads. Al-Pac also conducted some handpulling of weeds in 2012, but not in 2011.

In 2011, the total amount of herbicide used in silviculture programs by all forest tenure holders declined to 2512 kg.a.i, the lowest amount used since 1997. This level of use is about ½ the 5008 kg.a.i used in 2010 and well below the benchmark level of 5500 kg established at the time of certification to demonstrate “continual reduction” as required by Indicator 6.6.3.

Thus, the total use of herbicides in the silviculture and roadside programs combined on the FMA by all tenure holders shows steady decline since certification and in 2011, was significantly lower than previous years. In addition, all forest tenure holders have demonstrated use of non-chemical methods in both programs. This meets Indicator 6.6.3 and the NCR is closed.

NCR Status: CLOSED
Comments (optional): None

2.7. New non-conformity reports issued as a result of this audit

<table>
<thead>
<tr>
<th>MAJOR CAR: 04/10</th>
<th>Reference Standard #: Indicator 9.3.3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-compliance:</td>
<td>Major ☒ Minor ☐</td>
</tr>
<tr>
<td>2010 Description of non-compliance: Al-Pac has identified HCVFs which are located in areas that are impacted by overlapping tenures on the FMA Area. Though Al-Pac has initiated discussions with overlapping tenure holders not all significant overlapping tenure holders have been contacted and informed of the engagement process, HCVF locations, management strategies and monitoring program. In addition, HCV management and monitoring strategies (including, as appropriate, targets, management action thresholds, and specific future mitigation actions) have not yet been revised through consultation with overlapping tenure holders.</td>
<td></td>
</tr>
<tr>
<td>2012: Al-Pac has made good efforts in collaborating with non-forest tenure holders since 2010, as well as some forest quota holders. However, Al-Pac has not demonstrated that all forest tenure (quota) holders are aware of, or are implementing, the appropriate HCVF management strategies on areas within the FMA where HCVs have been identified.</td>
<td></td>
</tr>
</tbody>
</table>
Corrective Action Request: Al-Pac shall create conditions with a very high probability of securing the long-term maintenance or the restoration of applicable conservation attributes.

Timeline for Compliance: Within 3 months of the finalization of this report (04/03/2013).

Evidence to close CAR: PENDING

CAR Status: OPEN

Follow-up Actions (if app.):

<table>
<thead>
<tr>
<th>NCR#</th>
<th>NC Classification</th>
<th>Standard &amp; Requirement</th>
<th>Report Section</th>
</tr>
</thead>
<tbody>
<tr>
<td>01/12</td>
<td>Major</td>
<td>FSC National Boreal Standard, Indicator 5.6.2</td>
<td>Appendix IV</td>
</tr>
</tbody>
</table>

Description of Non-conformance and Related Evidence:
The 2012 timber supply review and annual harvest level does not include removal of the Dillon River Wildland Park which occurred with the completion of the LARP in September 2012. In addition, the 2012 review also includes the addition of the S-14 and the former donut holes to the FMA, which as explained in Section 2.2, are not yet included in the certified area. Thus, the AAC projected in the 2012 review is very likely to be higher than the rate that will be supported within the certified area, because the 2012 review includes 1.16 million ha of land that is not included within the certified area (in S-14 and the “donut holes”, and the Dillon River Wildland Park). Thus, Al-Pac has not established a harvest rate that can be sustained from the current certified area within the FMA. A review based upon the area of forest that is certified is required to meet Indicator 5.6.2.

Corrective Action Request: Organization shall implement corrective actions to demonstrate conformance with the requirement(s) referenced above.

Note: Effective corrective actions focus on addressing the specific occurrence described in evidence above, as well as the root cause to eliminate and prevent recurrence of the non-conformance.

Timeline for Conformance: By the next annual audit.

Evidence Provided by Organization: PENDING

Findings for Evaluation of Evidence: PENDING

NCR Status: OPEN

Comments (optional):

<table>
<thead>
<tr>
<th>NCR#</th>
<th>NC Classification</th>
<th>Standard &amp; Requirement</th>
<th>Report Section</th>
</tr>
</thead>
<tbody>
<tr>
<td>02/12</td>
<td>Major</td>
<td>FSC National Boreal Standard, Indicator 6.9.2</td>
<td>Appendix IV section 6.9</td>
</tr>
</tbody>
</table>

Description of Non-conformance and Related Evidence:
Al-Pac provided the audit team with a list of the seed mixture used by the company. Three species used are non-native species (annual rye grass, perennial rye grass and boreal creeping red fescue). Al-Pac has not provided evidence that a native seed mix is not available, and that the non-native species used in the seed mix are non-invasive, as is required by indicator 6.9.2 of the FSC NBS. Furthermore, Al-Pac has suggested that quota holders use the same seed as Al-Pac, but no evidence to support this claim has been provided.

Corrective Action Request: Organization shall implement corrective actions to demonstrate conformance with the requirement(s) referenced above.

Note: Effective corrective actions focus on addressing the specific occurrence described in evidence above, as well as the root cause to eliminate and prevent recurrence of the non-conformance.

Timeline for Conformance: By the next annual audit.
### NCR# 03/12
**NC Classification:** Major

**Standard & Requirement:** FSC National Boreal Standard, Indicator 6.9.3

**Report Section:** Appendix IV section 6.9

**Description of Non-conformance and Related Evidence:**

Al-Pac's seed mix includes non-native species. However, Al-Pac has not demonstrated that they are monitoring the efficacy and invasiveness of these non-native species, as is required by indicator 6.9.3 of the FSC NBS.

**Corrective Action Request:** Organization shall implement corrective actions to demonstrate conformance with the requirement(s) referenced above. Note: Effective corrective actions focus on addressing the specific occurrence described in evidence above, as well as the root cause to eliminate and prevent recurrence of the non-conformance.

**Timeline for Conformance:** By the next annual audit.

### NCR# 04/12
**NC Classification:** Major

**Standard & Requirement:** FSC National Boreal Standard, Indicator 9.1.3

**Report Section:** Appendix IV section 9.1

**Description of Non-conformance and Related Evidence:**

A peer review of the original 2004 HCVF document was conducted and is publicly available on the Al-Pac website (http://www.alpac.ca/index.cfm?id=highvalueconservationforest). However, there has been no outside review of any of the work following the 2004 original report, including the updates made during the 2008 evaluation of categories 1-6, or the 2010 and 2012 updated version of the HCVF report.

**Corrective Action Request:** Organization shall implement corrective actions to demonstrate conformance with the requirement(s) referenced above. Note: Effective corrective actions focus on addressing the specific occurrence described in evidence above, as well as the root cause to eliminate and prevent recurrence of the non-conformance.

**Timeline for Conformance:** By the next annual audit.
NCR#: 05/12  |  NC Classification: | Major | Minor X
Standard & Requirement: | FSC National Boreal Standard, Indicator 9.3.1
Report Section: Appendix IV section 9.3

Description of Non-conformance and Related Evidence:
Al-Pac has developed an updated HCV management strategy report (Management and Monitoring Strategies for High Conservation Values in the Alberta-Pacific Forest Management Agreement Area (2010-2015), dated September 2012. This report evaluates the management strategies, mechanisms for implementation and effectiveness monitoring, as well as effectiveness measure for HCVs identified in Al-Pac's 2010 HCVF report.

However, some HCV management strategies (for example, HCV 1.2 and 5.1 and others) are missing specific measures or are not fully developed in a way that amply describes the specific management approach to maintain or enhance the high conservation value at the site/operational level.

Corrective Action Request: Organization shall implement corrective actions to demonstrate conformance with the requirement(s) referenced above. Note: Effective corrective actions focus on addressing the specific occurrence described in evidence above, as well as the root cause to eliminate and prevent recurrence of the non-conformance.

Timeline for Conformance: By the next annual audit.

Evidence Provided by Organization: PENDING
Findings for Evaluation of Evidence: PENDING

NCR Status: OPEN

2.8. Audit observations

Observations can be raised when issues or the early stages of a problem are identified which does not of itself constitute a non-conformance, but which the auditor considers may lead to a future non-conformance if not addressed by the client. An observation may be a warning signal on a particular issue that, if not addressed, could turn into a NCR in the future (or a pre-condition or condition during a 5 year re-assessment).

Three new Observations are issued in this annual audit.

OBS 01/12 | Reference Standard & Requirement: FSC National Boreal Standard, Indicator 5.3.1

Description of findings leading to observation:
In some blocks, some large non-merchantable conifer pieces were observed in burn piles. However, on two of the sites reviewed in this audit there were large conifer pieces retained on the site or evident along the roadside away from the burn piles. On one site (Comp 8006), there was virtually no debris remaining on the site in the former conifer dominated stands and there were large pieces of dry dead conifer trees in the burn piles. However, all three of the blocks were logged in the fall/winter of 2011, and it is probable that the logging and piling occurred prior to the delivery of the new guidance and the training which occurred in December 2011 and in 2012. The team concluded that presence of this debris in the piles associated with 2011 logging appears to support the observations of the 2011 audit that led to the NCR, but probably does not indicate continuing non-conformity in 2012 operations since the new guidance and training was delivered.

Observation: Al-Pac should ensure that directions to maintain large non-merchantable conifers on site
and not pile them for burning, continue to be delivered in on-site meetings with contractors and operators and in training sessions and are implemented in the field.

<table>
<thead>
<tr>
<th>OBS 02/12</th>
<th>Reference Standard &amp; Requirement: FSC National Boreal Standard, Indicator 9.2.1</th>
</tr>
</thead>
<tbody>
<tr>
<td>Description of findings leading to observation:</td>
<td></td>
</tr>
<tr>
<td>On-going dialogue with some ENGOs and overlapping tenure holders regarding HCVs (such as caribou, LLLFs) and the management of these values continue through processes such as the CBFA. Al-Pac has also continued to engage with organizations such as the Crooked Creek Conservation Society (see NOTE 01/11). However, comments received by some stakeholders interviewed revealed that communication with other non-CBFA signatory stakeholders has greatly diminished since the CBFA has been initiated.</td>
<td></td>
</tr>
<tr>
<td>Observation: Al-Pac should ensure that outreach and consultation regarding HCVF identification, management and monitoring occurs with interested provincial and local non-CBFA signatory ENGO’s.</td>
<td></td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>OBS 03/12</th>
<th>Reference Standard &amp; Requirement: FSC National Boreal Standard, Indicator 9.3.1</th>
</tr>
</thead>
<tbody>
<tr>
<td>Description of findings leading to observation:</td>
<td></td>
</tr>
<tr>
<td>Al-Pac’s updated HCV management strategy report (Management and Monitoring Strategies for High Conservation Values in the Alberta-Pacific Forest Management Agreement Area (2010-2015) include many management strategies which reference ‘adherence to OGRs’. While the implementation of the appropriate OGR is an acceptable management strategy, it is not clear from this document what the specific prescription required is.</td>
<td></td>
</tr>
<tr>
<td>Observation: Al-Pac should consider including a link to the specific OGR within the HCVF management strategy document to provide clarity as to the specific prescription required for implementation.</td>
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</tbody>
</table>

2.9. Notes from Previous Audits

Notes for Future Audits are recorded for the benefit of future audit teams. They are items that were not fully addressed in this audit/assessment and do not constitute non-conformance. They warrant monitoring by future audit teams.

A total of 13 Notes were reviewed in this annual audit. 10 were closed; 3 remain open for the 2013 annual audit.

<table>
<thead>
<tr>
<th>Note 02/10</th>
<th>Reference Standard: FSC National Boreal Standard, Indicator 3.1.2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Note:</td>
<td></td>
</tr>
<tr>
<td>The annual audit team should review Al-Pac’s progress on further developing a relationship with the Métis Nation of Alberta (regional offices), and addressing the MNA’s interests (e.g. an agreement on consultation, economic development, training and management strategies for HCVFs).</td>
<td></td>
</tr>
<tr>
<td>□ Closed  □ Followed-up but still open  ☒ Not followed-up this year</td>
<td></td>
</tr>
<tr>
<td>2011 audit team response: The audit team met with the Al-Pac Director, Aboriginal Affairs to discuss Al-Pac’s relationship with the Métis Nation of Alberta (regional offices) specific to agreement on consultation, economic development, and training. Al-Pac meets regularly with the Métis Nation of Alberta (MNA) Zone 1 and Provincial leadership, recent priorities have focused on cultural and kid programs. The Economic Development Coordinator of Region 1 has recently changed in the past few months and so time is being spent on capacity building.</td>
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<tr>
<td>In addition, the Al-Pac Director, Aboriginal Affairs also identified the increasing role that the Lower</td>
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</table>
Athabasca Regional Plan (LARP) and the Canadian Boreal Forest Agreement (CBFA) may play in framing discussions with Métis and First Nations.

### 2012 audit team response

The audit team did not evaluate Principle 3 during this annual audit. Therefore, this Note is left open for future audit teams.

#### Note 04/10

**Reference Standard:** FSC National Boreal Standard, Indicator 3.3.2

**Note:**
The annual audit team should review any progress on the discussions between Bigstone First Nation and Al-Pac regarding Bigstone’s interest in conducting pre-, during, and post-harvest assessments.

- [ ] Closed
- [x] Followed-up but still open
- [ ] Not followed-up this year

**2012 audit team response:** Deferred to 2012.

**2011 audit team response:** Deferred to 2012.

### 2012 audit team response

Bigstone Cree Nation and Al-Pac have signed a “Working Agreement” in April 2011. The agreement includes an environmental monitoring aspect, with the intent of facilitating a learning session/workshop between Bigstone Cree Nation’s environmental monitors and Al-Pac’s environmental monitor. This training is seen as a two-way program – first, to assist the Bigstone Cree Nation’s understanding of forestry, the planning process, harvesting and processing; and second, to allow Al-Pac an opportunity to listen and work together with the Nation. The first phase of the program focuses on training, to be followed by an opportunity for the Nation to conduct assessments. The program has been initiated internally, and according to Al-Pac, is scheduled to be implemented by the end of the year. The team did not contact Bigstone Cree Nation in this annual audit and thus, this information was not confirmed by the Bigstone Cree. The Note is still open.

#### Note 06/10

**Reference Standard:** FSC National Boreal Standard, Indicator 4.4.8

**Note:**
The annual audit team should attempt to determine if any other contractors have experienced problems with payments related to compensation for logs left in log decks over shut-down seasons.

- [ ] Closed
- [ ] Followed-up but still open
- [x] Not followed-up this year

**2011 audit team response:** The audit team reviewed contractor payment procedures and records in detail with the Operations Business Unit Leader. No disputes have been received during the audit period. One previous problem with payments related to compensation was related to break-up, and whether logs are not hauled after the ice roads are impassable. This has been discussed with contractors during annual training sessions and solutions have been jointly developed. As contractors were not contacted as part of this audit, this Note remains open.

**2012 audit team response:** No changes since the last annual audit. Contractors were not specifically contacted as a part of this audit. Therefore this Note remains open.

#### Note 08/10

**Reference Standard:** FSC National Boreal Standard, Indicator 6.1.7

**Note:**
The annual audit team should check the adequacy of representation resulting from any changes in the size and location of the benchmark candidate protected areas as a result of the outcome of the Protected Areas designated in the Lower Athabasca Region Plan.

- [x] Closed
- [ ] Followed-up but still open
- [ ] Not followed-up this year
### 2011 Audit Team Response: Deferred to 2012.

### 2012 Audit Team Response: With the LARP process now complete, Al-Pac has recently developed an interim gap analysis (Interim analysis of adequate of ecological benchmarks and deferral areas post-LARP, September 2012) which evaluates the adequacy of the latest addition of new protected areas through LARP using the WWF AoR tool and through an evaluation of habitat representation.

At the time of the audit, this analysis had not yet been shared or reviewed with interested parties. However, meetings are scheduled for November 2012, where the interim analysis will be presented to the CBFA northeastern Alberta regional working group. The NE AB regional working group may use the methodology that Al-Pac used in their analysis for upcoming protected areas discussions. The plan is to complete a new regional protected areas gap analysis that incorporates ideas from the CBFA protected areas and caribou action planning methodological frameworks, the pan-boreal assessment and the NE AB caribou action plan sometime in 2013-2014.

Representation and Criterion 6.4 will be reviewed again in detail during the 2015 re-assessment. This Note is closed.

<table>
<thead>
<tr>
<th>Note 10/10</th>
<th>Reference Standard: FSC National Boreal Standard, Indicator 6.4.3</th>
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</thead>
<tbody>
<tr>
<td>Note: The annual audit team should review whether quota holders have offered support for logging deferrals and protected area status for any candidate protected areas within the FMA Area.</td>
<td></td>
</tr>
<tr>
<td>☑ Closed</td>
<td>☐ Followed-up but still open</td>
</tr>
</tbody>
</table>

### 2012 Audit Team Response: Al-Pac has provided evidence of Millar Western’s support for deferrals within the candidate protected areas within the FMA until 2015. The specific location of all deferrals has not been publicly announced at the time of the audit. Millar Western’s participation in the CBFA also demonstrates support for regional protected areas discussions.

Now that LARP has been approved and the Gipsy-Gordon and Dillon Wildland Parks have received full protected status, all forestry plans in these newly designated protected areas have been cancelled. All remaining candidate protected areas previously identified by Al-Pac (areas known as the Option 60,000 plus deferral areas that were not designated through LARP) continue to be treated as candidate protected areas. At the time of the audit, Al-Pac provided evidence of quota holder deferrals for harvest units scheduled within the remaining candidate protected areas. Based on this and a review of the Spatial Harvest Sequence near candidate protected areas, no harvesting by any quota holder is planned for any of the candidate protected areas being deferred by Al-Pac, until a time when the new direction regarding candidate protected areas will be provided, likely by 2015.

With the LARP process now complete, Al-Pac has just recently (Sept. 2012) developed a new interim gap analysis which evaluates the adequacy of the latest addition of new protected areas through LARP. In this way, Al-Pac has begun to re-initiate the candidate protected areas identification process (indicator 6.4.1).

Criterion 6.4 will be reviewed again in detail during the 2015 re-assessment. This Note is closed.

<table>
<thead>
<tr>
<th>Note 01/11</th>
<th>Reference Standard: FSC National Boreal Standard, Indicator 4.4.2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Note: The audit team should review the harvest planning process for PU 069244 and 070234 for meaningful consultation with local residents including the Crooked Creek Conservation Society.</td>
<td></td>
</tr>
<tr>
<td>☑ Closed</td>
<td>☐ Followed-up but still open</td>
</tr>
</tbody>
</table>
2012 audit team response: The audit team met with a representative of the Crooked Creek Conservation Society (CCCS), and reviewed the status of discussions with Al-Pac regarding harvest planning within the Crooked Creek watershed, as well as the overall relationship.

Al-Pac has demonstrated ongoing communication with CCCS over the audit period. Two field tours were undertaken with both Al-Pac staff and CCCS members. CCCS members commented that this on-site time with Al-Pac was productive, and conversations have now moved beyond the review of the CCCS Biophysical Report (reviewed in the 2011 annual audit) to action-oriented discussions about future harvest plans within the watershed.

Next steps include a meeting this fall to review ABMI monitoring protocols and survey results, long-term monitoring commitments, and harvesting plans for the watershed. This meeting has yet to be scheduled. Overall, Al-Pac has demonstrated that they have and continue to provide opportunities for meaningful consultation with CCCS. This Note is closed.

Note 02/11  |  Reference Standard: FSC National Boreal Standard, Indicator 4.4.2
Note: Future audit teams should review communications between Al-Pac and a trapper to determine if the logging deferral and related information in the trapping area has been sufficiently communicated to the trapper.

- [X] Closed  |  [ ] Followed-up but still open  |  [ ] Not followed-up this year

2012 audit team response: The scheduled harvest for the planning unit has been deferred. The trapper was notified in writing that Al-Pac was not moving forward with activity on his trapline. A copy of the letter sent to the trapper (dated Aug. 24th 2010) was reviewed by the auditor. Interviews with the trapper coordinator indicate that there have been no communications with the trapper over the audit period.

Al-Pac will continue to engage trappers directly and communicate with them through the open houses and planning meetings and the trapper coordinator. Any issues brought forward to Al-Pac, verbally or in writing from trappers, are kept on file and addressed by the Trapper Coordinator.

The process and effectiveness of notifying trappers prior to harvest will be reviewed during a full evaluation of Principle 4. Other communication with trappers will be followed up at this time. This Note is closed.

Note 03/11  |  Reference Standard: FSC National Boreal Standard, Indicators 5.6, 6.1.5, 6.1.9, 6.3.1, 6.3.4, 6.3.5, 7.2 and 8.2
Note: The audit team should review the Spatial Harvest Schedule, Timber Supply Analysis and the Stewardship Report (to be completed Q4 2012) with particular reference to:
   a) the alignment of the forest with the Pre-Industrial Condition (PIC) and the natural range of variability (NRV);
   b) sustainability of harvest levels, and
   c) incorporation of monitoring results in forest management planning.

- [X] Closed  |  [ ] Followed-up but still open  |  [ ] Not followed-up this year

2012 audit team response: Since this note was written there have been two significant developments – the renewal of the FMA in 2011 (which resulted in additions to and removals from the FMA), and the completion of the LARP in 2012 (which resulted in a further removal from the FMA). For the reasons explained in Section 2.2 and 2.3, areas have been removed from the certified area and the area of the certificate has been reduced by that amount. The addition areas (975,228 ha) have not been included within the certified area although, as of September 2011, they are legally within the FMA. Inclusion of those areas into the certified area requires a new Forest Management Plan and analyses that will
demonstrate that Al-Pac can continue to demonstrate conformity with various Criterion in Principles 5, 6, 7, and 9 on the new FMA area. This requires analysis of the new FMA in regard to long-term harvest levels, PIC, age class distribution, ecological representation of protected areas and other requirements in Principle 6, High Conservation Value Forests and incorporation of those analyses in a new forest management plan for the defined area.

In 2012, Al-Pac completed a review (Timber Supply Update QII 2012)) of the timber supply implications of the additions and removals from the FMA related to the FMA renewal and the establishment of a new protected area in Gipsy-Gordon (but not the additional Dillon River Wildland Park, established later in 2012 through completion of the LARP). This review projects a reduction of approximately 10% in the AAC from 4.8 million m3 per year (conifer and deciduous) to 4.2 million m3 without including the Dillon. The AAC will not be formally reviewed or adjusted until the new Forest Management Plan is completed. NCR 01/12 is imposed because Al-Pac has not established a harvest rate that can be sustained from the current certified area within the FMA. A review based upon the area of forest that is certified is required to meet Indicator 5.6.2.

Al-Pac also completed the Stewardship Report which presents a very comprehensive review, including commentary from the Landscape Advisory Group, of the progress to achieve each of the 29 management objectives in the 2006-2016 Forest Management Plan.

The current spatial harvest schedule shows planned cutting units out to 2017. One area in 2016 and one area for 2017 are planned within the S-14 addition area.

The documents mentioned in the note were reviewed in this annual audit. However, the extent of the changes to the FMA requires additional work to demonstrate conformity with the PIC, sustainability of harvest levels and monitoring, as well as other analyses (HCVF for example) required by the NBS. This work is anticipated to be completed in 2014 or 2015, before any harvest is planned in the addition areas and before those areas are included within the certified landbase. The Note is closed.

### Note 04/11

**Reference Standard:** FSC National Boreal Standard, Indicator 6.2.2

**Note:** The audit team should review monitoring and implementation approaches for common nighthawk and barred owl and ensure these are captured in the Species-at-risk Strategy.

- [x] Closed
- [ ] Followed-up but still open
- [ ] Not followed-up this year

**2012 audit team response:** Al-Pac provided e-mails and reports to demonstrate that Al-Pac staff have familiarized themselves with current monitoring work related to distribution and habitat requirements for the common nighthawk and barred owl. Through engagement with the ABMI and the University of Alberta, Al-Pac has interaction with scientists involved in a pilot project in the Lower Athabasca region evaluating a suite of protocols to more effectively monitor nocturnal and crepuscular birds and amphibians including the barred owl and common nighthawk. Two years of data have been collected. Al-Pac is also aware that the Alberta government is close to completing a Barred Owl management plan. Al-Pac also obtained current distribution maps showing known occurrences of both species.

No additional work is needed to demonstrate conformity with Criterion 6.2 in regard to these two threatened species at this time. This Note is closed.

### Note 05/11

**Reference Standard:** FSC National Boreal Standard, Indicator 6.2.5

**Note:** The audit team should review the outcome of the Old Forest Strategy spatialization project to ensure old forest patch sizes and distribution are consistent with sustaining conservation values.

- [x] Closed
- [ ] Followed-up but still open
- [ ] Not followed-up this year
2012 audit team response: The first phase of the Old Forest Strategy spatialization project has been completed. A report has been submitted and is under review with a planned report completion at the end of 2012. A work plan for phase 2 has been developed. The spatialized old forest strategy is planned for incorporation of the next Forest Management Plan and will include the new additions and removals from the FMA as described in Sections 2.2 and 2.3. Thus, this work will be completed before the new areas are included within the certified areas. This Note is closed.

Note 06/11 Reference Standard: FSC National Boreal Standard, Indicator 6.3.2

Note: The audit team should review Al-Pac’s operations, planning and winter layout/winter logging sites, as well as, quota holder winter layout / winter logging sites and determine the degree to which small streams and wetlands are conserved during harvest operations.

☐ Closed ☐ Followed-up but still open ☐ Not followed-up this year

2012 audit team response: The team did review harvest treatments on ephemeral streams in two of the cutblocks inspected on the ground. In the four streams in these blocks, treatments were very conservative, with no ground disturbance, and fully met the Operating Ground Rules for ephemeral streams as required by Indicator 6.3.18. Streams and wetlands were also observed from the helicopter during overflight of many areas. No areas of concern were observed.

Al-Pac has added two new planning staff to provide more management direction in the field. In addition, feller bunchers are being equipped with harvest navigation systems to allow operators to be more aware of features on maps such as small streams. Protection for streams continues to be addressed in training sessions with contractors and operators.

The team also reviewed Al-Pac’s inspection reports from July 2011 to September 2012. There were a total of 856 inspections, with a reported 57 variances. Only one of the variances was considered a non-conformance with requirements. None of the variances involved streams. In the past there were several variances reported and investigations by Alberta Sustainable Resource Development (ASRD). The issues that led to those variances in earlier audits appear to have been addressed. This Note is closed.

Note 07/11 Reference Standard: FSC National Boreal Standard, Indicator 6.4.1 and 9.2

Note: The audit team should review the adequacy of representation analysis and HCVF re-assessment following the Lower Athabasca Integrated Regional Plan protected areas receiving legal status.

☐ Closed ☐ Followed-up but still open ☐ Not followed-up this year

2012 audit team response: Following the LARP announcement regarding provincially regulated protected areas, Al-Pac completed a new representation analysis (Interim analysis of adequate of ecological benchmarks and deferral areas post LARP, September 2012). This interim analysis includes the new FMA boundaries (including former ‘donut’ holes, and FMU S14 area), and uses the WWF Assessment of Representation tool and a habitat representation assessment of the draft and final LARP.

Results of these analyses will be used to inform the work of the CBFA in 2012/13 as the regional working group completes their NE AB caribou action plan and conducts a protected areas gap analysis for Alberta and northern British Columbia.

Al-Pac’s FSC HCVF identification document (2009) has yet to be updated to include the newly protected areas; however, their updated HCVF management strategy document (2012) incorporates the outcome of
the LARP process with associated management strategies for identified HCVs such as protected areas and large landscape level forests.

Overall, Al-Pac has demonstrated that the process of re-evaluating the representation of ecological benchmarks within the FMA (based on the outcome of LARP) has commenced and is on-going. A new gap analysis is scheduled to be finalized in 2013-2014 and will be part of preparing a new forest management plan. Criterion 6.4 will be reviewed again in detail during the 2015 re-assessment. This Note is closed.

### Note 08/11

<table>
<thead>
<tr>
<th>Reference Standard:</th>
<th>FSC National Boreal Standard, Indicator 6.4.3 and 6.4.6</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Note</strong>:</td>
<td>The audit team should review outcome of discussions with Millar-Western on logging deferrals in the Athabasca Benchmark area and the Option 60,000 plus areas with respect to HCVFs and candidate Protected Areas.</td>
</tr>
<tr>
<td>✔ Closed</td>
<td>✔Followed-up but still open</td>
</tr>
</tbody>
</table>

**2012 Audit Team Response:** Through the CBFA process, Al-Pac and MW are jointly planning caribou conservation strategies. Zonation strategies and additional deferrals are being considered that may include alterations in harvest scheduling, both short-term and long-term, for MW. The audit team reviewed evidence regarding strategies, which at the time of the audit were still evolving and were considered confidential within the CBFA participants. The audit team encourages both Al-Pac and MW to complete this process as quickly as possible, and publicly announce these conservation strategies as soon as they are completed.

Criterion 6.4 will be reviewed again in detail during the 2015 re-assessment. This Note is closed.

### 2.10. Notes for Future Audits

Three Notes from previous audits are carried forward to the 2013 annual audit.

One new Note for Future Audits is issued in this audit.

#### Notes Carried Forward to 2013

### Note 02/10

<table>
<thead>
<tr>
<th>Reference Standard:</th>
<th>FSC National Boreal Standard, Indicator 3.1.2</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Note</strong>:</td>
<td>The annual audit team should review Al-Pac’s progress on further developing a relationship with the Métis Nation of Alberta (regional offices), and addressing the MNA’s interests (e.g. an agreement on consultation, economic development, training and management strategies for HCVFs).</td>
</tr>
<tr>
<td>☐ Closed</td>
<td>☐Followed-up but still open</td>
</tr>
</tbody>
</table>

**2011 Audit Team Response:** The audit team met with the Al-Pac Director, Aboriginal Affairs to discuss Al-Pac’s relationship with the Métis Nation of Alberta (regional offices) specific to agreement on consultation, economic development, and training. Al-Pac meets regularly with the Métis Nation of Alberta (MNA) Zone 1 and Provincial leadership, recent priorities have focused on cultural and kid programs. The Economic Development Coordinator of Region 1 has recently changed in the past few months and so time is being spent on capacity building.

In addition, the Al-Pac Director, Aboriginal Affairs also identified the increasing role that the Lower Athabasca Regional Plan (LARP) and the Canadian Boreal Forest Agreement (CBFA) may play in framing
discussions with Métis and First Nations.

**2012 audit team response:** The audit team did not evaluate Principle 3 during this annual audit. Therefore, this Note is left open for future audit teams.

**2013 audit team response:**

<table>
<thead>
<tr>
<th>Note 04/10</th>
<th>Reference Standard: FSC National Boreal Standard, Indicator 3.3.2</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Note:</strong></td>
<td>The annual audit team should review any progress on the discussions between Bigstone First Nation and Al-Pac regarding Bigstone’s interest in conducting pre-, during, and post-harvest assessments.</td>
</tr>
<tr>
<td></td>
<td>⬜ Closed ⬜ Followed-up but still open ⬜ Not followed-up this year</td>
</tr>
</tbody>
</table>

**2011 audit team response:** Deferred to 2012.

**2012 audit team response:** Bigstone Cree Nation and Al-Pac have signed a "Working Agreement" in April 2011. The agreement includes an environmental monitoring aspect, with the intent of facilitating a learning session/workshop between Bigstone Cree Nation’s environmental monitors and Al-Pac’s environmental monitor. This training is seen as a two-way program – first, to assist the Bigstone Cree Nation’s understanding of forestry, the planning process, harvesting and processing; and second, to allow Al-Pac an opportunity to listen and work together with the Nation. The first phase of the program focuses on training, to be followed by an opportunity for the Nation to conduct assessments. The program has been initiated internally, and according to Al-Pac, is scheduled to be implemented by the end of the year. The team did not contact Bigstone Cree Nation in this annual audit and thus, this information was not confirmed by the Bigstone Cree. The Note is still open.

**2013 audit team response:**

<table>
<thead>
<tr>
<th>Note 06/10</th>
<th>Reference Standard: FSC National Boreal Standard, Indicator 4.4.8</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Note:</strong></td>
<td>The annual audit team should attempt to determine if any other contractors have experienced problems with payments related to compensation for logs left in log decks over shut-down seasons.</td>
</tr>
<tr>
<td></td>
<td>⬜ Closed ⬜ Followed-up but still open ⬜ Not followed-up this year</td>
</tr>
</tbody>
</table>

**2011 audit team response:** The audit team reviewed contractor payment procedures and records in detail with the Operations Business Unit Leader. No disputes have been received during the audit period. One previous problem with payments related to compensation was related to break-up, and whether logs are not hauled after the ice roads are impassable. This has been discussed with contractors during annual training sessions and solutions have been jointly developed. As contractors were not contacted as part of this audit, this Note remains open.

**2012 audit team response:** No changes since the last annual audit. Contractors were not specifically contacted as a part of this audit. Therefore this Note remains open.

**2013 audit team response:**

**New Notes from this 2012 Annual audit**

<table>
<thead>
<tr>
<th>Note 01/12</th>
<th>Reference Standard: FSC National Boreal Standard, Indicators 6.2.4, 6.2.5, 6.4.1</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Note:</strong></td>
<td>The annual audit team should monitor the progress to complete the Canadian Boreal Forest Agreement process and evaluate the plans and measures that emerge from that process for conformance</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>2013 audit team response:</th>
<th></th>
</tr>
</thead>
</table>
with the National Boreal Standard.

- [ ] Closed
- [x] Followed-up but still open
- [ ] Not followed-up this year

### 2013 audit team response:

---

### 3. AUDIT PROCESS

#### 3.1. Auditors and qualifications

<table>
<thead>
<tr>
<th>Auditor Name</th>
<th>Keith Moore</th>
<th>Auditor role</th>
<th>Forester, Lead</th>
</tr>
</thead>
<tbody>
<tr>
<td>Qualifications:</td>
<td>Keith is a registered professional forester (RPF in BC) and has an M.A. in Geography. He has been working in forestland management and environmental assessment in Canada and other countries since 1976. From 1995 to 2000, Keith was the Chair of British Columbia’s Forest Practices Board. Since 2000, he has been a team member or team leader with RA/SmartWood on over 70 different FSC forest management assessments, annual audits and pre-condition verification audits in five provinces of Canada, in Russia, Australia, Indonesia, the US and Cameroon. He is very familiar with three of the regional FSC standards in Canada and has also been involved in the development of regional standards in Russia, Montenegro, Kenya and Australia. He participated in the recent process to revise the FSC Principles and Criteria. He is an RA trained FSC Forest Management lead auditor and has ISO 9001 Lead Auditor certification. Keith was the team leader for the Al-Pac assessment in 2004 and the re-assessment in 2010 and was been a team member on three previous annual audits between 2004 and 2010.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Auditor Name</th>
<th>Christine Korol</th>
<th>Auditor role</th>
<th>Ecological Assessor</th>
</tr>
</thead>
<tbody>
<tr>
<td>Qualifications:</td>
<td>Christine Korol, M.F.C., is the Rainforest Alliance Forest Management Associate for Ontario. Christine has a Masters degree in Forest Conservation from the University of Toronto, and a Honours Bachelor of Science degree in Ecology from the University of Guelph. Previously, Christine has worked with organizations such as the World Wildlife Fund, the Grand River Conservation Authority and the Toronto and Region Conservation Authority. Christine has conducted over 50 CoC audits/assessments and 14 FM audits/assessments for the Rainforest Alliance, as well as completed the Rainforest Alliance Lead Auditor Training program. This is her first FM audit in Alberta.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

#### 3.2. Audit schedule

<table>
<thead>
<tr>
<th>Date</th>
<th>Location /Main sites</th>
<th>Principal Activities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sunday, September 30</td>
<td>Athabasca</td>
<td>Travel from to Edmonton and Athabasca, Alberta. Interview with representative of NGO.</td>
</tr>
<tr>
<td>Monday, October 1</td>
<td>Al-Pac offices</td>
<td>Opening meeting, presentation by Al-Pac, interviews with Al-Pac staff.</td>
</tr>
<tr>
<td>Tues, October 2</td>
<td>Field</td>
<td>Review of documentation due to weather delay, helicopter flight from Athabasca to Wabasca and Fort McMurray up west side of FMA and through middle of FMA with stops at selected</td>
</tr>
</tbody>
</table>
3.3. Sampling methodology

This annual audit focused on visiting and viewing a sample of recent logging sites (2011-2012) that represent a full range of biophysical conditions, silviculture systems and harvesting systems and include sites logged by Al-Pac and quota holders in both winter and summer operating seasons. Harvest units were selected from the operational planning maps. In selecting sites, the team chose to visit areas of the FMA that are distant from the areas accessible by road from the Al-Pac offices and that had not been visited recently by RA audit teams.

Two days of field work were conducted by A-star helicopter with an overnight stop in Fort McMurray. The team flew a total of 997 km within the FMA following a route from Athabasca up the western portion of the FMA to Wabasca, across the centre of the FMA to Fort McMurray, to the new protected areas along eastern boundaries of the FMA and back across the FMA to Athabasca. Ground stops and observations of roads, debris piles, small streams, ground disturbance, stand level retention, protection of wildlife features such as nests and other measures were made in five recent operating blocks. Overview observations were made from the air in the nearby and surrounding parts of the harvest units. In addition to visiting the recent logging sites selected in advance, the team also viewed caribou habitat, new protected areas, high conservation value forests, river corridors, stand and landscape level retention of forest, and a full range of energy sector developments (from seismic lines and drill sites to camps, gravel pits, steam plants and pipeline, transmission and road corridors) in the western, central, eastern and southern parts of the FMA. One site of seismic line reclamation was also visited and viewed on the ground.

The audit team planned a site visit to one current logging operation. However the logging crew was shut down because of wet weather on the day of the flight.

Sites visited are listed in Appendix II.
3.4. Stakeholder consultation process

<table>
<thead>
<tr>
<th>Stakeholder type (i.e. NGO, government, local inhabitant etc.)</th>
<th>Stakeholders notified (#)</th>
<th>Stakeholders consulted or providing input (#)</th>
</tr>
</thead>
<tbody>
<tr>
<td>NGO</td>
<td>4</td>
<td>4</td>
</tr>
</tbody>
</table>

3.5. Changes to Certification Standards

<table>
<thead>
<tr>
<th>Forest stewardship standard used in audit:</th>
<th>Forest Stewardship Council Regional Certification Standards for the Boreal Region of Canada (version 3, accredited in August 2004)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revisions to the standard since the last audit:</td>
<td>☑ No changes to standard. ☐ Standard was changed (detail changes below)</td>
</tr>
<tr>
<td>Changes in standard:</td>
<td>None</td>
</tr>
<tr>
<td>Implications for FME:</td>
<td>None</td>
</tr>
</tbody>
</table>

3.6. Review of FME Documentation and required records

a) All certificate types

<table>
<thead>
<tr>
<th>Required Records</th>
<th>Reviewed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Complaints received by FME from stakeholders, actions taken, follow up communication</td>
<td>Y ☒ N ☐</td>
</tr>
</tbody>
</table>

Comments: No complaints were received prior to the audit. The team interviewed parties that had sent correspondence to Rainforest Alliance since the last annual audit. Interviews with Al-Pac staff did not reveal any substantial disputes or complaints were received over the audit period.

| Accident records | Y ☒ N ☐ |

Comments: Interviews with the Woodlands Health and Safety Coordinator were completed and the Coordinator provided a review of the 2011 incident report.

| Training records | Y ☒ N ☐ |

Comments: Records of training of contractors, equipment operators and supervisors in the fall of 2011 and the spring of 2012 prior to operational start-up were reviewed.

| Operational plan(s) for next twelve months | Y ☒ N ☐ |

Comments: The operational plans for the next twelve months were reviewed. The operating plans within caribou ranges were also reviewed.

| Inventory records | Y ☒ N ☐ |

Comments: Forest inventory was reviewed as part of reviewing Criterion 5.6. Inventories of species at risk were reviewed as part of reviewing Criterion 6.

| Harvesting records | Y ☒ N ☐ |

Comments: Actual harvest figures compared to planned long-term harvest levels were reviewed.
**APPENDIX I: FSC Annual Audit Reporting Form**

**Forest management enterprise information:**

<table>
<thead>
<tr>
<th>FME legal name:</th>
<th>Alberta-Pacific Forest Industries Inc.</th>
</tr>
</thead>
<tbody>
<tr>
<td>FME Certificate Code:</td>
<td>SW-FM/CoC – 001626</td>
</tr>
<tr>
<td>Reporting period</td>
<td>Previous 12 month period</td>
</tr>
</tbody>
</table>

**1. Scope Of Certificate**

Type of certificate: single FMU  
SLIMF Certificate: not applicable  
New FMUs added since previous evaluation: Yes  
Group Certificate: Updated of FMU and group member list provided in Appendix VII-a:  
Multi-FMU Certificate: List of new FMUs added to the certificate scope:

<table>
<thead>
<tr>
<th>FMU Name/Description</th>
<th>Area</th>
<th>Forest Type</th>
<th>Location Latitude/Longitude</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**2. FME Information**

- No changes since previous report (if no changes since previous report leave section blank)  
- Forest zone: Boreal  
- Certified Area under Forest Type:  
  - Natural: 5,312,520 hectares  
  - Plantation  
- Stream sides and water bodies: Linear Kilometers

**3. Forest Area Classification**

- No changes since previous report (if no changes since previous report leave section blank)  
- Total certified area (land base): 5,312,520 ha  
  - Total forest area: 5,312,520 ha  
  - a. Total production forest area: 5,312,520 ha  
  - b. Total non-productive forest area (no harvesting): ha  
    - Protected forest area (strict reserves): ha  
    - Areas protected from timber harvesting and managed only for NTFPs or services: ha  
    - Remaining non-productive forest: ha  
  - 2. Total non-forest area (e.g., water bodies, wetlands, fields, rocky outcrops, etc.): ha

**4. High Conservation Values identified via formal HCV assessment by the FME and respective areas**

- No changes since previous report (if no changes since previous report leave section blank)  
  - Code: HCV1  
  - Description: Forest areas containing globally, regionally or locally significant HCV  
    - Area: ha

---

1. The center point of a contiguous FMU or group of dispersed properties that together comprise a FMU in latitude and longitude decimal degrees with a maximum of 5 decimals.

2. The HCV classification and numbering follows the ProForest HCVF toolkit. The toolkit also provides additional explanation regarding the categories. Toolkit is available at [http://hcvnetwork.org/library/global-hcv-toolkits](http://hcvnetwork.org/library/global-hcv-toolkits).
nationally significant concentrations of biodiversity values (e.g. endemism, endangered species, refugia).

| HCV2 | Forest areas containing globally, regionally or nationally significant large landscape level forests, contained within, or containing the management unit, where viable populations of most if not all naturally occurring species exist in natural patterns of distribution and abundance. | ha |
| HCV3 | Forest areas that are in or contain rare, threatened or endangered ecosystems. | ha |
| HCV4 | Forest areas that provide basic services of nature in critical situations (e.g. watershed protection, erosion control). | ha |
| HCV5 | Forest areas fundamental to meeting basic needs of local communities (e.g. subsistence, health). | ha |
| HCV6 | Forest areas critical to local communities’ traditional cultural identity (areas of cultural, ecological, economic or religious significance identified in cooperation with such local communities). | ha |

Number of sites significant to indigenous people and local communities

| Number of sites significant to indigenous people and local communities | 5 |

5. Workers

Number of workers including employees, part-time and seasonal workers:

| Total number of workers | 433 workers |
| - Of total workers listed above | 344 Male, 89 Female |

Number of serious accidents: 0

Number of fatalities: 0

6. Pesticide Use

- FME does not use pesticides. (delete rows below)

- FME has a valid FSC derogation for use of a highly hazardous pesticide

- FSC highly hazardous pesticides used in last calendar year

<table>
<thead>
<tr>
<th>Name</th>
<th>Quantity</th>
<th># of Hectares Treated</th>
</tr>
</thead>
<tbody>
<tr>
<td>None</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- Non FSC highly hazardous pesticides used in last calendar year

<table>
<thead>
<tr>
<th>Name</th>
<th>Quantity</th>
<th># of Hectares Treated</th>
</tr>
</thead>
<tbody>
<tr>
<td>Glyphosate</td>
<td>2539 kg a.i</td>
<td></td>
</tr>
<tr>
<td>Triclopyr</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Metsulfuron methyl</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Aminopyralid</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>