

Appendix 1: Sustainable Forest Management Policies



Sustainable Forest Management Policies

BC Timber Sales

On April 1, 2003 BC Timber Sales replaced the Small Business Forest Enterprise Program (SBFEP) with a mandate to provide the cost and price benchmarks for timber harvested from public land in British Columbia. Through 12 Business Areas and an operational presence in 33 locations, BCTS manages some 20 percent of the provincial Crown allowable annual cut.

BCTS has four business goals. Guided by the overriding principles of safety and sound forest management, BCTS:

1. Is a high performing organization with skilled, motivated and proud people.
2. Provides a credible reference point for costs and pricing of timber harvested from public land in B.C.
3. Provides a reliable supply of timber to the market, through open and competitive auctions - subject to meeting the requirements of cost and price referencing as stated in Goal 2.
4. Maximizes net revenue for the province – subject to the requirements of cost and price referencing as stated in Goal 2 and supplying timber for auction as stated in Goal 3.

Sound forest management is a high priority for British Columbians and central to the BCTS mandate. BCTS is the largest tree planter in British Columbia, with 199 million tree seedlings planted in its first five years. The commitment to forest management excellence includes achieving and maintaining certification of an Environmental Management System in all Business Areas under the International Organization for Standardization (ISO 14001) and achieving Sustainable Forest Management (SFM) certification over three-quarters of its operating areas. The foundation of the ISO 14001 certification is the Environmental Management System (EMS). BCTS developed and implemented an EMS for the Peace-Liard Business Area in 2004 and achieved ISO certification in 2005. In 2009 BCTS moved towards a single certificate approach and currently maintains one EMS and one ISO certification for all TSO's across British Columbia

In July 1999 the Fort St. John small business program formally announced its commitment to participate in a pilot project within the Fort St. John Timber Supply Area along with several other major licensees in an effort to develop a more streamlined forest management approach. This commitment included its full participation as an equal partner in the development and management of a Sustainable Forest Management Plan to the Canadian Standards Association Z809-02 Sustainable Forest Management (SFM) standard. BCTS participation in the Fort St. John Pilot Project continued through the term of the first SFMP and will continue throughout this plan. BCTS is committed achieving the expectations our EMS this SFMP and the attached Sustainable Forest Management Policy.

BCTS will ensure that our actions and decisions contribute to an equitable, safe, healthy and satisfying work environment and that our operations are conducted in a manner that will not jeopardize human health and safety and commit to maintaining an excellent safety record.



BC Timber Sales

SUSTAINABLE FOREST MANAGEMENT POLICY

BC Timber Sales is committed to managing and administering forest management activities on our operations through effective measures that ensure *sustainable forest management (SFM)*.

It is the policy of BC Timber Sales to:

Conduct our forest management activities to comply with relevant legislation, regulations, policies and other requirements to which we subscribe.

Provide public participation opportunities.

Confer with, and provide opportunities for participation by, Aboriginal Peoples.

Respect and recognize Aboriginal title and rights, and treaty rights.

Maintain an organizational culture where all staff proactively participate in providing conditions and safeguards for the health and safety of staff, clients and the public.

Honour all international agreements and conventions to which Canada is a signatory.

Improve knowledge of the forest and SFM, monitor advances in science and technology, and incorporate these advances where applicable.

Promote awareness of SFM to our clients and the public.

Strive for excellence in forest management by continually improving the performance of resource management activities and practices.

Jim Sutherland, RPF
Director of Forestry
BC Timber Sales

February 5, 2010



Canfor

In July of 1999 Canfor formally announced its commitment to seek sustainable forest management certification of the company's forestry operations under the Canadian Standards Association Sustainable Forest Management (SFM) standard. The Sustainable Forest Management Plan presented here and its implementation is intended to fulfill that commitment for Canfor's Fort St John operation.

As a preparatory step to sustainable forest management certification, Canfor developed an environmental management system (EMS) for the company's woodlands operations. In December 1999 this environmental management system was certified to the ISO 14001 standard developed by the International Organization for Standardization. The Company EMS provides a platform on which to build the sustainable forest management elements required to meet the CSA SFM standard.

The management of Canfor has set out a number of commitments which define the mission, vision, policies and guiding principles for the company. These include the Canfor Mission, Environment Policy and Forestry Principles. These commitments have been used to enable and guide the development of this Sustainable Forest Management Plan, and also commit us to the continual improvement of our performance in implementing the plan under the principle of adaptive management.

Canfor's Environment Policy includes a commitment to "create opportunities for interested parties to have input to our forest planning activities". The CSA SFM standard requires that sustainable forest management planning be carried out in consultation with those directly affected by or interested in forest management on the defined forest area (DFA). Our Environment Policy commitment has been interpreted and extended to include the involvement of the public in the setting of local values, objectives, indicators and targets for the purpose of developing a plan to achieve and maintain sustainable forest management on the DFA. The Environment Policy and Canfor's Forestry Principles also include the opportunity for participation by Aboriginal peoples with respect to their rights and interests in SFM on the DFA. The Fort St John Results Based Pilot Project Public Advisory Group is the body that has provided this input.

Additionally Canfor, acting on behalf of Cameron River Logging, Tembec, and as the woodlands manager of the joint venture licence with Dunne-za LP (West Moberly First Nation) and with Louisiana-Pacific Canada, will manage the respective Fort St John licences and Pulpwood Agreements in accordance with Canfor's SFM commitments.



Canfor's Mission

We will be a highly successful competitor in the global forest products industry, managing with integrity the resources entrusted to our care.

We will be characterized by:

- Employing and developing highly motivated, empowered and committed people who enjoy their work.
 - Consistently satisfying customer needs with quality products and services
 - Enhancing the forest resource, ensuring responsible stewardship of the environment, and protecting human health and safety.
 - Encouraging, recognizing and rewarding excellence in all our endeavours, with an emphasis on innovation and results.
 - Increasing value for shareholders.
-

We will be guided by the core values of integrity, trust, openness and respect for people.



Environment Policy

We are committed to responsible stewardship of the environment throughout our operations.

We will:

Comply with or surpass legal requirements.

Comply with other environmental requirements to which the company is committed.

Set and review environmental objectives and targets to prevent pollution and to achieve continual improvement in our environmental performance.

Create opportunities for interested parties to have input to our forest planning activities.

Practice forest management that recognizes ecological processes and diversity and supports integrated use of the forest.

Promote environmental awareness throughout our operations.

Conduct regular audits of our environmental management system.

Communicate our environmental performance to our Board of Directors, shareholders, employees, customers and other interested parties.

Jim Shepard

President and Chief Executive Officer

Ronald L. Cliff

Chairman

October 2009





Canfor's Forestry Principles

Ecosystem Management

We will use the best available science to develop an understanding of ecological responses to natural and human-caused disturbances. We will incorporate this knowledge into higher level and operational plans by applying ecosystem management principles to achieve desired future forest conditions.

Scale

We will define objectives over a variety of time intervals (temporal scales), and at spatial scales of stand, landscape and forest

Adaptive Management

We will use adaptive management to continually improve forest ecosystem management. This will require the development and implementation of collaborative research and monitoring programs.

Old Growth

We will include old growth and old growth attributes as part of our management strategies and philosophy in the forests where we operate.

Timber Resource

Canfor will ensure a continuous supply of affordable timber in order to carry out its business of harvesting, manufacturing and marketing forest products. Canfor will strive to maximize the net value of the fibre extracted for sustained economic benefits for employees, communities and shareholders.

Forest Land Base

We advocate the maintenance of the forest land base as an asset for the future.

Health and Safety

We will operate in a manner that protects human health and safety.

Aboriginal Peoples

We will pursue business partnerships and cooperative working arrangements with aboriginal people to provide mutual social, cultural and economic benefits and address mutual interests.

Communities

We will engage members of the public, communities and other stakeholders in the delivery of the Forestry Principles.

The process will be open, transparent and accountable.

Accountability

We will be accountable to the public for managing the forest to achieve present and future values. We will use credible, internationally recognized, third party verification of our forestry operations as one way of demonstrating our performance.



Louisiana-Pacific Canada Ltd.

Corporate Policy on Protection of the Environment

Louisiana-Pacific Corporation is committed to a healthy environment worldwide by taking a leadership role in our communities to be good neighbors. Our Corporate Policy on Protection of the Environment is a statement of our environmental goals. We believe that sound business practices and efforts to enhance the environment are compatible. Therefore, Louisiana-Pacific strives to:

Meet or surpass the requirements of environmental laws and regulations and to improve the environment.

Manage natural resources in a responsible and sustainable manner.

Be environmentally conscious stewards of the land.

Meet, as verified by third-party audits, the principles recommended to foster multiple-use and the sustainability of world forest resources.

Conserve non-renewable resources through efficient use and careful planning.

Properly manage and minimize waste through pollution prevention programs

Continuously improve environmental programs.

What Is an Environmental Management System (EMS)?

Unlike regulations, which impose requirements on organizations from the outside, an environmental management system is a voluntary action generated from within a business or industry. The intent of EMS is organizing environmental requirements in such a way that they are well understood and become integrated into routine practices. It is a collection of internal policies, plans and procedures, that, when implemented, provide significant benefits for the organization.

Our Environmental Management System Empowers Our People.

LP has built an environmental management system that is unique to our industry. Our exceptional system taps the ingenuity, resourcefulness, and innovation of LP's employees, enabling them to make decisions about how best to protect the environment.

As a part of this system, employees work in teams to develop and continuously improve procedures that either meet or exceed all applicable environmental standards. Every LP plant operates under an environmental management system specific for the facility. As a result, we have experienced an 80 percent reduction in reportable environmental incidents since 1996. and we can attribute improved



Objectives for Sustainable Forestry on LP Forests

- **LP will strive to broaden the practice of sustainable forestry by employing an array of scientifically, environmentally, and economically sound practices in the growth, harvest, and use of forests.**
 1. **Develop policies, programs and plans to implement and achieve the sustainable forestry standard principles and objectives.**
 2. **Individually, through cooperative efforts, or through American Forest & Paper Association (AF&PA), provide funding for forest research to improve the health, productivity, and management of all forests, as well as to better understand the role of managed forests in sequestering carbon.**
 3. **Provide public recreational and educational opportunities where consistent with forest-management objectives.**
 4. **Ensure that long-term harvest levels are sustainable and consistent with appropriate growth and yield models and written plans.**
- **LP will strive to ensure long-term forest productivity and conservation of forest resources through prompt reforestation, soil conservation, afforestation and other measures.**
 1. **After final harvest, reforest by planting or by direct seeding within two years, or by planned, natural-regeneration methods within five years.**
 2. **Promote state-level reporting of the overall success rates of reforestation and afforestation.**
 3. **Use forest chemicals prudently, following all applicable label requirements Best Management Practices (BMP's). Meet or exceed the laws and regulations concerning the use of fertilizers, herbicides and other forest chemicals to improve forest health and productivity, while protecting employees, neighbors, the public and the forest.**
 4. **Implement management practices to protect and maintain forest and soil productivity.**
 5. **Protect forests from damaging agents such as wildfire, pests, and diseases in order to maintain and improve long-term forest health and productivity.**
 6. **When utilizing genetically improved seedlings, including those derived through biotechnology, the company will use sound scientific methods and follow all appropriate federal and state regulations and other internationally applicable protocols.**
- **LP will strive to protect the water quality in streams, lakes, and other bodies of water by implementing riparian protection measures based on soil type, terrain, vegetation, and other applicable factors.**
 1. **Use Best Management Practices (BMP) developed under the Environmental Protection Agency (EPA)-approved state water-quality programs. Meet or exceed all applicable state water-quality laws and regulations, as well as the requirements of the federal Clean Water Act.**



2. Develop (where they do not currently exist), implement, and document riparian protection measures for all perennial streams and lakes. Involve experts at the state level to help identify goals and objectives for riparian protection.
 3. Individually, through cooperative efforts or through the AF&PA, provide funding for water quality research.
 4. Require BMP employee training in woodland management and wood procurement operations. Encourage training for forest management and harvesting contractors.
- LP will strive to manage the quality and distribution of wildlife habitats and contribute to the conservation of biological diversity by developing and implementing stand- and landscape-level measures that promote habitat diversity and conservation of forest plants and animals.
 1. Enact policies and programs promoting habitat diversity at stand and landscape levels.
 2. Individually, through cooperative efforts or through the AF&PA provide funding for research to improve the science and understanding of wildlife management at stand or landscape levels, ecosystem functions, and the conservation of biological diversity.
 3. Apply knowledge gained through research, science, technology and field experience to manage wildlife habitat and contribute to the conservation of biological diversity.
 - LP will strive to manage the visual impact of harvesting and other forest operations.
 1. Enact policies and programs to manage the impact of harvesting on visual quality.
 2. Develop and adopt appropriate policies for managing the size, shape, and placement of clear-cut harvests. The average size of clear-cut harvest areas shall not exceed 120 acres, except when necessary to respond to forest health emergencies or other natural catastrophes.
 3. Adopt a "green up" requirement, under which past clear-cut harvest areas must have trees at least 3 years old or 5 feet high at the desired level of stocking before adjacent areas may be clear-cut; or adopt other, more comprehensive methods that provide age, habitat, and aesthetic diversity.
 4. Use harvest methods, age classes and judicious placement of harvest units to promote diversity across the forest landscape.
 - LP will strive to manage the visual impact of harvesting and other forest operations.
 1. Identify special sites and manage them in a manner appropriate to their unique features. We will cooperate with organizations that have expertise in protecting special sites for advice on how these lands can best be managed to maintain their unique character.
 - LP will strive to promote the efficient use of forest resources.
 1. Use appropriate forest harvesting technology and practices to minimize waste and ensure efficient utilization of trees harvested while being consistent with other SFI objectives.



Objectives for Sustainable Forestry in the Procurement of Wood and Fiber From Wood Producers and Landowners

- **LP will strive to broaden the practice of sustainable forestry by collaborating with forest landowners, wood producers, consulting foresters, and LP employees who have responsibility in wood procurement and landowner assistance programs.**
 - 1. By providing information on the environmental and economic advantages of our practices, encourage landowners to reforest following harvest and to use Best Management Practices.**
 - 2. Work closely with state logging and/or state forestry associations, appropriate agencies and others in the forestry community to promote the professionalism of wood producers by establishing state groups (where none exist) and by cooperating with existing state groups to promote the training and education of wood producers in:**
 - 3. Awareness of sustainable forestry principles**
 - a. Using best management practices, including road construction and retirement, site preparation, streamside management, etc.**
 - b. Regeneration, forest resource conservation and aesthetics**
 - c. Awareness of responsibilities under the Endangered Species Act and other measures to protect wildlife habitat**
 - d. Logging safety**
 - e. OSHA and wage and hour rules**
 - f. Transportation**
 - g. Business management**
 - h. Public policy and outreach**
 - i. Support and promote efforts of state groups to sponsor training and education programs for wood producers, employees involved in procurement and landowner assistance and contractors.**
 - 4. Annually report:**
 - a. The number of landowners who receive information about the SFI program, forest regeneration, BMP, and wildlife habitat management from contractors, LP employees.**
 - b. The percentage of wood delivered by qualified logging professionals.**
 - 5. Encourage landowners to utilize the services of qualified resource professionals and qualified logging professionals in applying principles of sustainable forest management on their lands.**
 - 6. Ensure that their commitment to the sustainable forestry standard principles is communicated throughout their organizations — particularly to mill and woodland managers, wood procurement operations and field foresters.**
 - 7. Support and promote efforts by consulting foresters, state and federal agencies, state groups and programs such as the American Tree Farm System®, to**



educate and assist forest landowners encouraging them to apply principles of sustainable forest management.

- 8. Clearly define and implement our own policies, programs and plans to ensure that mill inventories and procurement practices do not compromise adherence to the Principles of Sustainable Forestry.**

Objectives for Public Reporting and Involvement in the Practice of Sustainable Forestry

- Publicly report our progress in fulfilling our commitment to sustainable forestry.**
- By providing information on the environmental and economic advantages of our practices, encourage landowners to reforest following harvest and to use Best Management Practices.**
- Provide opportunities for the public and the forestry community to participate in the commitment to sustainable forestry.**
 - 1. Support and promote, at the state or other appropriate levels, mechanisms for public outreach, education and involvement related to forest management, such as, 800 numbers, environmental education, and/or private and public sector technical assistance programs.**
 - 2. Support and promote, at the state or other appropriate levels, procedures to address concerns raised by loggers, consulting foresters, employees, the public or Program Participants regarding practices that appear to be inconsistent with the sustainable forestry standard principles and objectives.**

Objectives for Continual Improvement in the Practice of Sustainable Forestry

- Promote continual improvement in the practice of sustainable forestry and monitor, measure and report performance in achieving the commitment to sustainable forestry.**
- Establish a management review system that examines findings and progress in implementing the SFI program and policies and make appropriate improvements in policies and plans, and inform their employees of changes.**

