

**VANCOUVER ISLAND NORTH WOODLANDS ADVISORY GROUP
(VINWAG)**

***Western Forest Products Inc.*
Community Advisory Group
Minutes of Meeting Held September 20,2018**

Attendance:

| | |
|------------------------------------|--|
| Jon Flintoft, NIFO, WFP | Steve Lacasse, Environment |
| Tom Doak-Dunelly, General Public | Patrick Donaghy, Local Government Alternate |
| Fred Robertson, Education | Gaby Wickstrom, Port McNeill Chamber |
| Dale Dorward, Small Business | John Tidbury, District of Port Hardy |
| Dave Trebett, Tourism & Recreation | Sandra McLaughlin, Port Hardy Business Alternate |
| Ray Harper, Labour | |

Presenter: Will Sloan, Certification Coordinator, WFP

Regrets: Chris Read, Aquaculture, Vince Case, Suppliers, Mayor Shirley Ackland, Town of Port McNeill, Ione Brown, NICFLP, Gunnar Wigard, Large Contractors, Jim McDowell, Planning Manager NIFO

Advisors: Paul Barolet, MOFLNRO

Chairperson and Facilitator: Annemarie Koch

Minutes taken by: Jon Flintoft and Annemarie Koch

1.0 SAFETY AND INTRODUCTIONS

Annemarie welcomed everyone to the meeting, stressed the importance of safety throughout WFP's operations, and reviewed the procedures to follow in the event of an emergency. Annemarie reviewed the objectives of the meeting, namely to review the action items and minutes from the June 14th, 2018 meeting, hear a presentation from WFP certification coordinator Will Sloan comparing and contrasting CSA to SFI certification, hear an update on five-year harvesting plans and the role of forest ecosystems in the global carbon cycle, distribute and fill in the annual participant satisfaction survey, discuss the agenda for the joint PAG meeting in October, discuss the September 21st field trip itinerary and set the date of the next meeting. She then invited everyone to introduce themselves for the benefit of the presenter.

2.0 REVIEW OF LAST MEETING MINUTES AND ACTION ITEMS

Annemarie asked if there were any comments on the minutes of the June 14th meeting and reviewed action items requiring updates or immediate attention with members, and the results of the discussion are summarized in the table below, along with the addition of three action items developed during the course of this meeting. For the benefit of new or recent members, Annemarie noted that she would be assuming all members had read their minutes and would not be taking additional time to go through them at the meeting, other than to deal with questions, changes and action items. Action items that were completed were dropped from the list and revised action items were retained as modified.

Annemarie noted that action items 242 and 251 would be addressed by Will's presentation later in the meeting and that action items 249 and 252 had been completed. She invited Jon to address action item 244 and to provide updates on the public consultation process around the Englewood Train Legacy and the Forestry Fundamentals Training program.

Jon noted that WFP and MFLNRO crews were very busy fighting fires and did not get a chance to put together a fall fair forestry booth this year but he hoped that PAG members might participate in a fall fair booth initiative next year. He noted that there wasn't enough room at UBCM this year to accommodate trade fair booths but that this might be an option for PAG members next year.

Jon noted that there was quite a bit of thoughtful input and conversations related to the Englewood Train Legacy public consultation process. He added that WFP would be following up with the community in October with a view to moving ahead with the initiative.

Jon noted that two forestry fundamentals sessions would be offered in 2019 and that WFP would be sponsoring six students in these sessions. He invited PAG members to encourage prospective candidates to enlist in the program.

Steve noted that NWAC members had met some of the students from this year's program and that the individuals had been very enthusiastic about the forestry fundamentals training.

There was a discussion of what qualities being considered in the applicants to the training program.

Annemarie noted that the remainder of the action items were ongoing and asked members if they had any comments or questions on the action items or minutes. There was no further discussion and the minutes were accepted as circulated.

| ACTION ITEMS | | | | | |
|--------------|---|---|----------------------------------|--|-----------------|
| # | Item | Responsibility | Initiation Date | Target Date | Completion Date |
| 140 | Follow up on engaging youth in SFMP | Fred Robertson/Jon Flintoft/Kindry Mercer/A. Koch | June 27 th , 2013 | Ongoing, in 2018 | |
| 191 | Follow up on recommendations 4-5 of the 2015 participant satisfaction survey in mutual consultation | Members of VINWAG and WFP | February 25 th , 2016 | Ongoing | |
| 196 | Consider ways to enhance communication of what VINWAG does to the public, integrate with WFP's communications strategy | Annemarie Koch | April 28 th , 2016 | Ongoing | |
| 208 | Provide for brief presentation on and Q&A on harvesting plans at each meeting | Jon Flintoft/Annemarie Koch | September 8 th , 2016 | Ongoing | |
| 210 | Update VINWAG on procedural efforts to address a UBCM resolution to ban all future harvesting of old growth on Vancouver Island | Fred Robertson, Shirley Ackland, John Tidbury | June 22 nd , 2017 | Ongoing | |
| 213 | Implement recommendations in 2016 participant satisfaction survey report | Annemarie Koch/Jon Flintoft/VINWAG Members | February 23 rd , 2017 | Ongoing in 2018 | |
| 237 | Talk to the writers of the new CSA Z809-16 standard to determine whether the intent of the new Indicator 3.2.2 is to provide direct measures of water quality and quantity in the DFA | Jon Flintoft/Will Sloan | November 9 th , 2017 | Discussion with Jane Cameron on February 22 nd , 2018 and ongoing discussion with development of the SFMP | |
| 238 | Integrate the proposed new Indicators 3.2.2 and 5.1.2 into the SFMP | Jon Flintoft/Michelle Baker | November 9 th , 2017 | For the 2018 SFMP | |

| | | | | | |
|-----|--|---|-----------------------------------|---|---|
| 243 | Implement recommendations in 2017 report on participant satisfaction survey | Annemarie/Jon/ VINWAG Members | February 22 nd , 2018 | Ongoing | |
| 244 | Consider having a PAG presence at the forestry booth at the fall fair in September, 2018 and AVICC, and UBCM in September 2018 | Jon Flintoft/ VINWAG Members | February 22 nd , 2018 | Ongoing in 2019 | Participation at AVICC April 13-14, 2018; no participation in 2018 RDMW Fall Fair or the 2018 UBCM. |
| 246 | Continue to review and develop the targets for new Indicator 3.2.2 | Jon Flintoft/Kevin Laird/VINWAG members | April 26 th , 2018 | Ongoing | |
| 247 | Talk to Kelly about adding section under roles and responsibilities of members and use of email distribution list in NWAC ToR | Annemarie | June 14 th , 2018 | June 15 th , 2018 email to Kelly and part of NWAC annual review of ToR in spring 2019 | |
| 248 | Consider holding a 'VINWAG open house' to let members of the public know about the group and its role | Annemarie/Jon/ All VINWAG Members | June 14 th , 2018 | Sometime in 2019 | |
| 250 | Provide more information on the planning processes around targets for Indicator 1.1.4 | Jon Flintoft | June 14 th , 2018 | During 2019 annual report review | |
| 251 | Circulate public results of Stillwater external audit to VINWAG members | Will Sloan/Jon Flintoft | June 14 th , 2018 | September 20 th , 2018 | |
| 253 | Revisit future of WFP's CSA certification programs on the North Island and the value of the public advisory process to WFP on the North Island at the joint meeting with NWAC on October 25 th and ensure Kindry is advised of this | Jon Flintoft | September 20 th , 2018 | October 25 th , 2018 | |
| 254 | Provide annual participant satisfaction survey through Survey Monkey | Jon Flintoft | September 20 th , 2018 | November 22 nd , 2018 | |
| 255 | Circulate copy of Will's presentation on SFI and CSA certification systems to VINWAG members | Annemarie Koch | September 20 th , 2018 | With October 25 th agenda | |

3.0 COMPARING AND CONTRASTING CSA TO SFI CERTIFICATION SYSTEMS: WILL SLOAN, WFP CERTIFICATION COORDINATOR

Annemarie thanked Will for attending the meeting to compare the CSA and SFI certification system.

Will noted he would be providing an overview of certification, what it is and what it is for, and a look at the different types of certification. He added that he would be looking at trends in CSA certification and programs across Canada.

Will provided a definition of certification, noting it was a system that is verified externally that monitors whether an operation manages its forests in a sustainable manner.

Will provided a history of why forest certification came about, primarily in response to protests that began targeting customers. He noted that the process aims to demonstrate and ensure that a company is socially and environmentally responsible.

Will stressed the importance of an external review and audit of the process.

Will noted that the Stillwater operation went through an external audit to the new CSA standard and, as of a few weeks ago, the operation has a certificate under the new standard. He noted that the Alberni operation was next and that he did not anticipate difficulties with any of the other operations attaining certification.

Will reviewed some of the benefits of certification, noting it has helped improve operations and provide structure for ongoing improvement.

There was a discussion of whether certification still resonates with the customer now as it did when the protests started. It was noted that there is a significant cost to take part in certification, so the company's rationale for proceeding is routinely sought from sales people and the word back is that the wholesalers are saying that they can only sell certified wood. It was noted that in countries like Japan, the message is that buyers want to see certified wood.

There was a discussion of whether there is a difference from the customer's perspective with respect to the type of certification system. Will reviewed different types of certification, such as FSC, recognized more internationally, and the PEFC group, recognized more in North America.

Will noted that all management systems run on the foundation of an environmental management system (EMS). He noted that all of these processes work on a continuous improvement loop.

Will reviewed the 'Certification House,' noting it was built on the foundation of EMS, with a 'first floor' Sustainable Forest Management Plan which includes third party audits, indicators, mandatory standards, over which a 'roof' of plans, procedures and reports are generated.

Will reviewed the three sustainable forest management certification schemes in Canada, including CSA, SFI and FSC.

He reviewed the basic elements of each standard, noting all have third party audits, chain of custody, product label and objectives, targets and indicators. He noted the only process that requires a public advisory group is CSA.

Will reviewed the CSA standard, noting it is a national standard based on criteria set by the Canadian Council of Forest Ministers in the mid 1990's. He noted that MacMillan Bloedel's Mid-Island operation was the first operation on the coast to be CSA certified.

Will noted that the CSA standard is administered by the Canadian Standards Association and it is the only standard that requires a significant level of public input. He noted that public input is limited in the SFI and FSC processes.

Will noted that, under CSA, the criteria, elements and core indicators are set, while values, objectives, targets and additional indicators are developed with the PAG. He noted that the monitoring and reporting is what provides for tracking continuous improvement.

Will reviewed an example of VINWAG's target around soil conservation and how this target is monitored and reported on.

Will then reviewed the SFI certification initiative, noting it was started by industry and is now managed under a non-profit registered charitable organization. He noted that this system is more familiar to U.S.

customers and is easier to implement than CSA, and so tends to be popular in Canada. He reviewed the social, environmental and economic pillars of SFI.

Will noted that there were a number of Canadian organizations on the SFI board. He noted that First Nations in Canada have, for the most part, elected to use SFI and not CSA.

Will noted SFI has 13 principles, 15 objectives, 37 performance measures and 101 indicators, all of which are set and cannot be changed locally. He noted indicators can be added if required. He noted that the same monitoring and reporting process takes place as with CSA and that a summary report is posted on the SFI website.

There was a discussion of why there are so many more indicators under SFI and whether this creates challenges in some cases. It was noted that SFI is an easier standard to meet than CSA. It was noted that there is no requirement for an SFM Plan under SFI as there is under CSA.

Will reviewed one of the SFI components, comparing it to the relevant indicator under CSA. He noted that, under SFI, soil protection measures have to be defined by the company, e.g. use of erosion control measures, retention of vigorous trees that hold soil in place, road construction practices that minimize soil loss.

Will reviewed some of the other things that SFI does that make it attractive to other users of the system, including the promotion of training and certification of workers, an annual conference that raises the profile of SFI and the provision of funding to a variety of community and conservation projects (including funds for the B.C. Forest Discovery Centre).

Will noted SFI is a significant supporter of Ducks Unlimited and Habitat for Humanity, and Project Learning Tree.

He added that SFI requires the company to support research, science and technology.

Will reviewed fibre sourcing under SFI. He noted that SFI has standards for facilities that consume fibre, and directs companies to source wood that is legally harvested and from legal and responsible sources. It was noted that the fibre sourcing program under SFI expects the company to actively seek where the wood is coming from as it is being harvested or shortly after it has been harvested. He noted that this is a challenge for coastal wood that may sit in log booms for quite awhile.

There was a discussion of how chain of custody should work. It was noted that the current tracking system is down to tracing a lift of lumber back to the cutblock where it came from.

Will noted that the type of research conducted under SFI is determined through approaching an SFI committee that reviews proposals, or through a competitive proposal process.

There was a discussion about log exports.

Will reviewed some of the changes that are taking place with WFP's certification programs. He noted that 72% of the operational forests of Canada are certified and 30% of the Canadian total of certified area is in B.C. He added that 83% of B.C. forests have been certified.

Will reviewed the increase in volume certified in Canada since 2001. He noted that about 41 million hectares are under CSA and 98 million hectares are under SFI. It was noted that in 2008, when the CSA standard changed to include core indicators, the relative volume of wood certified under CSA to FSC and SFI began to decline. He noted that many companies moved to SFI following this change to the CSA standard.

Will reviewed the companies currently certified under CSA, including WFP and Canfor. He noted that Canfor and other companies like BCTS, currently certified under CSA are going to SFI.

Will noted there are 50 companies certified under SFI across Canada, including BCTS, Canfor, Timberwest, Revelstoke Community Forest and Tolko Industries.

Will noted there are currently approximately 98 million hectares of SFI certified timber across Canada. He noted that, when Canfor leaves CSA, CSA certified lands will drop down to about 16 million hectares (under nine companies) and SFI certified lands will increase (under 55 companies) to about 117 million hectares.

There was a discussion of certification fees paid, based on net sales of participating companies.

There was a discussion of why WFP is continuing with both the SFI and CSA certification systems. It was noted that budget discussions were ongoing, but that the chief forester likes the idea of maintaining CSA certification as long as possible.

It was noted that it is getting harder and harder to source qualified CSA external auditors. It was noted that Price Waterhouse currently audits WFP's CSA certified operations.

There was a discussion of the need for and role of public advisory groups. It was noted that PAG's provide healthy input from communities and it was noted that members would be sad to see the loss of that kind of involvement. There was some discussion of the possibility of maintaining public advisory processes inside an SFI certification system.

There was a discussion of the origin of SFI in industry versus the political origins of CSA and how this influences each process. It was noted that SFI is more suited to private lands. It was noted that there was a great influence from American buyers and producers supporting SFI. It was noted that there is more SFI certified wood in Canada than in the U.S. It was noted that there is a creep of Canadian content into SFI as well.

There was a discussion of how and whether sales will ultimately determine which certification systems are implemented. It was noted that WFP's chief forester was committed to maintaining some form of public advisory process, even if the certification system changes from CSA to SFI.

There was a discussion of the importance of public involvement processes to help minimize protest as a major means of communication on forestry issues.

It was agreed to revisit this discussion at the joint meeting with NWAC on October 25th and to discuss the future of WFP's CSA certification programs on the North Island and the value the company places on the public advisory process. It was also agreed that Jon should talk to Kindry to let her know that VINWAG members have asked to include this discussion on the October 25th agenda, so that she can ensure there is someone present to respond to questions.

4.0 UPDATE ON FIVE-YEAR HARVESTING PLANS AND ROLE OF FOREST ECOSYSTEMS IN GLOBAL CARBON CYCLE: JON FLINTOFT

Jon noted that not much had changed in terms of the proposed remaining harvesting plans for 2018. He noted that there had been a summer shutdown for heat, followed by a significant number of fires. He noted that the fire shutdown had been followed almost immediately by concerns for the effects of heavy rainfall.

He noted that high elevation blocks were being set up for harvest prior to the onset of winter weather and that road construction at lower levels was underway. He noted that a heli-program was scheduled for the McNeill area this fall. He added that WFP was continuing to renew and replace equipment, including log loaders and highway trucks. Jon noted that several WFP grapple yarders had been re-lifed this year.

Steve asked if there was a way to look at visuals on blocks close to the town, so that people could see what the areas might look like after harvesting. Jon noted that this would be possible using present technologies.

Jon noted that this year was unprecedented for fires on the coast. He noted that this had produced a significant amount of carbon dioxide in the air. It was noted that natural fires were not included in the

calculations for the indicator on carbon. It was noted that fires were affecting the carbon sink role of forests.

Jon pointed to some of the rehabilitation options under consideration following the fires. There was a discussion of the possibility of salvage harvests. It was noted that there are concerns about the effects of major rain events following the fires, including slides, and that the rehabilitation efforts would likely include measures to mitigate erosion.

5.0 ANNUAL DISTRIBUTION OF PARTICIPANT SATISFACTION SURVEY AND DISCUSSION OF OPTIONS FOR JOINT MEETING WITH NWAC ON OCTOBER 25th, 2018: JON FLINTOFT AND ANNEMARIE KOCH

Annemarie noted that a copy of the survey had been circulated with the agenda in Word format, so that members could email their responses at their convenience. She invited members preferring to use hard copies to take some time and start filling out the surveys during or after the meeting, if they wished.

It was recommended that the survey be made available through Survey Monkey.

6.0 DISCUSSION OF SEPTEMBER 21ST FIELD TRIP ITINERARY: JON FLINTOFT, WFP

Jon reviewed the field trip itinerary, noting the tour would start at 8:45 a.m. He noted the tour would start at the Marble River Hatchery, followed by a trip to the Marble River rec site and a look at the tenures in that vicinity. He added that the tour would continue at the site of the Pinch Creek fire if a safe route could be ensured, followed by a tour of karst features at Eternal Fountain, then a look at an alder plantation, followed by a look at Devil's Bath, a visit to O'Connor Lake to look at a bridge install completed today, and finally a look at proposed harvesting blocks on Ledge Point. Paul noted his support for taking a look at Ledge Point as it has many visual and recreational values. Dave noted his support for enhanced public involvement in the planning for harvesting the blocks at Ledge Point. Gaby agreed with greater public involvement in the planning for harvesting blocks on Ledge Point, in view of tourism and community values of the site. Jon noted that the site was presently scheduled for harvesting in 2022 and that there had not been any cutblock/road layout activities.

7.0 NEXT MEETING: ANNEMARIE KOCH

Annemarie noted that, further to the schedule, the next meeting would be a joint one with NWAC on October 25th at Black Bear Resort.

She noted that Kelly and Jon had met earlier in the summer to discuss a possible agenda for the meeting, including a review of the results of WFP's Englewood Train Legacy public consultation process, followed by a presentation on WFP's harvest profile strategy, with added reference to log distribution networks, followed by an open discussion between PAG members and presenters and other WFP representatives in attendance.

She added that VINWAG members had now recommended adding to the agenda a discussion of the future of CSA certification for the North Island and the value of the public advisory process on the North Island to WFP.

Annemarie and Jon thanked everyone for coming and wished them a safe journey home.

When: OCTOBER 25, 2018
Dinner: 6:00 p.m.
Meeting: 7:00 p.m.