


Certificate Holder:	Daishowa-Marubeni International Ltd., Peace River Pulp Division	Certification Body (CB):	KPMG Forest Certification Services Inc
FSC CW certificate code:	KF-CW-001020	Date of CB Approval:	Pending Approval
Date of risk assessment:	June 07, 2010	Address of CB:	900 – 777 Dunsmuir Street, Vancouver, BC Canada V7Y 1K3
Certificate holder address:	Forest Resources Business Unit Postal Bag 6500, Pulp Mill Site Peace River, Alberta T8S 1V5	Signature of Company Representative:	 _____, RFP (AB), PEA, EMS(LA) Continuous Improvement Coordinator

Districts, including countries covered with this risk assessment*:	Mackenzie, Fort St. John and Prince George Forest Districts, British Columbia
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Category	FSC Indicator	Information Sources Used	Brief justification	Risk Designation
1. Illegally Harvested Wood The district of origin may be considered low risk in relation to illegal harvesting when all the following indicators related to forest governance are present:	1.1 Evidence of enforcement of logging related laws in the district	www.illegal-logging.info www.eia-international.org http://www.for.gov.bc.ca/tasb/legsregs/ http://www.for.gov.bc.ca/hen/ Forest Act Part 5 Timber Marking & Part 6 Timber Scaling Timber Marking and Transportation Regulation	<p>There is legislation in place to regulate forestry activities, which is generally well enforced. There is no evidence that illegal logging is a wide scale problem in these districts.</p> <p>Strong legislation is in place in British Columbia regarding the granting and regulation of harvesting rights and the marking, scaling and transportation of timber. British Columbia has government staff dedicated to the monitoring of compliance with and to enforce forest Acts and Regulations by forest companies.</p> <p>Timber Marking and Transportation Regulation includes provisions to ensure that compliance and enforcement takes place and that each load of timber is accompanied by a load slip.</p>	Low Risk



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	1.2 There is evidence in the district demonstrating the legality of harvests and wood purchases that includes robust and effective systems for granting licenses and harvest permits.	www.illegal-logging.info www.eia-international.org	Harvesting without required permit or felling license is not known to be a problem in these districts based on international sources and reports in relation to illegal logging.	
	1.3 There is little or no evidence or reporting of illegal harvesting in the district of origin.	www.illegal-logging.info www.eia-international.org http://www.dmi.ca/about_dmi/dmi_in_alberta/prpd/ems/documents/FibreProcurementPolicyRev1.pdf - DMI Fibre Procurement Principles	Harvesting without required permit or felling license is not known to be a problem in these districts based on international sources and reports in relation to illegal logging. DMI has contracts and declarations stating that fibre does not originate from illegal/controversial sources for the entire District of Origin.	
	1.4 There is a low perception of corruption related to the granting or issuing of harvesting permits and other areas of law enforcement related to harvesting and wood trade.	http://www.transparency.org - Transparency International maintains regularly updated information on perceptions of corruption at the national level	There are no reports or information about significant levels of illegal harvesting in British Columbia. As per the Transparency International's 2008 Transparency International Corruption Perceptions Index (Transparency International, 2009), Canada ranks as the 10 th least corrupt country in the world. Canada ranks lower than Sweden, the least corrupt, but higher than the US, the 18 th least corrupt.	
2. Wood harvested in violation of traditional or civil rights The district of origin may be considered low risk in relation to the violation of traditional, civil and collective rights when	2.1 There is no UN Security Council ban on timber exports from the country concerned;	www.un.org	There is currently no UN Security Council ban on timber exports from British Columbia.	Low Risk
	2.2 The country or district is not designated a source of conflict timber (e.g. USAID Type 1 conflict timber)	Global Policy Forum www.globalpolicy.org/security/natres/timbrindex.htm www.usaid.gov - Conflict Timber: Dimensions of the Problem in Asia and Africa Volume I Synthesis Report.	These districts are not designated as sources of conflict timber.	



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all the following indicators are present:	2.3 There is no evidence of child labour or violation of ILO Fundamental Principles and Rights at work taking place in forest areas in the district concerned	http://www.ilo.org/ipecinfo/product/viewProduct.do?productId=2299 - Global Child labour trends 2000 to 2004. ILO (International Labour Office http://laws.justice.gc.ca/en/L-2/ - Canada Labour Code and Regulations http://www.bclaws.ca/EPLibraries/bclaws_new/document/ID/freeside/00_96113_01 - BC Employment Standards Code School Act	Forest employment in British Columbia is regulated under federal (s. 179 (Act); s. 10 (Reg.) - <i>Canada Labour Code and Regulations</i>) and provincial (ss. 65, 66 (Code); s. 13(1), (5) (e) (Act) - <i>Employment Standards Code School Act</i>) labour codes, which prohibit child labour, protect the rights of workers to organize, and are consistent with other ILO provisions.	
	2.4 There are recognized and equitable processes in place to resolve conflicts of substantial magnitude pertaining to traditional rights including use rights, cultural interests, or traditional cultural identity in the district concerned.	www.ainc-inac.gc.ca/ps/clm/index_e.html www.gov.bc.ca/arr/treaty/default.html - BC Consultation Process	<p>The courts of Canada have established a legally binding consultation system. There is a process in place with both the governments of Canada and the provinces to negotiate and implement land claims and self government agreements. Many First Nations have treaties with the government of Canada.</p> <p>In BC the Forest and Range Practices Act requires efforts to be made in information sharing between industry and First Nations as a means to identify and where necessary conserve or protect cultural heritage resources.</p>	
	2.5 There is no evidence of violation of the ILO Convention 169 on Indigenous and Tribal Peoples taking place in the forest areas in the district concerned.	www.chrc-ccdp.gc.ca/legislation_policies/aboriginal_employment-en.asp -- federal aboriginal employment policy. http://www.unhchr.ch/html/menu3/b/62.htm - the ILO Convention 169 on Indigenous and Tribal Peoples	<p>Federal and provincial laws protect the rights of all workers including aboriginal employees.</p> <p>Violation of ILO Convention 169 and the rights of Indigenous and Tribal people is not known to be a problem in these districts based on international sources and reports.</p>	
3. Wood harvested from forest in which high conservation values are threatened	3.1 Forest management activities in the relevant level (eco-region, sub-eco-region, local) do not threaten eco-regionally significant high	http://www.biodiversityhotspots.org/xp/hotspots/Pages/default.aspx - Those regions identified by Conservation International as a Biodiversity Hotspot	No Biodiversity hotspots are identified in these districts	Low Risk



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<p>by management activities The district of origin may be considered low risk in relation to threat to high conservation values if: a) indicator 3.1 is met; or b) indicator 3.2 eliminates (or greatly mitigates) the threat posed to the district of origin by non-compliance with 3.1.</p>	<p>conservation values.</p>	<p>http://www.nationalgeographic.com/wildworld/profiles/g200_index.html - Those forest, woodland, or mangrove ecoregions identified by World Wildlife Fund as a Global 200 Ecoregions and assessed by WWF as having a conservation status of endangered or critical. If the Global 200 Ecoregion comprises more than a single terrestrial ecoregion, an ecoregion within the Global 200 Ecoregion can be considered low risk if the sub-ecoregion is assessed with a Conservation Status other than "critical/endangered."</p>	<p>No eco-regions in these districts are assessed as being critical or endangered.</p>	
	<p>3.2 A strong system of protection (effective protected areas and legislation) is in place that ensures survival of the HCVs in the ecoregion.</p>	<p>FSC does not have a specific threshold that would clearly indicate whether a system of protection is "strong" or not. There is no single entity that controls what "strong" means in this case, so there is no authority that can give a definitive ruling on this matter.</p> <p>Fraser Plateau and Basin Ecoregion http://www.worldwildlife.org/wildworld/profiles/terrestrial/na/na0514_full.html</p> <p>Prince George Land & Resource Management Plan http://ilmbwww.gov.bc.ca/slrp/lrmp/princegeorge/pgeorge/plan/toc.htm</p> <p>Prince George Sustainable Forest Management Plan www.canfor.com/resources/sustainability/PGSFM_P_ver2007_7.pdf</p> <p>Mackenzie Land & Resource Management Plan http://ilmbwww.gov.bc.ca/slrp/srmp/north/mackenzie/index.html</p>	<p>These districts are in the Fraser Plateau and Basin Ecoregion. These districts have undergone significant land use planning, which has increased the system of protected areas and established objectives to manage for all non-timber and timber forest resources.</p> <p>The Districts have completed Land and Resource Management Plans that identify and protect a number of HCV attributes including water, rare and uncommon species, wildlife, fisheries, and cultural heritage.</p> <p>The Districts are also managed under joint licensee Sustainable Forest Management Plans. Some HCV issues of note in these plans include the maintenance of critical winter range for mountain caribou and the conservation of sites of special biological significance.</p>	



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		<p>Mackenzie Sustainable Forest Management Plan http://www.for.gov.bc.ca/hfd/library/FIA/2007/LBI_P_2526001a.pdf</p> <p>Fort St. John Land and Resource Management Plan http://ilmbwww.gov.bc.ca/slrp/lrmp/fortstjohn/fort_stjohn/plan/toc.htm</p> <p>Fort St. John Sustainable Forest Management Plan http://www.canfor.com/resources/sustainability/FortStJohn_2005_2006_Annual_Report.pdf</p> <p>http://canadianborealforestagreement.com/media-kit/Boreal-Agreement-Full.pdf - Canadian Boreal Forest Agreement</p>	<p>DMI is a signatory to the Canadian Boreal Forest Agreement</p>	
<p>4. Wood harvested from areas being converted from forests and other wooded ecosystems to plantations or non-forest uses The district of origin may be considered low risk in relation to conversion of forest to plantations or non-forest uses when the following indicator is present:</p>	<p>4.1 There is no net loss AND no significant rate of loss (> 0.5% per year) of natural forests and other naturally wooded ecosystems such as savannahs taking place in the eco-region in question.</p>	<p>The State of British Columbia's Forests 2006 www.for.gov.bc.ca/hfp/sof/2006/pdf/sof.pdf</p>	<p>British Columbia has a forest management regime based on natural forests and the use of native species. The area of forest in BC increased between 1957 and 2000.</p> <p>Within the fibre supply District the minor amount of conversion of Crown tenure forest lands for the purposes of oil and gas and mining and other non forest uses is less than 0.1% per year.</p>	<p>Low Risk</p>



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5. Wood from forests in which genetically modified trees are planted The district of origin may be considered low risk in relation to wood from genetically modified trees when one of the following indicators is complied with:	a) There is no commercial use of genetically modified trees of the species concerned taking place in the country or district concerned	http://www.fao.org/docrep/008/ae574e/ae574e00.htm - Forestry Department of FAO	Food and Agriculture Organization of the United Nations working paper "Preliminary review of biotechnology in forestry, including genetic modification", 2004 summarizes that no GMO trees are used commercially in Canada	Low Risk
	b) Licenses are required for commercial use of genetically modified trees and there are no licenses for commercial use	http://www.inspection.gc.ca/english/plaveg/bio/st/st_06e.shtm -- Federal Food Inspection Agency.	Federal Food Inspection Agency confirms that confined field trials of Plants with Novel Traits are limited to scientific research.	
	c) It is forbidden to use genetically modified trees commercially in the country concerned	www.for.gov.bc.ca/hti/grm/generesource.htm	The Tree Improvement Branch of the Ministry of Forests & Range ensures that no genetically modified tree seed is registered or used in operational forest planting on Crown land in British Columbia.	

