



## 2026 SFI Public Summary Report

### Capacity Forest Management Ltd. First Nation Licensee Group Sustainable Forestry Initiative® (SFI) Forest Management Standard [2022]

**Date: March 16, 2026**

#### **Project Scope and Objectives**

PricewaterhouseCoopers LLP (PwC) completed a Recertification Assessment (RA) on Capacity Forest Management Ltd.'s (the Company, CFM, Capacity, or Capfor) SFI Forest Management activities. The SFI Forest Management activities are managed by the Central Office in Campbell River. The Lead Assessor was James Lucas, RPF, EMS (LA) and was accompanied by assessor Tyler Doucet, EMS (LA). The PwC assessment team was accompanied by Capacity Forest Management Ltd.'s SFI Representatives, Stephanie Horsfield and Mike Beck.

The primary objective of the assessment was to assess the Company's SFI management system and to evaluate the Company's implementation of the SFI Standard in the field.

#### **Indicators**

All of the indicators in the Sustainable Forestry Initiative® (SFI) 2022 Forest Management Standard were within the scope of the assessment.

#### **Assessment Process**

From February 9 to February 10, 2026, the assessment team conducted interviews and reviewed documentation to assess the Company's policies and procedures and to test the implementation of SFI program requirements at the Central Office in Campbell River. The Head Office assessment included a review of management activities for the Atli, Matchlee, and CRIBCO tenures.

On February 10, the Lead Assessor conducted field visits on the Matchlee tenures, including assessments of completed harvest sites, road management, and silviculture sites. Due to weather conditions, access to the Atli and CRIBCO areas was not possible at the time of the assessment, however, forest management activities for these tenures were reviewed in the office through interviews and document review. In total, the assessment team spent 2 days at the central office and 1 day on-site for field assessments.

PwC uses a rotational assessment approach where the central office is assessed annually, and 9 First Nations forest management client's licenses/tenures are sampled on a five-year rotating schedule that conforms to the International Accreditation Forum Inc.'s Mandatory Document 1.

#### **Client Profile**

Capacity Forest Management LTD is a Forestry Company founded in 2003 and based out of Campbell River, British Columbia. Capacity specializes and works with First Nations in all aspects of the forestry business and industry. Their services include forest timber development planning, forestry, and logging

operations, forestry management, geomatics and LiDAR, and visual resource management. Capacity currently employs a full-time staff of thirty individuals. Capacity boasts a combined 300+ years of experience and has managed projects ranging from 2,500 m<sup>3</sup> to 1,000,000 m<sup>3</sup> of allowable cut for First Nation clients across British Columbia, including partnerships with Atli Resources LP, CRIBCO Forest Products Ltd Partnership, Kitsoo Forest Company Ltd., Kvamua Enterprises LP, LBN Forestry Ltd., Lower Similkameen Community Forests LP, Lower Similkameen Indian Band, Matchlee Forestry LP and Skul'qalt Forestry LP.

Capacity originally became certified under the SFI Forest Management Standard in 2010 and recertified under the same Standard in 2021. Capacity Forest Management pioneered the way with SFI Inc. to create a First Nation group SFI certification for forest management activities situated on Vancouver Island, North & Central Coast, and the Interior of British Columbia, which has allowed more First Nation licenses to attain SFI certification. A major reason Capacity re-certified under the SFI Standard was the enhanced principles & commitment to Indigenous values and rights on the forest land base. Capacity's working relationship with SFI Inc. has assisted in stronger recognition and respect of Indigenous rights to ensure the standard addresses not only, cultural values, wildlife conservation, biodiversity, and environmental concerns but also, support for training and research, and community involvement in the forest sector.

### **Summary of Conformance, Findings, and Good Management Practices**

#### **FOREST MANAGEMENT**

<b>SFI Forest Management Objective</b>	<b>Evidence of Conformity</b>
<p><b>Objective 1. Forest Management Planning</b> To ensure forest management plans include long-term sustainable harvest levels and measures to avoid forest conversion</p>	<p><b>Evidence:</b> <i>Geographic Information System (GIS), Forest Stewardship Plans (FSPs), Site Plans (SPs), silviculture treatment prescriptions, inspection records, CFM Commitment to Sustainable Forestry.</i></p> <p><b>Summary:</b> CFM's forest management planning incorporates considerations of AAC associated with licenses, higher level plans, forest stewardship plans, woodlot license plans, Biogeoclimatic Ecosystem Classification ("BEC"), SOP's, best management practices, etc.</p> <p>Harvest levels are determined by planning mechanisms approved by government and in the TSR process. Ministry of Forests inventory, LiDAR data and previous license holders' management plans inform harvest levels. Harvest levels are within the cut control period limits and follow the allocated AAC as determined by the Chief Forester from TSR and associated management plans.</p> <p>Forestry inventory labels created during surveys are reported to RESULTS. This information is used when TSA/TFL AAC's are updated. Larger scale inventory updates in CRIBCO, Matchlee, and Atli licence areas are managed by the Ministry of Forests or Western Forest Products in their TFL.</p> <p>Local and regional social, environmental, and economic effects of forest management operations are assessed at TSA/TFL timber supply review stages and addressed through forest stewardship plans or woodlot license plans where applicable. Post-harvest practices are consistent with pre-harvest plans and assumptions made related to free growing stocking</p>

	<p>standards. All activities are reported to RESULTS.</p> <p>CFM does not engage in forest cover conversion.</p>
<p><i>No Nonconformities or Opportunities for Improvement were identified related to this Objective.</i></p>	
<p><b>Objective 2. Forest Health and Productivity</b>  To ensure long-term forest productivity, carbon storage and conservation of forest resources through prompt reforestation, afforestation, minimized chemical use, soil conservation, and protecting forests from damaging agents.</p>	<p><b>Evidence:</b> <i>Standard Operating Procedures (SOPs), Silviculture Activity Status Reports, Site Plans, Maps, Harvest Inspection Reports and tracking spreadsheet.</i></p> <p><b>Summary:</b> Forest Stewardship Plans (FSPs) establish stocking standards consistent with FRPA and regulations. Blocks are planted within 1-2 years of harvest completion, with a three-year regeneration date requirement. Blocks are tracked in Phoenix as well as various tracking spreadsheets.</p> <p>Advance regeneration and naturals are retained where practicable during harvest operations. Advanced regeneration is retained in riparian areas through machine free zones or by exclusion from harvested areas of the block.</p> <p>Climate change seed transfer guidelines ensure proper seedlot at sowing and planting. Reforestation is tracked and reported from Phoenix Connect, with planting and surveys typically completed within two years.</p> <p>CFM has programs in place to protect forests from damaging agents, including fire preparedness plans, S100 training, silviculture survey identification, mixed species planting, use of blister rust-resistant Pw stock, invasive species SOPs, and monitoring of pests.</p> <p>Soil productivity and health are addressed in site plans, pre-works, and harvest plan maps/instructions. The SP is the primary procedure to identify and mitigate soil productivity impacts from harvesting, including ground-based machinery, sediment movement, and soil displacement.</p> <p>CFM does not use chemicals on any of the tenures they manage.</p>
<p><i>No Nonconformities or Opportunities for Improvement were identified related to this Objective.</i></p>	
<p><b>Objective 3. Protection and Maintenance of Water Resources</b>  To protect the water quality of rivers, streams, lakes, wetlands and other water bodies through meeting or exceeding best management practices.</p>	<p><b>Evidence:</b> <i>SOPs, Site Plans, Employee/Contractor training records, Inspection Reports, Maps, and Pre-Work Checklists.</i></p> <p><b>Summary:</b> CFM has programs in place to implement water quality best management practices, including in their Site Plans, FSPs, SOPs, fish timing windows, stop work procedures, pre-works and phase inspections during operations. CFM works under Provincial forestry legislation including the Forest Act and the Forest and Range Practices Act (“FRPA”).</p> <p>Operational controls include EMS procedures such as pre-work, inspections (including planting quality inspections), incident investigation and reporting, internal audits. The EMS requires maps with instructions,</p>

	<p>SOPs and BMPs. Logging and road building contractors are trained on the applicable CFM SOP's which cover all aspects of harvesting and road construction. Contract provisions specify conformance to BMPs. Wet-weather shutdown criteria in the "Guidelines for Working in Areas of Questionable Stability" are also noted on contractor pre-works and harvest plan maps/instructions.</p> <p>Protection requirements such as riparian buffer widths are prescribed in the FSP's and are at minimum Provincial standards.</p>
<p><i>No Nonconformities or Opportunities for Improvement were identified related to this Objective.</i></p>	
<p><b>Objective 4. Conservation of Biological Diversity</b> 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 a diversity of types of habitat and successful stages, and the conservation of forest plants and animals, including aquatic species, as well as threatened and endangered species, Forests with Exceptional Conservation Value, old-growth forests and ecologically important sites.</p>	<p><b>Evidence:</b> Review of FSP's, Site Plans, pre-harvest assessments, Falling SOP, Pre-Work Checklists, Species at Risk Field Cheat Sheets and Guidebooks, and maps.</p> <p><b>Summary:</b> CFM identifies resource values through FSPs and government and licensee databases, which are queried during harvest planning to identify land base constraints like OGMAs, wildlife habitat areas, and EBM requirements. FSPs are reviewed, and appropriate management actions are included in harvesting plans.</p> <p>Wildlife tree retention and coarse woody debris targets are addressed in the cut block site plan according to the FSP. Stand-level wildlife features such as snags, dens, or wildlife trees are retained where safe and operationally feasible. Deciduous trees and non-merchantable tree clumps are left onsite where feasible. Old growth at the landscape level is managed through government-approved landscape plans or non-spatial old growth management orders at the TSA level. Landscape-level biodiversity is addressed in FSPs for each operating area, incorporating provincial planning results and priorities through regionally specific Forest Stewardship Plans. CFM maintains a GIS database with species of concerns for each client's license area.</p> <p>Staff and contractors receive training on SAR. Operational controls include EMS procedures such as pre-work, inspections (including planting quality inspections), incident investigation and reporting, internal audits, and external audits including certification. The EMS requires maps with instructions, SOPs, and BMPs. Field audits demonstrated good consideration of biodiversity, species, habitat at the stand level, with no issues identified.</p>
<p><i>No Nonconformities or Opportunities for Improvement were identified related to this Objective.</i></p>	
<p><b>Objective 5. Management of Visual Quality and Recreational Benefits</b> To manage the visual impact of forest operations and provide recreational opportunities for the public.</p>	<p><b>Evidence:</b> Review of FSPs, Visual Impact Assessments, Site Plans, field observations, interviews with CFM staff and contractors.</p> <p><b>Summary:</b> CFM conducts visual impact assessments for cut blocks overlapping within established visual quality objective polygons. Blocks tracked spatially (GIS database) and in Phoenix database. Green-up of adjacent blocks are addressed in each cut block site plan, as well as in the FSP. Green up requirements and status are tracked in the GIS system, as</p>

	well as in spreadsheets by the Silviculture Forester. Green-up requirements are specified in the FSP and for each cut block site plan. No green-up concerns for any blocks reviewed in the field.
<p><b>Objective 6. Protection of Special Sites</b> To manage lands that are geologically or culturally important in a manner that takes into account their unique qualities.</p>	<p><b>Evidence:</b> Review of FSPs, Site Plans, field observations, interviews with CFM staff and contractors.</p> <p><b>Summary:</b> CFM uses various sources of information to identify and select special sites for protection. Special sites, including wildlife sites, heritage sites, and block specific sites, are identified and mapped in the Company’s GIS system. CFM regularly updates the Pheonix GIS with known special site locations.</p> <p>Operational controls include EMS procedures such as pre-works, inspections (including planting quality inspections), incident investigations, reporting, and internal audits. Good protection of special sites was observed during the field assessment.</p>
<i>No Nonconformities or Opportunities for Improvement were identified related to this Objective.</i>	
<p><b>Objective 7. Efficient Use of Fiber Resources</b> To minimize waste and ensure the efficient use of fiber resources.</p>	<p><b>Evidence:</b> Review of FSPs, Site Plans, field observations, interviews with CFM staff and contractors.</p> <p><b>Summary:</b> CFM conducts waste and residue surveys as required by provincial regulations. Material is hauled from blocks where economically feasible for chipping and hog fuel. Adequate fiber utilization was observed during field assessment.</p>
<i>No Nonconformities or Opportunities for Improvement were identified related to this Objective.</i>	
<p><b>Objective 8. Recognize and Respect Indigenous Peoples’ Rights</b> To recognize and respect Indigenous Peoples’ rights and traditional knowledge.</p>	<p><b>Evidence:</b> Interviews with CFM staff, Review of FSPs, Policy Statement, CFM website.</p> <p><b>Summary:</b> CFM has a written Policy Statement pertaining to recognizing and respecting Indigenous People. The Statement is made available on the Company’s website: <a href="https://capfor.ca/sfi-certification/">https://capfor.ca/sfi-certification/</a></p> <p>CFM clients are forestry companies owned by First Nations and the communication processes varies depending on the community, ownership structure, and capacity of First Nation group. CFM works with local First Nation bands to address forestry related concerns and forest protection.</p> <p>Field surveys are conducted by First Nation band members or qualified contractors to cover any features of interest and ensure values important to First Nations are addressed in plans (CMTs, monumental cedar, yew, arch sites).</p>
<i>No Nonconformities or Opportunities for Improvement were identified related to this Objective.</i>	
<p><b>Objective 9. Climate Smart Forestry</b> To ensure forest</p>	<p><b>Evidence:</b> Interviews with CFM staff, Climate Change Action Strategy, Review of FSPs, Policy Statement, CFM website.</p>

<p>management activities to address climate change adaptation and mitigation measures</p>	<p><b>Summary:</b> Capacity has a Climate Change Actions Strategy that they have developed which identifies changes in weather patterns, forest health, wildfire, temperature, drought, and severe rainfall as risks. Through discussion with certification representatives, prioritization of climate risks is well understood among the Company.</p> <p>Adaptation strategies and opportunities are varied and referenced in the document, for example: adjusting scheduling of operations, adjusting to shorter harvest seasons, prioritizing mixed species planting, and increasing fire resilience at stand and landscape level.</p> <p>CFM has identified efforts to mitigate industrial GHG emissions including reducing emissions through travel/hauling distances, maximizing truckloads, preventing idling, inspecting contractor equipment for regular maintenance, exist.</p> <p>The Company uses community consultations with membership and other interested parties to elicit priorities around climate change and inform forest management. The Company reports to SFI Inc. annually on their progress towards achieving climate change adaptation strategies and plans through the SFI Annual Survey.</p>
<p><i>No Nonconformities or Opportunities for Improvement were identified related to this Objective.</i></p>	
<p><b>Objective 10. Fire Resilience and Awareness</b> To limit susceptibility of forests to undesirable impacts of wildfire and to raise community awareness of fire benefits, risks, and minimization measures.</p>	<p><b>Evidence:</b> Interviews with CFM staff, Fire Preparedness Plan, various communications, harvest proposals, and letters of support, Review of FSPs, Policy Statement, CFM website.</p> <p><b>Summary:</b> CFM has a Fire Pre-Organization Plan (2022-2027) and encourages prime contractors to have their own fire safety manual/program, in addition to complying with CFM’s plan. Post-harvest fire hazard assessments are conducted on each cut block. The PwC Assessment team reviewed Fire Hazard Assessments for various operations and S100 staff training – which includes annual refresher training.</p> <p>Operationally, CFM performs modeling with LiDAR data to create an inventory at tree-level and identify dead stands and model moderate-high risk on land base and work with government and Nations to rectify and reduce risk. Fire management and resilience inform CFM’s harvest approach including maintaining deciduous stands where feasible, removing stands in poor forest health and salvaging dead stands, retaining green where available.</p> <p>CFM is working with government, Indigenous groups, and communities to manage fire risk. The Company is supporting wildfire abatement special projects (e.g., Fort Babine Wildfire Risk Reduction Harvesting Project; Old Fort wildfire risk reduction project). Community risk/susceptibility to fire is part of forest landscape planning projects in which clients are involved, and data is made available to them.</p>

<i>No Nonconformities or Opportunities for Improvement were identified related to this Objective.</i>	
<p><b>Objective 11. Legal and Regulatory Compliance</b> To comply with applicable federal, provincial, state, and local laws and regulations.</p>	<p><b>Evidence:</b> <i>FRPA, FSP's, SOP's, Health and Safety Policies and Procedures Manual, Corrective Action Log.</i></p> <p><b>Summary:</b> CFM staff has access to all relevant current legislation either online or in-house. Updates are received for legislation changes via email from the Ministry of Forests.</p> <p>To achieve compliance with applicable federal, provincial, and local laws and regulations, CFM keeps records of all feedback and compliance inspections and maintains a Corrective Action Log.</p> <p>CFM operates under BC Labor Laws and is meeting the intent of the International Labor Organization (ILO) core conventions. Contracts include provisions around adhering to Occupational, Health and Safety regulations and other applicable rules and regulations in the workplace.</p>
<i>No Nonconformities or Opportunities for Improvement were identified related to this Objective.</i>	
<p><b>Objective 12. Forestry Research, Science and Technology</b> To invest in forestry research, science, and technology, upon which sustainable forest management decisions are based and broaden the awareness of climate change impacts on forests, wildlife and biological diversity.</p>	<p><b>Evidence:</b> <i>Interviews with staff and contractors, Procedures Manual, WCSIC websites and documented information, LBN Moose Study documents.</i></p> <p><b>Summary:</b> CFM is engaged in a number of Ministry and higher-level research projects and committees. The Company works with First Nation clients to undertake a number of research projects to help understand and address resource issues. The results of this research is incorporated into SFM processes where applicable. Notably, Lake Babine Nation (LBN) launched a 5-year Moose Enhancement Plan in 2025 to grow moose as quickly and efficiently as possible, including monitoring activities and applied treatments.</p> <p>CFM supports and participates in the Western Canada SFI Implementation Committee (WCSIC).</p>
<i>No Nonconformities or Opportunities for Improvement were identified related to this Objective.</i>	
<p><b>Objective 13. Training and Education</b> To improve the implementation of sustainable forestry practices through appropriate training and education programs.</p>	<p><b>Evidence:</b> <i>Interviews with staff and contractors, SFM commitment statement, SFI EMS Employee Training, Roles &amp; Responsibilities Matrix, training records, WCSIC websites and documented information.</i></p> <p><b>Summary:</b> The Company's Environmental Policy Statement includes reference to their commitment to the SFI Standard. The policy is communicated throughout the organization.</p> <p>CFM staff understand their roles and responsibilities and are appropriately trained. The Company provides SFI Contractor Awareness Packages to contractors, and the Package, along with relevant SOPs are reviewed during pre-work meetings.</p> <p>The Company participates in the WCSIC which develops and implements</p>

	logger training and continuing education programs. CFM uses qualified logging professionals through their own training process.
<i>No Nonconformities or Opportunities for Improvement were identified related to this Objective.</i>	
<p><b>Objective 14. Community Involvement and Landowner Outreach</b></p> <p>To broaden the practice of sustainable forestry through public outreach, education, and involvement, and to support the efforts of SFI Implementation Committees.</p>	<p><b>Evidence:</b> WCSIC websites and documented information, interviews with staff.</p> <p><b>Summary:</b> The company supports the practice of sustainable forestry through active participation and financial support of WCSIC. The company supports forestry education for a number of their clients and operating areas. Additionally, CFM participates in working groups and steering committees with other licensees, government, and stake holders.</p> <p>CFM has a process for receiving and responding to inquiries and complaints, both through the SICs and through their organization.</p>
<i>No Nonconformities or Opportunities for Improvement were identified related to this Objective.</i>	
<p><b>Objective 15. Public Land Management Responsibilities</b></p> <p>To participate and implement sustainable forest management on public lands.</p>	<p><b>Evidence:</b> Interviews with CFM staff, Review of FSPs, Policy Statement, CFM website.</p> <p><b>Summary:</b> CFM participates in working groups and steering committees with licensees, government, other stakeholders, including North Area Ministry Industry Forum, Lake Babine Nation Forestry Working Group, Coast MPS Committee, Okanagan TSA Steering Committee, and Bulkley TSA Steering Committee.</p> <p>The PwC assessment team reviewed CFM's Forest Operations Mapping (FOM) and First Nations (FN) information sharing process for the Alti operations. Maps are posted online for 30 days as required and feedback was responded to and addressed. For the FN information sharing process, proposed blocks go to Chief and Council (LSIB) including the Okanagan Nation Alliance.</p>
<i>No Nonconformities or Opportunities for Improvement were identified related to this Objective.</i>	
<p><b>Objective 16. Communications and Public Reporting</b></p> <p>To increase transparency and to annually report progress on conformance with the SFI 2015-2019 Forest Management Standard.</p>	<p><b>Evidence:</b> SFI Public Summary Report, SFI Annual Survey submission.</p> <p><b>Summary:</b> A public summary report is prepared as part of the annual external audit and submitted to SFI for posting on its website. Annual reports are submitted to SFI as required and records and past reports maintained.</p> <p>The SFI Annual Survey for 2025 was completed in the timelines required.</p>
<i>No Nonconformities or Opportunities for Improvement were identified related to this Objective.</i>	
<p><b>Objective 17. Management Review and Continual Improvement</b></p>	<p><b>Evidence:</b> Annual Management Review meeting minutes, SOPs.</p> <p><b>Summary:</b> Capacity has an annual management review attended by the</p>

<p>To promote continual improvement in the practice of sustainable forestry by conducting a management review and monitoring performance.</p>	<p>Company’s SFI lead and coordinator, senior managers, operations managers, and other CFM staff and partners. The 2026 annual management review occurred on January 12, 2026. The meeting included a review of external audit findings and OFIs, corrective actions, inspection progress, and policy and program updates.</p> <p>Performance is assessed based on monitoring/ inspection reports, external audits, and reviews of procedures. Areas for improvement and modifications to SOP’s are communicated through quarterly meetings. New SOPs are developed where necessary.</p> <p>Phase inspection reports and incident reports are tracked in Phoenix database.</p>
<p><i>No Nonconformities or Opportunities for Improvement were identified related to this Objective.</i></p>	

**Summary of Good Management Practices**

There were no nonconformities or Opportunities for Improvement identified in the 2026 Recertification Assessment. Specific Good Management Practices (GMPs) are noted below:

- In general, record retention and quality was found to be excellent during the assessment.
- In the field, it was observed that the level of road deactivation was effective in managing water, while still allowing truck traffic.
- CFM has made many efforts to establish strong working relationships between their clients and other neighboring Nations which have resulted in productive economic and social results.

**Conclusion**

The Company has maintained conformance with the requirements of the Sustainable Forestry Initiative® (SFI) 2022 Forest Management Standard. The Certificate can be obtained by contacting Mr. Mike Beck. More information on Capacity Forest Management Ltd.’s sustainable forestry program can be found at: <https://capfor.ca/>.

The next SFI Assessment will be a Maintenance Assessment (A1) in the Fall of 2027, the registration expires on March 15, 2031.