



## J.H. Huscroft Ltd. Woodland Operations—July 2014

From July 28-30, 2014, KPMG Performance Registrar Inc. (KPMG PRI) carried out a surveillance audit of J.H. Huscroft Limited's (Huscroft's) existing SFI certification against the requirements of the 2010-2014 version of the Sustainable Forestry Initiative® (SFI) standard. This Certification Summary Report provides an overview of the audit process and KPMG's findings.

### Description of J.H. Huscroft Ltd's Woodlands Operations

J.H. Huscroft Ltd. holds Forest Licence A20213 in the Kootenay Lake Timber Supply Area, located on Crown forest land in south central British Columbia, Canada. The company's annual allowable cut is 78,644 m<sup>3</sup>. The company has been registered to the SFI standard since 2009, and since that time has been audited annually by KPMG.

Huscroft's woodlands operations are managed by the company from offices in Creston, BC, where the company has a sawmill.

### Audit Scope & Objectives

The scope of this audit covered a sample of the SFI objectives with respect to operations on the crown forest license as well as fibre procurement activities for the company sawmill. For a listing of the specific objectives covered by the audit, refer to Table 1 of this report.

The objective of the 2014 SFI audit was to evaluate the Company's conformance with the requirements of the 2010-2014 version of the SFI standard.

### The Audit

**Audit Team** – The audit was conducted by Bodo von Schilling, RPF, EP(EMSLA). Bodo is a contractor to KPMG PRI and has extensive experience in conducting forestry audits against the SFI, CSA Z809, and ISO 14001 standards.

**Surveillance Audits** – Annual SFI surveillance audits are conducted by the audit team to ensure that SFI requirements continue to be met.

**JH Huscroft SFI Program Representative** – Rick Hanson, RPF served as J.H. Huscroft Ltd.'s SFI program representative during the audit.

### Use of Substitute Indicators

No substitute indicators were evaluated during the audit

### Audit Scope / Evidence of Conformity with the SFI 2010-2014 Standard

SFI elements in scope for the 2014 audit as well as primary sources of evidence assessed to determine conformity with the SFI 2010-2014 standard are presented in Table 1 below:



SFI Objective #	Key Evidence of Conformity
1. Forest Management Planning	Timber Supply Review/Analysis, apportionment report, cut control report.
2. Forest Productivity	Not in scope.
3. Protection and Maintenance of Water Resources	Forest Stewardship Plan (FSP), Sustainable Forest Management Plan (SFMP), Land Use Plans, field inspections of riparian areas, review of site plans & harvest plans, operational contracts.
4. Conservation of Biological Diversity	Not in scope.
5. Management of Visual Quality and Recreational Benefits	SFMP, FSP, harvest plans, field inspections, visual mapping.
6. Protection of Special Sites	Not in scope.
7. Efficient Use of Forest Resources	SFMP, waste survey results, field inspections, cut control report.
8. Landowner Outreach	Not in scope.
9. Use of Qualified Resource and Logging Professionals	Timber producer info package.
10. Adherence to Best Management Practices	Not in scope.
11 –13	N/A– applies to tropical sourcing
14. Legal and Regulatory Compliance	SFMP, environmental policy, regulatory reports.
15. Forestry Research & Technology	SFMP, Timber Supply Analysis, field inspections.
16. Training and Education	Not in scope.
17. Community Involvement in the Practice of Sustainable Forestry	SFMP, Timber Producer Information Package.
18. Public Land Management Responsibilities	Not in scope.
19. Communications and Public Reporting	Certification summary report.
20. Management Review and Continual Improvement	SFMP, management review, internal audit report.

J.H. Huscroft Ltd. 2014 SFI Audit Findings	
Major non-conformities	0
Minor non-conformities	0
Opportunities for improvement	1

### Good Practices

During the course of the audit, a number of good practices were identified including the following:

- **SFI Objective 10 (adherence to best management practices)** - Staff foresters complete on-site inspections on almost all procurement wood purchases, a procedure that exceeds the SFI Implementation Committee program.
- **SFI Objective 2 (forest productivity)** - Staff and contractors were found to have a high level of awareness of fire danger as well as preparedness.
- **SFI Objective 3 (water protection)** - Operations supervisors have a robust system to document contractor operations through frequent monitoring and formal inspections which supports company due diligence.

### Follow-up on Findings from Previous Audits

Not applicable—there were no non-conformities identified in the 2013 audit.

### Areas of Nonconformance

No non-conformities were identified.

### Opportunities for Improvement

The following opportunity for improvement was identified:

- **SFI Objective 2 (soil productivity):** It was noted there were isolated instances of spill kits missing from vehicles/equipment.

### Audit conclusions

The audit found that J.H. Huscroft Ltd’s woodlands operations meet the requirements of the 2010-2014 version of the SFI standard in all material respects. As a result, a decision has been made to grant continued certification to the SFI standard. J.H. Huscroft’s SFI certification is valid until December 9, 2015.

#### Types of audit findings

##### **Major non-conformities:**

Are pervasive or critical to the achievement of the SFM Objectives.

Major non-conformities must be addressed within three months or certification cannot be achieved / maintained.

##### **Minor non-conformities:**

Are isolated incidents that are non-critical to the achievement of SFM Objectives.

All non-conformities require the development of a corrective action plan within 30 days of the audit, which must be fully implemented by the operation within 3 months.

##### **Opportunities for Improvement:**

Are not non-conformities but are comments on specific areas of the SFM System where improvements can be made.

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