

SFI 2015-2019 – Public Summary Report

Stuwix Resources Joint Venture

DESCRIPTION OF COMPANY

Stuwix Resources Joint Venture (Stuwix) is a First Nations owned and operated company in the Southern Interior of British Columbia that was established in 2004 and named in honour of the Stuwix People; First Nations ancestors of long ago. Since 2005 Stuwix has harvested 4,500,000 m³ of timber under a management system that reflects its social, cultural, and environmental values while benefiting its communities economically.

Stuwix's vision is to promote healthy ecosystems and healthy independent communities, while integrating First Nations' traditional use and practices into forest management. Stuwix is responsible for the overall management of several licences, including planning, developing, marketing, timber-harvesting, road-building and silviculture. A management committee, made up of representatives from the eight bands, operates the joint-venture.

The certified area covers 79,000 ha of Crown land, with an annual cut of 250,000 m³. The primary species harvested is lodgepole pine. The logs are sold to local area mills for use in producing lumber, chips, and co-products. The top diameter log is salvaged and used for post and rails and pulp, and the remaining waste is ground for biofuels. Stuwix has taken a leadership role in capacity building for local First Nations' communities, ensuring First Nations employment in their company, and providing a ripple of economic benefits to local businesses.

The company SFI representative is Lennard Joe.

AUDIT

During the period of August 9 to 12, 2016 Stuwix Resources Joint Venture underwent a re-registration audit to the Sustainable Forestry Initiative® (SFI®) 2015-2019 Forest Management (FM) Standard.

The registration cycle is over three years with surveillance audits conducted annually. The audit assessed active and/or completed harvest operations through interviews with the company staff and contractors. The audit also assessed the SFI documentation and records at the company's office including stakeholder and First Nations communication.

The SFI program third-party audit was undertaken by SAI Global. SAI Global is an independent third party registrar that is accredited by the ANSI-ASQ National Accreditation Board (ANAB) Standard ensuring the integrity and credibility of the audit process.

THE AUDIT TEAM

The SAI Global audit team who performed the audit consisted of Cindy Hutchison, audit team leader. The auditor is a Professional Forester and certified auditor.

REGISTRATION TYPE

Certificate Type	SFI 2015-2019 Forest Management Standard	SFI 2015-2019 Fiber Sourcing Standard
Single site	X	

MULTI-SITE / GROUP EVALUATION

Not applicable.

SFI 2015-2019 Forest Management Standard

FOREST LAND AND MANGEMENT PLAN INCLUDED IN THE AUDIT SCOPE

The land area managed by Stuwix are under volume-based tenures. These are managed based on a legislated cut level and objectives set by government. A formal management plan is not required, however, government objectives allows flexibility such that Stuwix has been able to set their own goals and objectives of promoting First Nations involvement throughout the Timber Supply Area where they are operating.

Stuwix SFI certified area covers 79,000 ha of crown land with a current annual cut of 250,000 m³. Stuwix's operating area is located within the Merritt TSA and covers a broad spectrum of ecological areas from the dry lowlands of the Interior Douglas-fir through the montane spruce stands and then up to the Engelmann spruce subalpine fir stands at the height of land. The majority of operations occur in the montane spruce zone that consists mainly of even aged lodgepole pine mixed in with stands of lodgepole and Douglas-fir to stands with mixed lodgepole and Engelmann spruce.

The mountain pine beetle epidemic resulted in an increased level of harvest within the pine stands. Clearcut with reserves has been the most effective stand prescription to meet objectives. Stuwix has developed a program that requires site prep and planting within two years of harvest. Stuwix's road management strategy prescribes rehabilitation or deactivation of roads soon after harvest if they are not to be used in the near future. Planting is the preferred method of regeneration but Stuwix also prescribes natural regeneration in areas that have high probability of success through natural regeneration. Sites prescribed for natural regeneration are drag scarified to promote natural seed growth. Planted stands are either raw planted with no site prep or are power disc trenched and or excavator screefed.

Since 2005 Stuwix has worked on creating an effective marketing program by utilizing as much of the fiber as possible. In 2006 Stuwix took elders out to visit cutblocks and one of the notable comments was that they wanted to see more of the wood utilized and not just left on the landings to be burned. Therefore, Stuwix has promoted optimum fiber management by marketing of a number of different products. Stuwix had one of the first programs to work directly with the grinding chipping program and was the innovator of the top log program, taking the top of the tree down to a two inch "rat tail" to be delivered to the post and rail plants. To achieve this objective, Stuwix got buy-in from harvest contractors and worked with the Province on developing new forms of stumpage. The sales resulted in a slight profit margin for investors and promoted other values such as less fuel to burn on the blocks, increased employment, and a strong social acceptance of our practices. Through higher standards of fiber utilization and marketing of fiber Stuwix has been able to increase the net return per cubic meter of wood.

Stuwix values have been incorporated into management policies and objectives resulting in synergistic outcomes for non-First Nations communities and a stronger forest environment within the Merritt Timber Supply Area (TSA). Stuwix chose to become a market logger and not compete with the

already established mills and value added facilities in the Merritt Forest District. This allowed for wood volume to be available for purchase at local mill facilities. Stuwix's priority has been to supply wood to the local mills first. The result has been the creation of 29 First Nations companies with a strong relationship with the forest industry in the Merritt TSA.

Stuwix is proud of their achievements and summarize their Management policies as follows:

Stuwix has proved that a First Nations market logging program can have positive results for the entire community. Stuwix started with a vision of establishing a First Nations company that would provide sound forest management while meeting the economic, social and cultural needs of our communities. The result is a sound company that reflects the cultural and social values of our First Nations communities and at the same time creating a new environment of certainty, sustainability and innovation in the Merritt TSA.

SCOPE OF CERTIFICATION

Forest management activities - planning, harvesting, transportation, and silviculture on FL A65006, NRFL A85191, NRFL A86085, NRFL A84349, NRFL A82441, NRFL A84350 and NRFL A85451. The SFI 2015-2019 Forest Management Standard meets and exceeds the requirements of the earlier SFI 2010-2014 SFI Standard (Section 2), therefore fiber sold under this certificate counts as 100% SFI and 100% PEFC certified forest content.

The scope of certification has changed since the last public summary report. The changes are clarification required by SFI regarding the SFI standard and the percent PEFC forest content.

AUDIT PROCESS

During this audit, the audit team evaluated the company against the objectives listed in Appendix 3, Table 1. The evidence of compliance observed is listed in Appendix 3, Table 2.

A sample of field review sites were chosen from a list of active sites and sites where forest management activities occurred since the last audit. The site choice also considered activity type, and risk factors, related to the audit objectives selected for review, as well as the opportunity to verify implementation of corrective actions for previous non-conformities.

SUBSTITUTE INDICATORS

No substitute indicators were evaluated during this audit.

COMPLAINTS

No complaints have been received; therefore the complaint handling process could not be verified.

SITES INSPECTED AND ASSESSMENT TIME

Audit Activity	Duration in days
Off-site preparation and on-site office review:	3.0
Field review:	1.5
Sites	Number inspected
Roads	8
Harvesting Blocks	3
Silviculture Sites	7
Operations visited: Operations in the Merritt and Princeton operating areas.	

SUMMARY OF FINDINGS

Definitions for findings can be found in Appendix 1.

Areas of non-conformance

Not applicable.

Opportunities for improvement

Consider

- writing a procedure for consistently calculating number for indicator 2.1.1 (planting in 2 years and naturals in 5 years).
- including the silviculture contractors and all employees of the harvesting contractors in the EMS/SFI internal audit so they are less nervous during the audit.
- updating the WC SIC contact for inconsistent practices.
- a BMP review of BC Fuel Handling regulations and legal fire monthly and annual fire extinguisher inspections.
- discussions/Form A to track the frequency of mapping errors and omissions; and providing for in house GIS training/employment opportunities.
- clarify roles and responsibilities and methodology with respect to green-up as license area boundaries change to harvest adjacent to other license holders.

Exceptional practices

- Remarkable reduction in waste from 2014 to 2015 (as per government waste billing).
- Silviculture Services contract has excellent camp standards.
- Road rehabilitation program extent and quality is exemplary.
- Notably improved EMS documentation.

Status of previous audit non-compliances

No non-conformities were raised during the previous audit.

CERTIFICATION DECISION SFI 2015-2019 FOREST MANAGEMENT STANDARD

Re-registration Audit

Based on the results of this re-registration audit it has been determined that the management system is effectively implemented and meets the requirements relative to the scope of registration and audit criteria, therefore, a recommendation for registration is made to SAI Global.

Appendices

Appendix 1: DEFINITIONS

Major Non-Conformances

Pervasive or critical to the achievement of the SFI objectives

All major non-conformances require an action plan to be implemented by the auditee within 90 days of an initial audit or registration cannot be achieved. Subsequently for surveillance audits, an action plan shall be implemented by the auditee within 60 days for the registration to be maintained.

Minor Non-Conformances

Isolated incidents that are non-critical but must be addressed before the next surveillance audit to maintain compliance to the SFI standard. Non resolved minor non-conformance will be escalated to a major non-conformance.

Opportunity for Improvement

Are not non-conformances but are comments on specific areas where improvements can be made.

Exceptional practices

Areas that are deemed to be of outstanding practices.

Appendix 2: MULTI-SITE / GROUP SAMPLING APPROACH

This multi-site / group organization maintains an internal audit program determined to be reliable, in this case SAI Global sampling approach is as follow where n = number of sites:

- i. \sqrt{n} for initial certification audits
- ii. $0.6 \sqrt{n}$ for surveillance audits
- iii. $0.8 \sqrt{n}$ for re-registration audits

The central office function is audited annually.

OR

This multi-site / group organization did not maintain its internal audit program. SAI Global applies the following sampling where n = number of sites:

\sqrt{n}

The central office function is audited annually.

Appendix 3: EVIDENCE OF CONFORMITY TO THE SFI 2015-2019 FOREST MANAGEMENT STANDARD

Table 1 Objectives Audited

Objective 1	Forest Management Planning	X
Objective 2	Forest Health and Productivity	X
Objective 3	Protection and Maintenance of Water Resources	X
Objective 4	Conservation of Biological Diversity	X
Objective 5	Management of Visual and Recreational Benefits	X
Objective 6	Protection of Special Sites	X
Objective 7	Efficient Use of Forest Resources	X
Objective 8	Recognize and Respect Indigenous Peoples' Rights	X
Objective 9	Legal and Regulatory Compliance	X
Objective 10	Forestry Research, Science and Technology	X
Objective 11	Training and Education	X
Objective 12	Community Involvement and Landowner Outreach	X
Objective 13	Public Land Management Responsibilities	X
Objective 14	Communications and Public Reporting	X
Objective 15	Management Review and Continual Improvement	X

Table 2 Evidence Observed

Environmental management system (EMS) Manual	X	Cutblock size calculations	X
Written policies	X	Employee observation forms (species at risk, invasive plants, other values)	X
Standard Operating Procedures (SOPs) for best management practices	X	Pre-work discussions/meeting records	X
EMS and SFI field handbook	X	Monitoring records for non-timber values	
Training records (staff and contractors)	X	Utilization records	X
SFI/EMS training agenda	X	Laws, legislation, regulations records	X
Health and safety manual and/or employee policy manual	X	Annual management review records	X
Timber supply review		Internal audit records	X
Maps (pre-harvest, harvest, post-harvest, and silviculture)	X	Corrective action logs	X
Timber development standards		Education/community involvement records	X
Non-timber values impact assessments (riparian, visual, recreation, biodiversity, cultural heritage, other:)	X	Records of public inquiries and complaints	
GIS inventories (soils, forest, land classification, non-timber values)	X	Stakeholder communications records	X
Long term management plans and sustainable harvest level calculation		Agreements and communications with Indigenous communities	X
Cutting/harvesting permits		Multi-licensee and/or government meeting minutes	X
Operational plans (annual, cutblock level)	X	Logging agreements and/or contracts	
Wet/adverse weather plans or guidelines	X	Wood producer training programs	X
Reforestation plans	X	Wood producer information package	
Pest management plan		SFI Annual Report	X
Fire preparedness plan	X	SFI and company websites	X
Spill prevention and response plan	X	SFI brochure	
Silviculture surveys and reports	X	SFI Implementation committee (participation/support)	X
Chemical use/spray records and applicator certification		Research and discussion papers	
Tree improvement reports		Support for research and science	X
Green-up records	X	External audit field inspections	X
Free to grow records		External audit interviews (office and field)	X
Planting program records	X	Post-harvest inspection records	X
Harvest inspection records	X	Government compliance records	
Road and bridge inspection records	X		
Pre-harvest inspection records			



SAI Global forestry specialist group registers/certifies forest companies to ISO 14001, OHSAS 18001, CSA Z809 and CSA Z804 SFM, SFI Forest Management, SFI CoC, SFI Fiber Sourcing, SFI Certified Sourcing Label, PEFC CoC, FSC® Forest Management, FSC® CoC.

The group, led by Sylvain Frappier, Technical Manager - Forestry, consists of a highly qualified team of professional foresters, technical and industry experts.

Contact certification.americas@saiglobal.com for more information.

Company Contact:

Lennard Joe, RPF
General Manager
2 - 98 Hwy 8
Merritt, BC, Canada
V1K 0A7

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