



Forest Certification REPORT



High Prairie Forest Products, a division of West Fraser Mills Ltd. July 2014 SFI Audit Summary

On June 3-4 and July 24-25, 2014, an audit team from KPMG Performance Registrar Inc. (KPMG PRI) carried out an SFI surveillance audit of High Prairie Forest Products, a division of West Fraser Mills Ltd, woodlands operations against the requirements of the 2010-2014 edition of the Sustainable Forestry Initiative® (SFI) standard. This Certification Summary Report provides an overview of the process and KPMG's findings.

Description of High Prairie Forest Products Woodlands Operations

In the spring of 2014, Buchanan Lumber and Lakeshore Timber Company was bought by West Fraser Mills Ltd, which now operates the division under the name High Prairie Forest Products (HPFP). The HPFP woodlands operations are unchanged in that they continue to encompass a total area of 20,556 hectares of boreal forest located in the vicinity of the towns of High Prairie, Peace River and Slave Lake, Alberta. Of the total area, approximately half (10,754 hectares) are on the HPFP/Tolko Industries Joint FMA 200039, while the remaining area under management is spread over eight coniferous and two deciduous dispositions. All of the land within the scope of the HPFP SFI scope of registration is Crown land.

High Prairie Forest Products has a coniferous annual allowable cut of 370,010 m³ and a deciduous annual allowable cut of 21,105m³. Primary species are white spruce, lodgepole pine and aspen from conifer and mixed wood stands.

The majority of the remaining timber that is used to supply the HPFP sawmill in High Prairie is obtained through agreements with other FMA holders, salvage from oil and gas operations and a small amount, less than 5%, is purchased from private land holders.

Operations generally occur under winter operating conditions and focus primarily on conifer and mixed wood stands. Operations are conducted using conventional mechanized logging equipment.

Audit Scope

The audit was conducted against the requirements of the 2010-2014 edition of the SFI standard and assessed selected elements of the SFI program objectives noted under "Evidence of Conformity with SFI 2010-2014" below.

The scope of the 2014 SFI audit included the woodlands operations noted above as well as fibre procurement activities for the HPFP sawmill.



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SFI-01154



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Scope of Certification

Forestry and logging operations (including planning, roads, harvesting and silviculture) on FMA0200039, CTQP030008, CTQP040007, CTQP180002, CTQS150004, CTQS160001, CTQS190001, CTQS200003, CTQS200005, DTAS160001 and DTAS200001, and the procurement of logs for West Fraser Mills sawmill and veneer plant operations in High Prairie and Slave Lake.

The Certification Audit

Audit Team – The audit was conducted by Yurgen Menninga, RPF(BC), EP (EMSLA). Yurgen is KPMG PRI staff member who has conducted numerous forest management audits under a variety of standards including SFI, ISO 14001, and CSA Z809.

Company SFI Program Representative – Keith Branting, RPF, High Prairie Forest Products’ certification coordinator served as the SFI program representative during the audit.

SFI Surveillance Audit - The audit involved an on-site assessment of selected elements of HPFP’s SFI program, and included visits to several field sites to evaluate conformance with the requirements of the current SFI standard.

Use of Substitute Indicators

No substitute indicators were used during the audit.

Audit Objectives

The following audit objective was included within the scope of the audit:

- An SFI surveillance audit to evaluate HPFP’s conformance with the requirements of the 2010-2014 version of the SFI standard.

Evidence of Conformity with SFI 2010-2014

Primary sources of evidence assessed to determine conformity with the SFI 2010-2014 standard are presented in Table 1 below.

High Prairie Forest Products 2014 SFI Audit Findings

Major non-conformities	0
Minor non-conformities	1
Opportunities for improvement	2

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SFI Objective #	Sources of Key Evidence of Conformity
1. Forest Management Planning	N/A – not in scope
2. Forest Productivity	Site plans, silviculture reports, field inspections, Operating Ground Rules.
3. Protection and Maintenance of Water Resources	Field inspections of riparian areas, review of site plans & harvest plans, Operating Ground Rules.
4. Conservation of Biological Diversity	Detailed Forest Management Plan, Annual Operating Plans, Operating Ground Rules.
5. Management of Visual Quality and Recreational Benefits	N/A – not in scope
6. Protection of Special Sites	Detailed Forest Management Plan (DFMP), Annual Operating Plan, Operating Ground Rules.
7. Efficient Use of Forest Resources	Site plans, field inspections.
8. Landowner Outreach	Procurement Information Package
9. Use of Qualified Resource and Logging Professionals	N/A – not in scope
10. Adherence to Best Management Practices	Procurement Information Package, inspection forms
11-13. Not applicable to HPFP	N/A – not in scope
14. Legal and Regulatory Compliance	Regulatory reports & approvals, field inspections, health & safety policy.
15. Forestry Research & Technology	Research records
16. Training and Education	Training records, SFI Implementation Committee minutes & resources.
17. Community Involvement in the Practice of Sustainable Forestry	N/A – not in scope
18. Public Land Management Responsibilities	Harvest plans, referral records of site plans to First Nations and stakeholders.
19. Communications and Public Reporting	Certification summary report.
20. Management Review and Continual Improvement	Management review, internal audit, action plans.

Types of audit findings

Major non-conformities:

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

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.

Major non-conformities must be addressed immediately or certification cannot be achieved / maintained.

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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Areas of Nonconformance

One minor non-conformity was identified during the audit:

- **Objective 19 (communications and public reporting)** - data required to be reported annually to SFI was not submitted for 2013.

Corrective action plans have been developed by HPFP to address this non-conformity.

Opportunities for Improvement

Two opportunities for improvement were also identified:

- **Objectives 2&3 (forest productivity, protection of water resources)** – It was noted that various checklists & forms that are completed during operations are at times redundant and used interchangeably.
- **Objectives 14 (legal and regulatory compliance)** – It was noted that the documented internal action plans to address non-compliance are general rather than focusing on case-specific actions, and have no point of closure.

Corrective Action Plans

Corrective action plans designed to address the root cause(s) of the non-conformities identified during the audit have been developed by High Prairie Forest Products and reviewed and approved by KPMG PRI. The next surveillance audit will include a follow-up assessment of these issues to confirm that the corrective action plans developed to address them have been implemented as required.

Audit Conclusions

The audit found that the High Prairie Forest Products 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 continue certification to the SFI standard. This certification is valid until April 18, 2015.



Due to limited access in the summer months, a helicopter was used for the field audit. The photo above is an example of one of the field sites assessed.

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