

Forest Certification UPDATE



STUWIX RESOURCES JOINT VENTURE

SFI 2010 – 2014 Merritt BC Operations

Stuwix Resources Joint Venture was established in 2004 and is owned and operated by seven First Nations bands in the Southern Interior of British Columbia. Stuwix Resources 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 seven bands, operates the joint-venture.

The certified area covers 79,000 ha of Crown land, with an annual cut of 240,000 m³. The primary species harvested is lodgepole pine; largely salvaged from mountain pine beetle infected stands. 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.

BACKGROUND

During the period of October 1 to 3, 2014 Stuwix Resources Joint Venture underwent a 12 month surveillance audit to the Sustainable Forestry Initiative (SFI®) Standard 2010-2014. The registration cycle is over three years, with surveillance audits conducted annually. This report summarizes the audit process and results of the SAI Global re-registration audit.

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 — Objectives 1-7 and 14-20.

EXECUTIVE SUMMARY

The SFI Program third-party re-registration was undertaken by SAI Global. SAI Global is an independent third party registrar that is accredited by the ANSI-ASQ National



Accreditation Board (ANAB) for registrations to SFIS 2010-2014. This ensures the integrity and credibility of the audit process.

The audit assessed active and completed harvest operations through interviews and site visits with Stuwix Resources Joint Venture staff and contractors. The audit also assessed the SFIS and supporting Environmental Management System (EMS) documentation and records at the Stuwix Resources Joint Venture office.

No major non-conformances, one minor non-conformance, and seven opportunities for improvement were identified. In addition, four positive aspects of Stuwix Resources' SFI program were observed.

THE AUDITORS

The SAI Global audit team who performed the audit consisted of Cindy Hutchison, RPF. The auditor is a Professional Forester registered with the Association of BC Forest Professionals.

AREAS OF NON-CONFORMANCE

Major:

None.

Minor:

PM 3.1, Indicator 4: Insufficient monitoring of best management practices implementation.

OPPORTUNITIES FOR IMPROVEMENT

Consider:

- clarifying the legend and title of the logging plan map (e.g. MFZ areas on the map, decking area and "R" for rock in legend).
- usefulness of terminology "definite" and "indefinite" used for stream legends.
- updating 2011-08 Stuwix Resources Joint Venture Timber Development Standards (e.g. 1.0 Reporting Structure, add green-up requirements).
- reviewing the need to include procured wood (raw material supply) in the report.
- adding a copy of the list in EMS Section 6-1-1 to the Management Review Form A and checking to indicate that all the items were covered in the meeting.
- requirements to start fire pumps at regular intervals during fire season.
- ensuring contractors have a fire drill once per season.

POSITIVE ASPECTS

- Excellent documentation on how the SFI Annual Report was filled out.
- Exceptional effort to support Nicola Post and Rail business.
- Taking on responsibility for cattle fencing.
- Excellent work around wetlands in 332-R72.

SFIS 2010-2014 Assessment

Major non-conformances:	0
Minor non-conformances:	1
Opportunities for Improvement:	7
Positive Aspects:	4

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 and subsequently within 60 days, or registration cannot be achieved/maintained.

Minor Non-Conformances

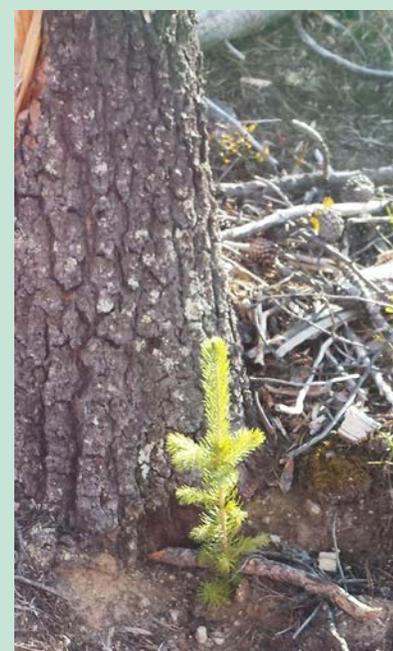
Isolated incidents that are non-critical but must be addressed before the next surveillance audit to maintain compliance to the SFI standard.

Opportunity for Improvement

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

Positive Aspects

Areas that are deemed to be of best practices



EVIDENCE OF CONFORMITY

Evidence that was assessed to determine Stuwix Resources Joint Venture conformity with the SFIS 2010-2014 standard appears below:

SFI-01 Forest Management Planning

Not audited.

SFI-02 Forest Productivity

EMS Manual; Site Plans; Standard Operating Procedures (SOPs); Logging Plans; maps; reports Phoenix database reports; SFI Annual Report; site preparation treatment maps; site preparation contracts; silviculture surveys; planting records; inspection records; Fire Preparedness Plan; corrective action logs (Form A's); EMS and SFI field book; interviews and field inspections of CP 1-R42, FL A65006 CP 700-2, FL A18696 CP 332-R72, FL A84349 CP 106-6, FL A84349 CP 106-7.

SFI-03 Protection and Maintenance of Water Resources

EMS Manual; EMS and SFI Contractor Binder; EMS and SFI field book; EMS/SFI Training Agenda; harvesting contracts; Spill Prevention and Response Plan; Timber Development Standards; Site Plans; SOPs; Logging Plans; maps; site preparation treatment maps; inspection records; roads and bridge inspections; FLNRO bridge report; maintenance inspection matrix; interviews and field inspections of CP 1-R42, FL A65006 CP 700-2, FL A18696 CP 332-R72, FL A84349 CP 106-6, FL A84349 CP 106-7 and associated roads.

SFI-04 Conservation of Biological Diversity

Not audited.

SFI-05 Management of Visual Quality and Recreational Benefits

PM 5.1 and 5.2 not audited.

PM 5.3 and 5.4 (green-up and recreation): Site Plans; SOPs; EMS Manual; EMS and SFI Contractor Binder; EMS and SFI field book; Logging Plans; maps; Phoenix database report: green-up; interviews and field inspections of CP 1-R42, FL A65006 CP 700-2, FL A18696 CP 332-R72, FL A84349 CP 106-6, FL A84349 CP 106-7.

SFI-06 Protection of Special Sites

EMS Manual; EMS and SFI Contractor Binder; EMS and SFI field book; Site Plans; SOPs; Logging Plans; maps; Phoenix database report: recreational values; interviews and field inspections of CP 1-R42, FL A65006 CP 700-2, FL A18696 CP 332-R72, FL A84349 CP 106-6, FL A84349 CP 106-7.

SFI-07 Efficient Use of Forest Resources

EMS Manual; EMS and SFI Contractor Binder; EMS and SFI field book; Site Plans; SOPs; Logging Plans; maps; Phoenix database report: recreational values; interviews and field inspections of CP 1-R42, FL A65006 CP 700-2, FL A18696 CP 332-R72, FL A84349 CP 106-6, FL A84349 CP 106-7.

SFI-14 Legal and Regulatory Compliance

SFI Evidence Package; EMS Manual; Site Plans; SOPs; Logging Plan maps; Contractor Binder; corrective action logs (Form A's); spill drill; inspection records; EMS and SFI field book; Employee Policy Manual; Safety Manual; Health and Safety Policy; interviews and field inspections of CP 1-R42, FL A65006 CP 700-2, FL A18696 CP 332-R72, FL A84349 CP 106-6, FL A84349 CP 106-7.

SFI-15 Forestry Research & Technology

Resilient Forests Meeting; Climate Change Adaptation Workshop; Merritt TSA Steering Committee Meeting Minutes; District Operational Implementation Team Meeting Minutes (DOIT); interviews.

SFI-16 Training and Education

EMS Manual; EMS and SFI Contractor Binder; EMS and SFI field book; Site Plans; SOPs; Logging Plans; maps; contractor training records; training session agenda; interviews and field inspections of CP 1-R42, FL A65006 CP 700-2, FL A18696 CP 332-R72, FL A84349 CP 106-6, FL A84349 CP 106-7.

SFI-17 Community Involvement in the Practice of Sustainable Forestry

PM 17.1 and 17.2 not audited.

PM 17.3 (addressing concerns): WCSIC brochure 2010, WCSIC website Inconsistent Practices page.

SFI-18 Public Land Management Responsibilities

EMS Manual; EMS and SFI Contractor Binder; EMS and SFI field book; Site Plans; SOPs; Logging Plans; maps; DOIT meeting minutes, UWR subgroup report; emails; Discussion Paper on Cultural Survival Area Project; interviews and field inspection of CP 1-R42, FL A65006 CP 700-2, FL A18696 CP 332-R72, FL A84349 CP 106-6, FL A84349 CP 106-7.

SFI-19 Communications and Public Reporting

EMS Manual; SFI Annual Report; SFI website; email confirmation from SFI; Phoenix database reports; interviews.

SFI-20 Management Review and Continual Improvement

EMS Manual; Management Review meeting minutes; monthly EMS meeting minutes; meeting action log; Form A's (Corrective Action Log); Stuwix website; interviews.



SAI Global forestry specialist group registers/certifies forest companies to ISO 14001, OHSAS 18001, CSA Z809 and CSA Z804 SFM, SFIS, SFI CoC, PEFC CoC. QMI-SAI Global registers/certifies forest companies to FSC FM and 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.

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