



## Wynndel Box & Lumber Co. Ltd. - May 2014

On May 7-9, 2014 an audit team from KPMG Performance Registrar Inc. (KPMG PRI) carried out an SFI Re-certification audit of Wynndel Box & Lumber Co. Ltd. (WBL's) 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 Wynndel Box & Lumber Co. Ltd's Woodlands Operations

Wynndel Box & Lumber Co. Ltd's woodlands operations encompass a total area of 54,730 hectares of crown land held in forest license A20214 with the Government of British Columbia, on which the annual allowable cut is 65,461 cubic metres per year. Wynndel's operating area is in the mountainous terrain east of Kootenay Lake, in south-eastern British Columbia.

Planning constraints which the company operate under include significant declared caribou habitat areas, old growth management areas, visual quality objectives, and consumptive use watersheds.

The company's woodlands are managed from offices in the community of Wynndel BC, near Creston, where the company operates a sawmill that manufactures finished building products such as siding, trim, flooring, etc.

### Audit Scope

The audit was conducted against the requirements of the 2010-2014 edition of the SFI standard, and incorporated an assessment against the SFI program objectives for:

- Forest Management Planning
- Forest Productivity
- Protection and Maintenance of Water Resources
- Conservation of Biological Diversity
- Management of Visual Quality and Recreational Benefits
- Protection of Special Sites
- Efficient Use of Forest Resources
- Landowner Outreach
- Use of Qualified Resource and Logging Professionals
- Adherence to Best Management Practices
- Legal and Regulatory Compliance
- Forestry Research & Technology
- Training and Education
- Community Involvement in the Practice of Sustainable Forestry
- Public Land Management Responsibilities
- Communications and Public Reporting
- Management Review and Continual Improvement

The scope of the 2014 SFI audit included all of the woodlands operations noted above, as well as fibre procurement activities for the Company's sawmill at Wynndel, BC.



## Findings: Wynndel Box & Lumber Co. Ltd. —May 2014

### The Audit

- **Audit Team** – The audit was conducted by Yurgen Menninga, RPF, EMS(LA), and Mike Alexander, RPF, EMS(LA). Yurgen Menninga is a KPMG staff member and Mike Alexander is a consultant, and both have experience in conducting forest management audits against the ISO 14001, SFI, and CSA Z809 standards.
- **SFI Certification Audit** – The audit involved an on-site assessment of all elements of the Company’s SFI program, and included visits to several field sites to evaluate conformance with the requirements of the current ISO 14001 and SFI standards.
- **Surveillance Audits** – SFI surveillance audits are conducted annually by the audit team to ensure that SFI requirements continue to be met.
- **Wynndel Box & Lumber Co.’s SFI Program Representative** – Matthew Maddess RPF served as WBL’s SFI program representative during the audit.

### Audit Objectives

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

### Audit Conclusions

The audit found that the Company’s B.C. 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.

### 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.

SFI Objective #	Key Evidence of Conformity
1. Forest Management Planning	Timber Supply Review documentation, AAC rationale, Apportionment report, cut control report, Sustainable Forest Management Plan (SFMP)
2. Forest Productivity	Forest Stewardship Plan (FSP), site plans (SPs), silviculture records, inspection records, environmental instructions, SFMP, field review
3. Protection and Maintenance of Water Resources	FSP, site plans, environmental instructions, SFMP, field review
4. Conservation of Biological Diversity	Higher level plans, FSP, site plans, SFMP, field review.
5. Management of Visual Quality and Recreational Benefits	FSP, site plans, visual modelling

Wynndel Box & Lumber Co. Ltd. SFI Re-certification Audit Findings	
Major non-conformities	0
Minor non-conformities	4
Opportunities for improvement	1

## Findings: Wynndel Box & Lumber Co. Ltd. —May 2014

Table 1, continued

SFI Objective #	Key Evidence of Conformity
6. Protection of Special Sites	FSP, site plans
7. Efficient Use of Forest Resources	FSP, SPs, inspections, waste & residue report.
8. Landowner Outreach	Wood Procurement Program documentation
9. Use of Qualified Resource and Logging Professionals	Wood Procurement Program documentation
10. Adherence to Best Management Practices	Wood Procurement Program documentation, Log Purchase Agreements, procurement wood risk assessments, inspection records
11. Promote Conservation of Biological Diversity, Biodiversity Hotspots and Major Tropical Wilderness Areas	N/A – not in scope
12. Avoidance of Controversial Sources including Illegal Logging	N/A – not in scope
13. Avoidance of Controversial Sources including Sources without Effective Social Laws	N/A – not in scope
14. Legal and Regulatory Compliance	Environmental Performance Report, site plans, inspections, direct communication with government compliance officer, field review.
15. Forestry Research & Technology	SFMP, research records, climate change information
16. Training and Education	Training needs matrix, training records, training material
17. Community Involvement in the Practice of Sustainable Forestry	WCSIC records, wood procurement information packet
18. Public Land Management Responsibilities	FSP, site plan, stakeholder referral records
19. Communications and Public Reporting	2013 Public Summary Report, SFI Annual Progress Report
20. Management Review and Continual Improvement	Management review records, environmental performance report

### 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.

## Good Practices

A number of good practices were identified during the course of the audit. Examples included:

**SFI Objective 4 (Biodiversity)** – Wynndel is participating in a new project whereby all the licensees in the District have agreed to share their GIS information related to seral stage, allowing planners to see how proposed blocks will affect the seral targets.

**SFI Objective 7 (Visual Quality)** – Post-harvest photos from a marina across Kootenay Lake indicated that the extensive tree retention and block shape did a very good job of protecting the visual quality of the site.

**SFI Objective 2 (Forest Productivity)** – The roads were found to be well designed and also well built given the challenging terrain and frequency of control points with many switchbacks.

## Areas of Nonconformance

Four minor non-conformities were identified during the audit:

- **SFI Objective 20 (Continual Improvement)** Although the management review developed recommendations for the internal audit findings, no action plans were created to guide the implementation of these recommendations to continually improve performance.
- **SFI Objective 20 (Continual Improvement)** The company's procedures were not followed in that the management review records do not include the status of external audit findings, nor did it include a discussion of all incidents.
- **SFI Section 3 (Off-product Logo Use)** It was noted that a tagline used by the company was not the one permissible by the standard, which is "GOOD FOR YOU, GOOD FOR OUR FORESTS".
- **SFI Objective 10 (Adherence to Best Management Practices)** In regards to log purchases made by the company, most but not all of the wood purchase contracts include a statement required by the standard to adhere to best management practices.

## Opportunities for Improvement

One new opportunity for improvement was also identified during the audit. The opportunity noted during the audit included:

- **SFI Objective 18 (Public Land management Responsibilities)** One of the referral maps provided to landowners adjacent to a planned harvest did not include all information and features that would enable the public to easily



An example of the retained trees used to lower the visual impact in regards to views from across the lake.

reference the location (i.e. parking lot for a nearby provincial park, private campground nearby etc.)

### Corrective Action Plans

Corrective action plans designed to address the root cause of the non-conformities identified during the audit have been developed by Wynndel Box & Lumber 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.



Example of a swithback located on challenging terrain the company operates and builds road on. This swithback was located on steep ground where the road location was constrained by adjacent private property.

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