

Project No. 1046539-04

October 15, 2017

Craig Hewlett
Gilbert Smith Forest Products Ltd.
411 Borthwick
P.O. Box 689
Barriere, BC
CAN, V0E 1E0

SUBJECT: REGISTRATION PROGRAM

Dear Mr. Hewlett,

Please find attached the Audit Report raised as a result of our S1 Surveillance Audit of your management system to the CAN/CSA - Z809-2008 standard conducted in your Barriere facility on Sep 26, 2017.

We thank you and your organization for the support and co-operation given during the audit.

Best regards,
SAI Global



Cindy Hutchison

Team Leader
Encls.

SAI GLOBAL Confidential

SUSTAINABLE FOREST MANAGEMENT SYSTEM

CAN/CSA-Z809-2008

Auditee: Gilbert Smith Forest Products Ltd.
Address: 411 Borthwick P.O. Box 689
 Barriere British Columbia
 CAN V0E 1E0

Contact: Craig Hewlett
Date(s) of Audit: Sep 26, 2017 to Sep 28, 2017
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Audit Team Leader: Cindy Hutchison
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REPORT DISTRIBUTION

Gilbert Smith Forest Products Ltd.
 SAI GLOBAL File
 Cindy Hutchison

Statement of Confidentiality

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SECTION 1 — EXECUTIVE SUMMARY

Scope #	Scope Description
1	Forest management activities - planning, harvesting, road construction, transportation and silviculture on the Nicola Thompson Fraser Sustainable Forest Management Plan Defined Forest Area encompassing Forest Licence A 18692, Forest Licence A89106, Timber Licence T0713, and all non-replaceable Forest Licences managed by the company.

Site:

Gilbert Smith Forest Products Ltd.
411 Borthwick
P.O. Box 689
Barriere
British Columbia
CAN, V0E 1E0

Summary of Audit Findings:

A 12 moth surveillance audit was conducted on September 26 to 28, 2017 on the Gilbert Smith Forest Products Ltd. sustainable forest management (SFM) system on tenures in the Nicola Thompson Fraser DFA. No non-conformance and six opportunities for improvement were identified. The audit team found that Gilbert Smith Forest Products Ltd. SMF system generally conforms to the requirements of CAN/CSA Z809-2008 and adheres to the company's requirements. Five good practices were also noted.

Recommendations:

The results of the Surveillance Audit indicates that the Management System of Gilbert Smith Forest Products Ltd. is suitable and effective and will continue to be recommended for registration to CAN/CSA-Z809-2008.

SECTION 2 — DESCRIPTION OF THE DEFINED FOREST AREA (DFA):

The Nicola Thompson Fraser SFM Plan area is situated in the southern interior, east of the coast mountains and encompassing the Thompson-Okanagan Plateau. The area extends south to the Canada-USA border and northward to Wells Gray Provincial Park. The overall plan area follows the administrative boundaries of the Cascades Forest District (Merritt Timber Supply Area [TSA] and Lillooet TSA) and the Thompson Rivers Forest District (Kamloops TSA).

The topography of Nicola Thompson Fraser plan area is one of sharp contrasts, from dry, hot grasslands to large lakes and rugged mountains. The Nicola and Thompson rivers join the Fraser River in the western section of the plan area while the Similkameen River flows through the southern portion. The plan area encompasses a wide range of biogeoclimatic zones and subzones that reflect the complexity of the landscape and the different topographical conditions in each TSA.

In the north, the North Thompson River is bounded by the high peaks of the Monashee and Cariboo mountains. Cool, wet conditions, with high snowfalls and dense spruce and cedar forests, are reflective of the Engelmann Spruce Subalpine Fir zone. In the central and southern portion, the mountains give way to high plateaus dissected by steep valleys and dotted with lakes and rivers. Moist and dry subzones of the Montane Spruce and Interior Douglas-fir zones, with mixed pine and pine-fir forests, reflect the differences in climate between east and west sides of the major valleys.

The landscape continues to become drier and gentler towards the south, with rolling uplands and numerous lakes. The driest Interior Douglas-fir subzones occur on the uplands, with the grasslands of the bunchgrass subzones in the river valleys. The western boundary is influenced by the coastal mountains, where cool, wet coastal conditions predominate. Extensive areas of alpine and sub-alpine conditions limit forests to the middle and lower slopes of the deep valleys and wide river junctions. Engelmann Spruce-Subalpine fir, Montane Spruce and Interior Douglas-fir subzones closely follow the topography.

The diverse ecology of the area provides habitat for a wide range of fish and wildlife species including moose, mule deer, elk, mountain goat, and over 200 bird species. Predator species such as black bear, marten, cougar and coyote are also found. Many wildlife species range over large areas and some have specific habitat requirements at different times of the year. The area is also home to a number of wildlife species identified as species at risk, including spotted owl, American badger, bighorn sheep, grizzly bear and wolverine.

The numerous lakes and watercourses within the area are home to many fish species, including all five species of salmon: steelhead, rainbow trout, kokanee, brook trout, bull trout; and white sturgeon.

The forests of the Nicola Thompson Fraser plan area provide numerous natural resource values, including forest products, minerals, fish, wildlife, and recreation and tourism opportunities. Extensive grassland and forested areas provide forage for both livestock and wildlife.

Major highways pass through areas of exceptional natural scenery, providing easy access to a number of communities ranging from the City of Kamloops with over 80,000 people, to smaller towns such as Merritt (population of 7,000), Lillooet (population 2,324), Cache Creek (population 1,037), and many smaller communities with populations of 200 or less. Other highways and hundreds of kilometres of unpaved roads provide access into the extensive grasslands, forested lands and backcountry areas.

A number of significant provincial parks, such as Wells Gray Provincial Park, Manning Provincial Park, Cathedral Provincial Park, Stein Valley Nlaka'pamux Heritage Park and Spruce Lake Protected Area are situated in the plan area. Numerous smaller provincial parks, recreation sites and other Crown lands provide the setting for a host of activities including camping, hiking, wildlife and scenic viewing, fishing, hunting, hang-gliding, boating, river rafting, mountain-biking, four-wheel driving, ATV use, snowmobiling, and downhill, helicopter and cross country skiing.

Area of DFA:

Land base summary for the SFM Plan Area.

	Kamloops	TFL 18	Lillooet	Merritt	Plan Area
Total Area (ha)	2,770,266	74,542	1,125,025	1,130,282	5,100,115
Non-Crown	378,315		166,313	210,130	754,758
Non-productive, non-forest	356,420	5,847	453,534	107,467	923,268
Productive Forest (ha)	2,046,659	67,315	504,774	812,685	3,431,433
Parks, protected areas, OGMA's, reserves	699,300	795	20,811	15,935	736,841
Inoperable	96,471		97,964	105,676	300,111
Environmentally sensitive	66,656	39	43,863	66,406	176,964
Existing roads	28,553	1402	4,380	17,428	51,763
Low site, reforestation potential	30,138	901	41,046	45,011	117,096
Non-merchantable stands	79,435	175	4,302		83,912
	21,527	1,991	6,961	50,939	81,418
Long Term THLB (ha)	1,009,305	63,184	292,357	624,123	1,988,969

AAC apportionment summary for the SFM Plan Area.

	AAC (m3)	Percent
Management Unit		
Kamloops	4,000,000	51.7
TFL 18	290,000	3.7
Lillooet	635,000	8.2
Merritt	2,814,171	36.4
Total Plan Area	7,674,171	100

Volume allocation participating licencees	AAC (m3)	Percent of Plan Area (based on volume)
Aspen DFA	1,070,285	13.9
BCTS DFA	1,359,712	17.7
Canfor DFA	489,138	6.4
Gilbert Smith DFA	61,940	0.8
Tolko DFA	811,206	10.6
Total in DFA	3,792,281	49.4

Volume allocation other parties reporting	275,421	3.6
Total volume reporting into SFM Plan	4,067,702	53.0
Volume allocation SFI certified licencees Ainsworth, Interfor, Stuwix, West Fraser, Weyerhaeuser (including NRFL's allocated to or	2,472,954	32.3
Total volume managed by this SFM Plan or by company SFI Plans	6,540,656	85.2

Legal Tenure / Licence Description for Gilbert Smith Forest Products Ltd.:

The scope of the DFA within the SFM Plan area by company includes forestry and logging operations on Crown land within the following agreements (includes Licences issued to others with management responsibilities assigned to the Company): Forest Licences A18692 and A89106, and Timber Licence T0713. Additionally, Gilbert Smith may manage other Licences (i.e. Non-Replaceable Forest Licences) that are identified in its Forest Stewardship Plan.

Species Harvested by Gilbert Smith Forest Products Ltd.:

- Western red cedar (*Thuja plicata*),
- Douglas-fir (*Pseudotsuga menziesii*),
- Western larch (*Larix occidentalis*),
- White spruce (*Picea glauca*),
- Engelmann spruce (*Picea engelmannii*),
- Lodgepole pine (*Pinus contorta*),
- Subalpine fir (*Abies lasiocarpa*),
- Western hemlock (*Tsuga heterophylla*), and
- Ponderosa pine (*Pinus ponderosa*).

Volume Harvested by Gilbert Smith Forest Products Ltd.:

111,940 m³

SECTION 3 — ORGANIZATION:

Description of the DFA Workforce:

Gilbert Smith Forest Products Ltd. is headquartered in Barriere, BC. Barriere is a small town in the heart of the North Thompson Valley. There are two main employers in Barriere, both of which are in the forest industry, Gilbert Smith Forest Products Ltd. being one of them.

The woodlands is associated with the Cedar Mill. Mill employees average of 14 years of service. The senior end of this group is a large number of people from 30 to 40 years of service.

Harvesting, road building, and silviculture activities are predominantly performed by local contractors, including a First Nations contractor.

Management Objectives and Responsibilities on the DFA:

The Nicola Thompson Fraser Sustainable Forest Management Plan Vision statement indicates licencees will foster forest management practices based on science, professional

experience and local public and First Nations input that contribute to the long-term health and productivity of forest ecosystems, a strong economy and thriving communities throughout the Plan area.

The following licencees are actively involved in performance reporting and the continual improvement of the Nicola Thompson Fraser Sustainable Forest Management Plan:

- Aspen Planers Ltd.
- BC Timber Sales
- Canadian Forest Products Ltd.
- Gilbert Smith Forest Products Ltd
- Tolko Industries Ltd

Non-participating licencees within the Plan area commit to reporting on the Plan as follows:

- Non-Replaceable Forest Licences (NRFLs):

Licencees holding NRFLs have a limited ability to influence achievement of Targets for some SFM Plan Indicators. These licencees are committed to reporting against Targets they do influence. These licencees report against Targets 2, 5, 6, 11-12, 14, 16, 18, 20-21, 23, 27, 30, and 36.

- Small Scale Salvage Program (SSSP):

Over the past several years, the small scale salvage operations, managed by the BC Ministry of Forests, Lands and Natural Resource Operations, have managed their operations to deal with the need to salvage trees killed by Mountain Pine Beetle with this program as well as the Forests for Tomorrow program. The Ministry is committed to the achievement of the Plan and will report on their performance against the Targets they do influence. The Ministries Small Scale Salvage Program and the Forests For Tomorrow Program will report against the following Targets: 2, 5, 6, 12, 14, 16, 18, 20-21, 23, 27, 30, and 36.

Resource use planning in British Columbia occurs at a variety of levels ranging from strategic land use plans (LRMPs) to Landscape Unit plans to site specific plans for small areas (e.g., silvicultural prescriptions for individual cutblocks).

Strategic land use plans provide broad direction for the sustainable management of land and resources through the establishment of resource management zones (e.g., protected areas, special management areas, and general resource management zones), management objectives, and strategies to guide land and resource management activities. Landscape Unit Plans occur at a smaller scale than strategic land use plans and are intended to ensure that biodiversity objectives identified in provincial forest legislation are met. Landscape Unit Plans address Old Growth Management Areas and wildlife tree retention.

Operational and site plans address resource management at a site specific level and are guided and often regulated by objectives and strategies in strategic land use plans and Landscape Unit plans.

In the course of these strategic level planning process plus additional analysis of sensitivities during the TSA Timber Supply Review process, alternative management strategies were evaluated against a base case. A determined strategy was selected following opportunities for public review and comment. Because Timber Supply Reviews

occur for each of the three TSAs as well as TFL 18 at five year intervals, the SFM Plan area continually undergoes comparative analysis of the planned or expected outcome and the actual outcome of forest management strategies. The selected strategies that define the outcome of the Timber Supply Reviews become in essence, the management plan for the specific management unit (TSA or TFL).

The Nicola Thompson Fraser SFM Plan is aligned with the strategic direction of the most current version of these management unit plans. The plans, in conjunction with Timber Supply Reviews, both guide and forecast sustainability. SFMP strategy recognizes the Goals, Objectives and Strategies in these strategic plans, which support achievement of sustainable forest management. The SFMP strategy includes appropriate communication with and consideration for First Nations, Public and Integrated Resource Management interests. A SFMP strategy is to choose appropriate indicators to confirm forest management practices are aligned with the Goals and Objectives of higher level plans.

The SFMP utilizes indicators and targets that:

- reflect key goals, objectives and direction of the strategic plans
- address the Canadian Council of Forests Ministers Criteria and CSA defined Elements
- are within the purview of the forest industry to influence and manage

A set of strategies has been developed to achieve the SFMP objectives and targets. These strategies document the relevance of the Indicator to the SFMP and sustainability, and summarize actions required to meet the target.

Aboriginals Consultation Process:

Consultation with First Nations is done by the BC Ministry of Forests, Lands, and Natural Resource Operations. The province delegates procedural aspects of consultation to licence holders.

SECTION 4 — AUDIT FINDINGS:

Scope #	Registration Scope Description :
1	Forest management activities - planning, harvesting, road construction, transportation and silviculture on the Nicola Thompson Fraser Sustainable Forest Management Plan Defined Forest Area encompassing Forest Licence A 18692, Forest Licence A89106, Timber Licence T0713, and all non-replaceable Forest Licences managed by the company.

Audit Objective:

Stage 2 – 12 Month Surveillance Audit

To confirm the management system complies with the applicable elements of the Standard; to confirm the organization complies with its own policies and procedures; to confirm the management system is suitable for the organization; to confirm that the management system is suitable and effective, and enables the client to achieve its own objectives.

Audit Criteria:

CSA Z809:2008:

Audit Scope: Facilities/organizational units/functional units to be audited are the office at 411 Borthwick P.O. Box 689 Barriere, British Columbia Canada, V0E 1E0 and Gilbert Smith Forest Products Limited Defined Forest Area includes Forest Licence A18692, A89106; Timber Licence T071; and Non Replaceable Forest Licences A56291 (expired) and A88222.

Description of SAI Global and the SAI Global Audit Team:

SAI Global is a third party management system certification Registrar. Established in 1984, SAI Global has worked with thousands of organizations in North America and around the world, issuing registration certificates to those that meet international and national management system standards.

The SAI Global Sustainable Forest Management audit team members bring with them considerable experience in the area of sustainable forest management and environmental management systems auditing. Audit teams are comprised of certified auditors and registered professional foresters. All audit team members are subject to strict confidentiality and conflict of interest agreements.

The following personnel conducted this audit:

Audit Team

<u>Position</u>	<u>Name</u>
Team Leader	Cindy Hutchison, RPF

The audit was observed by Robert Volkman of the Standards Council of Canada.

Audit Coverage:

Noted Deviations from the Audit Plan:

In person or phone interviews with PAG members or with FLNRO Compliance and Enforcement Branch were declined by the invited participants.

Operations / Cut-Blocks Visited during the field audit include:

Nicola Thompson Fraser DFA	
Block / Road Number / Name	Type of Operation Observed
CPG8-1 Road, Finn Creek	Active Harvesting, Roads
Upper Adams River	Silviculture, Free Growing Stand
Storm Creek Bridge	Riparian Management, Bridges/Roads, Trapper Cabin
CP67-300	Silviculture, Post-Harvest 2016
CP69-312	Road Building, Fish Stream Crossings
CP69-10, Mica Lake	Green-up, Adjacent harvesting
CP69-312	Post-Harvest (2017), not planted
CP68-4	Trapline Management

Personnel (ie Staff/contractors) interviewed in the field:

- GSFP Operations Forester

- GSFP Silviculture Forester
- GSFP Operations Manager
- Operators (2), Brunner Tower Logging Ltd.
- Owner, Del Penner Road Building

Members of the public participation process interviewed:

PAG member Interviews declined.
Trapper interviewed.

Provincial Government personnel interviewed:

Interviews declined.

Aboriginal People interviewed:

Simpchw First Nation Member

VOITs verified (field and office):

INDICATOR	TARGET DESCRIPTION	Field (F) and/or Office (X)
1.1.1 Ecosystem area by type.	1. Maintain the presence of Biogeoclimatic Zones to the subzone level within the Plan area.	X
1.1.2 Forest area by type or species composition.	2. 70% of harvested cutblocks having three or more tree species (non-ESSF) or two or more species (ESSF) identified in the free growing inventory.	X-F
1.1.3 Forest area by seral stage or age class.	3. Progress towards a stable forest age class distribution on the timber harvesting land base. 4. Maintain the existing old growth management area (no net loss).	X-F
1.1.4 Degree of within-stand structural retention or age class.	5. 80 percent of cutblocks greater than 10 hectares will have individual wildlife trees/stubs and/or wildlife tree patches within the block. Of the blocks that have individual wildlife trees/stubs and/or wildlife tree patches; at least 50 percent of the time these blocks will have dispersed individual trees, stubs or small (<0.25 ha) patches retained	Not audited.
1.2.1 Degree of habitat protection for selected focal species, including species at risk.	6. Identification and protection of wildlife (mammals, birds, reptiles, fish and amphibians) at risk. 7. Affected licencees adhere to the current management strategies for mountain caribou. 8. Affected licencees adhere to the current management strategies for northern spotted owl.	X
1.2.2 Degree of suitable habitat in the long term for selected focal species, including species at risk.	7. Affected licencees adhere to the current management strategies for mountain caribou. 8. Affected licencees adhere to the current management strategies for northern spotted owl. 9. 100% conservation of habitat for select focal species	X
1.2.3 Proportion of regeneration comprised of native species	10. 100% of trees planted will conform to plan commitments related to the species requirements within approved stocking standard (requires reforestation with commercially valuable and ecologically suitable tree species).	F

INDICATOR	TARGET DESCRIPTION	Field (F) and/or Office (X)
1.2.4 Timing of grass seed application (non-core indicator).	11. Road cuts and fill slopes will be grass seeded within 12 months. 11. All planned road cut and fill slope seeding application carried out using certified seed and within 12 months of	F
1.4.1 Proportion of identified sites with implemented management strategies.	<u>Kamloops</u> 12. Prioritized Red-listed ecological communities will be protected by retaining existing forest. <u>Lillooet</u> 13. Harvesting not to exceed greater than 50% of the total of each identified rare landscape unit / BEC zone variants. <u>Merritt</u> 6. Identification and protection of wildlife (mammals, birds, reptiles, fish and amphibians) at risk	Not audited.
1.4.2 Protection of identified sacred and culturally important sites.	14. 100% protection of culturally important, sacred and spiritual sites that have been identified and mapped and 100% conformance to all plan commitments specifically designed to manage for culturally important, sacred, and spiritual sites that have been identified and mapped.	Not audited.
1.4.3 Management and or protection of special geological features (non- core indicator).	15. Report the special geological features that were identified and managed. Additionally, Licencees will report the management activities that they undertook for each special geological feature.	X
2.1.1 Reforestation success.	16. 90% of area prescribed for planting is completed within the third growing season from start date of harvest. 17. All cutblocks will reach free growing requirements on or before the latest date.	X-F
2.2.1 Additions and deletions to the forest area.	18. Less than 6%, (7% within the Lillooet TSA), on average, of harvested areas will be in permanent roads and landings.	X-F
2.2.2 Proportion of the calculated long-term sustainable harvest level that is actually harvested.	19. Harvest the cut allocation for the year consistent with the cut control regulation and policy.	X
2.2.3 Riparian conformance (non-core indicator).	20. 100% conformance to riparian and lakeshore commitments made within plans.	Not audited.
3.1.1 Level of soil disturbance.	18. Less than 6%, (7% within the Lillooet TSA), on average, of harvested areas will be in permanent roads and landings. 21. 100% conformance to soil conservation measures contained with operational plans. 22. No operationally caused slides resulting from a failure to perform a terrain stability field assessment or from a failure to follow the recommendations within a completed assessment.	X-F
3.1.2 Level of downed woody debris.	23. 100 percent of cutblocks will manage coarse woody debris (CWD) consistent with commitments in operational plans (5% variance).	Not audited.

INDICATOR	TARGET DESCRIPTION	Field (F) and/or Office (X)
3.2.1 Proportion of watershed or water management areas with recent stand-replacing disturbance.	<p><u>Kamloops reporting only</u></p> <p>24. Equivalent clear cut area (ECA) not to exceed 35% without doing further hydrological assessments prior to harvesting. Target applies to the highest risk rated watersheds (post MPB) as identified in SFM Plan Appendix.</p> <p><u>Lillooet and Merritt reporting only</u></p> <p>24. Equivalent clear cut area (ECA) not to exceed 35% (at the sub-basin level) without doing further hydrological assessments prior to harvesting.</p>	Not audited.
3.2.2 Managing water quality through road inspections (non- core indicator).	25. All permanent status roads and associated structures will have inspections and related maintenance completed as scheduled.	X
4.1.1 Net carbon uptake.	<p>3. Progress towards a stable forest age class distribution on the timber harvesting land base.</p> <p>18. Less than 6%, (7% within the Lillooet TSA), on average, of harvested areas will be in permanent roads and landings.</p>	X
5.1.1 Quantity and quality of timber and non-timber benefits, products, and services produced in the DFA.	<p>19. Harvest the cut allocation for the year consistent with the cut control regulation and policy.</p> <p>27. Open communication with local First Nations will include an understanding of traditional territories and other aboriginal rights including cultural and spiritual values. Participating Licencees respond to all written requests for communication/information from First Nations.</p> <p>28. Licencees will demonstrate efforts by participating in public multi- stakeholder meetings at both the strategic and at the local level. Licencees will report on the number of community meetings held or attended. Licencees will also report on the number of communications with concerned and engaged recreational users.</p> <p>Participating licencees respond to all written requests from the public for communication within 30 days of their receipt.</p> <p>29. 100% conformance to strategies in plans designed to achieve preservation and partial retention visual quality objectives.</p> <p>30. 100% of known pre-existing recreational trails retained for continued recreational use on areas harvested in the reporting period.</p> <p>31. Report business initiatives and partnerships.</p>	Not audited.
5.2.1 Level of investment in initiatives that contribute to community sustainability.	<p>19. Harvest the cut allocation for the year consistent with the cut control regulation and policy.</p> <p>32. Report the board feet and chip volume produced by sawmills within the TSA.</p> <p>33. Report number of timber processing facility operating days, the total number of man hours worked and the number of mill employees on payroll. Report separately for each TSA.</p> <p>31. Report business initiatives and partnerships.</p>	Not audited.
5.2.2 Level of investment in training and skills development.	34. 100% of DFA forest contractors will have both environmental and safety training (10% variance). 100% of woodlands employees are trained in accordance with training plans (10% variance)	X-F

INDICATOR	TARGET DESCRIPTION	Field (F) and/or Office (X)
5.2.3 Level of direct and indirect employment.	19. Harvest the cut allocation for the year consistent with the cut control regulation and policy. 32. Report the board feet and chip volume produced by sawmills within the TSA. 33. Report number of timber processing facility operating days, the total number of man hours worked and the number of mill employees on payroll. Report separately for each TSA.	X
5.2.4 Level of Aboriginal participation in the forest economy.	35. Maintain and/or increase the number of working relationships (partnerships, joint ventures, co-operative agreements, business contracts) with First Nations.	Not audited.
6.1.1 Evidence of a good understanding of the nature of Aboriginal title and rights.	27. Open communication with local First Nations will include an understanding of traditional territories and other aboriginal rights including cultural and spiritual values. Participating Licencees respond to all written requests for communication/information from First Nations.	Not audited.
6.1.2 Evidence of best efforts to obtain acceptance of management plans based on Aboriginal communities having a clear understanding of the plans.	27. Open communication with local First Nations will include an understanding of traditional territories and other aboriginal rights including cultural and spiritual values. Participating Licencees respond to all written requests for communication/information from First Nations.	Not audited.
6.1.3 Level of management and/or protection of areas where culturally important practices and activities (hunting, fishing, gathering) occur.	27. Open communication with local First Nations will include an understanding of traditional territories and other aboriginal rights including cultural and spiritual values. Participating Licencees respond to all written requests for communication/information from First Nations. 14. 100% protection of culturally important, sacred and spiritual sites that have been identified and mapped and 100% conformance to all plan commitments specifically designed to manage for culturally important, sacred, and spiritual sites that have been identified and mapped.	Not audited.
6.2.1 Evidence of understanding and use of Aboriginal knowledge through the engagement of willing Aboriginal communities, using a process that identifies and manages culturally important resources and values.	27. Open communication with local First Nations will include an understanding of traditional territories and other aboriginal rights including cultural and spiritual values. Participating Licencees respond to all written requests for communication/information from First Nations. 14. 100% protection of culturally important, sacred and spiritual sites that have been identified and mapped and 100% conformance to all plan commitments specifically designed to manage for culturally important, sacred, and spiritual sites that have been identified and mapped.	Not audited.

INDICATOR	TARGET DESCRIPTION	Field (F) and/or Office (X)
<p>6.3.1 Evidence that the organization has co-operated with other forest-dependent businesses, forest users, and the local community to strengthen and diversify the local economy.</p>	<p>36. Where forest operations are planned within range units, the forest Licencee will communicate with the rancher in advance of those operations to minimize impact to affected ranchers.</p> <p>37. Communication of forest operations to occur with trappers 100% of the time in advance of operations.</p> <p>29. 100% conformance to strategies in plans designed to achieve preservation and partial retention visual quality objectives.</p> <p>31. Report business initiatives and partnerships.</p> <p>28. Licencees will demonstrate efforts by participating in public multi-stakeholder meetings at both the strategic and at the local level. Licencees will report on the number of community meetings held or attended. Licencees will also report on the number of communications with concerned and engaged recreational users.</p>	<p>Target 37: X</p>
<p>6.3.2 Evidence of co-operation with DFA-related workers and their unions to improve and enhance safety standards, procedures, and outcomes in all DFA-related workplaces and affected communities.</p>	<p>38. A minimum of 80% of contractors conducting on-the-ground work are SAFE Company, or equivalent, registered and/or certified. And for BCTS, that a minimum of 80% of the Licences or contracts awarded were SAFE Company, or equivalent, registered and/or certified.</p>	<p>X-F</p>
<p>6.3.3 Evidence that a worker safety program has been implemented and is periodically reviewed and improved.</p>	<p>39. All forest companies/organizations subscribing to the SFM Plan are SAFE Company, or equivalent, certified.</p>	<p>X-F</p>
<p>6.4.1 Level of participant satisfaction with the public participation process.</p>	<p>40. Completion of annual PAG survey: 80% of survey responses "3" or better. All written comments are reviewed and considered, and all line responses averaging less than 3 become action items.</p>	<p>Not audited.</p>
<p>6.4.2 Evidence of efforts to promote capacity development and meaningful participation in general.</p>	<p>41. Participating licencees will maintain educational support that leads to a balanced and broad-based understanding of forestry. One focus is forestry programs at the elementary, secondary, and post-secondary levels. Target 30 actions per year in the Kamloops TSA, 20 actions per year in the Merritt TSA, and 10 actions per year in Lillooet TSA.</p>	<p>Not audited.</p>
<p>6.4.3 Evidence of efforts to promote capacity development and meaningful participation for Aboriginal communities.</p>	<p>41. Participating licencees will maintain educational support that leads to a balanced and broad-based understanding of forestry. One focus is forestry programs at the elementary, secondary, and post-secondary levels. Target 30 actions per year in the Kamloops TSA, 20 actions per year in the Merritt TSA, and 10 actions per year in Lillooet TSA.</p> <p>27. Open communication with local First Nations will include an understanding of traditional territories and other aboriginal rights including cultural and spiritual values</p> <p>Participating Licencees respond to all written requests for communication/information from First Nations.</p> <p>35. Maintain and/or increase the number of working relationships with First Nations.</p>	<p>Not audited.</p>

INDICATOR	TARGET DESCRIPTION	Field (F) and/or Office (X)
6.5.1 Number of people reached through educational outreach.	41. Participating licencees will maintain educational support that leads to a balanced and broad-based understanding of forestry. One focus is forestry programs at the elementary, secondary, and post-secondary levels. Target 30 actions per year in the Kamloops TSA, 20 actions per year in the Merritt TSA, and 10 actions per year in Lillooet TSA.	Not audited.
6.5.2 Availability of summary information on issues of concern to the public.	42. Licencees will keep members of the public informed of TSA strategies being developed, and planning occurring by: Maintaining a website. Circulating the SFM plan and other information to the public at least annually (news release/leaflet/open house/Local Resource Use Plan, etc.).	Not audited.

Review of Changes:

A new mini-tower contractor from Switzerland is working on the DFA. The AAC is expected to be reduced in the coming year.

Summary:

The findings were discussed with Craig Hewlett.

The Audit Team Leader commenced the closing meeting by thanking the Gilbert Smith Forest Products Ltd. staff for the cooperation and courtesy extended to the audit team during the audit.

In addition, the Audit Team Leader detailed the registration process, the requirements for future surveillance audits, and the re-assessment process.

The official closing meeting was attended by the personnel listed in the meeting attendees list kept on file with SAI Global..

The SAI Global Audit Team recorded the following audit results:

Documentation Review:

The audit team reviewed the SFM documentation (interim SFM monitoring report, SFM plan), the company “EMS Binder,” Contractor guidance documentation, Field Maps and Site Plans, and other documentation (paper and digital) provided as evidence of meeting standards requirements.

Status of any previously recorded non-conformances (NCRs):

No previously recorded or outstanding NCRs.

NCR Nos. now closed:

Not applicable.

Positive Aspects of the Management System:

- Updated policy to indicate the company philosophy on First Nations relationships. Reflected in a “referral” process which embraces participation in forest management by First Nations, and in First Nations interview comments on relationship.
- Reduced roads and increased safety from new tower technology.
- Knowledgeable and sophisticated contractor pool.
- Good feedback from trapper on communication.
- Continued well implemented management reviews and demonstrated support from top management to SFM.

Non-conformances:

No instances of Non Conformity were encountered during the course of this audit.

Corrective Action Plans:

Not applicable.

Opportunities for Improvement (OFI):

Consider

- VOITS:
 - (target 3) if the stable forest age class distribution are still achievable considering forest health issues (MPB, fires).
 - (target 5) adding a record of “special geological features to the pre-post layout notes.
 - (target 22) clarifying a) reporting criteria [e.g. reporting on activity in-active cutblocks] and b) the wording used in Appendix 3 (reporting format) and the monitoring report.
 - (target 25) reviewing the list of “high risk” roads in the Phoenix Roads module to determine if they are correctly indicated as high risk, and if they are scheduled for an annual inspection.
- (7.5.3 Records) a system for digital filing of information (e.g. file and folder naming conventions).
- (7.4.3 Communication) the process for using the communication tracker, when it should be used, and when it is required for triggering follow-up communication.

Please note that these Opportunities for Improvement will be reviewed as part of the preparation for the next audit.

SECTION 5 — GENERAL ASSESSMENT AND RECOMMENDATION:

Based on the review of the company's SFM program, and the audit results, the following recommendation is made:

Surveillance Audit:

The results of the Surveillance Audit indicates that the Management System of Gilbert Smith Forest Products Ltd. is suitable and effective and will continue to be recommended for registration to CAN/CSA-Z809-2008.

Next Scheduled Audit: A-00329078

Date(s): TBD: Week of August 20th, 2018 or June 4, 2018

Type of Audit: Registration to CSA Z809 2016

No. of Persons: TBD

No. of Audit Days Required: TBD

Forest Areas for the Next Audit: Current harvest areas.

Cindy Hutchison

SAI Global

Team Leader

Date: 10-15-2017