

Forest Certification Surveillance Audit Report

Prepared by:

Cindy Hutchison, Lead Auditor
SAI Global
20 Carlson Court, Suite 200
Toronto, Ontario, M9W 7K6
CANADA
Tel: (416) 401-8700
1 800 465-3717
www.saiglobal.com

for:

Gilbert Smith Forest Products Ltd.
c/o Craig Hewlett
411 Borthwick, P.O. Box 689
Barriere, British Columbia
250-672-9727
chewlett@gspfcedar.com

for the following certified forest area(s):

Nicola Thompson Fraser Sustainable Forest Management Plan Defined Forest Area encompassing Forest Licence A18692, Forest Licence A89106, Timber Licence T0713, and all non-replaceable Forest Licences managed by the company.

File Number: 1046539**Date of Evaluation:** September 10 to September 12, 2019**Date of Report:** September 16, 2019**Certificate Registration Date:** February 1, 2017**Certificate Expiry Date:** September 16, 2021

SECTION 1 – ORGANIZATION

Certification type

Group certificate	
Single certificate	X

Name and Description of the certified organization

Gilbert Smith Forest Products Ltd. (GSFP) is a family owned and operated forest operation and associated cedar sawmill centred in Barriere British Columbia.

The forest operation includes a small crew of full-time forestry and silviculture employees, and harvesting contractors.

List of co-applicants

There are no co-applicants on this certificate

SECTION 2 – DESCRIPTION OF THE DEFINED FOREST AREA

Legal Tenure / Licence Description

The scope of the DFA within the SFM Plan for GSFP 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, GSFP may manage other Licences (i.e. Non-Replaceable Forest Licences) that are identified in its Forest Stewardship Plan.

The SFM Plan includes multiple licensees in the Kamloops, Merritt, and Lillooet Timber Supply Areas (TSA).

Geographic Locations

Company licences are located in the Kamloops TSA.

DFA description – Area and Forest types

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 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.

SECTION 3 – AUDIT PROCESS

Process

All audit activities are planned with the Lead Auditor prior to the audit. An audit plan is provided detailing the scope and objectives of the audit, the audit team members, the processes to be audited, and the timelines. While onsite the audit team works to verify that the management system meets the requirements of the standard and system documentation by assessing objective evidence. The verification is done through interviews, documentation review, and observation. This verification occurs in the office as well as in the field. For the field portion, a sample of active and completed operations are selected. Auditors use a detailed checklist to document evidence of compliance. Requirements covered during this audit are outlined in Annex 2.

As the audit is based on a sampling of the available information there is a level of uncertainty that exists; a non-conformity can go undetected as well as good practices.

Audit Objective

To verify the company's documentation and the suitability, adequacy and effectiveness of the organization management system in meeting the requirements of the CSA Z809-16 National Standard of Canada Standards for the declared scope of registration and

- To confirm that the organization complies with its own policies and procedures;
- To confirm that the management system is suitable for the organization;

Audit Criteria

CAN/CSA-Z809-16 National Standard of Canada for Sustainable Forest Management (approved September 2016).

Scope of the audit

Facilities/organizational units/functional units audited were the office functions centred 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 all Non-Replaceable Forest Licences managed by the company.

Certificate scope

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 A18692, Forest Licence A89106, Timber Licence T0713, and all non-replaceable Forest Licences managed by the company.

Combined, joined or integrated audit

(see the definition in Annex 1)

This audit is not a combined, joined or integrated audit.

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.

Audit Team

Lead auditor:
Cindy Hutchison, RPF

Audit time and dates

Evaluation dates:	September 10 to 12, 2019
Tasks	Person days (excluding travel)
Pre and Post-audit work (audit plan and report writing)	0.75
Audit time (Documents, Records, Fieldwork)	2.5
Stakeholders Consultation	Included in pre-audit time
TOTAL	3.25

Review of Changes since last audit

The Annual Cut has been reduced as a result of the timber allocation from the last timber supply review.

Woodlands roles are being re-defined and full-time staff has been reduced. Two temporary (summer) staff have assisted in completion of tasks.

Significant issues impacting on the audit programme

A limited selection was available for operations contractors. One road building contractor was available in the field in proximity of the planned review areas. The focus was therefore on silviculture activities.

Noted deviations from the audit plan and their reasons

None.

Description of operations (Day shift, Night shift)

Forestry staff work from a day shift from 7 am to 4:30 pm. Contractor work hours vary with the season depending on daylight hours and fire hazard. During the audit contractors were available for day shift interviews.

Operations visited during the field audit include

Site identification	Type of Operation Observed
A18692 CP 906-17 Paxton	Active site preparation, stumping, meeting with local Rancher.
A18692 CP906-13 Paxton	Post-harvest, silviculture planning.
A18692 CP906-12 Paxton	Post-harvest, silviculture planning.
A18692 CP904-2 Paxton	Post-harvest, site preparation, planting.
A18692 CP904-5 Paxton	Post-harvest, site preparation, planting.

Interviews

Personnel (i.e. Staff/contractors)	
Position	Number
President	1
Woodlands Manager	1
Foresters	3
Administration	1
Site Preparation, Excavator Operator	1

Members of the public and public participation process	
Position	Number
General Member with interest in community forestry	1
Ranchers	2

Provincial Government	
Position	Number
None	

Aboriginal People	
Community and position	Number
None	

Concerns relevant to the Standard and SAI Global's response

In this section - discussion of any significant concerns relevant to the Standard, made during the audit by public participation members, Aboriginal communities, government officials, DFA workers or other interested parties and the conclusions reached by the audit team in relation to them;
None received.

Overview of elements audited off-site and on-site

See Annex 1

SECTION 4 – AUDIT FINDINGS

Status of non-conformances from the previous audit

NC#	2018-01	Grade:	Minor NC
Requirement:			
Indicator 7.1.2: Evidence of ongoing and respectful communications with aboriginal communities... Target 27: Participating licensees respond to all written requests for communication from First Nations.			
Non-conformance:			
Post Harvest report not sent to Tk'emlúps FN as per their email request and commitment 2017-09-28.			
Justification for Major or Minor:			
Minor: Unusual, non-systemic problem.			
Evidence provided to close the non-conformity:			
Review of forward planning process.			
Status:		Closed	

NC#	2018-02	Grade:	Minor NC
Requirement:			
7.4.6 Operational procedures and control The organization shall identify, establish, and maintain the operational procedures and controls needed to meet the SFM requirements...			
Non-conformance:			
Post harvest inspections are not being completed as per "Pre-work and Inspection SOP" and "Harvesting and Silviculture SOP."			
Justification for Major or Minor:			
Minor: Does not result in fundamental failure to meet the requirement			
Evidence provided to close the non-conformity:			
Completed PHAs, review of forward planning process.			
Status:		Closed	

Non-conformances identified during this audit

NC#	2019-01	Grade:	Minor NC
Requirement:			
5.5 Public communication: The organization SHALL...d) make publicly available annual reporting on its performance in meeting and maintaining the SFM requirements			
Target 11: Road cut and fill slope seeding application will be carried out using certified seed and within 12 months of completed new road construction on disturbed sites suitable for germination and			
Target 17: All cutblocks declared free growing in the reporting period will reach free growing requirements on or before the latest date. Also report area on those cutblocks that outperformed late free growing requirements and average time by which			

requirements were exceeded.	
Non-conformance:	
A review of grass seeding Target 11 determined that there were roads built and grass-seeded in 2017 and 2018 that were not reported on as the query is not picking up these roads.	
The area reported for target 17 for the 2018 monitoring report is the gross area of the cutblock, not the area due for LFG in 2018. The time to outperform the late date did not include 2 cutblocks that were determined to be FG as of the LFG date.	
Justification for Major or Minor:	
Minor: Does not result in fundamental failure to meet the requirement	
Evidence provided to close the non-conformity:	
Open	
Status:	Open

Opportunities for Improvement (OFI)

Consider

- clarifying the target for 17 (2.2.1) to indicate the same information as what is reported.
- combining the communications and the FN pre-CP communications trackers.
- reviewing the fuel and oil spill emergency preparedness plan against the 2017 spill reporting regulations to ensure all information is current.

Positive Aspects of the Management System & Best Practices

- Midwest Contracting demonstrated good knowledge of Best Management Practices.
- Respectful and open communication with Range Tenure holder.
- Thorough detailed management review meeting.
- Willingness incorporate competing values into management decisions.

Key focus areas/topics to be assessed during next audit

None.

Any unresolved issues, if any identified

None.

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 company conducted an internal audit on August 28, 2019 and identified no non-conformances.

A management review was conducted on September 6, 2019 where the following agenda items were reviewed and discussed with the management team.

- a) The public participation process;
- b) The SFM Plan values, objectives, indicators, targets, strategies, and forecasts;
- c) Performance in relation to SFM Plan Targets;
- d) Changes in the forest in relation to forecasts;
- e) Findings of audits (internal and external), corrective and preventive actions;
- f) The SFM Policy and the need for changes;
- g) Changes in Legislation;
- h) Changes in types of forest operations or forest activities;
- i) Changes in the organization or in resource requirements and availability;
- j) Commitment to Continual Improvement;
- k) GSFP Corporate Targets and Issues for discussions;
- l) 2018 Targets and Progress, and 2019 Targets;
- m) Environmental Reports and MoFR C & E Summary
- n) Audit Schedule
- o) Review 2018 Management Review Action Plans;
- p) External communications
- q) Potential change to the Nicola Thompson Fraser SFM Plan (to be brought forward to other participating Licencees/PAG).

The results of this surveillance audit indicate the capability of the management system to meet applicable requirements and expected outcomes, that the scope remains appropriate and that the audit objectives have been fulfilled with the exception of the non-conformances identified during this audit.

As discussed during the closing meeting, a root cause analysis with an action plan must be submitted within 30 days for minor non-conformances for approval by the Lead Auditor. Implementation of the corrective actions for minor non-conformance will be verified at the next surveillance audit.

A recommendation for the maintenance of registration to SAI Global to the CSA Z809:2016 standard and to the scope of registration identified in this report is on hold pending the receipt, review, and acceptance of the corrective action taken and closure of the major non-conformances.

Next Scheduled Audit

Date(s): September 9 to 11, 2020

Type of Audit: Surveillance to the CSA Z809-16 standard.

Cindy Hutchison
SAI Global
Team Leader

Date: September 16, 2019

ANNEX 1

A joint audit is when two or more auditing organizations cooperate to audit a single client.

A combined audit is when a client is being audited against the requirements of two or more management systems standards together.

An integrated audit is when a client has integrated the application of requirements of two or more management systems standards into a single management system and is being audited against more than one standard.

ANNEX 2

Standard requirement	Audited on-site	Audited off-site
4.1 General requirements	X	
4.2 Required activities	X	
5.1 General requirements	X	
5.2 Interested parties	X	
5.3 Process: Basic operating rules for advisory groups		
5.4 Work of the advisory group		
5.5 Public communication		
6.1 DFA-specific performance requirements	X	
6.2 SFM criteria — General	X	
6.3.1.2 Discussion items for Criterion 1- Biological diversity		
6.3.1.3 Element 1.1 — Ecosystem diversity (VOITS)	X	
6.3.1.4 Element 1.2 — Species diversity (VOITS)	X	
6.3.1.5 Element 1.3 — Genetic diversity (VOITS)		
6.3.1.6 Element 1.4 — Protected areas and sites of special biological, geological, heritage, or cultural significance (VOITS)	X	
6.3.2.2 Discussion items for Criterion 2 - Ecosystem condition and productivity		
6.3.2.3 Element 2.1 — Forest ecosystem condition and productivity (VOITS)	X	
6.3.3.2 Discussion items for Criterion 3 - Soil and water		
6.3.3.3 Element 3.1 — Soil quality and quantity (VOITS)	X	
6.3.3.4 Element 3.2 — Water quality and quantity (VOITS)		
6.3.4.2 Discussion items for Criterion 4 - Role in global ecological cycles		
6.3.4.3 Element 4.1 — Carbon uptake and storage (VOITS)	X	
6.3.4.4 Element 4.2 — Forest land conversion (VOITS)		
6.3.5.2 Discussion items for Criterion 5 - Economic and social benefits		
6.3.5.3 Element 5.1 — Timber and non-timber benefits (VOITS)	X	
6.3.5.4 Element 5.2 — Communities and sustainability (VOITS)	X	
6.3.6 Criterion 6 — Society's responsibility	X	

6.3.6.2 Element 6.1 — Fair and effective decision-making (VOITS)	X	
6.3.6.3 Element 6.2 — Safety (VOITS)	X	
6.3.7 Criterion 7 — Aboriginal relations		
6.3.7.2 Element 7.1 — Aboriginal and treaty rights (VOITS)	X	
6.3.7.3 Element 7.2 — Respect for Aboriginal forest values, knowledge, and uses (VOITS)	X	
7.1 General	X	
7.2 SFM policy	X	
7.3.1 Defined forest area	X	
7.3.2 Defined responsibilities		
7.3.3 Rights and regulations	X	
7.3.4 Incorporation of public participation requirements	X	
7.3.5 SFM plan	X	
7.4.1 Structure, responsibility, and resources		
7.4.2 Competence, training, and knowledge	X	
7.4.3 Communication	X	
7.4.4 SFM documentation		
7.4.5 Document control	X	
7.4.6 Operational procedures and control	X	
7.4.7 Emergency preparedness and response		
7.5.1 Monitoring and measurement		
7.5.2 Corrective action	X	
7.5.3 Records		
7.6 Management review	X	