



Interfor – Adams Lake Lumber Division – 2010 SFI Surveillance Audit

In July 2010, an audit team from KPMG Performance Registrar Inc. (KPMG PRI) carried out an annual surveillance audit of International Forest Products Limited's (Interfor's) Adams Lake Lumber Division's operation against the requirements of the 2010-2014 edition of the Sustainable Forestry Initiative® (SFI) standard. This Certification Summary Report provides an overview of the audit process and KPMG's findings.

Description of Interfor Adams Lake Lumber's Woodlands Operations

Interfor Adams Lake Lumber's traditional operating area is located in the watershed of Adams Lake on two forest tenures – Forest Licence A18693 and Timber Licence T0888. In early 2010, Adams Lake Lumber acquired two forest tenures – Forest Licences A18694 and A14910 – previously held by Weyerhaeuser Canada. These tenures, called the Thompson operations, are located in areas to the west and to the north of Adams Lake Lumber's traditional operating area. Adams Lake Lumber's operations are split between the Headwaters and Kamloops Forest Districts. The forest area to which the certification applies is 276,334 hectares, which has an annual allowable cut (AAC) of 539,594 cubic metres of wood per year.

In addition to the licences included in the scope of the SFI certification, the Company has operations on two Non-Replaceable Forest Licences (NRFLs) in the Kamloops Forest District, and another two NRFLs in the 100 Mile House Forest District. Wood from these licences is subject to the wood procurement program for the Adams Lake Lumber Division sawmill.

Operations generally occur throughout the year, except for the breakup season in the spring. Summer operations generally occur at lower elevations and focus on the harvesting of Douglas-fir, lodgepole pine, and red cedar. Winter operations are at higher elevations and focus on the harvesting of spruce and balsam stands. Operations are largely conducted using conventional Interior equipment of feller bunchers and grapple skidders for 90% of harvested volume. The remainder is done using a cable harvest system to address the steep slope conditions.

One of the key resource features in the area is the world famous Adams River sockeye salmon run. In addition, the area is the traditional territory for the Adams Lake and Neskonlith Indian Bands, both of which are currently involved in the B.C. treaty process.

Audit Scope

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

- Forest productivity;
- Protection and maintenance of water resources;
- Management of visual quality and recreation benefits;
- Protection of special sites;
- Fibre sourcing (adherence to best management practices);



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- Legal and regulatory compliance;
- Public land management responsibilities;
- Management review and continual improvement.

In addition to the in-scope objectives listed above, out of scope objectives were also assessed in part to determine the level of conformance to the indicators that have been added/revised under the recent 2010-2014 standard.

The scope of the 2010 SFI surveillance audit of Interfor Adams Lake woodlands operations included all of the woodlands operations noted above, as well as fibre procurement activities for the Interfor Adams Lake sawmill located near the community of Chase, BC.

History of Interfor Adams Lake’s SFI Certifications

The Adams lake Lumber division of Interfor has been certified to the SFI forest management standard since 2001.

The Audit

- *Audit Team* – The surveillance audit was conducted by Sylvi Holmsen, RPF, CA, CEA(SFM), EMS(LA), and Del Ferguson, PGeo, EMS(A). Sylvi Holmsen is an employee of KPMG PRI, and has conducted numerous forest management audits under a variety of standards including SFI, ISO 14001, CSA Z809 and FSC. Del Ferguson is an independent consultant with experience in conducting forest audits against the ISO 14001, SFI, and CSA Z809 standards.
- *SFI Surveillance Audit* – Annual SFI surveillance audits are conducted to ensure that the requirements of the standards continue to be met. The 2010 SFI surveillance audit involved an on-site assessment of Interfor Adams Lake’s environmental management system (EMS) and SFI program, and included visits to several field sites to evaluate the extent to which the operation’s forest management plans and practices conform to the requirements of the SFI standard.
- *Interfor Adams Lake’s SFI Program Representative* – Rhiannon McFarland, FIT, served as Interfor Adams Lake’s SFI program representative during the audit.

Use of Substitute Indicators

No substitute indicators were evaluated during the audit

Audit Objectives

The objective of the 2010 SFI surveillance audit was to assess the extent to which the Operation’s EMS and forest management plans and practices conform to the requirements of the 2010-2014 version of the SFI standard.

Audit Conclusions

The audit found that the Operation’s EMS and forest management plans & practices continue to meet the requirements of the 2010-2014 version of the SFI standard in all material respects.

Audit results

Minor non-conformities from previous audits that remain open	0
New major non-conformities	0
New minor non-conformities	0
New opportunities for improvement	1

Types of audit findings

Major nonconformities:

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

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

Minor nonconformities:

Are isolated incidents that are non-critical to the achievement of SFM Objectives.

All non-conformities (major and minor) require an action plan within 30 days and must be addressed by the operation.

Opportunities for Improvement:

Are not non-conformities but are comments on specific areas of the SFM System where improvements can be made.

Evidence of Conformity with the SFI 2010-2014 Standard

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	Climate change through Timber Supply Area level initiative known as the Kamloops Future Forests Strategy (FFS)
2. Forest Productivity	Site plans, silviculture reports, field inspections; new operating procedures for stream crossings.
3. Protection and Maintenance of Water Resources	Field inspections of riparian areas, review of site plans & harvest plans; under the Forest Stewardship Plan (FSP) through soil hazard ratings/disturbance limits and riparian management measures.
4. Conservation of Biological Diversity	FSP, Land Use Plans (LUPs), site plans; Innovative Forest Practices Agreement (IFPA) and associated Timber Supply Review (TSR).
5. Management of Visual Quality and Recreational Benefits	Sustainable Forest Management Plan (SFMP), FSP, harvest plans, field inspections.
6. Protection of Special Sites	SFMP, FSP, harvest & site plans, special site inspections.
7. Efficient Use of Forest Resources	SFMP, waste reports, field inspections.
8. Landowner Outreach	Wood procurement program, contracts, Best Management Practice package distribution, inspections, qualified logger list
9. Use of Qualified Resource and Logging Professionals	Qualified professional and logger list
10. Adherence to Best Management Practices	Inspections of wood procurement site



Harvest planning and operations includes consideration of multiple values, including wildlife such as this black bear. Planning considers protection of wildlife features such as bear dens, which may include actions such as leaving a treed buffer; this will be mapped and communicated in the harvest plan.

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SFI Objective #	Key Evidence of Conformity
11. Promote Conservation of Biological Diversity, Biodiversity Hotspots and Major Tropical Wilderness Areas	NA
12. Avoidance of Controversial Sources including Illegal Logging	NA
13 Avoidance of Controversial Sources including Sources without Effective Social Laws	NA
14. Legal and Regulatory Compliance	SFMP, monitoring, health & safety policy; Interior Lumber Manufactures Association (ILMA) regulatory referrals.
15. Forestry Research & Technology	SFMP, Environmental Management Program (EMP), FFS initiative
16. Training and Education	SFMP, EMP, training records, Western Canada SFI Implementation Committee (WCSIC) minutes & resources.
17. Community Involvement in the Practice of Sustainable Forestry	SFMP, EMP, training records, WC SIC minutes & resources, stakeholder consultation in the FSP or cutting permit stage documents.
18. Public Land Management Responsibilities	SFMP, FSPs and associated referral process, site plans, referral of site plans to First Nations water users, ranchers and local property owners.
19. Communications and Public Reporting	Certification summary report.
20. Management Review and Continual Improvement	SFMP, management review, internal audit, EMP.



The 2010 surveillance audit of Adams Lake Lumber woodlands included visits to a variety of field sites (6 roads, 9 harvesting blocks and 3 silviculture sites) to assess the Company's forest management plans and practices (planning, roads, harvesting, silviculture and camps) against the requirements of the SFI 2010-2014 standards.

Good Practices

During the course of the audit, a number of good practices were identified including:

- Adams Lake Lumber has developed an effective system for the tracking of wood procurement contracts, risk assessments, inspections and BMP packages.
- Stakeholder consultation with local ranchers, water users and property owners to effectively address a variety of concerns from cattleguards to visuals to protection of seepages within watersheds.
- Previously unidentified (unmapped) wet areas were adequately protected in an active block and a wet area of planned harvest was deferred due to unfavourably wet ground conditions in another block.
- In active roadside harvest areas culvert ends are being protected by decked wood where deemed practicable.
- Preservation and rehabilitation of local mountain bike route through a cut-block on Adams Hill above Little Shuswap Lake.

Follow-up on Findings from Previous Audits

At the time of this assessment there were no open non-conformities from previous audits.

New Areas of Nonconformity

No new non-conformities were identified during the audit.

New Opportunities for Improvement

One new opportunity for improvement was identified during the 2010 surveillance audit:

- An internal audit of EMS elements and SFI objectives was completed in December 2009. A management review was conducted in December but the review does not show date, time, place of review and more particularly those involved in the review. This is an opportunity to show the degree of involvement of management in the continual improvement process.

Corrective Action Plans

As no areas of non-conformity were identified during the audit, there is no requirement for a corrective action plan.



The audit included on-site discussions with operators, such as this excavator operator performing site preparation for tree planting. Operators were tested for awareness of operating plans, plan objectives, and procedures for emergency situations (such as fuel spills, discovery of unmapped features such as streams or wildlife features such as bear dens, bird nests, etc)

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