

FSC CERTIFICATION SYSTEM

CERTIFICATION PUBLIC REPORT

FOREST MANAGEMENT CERTIFICATION

Report finalisation date: February 17, 2015

Spray Lake Sawmills

Forest location(s): Alberta Canada

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Initial audit date: October 27-31, 2014

Certificate registration code: BV-FM/COC-104091

certification date: 10-25-2013

Lead auditor and report writer: Brian Callaghan

Document ref.: AR000000 version 1.0

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A. Surveillance audit

1 - Base of evaluation

1.1 - Date of the surveillance evaluation

October 27th to 31st, 2014

1.2 - Composition of the audit team

- Lead auditor:** - Brian Callaghan RPF EP(EMSLA) , FSC FM qualified auditor on behalf of Bureau Veritas Certification, independent consultant.
- Auditors:** - Kandyd Szuba RPF PhD, wildlife biologist, FSC FM qualified auditor on behalf of Bureau Veritas Certification independent consultant.

1.3 - Forest management referential used for the surveillance audit

The Canadian National Boreal Standard (August 6, 2004) was used current audit. This latest version is available on the website www.ca.fsc.org. The FSC forest evaluation standard (FSC-STD-20-007) was also applied during this audit.

2 - Information collecting modalities

2.1 - Description of the audit program

The audit was carried out over five days from October 27th to the 31st 2014. The audit team spent the first day in the office undertaking a document review of the Company's management systems. Three days were spent in the field examining various features on the forest. On October 29th the lead auditor spent a day in the field with members of the Alberta Wilderness Association. Every evening during the audit the team met with a variety of stakeholders and stakeholder groups.

Date: October 27, 2014

Time	Activity	BVC Repr.	Company Repr.
08:30 AM	Opening Meeting of the FM Transfer and Chain of Custody audits – scope, standards, findings, confidentiality, appeals	Callaghan	Mogilefsky

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Time	Activity	BVC Repr.	Company Repr.
09:00 AM	Site Selection	Callaghan	Mogilefsky
10:00 AM	Document Review – Principles 1, 8, 9 and principles 1.5; 2.3; 3.2; 4.2; 4.4; 5.6; 6.2; 6.3; 6.9; 8.1, 8.2, 8.3, 8.4 ; 9.4		
12:00 Noon	Lunch		
01:00 PM	Document Review Continued	Callaghan	Mogilefsky
04:30 PM	Daily debrief	Callaghan	Mogilefsky
05:00 PM	Depart site		

Date: October 28, 2014

Time	Activity	BVC Repr.	Company Repr.
08:00 AM	Depart for Field Sites	Szuba	Mogilefsky
09:00 AM	Stakeholder Interviews	Callaghan	
12:00 PM	Lunch		
01:00 PM	Field Sites Continued	Szuba	Mogilefsky
04:00 PM	Public advisory Committee Meeting	Callaghan	Mogilefsky
09:00	Depart	Callaghan	Mogilefsky

Date: October 29, 2014

Time	Activity	BVC Repr.	Company Repr.
08:00 AM	Depart for Field Sites	Callaghan	Mogilefsky
12:00 PM	Lunch		
01:00 PM	Field Sites Continued	Callaghan	Mogilefsky
04:30 PM	Daily Debrief	Callaghan	Mogilefsky
05:00	Depart	Callaghan	Mogilefsky

Date: October 30, 2014

Time	Activity	BVC Repr.	Company Repr.
08:00 AM	Depart for Field Sites	Callaghan	Mogilefsky
12:00 PM	Lunch		
01:00 PM	Field Sites Continued	Callaghan	Mogilefsky
04:30 PM	Daily Debrief	Callaghan	Mogilefsky
05:00	Depart	Callaghan	Mogilefsky

Date: October 31, 2014

Time	Activity	BVC Repr.	Company Repr.
08:00 AM	Document Review	Callaghan	Mogilefsky
10:00 PM	Finalize audit findings	Callaghan	Mogilefsky
12:00	Closing meeting	Callaghan	Mogilefsky

2.2 - Total man days for the audit

The surveillance audit was undertaken over 10.5 man-days, with an additional 2 days spent preparing this report.

2.3 - On-site visit(s)

During three days in the field the audit team visited 24 sites covering the range of conditions and operations found on the forest.

Date	Auditor	Site No.	Area	Aspects Assessed	Comments & Findings
Oct. 28, 2014	K. Szuba (SLS guide was Dan Lafleur - ops forester)	1	Block 2497, Station Rd off Hwy 66 by the Elbow River Fire Base - West Bragg area	Interview with Dan Lafleur, ops forester. Firesmart blocks designed by ASRD; cutblock shape and size; respect for stand boundaries; trail (equestrian, biking, hiking, OHV) protection; residual retention; road construction on Crown land and through private land; stream crossings; fire, safety & emergency response preparedness; knowledge of species at risk and protection of new values. Interview with SLS ops supervisor (DL).	<p>Roads were well constructed with no visible erosion problems. Corduroy and geotextile were used under roads in wet areas to protect them from compaction and rutting, and over grazing land on private property to enable the road bed to return to grazing land quickly after road reclamation.</p> <p>Trails were well-protected - no debris caused by adjacent forestry operations were visible on the trails; trail crossings at access roads were protected and well signed on both the trails and the access roads; trail buffers were in place where negotiated in the plans. Road construction looks good with plenty of cross drains.</p> <p>Residual retention was as per requirements in the cut blocks. 2 hawks and 1 songbird were observed using residuals. Stand boundaries were respected and followed a natural contour. Cut blocks blended into the landscape which was marked with many natural meadows.</p> <p>Safety equipment present & emergency response preparedness good. Good knowledge among contractor supervisor and operators of species at risk and protection of new values. No garbage anywhere on this site.</p>
		2	McLean Creek area on Creek Road past km 6	Interview with Dan Lafleur, ops forester. Protection of quad trail; residual retention in cutblock; 2 stream Xings and buffers; cutthroat trout habitat (HCV); archaeological site (HCV); old growth (HCV); brown creeper habitat (HCV); gate; use of Lidar to map slopes to identify inoperable area and the "passive landbase"	<p>Trail was well protected and safety signage was in place.</p> <p>Stream crossings were well done.</p> <p>HCVs were well protected.</p> <p>Site where SLS worked with ASRD and environmental groups to restore cutthroat trout habitat & prevent unauthorized quad access into the stream. No garbage anywhere on this site.</p>

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Date	Auditor	Site No.	Area	Aspects Assessed	Comments & Findings
		3	Block 2497 on road 1852A (Creek Road), 4 km off spur road	Interview with Dan Lafleur (SLS) and Jody Seymour ESC area foreman; buncher operator, loader operator. Stream x-ings and buffers; residual retention; road construction; SAR training and knowledge; safety/emergency preparedness.	Residual retention was as per requirements in the cut blocks. Process for pre-harvest assessment is thorough and able to find new values and verify prescriptions. Stand boundaries were respected and followed a natural contour. Cut blocks blended into the landscape which was marked with many natural meadows. Spill kits, fire extinguishers were present in machinery. ER trailer with fire-fighting equipment, and emergency gear. Supervisor had a SAR guide. No garbage anywhere on this site. Good harvesting practices on site.
		4	4 km Spur off Creek Road	spill kit; SAR training; quad trail; shared use of linear features; 4 stream crossings; process if new values identified; old growth	Crossings good and an extra wide buffer added to a small stream because of potential fish habitat; SAR knowledge good; effective process in place for new values ID; spill kit present; good protection of quad trail; old growth protected.
Oct. 29, 2014	K. Szuba (SLS guide was Darrell Panas)	5	Block 3675A, NW of Waiparous	interview Darrell Panas silviculture forester; reforestation and road reclamation (2 roads); SAR training; residual retention; process for dealing with illegal activities;	Road reclamation is quick and effective - roads disappear. Good regen. Local seed source. Lots of natural regen fills in over time. No ruts or evidence of ruts on remediated site; residual retention OK.
		6	Block 114B - park boundary	past rutting issue; road reclamation	No site damage visible; road reclaimed and ATV access prevented.
		7	Bible Camp - Block 619A	fresh road reclamation (2); PSP; crossing removal; residual retention; fresh planting	All good.
	K. Szuba (SLS guide was Bryan Hennessey, ops forester)	8	Atkinson Compartment - Daryl's Road, Block 1434A	gate; MOA with other users; designated quad trail; residual retention and retention of coarse woody material; crossings (4); values protection; site preparation	Gate closed and working; crossings well done; unauthorized quad trail created a wet spot; good residual retention and lots of CWD; new social value protected (horse corral); Douglas fir in residual patch; road construction good - plenty of cross drains.
		9	Block 1778, 1794	interview Cory Stoneman (owner of Quinex contracting), skidder operator, loader operator; safety equipment; SAR knowledge; new values procedure; illegal activities procedure; harvesting; gate; ops maps	Good knowledge of SAR and new values procedures; spill kits and fire ext. present; gate locked and in good shape; good residual retention; good harvesting practices on site.
		10	Block 1434	public complaint investigated (Andreas); residual retention; harvest boundary; CWD retention; stream crossings; road construction;	All aspects on this cutblock were checked. No issues were noted.
		11	Block 1448	public complaint investigated; residual retention; harvest boundary; CWD retention; stream crossings	All aspects on this cutblock were checked. No issues were noted.

Date	Auditor	Site No.	Area	Aspects Assessed	Comments & Findings
		12	Block 1499A	public complaint investigated; residual retention; harvest boundary; CWD retention; stream crossings	All aspects on this cutblock were checked. No issues were noted.
		13	Block 2347	public complaint investigated; residual retention; harvest boundary; CWD retention; stream crossings	All aspects on this cutblock were checked. No issues were noted.
		14	Block 2632	public complaint investigated; residual retention; harvest boundary; CWD retention; stream crossings	All aspects on this cutblock were checked. No issues were noted.
		15	Block 2627	public complaint investigated; residual retention; harvest boundary; CWD retention; stream crossings	All aspects on this cutblock were checked. No issues were noted.
		16	Block 3503	public complaint investigated; residual retention; harvest boundary; CWD retention; stream crossings	All aspects on this cutblock were checked. No issues were noted.
		17	Block 200A and 200B	public complaint investigated; residual retention; harvest boundary; CWD retention; stream crossings	All aspects on this cutblock were checked. No issues were noted.
Oct. 30, 2014	K. Szuba (SLS guide - Darrell Panas)	18	McLean Creek trail	gate; reclaimed road; 9 year old regeneration; old growth	Gate locked and functioning; good road reclamation; good regen; old growth present.
		19	McLean Creek trail	6 year old regen	Good planting; natural regen filling in.
		20	McLean Creek trail	13 year old regen	Good planting; natural regen filling in.
		21	McLean Creek trail	13 year old regen; reclaimed road	Good planting; natural regen filling in. Excellent road reclamation
		22	Off Hwy 66 near Elbow Falls	reclaimed road	Excellent reclamation.
		23	Off Murray Road on Powderface Trail	reclaimed road	Good reclamation; logs added at various angles to discourage ATVs.
		24	Jamieson Road NW of Ghost Lake	public concern over potential use of this road for hauling was investigated	A paved public road, narrow in spots and steep in others, with residences at various locations. The road appears to be used by the oil & gas industry. Members of the public with concerns live at the top of the road (W end) at a T-junction. Later it was confirmed by SLS that they are taking public concerns into account when deciding on future hauling routes.

2.4 - Documents review

Social and Economic Impact Assessment Report (Aug. 2014)
Detailed Forest Management Plan (Dec. 2006)

Alberta's First Nations Consultation Guidelines on Land Management and Resource Development (updated Nov. 14, 2007)
General Development Plan
HCV Report (2014)
Preindustrial Composition Report (2013)
ASRD Compliance and Enforcement web page
Forest Management Agreement (FMA)
Woodlands Operations Manuals
SLS Safety Policy
SLS Emergency Procedures
Safety training log
Species At Risk training materials
2014-15 Woodlands Contractor Training Guide
Operating Ground Rules
Harvest Monitoring Reports
Road & Water Crossing Monitoring reports
Historical Resource Impact Assessments

2.5 - Stakeholders identification and consultation

Stakeholders were first identified during a pre-audit consultation July 2014, then formally consulted prior to the surveillance audit September 4, 2014.

A complete list of consulted stakeholders is available in Appendix F.

** We received comments prior to the surveillance audit from the following:

- Harvey Buckley - Rancher
- Ralph Cartar - Bragg Creek Environmental Coalition
- Heinz Unger – Ghost Watershed Alliance Society

** During this audit we interviewed the following people:

- Andreas Schneider – Ghost Valley Community
- Doug Sephton
- Ralph Cartar - Bragg Creek Environmental Coalition
- Clint Docken- Bragg Creek Environmental Coalition
- Vivian Pharis - Alberta Wilderness Association,
- Brittany Verbeek, - Alberta Wilderness Association
- Shawn - Alberta Wilderness Association
- Patti Reyes
- Sharon McDonald - Ghost Valley Community
- Denise Nickel – Ghost Valley Community
- Harvey Buckley – Rancher, Action for Agriculture
- Erik Butters, Deputy Reeve, M.D, of Bighorn
- Liz Breakey – Councillor Bragg Creek/Rockyview
- Ken Birkett, Oil and Gas Industry
- Sandra Foss, Nature Alberta

- Corey Stoneman, SLS Harvest Contractor
- George Roman - Water Resources Planning Specialist - The City of Calgary
- Ghost Valley Community - 30 anonymous citizens
- Maria Krainer - Ghost Watershed Alliance Society
- Heinz Unger – Ghost Watershed Alliance Society

2.6 - Interview(s) of involved people met

- Manager(s):
 - Mr Ed Kulcsar – Woodlands Manager
 - Mr Gord Lehn – Director of Communications
- Employee(s):
 - Mr Jason Mogilefsky – Environment & Safety Manager
 - Mr Matt Denney – Planning Forester
 - Mr Darrell Panas – Silviculture Forester
 - Mr Rob Berndt – Operations Manager
 - Mr Bryan Hennessey – Harvest Supervisor
 - Mr Dan Lafleur – Harvest supervisor
- Contractors:
 - Jody Seymour – Logging Supervisor

2.7 - Other evaluation techniques

No additional methods of investigation were employed.

2.8 - FSC trademark use control

There have been no trademark use by the Company in past year.

2.9 - Controversial elements

The Spray Lake Sawmills (SLS) forest is located between the City of Calgary, Banff National Park, and Kananaskis Country, in the foothills of the Rocky Mountains. The most controversial aspect of this forest is and has been public involvement in the management of the forest. During the audit a wide array of interest groups were interviewed and the results are extremely polarized. Many stakeholders are very supportive of the Company and its management while there are groups which are highly critical of the Company and its management. This highly polarized environment lead to many conflicting statements provided to the auditors. For example, one group stated that the Company never has come to the community to solicit input. Documentation was provided that over the past five years four open-houses/collaborative planning sessions were held in the community. In another instance, a group stated that the company has never done anything for their community,

in fact, when the community hall burned down it was the Spray Lake Sawmills that provided all the building materials free of charge.

2.10 - Changes since last audit

There have been no significant changes in the management of the Company since the initial evaluation.

2.11 - Surveillance audit closing meeting

A closing meeting was held on October 31, 2014 at the Company offices in Cochrane Alberta. The lead auditor discussed auditing findings, including non-conformances, issue of confidentiality, opportunities for appeal, and timing of the next audit.

3 - Audit team observations

3.1 - Actions taken in order to answer to the Non-conformities from the previous audit

Refer to sections 4.2.1 & 4.2.2 of the transfer audit report.

3.2 - Action taken in order to answer to previous recommendations

None provided

3.3 - Evaluation of the general conformity level of the entity

The forest and land management practices of the Spray Lake Sawmills were found to be of an exceedingly high calibre. The Company is under extreme public pressure from the urban population of Calgary and its ever-expanding suburban/rural citizenry.

Principle 1 – Compliance with laws and FSC Principles

Alberta Sustainable Resource Development (ASRD) is the Ministry responsible for ensuring that the operations of Spray Lake Sawmills are in compliance with the law. An examination of the ARSD Compliance and Enforcement web page provided evidence that the Company has not had any charges laid against in the past three years.

Risk of illegal harvesting in Canada is low. In Alberta all loads of logs hauled on Provincial highways require a specific load ticket which contains its source and the destination to ensure the legality of the load. There is some risk of illegal activity by the general public harvesting firewood or Christmas trees without a permit. Company staff monitor active areas for such activities, even though the consequences of such activities are low.

Any illegal activity identified are reported to a Forest Officer at ASRD. ASRD is responsible for enforcement of rules relating to Forest Land Use Zones. The Fish and Wildlife Division has a Report a Poacher program for the reporting of illegal hunting.

Principle 2 – Tenure, use rights and responsibilities.

Spray Lake Sawmills has the Forest Management Agreement to B9B and B10B resource management units. The Province of Alberta has awarded overlapping tenures for oil & gas development, trapping, recreational trails, and livestock grazing. Additionally there are hunting and fishing licenses for the general public. There are well established protocols and agreements which guide the multiple use of this forest. Spray Lake Sawmills has a well-established dispute resolution process to deal with resource use conflicts.

The ASRD, is the regulator of natural resource use in the Province. It becomes involved in mediating disputes of a significant nature on crown lands. Major issues related to resource use could potentially affect tenure renewal with the province. No major disputes between resource users have been mediated by the Province.

Principle 3 – Indigenous people's rights

All of the First Nations in the area are part of what is called Treaty 7. This treaty identifies First Nations Rights within the forest area in the FMA. Outside of the ceded reserves First Nations have rights covering traditional hunting, trapping for food and ceremonial plant gathering. The Company has prepared Traditional Use Studies and predictive models to assess traditional uses of the forest. These models are approved by the government for addressing protection of culturally significant sites. SLS has offered to share reports and data with First Nations. During forest planning, First Nations are consulted directly and they are invited to participate as a full member of the planning team.

Principle 4 – Community relations and worker's rights

Health and Safety are high priorities for the Company. The Corporate Safety Policy as been established and signed off by Ownership and posted in various locations around the office. Safety inspections are completed monthly for all woodlands operations. The company has implemented a system of investigations for all safety incidents and any near misses.

Spray Lake Sawmills undertakes extensive consultation with the public in regards to its activities. Consultations start with the DFMP where multiple venue consultation is undertaken with regards to the management plan. The company also seeks stakeholder input for the development of annual operating plans. Consultation is done using a variety of means such as mailings, community meetings and individual meetings to discuss issues. Consultations are also undertaken by the Company on a variety of topics such as HCVs, roads and trail concerns.

The Company captures all public input in its new consultation database which records, classifies, and require responses to all comments. This new tool is a very positive step for both documenting and responding to stakeholder input. A number of stakeholders were critical of the Company's consultation efforts, though all admitted that it has improved significantly over the past 18 months.

A revised SEIA was provided to the auditors, it covers both direct and indirect impacts as well as community impacts that the company generates.

Principle 5 – Benefits from the forest

The Annual Allowable Cut is determined during the DFMP process. A detailed analysis is undertaken that examines a range of scenarios with the best information available (including new forest inventory). The land base is netted down to the operable land base with reserves removed. The AAC once established is then reduced by 7.5% to account for other values (beyond those already accounted for). Over the past five years the actual harvest has been less than 70% of the AAC owing to a variety of economic factors.

Principle 6 - Environmental impact

The pre-industrial forest condition (PIC) and disturbance regime of the Spray Lake forest area were characterized in a report by Marie-Pierre Rogeau (2013), a consultant working in the field of disturbance analysis with many years of experience in the region. The report is thorough and detailed. According to the peer reviewer its conclusions are "consistent with documentation throughout the Alberta East Slopes region". The PIC report is posted on the SLS web site and is available to the public.

The Detailed Forest Management Plan (DFMP) identifies 18 vertebrate wildlife species as Management Indicators for forest ecosystem planning. Habitat for these species is mapped in the DFMP. Thirteen of these species are classified as Species At Risk (SARs), defined broadly to include endangered, threatened, special concern, or sensitive species: Northern Goshawk, Sandhill Crane, Barred owl, Great Gray Owl, Black-backed Woodpecker, Pileated Woodpecker, Northern bat, Grizzly Bear, Cougar, Canada Lynx, Long-toed Salamander, Western Toad, and Red-sided Garter Snake.

A process is in place to map and report to the provincial government every occurrence of SAR that is encountered during operations (SAR training materials). This involves field checking by SLS and contractors during pre-harvest inspections, and general awareness during boundary marking and other operations.

Version 3.0 of the HCVF report explains how management on the FMA provides for the SAR that have landscape-level requirements, such as the grizzly bear (road densities, denning and foraging hotspots), goshawk (habitat supply), and bulltrout (influence on water yield in key streams).

The company provided evidence that field workers are trained in the identification of SAR and the procedures that must be followed if SAR are discovered during the course of operations (2014 spring start-up presentation;

2014 SAR identification manual; 2014-2015 Woodlands Contractor Training Guide with a section on SAR). During the audit, 9 field workers (supervisors, machine operators) were questioned about SAR identification and procedures. All demonstrated an appropriate level of knowledge and indicated that they had attended the 2014 training session.

Operations staff of SLS and contractors are trained to avoid site damage. Hundreds of hectares of harvesting, and site preparation, numerous water crossings, and many kilometres of forest access roads were observed over the course of three field days during the audit. No significant site damage was observed. The operations of SLS are in conformance with this indicator.

In a detailed analysis, the five Year Stewardship Report compares the current and long term supply of forest types and communities on the landscape. The report considers spruce, pine, aspen, and mixedwood forest types separately, and assesses the supply of four broad age classes (regeneration forest 1-20, young 21-70, mature 71-170 and old growth >170 years), in 4 ecological zones (upper foothills & subalpine, lower foothills, montane, and subalpine) for each forest type. In all comparisons, regenerating and young forest are currently underrepresented or at the lowermost edge of the range of natural variability defined by the PIC analysis.

Mature forest is more abundant (outside the maximum estimate in the range of natural variation) than the PIC would predict in 87% of comparisons, and as abundant in 13%. Old growth is more common than would be expected. It is logical that old growth could be underrepresented in some cases because of the enormous wildfire that swept through much of the FMA area in 1910. Both the non-spatial and the spatial analysis conducted by Spray Lake Sawmills indicate that all underrepresented forest types and communities will be increased significantly in abundance over the long term given the current management regime.



Figure 1: Mature and older forest is more abundant than expected based on the an analysis of the pre-industrial forest, while regenerating and young forest (central patch in the second photo) are much less abundant than expected.

Old growth is identified in the Stewardship Report and PIC report as >170 years of age for coniferous stands and >110 years for deciduous stands. The PIC does a credible assessment of the expected range of natural variation in the amount of old forest across this landscape. The Stewardship Report shows that old growth is more common than expected in 10 comparisons of ecological zone-forest type-age class, equal in abundance to the range of variation identified by the PIC in 6 cases, and less common than the PIC would predict in 8 of 24 comparisons, and this is most likely a reflection on a very large fire that swept through much of the FMA area in 1910. Mature forest is more common than expected based on the PIC report in 21 of 24 comparisons, and as common as expected in 3 cases.

During the audit, a stakeholder expressed concern that old growth might be concentrated on steep, inoperable slopes and thus unrepresentative. An analysis conducted for the audit by the Company confirms that the old growth is either located approximately equally on the active (flatter) and passive landbases (steeper, moister) in the south and north FMUs, or else there is more of it on the active landbase. The audit team did not identify issues related to the location of old growth (Figure 2).



Figure 2. An old growth spruce stand.

The Operating Ground Rules (ORG) developed by the Province of Alberta, in consultation with the Company, identify targets for residual retention (green trees, topped trees, snags, small and large clumps, coarse woody debris). In the Woodlands Operations Manual, targets are refined and the need to

distribute single trees and clumps representative of the pre-harvest stand across the cut block is emphasized. An analysis of residual retention for 2 areas (Jumpingpound and Burnt Timber) by SLS suggested the average retention of patches is about 30%.

All of the relevant documents specify that variation is encouraged across the landscape, while respecting the minimum targets. During site visits, it was noted that retention is greater where there are some hardwoods present than in pure conifer, but it appeared that targets were being met. In numerous cut blocks in the field, it was observed that clumps were generally favoured, trees were topped to provide snags, some existing snags were retained, and coarse woody material was also retained. Where processing at the stump occurred, there was no shortage of coarse woody material across the harvest blocks. SLS operations staff routinely monitor retention.

During site visits, the audit team observed 19 stream crossings and associated riparian buffers and concluded that crossings were very well done; crossing locations and riparian zones were well protected and consistent with the requirements.



Figure 3. Typical crossing structure on the SLS FMA. Streams are well protected.

Principle 8 – Monitoring and assessment

Consistent with the Alberta forestry regulations, Spray Lake Sawmills has included a monitoring and stewardship reporting component to the Forest Management Agreement. The initial stewardship report was prepared in 2013 covering the 2007 to 2012 term. This report provides a basis for adaptive management, as well as, being a public accountability document on how well the company is fulfilling its mandate.

Spray Lake Sawmills monitors its operation through inspections of active harvest sites, road building activities, water crossing construction, and forest regeneration activities. Monthly summaries of these inspections are provided to the government. ASRD Forestry Officers complete compliance inspections through their Forest Operations Monitoring Program. The program has two main components: FOM - Forest Operations Monitoring, & SAM - Silviculture Monitoring. Noncompliances resulting in enforcement action are recorded in ASRD Incident Reporting System (IRS) which can be found on the Ministry's website.

All loads of timber harvested on the forest are accompanied by a specific load ticket which identifies the location where the timber was harvested along with who harvested the timber and the destination of the timber. This serves to ensure that the chain of custody is maintained.

Principle 9 – Maintenance of high conservation value forests

SLS has provided well-advertised opportunities for stakeholders and aboriginal people to become involved in the process of identifying High Conservation Values (HCVs) and appropriate management strategies.

Many of the HCVs identified in the 2014 HCVF report are already described in detail in the management plan, and the management and monitoring strategies in place are outlined in the 5 Year Stewardship Report. The HCVF report is a more recent document (2014) than the management plan, some HCVs are external to the existing DFMP. However, the management and monitoring in place for all HCVs is described in detail in the HCVF report, which is available to the public and aboriginal people from the SLS web site.

The Boreal FSC Standard explains that a precautionary approach involves: (i) avoiding actions that lead to irreversible changes, evaluating alternative strategies, and preventing the impairment of ecosystem function. Based on the HCVF report, the associated peer reviews, and prevailing thought in the ecological literature, the audit team believes the management strategies in place for the HCVs are consistent with a "precautionary approach", and that the intent of this indicator has been met.

The HCVF report outlines in detail the management and monitoring strategies in place for all the HCVs and HCVFs identified. The strategies are consistent with recovery plans (e.g., the provincial grizzly bear recovery plan). Protection and maintenance of critical habitats is addressed, and access management figures prominently in the DFMP, Stewardship Report and HCVF report. The management strategies outlined in the HCVF report and the DFMP strive to protect species at risk, as described under criterion 6.2 of the FSC Standard (see above). Connectivity of the landscape is high and is described under 6.3.9 (viability of native species) and 6.3.13 (connectivity) of the standard. SLS has deferred logging in the Red Deer River Watershed Environmentally Significant Area, which was identified as an area that might be used to fill gaps in ecological representation once the process of identifying candidate parks is complete. SLS has also mapped the SSRP Candidate Conservation Areas and has deferred harvesting in those areas.

The "passive landbase", accounting for about 30% of the FMA, was also identified in the gap analysis as a source of potential areas to fill gaps in representation. None of the passive landbase is available for harvesting.

The HCVF report identified 2 large landscape level forests in the surrounding natural subregions that fall partly within the FMA area. There are no human communities and there is no permanent road infrastructure in the portions of those forests outside the FMA (HCVF report p. 57) that would necessitate co-ordinating management strategies across the FMA boundaries. The provincial government manages those lands and is in close contact with SLS on all aspects of forest management. SLS is required to comply with all government direction related to watershed protection, the protection of parks on the boundaries of the FMA, implementation of recovery plans, etc. Moreover, the OGRs (5.2.6) require SLS to meet with ASRD and Alberta Tourism Parks and Recreation to discuss annual plans. This would ensure that activities are coordinated across FMA boundaries.

SLS performs field verifications in blocks proposed for harvest and on rights-of-way proposed for roads, to ensure HCVs are present and protected appropriately. SLS receives annual updates on values from the provincial government. SLS conducts regular monitoring reviews, and supports research and monitoring projects that will help to improve management and monitoring approaches.

3.4 - Eventual changes in the scope of certification

None

4 - Proposals regarding the certification decision

4.1 - Description of new recommendations

None issued.

4.2 - New Minor Non-conformities

None issued

4.3 - New Major Non-conformities

None issued

4.4 - Conclusion of the audit team

Spray Lake Sawmills manages its forest management agreement area to an exceedingly high standard. The Company has shown that it can meet the requirements of the Canadian Boreal Standard. With no negative findings during this surveillance audit, the audit team recommends continued certification.

5 - Certification decision

Regarding lead auditor and technical review conclusions the HUB decides that the FSC FM certificate of the Spray Lake remains valid.

Issued February 17, 2015, reviewed the 05/03/2015

FM certification technical reviewer,

Lead Auditor,

Florian Terrière



Brian Callaghan

6 - Appendices

6.1 - Peer Review

6.2 - Responses to stakeholders

Ref Comment		PP Type	Comment received		Subject	Answer	
N°	Equival		Date	Title		Client	Auditor
		Rancher	08-Sep	I get along very well with SLS Part of PAC, best company to work with. There are radical ENGOs making things seem bad when they are not.			Good discussion with a renown rancher and cattle expert.
		ENGO	02-Oct	Concerned with bad practices in certain blocks.			Auditor visited sites mentioned and could not confirm allegations.
		ENGO	28-Oct	Issues with the awarding of the FMA, Issues with land use, issues with the Fire Smart Program.			Thank for your letter. Much of your letter discusses past decisions and actions of the Alberta Government and are out of the scope of my evaluation. FMA signings and land use decisions are the perveiw of the provincial government and not subject to FSC standards. Slash pile burning was done by the Province - FSC does not award certs BV does.
		ENGO	27-Oct	Issues of dissatisfaction with land use, trails, lack of cooperation, lack of consultation, Slash pile burning, Fire smart program			Land use issues are outside of FSC scope. When asked for specific trail damage they could not provide it. Examined a number of trail crossings and found them to be excellent. In the past 5 years 4 open houses have occurred in Bragg Creek area, slash pile

Ref Comment		PP Type	Comment received		Subject	Answer	
N°	Equival		Date	Title		Client	Auditor
							burning was part of fire smart program of the province not SLS.
		ENGO	28-Oct	AOP maps not available, wetland and water feature concerns, poor seedling survival, want full protection on all HCVs			Had a field trip on Oct 29 with AWA and found most allegations to be unfounded, renewal in the blocks they chose were good, water crossings were fine and wetlands are in good shape. They did have land use issues which is beyond the scope of a FMA.
		Citizen	29-Oct	Safety on Jamison Road, Swamp Gas & sour gas explosions, crossing wetlands			The Jamison road is a public road not on the FMA. SLS is not operating the area. No records of swamp gas explosions available. SLS avoids all wetlands as we documented in the field.
		ENGO	05-Oct	Wants to have a meeting with community			Scheduled meeting Oct 30 in Beapre community Hall

Ref Comment		PP Type	Comment received		Subject	Answer	
N°	Equival		Date	Title		Client	Auditor
		Public Advisory Committee	Oct 28	Committee explained how they operate and how they have seen the company accommodate many users and causes. There is a very disgruntled cabal of stakeholders that oppose anything happening in the area, many are former Calgarians. SLS deserves respect for what they do.			Thank You. Informed them of how BVC approaches FSC and the certificate transfer
		Ghost Valley Community - 30 anonymous citizens	Oct 30	Met with 30 anonymous community members. Concerns included how forestry will affect property values, why the Company has Tenure, Lack of effective consultations, company did not help during 2013 flood. Group is divided between pros and cons. Ranchers support the sawmill while commuters do not.		There have been three planning sessions in the community. During the floods of 2013 the company provided food and clothing to the 2 first nations in the area.	Tenure is not an FSC issue it is granted by province. There have been three public meetings in the area, members of group admit that it is improving but not fast enough, Group has a divided opinion of the Company.
		Municipality	Nov 1	Supportive of SLS, participate in the PAC. Constantly monitoring water quality coming from the areas forests and have no issues with management.			

FSC Forest Management Certification
Certification Public Summary
Spray Lake Sawmills

Ref Comment		PP Type	Comment received		Subject	Answer	
N°	Equival		Date	Title		Client	Auditor
		Citizen	Nov 8	SLS has never had a meeting in Bragg Creek, or helped Bragg Creek during the floods. SLS' consultation sucks.			SLS Provided evidence of 4 open houses in past five years and helped local First Nations during the flood. SLS has also attempted to maintain trails.
		ENGO	Nov 17	concerns related to HCVs, gap analysis, consultation,			
		ENGO	28-Oct	AOP maps are not available, wetland and water feature concerns poor seedling survival; AWA wants full protection on all HCVs.			Had a field trip on Oct 29 with AWA and found most allegations to be unfounded, renewal in the blocks they chose was good, water crossings were fine, wetlands are protected. They did have land use issues which are not SLS problems.