



# REPORT Forest Certification



## Stuwix Resources Joint Venture - 2025 SFI Standard Surveillance Audit

From June 3 - 5, 2025, KPMG Performance Registrar Inc. (KPMG PRI) carried out a surveillance audit of Stuwix Resources Joint Venture's ("Stuwix" or "The Company") operations against the requirements of the 2022 Sustainable Forestry Initiative® (SFI®) forest management standard. This Certification Summary Report provides an overview of the process and KPMG PRI's findings.

### Description of Stuwix Resources Joint Venture's SFI Standard Certification

Stuwix's operations are covered by a single SFI forest management standard certificate. The Company was certified to the SFI standard in 2011. The current certificate is valid until 2027.

### Description of Stuwix Resources Joint Venture's Operations

Stuwix is a First Nations owned and operated company in the Southern Interior of British Columbia that was established in 2004 and named in honour of the Stuwix People; First Nations ancestors of long ago. Stuwix harvests timber under a management system that reflects its social, cultural, and environmental values while benefiting its communities economically.

Stuwix's vision is to promote healthy ecosystems and healthy independent communities, while integrating First Nations' traditional use and practices into forest management. Stuwix is responsible for the overall management of several licences, including planning, developing, marketing, timber-harvesting, road-building and silviculture. A management committee, made up of representatives from the eight bands, operates the joint-venture.

The land area managed by Stuwix are under volume-based tenures and woodlots. Volume-based tenures are managed based on a legislated cut level and objectives set by government. Operating areas for licenses are agreed upon through consensus with other licensees. A formal management plan is not required, however, government objectives allows flexibility such that Stuwix has been able to set their own goals and objectives of promoting First Nations involvement throughout the Timber Supply Areas (TSA) where they are operating. Stuwix's operations are predominantly located in the Merritt Timber Supply Area but have extended to the Lillooet and Okanagan TSAs. A government-approved Forest Stewardship Plan indicates how government objectives will be met, addresses both timber and non-timber values, and is legally binding. Guidance strategies developed by local Indigenous people also provide direction to forest management.

Stuwix's managed licenses have a total AAC (allowable annual cut) of 174,456 m<sup>3</sup>/year. The 2025 audit found that the Company's forest harvesting continues to conform to the AAC applicable to these operations.

The licenses that are included within the scope of the Company's SFI standard certification are covered by an Environmental Management System that addresses the Objectives of the SFI forest management standard.



SUSTAINABLE  
FORESTRY  
INITIATIVE

SFI-01154



PEFC  
PEFC/26-31-155



*Stuwix Resources Joint Venture*

## Findings: Stuwix Resources Joint Venture - 2025 SFI Standard Surveillance Audit

Page 2

The areas covered by Stuwix’s SFI certification fall within the Okanagan Dry Forests and Cascade Mountains Leeward WWF ecoregions.

Stuwix’s operating area covers a broad spectrum of ecological areas from the dry lowlands of the Interior Douglas-fir through the montane spruce stands and then up to the Engelmann spruce subalpine fir stands at the height of land. The majority of operations occur in the Interior Douglas Fir and Engelmann Spruce Subalpine Fir zones that consists mainly of un-even aged Douglas Fir & Lodgepole pine mixed stands to even aged stands with mixed Engelmann spruce, subalpine fir and Lodgepole pine stands.

The forest management approach employed by the Company is holistic, sustainable based management, retention (patch, group and/or select) based harvesting systems, with a focus on eliminating clearcut harvesting, to protect water courses and other non-timber values with the retention of reserves of standing trees either within or adjacent to harvest areas. Stuwix has developed a program that requires site prep and planting within two years of harvest. Stuwix’s road management strategy prescribes extensive rehabilitation with some deactivation of roads soon after harvest if they are not to be used in the near future. Planting of ecologically suitable species is the preferred method of regeneration but Stuwix also prescribes natural regeneration in areas that have high probability of success. Sites prescribed for natural regeneration are drag scarified to promote natural seed growth. Planted stands are either raw planted with no site prep or are power disc trenched and or excavator scarified. Stuwix has promoted optimum fiber management by marketing of a number of different products. Through higher standards of fiber utilization and marketing of fiber, Stuwix has been able to increase the net return per cubic meter of wood.

The primary species harvested are interior Douglas Fir, Lodgepole Pine and Engelmann Spruce . The logs are sold to local area mills for use in producing lumber, chips, and co-products. The top diameter log is salvaged and used for post and rails and pulp, and the remaining waste harvested for biofuels. Stuwix has taken a leadership role in capacity building for local First Nations’ communities, ensuring First Nations employment in their company, and providing a ripple of economic benefits to local businesses.

### Audit Scope

The audit was conducted against the requirements of the 2022 SFI forest management standard, and incorporated an assessment against the SFI objectives for:

- Forest Health and Productivity;
- Management of Visual Quality and Recreational Benefits;
- Recognize and Respect Indigenous Peoples’ Rights;
- Climate Smart Forestry;
- Legal and Regulatory Compliance;
- Forest Research, Science and Technology;
- Community Involvement, and Landowner Outreach; and
- Management Review and Continual Improvement.

Stuwix Resources Joint Venture SFI Surveillance Audit Findings	
Open non-conformities from previous audits	0
New major non-conformities	0
New minor non-conformities	0
New opportunities for improvement	5

#### Types of audit findings

##### Major non-conformities:

One or more of the SFI 2022 Standard(s) performance measures or indicators has not been addressed or has not been implemented to the extent that a systematic failure of a Certified Organization’s SFI system to meet an SFI objective, performance measure or indicator occurs.

##### Minor non-conformities:

An isolated lapse in SFI 2022 Standard(s) implementation which does not indicate a systematic failure to consistently meet an SFI objective, performance measure or indicator.

All non-conformities require the development of a corrective action plan within 30 days of the audit. Corrective action plans to address major non-conformities must be fully implemented by the operation within 3 months or certification cannot be achieved / maintained. Corrective action plans to address minor non-conformities must be fully implemented within 12 months.

##### Opportunities for Improvement:

The evidence presented indicates a requirement has been effectively implemented (not non-conformities) but are comments on specific areas of the sustainable forest management system where improvements can be made.

The audit included activities conducted under the Company’s management system since the previous audit, and included operations in the Merritt Timber Supply Area.

### Audit Process

**Audit Team** – The Lead Auditor was Shawn Ellsworth, MBA, RPF (BC), President of KPMG PRI. Shawn has conducted numerous forest management audits under a variety of standards including SFI, ISO 14001, CSA Z809. Shawn was joined by Auditor in Training Kai Sonnenburg RPF (BC), an employee of employee of KPMG PRI.

**2025 SFI Surveillance Audit** – The audit involved on-site time in the office and included visits to several field sites (5 roads, 5 cutblocks [including one with active harvesting], 3 silviculture sites, and a bridge site). The audit took a total of 4.75 auditor days to complete, 2.5 days of which were spent on-site at the operation. The balance of audit time was spent preparing the audit plan, completing an off-site review of selected Company documents and records and completing various audit checklists and preparing the main and public summary audit reports.

**Stuwix’s SFI Program Representative** – Dennis MacDonald RFT is the Stuwix SFI representative.

### Use of Substitute Indicators

None of the indicators included in the SFI standards were modified or substituted for the purpose of this audit.

### Audit Objectives

The objective(s) of the audit are to evaluate the sustainable forest management system at Stuwix to:

- Determine its conformance with the requirements of SFI Forest Management standard and verify that the system has been successfully implemented;
- Evaluate the ability of the system to ensure that Stuwix meets applicable regulatory requirements;
- Evaluate the effectiveness of the system in ensuring that Stuwix meets its specified objectives, and;
- Where applicable, identify opportunities for improvement.



Mature veteran trees retained to maintain age class diversity and recruitment of wild-life trees.



Above is an example of visual quality objectives that were maintained adjacent to Hwy 5 (Coquihalla).

Findings: Stuwix Resources Joint Venture - 2025 SFI Standard Surveillance Audit Page 4

**Evidence of Conformity with the SFI 2022 Forest Management Standard**

<b>SFI Forest Management Objective</b>	<b>Key Evidence of Conformity</b>
1. Forest Management Planning	Not in scope of the 2025 audit.
2. Forest Health and Productivity	Site plans, silviculture reports, field inspections.
3. Protection and Maintenance of Water Resources	Not in scope of the 2025 audit.
4. Conservation of Biological Diversity	Not in scope of the 2025 audit.
5. Management of Visual Quality and Recreational Benefits	Forest management plan, Forest Stewardship Plan, Visual Impact Assessments, harvest plans, field inspections.
6. Protection of Special Sites	Not in scope of the 2025 audit.
7. Efficient Use of Fiber Resources	Not in scope of the 2025 audit.
8. Recognize and Respect Indigenous Peoples Rights	Company policy on Indigenous Peoples' rights, records of consultation with local Indigenous Peoples, interviews with Company staff and contractors who represent local Indigenous Peoples.
9. Climate Smart Forestry	Q100+ culvert protocol, road risk designations, road inspections, Sustainable Forest Management and Environmental Policy, SFI Information Survey, silviculture survey records, Stuwix Green House Gas Emission Program, field inspections.
10. Fire Resilience and Awareness	Not in scope of the 2025 audit.
11. Legal and Regulatory Compliance	EMS, Quickscribe subscription, Forest management plan, environmental management plan (EMP), health & safety policy, employee handbook, field inspections, review of incident reports.
12. Forestry Research, Science and Technology	Forest management plan, EMP, records of research projects and funding, staff interviews.
13. Training and Education	Not in scope of the 2025 audit.
14. Community Involvement and Landowner Outreach	Forest management plan, SFI Implementation Committee minutes & resources, community and landowner outreach records, staff interviews.
15. Public Land Management Responsibilities	Not in scope of the 2025 audit.
16. Communications and Public Reporting	Certification summary report, annual report to SFI Inc. Management reviews and action register.
17. Management Review and Continual Improvement	Forest management plan, management review records, monthly EMS meeting minutes and action register, inspection forms, incident investigations.



Piles burnt in fall 2024 were reforested in spring 2025.

## Findings: Stuwix Resources Joint Venture - 2025 SFI Standard Surveillance Audit Page 5

### Good Practices

The following good practices were noted during the audit:

- Stuwix has an extensive and multifaceted communications strategy with Indigenous communities including a Facebook page, submissions to community newspapers, field tours and hosting ceremonial events in the forest.
- Forest management practices are constantly evolving to incorporate community values. Cultural anchors such as water, wildlife, species diversity/age-class/structure/distribution are maintained through group and dispersed retention.

### Follow-up on Findings from Previous Audits

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

### Areas of Nonconformance

No non-conformities were identified during the audit.

### Opportunities for Improvement

Finding #	2025-OFI-01
Clause and requirement	Objective 17. Management Review and Continual Improvement Performance Measure 17.1. Indicator: 2. System for collecting, reviewing, and reporting information to management regarding progress in achieving SFI 2022 Forest Management Standard objectives and performance measures, including measures to reduce the negative impacts from forest management operations.
Description of the finding and evidence	<p>The review of a recently completed incident investigation revealed the following opportunities for improvement:</p> <ul style="list-style-type: none"> <li>▪ The incident was marked as both a Minor NC, and an OFI, which can be confusing;</li> <li>▪ Causal factor was cited as “miscommunication” whereas it was not clear whether the contractor understood the EMS expectations and if training was a factor;</li> <li>▪ Corrective action was not specific and may not have addressed the actual root cause; and</li> <li>▪ No one was assigned to implement the corrective action nor was a due date noted on the form.</li> </ul>

<b>Finding #</b>	<b>2025-OFI-02</b>
Clause and requirement	Objective 11. Legal and Regulatory Compliance. To comply with all applicable laws and regulations including, international, federal, provincial, state, and local .
Description of the finding and evidence	One logging contractor is maintaining a ledger of fire extinguisher inspections, but the auditors did not find any labels or markings on the extinguishers to indicate when they had last been inspected. Stuwix may wish to review fire extinguisher inspection procedures to be able to more easily verify inspections rather than through the contractor’s ledger.

<b>Finding #</b>	<b>2025-OFI-03</b>
Clause and requirement	9.2.3. Based on best scientific information, Certified Organizations shall develop a program to identify and address greenhouse gas emissions within their operational control.
Description of the finding and evidence	Stuwix has developed a GHG program that includes tracking of company-owned-vehicle fuel consumption. An opportunity exists to set targets now that baseline fuel-consumption data has been established.

<b>Finding #</b>	<b>2025-OFI-04</b>
Clause and requirement	Objective 11. Legal and Regulatory Compliance. To comply with all applicable laws and regulations including, international, federal, provincial, state, and local.
Description of the finding and evidence	While the SFI standard does not require Stuwix to conduct an internal audit the client procedure notes Internal EMS Audits as a monitoring and measurement tool. However, typical internal audits are not being conducted as Stuwix is fulfilling the require-

<b>Finding #</b>	<b>2025-OFI-05</b>
Clause and requirement	9.1.3 - Certified Organizations shall document how their adaptation plan objectives and strategies fit within broader regional climate adaptation strategies and plans, where they exist.
Description of the finding and evidence	Stuwix has changed its culvert sizing procedure and evidence of the change was observed; however, the current culvert sizing card does not reflect the updated procedure.

### Audit Conclusions

The audit found that Stuwix Resources Joint Venture's sustainable forest management system:

- was in full conformance with the requirements of the SFI 2022 forest management standard included within the scope of the audit;
- has been effectively implemented; and
- is sufficient to systematically meet the commitments included within the organization's environmental and SFM policies, provided that the system continues to be implemented and maintained as required.

As a result, a decision has been reached by the lead auditor to recommend that Stuwix Resources Joint Venture continue to be certified to the SFI 2022 Forest Management Standard.

### Corrective Action Plans

No non-conformities were identified during the audit. As a result, there is no requirement for Stuwix Resources Joint Venture to develop or submit corrective action plans.



Understory retention and coarse woody debris retained in a harvest cut-block.

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