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Bureau Veritas Certification
North America, Inc.
SFI Forest Management Audit Report

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PQC Code	E01E
Contract Number	US.1248870

Certification Audit:		Re-Certification Audit:		Surveillance Audit:	1	Scope extension audit:	
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Audit Summary

Introduction

This report summarizes the results of the first surveillance audit of Abitibi River Forest Management Inc.'s (ARFMI) SFI certified program for forest and land management, conducted on the Abitibi River Forest, a large Sustainable Forest License in Northeastern Ontario. Brian Callaghan RPF, a Bureau Veritas Certification Lead Auditor conducted the audit of the forest on June 26-30, 2017. He was supported by Laird VanDamme RPF, Phil Shantz and Craig Howard RPF.

Audit Scope, Objectives and Process

The scope of the audit is "Management of Forest Lands". The audit was conducted against the SFI 2015-2019 Standard, as a surveillance audit only a sampling of objectives were examined they include Objectives 2, 3, 5, 9, 10, 11, 14, and 15. There were no substitutions or modifications of indicators. The two objectives of the SFI audit were to verify that the Program Participant's SFI Program is in conformance with the SFI Objectives, Performance Measures, and Indicators, and to verify whether the Program Participant has effectively implemented its SFI Standard program requirements on the ground. Standard Bureau Veritas Certification protocols and forms were applied throughout the audit as provided by the most recent version of the Bureau Veritas Certification SFI Auditor Handbook available on the auditor access website

Audit Plan

The field audit was undertaken June 26-30 2017. A copy of the audit plan was submitted to ARFMI in advance of the audit and then revised in response to field based information and interview schedules. A copy of the audit plan is on file at the Bureau Veritas office in Houston. The first day was spent on document review, covering management planning, GIS, information systems, and standard operating procedures. A preliminary site section sample was made prior to the audit. Three days were spent in the field visiting sites. Twenty-one sites were inspected during the audit.

Company Information

Abitibi River Forest Management Inc. is a forest management company comprised of local shareholders with traditional harvesting or consuming rights on the forest and its predecessors. The

shareholders include two large forest products companies (Tembec, and Georgia Pacific) and several smaller companies who hold timber harvesting rights. This certification is limited to Sustainable Forest License 551832 and its approximately 3,300,000 hectares of Crown lands in Northeastern Ontario.

First Resource Management Group manages the forest under contract to the Abitibi River Forest board. First Resources is responsible for planning, coordination, and oversight on forest management on the Abitibi River Forest. The company maintains all the information necessary to manage the forest including, forest inventories, geographic information systems, compliance monitoring data, silvicultural activity information, harvest volume data and regeneration success data. First Resources operates a rigorous management information system which includes excellent operation procedures and supporting training materials

Audit Results

The audit began with a review of system documentation and information systems. Silvicultural records were reviewed for evidence that artificial regeneration occurs within two years of harvest, and natural regeneration within five. Silvicultural standards were reviewed. Operational compliance reports for chosen blocks were reviewed. The company conducts an effective operations monitoring program including a formal internal audit and management review system.

The field audit included 21 sites that were the subject of recent operational activity (i.e. harvest, site preparation, renewal, tending, road construction or maintenance, values protection or free to grow assessment). The sites were selected to include samples from all geographic areas where operations had occurred in the past year.

Objective 1-Forest Management Planning: *Not Audited.*

Objective 2-Forest Health and Productivity:

The results of field visits indicated that Abitibi River Forest Management continues to effectively implement its SFI program in the way it manages the forest. Regeneration treatments were in conformance with the standard. All herbicide applications observed during the audit were very well done, with no drift into off-target areas seen. Harvest sites exhibited minimal impact on soil productivity. Best management practices for water quality were very well implemented (Figure 1). Stand-level elements (e.g. residual structure) were present on all sites. Green-up compliance was observed on all sites, and utilization was generally well done. Field observations confirm that standards and best practices for soil conservation are being applied. The Company demonstrates the judicious use of chemicals and an effective application management program.



Figure 1. Riparian buffers were found to be intact on Thackery 120

A number of operational issues related to bank stability in coarse soils was discovered on the Freele 108 and Thackeray 100 blocks resulting in a minor nonconformance

Objective 3-Protection and Maintenance of Water Resources:

ARFMI follow a comprehensive program to maintain and protect water resources. Through a detailed planning process all areas of concern are identified and prescriptions are applied to preserve the resource. Auditors examined several streamside buffers and found all to meet the requirements of the MNR (Figure 1). The majority of roads and water crossings were found to be properly constructed and stable. Very little erosion was seen during a year of such heavy rainfall.

All work near water-based AOCs and on stream crossings is subject to annual compliance monitoring by ARFMI (the company), MNR certified compliance inspectors, certification bodies, and, at 5-year intervals, crossings are subject to Provincial Independent Forest Audits. Compliance reports are entered into the provincial Forest Operations Inspection Program system.

Objective 4-Conservation of Biological Diversity: *Not Audited.*

Objective 5-Management of Visual Quality and Recreational Benefits:

Abitibi Forest Management Inc. has a diverse forest to manage with many public roads and trails, numerous cottage lakes, and a high level of public use. The Company has a variety of prescriptions and procedures in place for ensuring that all values are maintained and protected.

The auditors visited Silver Queen Lake where the Company had employed viewshed mapping in an effort to protect recreational values (Figure 2) .



Figure 2. Viewshed mapping on Silver Queen Lake

Ave clear cut size is approximately 140 hectares, which is consistent with the Stand and Site Guide requirements. Sites are regenerated promptly after harvest with planting sites being treated within 2 years of harvest. Natural regeneration sites are assessed within five years. The Company maintains detailed records on forest treatments to allow for accurate treatment tracking.

Objective 6-Protection of Special Sites: *Not Audited.*

Objective 7-Efficient Use of Fiber Resources: *Not Audited.*

Objective 8: Recognize and Respect Indigenous People’s Rights: *Not Audited.*

Objective 9-Legal and Regulatory Compliance:

A comprehensive system of compliance to federal, provincial laws, regulations and policy is demonstrated through the implementation of the Forest management plan and the forest operations compliance inspection program. Oversight is provided in the form of operational compliance inspections, review of results by the Local Citizens Committee, annual FS and SFI audits, internal management reviews by the Board of Directors for ARFMI and a Independent Forest Audit conducted every five years.

Objective 10-Forestry Research, Science and Technology:

Personnel from ARFMI and member companies are active participants in Forest Genetics Ontario, Forest Products Association of Canada, and on the Provincial Technical Committee. They are monitoring research and literature on Climate change.

Objective 11-Training and Education:

The company has a written statement of commitment. Staff and contractor training program is in place. The Company doesn’t issue harvest contracts directly as this is the responsibility of the receiving mills. There is a program in place to ensure trained professional loggers are used. It is well done, and based on interviews with operational staff, very effective.

Objective 12-Community Involvement and Landowner Outreach: *Not Audited.*

Objective 13: Public Land Management Responsibilities: *Not Audited.*

Objective 14-Communications and Public Reporting:

The Company provided its SFI annual progress report prior to the deadline. The 2016 SFI forest management report is available on the SFI Inc. website

Objective 15-Management Review:

Abitibi River Forest Management Inc. has quarterly board meetings with certification being a standing agenda item. A formal management review of the SFI program is undertaken in fourth quarter of each year.

Findings

Previous non-conformances:

In 2016, two fuel tanks were found on the Sheldon 105 block which had not been inspected within 5 years as per regulation. A minor NCR was issued against indicator 9.1.2. This NCR was closed on 3 August 2016.

Non-conformances:

- 1) The FMP Toolkit (Module 2) contains instruction to avoid erosion and maintain stable slopes (section 2.2.1 Page 4). The direction provided in the FMP toolkit had not been effectively implemented in these blocks. (3.2.1)

:

- The road serving as the main access to Freele 108 showed erosion into a riparian zone.
- One pit was observed in Freele 108 that had a slope steeper than the required standard.
- In Thackeray 100 a gravel pit had not been rehabilitated and stabilized

Opportunities for Improvement: None

Notable Practices: None

Logo/label use:

Abitibi River Forest Management Inc. does not use the Bureau Veritas Certification logo. No unauthorized use of the SFI logo was observed

SFI reporting:

The 2016 re-certification report for Abitibi River Forest Management Inc is available on the SFI website,

Conclusions

Results of the audit indicate that Abitibi River Forest Management continues to implement an SFI program which is effective and efficient and meet the requirements of the standard. Continued certification is recommended.

SEE SF61 FOR AUDIT NOTES

Summary of Audit Findings:						
Audit Date(s):	From: June 26 2017			To: June 30 2017		
Number of SF02's Raised:	Major:		Minor:		1	
Is a follow up visit required:	Yes	No	X	Date(s) of follow up visit:		
Follow-up visit remarks:						

Team Leader Recommendation:								
Corrective Action Plan(s) Accepted	Yes	X	No		N/A		Date:	Aug 1 2017
Proceed to/Continue Certification	Yes	X	No		N/A		Date:	Aug 1 2017
All NCR's Closed	Yes		No	X	N/A		Date:	
Standard audit conducted against:								
1)	SFI 2015-2019 FM			3)				
2)				4)				
Team Leader (1):			Team Members (2,3,4...)					
Brian Callaghan			2) Laird VanDamme					
			3) Craig Howard					
			4) Phil Shantz					
			5)					
Scope of Supply: (scope statement must be verified and appear in the space below)								
<i>Management of Forest Lands</i>								
Accreditation's	ANAB							
Number of Certificates	1							
Proposed Date for Next Audit Event								
Date	June 2018							
Audit Report Distribution								
ARFMI: Paul Fantin - paul.fantin@frmg.ca								

Clause	Audit Report
Opening Meeting	Participants: Team, Fantin, Thibeault, Andrews, Discussions: <ul style="list-style-type: none"> ➤ Introductions ➤ Scope of the audit ➤ Audit schedule/plan ➤ Nonconformance types – Major / Minor ➤ Review of previous nonconformances - 1. ➤ Process approach to auditing and audit sampling ➤ Confidentiality agreement ➤ Termination of the audit ➤ Appeals process ➤ Closing meeting timing
Closing Meeting	Participants: Team, Fantin, Thibeault, Andrews Discussions: <ul style="list-style-type: none"> ➤ Introductions and appreciation for selecting Bureau Veritas Certification. ➤ Review of audit process - process approach and sampling. ➤ Review of OFIs and System Strengths ➤ Nonconformances - 1 ➤ Date for next audit. ➤ Reporting protocol and timing



SF02/NA NONCONFORMITY REPORT

Company Name and Site:		SF02#:	
Abitibi River Forest		2017 - 1	
Contract #:	Type of audit (e.g., initial, surveillance):	Team Leader:	
US1248870	SFI FM Sv2	Brian Callaghan	
Date:	Standard and Clause #:	Team Member:	
June 30 2017	SFI FM 3.2 1	Howard & VanDamme	
Major	Minor	Other Documents (if applicable):	
	X	Company Representative:	
Paul Fantin			
REQUIREMENT OF AUDITED STANDARD:			
Program addressing management and protection of rivers, streams, lakes, wetlands, other water bodies and riparian areas during all phases of management, including the layout and construction of roads and skid trails to maintain water reach, flow and quality			
OBSERVED NONCONFORMITY:			
The FMP Toolkit (Module 2) contains instruction to avoid erosion and maintain stable slopes (section 2.2.1 Page 4). The direction provided in the FMP toolkit had not been effectively implemented in this block.			
The road serving as the main access to Freele 108 showed erosion into a riparian zone. One pit was observed in Freele 108 that had a slope steeper than the required standard. In Thackeray 100 a gravel pit had not been rehabilitated and stabilized			
ROOT CAUSE ANALYSIS AND CORRECTIVE ACTION PLAN (To be completed by the Company. Plan to be submitted in 30 days)			
Corrective Action Plan Date:		Company Representative:	
Root Cause Analysis and Corrective Action			
Root Cause:			
Corrective Action Plan:			
ROOT CAUSE AND CORRECTIVE ACTION PLAN ACCEPTANCE REPORT (To be completed by Bureau Veritas Certification – Verify effective identification of Root Cause and acceptance of Corrective Action Plan)			
Root Cause:			
Corrective Action Plan:			
Plan Accepted:	Yes	No	Comments:
Auditor:			Date:
CORRECTIVE ACTION IMPLEMENTATION			
To be completed by Company – Provide objective evidence. Not to exceed: 90 Days <input type="checkbox"/> 1 Year <input type="checkbox"/>			
Corrective Action Completion Date:		Company Representative:	
Corrective Action Implementation: Method used to verify effectiveness of action taken:			
CORRECTIVE ACTION IMPLEMENTATION ACCEPTANCE REPORT (To be completed by Bureau Veritas Certification – Acceptance of Corrective Action taken)			
Accepted:	Yes	No	Nonconformance Closed: Yes No
Follow Up Comments:			
Auditor:			Date: