



SFI 2015-2019 – Public Summary Report

AV Group NB Inc.

DESCRIPTION OF COMPANY

AV Nackawic Woodlands and AV Cell Woodlands are part of a group of companies (AV Group NB Inc.), which are focused on producing specialty pulp products to service the textile and paper industry. The Group is a member of the Aditya Birla Group of India. AV Group consists of two strategically located pulp mills located in Atholville, NB and Nackawic, NB. The operations in the North are found on License #1 and in the South on License #8 and Freehold lands.

The company SFI representative is Pierre Mezzetta.

AUDIT

During the period of September 4 to September 7, 2018 underwent a surveillance audit to the Sustainable Forestry Initiative® (SFI®) 2015-2019 Forest Management (FM) Standard and the SFI 2015-2019 Fiber Sourcing (FS) Standard which does not include the review of Appendix 1 Rules for Use of SFI Certified Sourcing Label.

The registration cycle is over three years with surveillance audits conducted annually. The audit assessed active and/or completed harvest operations through interviews with the company staff and contractors. The audit also assessed the SFI documentation and records at the company's office including stakeholder and First Nations communication.

The SFI program third-party audit was undertaken by SAI Global. SAI Global is an independent third party registrar that is accredited by the ANSI-ASQ National Accreditation Board (ANAB) Standard ensuring the integrity and credibility of the audit process.

THE AUDIT TEAM

The SAI Global audit team who performed the audit consisted of Hervé Bescond, audit team leader, and Fabrice Lantheaume, audit team member. The auditors are certified auditors.

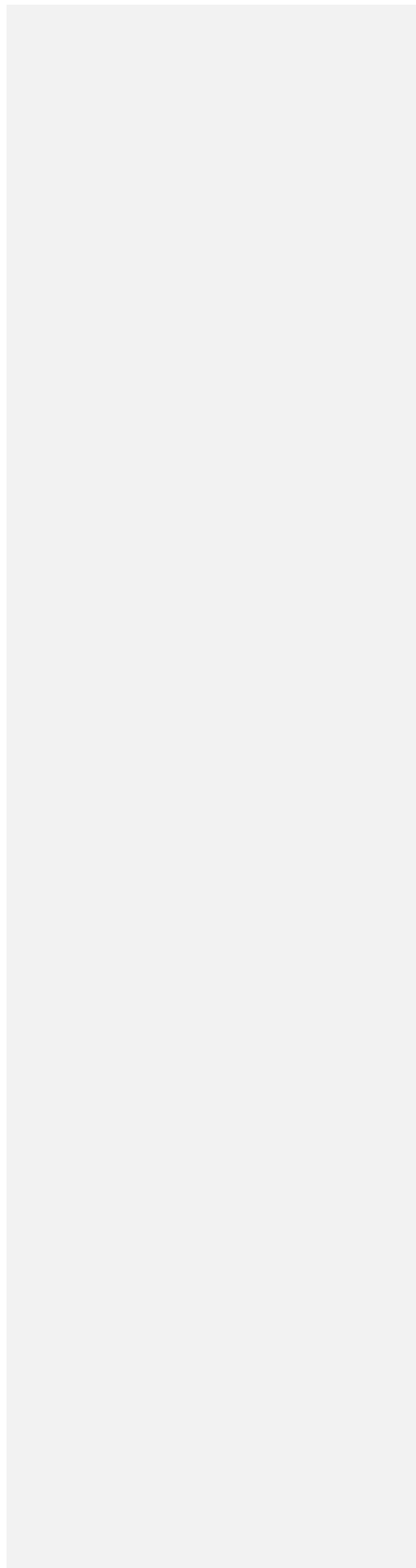
REGISTRATION TYPE

Certificate Type	SFI 2015-2019 Forest Management Standard	SFI 2015-2019 Fiber Sourcing Standard
Single site	x	x



MULTI-SITE / GROUP EVALUATION

Not applicable.



SFI 2015-2019 Forest Management Standard

FOREST LAND AND MANGEMENT PLAN INCLUDED IN THE AUDIT SCOPE

The forest lands included in the audit scope are the Upsalquitch License 1, the York License 8 and AV Nackawic Freehold.

The licenses 1 and 8 management plans follow the requirements of the New Brunswick *Crown Lands and Forests Act* (1980). The proposal forecasts timber, vegetation community and habitat supply for 80 years. The plans objectives are for a number of values and guidelines as presented by the Department of Natural Resources (DNR). The Forest Management Agreement (FMA), the contract that allows AV Nackawic (AVN) the right to manage York License 8, stipulates that all freehold lands owned by the company must be managed in a similar fashion as Crown Land.

License 1 is located in Northern New Brunswick, mainly east of Saint-Quentin, and West of Bathurst. It is located in Restigouche County and comprises a total area of 425,268 hectares. 94% of this total area is classed as productive forestland (402,284 ha).

License 8 is located in western New Brunswick. It is located mainly in York County and comprises a total area of 261,825 hectares. 90% of this total area is classed as productive forestland (235,576 ha).

The AV Group NB Inc.Freehold is located in western New Brunswick, mainly west of Fredericton. It is located in York County and comprises a total area of 40,129 ha. The majority of this total area is classed as productive forestland (37,072 ha).

SCOPE OF CERTIFICATION

Forest management activities- planning, harvesting, transportation and silviculture on the Crown Licenses 1,8 and on the company's Freehold in New-Brunswick. Fiber sold under this certificate counts as 100% SFI and 100% PEFC certified forest content.

There has been no modification to the scope since the last public summary report.

AUDIT PROCESS

During this audit, the audit team evaluated the company against the objectives listed in Table 1. The evidence of compliance observed is listed in Table 2. Both tables are found in the section Evidence of conformity to the SFI 2015-2019 Forest management standard.

A sample of field review sites were chosen from a list of active sites and sites where forest management activities occurred since the last audit. The site choice also considered activity type, and risk factors, related to the audit objectives selected for review, as well as the opportunity to verify implementation of corrective actions for previous non-conformities.

SUBSTITUTE INDICATORS

No substitute indicators were evaluated during this audit.

COMPLAINTS

No complaints have been received; therefore the complaint handling process could not be verified.

SITES INSPECTED AND ASSESSMENT TIME

Audit Activity	Duration in days
Onsite	4,5
Sites	Number inspected
Roads	
Harvesting Blocks	
Silviculture Sites	
Operations visited:	

Comment [SF1]: Only put the time allocated for onsite verification (including field visits). No need to put the time for Pre and Post.

Comment [SF2]: List the specific woods operations visited if there is more than one operation/region associated with the certificate

Comment [CH3]: Include general descriptions of any nonconformities, reported at the Performance Measure level, and corrective action plans to address them, opportunities for improvement, and exceptional practices.

Comment [SF4]:
 For Minor NC the following text can be used: **Action plan has been accepted and implementation will be reviewed during the next surveillance audit**
 For Major NC the following can be used: **Action plan has been accepted evidence of implementation allowed to close the major non-compliance.**

SUMMARY OF FINDINGS

Areas of non-conformance

Not applicable.

OR

NC#	Type	Performance Measure #	Description	Corrective Action Plans
	Major/Minor			
	Major/Minor			
	Major/Minor			

Comment [SF5]: Replace text below with OFIs and Exceptional Practices, or indicate not applicable.

Opportunities for improvement

Not applicable.

OR

- OFI.
- OFI.
- OFI.

Good practices

Not applicable.

OR

- .

Status of previous audit non-compliances

The status of previous audit non-conformances is as follows:

NC#	Type	Performance Measure #	Status (closed/upgraded to major)
2017-01	Major/Minor	SFI 2015-2019 FOREST MANAGEMENT STANDARD 9.1	Closed
2017-02	Major/Minor	RULES FOR USE OF SFI ON-PRODUCT LABELS AND OFF-PRODUCT MARKS 4.2	Closed

CERTIFICATION DECISION SFI 2015-2019 FOREST MANAGEMENT STANDARD

Surveillance Audit

Based on the results of this surveillance audit it has been determined that the management system is effectively implemented and meets the requirements relative to the scope of registration and audit criteria, therefore, a recommendation to maintain the registration is made to SAI Global.

OR

Based on the results of this surveillance audit it has been determined that the management system is effectively implemented and meets the requirements relative to the scope of registration and audit criteria. The action plan(s) related to the non-conformance(s) has (have) been reviewed and considered acceptable. As applicable, any major non-conformance has been closed and implementation of action plan for minor non-conformance will be reviewed at the next surveillance audit. Therefore, a recommendation to maintain the registration is made to SAI Global.

EVIDENCE OF CONFORMITY TO THE SFI 2015-2019 FOREST MANAGEMENT STANDARD

Comment [CH6]: Delete section if not applicable and adjust appendix number referenced above.

Comment [CH7]: Check objectives audited.

Table 1 Objectives Audited

Objective 1	Forest Management Planning	
Objective 2	Forest Health and Productivity	
Objective 3	Protection and Maintenance of Water Resources	
Objective 4	Conservation of Biological Diversity	
Objective 5	Management of Visual and Recreational Benefits	
Objective 6	Protection of Special Sites	
Objective 7	Efficient Use of Forest Resources	
Objective 8	Recognize and Respect Indigenous Peoples' Rights	
Objective 9	Legal and Regulatory Compliance	
Objective 10	Forestry Research, Science and Technology	
Objective 11	Training and Education	
Objective 12	Community Involvement and Landowner Outreach	
Objective 13	Public Land Management Responsibilities	
Objective 14	Communications and Public Reporting	
Objective 15	Management Review and Continual Improvement	

Comment [CH8]: Check boxes with applicable evidence. Add other evidence if required. Keep evidence general. Delete inapplicable sources if more room is required.

Comment [SF9]: SUPER IMPORTANT - ENSURE THAT THE EVIDENCE OBSERVED COVER ALL OBJECTIVES THAT WERE AUDITED AS INDICATED ABOVE

Table 2 Evidence Observed

Environmental management system (EMS) Manual	Cut block size calculations	
Written policies	Employee observation forms (species at risk, invasive plants, other values)	
Standard Operating Procedures (SOPs) for best management practices	Pre-work discussions/meeting records	
EMS and SFI field handbook	Monitoring records for non-timber values	

Training records (staff and contractors)	Utilization records	
SFI/EMS training agenda	Laws, legislation, regulations records	
Health and safety manual and/or employee policy manual	Annual management review records	
Timber supply review	Internal audit records	
Maps (pre-harvest, harvest, post-harvest, and silviculture)	Corrective action logs	
Timber development standards	Education/community involvement records	
Non-timber values impact assessments (riparian, visual, recreation, biodiversity, cultural heritage, other:)	Records of public inquiries and complaints	
GIS inventories (soils, forest, land classification, non-timber values)	Stakeholder communications records	
Long term management plans and sustainable harvest level calculation	Agreements and communications with Indigenous communities	
Cutting/harvesting permits	Multi-licensee and/or government meeting minutes	
Operational plans (annual, cut block level)	Logging agreements and/or contracts	
Wet/adverse weather plans or guidelines	Wood producer training programs	
Reforestation plans	Wood producer information package	
Pest management plan	SFI Annual Report	
Fire preparedness plan	SFI and company websites	
Spill prevention and response plan	SFI brochure	
Silviculture surveys and reports	SFI Implementation committee (participation/support)	
Standards for seed use	Climate change information and/or meeting minutes	
Chemical use/spray records and applicator certification	Research and discussion papers	
Tree improvement reports	Support for research and science	
Green-up records	External audit field inspections	
Free to grow records	External audit interviews (office and field)	
Planting program records	Pre-harvest inspection records	
Harvest inspection records	Post-harvest inspection records	
Road and bridge inspection records	Government compliance records	



--	--	--	--

SFI 2015-2019 Fiber Sourcing Standard*

**This report does not include the review of Appendix 1 Rules for Use of SFI Certified Sourcing Label*

PROGRAM PARTICIPANT'S FIBER PROCUREMENT AND/OR MANUFACTURING OPERATIONS

AV Group NB Inc. owns two pulp mills located in Atholville, NB and Nackawic, NB which are focused on producing specialty pulp products to service the textile and paper industry. The Group is a member of the Aditya Birla Group of India. AV Group NB Inc. fiber procurement is obtained from Crown and private suppliers in New Brunswick, Quebec and Maine.

SCOPE OF CERTIFICATION

Sourcing fiber from New Brunswick, Quebec and Maine The Appendix 1: Rules for Use of SFI Certified Sourcing Label is not covered by the scope of this certificate.

There has been no modification to the scope since the last public summary report.

AUDIT PROCESS

During this audit, the audit team evaluated the company against the objectives listed in Table 1. The evidence of compliance observed is listed in Table 2. Both tables are found in the section Evidence of conformity to the SFI 2015-2019 Fiber Sourcing standard.

A sample of field review sites were chosen from a list of active sites and sites where activities were completed since the last audit. The site choice also considered activity type, and risk factors, related to the audit objectives selected for review, as well as the opportunity to verify implementation of corrective actions for previous non-conformities.

SUBSTITUTE INDICATORS

No substitute indicators were evaluated during this audit.

COMPLAINTS

No complaints have been received; therefore the complaint handling process could not be verified.

MANUFACTURING UNITS SUPPLIED AND ASSESSMENT TIME

Audit Activity	Duration in days
Off-site preparation and on-site office review:	1,5
Field review:	1
Sites	Number inspected
Roads	
Harvesting Blocks	
Silviculture Sites	
Manufacturing units supplied from the sites visited: Nackawic Mill	

SUMMARY OF FINDINGS

Definitions for findings can be found in Appendix 1.

Areas of non-conformance

Not applicable.

Opportunities for improvement

Not applicable.

OR

- OFI.
- OFI.
- OFI.

Good practices

Not applicable.

OR

Comment [SF10]: Replace text below with OFIs and Exceptional Practices, or indicate not applicable.

Status of previous audit non-compliances

No non-conformities were raised during the previous audit.

Comment [SF11]: As applicable present an update on the status of previous non-conformities.

CERTIFICATION DECISION SFI 2015-2019 FIBER SOURCING STANDARD

Surveillance Audit

Based on the results of this surveillance audit it has been determined that the management system is effectively implemented and meets the requirements relative to the scope of registration and audit criteria, therefore, a recommendation to maintain the registration is made to SAI Global.

OR

Based on the results of this surveillance audit it has been determined that the management system is effectively implemented and meets the requirements relative to the scope of registration and audit criteria. The action plan(s) related to the non-conformance(s) has (have) been reviewed and considered acceptable. As applicable, any major non-conformance has been closed and implementation of action plan for minor non-conformance will be reviewed at the next surveillance audit. Therefore, a recommendation to maintain the registration is made to SAI Global.

EVIDENCE OF CONFORMITY TO SFI 2015-2019 FIBER SOURCING STANDARD

Comment [CH12]: Delete section if not applicable and adjust appendix number referenced above.

Table 1 Objectives Audited

Comment [CH13]: Check objectives audited.

Fiber Sourcing Within the United States and Canada		
Objective 1	Biodiversity in Fiber Sourcing	
Objective 2	Adherence to Best Management Practices	
Objective 3	Use of Qualified Resource and Qualified Logging Professionals	
Objective 4	Legal and Regulatory Compliance	
Objective 5	Forestry Research, Science, and Technology	
Objective 6	Training and Education	
Objective 7	Community Involvement and Landowner Outreach	
Objective 8	Public Land Management Responsibilities	
Objective 9	Communications and Public Reporting	

Objective 10	Management Review and Continual Improvement	
--------------	---	--

Fiber Sourcing Outside the United States and Canada		
Objective 11	Promote Conservation of Biological Diversity, Biodiversity Hotspots and High-Biodiversity Wilderness Areas	
Objective 12	Avoidance of Controversial Sources including Illegal Logging	
Objective 13	Avoidance of Controversial Sources including Fiber Sourced from Areas without Effective Social Laws	

Table 2 Evidence Observed

Environmental management system (EMS) Manual		SFI Annual Report	
Written policies		SFI and company websites	
Standard Operating Procedures (SOPs) for best management practices		SFI brochure	
EMS and SFI field handbook		SFI Implementation committee (participation/support)	
Training records (staff and contractors)		External audit field inspections	
SFI/EMS training agenda		External audit interviews (office and field)	
Cutting/harvesting permits		Education/community involvement records	
Operational plans (annual, cutblock level)		Records of public inquiries and complaints	
Wet/adverse weather plans or guidelines		Stakeholder communications records	
Reforestation plans		Logging agreements and/or contracts	
Best management practices monitoring records		Wood producer training programs	
Evaluation of best management practices		Wood producer information package	
Government compliance records		Policies provided to wood producers	
Pre-work discussions/meeting records		Education and outreach to forest landowners	
Monitoring records for non-timber values		List of qualified logging professional/certified logging professional	
Utilization records		Agreements for purchased stumpage	
Laws, legislation, regulations records		Program to assess and address risk of Illegal logging	

Comment [CH14]: Check boxes with applicable evidence. Add other evidence if required. Keep evidence general. Delete inapplicable sources if more room is required.

Comment [SF15]: SUPER IMPORTANT - ENSURE THAT THE EVIDENCE OBSERVED COVER ALL OBJECTIVES THAT WERE AUDITED AS INDICATED ABOVE

Corrective action logs		Research and discussion papers	
Support for research and science		Climate change information and/or meeting minutes	

DEFINITIONS

Major Non-Conformances

Pervasive or critical to the achievement of the SFI objectives

All major non-conformances require an action plan to be implemented by the auditee within 90 days of an initial audit or registration cannot be achieved. Subsequently for surveillance audits, an action plan shall be implemented by the auditee within 60 days for the registration to be maintained.

Minor Non-Conformances

Isolated incidents that are non-critical but must be addressed before the next surveillance audit to maintain compliance to the SFI standard. Non resolved minor non-conformance will be escalated to a major non-conformance.

Opportunity for Improvement

Are not non-conformances but are comments on specific areas where improvements can be made.

Good practices

Areas that are deemed to be mentioned

MULTI-SITE / GROUP SAMPLING APPROACH

This multi-site / group organization maintains an internal audit program determined to be reliable, in this case SAI Global sampling approach is as follow where n = number of sites:

- i. $\sqrt{(n)}$ for initial certification audits
- ii. $0.6 \sqrt{(n)}$ for surveillance audits
- iii. $0.8 \sqrt{(n)}$ for re-registration audits

The central office function is audited annually.

OR

This multi-site / group organization did not maintain its internal audit program. SAI Global applies the following sampling where n = number of sites:

$\sqrt{(n)}$

The central office function is audited annually.

