

SFI 2015-2019 – Public Summary Report

EACOM TIMBER CORPORATION

PINELAND & SPANISH FORESTS

DESCRIPTION OF COMPANY

EACOM Timber Corporation is a major Eastern Canadian wood products company formed in 2008. Its head office is located in Montreal, Quebec, with regional offices located in Timmins, Ontario and Val d'Or, Quebec. In 2010, EACOM acquired Domtar Forest Products Division. As a result, its operations include the manufacturing, marketing and distribution of lumber and wood-based value-added products, and the management of forest resources.

EACOM currently owns seven sawmills (5 in Ontario, 2 in Quebec), a remanufacturing facility (Quebec) and a partnership operation in an engineered I joist plant (Ontario) for a total of 800 employees. Many of these mills have a long, rich history having been part of their communities for over 100 years.

EACOM has a production capacity of approximately 900 million board feet of lumber and holds Crown logging rights of approximately 3.5 million cubic meters annually.

The scope specific to this certification covers the **Spanish and the Pineland Forests in Northeastern Ontario**.

The company SFI representative for the SFI 2015-2019 Forest Management standard is Jennifer Tallman, RPF.

AUDIT

During the period of November 8 to 11 2016, Eacom Timber Corporation underwent a Surveillance 1 audit to the Sustainable Forestry Initiative® (SFI®) 2015-2019 Forest Management (FM).

The registration cycle is over three years with surveillance audits conducted annually. The audit assessed active and 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 Sylvain Frappier ing f., audit team leader and Laird Van Damme, R.P.F. The auditors are Registered Professional Foresters and certified auditors.

REGISTRATION TYPE

Certificate Type	SFI 2015-2019 Forest Management Standard
Single site	X

MULTI-SITE / GROUP EVALUATION

Not applicable.

SFI 2015-2019 Forest Management Standard

FOREST LAND AND MANAGEMENT PLAN INCLUDED IN THE AUDIT SCOPE

The Pineland Forest Management Unit is divided up into two discrete portions: Foleyet and Gogama. The main portion of the forest is located east of Chapleau, encompassing the community of Foleyet. The smaller section is located north of Hwy 11 west of Gogama. The Pineland Forest is licensed to Pineland Timber Company, under Sustainable Forest License (SFL) No.5508161. The shareholders of Pineland Timber Company delegated all responsibilities for the management and supervision of Pineland Forest to EACOM Timber Corporation.

The Pineland Forest encompasses a total area of 391,325 ha. Of this, the managed production forest area is 312,664 ha (80.5%). The remaining 75,871 ha is not managed for timber production. The Pineland forest falls entirely within the Boreal Forest.

The Spanish Forest Management Unit is located along Highway 144, north of the city of Sudbury, and south of the town of Gogama. The town of Sultan is located at the northwest corner of the Forest, at the end of Highway 667. The towns of Cartier and Bicoasting are located within the Forest, as well as the hamlet of Benny. The Spanish Forest is licensed to EACOM Timber Corporation, under Sustainable Forest License (SFL) No.542391.

The Spanish Forest encompasses a total area of 1,226,610 hectares. Of this, the managed production forest is 1,087,670 hectares (89%). The remaining 138 940 ha is not managed for timber production. The Spanish Forest is located both the Boreal and Great Lakes St. Lawrence forest.

Under the terms of the two SFLs, EACOM Timber Corporation is responsible for all forest management activities, including: forest management planning, the functions of harvesting, silviculture, renewal, delivery of fibre, monitoring and reporting on compliance, proactive management of policy issues and key relationships with forest stakeholders. EACOM is also responsible for monitoring and reporting on compliance, and gathering information for the area covered by the licence in accordance with the current Forest Information Manual. MNRF is responsible for FMP review and approval, auditing reports to ensure that forest operations are in compliance with the approved plan, and for maintaining consultation with First Nations communities involved in the planning process.

Forest Management Plans (FMPs) are prepared for a ten-year period with two five-year operational terms. The planning process for the two terms is outlined in the 2009 Forest Management Planning Manual for Ontario's Crown Forests. A FMP establishes long-term direction and identifies the short-term operational goals for managing forest resources. FMPs determine how much area is available for harvest as well as an estimate of available harvest volume. A FMP is intended to provide the opportunity for desired economic, social, and environmental benefits. Generally, it is expected that on average, 10% of the available harvest area will be harvested each year, resulting in a 100% harvest rate by the end of the plan.

The 10-year available harvest area (AHA) for the Spanish Forest is 108,823 ha which equates to 13 693 413 m³. The most recent annual report for operations ending March 31, 2016, year six of the ten year plan, indicates 36,062 ha or 33% of the AHA have been harvested to date. The 10-year AHA for the Pineland Forest is 32,679 ha which equates to 3,910,875 m³. The most recent annual report for operations ending March 31, 2016, year five of the ten year plan, indicates 5,352 ha or 16% of the AHA has been harvested to date. On both forests, market driven downtime, limited hardwood markets and lack of demand for tolerant hardwoods, red and white pine restricted the harvest of related forest units during the first term or 5 years of the FMPs.

Both forests are composed of conifer, hardwood and mixed wood forest units. The Pineland Forest is composed of 54% conifer dominated forest units, 21% hardwood dominated forest units and 24% mixed wood forest units. The Spanish Forest is composed of nearly identical proportions with 55% conifer dominated forest units, 23% hardwood dominated forest units and 22% mixed wood forest units. The clear cut silviculture system is used predominately across both forests with a minor component of shelter wood silviculture system employed in white/ red pine and tolerant hardwood dominated forest units. A mix of natural and artificial regeneration strategies are used on both forests. Natural regeneration is employed in hardwood dominated and lowland conifer stands. Artificial regeneration, consisting of site preparation, planting and tending is employed on the conifer dominated stands.

SCOPE OF CERTIFICATION

Forest management activities – planning, harvesting, transportation and silviculture of the Pineland and Spanish forests

The SFI 2015-2019 Forest Management Standard meets and exceeds the requirements of the earlier SFI 2010-2014 SFI Standard (Section 2), therefore 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.

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	7
Sites	Number inspected
Roads	4
Harvesting Blocks	6
Silviculture Sites	4
<p>Operations visited: Sites were located in both forests Block on Spanish forest: 1099, 1104 Blocks on Pineland forest: 3355, 3364, 3367, 3372, 3408, 3404,3454</p>	

SUMMARY OF FINDINGS

Areas of non-conformance

NC#	Type	Performance Measure #	Description	Corrective Action Plans
2016-01	Minor	4.1.7	Invasive species awareness is part of CCSIC program, but Invasive species are not part of EACOM flashcards and not mentioned in EMS handbooks. Although care is used in selecting erosion control seed mixes approved by the	Action plan has been accepted and implementation will be reviewed during the next surveillance audit

			government, the practice of using hay to control erosion should be reviewed to ensure there are no risks of invasive species from hay sources.	
Note NC 2016-02 does not exist				
2016-03	Minor	4.2.1	Full compliance was found in Spanish Forest operations but none of the operators sampled on Pineland during field validation exercise had flashcards. Because full compliance was observed on the Spanish Forest the category of non-compliance was deemed to be minor even though a similar non-compliance occurred during the previous audit.	Action plan has been accepted and implementation will be reviewed during the next surveillance audit
2016-04	Minor	11.1.4	There is evidence that in 2 instances workers that could not attend the 2016 Spring training had not received the training at the date of this surveillance audit (nearly 7 months after the start of the operation)	Action plan has been accepted and implementation will be reviewed during the next surveillance audit
2016-05	Minor	11.1.5	Clause 6.1.13 mentioned in the 2016 and Clause 6.1.14 in the 2015 template for Harvest and Delivery Agreement and Harvest Only Agreement Template do not reflect the wording of the PM11.1.5 where the Program participant shall have in its agreement the requirement to use and not encourage the use of QLP. Also the reference to forest certification body is not accurate since certification bodies cannot make this determination. "as determined by the applicable forest certification body and, if applicable the Ontario SFI	Action plan has been accepted and implementation will be reviewed during the next surveillance audit

			Implementation Committee".	
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Opportunities for improvement

PM 3.1 Consider evaluating a way to ensure the integrity of the spill kit in use

PM3.1 Consider evaluating the need to identify the location of cross drains on road section where wood will be piled up.

PM 4.4.1 Consider reviewing the Szuba monitoring document 2012 to account for MNRF transformation process

PM 11.2.1 Eacom as access to specific training modules that cover some of the topics not currently covered by the Wood producers training course (i.e. business management and awareness of emerging technologies). Eacom as a member of the CCSIC may want to evaluate how the CCSIC could incorporate and deliver these modules as part of its Wood producers training course.

PM 15.1.3 Since the EMS / SFI management review ppt. presentation is used as a combined tool documenting the performance on the SFI 2015-2019 Forest Management Standard consider having a clear conclusion statement for SFI as for EMS.

Public Inquiries and Official Complaints (Section 11)

Consider reviewing the wording in MSP07 of the EMS documentation or incorporate in other document the requirements of Public Inquiries and Official Complaints (Section 11 of SFI 2015-2019 STANDARDS AND RULES)

Good practices

- Bridges and culvert installations
- Revised Forest EMS Handbook
- Flash cards for species at risk
- Detailed Block maps
- New hire for EMS/SFI system and new hire in the operations

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)
2015-01	Minor	4.2.1	Closed
2015-02	Minor	9.1.2	Closed
2015-03	Minor	9.2.1	Closed

2015-04	Minor	11.1.4	Closed
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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. The action plans related to the non-conformances 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

Table 1 Objectives Audited

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

Objective 15	Management Review and Continual Improvement	X
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Table 2 Evidence Observed

Environmental management system (EMS) Manual	X	Cut block size calculations	X
Written policies	X	Employee observation forms (species at risk, invasive plants, other values)	X
Standard Operating Procedures (SOPs) for best management practices	X	Pre-work discussions/meeting records	X
EMS and SFI field handbook	X	Monitoring records for non-timber values	X
Training records (staff and contractors)	X	Utilization records	X
SFI/EMS training agenda	X	Laws, legislation, regulations records	X
Health and safety manual and/or employee policy manual	X	Annual management review records	X
Timber supply review	X	Internal audit records	X
Maps (pre-harvest, harvest, post-harvest, and silviculture)	X	Corrective action logs	X
Timber development standards		Education/community involvement records	
Non-timber values impact assessments (riparian, visual, recreation, biodiversity, cultural heritage, other:)	X	Records of public inquiries and complaints	X
GIS inventories (soils, forest, land classification, non-timber values)	X	Stakeholder communications records	
Long term management plans and sustainable harvest level calculation		Agreements and communications with Indigenous communities	
Cutting/harvesting permits	X	Multi-licensee and/or government meeting minutes	
Operational plans (annual, cut block level)	X	Logging agreements and/or contracts	X
Wet/adverse weather plans or guidelines	X	Wood producer training programs	X
Reforestation plans		Wood producer information package	
Pest management plan		SFI Annual Report	X
Fire preparedness plan	X	SFI and company websites	X
Spill prevention and response plan	X	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	X
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	X	Government compliance records	X

++ Use of hay for sediment control with seeding left and good results right.



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

Appendix 2: 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.

SAI Global forestry specialist group registers/certifies forest companies to ISO 14001, OHSAS 18001, CSA Z809 and CSA Z804 SFM, SFI Forest Management, SFI CoC, SFI Fiber Sourcing, SFI Certified Sourcing Label, PEFC CoC, FSC® Forest Management, FSC® CoC.

The group, led by Sylvain Frappier, Technical Manager - Forestry, consists of a highly qualified team of professional foresters, technical and industry experts.

Contact certification.americas@saiglobal.com for more information.

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