

SFI 2015-2019 – Public Summary Report

Futurewood corp, Johnson Timber corp, Flambeau River papers, Flambeau river biofuels

Futurewood Corp, Johnson Timber Corp, Flambeau River Biofuels LLC, and Flambeau River Papers LLC have been formed to make up different divisions of the company that are covered in the certification scope. A description of each company is as follows:

Futurewood Corp is a forest land management and wood procurement company with headquarters in Hayward Wisconsin. The company procures wood from Wisconsin, Minnesota, Michigan, and Ontario. The company currently manages approximately 8,432 acres in Wisconsin. Futurewood Corp does not source wood from outside of North America and does not have public land management responsibilities.

Johnson Timber Corp is the manufacturing division of the company with pulpwood debarking and chipping facilities located in Hayward, Ashland, and Park Falls Wisconsin. This division also operates an industrial pellet plant located in Park Falls Wisconsin which has replaced the use of coal at the Biofuels facility.

Flambeau River Papers LLC is the company's paper mill located in Park Falls Wisconsin. The facility produces 150,000+ tons per year of uncoated free sheet paper.

Flambeau River Biofuels LLC provides steam and electricity to Flambeau River Papers LLC by utilizing biomass from surrounding forestland, and pellets provided by Johnson Timber Corp.

AUDIT

During the period of 6-9 September 2016, Futurewood Corp. 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.

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 Daniel Simonds audit team leader. The auditor is a Certified Forester and Lead Auditor.

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

SCOPE OF CERTIFICATION

Forest Management Activities – planning, harvesting, transportation, silviculture on Beaugard and Summit Lake on privately owned land in Douglas and Sawyer Counties, Wisconsin.

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 Appendix 3, Table 1. The evidence of compliance observed is listed in Appendix 3, 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 (combined FM & FS scope)

Audit Activity	Duration in days
Off-site preparation and on-site office review:	1.25
Field review:	1
Sites	Number inspected
Roads	7
Harvesting Blocks	7

Operations visited: 7

SUMMARY OF FINDINGS (combined FS & FM scope)

Definitions for findings can be found in Appendix 1.

Areas of non-conformance

Not applicable.

Opportunities for improvement

- **Consider making more explicit reference to stand age as a key inventory metric used in management planning and harvest scheduling.**
- **Consider reviewing techniques for ensuring consistent and appropriate decision-making by machine operators on sensitive sites and during wet weather.**

Exceptional practices

- **Comprehensive and detailed Management Review process**
- **Standards of quality and practice on stumpage operations**

Status of previous audit non-compliances

No non-conformities were raised during the previous audit.

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.

SFI 2015-2019 Fiber Sourcing Standard

PROGRAM PARTICIPANT'S FIBER PROCUREMENT AND/OR MANUFACTURING OPERATIONS

SCOPE OF CERTIFICATION

Fiber Procurement activities in the states of Wisconsin, Minnesota and Michigan & Ontario.

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 Appendix 4, Table 1. The evidence of compliance observed is listed in Appendix 4, Table 2.

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.

The multi-site / group sampling approach used for this audit is outlined in Appendix 2.

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.

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.

Appendices

Appendix 1: 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.

Exceptional practices

Areas that are deemed to be of outstanding practices.

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.

Appendix 3: EVIDENCE OF CONFORMITY TO THE SFI 2015-2019 FOREST MANAGEMENT STANDARD

Table 1 Objectives Audited

Objective 1	Forest Management Planning	X
Objective 2	Forest Health and Productivity	X
Objective 3	Protection and Maintenance of Water Resources	X
Objective 4	Conservation of Biological Diversity	X
Objective 5	Management of Visual and Recreational Benefits	X
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	X
Objective 11	Training and Education	X
Objective 12	Community Involvement and Landowner Outreach	X
Objective 13	Public Land Management Responsibilities	n/a
Objective 14	Communications and Public Reporting	X
Objective 15	Management Review and Continual Improvement	X

Table 2 Evidence Observed

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

SFI/EMS training agenda		Laws, legislation, regulations records	X
Health and safety manual and/or employee policy manual		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	
Timber development standards		Education/community involvement records	X
Non-timber values impact assessments (riparian, visual, recreation, biodiversity, cultural heritage, other:)		Records of public inquiries and complaints	X
GIS inventories (soils, forest, land classification, non-timber values)	X	Stakeholder communications records	X
Long term management plans and sustainable harvest level calculation	X	Agreements and communications with Indigenous communities	
Cutting/harvesting permits		Multi-licensee and/or government meeting minutes	
Operational plans (annual, cutblock 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	X
Pest management plan		SFI Annual Report	X
Fire preparedness plan		SFI and company websites	X
Spill prevention and response plan		SFI brochure	X
Silviculture surveys and reports		SFI Implementation committee (participation/support)	X
Standards for seed use		Climate change information and/or meeting minutes	X
Chemical use/spray records and applicator certification		Research and discussion papers	X
Tree improvement reports		Support for research and science	X
Green-up records	X	External audit field inspections	X
Free to grow records		External audit interviews (office and field)	X
Planting program records			
Harvest inspection records	X		
Road and bridge inspection records			
Pre-harvest inspection records			

Post-harvest inspection records			
Government compliance records			

Appendix 4: EVIDENCE OF CONFORMITY TO SFI 2015-2019 FIBER SOURCING STANDARD

Table 1 Objectives Audited

Fiber Sourcing Within the United States and Canada		
Objective 1	Biodiversity in Fiber Sourcing	X
Objective 2	Adherence to Best Management Practices	X
Objective 3	Use of Qualified Resource and Qualified Logging Professionals	X
Objective 4	Legal and Regulatory Compliance	X
Objective 5	Forestry Research, Science, and Technology	X
Objective 6	Training and Education	X
Objective 7	Community Involvement and Landowner Outreach	X
Objective 8	Public Land Management Responsibilities	n/a
Objective 9	Communications and Public Reporting	X
Objective 10	Management Review and Continual Improvement	X

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



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.

Company Contact:

Mr. Tim Pulskamp, Vice President
FUTUREWOOD CORP.
Kruger Road, Hayward, Wisconsin USA, 54843
Tel: 715-634-7073

This report may only be reproduced by the intended client, with the express consent of SAI Global. Information in this issue is of a general nature with respect to audit findings and is not intended to be acted upon without appropriate professional advice.