

Forest Certification UPDATE



NIPISSING FOREST RESOURCE MANAGEMENT INC.

The Nipissing Forest is administered and managed by Nipissing Forest Resource Management Inc. (NFRM) under the authority of Sustainable Forest Licence (SFL) No. 542053. The company is owned by its shareholders: R. Fryer Forest Products Limited, Goulard Lumber (1971) Limited, Tembec Industries Inc., Hec. Clouthier and Sons Inc., and GP Northwoods LP. The SFL, under the Crown Forest Sustainability Act, is administered by the Ontario Ministry of Natural Resources, North Bay district office. North Bay District reports administratively to the Regional Director of the Northeast Region, based in Timmins, Ontario.

The Forest extends over 11,932 square kilometres and has a permanent population of approximately 86,000. Private land comprises 23 percent of the total area of the Nipissing Forest and is concentrated in the southern and central-western part of the area. Its contribution to the overall wood supply in the management unit is minimal. Maple, birch, spruce and pine are the key species groups being managed on the Crown Land portion of the Nipissing Forest. There are 39 protected areas either entirely or partly within the boundaries of the Nipissing Forest. Two First Nation Reserves, Dokis and Nipissing are situated in the western and central parts of the Forest respectively. Two other aboriginal communities, the Mattawa/North Bay Algonquins and the Antoine First Nation, are located in the Mattawa area, but do not have any reserve lands.

BACKGROUND

During the period of Apr 30, 2014 to May 02, 2014, NFRI underwent an initial audit to the Sustainable Forestry Initiative (SFI®) Standard 2010-2014. The registration cycle is over 5 years with surveillance audits conducted annually. This report summarizes the audit process and results of the SAI Global initial audit.

SCOPE OF CERTIFICATION

Forest management activities – planning, harvesting, transportation, road construction, road maintenance and silviculture on the Nipissing Forest in Ontario. Objectives 1-7 and Objective 14-20.

EXECUTIVE SUMMARY

The SFI Program third-party initial 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)



for registrations to SFIS 2010-2014. This ensures the integrity and credibility of the audit process.

The audit assessed active and completed harvest operations, renewal activities, road construction and maintenance through interviews with NFRM staff and contractors. The audit also assessed the SFIS and supporting EMS documentation, records at the NFRM office.

The audit general conformance to the requirements of SFIS 2010-2014 with the exception of three minor non-conformances and one major non-conformance. NFRM is pursuing a process of addressing the non-conformances. The major non-conformance must be cleared before a certificate of registration to SFIS 2010-2014 can be issued. As well, six positive observations were noted representing exemplary practices and six opportunities for improvement were suggested.

THE AUDITORS

The SAI Global audit team who performed the audit consisted of Rod Seabrook as Team Leader and Martin Litchfield as an auditor. Mr. Seabrook is an Associate Member of the Ontario Professional Foresters Association and Mr. Litchfield is an R.P.F. Both hold the designation as Environmental Professional – Environmental Management System Lead Auditor (EP(EMSLA)).

KEY AREAS OF NON-CONFORMANCE

NC No.	Clause No.	Description
2014-01 Minor	2.1.2	For 2007 and 2008 depletions there is a regeneration backlog of approximately 400 ha out of approximately 3,000 ha of harvest depletion i.e. has had no renewal prescription prepared or treatment conducted

SFIS 2010-2014

Periodic Assessments

Major non-conformances: 1
 Minor non-conformances: 3
 Opportunities for Improvement: 6
 Positive Aspects: 6

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 and subsequently 60 days or registration cannot be achieved/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.

Opportunity for Improvement

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

Positive Aspects

Areas that are deemed to be of best practices

2014-02 Minor	3.1.2	No specific reference to conformance to Best Management Practices in the Independent overlapping agreement or Shareholder overlapping agreement
2014-03 Minor	3.4.1	NFRM has not yet implemented a program of monitoring of Best Management Practices
2014-04 Major	20.1.3	A management review has not been conducted

CORRECTIVE ACTION PLANS

NFRM have developed corrective action plans to address the root causes of the non-conformities identified during the audit. The root cause analysis and proposed corrective actions have been reviewed by SAI Global to ensure that they are appropriate and fully address the identified deficiencies. The major non-conformance has been addressed and the required management review meeting was held on May 27, 2014. At the next annual surveillance audit a follow up on the implemented corrective actions for all the non-conformances will be done to confirm that the corrective actions were appropriate and effective in ensuring the non-conforming situations have not reoccurred. A certificate of registration has been issued.

KEY OPPORTUNITIES FOR IMPROVEMENT

- Consider updating the slash management procedure (#12) to also address chipper debris
- Consider clarifying the size requirement for cross-drainage pipes
- Consider expanding the logger training summary record to identify whether the worker meets all the QLP requirements identified by CCSIC
- Consider clarifying the required use of Qualified Logging Professionals
- Consider making an explicit written commitment to SFI in the NFRM forest policy
- Consider prioritizing fuel management compliance during the BMP monitoring program

POSITIVE ASPECTS

- Minimal site disturbance observed on field audit stops
- Mixed species plantings
- Excellent water crossing installations
- The development of commercial thinning in Red Pine plantations
- The development of the Site Occupancy Index for survey methodology, assessment and tracking
- The liaison with First Nations through the Aboriginal Working Group and the development of agreements with the 4 local First Nations

EVIDENCE OF CONFORMITY

Evidence that was assessed to determine Nipissing Forest Resource Management's conformity with the SFIS 2010-2014 standard appears below:

SFI-01 Forest Management Planning

Annual reports, forest resource inventory, growth and yield curves, long term management direction, forest renewal trust account, interviews

SFI-02 Forest Productivity

Forest operations prescriptions, SGRs, NFRM policies, seed inventory binder, field audit sites, FMP, NFRM Integrated Pest Management, NFRM decision making process for the judicious use of herbicides, annual reports, pesticide operators licences, conditions on regular operations, annual fire plan, planting stock trial reports, interviews

SFI-03 Protection and Maintenance of Water Resources

Professional logger training modules, FOPS, FOIP, CORs, field site observations, interviews

SFI-04 Conservation of Biological Diversity

FMP, High Conservation Values Forest report, Annual Reports, spring training modules, NEBIE research plot, interviews

SFI-05 Management of Visual Quality and Recreational Benefits

Resource Stewardship Agreements, FMP, provincial stand and site guide, area of concern prescriptions, field observations of buffers, interviews

SFI-06 Protection of Special Sites

FMP, cultural heritage and native values AOC prescriptions, operational maps, interviews

SFI-07 Efficient Use of Forest Resources

Annual reports, FOIP reports, field observations of utilization practices, interviews

SFI-08 Land Outreach

Not applicable

SFI-09 Use of Qualified Resource and Logging Professionals

Not applicable

SFI-10 Adherence to Best Management Practices

Not applicable

SFI-11 Promote Conservation of Biological Diversity, Biodiversity Hotspots and Major Tropical Wilderness Areas

Not applicable

SFI-12 Avoidance of Controversial Sources including Illegal Logging

Not applicable

SFI-13 Avoidance of Controversial Sources including Sources without Effective Social Laws

Not applicable

SFI-14 Legal and Regulatory Compliance

Legal registry, FOIP, renewal trust account balance, compliance training records, compliance inspection reports, field observations, NFRM health and safety policy, annual staff meeting records, interviews

SFI-15 Forestry Research & Technology

Herbicide trial records, seed inventory records, research trial records, training records, interviews

SFI-16 Training and Education

NFRM Forestry Policy, staff and contractor training records, training modules, CCSIC BMP handbook, species at risk and invasive species information, FOIP, interviews

SFI-17 Community Involvement in the Practice of Sustainable Forestry

CCSIC meeting minutes, records of tours and training provided by staff, provincial silviculture guides, interviews

SFI-18 Public Land Management Responsibilities

Lands for Life, EBR posting response, land owner and public consultation records, North Bay Aboriginal Working Group meeting minutes, First Nations agreements, interviews

SFI-19 Communications and Public Reporting

FMP reporting records

SFI-20 Management Review and Continual Improvement

NFRM policies, interviews



SAI Global forestry specialist group registers/certifies forest companies to ISO 14001, OHSAS 18001, CSA Z809 and CSA Z804 SFM, SFIS, SFI CoC, PEFC CoC. QMI-SAI Global registers/certifies forest companies to FSC FM and 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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