



RESOLUTE FP CANADA INC. ONTARIO WOODLANDS

DESCRIPTION OF COMPANY

Resolute Forest Products owns and operates 40 pulp and paper mills and wood products facilities in the United States, Canada, and South Korea, and power generation facilities in Canada.

Resolute FP Canada Inc. (Resolute) has one of three internationally recognized third party forest management certification covering 100% of its woodlands operations.

Forestry operations in Northwestern Ontario covers 4,638,232 ha in the Black Spruce, Caribou, Crossroute, Dog River-Matawin, and English River Sustainable Forest Licences (SFL) for which the company is directly responsible and accountable and overlapping licensee operations on each of these SFLs. The wood procurement program includes private and crown forest areas owned or licenced to third parties implement best management practices on their landbase. The woodlands office in Thunder Bay has overall responsibility for meeting Sustainable Forestry Initiative® (SFI®) objectives.

Fibre from the Ontario Woodlands feed mills in Thunder Bay, Atikokan, and Ignace.

BACKGROUND

During the period of November 16 to November 20, 2015, Resolute underwent a re-registration audit to the SFI 2015-2019 Forest Management Standard and SFI 2015-2019 Fiber Sourcing Standard standards. The registration cycle is over 3 years with surveillance audits conducted annually. This report summarizes the audit process and the results of the SAI Global evaluation.

SCOPE OF CERTIFICATION

Forest Management (FM): Forest Management activities of planning, harvesting, transportation and silviculture conducted on the following forest licenses: Black Spruce, Caribou, Crossroute, Dog-River Matawin, English River. The SFI certificate covers both the 2015-2019 SFI Forest Management Standard and the 2010-2014 SFI Standard (Section 2). Fiber sold under this certificate counts as 100% SFI and PEFC certified forest content.

Fiber Sourcing (FS): Sourcing of fiber from private land and crown Sustainable Forest Licences in northern Ontario. The Appendix 1: Rules for Use of Certified Sourcing Label is not covered by the scope of this certificate.

EXECUTIVE SUMMARY

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) for registrations to SFI 2015-2019 Forest Management Standard and SFI 2015-2019 Fiber Sourcing Standard. This ensures the integrity and credibility of the audit process.

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.

The audit covered operations at Crossroute Forest, English River Forest, Dog



FOREST CERTIFICATION UPDATE

River-Matawin Forest, Thunder Bay Procurement, and West (Sapawe) Procurement.

THE AUDITORS

The SAI Global audit team who performed the audit consisted of Cindy Hutchison, audit team leader, and Dave Barker and Julie Stangell, audit team members. The auditors are Professional Foresters and certified lead auditors.

AREAS OF NON-CONFORMANCE

Type	Performance Measure #	Description
Major	FM Objective 3	Protection and Maintenance of Water Resources.
Minor	FM 11.2.2 and FS 6.2.2	SIC approved wood producer training programs.

OPPORTUNITIES FOR IMPROVEMENT

Consider

- promoting use of grey universal spill pads (absorbs all water based fluids, oil, diesel, gas, coolants, cutting fluids, hydraulic fluids, vegetable oil, etc.) in spill kits.
- promoting (a) training on invasive species and (b) cleaning equipment before moving to a new worksite.
- ways to upgrade older active branch roads to facilitate maintenance and improve sediment control into water courses or swamps.
- increased monitoring, and review of references, for new contractors working in the procurement program.

CORRECTIVE ACTION PLANS

Resolute has developed corrective action plans to address the root cause of the non-conformities identified during the audit. The root cause analysis and proposed corrective actions have been reviewed by SAI Global Lead auditor to ensure that they are appropriate, and fully address the identified deficiencies. At the next annual audit a follow-up on the implemented corrective actions will be done to confirm that the corrective actions were appropriate and effective in ensuring the non-conforming situation will not reoccur.

COMPLAINTS

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

POSITIVE ASPECTS

Excellent hospitality, cooperation, and openness were extended to the audit team.

SFI 2015-2019 Forest Management Standard Periodic Assessments

Major non-conformances:	1
Minor non-conformances:	1
Opportunities for Improvement:	3
Positive Aspects:	4

SFI 2015-2019 Fiber Sourcing Standard Periodic Assessments

Major non-conformances:	0
Minor non-conformances:	1
Opportunities for Improvement:	1
Positive Aspects:	4

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.

SFI Fiber Sourcing exceptional practices include:

- Borrowing EMS requirements for objectives, targets, and programs for the procurement program.
- Displaying excellent corrective (repairing), responsibility, and accountability for a procurement cutblock harvested with poor practices.
- Feller-buncher operator found and protected three stick nests that were not shown on the harvest map.
- Field monitoring of fiber sourcing is well documented.

SFI Forest Management exceptional practices include:

- Resolute cooperated with small community's wishes regarding road management. Two special projects included dust control on Trileague Road in Nestor Falls and on Manomin Road in the Naicatchewenin (Northwest Bay) First Nation community.
- Comprehensive and well maintained road crossing inspection database.
- Good communication (e.g. twice yearly meetings) with contractors and use of EMS handbook.
- Requirement to have aboriginal engagement in bid contracts resulting in forming partnerships with First Nations.

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

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	X
Objective 14	Communications and Public Reporting	X
Objective 15	Management Review and Continual Improvement	X

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	X	Monitoring records for non-timber values	
Training records (staff and contractors)	X	Utilization records	
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 (10 year plan)	X	Internal audit records	X
Maps (pre-harvest, harvest, post-harvest, and silviculture)	X	Corrective action logs	X
Timber development standards	X	Education/community involvement records	X
Non-timber values impact assessments (riparian, visual, recreation, biodiversity, cultural heritage, other:)	X	Records of public inquiries and complaints	
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	X
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	X	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	X
Silviculture surveys and reports	X	SFI Implementation committee (participation/support)	X
Standards for seed use		Climate change information and/or meeting minutes	
Chemical use/spray records and applicator certification	X	Research and discussion papers	X
Tree improvement reports		Support for research and science	X
Green-up records		External audit field inspections	X
Free to grow records		External audit interviews (office and field)	X
Planting program records	X	Legislated guidebooks	X
Harvest inspection records	X		
Road and bridge inspection records	X		
Pre-harvest inspection records			
Post-harvest inspection records	X		
Government compliance records	X		

CERTIFICATION DECISION SFI 2015-2019 FOREST MANAGEMENT STANDARD

Re-registration Audit

Based on the results of this re-registration audit it has been determined that the management system of Resolute 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 for registration is made to SAI Global.

EVIDENCE OF CONFORMITY TO SFI 2015-2019 FIBER SOURCING STANDARD

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	X
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

Evidence Observed

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

Additional evidence for Objectives 11 -13 Sourcing from Outside Canada and USA			
Use of information from sources such as: Biodiversity hot spots, high biodiversity wilderness areas, rare species, habitat information		When identified, Program to address significant risk for countries without effective laws	
Info about direct supplier's application of principle of sustainable forestry		When identified, Program to address significant risk of Illegal logging	
Program in place to reduce risk of Illegal logging			
Program in place to assess risk for countries without effective laws			

CERTIFICATION DECISION SFI 2015-2019 FIBER SOURCING STANDARD

Re-registration Audit

Based on the results of this re-registration audit it has been determined that the management system of Resolute 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. Implementation of the action plans for minor non-conformances will be reviewed at the next surveillance audit. Therefore, a recommendation for registration is made to SAI Global.

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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