



**Wagner Forest Management, Ltd.  
2015 Public Summary Report  
Sustainable Forestry Initiative® (SFI) Standard [2010-2014 Edition]**

**Project Scope and Objectives**

PricewaterhouseCoopers LLP (“PwC”) completed an SFI Surveillance Assessment of Wagner Forest Management, Ltd. (“Wagner” or “the Company”) in 2015. Wagner has several wholly owned companies that both procure fiber and manage the lands owned by the members of the Wagner Landowner Group, which are listed below. The 2015 assessment included an on-site forest land management assessment in Thunder Bay, Ontario and a remote fiber sourcing assessment for Errol, New Hampshire and Bangor, Maine. The Lead Assessor was Bruce Eaket, EMS (LA) of PwC who was assisted by James Lucas, RPF, EMS (LA) and Jeff Koch.

The primary objective of the assessment was to assess the SFI forest management and procurement systems at the corporate level and to evaluate Wagner’s implementation of the SFI Standard on the ground. The Wagner Landowner Group is a multi-site certificate and PwC samples the sites using a rotational audit plan.

**Description of the Forest Lands**

**North Star Forestry Ltd. (Newaygo and Voyageur Tree Farms, Ontario, are managed by Wagner’s subsidiary, Wagner Ontario Forest Management, Ltd.)** The Newaygo Tree Farm is located south of Hearst, Ontario and the Voyageur Tree Farm is located north of Thunder Bay, Ontario. Both are located in the boreal forest of northwestern Ontario. The prevailing forest types consist of relatively few commercial tree species. Black spruce and balsam fir predominate on the wet sites. Drier sites are characterized by either relatively pure stands of jack pine or mixtures of jack pine, white birch and trembling aspen. White spruce and white and red pines may mix in upland stands. Cedar and larch are frequently found in lowland sites.

**Atlantic Star Forestry, Ltd and Nova Star Forestry Ltd. (Cumberland and Fundy Tree Farms, Nova Scotia, managed by Wagner’s subsidiary Wagner Forest NS, Ltd.)** The Cumberland and Fundy Tree Farms are located throughout the mainland in the province of Nova Scotia. Considered part of the Acadian forest, their forests are generally composed of mixed stands of conifers and deciduous species, characterized by red spruce, balsam fir, yellow birch, and sugar maple. Red and white pine, and eastern hemlock occur to a lesser but significant degree. These properties have provided raw materials under a wood supply agreement to the Northern Pulp mill in Pictou, NS.

**Bayroot LLC (Moxie and Crown Tree Farms, Maine and New Hampshire)** The Moxie Tree Farm is located within the watersheds of the Androscoggin and Kennebec Rivers in the mountains of northern New Hampshire and western Maine. This tree farm consists primarily of mixed northern forest, dominated by northern hardwoods (maple-beech-birch) and spruce-fir. Southern portions of the ownership include transitional types with white pine, red oak, and eastern hemlock. The property includes important deer wintering habitat and areas above 2700’

in elevation. It provides pulpwood under a long-term supply agreement to the Rumford Paper mill in Rumford, ME.

The Crown Tree Farm is located primarily in the Androscoggin River watershed in the mountains of northern New Hampshire. It also contains some ownership in western Maine. Its forests consist of mixed northern forest, dominated by maple-beech-birch with lesser amounts of red spruce-balsam fir forests in the higher elevations and wet low elevation flats.

**Merriweather LLC (Penobscot Tree Farm, Maine)** The Penobscot Tree Farm is located in northwestern Maine in the watershed of the West Branch of the Penobscot River. This tree farm consists of a mixed northern forest with maple-beech-birch dominating upland areas and spruce-fir forest types at the lower elevations. The tree farm is subject to a conservation easement held by the Forest Society of Maine. The property includes important deer wintering habitat and supports large-scale maple syrup production. Late 2015 brought a sale of 100,000 acres of the Penobscot Tree Farm from Merriweather LLC to Sandy Gray Forest LLC.

**Typhoon LLC (Sunrise Tree Farm, Maine)** The Sunrise Tree Farm is located in the Down East region of Maine. Consisting of rolling to flat terrain, this tree farm contains a wide variety of hardwood and softwood species typically associated with the northern hardwood and spruce-fir forest types. A significant portion of this tree farm is subject to a conservation easement held by the New England Forestry Foundation. This property includes deer wintering habitat, important riparian habitats along Atlantic salmon rivers, and extensive wetlands.

### **SFI Standard [2010 – 2014 Edition] Objectives**

All SFIS Objectives were within the scope of assessment except the following:

Objectives 11 - 13: not applicable as Wagner does not source any wood from outside Canada or the U.S.

Objective 18: not applicable as Wagner does not operate on public land.

There were no substitute indicators.

### **Assessment Process**

The 2015 assessment was conducted in two phases:

Phase 1: SFIS (2010 – 2014) onsite assessment of Forest Land Management Objectives in Thunder Bay, Ontario (September 30, to October 2, 2015)

Phase 2: SFIS (2010 – 2014) remote assessment of Fiber Sourcing Objectives for Errol, New Hampshire and Bangor, Maine (November 30 – December 2, 2015)

The assessment team conducted interviews with Wagner staff and reviewed appropriate documentation to assess policies and procedures. Implementation of SFI program requirements related to the Forest Land Management Objectives were tested in the field during Phase 1 of the assessment. The report was dated February 16, 2016.

Action plans for all findings from previous assessments were reviewed and they have been addressed as appropriate. There are no open non-conformities from previous assessments.

### **Summary of Conformance and Good Management Practices**

Wagner has maintained overall conformance with the SFI standard and continues to demonstrate improvement in its sustainable forestry practices.

## Forest Land Management (U.S. and Canada)

Wagner has a common set of policies and regional procedures which it administers across the lands it manages. These policies and procedures are reviewed and continually improved by Wagner's Sustainable Forestry Management Team, members of which are selected from staff across its managed lands and organizational hierarchy. In Ontario, all lands have cruise data which was collected at acquisition. Stands are entered into a growth model which is calibrated from Ontario growth curve estimates for mixed species on naturally occurring stands. Regional management staff are responsible for creating short to medium term operational plans to meet corporate objectives for timber harvesting targets. Wagner maintains an up to date database of land base features across its Tree Farms which include species at risk, special sites, archaeological sites, special communities and other sites of interest.

Wagner foresters evaluate their harvest units for visual quality issues and apply a variety of techniques to mitigate harvesting impacts on visual quality. Wagner both promotes the use of, and monitors closely, the implementation of forestry regulations and BMPs for all tree farms. This is achieved through staff and logger training, pre-harvest meetings, harvest and post-harvest inspections. State and provincial monitoring of forestry regulations and BMP implementation confirms a generally high level of compliance on the lands Wagner manages. In Ontario, contractor training is accomplished through a combination of Provincial operator training and Wagner's own training package focused on sustainable forest management and their own requirements for contractors. In all regions, Wagner has participated in the development of logger training and certification programs through the various SFI Implementation Committees that include elements for BMP compliance, SFI awareness, OSHA regulations, emerging technologies and Threatened & Endangered (T&E) species.

Wagner carries out post-harvest surveys on all blocks and has demonstrated consistent and adequate regeneration to achieve acceptable species composition and stocking rates. On many of its managed properties, Wagner primarily uses natural regeneration but also employs tree planting if appropriate. Chemicals are generally not used on managed lands in Maine, New Hampshire and Ontario but are part of an integrated silvicultural strategy in Nova Scotia on the Cumberland and Fundy Tree Farms. Forest soils are protected through the harvest planning and monitoring process and the implementation of BMPs. Wagner supports a variety of research projects through financial and in-kind support.

## Fiber Sourcing (US and Canada)

Wagner's fiber sourcing activities are conducted in the US by Prime Timber Company, LLC and in Canada by Wagner Forest NS Ltd.

Wagner is committed to providing outreach information packages to landowners, wood suppliers and contractors as part of their documented wood procurement policy. Wagner has procedures which discuss requirements for landowner communication by staff and ensure that requirements such as Best Management Practices (BMPs), reforestation, visual quality, biodiversity and utilization.

Wagner harvest plans contain a comprehensive prescription used for harvest units including riparian and leave areas as well as any special considerations that landowners and logging professionals need to be aware of prior to beginning work. Forests of Exceptional Conservation Value (FECV) are an important consideration to be covered off during landowner outreach and are discussed with the landowner if any such site is within the harvest area. In general, FECV are cut out of harvest units to preserve their unique characteristics. Known FECV sites are

present in Maine and New Hampshire and locations are confirmed with the government's natural heritage program. Additional wildlife and forest biodiversity updates that may affect FECV areas are provided as applicable by state agencies with these being entered into the Wagner GIS database as well. Landowners are encouraged to participate in sustainable forest management certification programs as part of the ongoing communication process with Wagner foresters throughout their association with the company.

Wagner's Contract Logging Services (CLS) program has requirements around the use of appropriately trained loggers and conformance to BMPs. Conformance with CLS requirements is also mandatory within the individual service contracts that all landowners sign with Wagner. All loggers are expected to have been trained in general safety, equipment operation and State and Wagner BMPs and conform to those policies.

In adverse weather, Wagner has an Operations Shutdown Policy to guide loggers as to when shutdowns need to occur. To ensure that harvesting operations follow BMPs, Wagner foresters are engaged in periodic harvest inspections throughout the harvesting lifecycle. Data from these inspections are entered into data recorders on-site and transferred to the Wagner server weekly. Trends that begin to emerge are monitored and a scoring system is maintained to ensure that opportunities are followed up on if required.

**Good management practices were identified in the following areas:**

- A considerable amount of work has gone into general SFI outreach including participation in New Hampshire SIC field trips for addressing topics of public interest, involvement with the Maine SIC during the development of a sustainable practices handbook for the Small Woodlot Owners Association of Maine and work done with the Maine Forest Service on the 'Healthy Forest Program' specifically targeted at small landowners in southern and central Maine.
- Comprehensive two day continuing education training session delivered in April 2015 to Wagner foresters with a wide variety of SFI related content including but not limited to; harvest plan requirements, Native American archaeology and biodiversity conservation procedure review (field and office)
- Cross training of foresters as scalers at the Errol, New Hampshire wood yard.
- Wagner implements the same provincial levels of protection that apply to Crown lands, on their private lands. For example, Wagner left a 200 m buffer around a historically significant cabin. For eagle nests they leave a 400 m buffer, and similar to Crown lands, Wagner removes 50% of the volume within the outer 200-400 m buffer within the appropriate operating window.
- Wagner has a Special Sites & Values Protection Policy where any new special site with cultural, geological, or ecological values including High Conservation Value Forest types are identified on the ground, reported in a "Values Reporting Form" and the location is added to the GIS.
- Wagner has a good working relationship with local First Nations that has been built by listening to their concerns, understanding their values and making appropriate decisions in the field to protect those values, where possible.
- Wagner Ontario has developed their own SFI Awareness training presentation instead of using CCSIC modules and training is provided to staff and all contractor employees.

- After constructing a road on Crown Land under a Work Permit, Wagner went through the extra effort of submitting a “Freedom of Information” request to obtain the results of the government compliance inspection.

### **Summary of Findings**

There was one nonconformance identified during the assessment and Wagner has provided acceptable action plans to PwC and has shown proof of remediation. As such the nonconformance is now closed.

- Issue - While Wagner generally was managing issues with water and soil erosion appropriately across its land base, there was an isolated incident of pooling water crossing an active haul road. Additionally, on a number of recent culvert installations, additional mulch or grass seed could be applied to ensure erosion control as per Ontario BMP's.
- Corrective Action Taken - 12” drainage culvert placed in required location with 2 tandem loads of fill dumped on top in order to raise roadbed (completed Oct. 5/15). This eliminated the issue of pooling water across the active haul road. Grass seed was placed at water crossing locations noted during audit.

### **Opportunities for improvement were identified in the following areas:**

- One stationary fuel tank could have benefited from the installation of collision protection measures and drip containment.
- Wagner could consider implementing a more formal process for updating maps when a stream on the map layer can't be confirmed in the field during harvesting and/or harvest planning activities.
- Wagner may wish to consider other means to reduce the impact of residue piles on regeneration success if harvest/chipping residue does not end up being ground for biomass/hog fuel as anticipated.
- Wagner may wish to consider providing harvest prescription cards for machine operators to ensure clear direction for each harvest unit and a higher level summary of the key Wagner policies applicable to machine operators.
- To be consistent within other Wagner Regions, Ontario could consider setting goals with timelines for eligible staff to obtain external designations such as the Society of American Foresters (SAF) Certified Forester or Ontario Registered Professional Forester (RPF).
- Road Layout Reports and Harvest Start-up Forms and Inspections go to the Forest Certification Coordinator for review, but Wagner could consider implementing a process where the forms completed directly by the Forest Certification Coordinator, also receive a “peer review”.
- Closer review of Pre-Work Checklists should be undertaken to ensure that all necessary sign-offs have been completed.
- Some consideration should be given to making the Wagner Forest Management, Ltd. Stumpage Acquisition Landowner Outreach Checklist mandatory for landowners to ensure documented rather than verbal coverage of landowner outreach requirements.
- Some consideration should be given to distributing copies of Wagner's actual wood procurement policy to wood producers rather than a verbal discussion of the policy contents.

- Some consideration should be given to developing a more robust system of documenting corrective action planning and response to ensure that evidence of action item progression is more easily verifiable.
- Some consideration should be given to developing a more formal management review process for the requirements of the Wagner Forest Management, Ltd. sustainable forest management program.

## **Conclusion**

Wagner Forest Management Ltd.'s fiber procurement activities and forest land management operations on the Landowner Group's forests in the States of Maine and New Hampshire, and the Provinces of Ontario and Nova Scotia continue to meet the requirements of the SFI Standard [2010 – 2014 Edition].

The SFI Standard certificate of registration can be obtained by contacting Gordon Gamble, Forest Certification Manager of Wagner Forest Management, Ltd. at (207) 369-9759 or at [www.sfiprogram.org](http://www.sfiprogram.org).