

Forest Certification UPDATE



Manning Diversified Forest Products Ltd. Woodland Operations, Manning Alberta

Manning Diversified Forest Products Ltd. (MDFP) conducts forest management activities on public land in northern Alberta. Lands and operations are located north and west of the town of Manning. The administrative office is at the mill about 20 km north of Manning. MDFP has six woodlands staff.

The MDFP forest management agreement includes 930,100 hectares in its FMU P20. The principal tree species grown and harvested are white spruce, lodgepole pine and aspen. Conifers go to the sawmill in Manning while aspen is sent to the Daishowa Marubeni International pulp mill.

MDFP management, staff and contractors are open, communicative and involve the community and stakeholders. The audit demonstrated obvious dedication to long term forest management.

In addition to typical forest management activities, MDFP public forest lands are utilized for forest education and forest-based recreation such as hunting, fishing, camping, hiking and motorized recreational vehicle use.

The saw mill produces lumber and the by-products from lumber manufacturing are used for chips, hog fuel, shavings and pellet production.

BACKGROUND

During the period of February 16-20, 2015, Manning Diversified Forest Products underwent a third-party re-registration and upgrade audit to the Sustainable Forestry Initiative (SFI®) Standard 2015-2019. The registration cycle is over three years with surveillance audits conducted annually. This report summarizes the audit process and results of the SAI Global surveillance audit.

SCOPE OF CERTIFICATION

The scopes of certification are to the following in SFI 2015-2019:

Section 2 Forest Management activities - planning, harvesting, transportation and silviculture on FMU P20 - Objectives 1-15

Section 3 Fiber Sourcing activities - procurement of fiber from Alberta. - Objectives 1-10



EXECUTIVE SUMMARY

The SFI Program third-party surveillance 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 2015-2019. This ensures the integrity and credibility of the audit process.

The audit assessed active and completed harvest and silviculture operations through interviews with MDFP staff and contractors. The audit also assessed the SFIS and supporting EMS documentation, and records at the MDFP office. The audit used company interviews and file reviews to assess the MDFP Fiber Sourcing system.

THE AUDITORS

The SAI Global audit team which performed the audit consisted of William Sloan and Cindy Hutchison. The auditors are Forest Professionals and certified lead auditors.

AREAS OF NON-CONFORMANCE

No major non-conformances were noted; however the following minor non-conformances were identified:

NC No.	Clause No.	Clause Description
Section 2 Forest Management		
2015-01	Objective 11.1.5	Written agreements for the use of qualified logging professionals
2015-02	Objective 11.2	SIC Training Program
2015-03	Objective 12.1.2	Education and outreach to forest landowners
2015-04	Section 11	Public Inquiries and Official Complaints
Section 3 Fiber Sourcing		
2015-01	Objective 6.1	Training and Education
2015-02	Objective 4.1.4	Risk Assessment
2015-03	Objective 6.2	SIC Training Program
2015-04	Objective 7.1.2	Education and outreach to forest landowners

Corrective actions for the identified minor NCs have been received and reviewed. The NCs issued was to changes to the SFI 2015-2019 Standard and as per the SFI transition rules MDFP has until December 31, 2015 to implement the action plan. Effectiveness of the action plans will be assessed at the next audit.

SFIS 2010-2014

Periodic Assessments

Major non-conformances: 0
 Minor non-conformances: 8
 Opportunities for Improvement: 8
 Positive Aspects: 3

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

OPPORTUNITIES FOR IMPROVEMENT

Applicable to both Section 2 Forest Management and Section 3 Fiber Sourcing:

- Section 2, 1.4/ Section 3, 1.4: Consider documenting the management principles in the evidence package;
- Section 2, Objective 9/ Section 3, Objective 4 - Legal and Regulatory Compliance, 9/4.1.2, System to achieve compliance with applicable federal, provincial, state or local laws and regulations: consider removing the reference to external audits as they are not compliance audits;
- Section 2, Objective 12/ Section 3, Objective 7, 12/7.2.1: Consider keeping evidence file of annual educational opportunities and organizations that are support.

Section 2 Forest Management only:

- 1.2.2 Consider how the conversion to another forest cover type is assessed and document the means of the assessment.
- 4.3.1 Consider expanding the evidence package to discuss cultural heritage management at FMP level.
- 8.2 Recognize and Respect Indigenous Peoples Rights: Consider online or in person courses for traditional knowledge relationship building with FNs.
- BMPs: Consider secondary containment and barriers for oil pails and gas jerry cans in the camp parking lot vicinity and a process for verifying that secondary containment is functional.
- Consider having propane company perform an integrity test on the circa 1980 camp propane tanks.

Section 3 Fiber Sourcing only:

- None noted.

POSITIVE ASPECTS

- Generally well done transition to the revised SFI 2015-2019 Standard;
- Contractors interviewed demonstrated good awareness of such issues as species at risk;
- Use of existing cut lines as access roads, reducing the impact on the productive land base.

EVIDENCE OF CONFORMITY

Evidence that was assessed to determine Manning Diversified Forest Products Ltd. conformity with the SFIS 2015-2019 standard appears below:

SECTION 2 FOREST MANAGEMENT:

SFI-01 Forest Management Planning

The 2012-2021 Forest Management Plan (FMP) was submitted June 30 2013 and approved by Alberta's ESRD Dec. 2013. Considering involvement with Lower Peace Regional Land-use Plan Modelling Tool. Annual operations plans. Block logging plans. Manning Dec. 2014 Environmental Management System, and staff interviews.

SFI-02 Forest Health and Productivity

FMP. Timber Harvest Planning and Operating Ground Rules (OGR). Operational plan maps on field blocks inspected. Silviculture records and planting program. Fire and spill requirements. Training records. Interviews.

SFI-03 Protection and Maintenance of Water Resources

FMP. Annual Operations Plans. EMS Manual and Standard Operating Procedures. GIS. Logging/scarification plans. Harvest, scarification and road pre-work and inspection records. Internal audit records. Training records. Logging agreements. Interviews. Field inspections of operations.

SFI-04 Conservation of Biological Diversity

FMP, operational ground rules, species and ecological communities at risk lists; GIS, Site Plans, Operational pre-works and inspection records; Training records, Logging agreements. Interviews and Field inspections of operations.

SFI-05 Management of Visual Quality and Recreational Benefits

FMP and operational ground rules. GIS map layers, Reports generated from MDFP's database specific to cut block size, silviculture surveys, silvicultural treatments, referrals and stakeholder communications, interviews (including trapper and a guide) and field inspections of operations.

SFI-06 Protection of Special Sites

FMP and operational ground rules, Higher level plans, PMP First Nation referral review and communication records, Silviculture Plans; Archeological Impact Assessments, Pre-work and inspection records, Interviews and Field inspections of operations.

SFI-07 Efficient Use of Forest Resources

FMP. Annual operations plans. Logging agreements. Contractor training records. Pre-work and inspection records. Interviews. Field inspections of operations.

SFI-08 Recognize and Respect Indigenous Peoples' Rights

FMP and operational ground rules, Higher level plans, PMP First Nation referral review and communication records.

SFI-09 Legal and Regulatory Compliance

EMS manual. Legal and other requirements. Internal systems involving site inspections. External and internal audits. Management review meeting minutes. Inspection and internal compliance tracking records. Alberta government compliance and enforcement records. Internal corrective action plans. Environmental and SFM policies. MDFP Health and Safety Policy. Interviews with staff and contractors. Camp health inspection records.

SFI-10 Forestry Research, Science and Technology

Summary of group funded projects, Sample of research reports, Regen survey records, Government submission records, Inspection records, Interviews.

SFI-11 Training and Education

MDFP website. EMS guidebook, SFI, and EMS Policies. Health and Safety Policy. Staff and contractor training records. Wood Producer Information Package. Meeting minutes. Staff/contractor interviews and field inspections operations.

SFI-12 Community Involvement and Landowner Outreach

Staff interviews. SIC meeting minutes. MDFP website and public resources (including posted WCSIC Wood Monitoring Form and reporting of inconsistent practices). SIC Wood Producer Information Package. SIC SFI Brochure. SFI Evidence Package. Interviews. Complaint record file.

SFI-13 Public Land Management Responsibilities

FMP and referral file. 2014 annual operational plans. Records respecting the Company's involvement in public land planning and management activities. First Nations and stakeholder and external referral/correspondence records. Block files and maps.

SFI-14 Communications and Public Reporting

Communication strategy files/records. 2014 SFI report. Meeting minutes. MDFP website. SFI website. Staff interviews.

SFI-15 Management Review and Continual Improvement

Management review meeting minutes and associated records. Forestry meeting minutes. Internal audit records. Field inspections and records. Corrective action plans. Staff interviews.

SECTION 3 FIBER SOURCING:

SFI-01 Biodiversity in Fiber Sourcing

FMP, operational ground rules, species and ecological communities at risk lists; GIS, Site Plans, Operational pre-works and inspection records; Training records, Logging agreements. Interviews and Field inspections of operations.

SFI-02 Adherence to Best Management Practices

Sustainable Forestry Initiative Implementation Committee. Wood Producer Information Package. SIC brochure. Contract reviews showing requirements of BMPs. Interviews.

SFI-03 Use of Qualified Resource and Qualified Logging Professionals

Sustainable Forestry Initiative Implementation Committee. SIC brochure. Contract reviews showing logger lists. Interviews.

SFI-04 Legal and Regulatory Compliance

EMS manual. Legal and other requirements. Internal systems involving site inspections. External and internal audits. Management review meeting minutes. Inspection and internal compliance tracking records. Alberta government compliance and enforcement records. Internal corrective action plans. Environmental and SFM policies. MDFP Health and Safety Policy. Interviews with staff and contractors.

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Fiber sourcing outside the United States and Canada (Objectives 11-13 apply):

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

Manning does not source fiber from outside North America.

SFI-12 Avoidance of Controversial Sources including Illegal Logging

Manning does not source fiber from outside North America.

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

Manning does not source fiber from outside North America.



MDFP participates in local research projects, such as the tree improvement experimental area shown above

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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