

Forest Certification UPDATE



UPM BLANDIN

UPM is one of the leading paper companies in the world. The company's businesses focus on magazine papers, newsprint, fine and specialty papers, converting material, and wood products. The company has production in 17 countries, an extensive sales network comprising over 170 sales and distribution companies and employs over 28,000 people worldwide. UPM operations are divided into three business areas:

- Paper (Magazine Papers, Newsprint, Fine and Specialty Papers)
- Converting
- Wood Products

In 1997, the UPM group acquired the Blandin Paper facility, which manufactures lightweight coated groundwood paper for printers and publishers of magazines, catalogs and other commercial printing. The company manages 187,000 acres of company private land, based on a foundation of ecological knowledge and principles. Under the direction of its Forest Ecologist, UPM Blandin's field foresters design site-level harvest and regeneration projects that emulate natural processes, and fit into landscape level planning schemes promoted by the Minnesota Forest Resources Council. Known as Blandin Smart ForestrySM, this system is an innovative, learning-oriented forest practices model for other landowners in Minnesota.



BACKGROUND

During the period of May 12 to May 15, 2014, UPM Blandin Paper underwent a re-certification audit to the Sustainable Forestry Initiative (SFI[®]) Standard 2010-2014. The registration cycle is over 3 years with surveillance audits conducted annually. This report summarizes the audit process and results of the SAI Global re-certification audit.

SCOPE OF CERTIFICATION

Forest management activities - planning, harvesting, transportation and silviculture on Blandin feeland and procurement of fiber from the Lake States and Ontario - Objectives 1-20.



EXECUTIVE SUMMARY

The SFI Program third-party re-certification 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 through interviews with UPM staff and contractors. The audit also assessed the SFIS and supporting EMS documentation, records at the UPM office. The audit used site visits and interviews with contractors logging private timber sales to assess the UPM procurement system.

All the Objectives of the SFIS 2010-2014 and all its associated Performance Measures and Indicators were audited with the exception of Objective 11 – 13 are not applicable since UPM Blandin does not procure fibre outside of North America and objective 18 since UPM does not have any Public Land Management Responsibilities.

Positive points were noticed during the audit which are:

- Blandin internal 2013 Logger training provided was positive, what to do, rather than what not to do, and showed long term effects of good practices on forest productivity and sustainable forest management;
- Monitoring of performance on harvest inspections (rating system) and reviewing overall performance over a four year period is a good incentive for continual improvement for the contract crews;
- Blandin providing Georeferenced maps on phones or tablets to logging crews.

THE AUDITORS

The SAI Global audit team who performed the audit consisted of Guillaume Gignac as the Lead auditor and Cindy Hutchison as a team member. The auditors are both Professional Foresters.

KEY AREAS OF NON-CONFORMANCE

No non-conformance was raised during this audit.

SFIS 2010-2014

Periodic Assessments

Major non-conformances: 0
Minor non-conformances: 0
Opportunities
for Improvement: 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.



KEY OPPORTUNITIES FOR IMPROVEMENT

4.1.7 – (Invasive exotic plants and animals). Procedure states that UPM Blandin has an active chemical spray program to control exotic invasive species. It is understood that UPM does not have such an active program. UPM Blandin may consider re-assessing whether or not there is an active program for invasive exotic species;

4.1.8 – (Role of prescribed or natural fire). UPM Blandin has a specific procedure in place (GGRL-8QVHFS) for prescribed burn. Since UPM Blandin no longer use this silviculture method it may reconsider if this procedure is pertinent or not;

4.2.1 – (Forests with Exceptional Conservation Value). The SFIS Evidence matrix includes an unclear reference to Performance Measure 4.2.1. UPM Blandin may consider if it would be appropriate to update it or not;

10.2.1 - (Verifiable monitoring system for BMPs). Consider specifying a schedule in the Verifiable Monitoring SOP when the third party open market wood landowner audits will be completed;

EVIDENCE OF CONFORMITY

Evidence that was assessed to determine UPM Blandin Paper's conformity with the SFIS 2010-2014 standard appears below:

SFI-01 Forest Management Planning

The organization has a Forest Management Plan with overall objectives. It is reviewed every 10 years. The next revision is due in 2017. Blandin forestry staff use "alteration form" to document updates required to GIS database and inventory. An updating project occurs twice per year. Harvest levels are recalculated annually based on Blandin's own growth and yield data. It was noted that the forest practice is consistent with assumptions used in calculating growth and yield for determining AAC.

SFI-02 Forest Productivity

The different Standard operating procedure was reviewed along with field verification. Site Harvest plan indicates natural or planting based on habitat type. Planting occurs on approx. 50% of harvest areas. All regeneration is mixed wood where the hardwoods regenerate naturally and conifers are in-planted. The company has a policy for no planting of exotic tree species or GMOs. Pesticides are only occasionally used for insect and disease control and for herbaceous control at roadside. Blandin is using habitat typing to regenerate with a variety of species for improved health. Use brush saws for release.

SFI-03 Protection and Maintenance of Water Resources

The organization complies with the Minnesota BMPs. This was reviewed in the office and in the field. All loggers are Master Loggers and are trained in BMPs. All contracts require conformance to BMPs. Monitoring includes on-site visits and post-harvest assessments of BMPs where feedback is given to the logger on site.

SFI-04 Conservation of Biological Diversity

The different Standard operating procedure was reviewed along with field verification. Blandin has a program in place and documented which includes reference and incorporation of NatureServe Explorer database. UPM has Global Biodiversity Targets and specific Country Targets & Action Plans for 5 years. One is in place for the USA. MN County Biological Survey (MCBS) is integrated into the GIS through NHIS.

SFI-05 Management of Visual Quality and Recreational Benefits

Visual quality is part of the Minnesota BMPs and all staff and loggers trained. Visual sensitivity layer is done through UPM Blandin's GIS. The average size of clearcut harvest areas in 2013 was 96 acres and does not exceed the maximum 120 acres. Stocking of harvested site was verified to be in compliance. UPM Blandin signed a conservation easement with the State of Minnesota of all their fee land in July 2010. Verified signed document. Public access is guaranteed through the easement.

SFI-06 Protection of Special Sites

The Standard operating procedure was reviewed along with field verification. Special sites are identified through the Natural Heritage Program and implemented in Blandin's GIS. One of the special sites was visited in the field.

SFI-07 Efficient Use of Forest Resources

The Standard operating procedure was reviewed along with a field verification which confirmed Blandin was in compliance. Wood not used by the mill is sold to other mills. The efficient use is monitored through the final inspection checklist. Residues are left on site, Stump height did not exceed on average more than 12 inches and less than 0.5 cd/ac of merchantable cut wood on average is left on site.

SFI-08 Land Outreach

UPM Blandin has a Public information Packet in place. It covers all the requirements. Forests with Exceptional Conservation Value are tracked through Nature Serve. In addition it is covered through the landowner's FMP prepared by UPM and also addressed and identified through the site harvest plan. Landowners are encouraged to participate in the American Tree Farm (ATF). UPM Blandin participates in the ATF local committee. Landowners were met as part of the audit.

SFI-09 Use of Qualified Resource and Logging Professionals

UPM Blandin policy indicates that Blandin actively encourages landowners to use Qualified Professionals. Minnesota has a logger education program which includes a Master Logger Certification (MLEP) where loggers are audited to maintain their certification. All Blandin Loggers are required to be master loggers. The Master Logger training includes online training for example on Minnesota BMPs, CPR, SFI training and endangered species/species at risk. Blandin promotes the use of Blandin's loggers when procuring wood from private landowners.

SFI-10 Adherence to Best Management Practices

All loggers operating feeland are Master Loggers. Some loggers working on permits are not Master Loggers. However at a minimum any logger must be a member of the MLEP which means they have taken the training for Safety, BMPs, etc. The monitoring of BMPs are the post-harvest inspections Harvest/Roads and Access Inspection Checklist. Items

checked include cutting, utilization, wildlife and biodiversity, cutblock design, road construction, water management, visual quality, fire, and fuel. Inspections are retained in the cutblock file. Standard operating procedure and the Wood procurement procedure were reviewed along with a number of final inspections and field verification and found that Blandin was in compliance.

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

UPM Blandin does not source fiber from outside North America.

SFI-12 Avoidance of Controversial Sources including Illegal Logging

UPM Blandin does not source fiber from outside North America.

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

UPM Blandin does not source fiber from outside North America.

SFI-14 Legal and Regulatory Compliance

A specific procedure applicable to forestry is in place for Legal requirements. Legal requirements are being tracked through a regulatory tracking service Cybertracking and at State Level through the MN Forest Industry. Blandin foresters have internet access to regulatory agencies. Summary of local rules and regulations concerning forest management is in place. UPM Blandin monitors compliance through internal audit and post job inspections. UPM has also a number of social laws policies in place.

SFI-15 Forestry Research & Technology

Blandin supports several research programs such as the Minnesota Tree Improvement Cooperative, NCASI where NCASI does research in wildlife, productivity, biodiversity, pesticides, climate change. Blandin does not use biotechnology or genetically engineered trees. It is a Corporate Policy to not use GMOs.

Blandin is also involved with DNR on BMPs whereby they send information to DNR on randomly selected sites by DNR on a voluntary basis UPM Blandin participates voluntarily in the MN Forest Resource Council and is involved in the Climate Change Response Framework a multi stakeholder regional research group for the Lake States.

SFI-16 Training and Education

Standard Operating procedures were verified on contractor Review & Training. The MLEP 2013 report (spreadsheet) was also verified. Under the MLEP (www.mlep.org) a Master Logger Program was developed. The records of loggers interviewed during field visits were verified. UPM staffs are also trained on a regular basis. Training records were verified.

SFI-17 Community Involvement in the Practice of Sustainable Forestry

UPM Blandin is a full participant of the MN SIC. SIC meeting minutes were verified. The MN SIC produced a new pamphlet in 2011 (A Landowner's Manual - Third edition 2011). UPM Website advertises their support to Landowners through UPM Smart ForestrySM Program. As stated in SFI-05 UPM signed a conservation easement for all their feeland in July 2010. A 1-888-234-3702 number is in place through the PCPR (Public Concerns Registration Process). Blandin is also active with American Tree Farm.

