

Forest Certification UPDATE



FUTUREWOOD CORP, JOHNSON TIMBER CORP, FLAMBEAU RIVER PAPERS, FLAMBEAU RIVER BIOFUELS

Futurewood Corp, Johnson Timber Corp, Flambeau River Biofuels LLC, and Flambeau River Papers LLC have been formed to make up different divisions of the company that are covered in the certification scope. A description of each company is as follows:

Futurewood Corp is a forest land management and wood procurement company with headquarters in Hayward Wisconsin. The company procures wood from Wisconsin, Minnesota, Michigan, and Ontario. The company currently manages approximately 8,432 acres in Wisconsin. Futurewood Corp does not source wood from outside of North America and does not have public land management responsibilities.

Johnson Timber Corp is the manufacturing division of the company with pulpwood debarking and chipping facilities located in Hayward, Ashland, and Park Falls Wisconsin. This division also operates an industrial pellet plant located in Park Falls Wisconsin which has replaced the use of coal at the Biofuels facility.

Flambeau River Papers LLC is the company's paper mill located in Park Falls Wisconsin. The facility produces 150,000+ tons per year of uncoated free sheet paper.

Flambeau River Biofuels LLC provides steam and electricity to Flambeau River Papers LLC by utilizing biomass from surrounding forestland, and pellets provided by Johnson Timber Corp.

BACKGROUND

During the period of 21-24 October, 2014, Futurewood Corp. underwent a re-registration 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 re-registration audit.

SCOPE OF CERTIFICATION

Forest management activities- planning, harvesting, transportation and silviculture on Beaugard and Summit Lake privately owned land in Douglas and Sawyer Counties, Wisconsin and procurement of fiber from States of Wisconsin, Minnesota and Michigan – Objectives 1-20

EXECUTIVE SUMMARY

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

THE AUDITORS

The SAI Global audit team who performed the audit consisted of Daniel Simonds and Guillaume Gignac. The auditors are Professional Foresters and certified lead auditors.

KEY AREAS OF NON-CONFORMANCE

No areas of non-conformance were identified

KEY OPPORTUNITIES FOR IMPROVEMENT

- (1.1.1): Consider reviewing the SFI-03 Program document to ensure that all key components of silvicultural strategy (e.g. “Sustainable Harvest Level” and “Age of Rotation”) are appropriately referenced.
- (1.1.1) Consider exploring sources of regionally appropriate growth and yield modeling resources as a potentially cost-effective alternative to planned inventory updates.
- (10.2.1): Consider exploring opportunities for collaborating with certified stumpage suppliers who may be willing to share outputs of monitoring activities on harvest sites.
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POSITIVE ASPECTS

- The organization’s active programs for outreach and community engagement; in relation to the scope of their business.

EVIDENCE OF CONFORMITY

Evidence that was assessed to determine Futurewood Corp. conformity with the SFIS 2010-2014 standard appears below:

SFI-01 Forest Management Planning

Forest Stewardship Plans, Timber Supply Analysis, Interviews.

SFI-02 Forest Productivity

SFIS 2010-2014

Periodic Assessments

Major non-conformances: 0
Minor non-conformances: 0
Opportunities
for Improvement: 3
Positive Aspects: 1

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

Site Plans, Standard Operating Procedures, Logging Plan maps, Silviculture Reports, pre-work and inspection records, Training records, Interviews.

SFI-03 Protection and Maintenance of Water Resources

Standard Operating Procedures, GIS, Site Plans, Harvest pre-work and inspection records, Internal audit records, Training records, Logging agreements, Interviews and Field inspections of the following blocks: Washburn 4116, Christiansen-Robert lot, Burnett 3106, Burnett 3096, FWC Beauregard – Twp 44/45 Range 10, FWC Summit Lake – Twp 38N Range 8

SFI-04 Conservation of Biological Diversity

Forest Stewardship Plans, Operational pre-works and inspection records; Training records, Logging agreements. Interviews and Field inspections noted above.

SFI-05 Management of Visual Quality and Recreational Benefits

GIS map layers, Reports generated from the Company's database specific to cut block size, Interviews and Field inspections noted above.

SFI-06 Protection of Special Sites

Forest Stewardship Plans, FECV analysis, Interviews and Field inspections noted above.

SFI-07 Efficient Use of Forest Resources

Logging agreements, Pre-work and inspection records, Field inspections of blocks; Interviews.

SFI-08 Landowner Outreach

Sustainable Forestry Initiative Implementation Committee, Wood Producer Information Package, SIC brochure.

SFI-09 Use of Qualified Resource and Logging Professionals

Sustainable Forestry Initiative Implementation Committee, SIC brochure. Interviews.

SFI-10 Adherence to Best Management Practices

Sustainable Forestry Initiative Implementation Committee, Wood Producer Information Package, SIC brochure, Interviews & Field Inspections noted above.

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

The organization does not source fiber from outside North America.

SFI-12 Avoidance of Controversial Sources including Illegal Logging

The organization does not source fiber from outside North America.

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

The organization does not source fiber from outside North America.

SFI-14 Legal and Regulatory Compliance

Laws, Legislation, regulations, Management review meeting minutes, Inspection records, Internal audit records.

SFI-15 Forestry Research & Technology

Research Coop records; Wisconsin DNR Research Grant Award – Assessment of Fine Woody Debris in Post-Harvest Biomass Stands; Labovitz School of Business & Economics: *The Economic Impact of Declines in Forestry-Related Industries in MN, WI, and a 3-state Region, 2006*

SFI-16 Training and Education

Sustainable Forest Management & Environmental Policies, Health and Safety Policy, Training records, staff and contractor training, meeting minutes, Interviews.

SFI-17 Community Involvement in the Practice of Sustainable Forestry

SIC meeting minutes, Futurewood records of financial support to WI SFI State Implementation Committee.

SFI-18 Public Land Management Responsibilities

Not applicable.

SFI-19 Communications and Public Reporting

Files/records, meeting minutes, SFI website, Interviews.

SFI-20 Management Review and Continual Improvement

Management review meeting minutes and associated input/output records, Internal audit records, Field inspection records, Corrective Action Plans, Field Inspections, 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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