

SFI 2015-2019 – Public Summary Report

Nipissing Forest Resource Management Inc.

DESCRIPTION OF COMPANY

The Nipissing Forest is administered and managed by Nipissing Forest Resource Management Inc. (NFRM) under the authority of Sustainable Forest Licence (SFL) No. 542053. The company is owned by its shareholders: R. Fryer Forest Products Limited, Goulard Lumber (1971) Limited, Rayonier AM Canada Industries Inc., Hec. Clouthier and Sons Inc., and GP Northwoods LP. The SFL, under the Crown Forest Sustainability Act, is administered by the Ontario Ministry of Natural Resources and Forestry, North Bay District office. North Bay District reports administratively to the Regional Director of the Northeast Region, based in Timmins, Ontario.

The company SFI representative is Mr. Mark Lockhart, General Manager.

AUDIT

During the period October 4th to 7th, 2021 NFRM underwent a surveillance 1 audit to the Sustainable Forestry Initiative® (SFI®) 2015-2019 Forest Management (FM) Standard. The registration cycle is over five years with surveillance audits conducted annually. The audit assessed active and/or 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 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) Standard ensuring the integrity and credibility of the audit process.

THE AUDIT TEAM

Lead auditor: Dominic Lessard, Ing.f, M.Sc. env.

Dominic Lessard is a consultant specialized in forest certification. He holds a Bachelor's degree in forestry and a master's degree in Environmental Science from the University of Québec in Montréal. He is a registered forest engineer with 15 years of experience working as an engineer, a program manager and an auditor in all provinces of Canada. Prior to offering his services as a consultant, he managed the FSC certification program at SAI Global, where he oversaw the work of 40 auditors located across the globe. He is a qualified lead auditor for forest management standards such as FSC (Forestry Stewardship Council) and SFI (Sustainable Forestry Initiatives), as well as for the verification of the PEFC, SFI and FSC Chain of custody standards.

Auditor: Laird Van Damme, MScF. RPF

Laird is adjunct professor at Lakehead University and forestry consultant. He currently oversees consulting projects, research programs and business development within central Canada’s resource sectors. His forestry career began with forest inventory work in Ontario and road corridor planning in interior British Columbia followed by many years of forest operations, renewal and inventory projects. For several seasons he supervision powerline vegetation management projects, He has sold, operated and developed reforestation equipment and worked with others at the firm to introduce in bush chipping to KBM’s subsidiary in Chile. Laird’s consulting work features forest management planning, wood supply evaluations and policy analysis under different ownerships and across several jurisdictions. A productive working relationship with many collaborators across North America has resulted in the completion of many complex projects and more than 70 research publications and book chapters. His consulting work also focuses upon evaluations and auditing forest certification and environmental management systems using several standards (e.g. ISO 14001, FSC, SFI).

REGISTRATION TYPE

| Certificate Type | SFI 2015-2019 Forest Management Standard | SFI 2015-2019 Fiber Sourcing Standard |
|------------------|--|---------------------------------------|
| Single site | X | |

MULTI-SITE / GROUP EVALUATION

Not applicable.

SFI 2015-2019 Forest Management Standard

FOREST LAND AND MANGEMENT PLAN INCLUDED IN THE AUDIT SCOPE

The Forest extends over 11,932 square kilometers and has a permanent population of approximately 86,000. Private land comprises 23 percent of the total area of the Nipissing Forest and is concentrated in the southern and central-western part of the area. Its contribution to the overall wood supply in the management unit is minimal. Maple, birch, spruce and pine are the key species groups being managed on the Crown Land portion of the Nipissing Forest. The three principal silviculture systems employed on the Forest are selection harvesting, shelterwood harvesting and clearcut harvesting. Under the selection and shelterwood systems trees are marked for removal or retention by certified tree markers with the goal of improving overall stand quality while protecting sensitive features such as streams and critical wildlife habitat. Under the clearcut system all of the trees in the stand may be cut with the exception of trees left for wildlife purposes, site protection or to meet residual stand requirements. There are 39 protected areas either entirely or partly within the boundaries of the Nipissing Forest. Two First Nation Reserves, Dokis and Nipissing are situated in the western and central parts of the Forest respectively. Two other aboriginal communities, the Mattawa/North Bay Algonquins and the Antoine First Nation, are located in the Mattawa area, but do not have any reserve lands.

SCOPE OF CERTIFICATION

Forest management activities – planning, harvesting, transportation, road construction, road maintenance and silviculture on the Nipissing forest (SFL 542053) in Ontario. Fiber sold under this certificate counts as 100% SFI and 100% PEFC certified forest content.

There has been no modification to the scope since the last public summary report.

AUDIT PROCESS

During this audit, the audit team evaluated the company against the objectives listed in Table 1. The evidence of compliance observed is listed in Table 2. Both tables are found in the section Evidence of conformity to the SFI 2015-2019 Forest management standard.

A sample of field review sites were chosen from a list of active sites and sites where forest management activities occurred since the last audit. The site choice also considered activity type, and risk factors, related to the audit objectives selected for review, as well as the opportunity to verify implementation of corrective actions for previous non-conformities.

SUBSTITUTE INDICATORS

No substitute indicators were evaluated during this audit.

COMPLAINTS

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

SITES INSPECTED AND ASSESSMENT TIME

| Audit Activity | Duration in auditor days |
|--------------------|--------------------------|
| Onsite | 5 |
| Sites | Number inspected |
| Roads | 5 |
| Harvesting Blocks | 8 |
| Silviculture Sites | 9 |

| FMU | Site | Activities audited |
|------------------------|----------------------|---|
| Nipissing Forest Day1 | Blk 246 | By Seed tree cut, concurrent stand improvement, active skidding, slashing, loading operation and inspection of logging camp field office. |
| | Blk 244 | Bridge removal and stream crossing remediation |
| | Blk 245 | Pw seed tree cut, concurrent stand improvement, Active felling skidding and slashing/loading |
| | Brent Rd km21 | access to Algonquin park issue and landing rehabilitation |
| | Brent Rd km21 | 2020 aerial tending of 2018 Pr,Pw,Sr plantation |
| | Blk 5 Brent Rd km 21 | Active balsam fir cleaning with brush saw |
| Nipissing Forest Day 2 | Blk 271 | Active site preparation (hydraulic Bracke BD 296) |
| | Blk 179 | Active felling skidding and loading, Cat 9 aggregate pit |

| | | |
|------------------------|----------------------|---|
| | Blk 166 | Active felling skidding commercial red pine thinning |
| | Olrig Road | New culvert installation |
| | Weyerhauser Road | Active red pine pre commercial thinning/cleaning with chain saws |
| | Blk 139 | Active commercial red pine thinning with processors and forwarders |
| Nipissing Forest Day 3 | Blk 109 | Single tree hardwood selection and decommissioned aggregate pit in an enchanted forest. |
| | Blk 19-35 | White pine seed tree, improvement cut and salvage cut, concurrent stand improvement, active felling, skidding, slashing and loading; active aggregate pit. 2021 ground spray site prep. |
| | Blk 19-34 and 16 | Commercial thinning of red pine (in-active) |
| | Gibbons Road | New culvert installation |
| | PCT19_FFT_2021_HRI | Silviculture camp for precommercial thinning |
| | East of Pardo Rd Pit | Planned Fill in Plantation in 2018 wildfire area. |

SUMMARY OF FINDINGS

Areas of non-conformance

None identified

Opportunities for improvement

OFI 2021-01

Consider increasing awareness of SFI/FSC certification requirements and BMPs among truckers.

OFI 2021-02

Consider developing a more systematic and robust system to follow up on deficiencies identified during startup inspections.

OFI 2021-03

Consider rewording the Forest Policy to make a stronger commitment toward “recognizing and respecting the rights of Indigenous Peoples”.

Status of previous audit non-compliances

The status of previous audit non-conformances is as follows:

| NC# | Type | Performance Measure # | Status (closed/upgraded to major) |
|---------|-------|-----------------------|-----------------------------------|
| 2020-01 | Minor | 11.1.4 | Closed |
| 2020-02 | Minor | 11.1.5 | Closed |

CERTIFICATION DECISION SFI 2015-2019 FOREST MANAGEMENT STANDARD

Surveillance Audit

Based on the results of this surveillance audit it has been determined that the management system is effectively implemented and meets the requirements relative to the scope of registration and audit criteria, therefore, a recommendation to maintain the registration is made to SAI Global.

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

Table 1 Objectives Audited

| | | |
|--------------|--|---|
| Objective 1 | Forest Management Planning | |
| Objective 2 | Forest Health and Productivity | |
| Objective 3 | Protection and Maintenance of Water Resources | |
| Objective 4 | Conservation of Biological Diversity | X |
| Objective 5 | Management of Visual and Recreational Benefits | |
| Objective 6 | Protection of Special Sites | |
| Objective 7 | Efficient Use of Forest Resources | |
| Objective 8 | Recognize and Respect Indigenous Peoples' Rights | X |
| Objective 9 | Legal and Regulatory Compliance | X |
| Objective 10 | Forestry Research, Science and Technology | |
| Objective 11 | Training and Education | X |
| Objective 12 | Community Involvement and Landowner Outreach | X |
| Objective 13 | Public Land Management Responsibilities | |
| Objective 14 | Communications and Public Reporting | X |
| Objective 15 | Management Review and Continual Improvement | X |

Table 2 Evidence Observed

| | | | |
|---|---|---|---|
| Environmental management system (EMS) Manual | X | Planting program records | X |
| Written policies | X | Harvest inspection records | X |
| Standard Operating Procedures (SOPs) for best management practices | X | Road and bridge inspection records | X |
| EMS and SFI field handbook | X | Cut block size calculations | X |
| Training records (staff and contractors) | X | Employee observation forms (species at risk, invasive plants, other values) | X |
| SFI/EMS training agenda | X | Pre-work discussions/meeting records | X |
| Health and safety manual and/or employee policy manual | X | Utilization records | X |
| Timber supply review | X | Laws, legislation, regulations records | X |
| Maps (pre-harvest, harvest, post-harvest, and silviculture) | X | Annual management review records | X |
| Non-timber values impact assessments (riparian, visual, recreation, biodiversity, cultural heritage, other:) | X | Corrective action logs | X |
| GIS inventories (soils, forest, land classification, non-timber values) | X | Education/community involvement records | X |
| Long term management plans and sustainable harvest level calculation | X | Stakeholder communications records | X |
| Operational plans (annual, cut block level) | X | Agreements and communications with Indigenous communities | X |
| Wet/adverse weather plans or guidelines | X | Logging agreements and/or contracts | X |
| Reforestation plans | X | Wood producer information package | X |
| Pest management plan | X | SFI Annual Report | X |
| Fire preparedness plan | X | SFI and company websites | X |
| Spill prevention and response plan | X | SFI Implementation committee (participation/support) | X |
| Silviculture surveys and reports | X | Climate change information and/or meeting minutes | X |
| Standards for seed use | X | Research and discussion papers | X |
| Chemical use/spray records and applicator certification | X | Support for research and science | X |
| Tree improvement reports | X | Pre-harvest inspection records | X |
| Green-up records | X | Post-harvest inspection records | X |

DEFINITIONS

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 or registration cannot be achieved. Subsequently for surveillance audits, an action plan shall be implemented by the auditee within 60 days for the registration to be 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. Non resolved minor non-conformance will be escalated to a major non-conformance.

Opportunity for Improvement

Are not non-conformances but are comments on specific areas where improvements can be made.

Good practices

Areas that are deemed to be mentioned

MULTI-SITE / GROUP SAMPLING APPROACH

This multi-site / group organization maintains an internal audit program determined to be reliable, in this case SAI Global sampling approach is as follow where n = number of sites:

- i. $\sqrt{(n)}$ for initial certification audits
- ii. $0.6 \sqrt{(n)}$ for surveillance audits
- iii. $0.8 \sqrt{(n)}$ for re-registration audits

The central office function is audited annually.

OR

This multi-site / group organization did not maintain its internal audit program. SAI Global applies the following sampling where n = number of sites:

$\sqrt{(n)}$

The central office function is audited annually.



Winter crossing decommissioned to avoid sedimentation

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.

Company Contact:

Mark Lockhart
General Manager
Nipissing Forest Resource Management Inc.
128 Landsdowne St. East
Callander ON P3E 5E1

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Mark Lockhart
General Manager
Nipissing Forest Resource Management
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Callander ON P3E 5E1