



**FSC Certification Report for the  
2007 Annual Audit of:**

**THE SUDBURY FOREST  
under the  
Sustainable Forest Licence  
of  
VERMILION FOREST MANAGEMENT COMPANY LTD.**

**Certificate Number: SCS-FM/COC-094N**

**Under the  
SCS Forest Conservation Program  
(An FSC-Accredited Certification Program)**

**Date of Field Audit: September 03, 04 & 05, 2007**

**Date of Report: February 20, 2008**

**Audit Team:  
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## **1.0 GENERAL INFORMATION**

### **1.1 Background Information**

VERMILION FOREST MANAGEMENT COMPANY INC.  
311 Harrison Drive  
Sudbury, Ontario P3E 5E1  
**Contact: Peter Street; General Manager**  
Website: <http://sudburyforest.com>

### **1.2 General Background**

This report covers the second annual surveillance audit of the Sudbury Forest under the Sustainable Forest Licence (SFL) of Vermilion Forest Management Company Ltd. (VFM) pursuant to the FSC (Forest Stewardship Council) and SCS (Scientific Certification Systems) guidelines for annual audits as well as the terms of the forest management certificate awarded by SCS in May 2006 (SCS-FM/COC-094N). All certificates issued by SCS under the aegis of the FSC require, at a maximum periodicity, annual audits to ascertain ongoing compliance with the requirements and standards of certification.

VFM is owned by a group of eight shareholders, down from 11 at the time of the initial certification audit in 2005. The shareholders are as follows:

- Gervais Forest Products Ltd., Falconbridge, Ontario
- Goulard Lumber (1971) Limited, Sturgeon Falls
- G.W. Sutherland Contracting Company Ltd., Worthington
- H&R Chartrand Lumber Limited, Noelville, Ontario. website: [www.julesetfils.com](http://www.julesetfils.com)
- Lahaie Lumber Limited, Alban, Ontario
- Domtar Inc., Nairn Center and Espanola, Ontario, website: [www.domtar.com](http://www.domtar.com)
- N'Swakamok Forestry Corporation, Whitefish Lake First Nation, Ontario
- Grant Forest Products Inc., Engleheart, Ontario. website: <http://www.gfp-inc.com>

The SFL, under the Crown Forest Sustainability Act, is administered by the Ontario Ministry of Natural Resources (OMNR), Sudbury District Office. There are also several other companies that are not shareholders who harvest timber on crown land managed by VFM. These companies are allocated blocks in the traditional operating areas of shareholder companies. These other companies are:

- Fryer Forest Products, Monetville
- Denis Lachance, in Mason and Scollard Twps.
- Dan Hebert, in Scollard and Falconer Twps.
- Lakeland Lodge, in Rathbun Twp.

### **1.3 Sudbury Forest and Management System**

The Sudbury Forest is comprised of approximately 1.1 million ha of land managed under an SFL by VFM. About 83% of the area is land; most of the water area of the Forest is in Lake Wanapitei and in a portion of Georgian Bay (part of Lake Huron), which is included in the Forest. About 73% of the total area of the Sudbury Forest is Crown land, 24% of the area is Patent land, with the remainder comprised of First Nation reserves and other federal lands. The Lands for Life and Living Legacy processes resulted in the creation of new parks and conservation reserves in central and northern Ontario. VFM's forest management activities apply to the provincial Crown portion (48%) of the Sudbury Forest.

The Sudbury Forest is located around the city of Sudbury, Ontario and falls within a transitional zone between what are known as the Great Lakes-St. Lawrence and Boreal forest regions of Ontario. Timber harvesting has been occurring on the Sudbury Forest since the early 1800's with many stands having been harvested two or three times. These factors have resulted in the forest exhibiting a wide range of forest conditions, both in tree species and forest health.

The Great Lakes-St. Lawrence forest region is a northern hardwood/coniferous forest type, commonly including such species as sugar maple (*Acer saccharum*), red maple (*Acer rubrum*), American beech (*Fagus grandifolia*), basswood (*Tilia americana*), white pine, (*Pinus strobus*), hemlock (*Tsuga canadensis*); mid-tolerant hardwoods such as yellow birch (*Betula alleghaniensis*) and red oak (*Quercus rubra*) and ash (*Fraxinus* spp.); and intolerant species such as black cherry (*Prunus serotina*) and red pine (*Pinus resinosa*). The predominant species found in the Boreal forest include conifers such as black spruce (*Picea mariana*), white spruce (*Picea glauca*), jack pine (*Pinus banksiana*), larch (*Larix laricina*), balsam fir (*Abies balsamea*) and eastern white cedar (*Thuja occidentalis*). The rest is comprised of shade-intolerant hardwoods, which include trembling aspen (*Populus tremuloides*) and white birch (*Betula papyrifera*). Because the Sudbury Forest is transitional, many species are at the northern or southern limits of their ranges.

In the tolerant hardwood forest type, the most common harvesting and renewal methods used are the selection and shelterwood silvicultural systems. In white pine and mixed red and white pine forest types the shelterwood silvicultural system is used. Clearcutting is used on the remainder of the Forest (e.g. intolerant hardwood and Boreal conifer).

About 16 mills receive wood from the Sudbury Forest, although most are not entirely dependent on the Forest for their timber supply. The wood supply traditionally provided to these mills from the Sudbury Forest varies from less than 100 m<sup>3</sup>/yr to more than 40,000 m<sup>3</sup>/yr. Over the last five years, the average annual harvest area has been 2,897 ha, yielding approximately 233,396 m<sup>3</sup>/yr of wood.

Within the Sudbury Forest, wildlife habitat is diverse and rich; fisheries are a significant resource and wetlands contribute to both fish and wildlife habitat and to recreational activities such as birding, hunting and fishing. Three main game species are found on the Forest, including moose (*Alces alces*), white-tailed deer (*Odocoileus virginianus*) and black bear (*Ursus americanus*). In general, moose and white-tailed deer populations show a gradual increase on the

unit while black bear populations appear stable. Habitat planning is conducted for these and other featured species during the forest management planning process.

The Forest is managed by VFM under an SFL to plan and carry out forest management and operations on the Crown land portion of the defined forest area. Company responsibilities include all aspects of forest management planning, forest operations, forest renewal activities, monitoring, reporting and self-compliance audits. OMNR staff conduct spot-checks of VFM's management activities to ensure that the company is in compliance with relevant provincial legislation and the body of regulations and guidelines applying to forest management on Crown lands in Ontario.

Since award of certification in 2005, there have been no significant changes to the Sudbury Forest land base. Some changes with respect to timber harvesting have been initiated through direction from the OMNR. These changes include implementation of the Natural Disturbance Pattern Emulation Guidelines (NDPEG) (OMNR, 2003) which require consideration of and emulation of disturbance patterns (primarily forest fire) including the retention of a minimum of 25 trees per ha as well as insular and peninsular patches after harvest.

See the 2005 Certification Evaluation Report Public Summary [www.scs-certified.com](http://www.scs-certified.com) for a more detailed description of the VFM operation. For a more detailed description of the 2005 Certification Evaluation Report for the VFM operation see: [http://www.scs-certified.com/forestry/PDFS/forest\\_Vermilion\\_%20053006.pdf](http://www.scs-certified.com/forestry/PDFS/forest_Vermilion_%20053006.pdf)

#### **1.4 Environmental and Socioeconomic Context**

Since the 2005 Certification Audit was completed shortly after the approval of the 2005-2010 Sudbury Forest FMP, items related to forest management on the Sudbury Forest will remain consistent until the expiration of that FMP (March 31, 2010).

At the time of the certification audit in 2005, VFM had 11 shareholders. At the time of this surveillance audit, the number of shareholders had been reduced to eight. Five of these six shareholders were part VFM in 2005 and one party, Grant Forest Products, was a new shareholder of VFM.

The wood using industries in and around the Sudbury Forest continued to change between the time of the certification audit and this surveillance audit. Domtar's Espanola pulp and paper mill lowered production resulting in 115 job losses. The Domtar sawmill in Nairn Centre has indefinitely shut down operations leaving 140 workers without jobs. Isador Roy's shares in VFM were purchased by Domtar resulting in the Roy sawmill in Hagar being shut down.

In July 2006, severe weather events resulted in large areas of blowdown in the Sudbury Forest. The majority of forest damage occurred in white pine uniform shelterwood stands. Several of the field stops on this annual audit were in these areas. The Sudbury District Office of the MNR has expedited salvage harvests in these areas, permitting salvage to occur without undue delays.

Sawmill prices for white pine dropped immediately after news of the damage. Further price reductions are likely leaving adequate salvage in jeopardy.

See the 2005 Certification Evaluation Report for a detailed description of the environmental and Socio-economic context.

## 1.5 Products Produced

Merchantable conifer species such as white pine, red pine, jack pine, and spruce are grown for quality sawlogs, plywood and pulpwood. Fibre from lower quality trees are sold for chip material to be used for OSB, pulp, or fuelwood. Hardwoods such as poplar, maple and white birch are also grown for sawlogs, veneer, chips, and fuelwood.

Although commitments remain, mill shutdowns have significantly changed supply requirements. Supply arrangements as described in the 2005-2010 Sudbury Forest FMP are now effectively obsolete. Until new facilities are established, the allowable harvest level on the Sudbury Forest will be unachievable. A detailed description of the commitments is found in the 2005 Certification Evaluation Report.

| <b>Standard Forest Units</b>          | <b>Silviculture System</b> | <b>% of Forest</b> |
|---------------------------------------|----------------------------|--------------------|
| Tolerant Hardwood Selection           | Selection                  | 15                 |
| Mixedwood                             | Clearcut                   | 14                 |
| White Birch, Poplar Mix               | Clearcut`                  | 12                 |
| Spruce/Fir                            | Clearcut                   | 9                  |
| White Pine Uniform Shelterwood        | Uniform Shelterwood 3C     | 11                 |
| Tolerant Hardwood Uniform Shelterwood | Uniform Shelterwood 2C     | 7                  |
| Poplar                                | Clearcut                   | 8                  |
| White Pine Seed Tree                  | Clearcut (Seedtree)        | 4                  |
| Mixed Conifer Lowland                 | Clearcut                   | 5                  |
| Jack Pine Upland Black Spruce Mix     | Clearcut                   | 3                  |
| Lowland Mixedwood                     | Uniform Shelterwood 2C     | 4                  |
| Yellow Birch                          | Uniform Shelterwood 2C     | 2                  |
| Hemlock                               | Uniform Shelterwood 3C     | 2                  |
| Red Pine                              | Clearcut                   | 2                  |
| Jack Pine                             | Clearcut                   | 2                  |

## 1.6 Chain of Custody Certification

With respect to VFM, the chain-of-custody focus is on the “stump to forest gate or mill gate.” That is, chain-of-custody begins with the severing of a standing tree to produce a merchantable log and ends with that log(s) leaving VFM custody at the mill gate.

The 2005 certification audit investigated the manner by which VFM could maintain chain-of-custody over wood fibre to the “forest gate” to assure that only logs from the “defined (certified) forest area” would carry the certified status. At that time the audit team determined that VFM and all the shareholders are subject to OMNR bill of lading system used on all Crown lands in Ontario. No logs are allowed to be moved from the forest without the proper bill of lading. The four copies of the ticket for each load are held by the trucking contractor, logging contractor, mill and MNR. With such a system, the possible source of contamination with uncertified logs is eliminated, at least until the logs reach the receiving yard of a mill.

It was concluded on review of the chain of custody procedure that the chain of custody certification awarded to VFM/MNR to cover logs that leave “forest gate” to “sawmill log yard gate” should be retained.

## **2.0 ANNUAL AUDIT ASSESSMENT PROCESS**

Pursuant to FSC and SCS guidelines, annual/surveillance audits are not intended to comprehensively examine the full scope of the certified forest operations, as the cost of a full-scope audit would be prohibitive and it is not mandated by FSC audit protocols. Rather, annual audits are comprised of three main components:

- A focused assessment of the status of any outstanding conditions or corrective action requests;
- Follow-up inquiry into any issues that may have arisen since the award of certification or prior audit; and,
- As necessary given the breadth of coverage associated with the first two components, an additional focus on selected topics or issues, the selection of which is not known to the certificate holder prior to the audit.

In this case, there were six CARs and eight recommendations issued as part of the initial award of certification in 2006. All of these CARs and Recommendations were investigated as part of this annual audit. VFM’s preparation and provision of supporting data to address the CARs and Recommendations was exceptional.

### **2.1 Assessment Personnel**

For this annual audit, the team included Peter Higgelke and Dr. Walter R. Mark. The audit was lead by Peter Higgelke.

**Peter Higgelke:** Consulting Forester, Managing Partner of KBM Forestry Consultants Inc. (Ontario). As a principal in KBM, Mr. Higgelke specializes in forest auditing, forest management planning, forest inventory, wildlife habitat supply analysis modelling, business plan preparation, timber harvesting, and forest renewal prescriptions. Peter is a registered professional forester in the province of Ontario. He participates regularly in Independent Forest

Audits in Ontario and has advised First Nations on forest management, forestry negotiations and economic development. In the past he lectured at Lakehead University on integrated forest resources management and GIS applications in forestry. Peter was a member of the SCS team that performed the original FSC certification audit in 2005.

**Dr. Walter R. Mark:** Dr. Mark is a professor of forestry at California Polytechnic State University, San Luis Obispo and former Director of Swanton Pacific Ranch, the University's school forest. Dr. Mark's specialty is forest health. Dr. Mark is a consultant for Scientific Certification Systems. Dr. Mark is a registered professional forester in California (RPF No. 1250) with 35 years of forestry experience in the public and higher education sectors. He acted as lead for the 2005 Sudbury certification audit. He acted as lead for the 2004 and 2005 Nipissing Forest Annual Audits. He has served as audit team leader for several certification, recertification and annual audits over the past five years.

## **2.2 Assessment Dates**

On September 03, 04 and 05, an SCS audit team (Higgelke and Mark) conducted the annual audit of the Sudbury Forest under the Sustainable Forest Licence of Vermilion Forest Management Company Ltd, including on-site inspections of field operations as well as extensive interviews with VFM management, field personnel, and consultants. Mr. Higgelke completed three full days of the audit while Dr. Mark participated for the first two days.

## **2.3 Assessment Process**

The SCS annual audit field evaluation commenced in the morning of September 03, with a meeting at the VFM office to review the field itinerary, briefly discuss each field stop, review evidence binders provided by VFM and review progress on CARs and recommendations from the 2006 Annual surveillance audit. The field audit concluded in the afternoon of September 05. A number of the Stops involved a number of excursions into the field to permit a full assessment of the variety of activities completed thereon. Activities associated with the evaluation were as follows:

**September 03 (morning):** The annual audit began at the office of Vermilion Forest Management Company Inc. with a brief discussion about the direction of this year's audit with respect to required corrective actions and recommendations, and then an overview of the field stops. Peter Street attended the meeting on behalf of VFM.

**September 03 (afternoon):** The afternoon was spent in the field examining the first two sites selected for the annual audit. The field group for the day consisted of the Peter Street and Ron Luopa, Doug Maki, Chuck Huisman, and Patrick Bazinet of VFM, and the audit team, Peter Higgelke and Walter Mark.

**Stop #4 in the tabbed field books** was located at Domtar Block 50 of the 2005-2010 FMP. The block was part of Domtar's allocation and was harvested by Gervais Forest Products Ltd. during the winter of 2006-07. Harvesting was accomplished with both cut and skid and mechanized harvesting operations in a white pine shelterwood situation. All felled trees had been marked prior to removal. In both operational cases, skidder access to the block was limited to main trails without exception. In the mechanized operation, feller buncher access to the block was limited primarily to main trails plus entering off-trail areas to cut trees which would then be returned to and laid on the main trails for the grapple skidders.

Although there was little evidence of logging damage to residual trees, there was more damage on the cut and skid site. In both cases, it was clear that the operations had been completed with a high degree of care.

**Stop #5 in the tabbed field books** was located at Domtar Block 28 of the 2005-2010 FMP. The block was part of Domtar's allocation and was harvested by Piquette Logging. The block had also been visited as part of the 2006 Annual surveillance audit at which time a number of issues had been discovered. The re-visit for the 2007 audit was performed to examine how VFM had dealt with those issues that could be resolved and how the contractor had completed the harvesting of the remainder of the block.

One issue for the 2006 audit had been an improper water crossing installation. The water crossing of concern had been removed and replaced with a new crossing after a consultant had verified that the stream was not a cold water fishery. The new installation was completed proper regard to requirements for slope, rip rap, and drainages on roadway approaches to the crossing.

Another issue was related to the distribution of leave trees as required under NDPEG. During the 2006 field visit, leave trees were found to be left in clumps rather than distributed across the cutover. The contractor was found to have completed the remainder of the harvest leaving residual trees more evenly distributed across the cutover.

The second water crossing in block was another issue in the 2006 audit where excavation within a floodplain area had occurred. Examination of this site showed that reparations had occurred and site rehabilitation efforts were sufficient to overcome problems.

Another crossing problem was encountered on the site during the audit. A crossing had been utilized for skidding logs with a metal span in place and brow logs to retain debris from entering the stream. Proper installation was not evident and it was clear that operations during wet weather had resulted in deposition of sediment into the stream. A compliance report was filed after the site had been reviewed by VFM and MNR staff and had been cleaned up by the operator at the time of the audit. Further logging using that crossing will occur during winter operations. The onsite supervision of the logging operations had not been sufficient to prevent the sediment deposition. CAR 2006.2

Continued

**Stop # 6**, the final stop of the day was at a 50 year old stand of red pine plantation that had recently been thinned using a processor with a forwarder. The stand had been pre-commercially thinned at 15 years. The operation was very clean and the stand appeared very productive.

**September 04:** The second day of the audit consisted of examining a number of sites in the field. The field group for the day consisted of the Peter Street, Ron Luopa, Doug Maki and Chuck Huisman of VFM; Tim Lehman, Area Forester with the Sudbury District MNR; Jim Gomes of the Local Citizens Committee; and the audit team, Peter Higgelke and Walter Mark.

**Stop #1 in the tabbed field books** was located at Domtar Block 01 of the 2005-2010 FMP and was harvested by Gervais Forest Products Ltd. The harvest block is situated in the Boreal Forest Region part of the Sudbury Forest and was operated primarily as a clearcut harvest with some seed tree harvest where white pine had been found to comprise part of the forest. Also, a hardwood area of approximately 30ha was operated as hardwood shelterwood with the removal of low quality stems for stand improvement. Operations began in the summer of 2006 but had been suspended until the reopening of the Domtar Nairn sawmill. There was an active trapper in the area and VFM met with him prior to operations to identify trap lines and trails to protect his interests.

The field stops demonstrated silviculture treatments on the block including jack pine planted in the spring of 2007, an area that had been chemically site prepared with an aerial application of herbicide in July and a jack pine tree plant of August, 2007.

In a number of instances in this block, road construction had been performed with insufficient regard for drainage, particularly in lowland areas where no obvious water course was visible. Road construction had involved building up the road base with material and, where lowland drainages were present, caused an impediment to natural water flows and flooding on the upslope side of the road. The natural hydrologic function of the site had definitely been impaired by the logging operations and road construction. In the opinion of the auditors these situations require remedying and that measures are developed to ensure their avoidance in the future. CAR 2007.1 and CAR 2007.2.

**Stop #2 in the tabbed field books** was road upgrading and new road construction of the Spanish Arm Primary Road System. The entire length of the new construction was examined including water crossing installations. The road was constructed in difficult terrain with few places for aggregate retrieval. The MNR had issued compliance orders to repair water crossings. Examination of these crossings found them to have been repaired properly.

During the planning phase for this road, a concern was raised for the protection of a remote tourism value. To ensure protection of this value while permitting road

development, access restriction was required. The field visit including review of the access restriction in the form of a gate with signage that indicated restricted access under the Public Lands Act.

**Stop #23 in the tabbed field books** was tree planted in 2005 with post-plant aerial chemical treatments applied in 2006 and 2007. Further tree planting had been carried out in 2007 as well.

Planting success appeared sporadic. Further, many of the target species in some areas exhibited damage from the spray. This area will require further monitoring and fill planting to ensure achievement of silviculture objectives.

This stop was the second area in which chemical site preparation had been performed to reduce competition for the renewal of boreal tree species. Since VFM also uses chemical competition control treatments to support re-establishment of white and red pine forest types on the Sudbury Forest, a system is needed to track the volume of chemical used annually in each type of treatment on the Forest. CAR 2007.3 and CAR 2007.4.

**Stop #35 in the tabbed field books** was an area that had been harvested in 1995, site prepared in 1995, planted in 1996, spaced in 1999 and thinned in 2007 by M'Ti-Waki Services.

**September 05:** The third day of the audit consisted of examining a number of sites in the field. The field group for the day consisted of the Doug Maki, Chuck Huisman and Patrick Bazinet of VFM; and Peter Higgelke of the audit team.

**Stop #10 in the tabbed field books** was upgrading efforts for the Halifax Road in the south western part of the Sudbury Forest. The Halifax Road had been constructed some decades ago for use by tandem trucks transporting logs from the forest. Logging trucks presently in use are considerably longer and carry heavier loads. As a result, upgrades to the Halifax Road were necessary, in particular removal and straightening of excessive curves, upgrading of water crossings and lengthening of drainages.

**Stop #9 in the tabbed field books** was located at N'Swakamok Block 64 of the 2005-2010 FMP and was harvested by Buddy Lowery. The site was also visited during the 2006 surveillance audit where damage to residual trees was a problem. Considerable improvement was evident in this regard on this visit.

An intermittent stream had been found during operations and a steel skid bridge was installed. This bridge was solid and permitted treelength logs to be skidded across the stream without sedimentation into the stream. All soft maple had been removed to favour

better silviculture treatments representing a change in practices since this species was not always removed.

**Stop #15 in the tabbed field books** was maintenance and upgrading of the Waldie-Struthers Road performed by Lahaie Lumber. Responsibility for the road has been assigned to MNR. Upgrading to the road was well done with good ditching, road crowning and widening. A number of water crossings were not properly installed – road bank slopes too steep; rip rap lacking; culvert lengths inadequate. CAR 2007.5.

**Stop #7 in the tabbed field books** was a winter salvage harvest for the 2006 blowdown event. The site was located on Eighteen Mile Island and was harvested by Lachance. The area was tree planted to white pine the week prior to the audit.

Because of the blowdown, spacing of residuals was influenced primarily their presence. In some cases, no trees were left standing after the storm resulting in sites less conducive to white pine renewal. Very little damage to residual trees from harvesting operations was observed. Utilization was good, particularly considering the amount of severe breakage caused by the wind storm.

The scope of the 2007 surveillance audit included: document review, field auditors spending time in the field reviewing site-specific results of planning and forestry activities, interviewing management and operations personnel and, as appropriate, interacting with outside stakeholders.

## **2.4 Guidelines/Standards Employed**

For this annual audit, the SCS auditor team evaluated the extent of conformance with the FSC Standards for Well-Managed Forests in the GLSL Forests of Ontario and Quebec, May 2004, Draft 1.0. The 2004 draft standard remains under review and is available in the revised form as a September 2006 Consultation Draft on the FSC Canada website <http://www.fsccanada.org/SiteCM/U/D/B352FF46506DC00B.pdf>

As the consultation draft was not yet adopted at the time of this annual audit, the 2004 draft standard remained valid.

## **3.0 STATUS OF CORRECTIVE ACTION REQUESTS AND RECOMMENDATIONS**

This results section is divided in two sections: 3.1 details the status of conditions that were issued at the time of award of certifications; and, 3.2 details new observations, CARS, and recommendations.

A brief summary of the 2006 certification annual is as follows:

- 1) Seven CARs were included in the 2006 certification audit.
- 2) Five Recommendations were issued in the 2006 certification audit.

### 3.1 Status of Corrective Action Requests and Recommendations

The conditions and recommendations issued or continued at the time the 2006 certification audit are listed below, along with the auditor team’s assessment of VFM’s response thereto, and the disposition of these conditions and recommendations as a result of the certificate holder’s responses.

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| <b>CAR 2005.2:</b>   |
| <i>VFM must continue to pursue the alternative for the gap analysis.<br/>Deadline: Progress on this CAR will be a concern of the annual audit in 2006. As long as progress is made, the CAR will be extended and remain open.</i>  |
| <b>Company Action/Auditor Observation:</b>   |
| VFM has continued to pursue completion of the gap analysis by the province. An initial gap analysis completed by the province was not approved as it captured many plantations. VFM produced evidence demonstrating its ongoing commitment to completing this exercise but requires continued cooperation from provincial authorities including Ontario Parks. This CAR will be reviewed during the 2008 annual audit. |
| <b>Status at September 05, 2007:</b>   |
| This condition is continued.   |

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| <b>CAR 2005.3:</b>   |
| <i>VFM needs to develop written SOP’s to comply with all of the criteria in 6.5.1.<br/>Deadline: These SOP’s must be developed and implemented within one year to be audited at the first annual audit in 2006.</i>  |
| <b>Company Action/Auditor Observation:</b>   |
| An extensive suite of SOPs has been developed and documented as part of VFMs’ “ <i>Manual of Operating Instructions for Forestry Undertakings in the Great Lakes, St. Lawrence Forest Region</i> ”. The only outstanding concern in the 2006 audit focused on slash management. For this CAR, VFM provided a complete analysis of the criteria described in 6.5.1 including the targeted concern of slash management. In its analysis, VFM points to its Policy #12 Slash Management which was approved in October 2005 and “...identifies the need to manage slash to minimize the loss of productive forest land – i.e. slash needs to be piled and burned or spread back into the cutover.” |
| <b>Status at September 05, 2007:</b>   |
| This condition is closed.  |

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| <b>CAR 2005.5:</b>   |
| <i>VFM will obtain through a transparent, publicized and open consultative process input into the proposed HCV’s consistent with Indicator 9.1.3. The modified proposal for HCV’s will include</i> |

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| <i>specific management measures and monitoring to assure the continuance and/or enhancement of the conservation attributes and locations confirmed by scientists and stakeholders.</i><br><i>Deadline: The modified HCV proposal must be complete within a period of one year, to be audited at the first annual audit in 2006.</i>  |
| <b>Company Action/Auditor Observation:</b>   |
| Version 2.1 of “High Conservation Values in the Sudbury Forest” was provided to the auditors. According to the report, “The assessment of HCV on the Sudbury Forest is guided by the “High Conservation Value Forest National Framework”, which is Appendix 5 of the FSC Canadian National Boreal Standard.” Consultation for the HCVF incorporated four components, as described in the report: 1. Broad review based on the FMP process; 2. consultation with technical experts; 3. focused review by stakeholders; and, 4. open door policy for improvement. Evidence of consultation and feedback was also provided. |
| <b>Status at September 05, 2007:</b>   |
| This condition is closed.  |

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| <b>Condition CAR.2005.6:</b>  |
| <i>Upon finalization of the interim HCV assessment and the implementation of conservation management measures more detailed HCVF monitoring SOPs will be developed.</i><br><i>Deadline: After the modified HCV proposal is completed, monitoring SOP’s must be developed and implemented within a period of one year to be audited at the first annual audit in 2006 with a deadline of the annual audit in 2007.</i> |
| <b>Company Action/Auditor Observation:</b>  |
| VFM provided its “Protocol for Updating Values and Approving AOC Changes on the Sudbury Forest”. The protocol describes a procedure by which values on the Sudbury Forest are updated, including previously unknown values. All HCVs are included in the suite of values described in the Sudbury Forest FMP.   |
| <b>Status at September 05, 2007:</b>  |
| This condition is closed.   |

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| <b>Condition CAR.2006.1:</b>  |
| VFM should develop a strategy to ensure that the planning inventory for the 2010-2020 FMP accurately reflects changes to the forest from natural disturbances, both in area and volume.   |
| <b>Company Action/Auditor Observation:</b>  |
| VFM performed a variety of work to address this matter. Field work, both ground and aerial survey work, was performed to update areas damaged by spruce budworm and the 2006 blowdown event. Areas where hemlock looper had damaged stands were delineated using satellite imagery and verified with ground surveillance. |
| <b>Status at September 05, 2007:</b>  |
| This condition is closed.   |

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| <b>Condition CAR.2006.2:</b>   |
| VFM should prepare and implement a plan for its staff to perform on-site training of operators that are new to the Sudbury Forest or operators that have a poor compliance record and ensure |

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| that compliance monitoring of these operators is completed within two weeks of starting to operate in a new block. The plan should include training of supervisors and equipment operators. The plan should include VFM documenting these training and compliance visits.   |
| <b>Company Action/Auditor Observation:</b>  |
| VFM has developed a policy that was approved by its Board of Directors – Policy #016 “Training for New Operators or Operators with Compliance Problems”. The policy includes a number of implementation procedures which are intended to rectify problems found in previous and the current audits. The results of implementing this policy still need to be audited and were not available at the time of this audit. The 2008 annual audit will focus on policy implementation. |
| <b>Status at September 05, 2007:</b>  |
| This condition is continued.  |

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| <b>Condition CAR.2006.3:</b>   |
| Annual Work Schedules must include pre-operations orientation and post-operations monitoring provisions for blocks with HCV.   |
| <b>Company Action/Auditor Observation:</b>   |
| 2007-2008 AWS preparation was completed before this CAR was made available to VFM. Therefore this CAR will need to be continued and will be a focus of the 2008 annual audit |
| <b>Status at September 05, 2007:</b>   |
| This condition is continued.   |

The recommendations issued at the time the 2005 certification audit are listed below, along with the audit team’s assessment of VFM’s response thereto, and the disposition of the recommendations as a result of the certificate holder’s responses.

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| <b>Recommendation 2005.3</b>  |
| <i>VFM needs to develop SOP’s for whole tree yarding to prevent and properly dispose of large amounts of slash that are deposited at the landing.</i>   |
| <b>Company Action/Auditor Observation:</b>  |
| VFM provided evidence to show that slash piling has been considered, although not in the form of an SOP. Evidence included Policy # 0012 dated October 2005 entitled “Logging Slash Management” as well as Forest Operations Inspection Report (FOIP) for inspection number 250777. The FOIP report described the results of a compliance inspection that had been completed on March 29, 2007 and included notes on slash piling, “...including areas harvested ...in the previous years.”<br>The above evidence was further supported by field assessments which demonstrated that an effective slash management program had been implemented on the Forest, albeit without an SOP. |
| <b>Status at September 22, 2006</b>   |
| This recommendation has been addressed.   |

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| <b>Recommendation 2005.5</b>  |
| VFM needs to work with MNR to assure that planned road closures are effective.  |
| <b>Company Action/Auditor Observation:</b>  |
| MNR is in the process of amending the Crown Land Use Atlas to permit road closures before roads are actually constructed. The strategy is to amend the 2005-2010 FMP once that amendment has been approved.<br>During the planning process for the current FMP, road closures were presented at three open houses. During that time, it was brought up that the current Land Use Plan did not permit road closures of this kind. The new strategy should alleviate road closure problems once the Crown Land Use Atlas is amended. Evaluation of the status of the amendment will be reviewed during the 2008 annual audit. |
| <b>Status at September 05, 2007</b>   |
| This recommendation remains open until a ruling on the Crown Land Use Atlas is achieved. Should the amendment not be approved, the recommendation will require attention.   |

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| <b>Recommendation 2005.6</b>   |
| <i>VFM should continue to seek funds to assist in the rehabilitation of the forest areas damaged by the smelter flume in the past.</i>   |
| <b>Company Action/Auditor Observation:</b>   |
| Evidence was provided to show that VFM had followed through on this recommendation. Application by VFM for funding from the Forestry Futures Trust was not awarded. Ongoing efforts in obtaining funding for rehabilitation need to be continued by VFM. This will be reviewed during the 2008 annual audit. |
| <b>Status at September 05, 2007</b>  |
| This recommendation remains open as substantial area remains appropriate for rehabilitation.   |

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| <b>Recommendation 2005.9</b>   |
| <i>VFM is advised that during the course of the 2006 annual inspection FSC Criterion 9.4.3 will be reviewed by the audit team to determine how the monitoring data from 9.4.2 has been utilized to adjust the management measures.</i> |
| <b>Company Action/Auditor Observation:</b>   |
| At the time of the 2005 Annual Surveillance Audit the HCV Report for the Sudbury Forest had just been completed. Therefore, this recommendation will require a further year for VFM to perform the required work.                      |
| <b>Status at September 05, 2007</b>  |
| This recommendation remains open   |

### 3.2 Additional Observations, CARs and Recommendations

The blowdown event of 2006 quickly lead to an over supply situation of white pine in the area. Prices were quick to fall leaving producers with poor returns for their white pine logs. This

coupled with recognized poor markets for low grade hardwood species has left their utilization continuously low.

The 2005-2006 Annual Report for the Sudbury Forest (April 1, 2005 to March 31, 2006) shows that only 35% of the annual depletion had been achieved. Of the 6,672 ha planned to be depleted, only 2,383 ha actually had been depleted. In the period of the five-year term of the Forest Management Plan, 76% of the even-aged clearcut area had been harvested while 23% of the area managed under even-aged shelterwood system had been depleted and only 1% of uneven-aged selection area was harvested.

### **Additional CARS**

Based upon this audit, the SCS team concludes that the issuances of four new Corrective Action Requests (CARs) are warranted.

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| <b>Company Action/Auditor Observation:</b>   |
| At Domtar Block 01 of the 2005-2010 FMP, a number of instances were reviewed of road construction that had been performed with insufficient regard for drainage, particularly in lowland areas where no obvious water course was visible. Road construction had involved building up the road base with material and, where lowland drainages were present, caused an impediment to natural water flows and flooding on the upslope side of the road. In the opinion of the auditors these situations require remedying. |
| <b>CAR 2007.1:</b>   |
| By the time of the 2008 annual audit, VFM must ensure that drainages impediments caused by road development in Domtar Block 01 of the 2005-2010 FMP have been remedied to permit water to flow without encumbrances caused by road development.  |
| <b>Reference: FSC 6.3.7 and 6.5.1</b>  |
| <b>Status at September 05, 2007:</b>   |
| This is a new minor CAR and will be reviewed in the 2008 recertification audit.  |
| <b>Company Action/Auditor Observation:</b>   |
| Using the examples described in CAR 2007.1, the audit team believes that measures are required to be put in place that ensure that water flow is not impeded by road development. This example targets water flow in lowland areas where there are often difficulties in determining water presence.<br>VFM needs to develop procedures to proactively ensure that water is permitted to flow freely without encumbrances caused by road development.  |
| <b>CAR 2007.2:</b>   |
| By the time of the 2008 annual audit, VFM must provide documented evidence that it has developed implementable procedures to ensure that water flow is not impeded by road development.  |
| <b>Reference: FSC 6.3.7 and 6.5.1</b>  |

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| <b>Status at September 05, 2007:</b>  |
| This is a new minor CAR and will be reviewed in the 2008 recertification audit. |

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| <b>Company Action/Auditor Observation:</b>  |
| During the course of the field audit, results of chemical use for silvicultural operations were viewed on several stops. Objectives of its applications ranged from promotion of white pine as the target species to reducing competition for boreal species in clearcuts. While FSC standards do allow for use for restoration efforts of certain species, they are also clear on the reduction of dependence on chemicals for other uses. The data regarding chemical use is provided in the annual report but does not provide information on the trends of the use of herbicides, nor does it specify the target species for the chemical applications. |

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| <b>CAR 2007.3:</b>  |
| At the time of the 2008 audit, VFM must provide annual herbicide use data for the past five years that is disaggregated into two categories plus categories for each application method: <ul style="list-style-type: none"> <li>• Applications intended to enhance or maintain white pine, red pine, and red oak regeneration</li> <li>• Applications associated with competition control in all other circumstances</li> </ul> Data must be further disaggregated by application method. |

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| <b>Reference: FSC 6.6.2, 6.2.3, 6.6, 6.6.2, 6.6.3,</b>          |
| <b>Status at September 05, 2007:</b>                            |
| This is a new minor CAR and will be reviewed at the 2008 audit. |

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| <b>Company Action/Auditor Observation:</b>  |
| During the annual audit in the office and the field, the issue of the use of herbicides in silviculture was reviewed. Discussion and documentation showed that the use was extensive in white pine and red pine restoration and retention efforts. There did not seem to be any alternatives that had been shown to be effective in meeting the mandate to increase the white pine in the forest as per provincial direction. This condition seems to put the forest managers in a position where conflicts in Provincial policy conflict with FSC standards and where within the FSC standards likely conflicts exist. There seems to be potential for conflict between FSC 6.2.2 and 6.6.2 and FSC 6.2.3 and between FSC 6.2.2 and 6.6.2 and FSC 6.6.3. The FMP for the forest also includes a section on the mandate to increase the presence of white pine on the forest. |

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| <b>CAR 2007.4:</b>   |
| VFM must initiate dialogue with FSC-Canada, aimed at resolving the conflict between Provincial directives to increase white pine within Sudbury Forest and the FSC indicator 6.6.3 which requires “continuous reduction in herbicide use...” |

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| <b>Reference: FSC 1.4, 6.2.2, 6.2.3, 6.6.2, 6.6.3</b>                           |
| <b>Status at September 05, 2007:</b>  |
| This is a new minor CAR and will be reviewed in the 2008 recertification audit. |

### Additional Recommendations

Based upon this audit, the SCS team concludes that the issuance of one new Recommendation is warranted.

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| <b>Company Action/Auditor Observation:</b>  |
| During the field audit, maintenance and upgrading of the Waldie-Struthers Road performed by Lahaie Lumber was reviewed. Responsibility for the road has been assigned to MNR. Although upgrading to the road was well done with good ditching, road crowning and widening, a number of water crossings were not properly installed – road bank slopes too steep; rip rap lacking; culvert lengths inadequate. In some cases, long term road stability might be questionable. VFM needs to work with MNR to remedy these situations. |
| <b>Recommendation 2007.1:</b>   |
| By the time of the 2008 annual audit, VFM should provide evidence to show that it has attempted to work with the MNR to remedy inadequate water crossing installations on the recently upgraded portion of the Waldie-Struthers Road.   |
| <b>Reference: FSC</b>   |
| <b>Status at September 05, 2007:</b>  |
| This is a new Recommendation and will be reviewed in the 2008 recertification audit.  |

### 3.3 General Conclusion of the Annual Audit

Based upon information gathered through site visits, interviews, and document reviews, the SCS audit team concludes that VFM’s management of the Crown land forests on the Sudbury Forest continues to be in overall compliance with the FSC Principles and Criteria. Although aspects of VFM’s management program remain deficient relative to the standard of certification, the SCS audit team has concluded from this annual audit that VFM’s management is in general compliance with FSC Principles 1 through 9.

As such, continuation of the forest management certificate is warranted, subject to ongoing progress in closing out the conditions and CARs, and subject to subsequent annual audits.

### 3.4 Evaluation of Conformance

SCS auditors assessed Criteria 1.1, 1.4, 2.1, 4.1, 4.3, 4.4, 5.1, 5.3, 6.5, 6.6, 8.1, 8.2, 9.1, 9.2, 9.3. See the above discussion under section 3.1 of this report for findings relative to these Criteria. Additionally, section 2.3 contains findings of the field portion of this audit presented in narrative form.

| Requirement   | C/N/C | Comments |
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| <b>P1 Forest management shall respect all applicable laws of the country in which they occur, and international treaties and agreements to which the country is a signatory, and comply with all FSC Principles and Criteria.</b> |       |          |

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| <b>C1.1 Forest management shall respect all national, provincial and local laws and administrative requirements.</b>  |    |  |
| 1.1.1 The applicant, staff and/or contractors understand the legal and administrative obligations regarding forest management and a system is in place whereby staff are kept up-to-date with new regulations. (See Appendix 1 for a listing of relevant provincial and national legislation).  | C  | Staff is knowledgeable in all relevant legislation. Several are certified compliance inspectors having taken extensive compliance training and examination. VFM website directly and indirectly shows good understanding of forest management obligations.   |
| 1.1.2 The applicant should have a satisfactory record of compliance with agencies responsible for enforcement of forestry practices   | C  |  |
| <b>C1.2 All applicable and legally prescribed fees, royalties, taxes and other charges shall be paid.</b>   |    |  |
| 1.2.1 The applicant demonstrates he/she is in good standing with government agencies with respect to tax requirements including but not limited to: Revenue Canada (income tax and GST); Ministry of Revenue or Provincial treasury (PST, stumpage fee accounts); Municipalities (property taxes); Workplace Safety and Compensation Board; Licensing bodies such as Natural Resources. |    |  |
| <b>C1.3. In signatory countries, the provisions of all binding international agreements such as CITES, ILO conventions, ITTA and Convention on Biological Diversity shall be respected.</b>   |    |  |
| 1.3.1 Applicants understand the legal and administrative obligations with respect to relevant international agreements (see Appendix 2 for list of relevant international Agreements Canada is signatory to).   |    |  |
| <b>C1.4. Conflicts between laws, regulations and the FSC principles and criteria shall be evaluated for the purposes of certification, on a case-by-case basis, by the certifiers and the involved or affected parties.</b>   |    |  |
| 1.4.1 Situations in which the applicant's compliance with the laws and regulations conflicts with the compliance with FSC Principles, Criteria or indicators are documented provided to FSC Canada.   | NC | Uncertainty exists with regards to chemical herbicide applications and the restoration and maintenance of white pine on the Sudbury Forest. There appears to be direct conflict between FSC 6.2.2 and 6.6.2 and FSC 6.2.3 and between FSC 6.2.2 and 6.6.2 and FSC 6.6.3.   |
| 1.4.2 The applicant works with the appropriate regulatory bodies and FSC to resolve discrepancies between laws/regulations and FSC Principles and Criteria.   | NC | CAR 2007.4 is directed to VFM to follow through on this indicator as well as 1.4.4. ,<br>CAR 2007.4 VFM must initiate dialogue with FSC-Canada, aimed at resolving the conflict between Provincial directives to increase white pine within Sudbury Forest and FSC GLSL Regional Indicator 6.6.3 which requires "continuous reduction in herbicide use." |
| <b>C1.5. Forest management areas should be protected from illegal harvesting, settlement and other unauthorized activities.</b>   |    |  |
| 1.5.1 A system exists for documenting and reporting to the appropriate authorities instances of illegal harvesting, settlement, occupation or other unauthorized activities   |    |  |
| <b>C1.6. Forest managers shall demonstrate a long-term commitment to adhere to the FSC Principles and Criteria.</b>   |    |  |
| 1.6.1. The forest manager can demonstrate a commitment to comply with these regional standards for the length of the current management plan and has declared their intention to protect and maintain the integrity of the forest in the long term.   |    |  |
| 1.6.2. The applicant demonstrates a long-term commitment to   |    |  |

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| adhere to the FSC Principles and Criteria.  |   |   |
| <b>P2 Long-term tenure and use rights to the land and forest resources shall be clearly defined, documented and legally established.</b>  |   |   |
| <b>C2.1. Clear evidence of long-term forest use rights to the land (e.g. land title, customary rights, or lease agreements) is demonstrated.</b>  | C | The Sudbury Forest is a Sustainable Forest License on Crown Lands so this is not an issue for VFM   |
| 2.1.1 Property boundary lines are established and delineated before harvesting begins so as to be unambiguous and acceptable to neighbouring landowners.  | C | The forest has a set of policies regarding property boundaries and a procedure for location of boundaries prior to the start of operations. The planning inventory for the Forest includes the legal boundaries of the Sudbury Forest and therefore logically also includes the boundaries of adjacent neighbours. Letters are sent out to adjacent property owners before forest management activities are performed on adjacent Crown land. |
| <b>C2.2. Local communities with legal or customary tenure or use rights shall maintain control, to the extent necessary to protect their rights or resources, over forest operations unless they delegate control with free and informed consent to other agencies.</b>   |   |   |
| 2.2.1 Customary tenure or resource use rights held by communities are identified and documented.  |   |   |
| <b>C2.3. Appropriate mechanisms shall be employed to resolve disputes over tenure claims and use rights. The circumstances and status of any outstanding disputes will be explicitly considered in the certification evaluation. Disputes of substantial magnitude involving a significant number of interests will normally disqualify a forest from being certified.</b>  |   |   |
| 2.3.1 Resource conflicts with adjoining landowners or other resource users are resolved or being addressed in a systematic manner   |   |   |
| 2.3.2 The owner and/or manager is not involved in outstanding disputes of substantial magnitude on the applicant forest involving a significant number of interests over tenure and use-rights.   |   |   |
| <b>P3 The legal and customary rights of indigenous peoples to own, use and manage their lands, territories, and resources shall be recognized and respected.</b>  |   |   |
| <b>C3.1. Indigenous peoples shall control forest management on their reserves and other lands and territories where their title has been determined, unless they delegate control with free and informed consent to other agencies.</b>   |   |   |
| 3.1.1 The applicant keeps abreast of and, in the management plan, is able to demonstrate a good working knowledge of the Indigenous communities, their legal and customary rights and their interests related to forest lands within the forest management planning area.   |   |   |
| 3.1.2. The applicant obtains agreement from each affected Indigenous community verifying that their interests and concerns are clearly incorporated into the management plan. Such agreement will also include:<br>A description of the roles and responsibilities of the parties;<br>The interests of the parties;<br>A description of appropriate decision-making authorities for all parties;<br>A dispute resolution mechanism; and<br>Conditions under which consent has been given and under which it might be withdrawn, if any. |   |   |
| 3.1.3 The applicant participates in and/or supports the efforts of  |   |   |

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| the affected Indigenous communities to develop the financial, technical and logistical capacity to enable them to participate in all aspects of forest management and development. This could include (but is not restricted to) activities ranging from planning and decision-making to the establishment of businesses or the pursuit of employment related to forest management.  |   |  |
| 3.1.4 The applicant has jointly established with affected and interested Indigenous communities, opportunities for long-term economic benefits where that is the desired objective.  |   |  |
| 3.1.5 A dispute resolution process for addressing and resolving grievances has been jointly developed with the affected Indigenous communities and is being fairly implemented.  |   |  |
| <b>C3.2. Forest management shall not threaten or diminish, either directly or indirectly, the resources or tenure rights of Indigenous Peoples.</b>  |   |  |
| 3.2.1 The applicant makes use of an existing assessment or, in the absence of an assessment, undertakes a joint assessment of Indigenous resources and tenure rights with the affected Indigenous communities.   |   |  |
| 3.2.2 Based on the results of the assessment, the applicant develops management activities outlined in the management plan to ensure that Indigenous resources are not threatened or diminished.   |   |  |
| <b>C3.3. Sites of special cultural, ecological, economic or religious significance to Indigenous People(s) shall be clearly identified in cooperation with such Peoples, and recognized and protected by forest managers.</b>  |   |  |
| 3.3.1 The applicant supports the efforts of the affected Indigenous communities to conduct land use studies and mapping which result in an Indigenous areas of concern protection agreement, addressing information sharing, protection, mitigation and/or compensation, and confidentiality measures for Indigenous traditional values and uses.  | C | Communities were invited to provide native values on the Sudbury Forest to the MNR. These values formed a part of the planning database to ensure that they would not be impacted by proposed forest operations. New values, once discovered, are added to the MNR report and forest management database once verified. The report is updated as values are reported. Confidentiality standards for the use of native values information are set by MNR. |
| 3.3.2 The applicant supports the efforts of the affected Indigenous communities to monitor the impacts over time of forestry activities on the values identified in the Indigenous areas of concern protection agreement.  | C | First Nations are invited to participate in the determination of the appropriate protections and to review these on site.  |
| 3.3.3 Where Indigenous communities have indicated that forestry operations on particular blocks or sites are creating a threat of serious environmental, economic, or cultural impact, the applicant suspends or relocates forestry operations or until disputes are resolved. Examples of serious threats could include:<br>Destruction of burial sites, spiritual sites, spawning areas, medicinal areas;<br>Severe disruption of livelihood;<br>Damage to community water supply; and,<br>Severe disruption of food chain to the community. | C | A cease and desist clause in the agreement with N'Skwakamok that covers this for the entire SFL and all operations. This clause is implemented any time any resource is suspected and does not require confirmation of the value.  |
| <b>C3.4. Indigenous Peoples shall be compensated for the application of their traditional knowledge regarding the use of forest species or management systems in forest operations. This compensation shall be formally agreed upon with their free and informed consent before forest operations commence.</b>  |   |  |
| 3.4.1 The applicant enters into an agreement with the affected Indigenous communities which compensates for the use of   |   |  |

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| traditional knowledge that leads to the Commercial use of a forest species, in particular non-timber forest products; Improved management plans; or Improved operations.   |   |   |
| <b>P4 Forest management operations shall maintain or enhance the long-term social and economic well-being of forest workers and local communities.</b>   |   |   |
| <b>C4.1. Communities within, or adjacent to, the forest management area should be given opportunities for employment, training, and other services.</b>  |   |   |
| 4.1.1 The applicant emphasizes the procurement of goods and services from local suppliers and communities, at reasonable prices and delivered within a reasonable time frame, using a fair and open process.   | C | Local vendors are used whenever possible for services and supplies. Local First Nations are provided priority opportunity for silviculture contracts.   |
| 4.1.2 According to its means, the applicant contributes to local and affected communities in a manner that builds capacity and enhances quality of life.   |   |   |
| 4.1.3 According to its means, the applicant contributes to local and affected communities in a manner that builds capacity and enhances quality of life and community stability.   | C | See I 4.1.1.  |
| 4.1.4 Local processing and manufacturing opportunities are investigated and pursued where viable.  | C | All wood is processed in nearby facilities although some of the facilities receiving wood from the Sudbury Forest at the time of the Certification Audit have ceased to exist. VFM uses local expertise where possible. An example is the development and manufacture of a transportable ATV bridge for use on silviculture projects where water crossings have been removed. Both the VRM and the NFRM supported the proposal to establish a 10 megawatt co-generation plant in the Noelville/Monetville area. They also made a presentation to a potential private partner. |
| 4.1.5 Management policies and practices strive to obtain a balance between investment in human employment and education and investment in technology   |   |   |
| 4.1.6 Total remuneration packages for forest workers, including wages and other benefits (health, retirement, worker's compensation, housing, food, profit sharing), are fair and compare favourably with prevailing local standards.  |   |   |
| <b>C4.2. Forest management should meet or exceed all applicable laws and/or regulations covering health and safety of employees and their families.</b>  |   |   |
| 4.2.1 On large tenure, the applicant has developed and is implementing a program of worker safety. The safety program is periodically reviewed for currency and completeness. The program includes, but is not limited to: a comprehensive safety policy; compliance and safety monitoring schedules and procedures; monitoring the condition and functionality of plant and equipment; regular review of work schedules and hours of work; the provision of appropriate safety equipment for forest workers and woodlands staff (e.g. hardhats, eye protection, gloves, hearing protection, suitable footwear, etc.); identification of safety training needs and the provision of safety training; and the identification of safety coordinators and specifications of their responsibilities. |   |   |
| 4.2.2 The applicant and contractors hold adequate public liability and employers liability insurance.  |   |   |
| <b>4.3 The rights of workers to organize and voluntarily negotiate with their employers shall be guaranteed as outlined in Conventions 87 and 98 of the International Labour Organization (ILO). (See Appendix X for a brief</b>   |   |   |

| <b>summary of ILO and other international commitments).</b>   |   |  |
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| 4.3.1 The rights of workers to organize and voluntarily negotiate with their employers shall be guaranteed as outlined in the Canadian Labour Code and/or provincial Labour Codes and at a minimum comply with ILO Conventions 87 and 98.   | C | Ontario law requires this and the SFL is in compliance.  |
| <b>4.4. Management planning and operations shall incorporate the results of evaluations of social impact with groups and people directly affected by management operations. Consultations shall be maintained with people and groups directly affected by management operations.</b>  |   |  |
| 4.4.1. Harvest operations and road designs are modified so as to minimize aesthetic externalities and noise, especially in the vicinity of high use areas (e.g. cottaging, canoeing).   | C | This is ongoing as specified in the FMP. Many Areas of Concern (AOC), modified AOC's, timing restrictions, access restrictions, viewshed agreements, and road agreements have been negotiated with local users. Road corridors through stream crossing AOC's are restricted to 10m. Road corridor buffers are employed in high use, RSA's, and in cottage areas. These have been effective and are appreciated by the local community. Season of operation has been modified to avoid the hunting and high use seasons around lodges.  |
| 4.4.2 Adjacent landowners and local resource users that may be directly affected by forest operations are provided with notice, and their concerns considered prior to commencement of harvesting and operations.   |   |  |
| 4.4.3. Employees and contractors are given an appropriate opportunity to participate in and give feedback on management decisions and policy formulation that may affect them.  |   |  |
| 4.4.4. Local communities, community and non-government organizations, forest workers, and the interested public directly affected by forestry activities are provided with meaningful opportunities to participate in forest management planning. The applicant demonstrates that all input was considered and responded to.  | C | Many methods of input have been collected by the SFL as evidence of the opportunities for input. These include LCC meetings, public meetings, public hearings, direct mailings, and email. A requirement for forest management planning in Ontario.  |
| 4.4.5. The applicant shall demonstrate through documentation that significant efforts were made to contact Indigenous forest users and communities affected by or interested in forest management in the area under certification; that efforts were made to work with Indigenous forest users and communities to become involved in identifying and addressing forest-related issues; that Aboriginal and treaty rights were recognized consistent with the requirements of Principle 3, and agree that Indigenous peoples' participation will not prejudice those rights.   | C | First Nations were invited and did participate in forest management planning. There was a special open house held in Wanapataka at the request of the First Nations. All First Nations were asked to participate in the forest planning process. N'Skwakamok is a First Nations company that is a shareholder and licensee in the SFL. N'Skwakamok has harvesting rights to approximately 17% of the AHA for the Sudbury Forest.   |
| 4.4.6 On Crown lands, a public participation process is used to supplement the requirements of 4.4.4. The applicant openly seeks representation from a broad and balanced range of interested parties and invites them to participate. The public participation process uses clearly defined ground rules that contain provisions on: <ul style="list-style-type: none"> <li>• content;</li> <li>• goals;</li> <li>• timelines;</li> <li>• internal and external communication;</li> <li>• resources (including human, physical, financial, information and technological, as necessary and reasonable);</li> <li>• roles, responsibilities and obligations of participants, including their organizations;</li> <li>• conflict of interest;</li> <li>• decision-making methods;</li> </ul> | C | Ontario law requires a FMP for all SFL's. Preparation of the FMP is carried out by an R.P.F. in cooperation with a Planning Team which is a multi-disciplinary group charged with plan preparation. After the draft plan was prepared a series of public meetings were conducted to obtain input from the general public, especially those communities affected by the FMP (see 4.4.2. for details). Two information centres were offered, one in Sudbury and one in Noelville. Attendance at Noelville was 42 with 138 participating in Sudbury. A draft plan was submitted to the MNR for review. Comments received from MNR respecting the draft plan were addressed and a final plan was submitted for review and approval. The SFL has an approved FMP and the contents include all the required items. The requirements for the FMP preparation and content are consistent with indicator 4.4.6. |

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| <ul style="list-style-type: none"> <li>• authority for decisions;</li> <li>• mechanism to adjust the process as needed;</li> <li>• access to information (including this standard);</li> <li>• the participation of experts, other interests and government; and</li> <li>• a dispute resolution mechanism.</li> </ul> <p>The participants have been involved in the development of, and agreed to, the terms of reference. The applicant establishes and maintains a list of interested and/or contacted parties, including those that chose to participate, those that decided not to participate and those that were unable to participate. The list shall contain names and contact information.</p>  |   |  |
| <p>4.4.7. On Crown lands, the public participation process is meaningfully integrated with the forest management planning process. Areas of integration include:</p> <ul style="list-style-type: none"> <li>• participating in the development and assessment of alternative strategies;</li> <li>• participating in the development/writing of forest management plans;</li> <li>• participating in the review and evaluation of monitoring results;</li> <li>• helping with the resolution of resource use conflicts (e.g., trapping, remote tourism, etc); and</li> <li>• observing the certification audit.</li> </ul> <p>The forest management plans demonstrate consideration of recommendations from public participation and general agreement with the comments from the public participation process.</p> | C | See comments for indicator 4.4.6   |
| <p><b>C4.5. Appropriate mechanisms shall be employed for resolving grievances and for providing fair compensation in the case of loss or damage affecting the legal or customary rights, property, resources, or livelihoods of local peoples. Measures shall be taken to avoid such loss or damage.</b></p>  |   |  |
| <p>4.5.1 The applicant exercises due diligence in avoiding circumstances in which damage may be caused to property, rights, resources or livelihoods.</p>   |   |  |
| <p>4.5.2 The applicant's operator training courses and materials stress practices which avoid the occurrence of environmental damage (e.g. damage to the site, residual timber, watercourses or sites of cultural significance).</p>  |   |  |
| <p>4.5.3 The applicant has a process in place for fairly resolving disputes with other resources users and the general public that result from forest planning and operations.</p>  |   |  |
| <p>4.5.4 There is a track record of successfully resolving disputes to the satisfaction of both parties in a timely manner.</p>   |   |  |
| <p><b>P5 Forest management operations shall encourage the efficient use of the forest's multiple products and services to ensure economic viability and a wide range of environmental and social benefits.</b></p>  |   |  |
| <p><b>C5.1. Forest management should strive toward economic viability, while taking into account the full environmental, social, and operational costs of production, and ensuring the investments necessary to maintain the ecological productivity of the forest.</b></p>   |   |  |
| <p>5.1.1. The applicant has the resources to implement the management plan(s), and all associated forest management activities (including road building, harvesting, renewal and tending, restoration, monitoring and mitigation of negative</p>  | C | Implementation of the management plan is subject to the survival of the businesses owned by the shareholders as these entities also have the timber harvesting rights. Presently a number of factors are causing reduced harvest levels on the Sudbury Forest, |

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| impacts, habitat management, etc.).  |   | something that is beyond the influence of VFM. Forest renewal is supported through contributions to the Forest Renewal Trust Fund for each cubic metre of harvested wood, thereby guaranteeing that funds are in place for renewal. |
| 5.1.2. The applicant's forest management operations are economically sustainable and capable of supporting a level of reinvestment sufficient to ensure the long-term survival of the organization/company.  | C | Operations depend on markets for roundwood. These markets have been and continue to be highly uncertain.  |
| <b>C5.2. Forest management and marketing operations should encourage the optimal use and local processing in the forest's diversity of products.</b>   |   |   |
| 5.2.1. The applicant seeks the optimal or "highest and best" value for forest products.  |   |   |
| 5.2.2. Local and/ or value-added processing of forest products is encouraged and facilitated where it is economically viable.  |   |   |
| <b>C5.3. Forest management should minimize waste associated with harvesting and on-site processing operations and avoid damage to other forest resources.</b>  |   |   |
| 5.3.1. All harvested merchantable and marketable timber is utilized unless left on-site to provide structural diversity and wildlife habitat or for silvicultural reasons.   |   |   |
| 5.3.2. On-site processing sites are limited in size and number and all by-products are used for other consumptive uses or properly disposed of.  |   |   |
| 5.3.3. Harvesting and silvicultural operations are conducted in such a way as to reduce to acceptable levels the damage to the residual stand, including non-merchantable/non-marketable trees and trees being left for future harvest.  | C | Field examination of harvest blocks revealed minimal damage to residual tree in partial harvesting systems.   |
| <b>C5.4. Forest management should strive to strengthen and diversify the local economy, avoiding dependence on a single forest product.</b>  |   |   |
| 5.4.1. Non-timber forest product opportunities are investigated and pursued if viable.   |   |   |
| 5.4.2. Forest product types are diversified and the use of under-utilized species is promoted.   |   |   |
| 5.4.3. Recreational activities are identified, and monitored to minimize environmental damage.   |   |   |
| <b>C5.5. Forest management operations shall recognize, maintain, and, where appropriate, enhance the forest services and resources such as watersheds and fisheries.</b>   |   |   |
| 5.5.1. The applicant demonstrates a commitment to reduce the external costs (externalities) associated with forestry operations  |   |   |
| <b>C5.6. The rate of harvest of forest products shall not exceed levels that can be permanently sustained.</b>   |   |   |
| 5.6.1 The applicant demonstrates that the analysis and calculation of harvest rates of forest products is based upon: <ul style="list-style-type: none"> <li>• A precautionary approach that reflects the presence and quality of information and assumptions;</li> <li>• Credible growth and yield information;</li> <li>• A recent inventory;</li> <li>• Sensitivity analysis of the assumptions that go into the Annual Allowable Cut (AAC) calculation particularly where there is greater uncertainty of the assumptions, where data are weaker, or where the outcome is highly sensitive;</li> <li>• Areas available for harvest;</li> <li>• Natural succession pathways;</li> </ul> |   |   |

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| <ul style="list-style-type: none"> <li>• Success of silvicultural treatments;</li> <li>• Credible estimates of the rate and extent of natural depletion;</li> <li>• Operational constraints;</li> <li>• Forest projection/habitat/wood supply model runs extending considerably (at least 100 years) into the future; and,</li> <li>• Future forest condition objectives as identified in the forest management plan.</li> </ul>  |  |  |
| 5.6.2 The applicant demonstrates that the analysis and calculation of harvest rates of forest products accurately reflects the requirements under other indicators.   |  |  |
| 5.6.3 The wood-supply modelling exercise in which sustainable harvest levels are identified has been subjected to peer review.  |  |  |
| 5.6.4 Actual harvest rates for timber, averaged over the five most recent years, do not exceed the planned average level.   |  |  |
| <p><b>P6 Forest management shall conserve biological diversity and its associated values, water resources, soils, and unique and fragile ecosystems and landscapes, and, by so doing, maintain the ecological functions and the integrity of the forest.</b></p>  |  |  |
| <p><b>C6.1. Assessment of environmental values and impacts shall be completed -- appropriate to the scale, intensity of forest management and the uniqueness of the affected resources - and adequately integrated into management systems. Assessments shall include local and regional level considerations as well as the impacts of on-site processing facilities.</b></p>  |  |  |
| 6.1.1. A methodology for impact assessment is in place. Applicants operating on Crown land and/or large holdings should base the methodology for impact assessment on the principles of adaptive management   |  |  |
| 6.1.2 Applicants operating on Crown have assembled relevant current inventory information to serve as regional and landscape level context for impact assessment.   |  |  |
| 6.1.3 An inventory exists of site-specific environmental/ecological values sensitive to impacts by forest operations.   |  |  |
| <p><b>C 6.2. Safeguards shall exist which protect rare, threatened, and endangered species and their habitats (e.g. nesting and feeding areas). Conservation zones and protection areas, appropriate to the scale and intensity of forest management and the uniqueness of the affected resources, shall be established. Inappropriate hunting, fishing, trapping and collecting shall be controlled.</b></p>   |  |  |
| 6.2.1 VTE Species<br>Vulnerable, threatened, and endangered species, communities and associated habitats, listed by COSEWIC, federal endangered species legislation/policy, relevant provincial agencies, and regional level efforts, are identified and managed in accordance with existing strategies or recovery plans. Where strategies or recovery plans are not yet developed, a precautionary approach is taken to protect known occurrences of rare species, biotic communities and their habitats. (See Appendix 1 for a listing of relevant regulations and lists). |  |  |
| 6.2.2. Rare & Uncommon Species<br>Special prescriptions are prepared to address the special status  |  |  |

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| <p>and unique characteristics of rare and uncommon species and ecosystems including:</p> <p>For rare/uncommon tree species or tree species at the edge of their natural range, cutting only takes place where successful regeneration is demonstrated and viable populations exist.</p> <p>For rare/uncommon plants, wildlife and ecosystems, appropriate buffer zones or harvest modifications are applied in order to ensure their protection.</p> <p>Width of the buffer and management practices are appropriate to the sensitivity and size of the ecological feature.</p>  |  |  |
| <p>6.2.3 On large forest operations, the manager has established a desired target for the future distribution and abundance of white pine consistent with site conditions, historical abundance and the scale of the forest being managed using the following standards:</p> <p>White pine is managed so as to increase its relative abundance and to conserve genetic diversity.</p> <p>Where white pine is being cut successful regeneration must be demonstrated.</p> <p>Old growth white pine stands (&gt;120 years) are not cut where they represent less than 10% of the white pine working group in the area covered by the management plan.</p> <p>Isolated stands of white pine (&gt; 1 km from another similar sized stand) that are encountered that have less than the estimated effective breeding population (100 mature individuals 50 yrs or greater), are only harvested if adequate natural regeneration is present within the stand or white pine seed from the appropriate seed zone (OMNR 1997c) is available and is used to successfully regenerate (free to grow) an equivalent site within the seed zone.</p> <p>Isolated individual white pine are only harvested where they are showing signs of severe decline and are hazardous to forest workers.</p> |  |  |
| <p>6.2.4. On Crown land and on large forest operations remnants pockets of late seral stage, old growth, or mature natural forests that display no known signs of past logging activities or other human disturbance should be retained. 6.2.4 only applies to GLSL Mixed Forest and does not apply to the boreal forest component of the Sudbury.</p>   |  |  |
| <p>6.2.5. Other Features for Wildlife</p> <p>The guidelines for conifer retention, supercanopy trees and mast retention in both the tolerant hardwood and conifer silvicultural guides are followed (Relevant Ontario and Quebec' silvicultural guidelines) including:</p> <p>Conifer Cover - all conifers (excluding balsam fir) are retained where there are fewer than 10 large conifers/ha (large = &gt;40 cm).</p> <p>Conifers retention shows preference for clumps of trees, larger trees (&gt;40 cm) and longer lived species (e.g. hemlock, Cedar).</p> <p>Supercanopy Trees -- at least one supercanopy tree (trees 60cm+ that emerge above the main canopy) is retained per 4 hectares of forest (where available).</p> <p>Mast Tree Retention – 7 or 8 Mast producing trees/ha &gt;25 cm DBH (preferably &gt;40 cm) are retained.</p> <p>A diversity of mast trees are retained where available (e.g. red and white oak, beech)</p> <p>Retention favours trees greater than 25cm dbh where available</p>   |  |  |

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| Retention favours trees with large, vigorous, well rounded crowns  |  |  |
| <p>6.2.6 Snag/Cavity Trees &amp; Downed Woody Debris</p> <p>To maintain sufficient snags, cavity trees, and large woody debris, the following standards apply:</p> <p>As many snags/ha are left standing as possible within the safety considerations of the Occupational Health and Safety Standards</p> <p>Downed woody debris is not ploughed into windrows</p> <p>A minimum of 6 snags/cavity trees per ha. are retained with an emphasis on favouring quality cavity trees over quantity</p> <p>The retention of cavity trees emphasizes leaving a mixture of alive, partially dead and dead trees (trees 20 cm or greater dbh with potential use by cavity nesters) and snags.</p>   |  |  |
| <p><b>6.3. Ecological functions and values shall be maintained, enhanced, or restored, including:</b></p> <p><b>a) Forest regeneration and succession;</b></p> <p><b>b) Genetic, species, and ecosystem diversity; and</b></p> <p><b>c) Natural cycles that affect the productivity of the forest ecosystem.</b></p>   |  |  |
| 6.3.1. Forest regeneration and succession Forest condition (forest age, intact habitat, species composition, remoteness) and the results of operational activities are spatially depicted over the long-term planning horizon.   |  |  |
| <p>6.3.2 Silvicultural prescriptions are developed and implemented that:</p> <ul style="list-style-type: none"> <li>• Are based upon an understanding of vegetation and soil types, and the use of a forest ecosystem classification type system (if available);</li> <li>• Use natural (or assisted natural) methods over artificial methods where silvicultural objectives and targets are not compromised;</li> <li>• Maintain stand structural diversity over time;</li> <li>• Ensure effective and timely regeneration of harvested areas;</li> <li>• Consider and minimize impacts on wildlife habitat and other resource values;</li> <li>• Consider and minimize impacts on Indigenous peoples' values and uses of the forest; and,</li> <li>• Take into account successional pathways on harvested areas on a landscape level.</li> </ul> |  |  |
| 6.3.3 Harvesting, site preparation, and other forest operations should be undertaken in a manner that avoids site and soil damage and encourage the protection of the site.  |  |  |
| 6.3.4. Forest units and communities that are significantly under-represented relative to the pre-industrial composition (as per analysis from 6.1.5) are being increased in abundance over the longer term. In the near term, at a minimum, their abundance is being maintained with the intent to increase it over the longer term.   |  |  |
| 6.3..5. Management strategies maintain average landscape and/or regional distributions or amounts of the full age-range of old forests identified through the PIC analysis consistent with the requirements of 6.1.5, allowing for a 25% departure from the estimated mean of older forests - in recognition of the range of natural variability, practical constraints and competing objectives. In the absence of a credible estimate of the mean, a minimum of 20 % of old forest will be retained. If socio-economic concerns constrain the  |  |  |

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| <p>application of this indicator in regions with exceptionally high natural proportions of older forests (e.g., greater than 60%), there may be up to a maximum of a 50% departure from the mean, provided that the applicant demonstrates broad consensus.</p>   |   |   |
| <p>6.3.6 Targets for landscape patterns (disturbed and undisturbed patches) have been set, based upon the characterization of the pre-industrial forest. Management is returning the forest landscape pattern to one consistent with the pre-industrial forest. This approach is consistent with maintaining natural levels of core habitat and connectivity throughout the long-term planning horizon.</p>   |   |   |
| <p>6.3.7 Management strategies do not attempt to mimic extreme events of low frequency. The size and configuration of harvest blocks is determined after landscape-level objectives have been met and size-dependent impacts mitigated. Examples of size-dependent social and ecological impacts to be considered include, but are not necessarily limited to:</p> <ul style="list-style-type: none"> <li>• Public and Indigenous community concerns;</li> <li>• Concerns of forest users such as recreationalists and trappers;</li> <li>• Creation of barriers to species dispersal and migration;</li> <li>• Hydrology and water quality impacts;</li> <li>• Harvest and road economics;</li> <li>• Species' silvics; and</li> <li>• Forest fragmentation.</li> </ul>  |   |   |
| <p>6.3.8 The <b>genetic diversity</b> of tree species is maintained during forest management through; the maintenance of species at the limits of their range, use of natural regeneration, local collection of seeds for seedling stock and seed broadcasting, adherence to seed zones, and appropriate selection of seed trees and advanced regeneration.</p>   |   |   |
| <p>6.3.9 The viability of any native species, subspecies, or recognized taxonomic group or species assemblages will be maintained on the forest, and is not knowingly put at risk by the applicant through activities related to forest management.</p>   |   |   |
| <p>6.3.10 Harvesting during normal and salvage operations (following natural disturbances) and other stand management activities maintain residual structures in sufficient quantities and distribution so as to fulfill their ecological functions. Specific ranges for the various structural components are described in the forest management plan, consistent with the requirements below, and are implemented.</p> <ul style="list-style-type: none"> <li>• Post harvest residual includes patches or clumps of trees and individual trees and snags, which are representative of the size and species and condition (burned/unburned) of trees in the pre-harvest stand.</li> <li>• Residual retention includes all standing residual structure in a defined and mapped harvest area (see diagram below), including insular patches, peninsular patches, partial harvest areas and reserves established for other purposes.</li> <li>• Residual structure consists of a mix of dispersed trees and a range of patch sizes, with a preference for patches, and is well distributed at all scales throughout the harvest area. Where the harvest area is an</li> </ul> | C | Field examination and review of depletion aerial photography illustrated consideration of NDPEG requirements including insular patches and snag tree retention. This is a requirement in Ontario and forms part of the compliance monitoring program. |

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| <p>aggregation of smaller cutblocks, residual trees and patches must be well distributed within the small cutblocks as well as between or among them.</p> <ul style="list-style-type: none"> <li>• All residual retention is long term, meaning it will not be harvested until at least the subsequent rotation.</li> <li>• The amount of residual structure retained in harvest operations is 10-50% by area, approximating levels of expected natural post-disturbance residual identified through the PIC analysis or its equivalent. Where the Principle 6 Intent box applies, residual retention is greater than 25% unless determined otherwise on the basis of broad consensus.</li> <li>• In small harvest areas, residual structure retained in harvest operations is an average of 5%, not including harvest block separators, peninsula, riparian reserves or reserves established for other purposes.</li> </ul>  |  |  |
| <p>6.3.11 The applicant avoids salvage harvesting in some proportion of burned habitat, because it provides ecological benefits. Expert input is used in determining the ecologically appropriate proportion.</p>   |  |  |
| <p>6.3.12 Large areas (thousands of hectares) of contiguous core forest habitat, representative of the habitat types of the landbase, exist and are maintained in the management unit. The proportion of the management unit in large areas of core is guided by the outcome of the pre-industrial forest condition analysis and by a target of maintaining at least 20% of the forest management unit. Large cores consist primarily of mature and old forest, but may also contain inclusions of up to 5% recently disturbed forest. To the greatest extent possible within the current forest condition, large cores do not contain roads and other linear disturbances. In planning future cores, the applicant chooses areas with a high probability of achieving the desired condition (e.g., areas likely to be in a contiguous, roadless condition) and is working within its sphere of influence to achieve this condition (e.g., access management, decommissioning roads, bridge removal, etc.).</p> |  |  |
| <p>6.3.13 Connectivity is being maintained (or restored) between important wildlife habitats and key landscape features such as HCVFs, late seral stage forests and protected areas.</p>  |  |  |
| <p>6.3.14 Quantitative habitat objectives have been set, using expert input, for species chosen to represent a range of habitat requirements Plans have been developed and are being implemented to achieve the objectives.</p>   |  |  |
| <p>6.3.15 The applicant complies with regional fire management policies. Where possible, fire management plans are in place which recognize the ecological value of fire and identify circumstances in which fires may be allowed to burn.</p>  |  |  |
| <p>6.3.16 A Comprehensive access management plan is being implemented that:</p> <ul style="list-style-type: none"> <li>• Avoids road building (and construction of other linear disturbances) in or near protected areas or candidate areas;</li> <li>• Describes abandonment and maintenance strategies for all roads in the forest;</li> <li>• Maintains remoteness in areas with sensitive biological or cultural values or where required for tourism; and,</li> <li>• Identifies and maintains level of remoteness based on</li> </ul>   |  |  |

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| <p>achieving a fair and equitable balance based on independent expert input between the ecological, social and economic importance of remoteness and the recreational and operational desire for motorized access.</p>   |  |  |
| <p>6.3.17 Forests surrounding or adjoining permanent water bodies are protected by riparian reserves that exclude all forestry activity (harvest, road building except for approved crossings, dumping, etc). The inner riparian reserves are a minimum width of 20 metres from the treed edge of permanent water bodies Partial harvesting within the inner reserves is permitted subject to public consultation and only to a limited extent based on a conservation or cultural rationale. Additional riparian reserves are applied to maintain fish and wildlife habitat and/or cultural and recreational values, as appropriate. The minimum total area within these additional reserves shall be equivalent to an additional 45 metres, on average, measured from the end of the inner riparian reserve. The applicant may develop and apply an alternative protection prescription that varies from the additional 45m average reserve if it is demonstrable that the ecological rationale has an equal or higher likelihood of achieving the objective to protect riparian values.</p> <p><b>In the Yukon, the riparian guidelines outlined in Appendix 6 apply.</b></p> |  |  |
| <p>6.3.18 The applicant has included appropriate considerations for ephemeral streams and intermittent streams in operating guidelines and SOPs.</p>   |  |  |
| <p>6.3.19 Where there are overlapping tenure holders, the applicant has in place incentives or joint planning programs and is making demonstrable progress towards:</p> <ul style="list-style-type: none"> <li>• Encouraging other tenure holders to adhere to the access management plan as described in 6.3.17;</li> <li>• Minimizing size, intensity, and duration of linear disturbances and other disruptions to ecosystem functions; and,</li> <li>• Encouraging other forest tenure holders to adhere to the forest structure retention requirements under 6.3.</li> </ul>  |  |  |
| <p><b>C6.4. Representative samples of existing ecosystems within the landscape shall be protected in their natural state and recorded on maps, appropriate to the scale and intensity of operations and the uniqueness of the affected resources.</b></p>  |  |  |
| <p>6.4.1.i. Standard for Crown Land:<br/>In the absence of the province completing its network of representative protected areas based on a peer reviewed gap analysis, parties seeking certification on Crown land must:</p> <ol style="list-style-type: none"> <li>a) Make use of a peer reviewed gap analysis, and ensure protection from logging for those areas that have been identified as Candidate representative protected areas.</li> <li>b) Specially designated areas (e.g. Areas of Natural and Scientific Interest, Environmentally Sensitive Areas and similar designations in Quebec).</li> <li>c) At the time of certification, the forest manager shall have in place a strategy &amp; timeline for contributing towards achieving representation.</li> <li>d) Delineate on maps, and address in the management plan, the location of candidate areas and related strategies and timelines.</li> </ol>  |  |  |

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| e) Remove protected candidate areas from the landbase area when calculating the annual allowable cut (AAC).  |   |   |
| 6.4.1.ii. Standards for Private Land Certification:<br>a) The applicant is aware of the adequacy of representation at a landscape level and demonstrates consistent efforts to contribute to landscape level representation goals.<br>Examples of such efforts could range from the employment of land securement techniques (easements, restrictive covenants, land trusts) to simply not logging them.<br>b) Periodic audits by the certifier are used to assess progress and to help set protection targets for the following audit.  |   |   |
| <b>C6.5. Written guidelines shall be prepared and implemented to: control erosion; minimize forest damage during harvesting, road construction, and all other mechanical disturbances; and protect water resources.</b>  |   |   |
| 6.5.1 Ground rules or Standard Operating Procedures (SOPs) describe practices that avoid and minimize:<br><ul style="list-style-type: none"> <li>• Loss of productive land;</li> <li>• Soil rutting, compaction, and thermokarst;</li> <li>• Nutrient loss on sensitive sites;</li> <li>• Negative hydrological impacts;</li> <li>• Soil erosion during the construction, use, and maintenance of roads and water crossings, and during harvest operations;</li> <li>• Harvesting and other forest operations in riparian areas; and</li> <li>• Damage to sites of cultural significance.</li> </ul>   | C | Residual stand damage was examined at all partial cut field sites and very minimal damage was observed in the field sites visited. Minimal evidence of soiling rutting was found. In one harvest Block, encumbrances to water flow from road development was found. This lead to CAR 2007.1 and CAR 2007.2.   |
| At a minimum, the SOPs related to minimizing the loss of productive land address:<br><ul style="list-style-type: none"> <li>• Slash pile burning or redistribution such that all slash piles on the unit are managed in one of these ways;</li> <li>• Prompt regeneration of abandoned roads, landings, and skid trails;</li> <li>• Maximum road corridor widths for different road classes; and</li> <li>• Minimizing the areal extent of landings.</li> </ul>  | C | Field evidence of burned slash piles was evidenced in the audit. CAR 2005.3 was closed as a result of VFM providing evidence of a policy to manage slash as well as evidence gained from field examination. \ Prompt regeneration of landings and skid trails occurring (field evidence). Road corridor widths for different road classes are defined in Annual Work Schedules. Road corridor widths within Areas of Concern are also defined and are narrower than under normal operating conditions. Landing size is defined in the AWS as 70m X 70m. |
| At a minimum, the SOPs related to minimizing soil rutting, compaction, and thermokarst address:<br><ul style="list-style-type: none"> <li>• Levels of acceptable rutting, compaction, and thermokarst associated with various operating conditions;</li> <li>• Pre-identification of sites sensitive to compaction and rutting; and,</li> <li>• Use of alternative harvesting and site preparation equipment and other mitigative measures (e.g., seasonal timing, temporary suspension of activities) to minimize soil rutting and compaction, (i.e., low ground pressure, selective harvest equipment) and mitigation of modifications to surface and sub-surface drainage caused by roads, road embankments and skid trails.</li> </ul> |   |   |
| At a minimum, the SOPs related to minimizing nutrient loss on sensitive sites address:<br><ul style="list-style-type: none"> <li>• Identification of sites sensitive to nutrient loss;</li> <li>• Use of at stump de-limbing or slash dispersal;</li> <li>• Use of winter harvesting; and,</li> <li>• Maintenance of diversity of plants and trees on-site.</li> </ul>   |   |   |
| At a minimum, the SOPs related to preventing negative hydrological impacts address:<br><ul style="list-style-type: none"> <li>• Identification of sites and watersheds sensitive to negative</li> </ul>  |   |   |

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| <p>hydrological impacts during the planning process;</p> <ul style="list-style-type: none"> <li>• Levels of permissible harvesting in watersheds;</li> <li>• Use of partial harvest systems on wet sites;</li> <li>• Use of winter harvesting; and,</li> <li>• Avoiding most sensitive sites.</li> </ul>  |   |  |
| <p>At a minimum, the SOPs related to preventing soil erosion during the construction, use, and maintenance of roads and water crossings, and during harvest operations address:</p> <ul style="list-style-type: none"> <li>• Identification and avoidance of unstable soils and ground surfaces, including areas underlain by permafrost, during road planning, layout, construction and decommissioning;</li> <li>• Avoiding haul roads and landings on steep slopes;</li> <li>• No water crossing construction during fish breeding season;</li> <li>• Minimizing the number of crossings;</li> <li>• Use of temporary crossings;</li> <li>• Use of arch culverts;</li> <li>• Proper culvert installation and inspections and, if required, repair or replacement; and,</li> <li>• Avoiding sensitive sites.</li> </ul> |   |  |
| <p>At a minimum, the SOPs related to harvesting and other forest operations in riparian areas address:</p> <ul style="list-style-type: none"> <li>• Buffer widths from waterways;</li> <li>• “Sensitive” practices appropriate for use proximal to waterways;</li> <li>• Drainage and waterflow from disturbed sites, particularly roads and landings;</li> <li>• Times of year appropriate for operations;</li> <li>• Operational concerns and restrictions related to ephemeral streams and waterbodies; and,</li> <li>• Classifications of waterways and conditions according to sensitivity/likelihood of causing detrimental ecological impacts.</li> </ul>  | C | <p>Buffer widths are expressed in the FMP. Field examination showed adherence to specified widths. Compliance inspections also verify adherence to specified buffer widths. Final depletion mapping using 1:15,840 aerial photography provided verification of buffer width maintenance.</p> <p>In one harvest Block, encumbrances to water flow from road development was found. This lead to the following CARs.</p> <p>CAR 2007.1 By the time of the 2008 annual audit, VFM must ensure that drainages impediments caused by road development in Domtar Block 01 of the 2005-2010 FMP have been remedied to permit water to flow without encumbrances caused by road development.</p> <p>CAR 2007.2 By the time of the 2008 annual audit, VFM must provide documented evidence that it has developed implementable procedures to ensure that water flow is not impeded by road development.</p> |
| <p>At a minimum, the SOPs related to avoiding damage to sites of cultural significance address:</p> <ul style="list-style-type: none"> <li>• Pre-operation identification of sites of cultural, religious or social significance;</li> <li>• Procedures for dealing with cases where a previously unknown site is discovered during operations;</li> <li>• Providing appropriate buffers for different types of sites; and,</li> <li>• Avoiding the public dissemination of information related to the location of such sites.</li> </ul>   |   |  |
| <p>6.5.2 Consistent with Criterion 7.3, forest workers have been provided adequate training regarding the SOPs and receive adequate supervision related to their implementation.</p>  |   |  |
| <p>6.5.3 Consistent with Criteria 8.1 and 8.2, monitoring is conducted of the effectiveness of the SOPs noted above. Data and results are used in the context of adaptive management, consistent with Criteria 7.1, 8.1, 8.3, and 8.4.</p>  |   |  |
| <p>6.5.4 Where there have been serious instances of non-compliance with the ground rules/SOPs noted above, efforts have been made to rehabilitate the damaged sites/locations.</p>  |   |  |
| <p>C6.6. Management systems shall promote the development and adoption of environmentally friendly non-chemical methods of pest management and strive to avoid the use of chemicals</p>   |   | <p>During the course of the field audit, results of chemical use for silvicultural operations were viewed on several stops for promotion of white pine as the target species and reducing</p>  |

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| <p>(including insecticides, fungicides, herbicides, and chemical fertilizers). World Health Organization Type 1A and 1B and chlorinated hydrocarbon chemicals; chemicals that are persistent, toxic or whose derivatives remain biologically active and accumulate in the food chain beyond their intended use shall be prohibited. If chemicals are used, proper equipment and training shall be provided to minimize health and environmental risks.</p> |  | <p>competition for boreal species in clearcuts. While FSC standards do allow for use for restoration efforts of certain species, they are also clear on the reduction of dependence on chemicals for other uses.</p> <p>CAR 2007.3 At the time of the 2008 re-certification audit, VFM must provide annual herbicide use data for the past five years that is disaggregated into two categories plus categories for each application method:</p> <ul style="list-style-type: none"> <li>• Applications intended to enhance or maintain white pine, red pine, and red oak regeneration</li> <li>• Applications associated with competition control in all other circumstances</li> </ul> <p>Data must be further disaggregated by application method.</p>   |
| <p>6.6.1 Chemical Pesticides prohibited by the FSC under Criterion 6.6 are not used.</p>   |  |  |
| <p>6.6.2 The use of herbicides is limited to those situations where the goal is to regenerate or restore forest cover to formerly deforested sites (e.g. agricultural lands) or with such silviculturally challenging species as oak and white pine and underrepresented forest types across the landscape.</p>  |  |  |
| <p>6.6.3 Company demonstrates continuous reduction of herbicide use with the eventual goal of a complete phase-out of their use over time.</p>   |  | <p>During the annual audit in the office and the field, the issue of the use of herbicides in silviculture was reviewed. Discussion and documentation showed that the use was extensive in white pine and red pine restoration and retention efforts. There did not seem to be any alternatives that had been shown to be effective in meeting the mandate to increase the white pine in the forest as per provincial direction.</p> <p>This condition seems to put the forest managers in a position where conflicts in Provincial policy conflict with FSC standards and where within the FSC standards likely conflicts exist. There seems to be potential for conflict between FSC 6.2.2 and 6.6.2 and FSC 6.2.3 and between FSC 6.2.2 and 6.6.2 and FSC 6.6.3. The FMP for the forest also includes a section on the mandate to increase the presence of white pine on the forest.</p> <p>CAR 2007.4 VFM must initiate dialogue with FSC-Canada, aimed at resolving the conflict between Provincial directives to increase white pine within Sudbury Forest and the FSC indicator 6.6.3 which requires “continuous reduction in herbicide use...”</p> |
| <p>6.6.4 The use of insecticides is limited to extreme circumstances where they are necessary to control major insect outbreaks.</p>   |  |  |
| <p>6.6.5 Target specific pesticides (herbicides &amp; insecticides) may be used to control invasive exotic species for a prolonged period if necessary.</p>  |  |  |
| <p><b>C6.7. Chemicals, containers, and liquid and solid non-organic wastes (including fuel and oil) shall be disposed of in an environmentally appropriate manner at off-site locations. Wherever available, operations participate fully in local recycling and reuse programs.</b></p>   |  |  |
| <p>6.7.1 Biodegradable oil and other biodegradable products are used when available, and an active recycling program is in place for oil and plastic products.</p>   |  |  |
| <p>6.7.2 A policy exists, and is implemented, related the disposal of any inorganic wastes and substances.</p>   |  |  |
| <p>6.7.3 Applicants operating on Crown Land or large forest operations have in place training programs for staff handling chemicals.</p>   |  |  |
| <p><b>C6.8. Use of biological control agents shall be documented, minimized, monitored and strictly controlled in accordance with national laws and internationally</b></p>  |  |  |

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| <b>accepted scientific protocols. Use of genetically modified organisms shall be prohibited.</b>  |  |  |
| 6.8.1 The introduction of genetically engineered species is prohibited except to allow for restoration efforts of native species (such as elm, American chestnut, and butternut) damaged by introduced organisms.   |  |  |
| 6.8.2 Biological control agents (e.g. Bt) are used only where other non-chemical pest control methods are, or can reasonably be expected to be ineffective. The rationale for the use of biological control agents is documented and based on scientific evidence.  |  |  |
| <b>C6.9 The use of exotic species shall be carefully controlled and actively monitored to avoid adverse ecological impacts.</b>   |  |  |
| 6.9.1. The use of exotic species is strictly controlled and monitored for adverse environmental impacts and their establishment limited to former deforested sites/agricultural lands. Only species known to be non-invasive are to be used.  |  |  |
| <b>6. 10 Forest conversion to plantations or non-forest land uses shall not occur, except in circumstances where conversion:</b><br><b>a. entails a very limited portion of the forest management unit; and</b><br><b>b. does not occur on high conservation value forest areas; and</b><br><b>c. will enable clear, sustainable, additional, secure long-term conservation benefits across the forest management unit.</b> |  |  |
| 6.10.1 Forest conversion to plantations or non-forest land uses (except roads required for access) will not occur on High Conservation Value Forest (HCVF) areas.   |  |  |
| 6.10.2 A maximum of 5% of the productive forest area will be available for conversion to plantations.   |  |  |
| 6.10.3 Should any conversions of natural forest to plantations occur, it will only be done if there are demonstrable long-term, sustainable conservation benefits to the forest.  |  |  |
| 6.10.4 The applicant does not convert forest to non-forest land (beyond that permitted in approved plans for roads, trails, landings, gravel pits and camps).   |  |  |
| 6.10.5 Management actions are undertaken to convert all non-forest areas (landings, gravel pits, etc.) back to forest once the non-forest use has ceased.   |  |  |
| 6.10.6 Where there are holders of overlapping tenure outside of the forest sector, the applicant works with other tenure holders to limit conversions of productive forest land to non-productive forest land uses.   |  |  |
| <b>P7 A management plan -- appropriate to the scale and intensity of the operations -- shall be written, implemented, and kept up to date. The long-term objectives of management, and the means of achieving them, shall be clearly stated.</b>  |  |  |
| <b>7.1 The management plan and supporting documents shall provide:</b><br><b>a. Management objectives.</b><br><b>b. Description of the forest resources to be managed, environmental limitations, land use and ownership status, socio-economic conditions and a profile of adjacent lands.</b><br><b>c. Description of silvicultural and/or other management system, based on the ecology of the forest in question</b>    |  |  |

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| <p><b>and information gathered through resource inventories</b></p> <p><b>c. Rational for rate of annual harvest and species selection</b></p> <p><b>e. Provisions for monitoring of forest growth and dynamics.</b></p> <p><b>f. Environmental safeguards based on environmental assessments.</b></p> <p><b>g. Plans for the identification and protection of rare, threatened and endangered species</b></p> <p><b>h. Maps describing the forest resource base including protected areas, planned management activities and land ownership.</b></p> <p><b>i. Description and justification of harvesting techniques and equipment to be used.</b></p>   |  |  |
| <p>7.1.1 For cases in which the forest is on Crown land, stakeholders and other interested parties have been provided with opportunities, through a publicized and open consultative process, to provide input into the development of plan objectives and strategies throughout the plan development process.</p>  |  |  |
| <p>7.1.2 A description of the forest resources to be managed, environmental limitations, land use and ownership status, and socio-economic conditions, including:</p> <ul style="list-style-type: none"> <li>• History of ownership and management of the forest, as much as reasonably can be known by the owner/manager.</li> <li>• An inventory and description of forest resources.</li> <li>• A profile of adjacent lands</li> </ul>   |  |  |
| <p>7.1.3 The rationale for rate of annual harvest and species selection including:</p> <ul style="list-style-type: none"> <li>• Projections of yields, growth levels and harvest volumes must be justified by clear evidence in the form of historical data, empirical experience, or research findings.</li> <li>• Rate of annual timber harvest must be calculated after protected areas, riparian zones, and non-productive forested land are taken out of the productive land-base.</li> <li>• Actual harvest levels should be less than or equal to actual incremental growth over the length of the management plan where possible – otherwise it can be balanced out over a 2 – 20 year period.</li> </ul> |  |  |
| <p>7.1.4 Environmental safeguards based on environmental assessments including:</p> <ul style="list-style-type: none"> <li>• Consideration of the potential future influence of "pests", pathogens, droughts, etc. on allowable harvests, timber values and stocking.</li> <li>• Written guidelines and specifications for avoiding damage to ecosystems consistent with relevant guidelines described under Criteria 6.3 and 6.5.</li> </ul>   |  |  |
| <p>7.1.5 Monitoring and compliance:</p> <ul style="list-style-type: none"> <li>• Indicators of progress relative to objectives are identified, and an effective and thorough method for monitoring these indicators is in place.</li> <li>• An effective monitoring and compliance strategy is in place to ensure proper implementation of the management plan.</li> </ul>  |  |  |
| <p>7.1.6 Maps which describe the forest resource, including:</p> <ul style="list-style-type: none"> <li>• Maps as they relate to management issues and objectives</li> <li>• Existing and planned infrastructure, road network and roadless areas for entire length of planning period</li> <li>• Protected area</li> <li>• Forest resource inventories</li> <li>• Values maps (for applicants operating on Crown land,</li> </ul>  |  |  |

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| <p>examples include: areas of special ecological significance including habitat of rare, threatened and endangered species, old growth remnants, areas with unusually high species diversity, important nesting or feeding sites or concentrations of species having significant cultural value. Small operations still have to present values identified in their property)</p> <ul style="list-style-type: none"> <li>Planned management activities</li> </ul>   |  |  |
| <p><b>7.2 The management plan shall be periodically revised to incorporate the results of monitoring or new scientific and technical information, as well as to respond to changing environmental, social and economic circumstances (i.e. Adaptive Management approach is used).</b></p>  |  |  |
| <p>7.2.1 For applicants operating on Crown Land or for large forest operations, the management plan contains a detailed monitoring strategy consistent with the principles of adaptive management and Criterion 8.1. Small and low intensity wood operations must document their monitoring efforts</p>  |  |  |
| <p>7.2.2 For applicants operating on Crown Land or for large forest operations, the monitoring strategy in the management plan is implemented.</p>   |  |  |
| <p><b>C7.3. Forest workers shall receive adequate training and supervision to ensure proper implementation of the management plan.</b></p>   |  |  |
| <p>7.3.1 Applicants operating on Crown Land or for large operators or groups, have a training program that emphasizes continuous education, with particular emphasis on reaching objectives as outlined in the forest management plan.</p>   |  |  |
| <p>7.3.2 Applicants operating on Crown Land or for large operators or groups provide clear guidance to field staff and contractors in the form of written manuals, policies and training so that they understand and can implement the forest management plan. Small operators provide written guidance to contractors to ensure implementation of management plan.</p>  |  |  |
| <p><b>C7.4. While respecting the confidentiality of information, forest managers shall make publicly available a summary of the primary elements of the management plan, including those listed under Criterion 7.1.</b></p>   |  |  |
| <p>7.4.1 For applicants operating on Crown Land or for large forest operations, the public is provided with a summary of the management plan and is allowed access to the complete management plan. This access is limited only by the following specific information:</p> <ul style="list-style-type: none"> <li>Confidential information collected and managed by Indigenous communities on traditional land use activities and cultural values;</li> <li>Information respecting certain values, that if made available could pose a threat to the existence, conservation, health or integrity of those values;</li> <li>Existing confidentiality agreements that may restrict information sharing;</li> <li>Proprietary or confidential information in respect of existing Copyright Law, Freedom of Information and Protection of Privacy Act (FIPPA) legislation and the intellectual property rights mechanisms associated with these types of legislation; and</li> <li>Information that would affect the applicant's competitiveness</li> </ul> |  |  |

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| (e.g. costs, revenues, etc.).  |   |  |
| 7.4.2. Small and low intensity operations on private lands should make available to the public a management plan summary at a reasonable fee and shall outline the land management objectives.   |   |  |
| <b>P8 Monitoring shall be conducted -- appropriate to the scale and intensity of forest management -- to assess the condition of the forest, yields of forest products, chain of custody, management activities and their social and environmental impacts.</b>  |   |  |
| <b>C8.1 The frequency and intensity of monitoring should be determined by the scale and intensity of forest management operations as well as the relative complexity and fragility of the affected environment. Monitoring procedures should be consistent and replicable over time to allow comparison of results and assessment of change.</b>   |   |  |
| 8.1.1 The applicant has a comprehensive monitoring plan that outlines the parameters to be monitored (consistent with the requirements of Criterion 8.2), and the frequency, intensity, procedures, rationale and responsibility for monitoring.   | C | The monitoring plan is included in the FMP as part of Ontario's FMP requirements. The AWS also describes part of the monitoring program for the operating year.  |
| 8.1.2 To be consistent with adaptive management, where appropriate to the scale of the forest (SLIMF) and specific issues, the monitoring program has been designed to test explicitly stated hypotheses of the effects of forest management.  |   |  |
| 8.1.3 The monitoring plan is reviewed and if necessary updated on a schedule consistent with the parameters being monitored and developments in monitoring technologies.   | C | The current monitoring plan in The FMP was reviewed as part of the MNR review and acceptance of the FMP. Further, the annual compliance plan describes compliance monitoring and is also reviewed by MNR as part of its AWS review responsibilities. |
| <b>8.2 Forest management should include the research and data collection needed to monitor, at a minimum, the following indicators:</b><br><ul style="list-style-type: none"> <li>• Yield of all forest products harvested</li> <li>• Growth rates, regeneration and condition of the forest</li> <li>• Residual stand structure following harvest</li> <li>• Composition and observed changes in the plants and animals addressed in the management plans</li> <li>• Environmental, economic and social impacts of harvesting and other operations</li> <li>• Costs, productivity, and efficiency of forest management</li> </ul> |   |  |
| 8.2.1 The applicant monitors the yield of timber harvest volumes by species and product.   | C | All harvest information is reported annually in Annual Reports. The Annual Report provided as part of the evidence package presented harvest volumes as part of the required reporting program.  |
| 8.2.2 On public land, the applicant has assembled readily available monitoring information about the \harvest of timber by parties other than themselves.  | C | The Annual Report provided as evidence to the auditors describes the methodology used to assess depletion areas and report these to the MNR and public at large.   |
| 8.2.3 The applicant monitors growth rates, regeneration and condition of the forest, including but not limited to forest health, disturbance, and age class structure.   | C | The Annual Report provided updates as required under this indicator.   |
| 8.2.4 Up-to-date inventories of the forest cover are available.  |   |  |
| 8.2.5 The applicant gathers data on flora and fauna which will help monitor the efficacy of the management plan. (MODIFY FOR SLIMF OR ADD INTENT).   |   |  |
| 8.2.6 The applicant monitors environmental impacts of forest management activities assessed in accordance with (but not necessarily limited to) Criterion 6.5.   |   |  |
| 8.2.7 The applicant monitors the impacts of forest management operations on High Conservation Value Forests as   | C | AOC monitoring at the present represents the same level of monitoring as if the AOCs are HCVs. The monitoring in the   |

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| consistent with Criterion 9.4.   |   | AOC's is consistent with Criterion 9.4.   |
| 8.2.8 The applicant monitors the impacts of forest management activities on cultural values and resources (e.g. areas of high recreational use for berry picking, snowmobiling, birdwatching, high aesthetic value areas, etc.).   |   |   |
| 8.2.9 The applicant monitors the costs, productivity and efficiency of forest management activities, consistent with Criterion 5.1.  |   |   |
| 8.2.10 On public forests, large private holdings, or in resource manager schemes, the applicant is using or actively developing or participating in the development of a system of sample plots, that includes but is not limited to permanent plots, to measure forest condition and trends over time, including the impacts of forest management.  |   |   |
| 8.2.11 On public forests, large private holdings, or in resource manager schemes, information and knowledge related to forest management are regularly assessed and the means to address gaps in them incorporated into the research and data collection program.  |   |   |
| <b>8.3 Documentation shall be provided by the forest manager to enable monitoring and certifying organizations to trace each forest product from its origin, a process known as the "chain of custody." (Chain of custody standards available from certifiers and FSC).</b>  |   |   |
| 8.3.1 A documented procedure is in place to identify FSC-certified products leaving the management unit so that the forest of origin can be identified.  |   |   |
| 8.3.2 Certified forest products, while in the applicant's possession, are clearly identified through marks or labels, and/or are stored separately from non-certified forest products.   |   |   |
| <b>8.4 The results of monitoring shall be incorporated into the implementation and revision of the management plan.</b>  |   |   |
| <b>8.5 While respecting the confidentiality of information, forest managers shall make publicly available a summary of the results of monitoring indicators, including those listed in Criterion 8.2.</b>  |   |   |
| 8.5.1 A summary of the results of monitoring activities is regularly compiled. For public lands, the summary report is available to the public.  | C | The Annual Report includes a summary of compliance inspections performed during the year (April 1 to March 31), an Onatrio requirement.   |
| 8.5.2 On public lands, the applicant assists the public in the interpretation of monitoring programs and their results.  |   |   |
| <b>P9 Management activities in high conservation value forests shall maintain or enhance the attributes which define such forests. Decisions regarding high conservation value forests shall always be considered in the context of a precautionary approach.</b>  |   |   |
| <b>C9.1. Assessment to determine the presence of the attributes consistent with High Conservation Value Forests will be completed, appropriate to the scale and intensity of forest management.</b>  |   |   |
| 9.1.1 The applicant undertakes efforts to, or makes use of existing efforts to, identify and map the presence of HCVs and HCVFs according to the assessment process in the National Framework (Appendix 4). If the process described in Appendix 4 is not used, the process that is used to identify HCVs and HCVFs must meet key characteristics and the intent of the process in Appendix 4. | C | VFM provided final version of HCV report “ <i>High Conservation Values in the Sudbury Forest</i> ” to auditors. Report describes efforts to be made by VFM to comply with this indicator. |
| 9.1.2 The applicant involves qualified specialists, directly affected people and Indigenous People in the assessment.  | C | The consultation process included consultation with technical experts about species, ecosystems or values that are HCVF.  |

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| <p>9.1.3 The applicant ensures that a credible outside review is undertaken and makes the assessment document(s), associated maps, and outside review report available to the public.</p>  |          |  |
| <p><b>C9.2. The consultative portion of the certification process must place emphasis on the identified conservation attributes, and options for the maintenance thereof.</b></p>  |          |  |
| <p>9.2.1 The applicant provides stakeholders and other interested parties with the opportunities, through a publicized and open consultative process, to input into the identification of High Conservation Value Forests and into the development of management objectives that protect those identified values.9.3.<br/>The management plan shall include and implement specific measures that ensure the maintenance and/or enhancement of the applicable conservation attributes consistent with the precautionary approach. These measures shall be specifically included in the publicly available management plan summary.</p>  | <p>C</p> | <p>Consultation involved four components:</p> <ul style="list-style-type: none"> <li>• Broad review</li> <li>• Consultation with technical experts</li> <li>• Focused review</li> <li>• Open door policy</li> </ul> <p>The first opportunity for inclusion of the HCVPs in a forest management plan on the Sudbury Forest will be during the preparation of the 2010-2020 FMP.</p> |
| <p><b>C9.3. The management plan shall include and implement specific measures that ensure the maintenance and/or enhancement of the applicable conservation attributes consistent with the precautionary approach. These measures shall be specifically included in the publicly available management plan summary without compromising the confidentiality of, or the risk to, environmentally and culturally sensitive features.</b></p>   |          |  |
| <p>9.3.1 The management plan and supporting documents include specific strategies relevant to identified High Conservation Values that:</p> <ul style="list-style-type: none"> <li>• Include and support federal/provincial/territorial recovery plans (biodiversity and wildlife habitat);</li> <li>• Maintain genetic distinctness (endemic species);</li> <li>• Ensure the protection and maintenance of critical habitat features (breeding sites, wintering sites, migration sites and routes) by managing access including the location of reserves (no cut areas and modified harvesting), roads as well as seasonal operating restrictions;</li> <li>• Provide for the genetic mixing (infusion) from source populations of species at risk, species chosen to represent a range of habitat requirements, and focal species that are at the edge of the range or are outlier populations, by ensuring habitat connectivity between the local populations;</li> <li>• Provisionally defer logging in large landscape level forests until a credible conservation plan has been completed, including: conservation design aspects; protected areas gap analysis, and identification of candidate areas to fill gaps (see Principle 6.4); special management areas; and, appropriate stakeholder consultation;</li> <li>• Are jointly developed with Indigenous Peoples, local communities and affected forest users where forest areas are fundamental to meet their basic needs and are critical to maintain traditional cultural identity; and,</li> <li>• Provisionally avoid scheduling logging in large landscape-level forests until a conservation strategy has been completed that includes conservation design aspects, protected areas gap analysis and the identification of</li> </ul> |          | <p>See 9.2.1</p>   |

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| <p>candidate protected areas. The conservation strategy should prioritize decisions of location, size and extent of protected area candidates that focus on maintaining the HCV attributes. The strategy has a well-documented rationale and incorporates input from experts and stakeholder consultation.</p>  |          |  |
| <p>9.3.2 Where a specific High Conservation Value Forest straddles a management unit or is potentially affected by existing or proposed activities outside of the management unit, the applicant demonstrates attempts to coordinate activities with adjacent manager(s) and land users to maintain or enhance the applicable conservation attributes.</p>  |          | <p>See 9.2.1</p>   |
| <p>9.3.3 The applicant demonstrates that the management strategies and measures selected to maintain or restore High Conservation Values are consistent with a precautionary approach, and with respect to each conservation attribute:</p> <ul style="list-style-type: none"> <li>• Will create conditions with a very high probability of securing the long-term maintenance or the restoration of the applicable conservation attribute;</li> <li>• Are being implemented; and,</li> <li>• Are proving effective (or are adapted as required) based on the results of monitoring.</li> </ul> | <p>C</p> | <p>The precautionary approach to protecting the identified HCV's is clearly demonstrated in the HCV document and the implementation of the HCV protections in the forest operations.</p> |
| <p>9.3.4 Specific measures to maintain or enhance the applicable conservation attributes shall be included in the publicly available management plan summary.</p>   |          | <p>See 9.2.1</p>   |
| <p><b>C9.4. Annual monitoring shall be conducted to assess the effectiveness of the measures employed to maintain or enhance the applicable conservation attributes.</b></p>  |          |  |
| <p>9.4.1 The applicant sets up and implements, or participates in, a program to monitor the status of the applicable HCVs, including the effectiveness of the measures employed for their maintenance or restoration. The monitoring program is designed and implemented consistent with the requirements of Principle 8.</p>   |          |  |
| <p>9.4.2 The monitoring program is capable of alerting the applicant to changes in the status of a conservation attribute, and determining if the conservation measures are effective in maintaining or restoring the conservation attribute. The results of monitoring are assessed consistent with the monitoring requirements of Indicator 8.1.1.</p>  |          |  |
| <p>9.4.3 When monitoring results indicate increasing risk to a specific conservation attribute, the applicant re-evaluates the measures taken to maintain or enhance that attribute, and adjusts the management measures to reverse the trend.</p>  |          |  |