



**FSC Certification Report for the
2008 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: June 23 – 25, 2008

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1.0 GENERAL INFORMATION

1.1 Background Information

VERMILION FOREST MANAGEMENT COMPANY LTD.

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Sudbury, Ontario P3E 5E1

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Website: <http://sudburyforest.com>

1.2 General Background

This report covers the third 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
- Lahaie Lumber Limited, Alban, Ontario
- Domtar Inc., Nairn Center and Espanola, Ontario, website: www.domtar.com
- N'Swakamok Forestry Corporation, Whitefish Lake First Nation, Ontario
- Grant Forest Products Inc., Engleheart, Ontario. website: 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, Eighteen Mile Island
- Dan Hebert, Wolseley Bay area
- Lakeland Lodge, Wanapitei Lake
- Georges Piquette, Hagar/Markstay area

- Lowery Forest Products Ltd.

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*), 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).

The 2005-2010 Forest Management Plan identifies 17 mills that received wood from the Sudbury Forest in 2002/2003. However only nine mills received over 1% of the wood harvested on the Sudbury Forest. Most mills are not entirely dependent on the Sudbury Forest for their wood supply. The wood supply traditionally provided to these mills from the Sudbury Forest varies from less than 100 m³/yr to more than 40,000 m³/yr. Over the last five years, the average annual harvest area has been 2,897 ha, yielding approximately 233,396 m³/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.scscertified.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.scscertified.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. The number of shareholders had been reduced to eight. Six of these eight shareholders were part VFM in 2005. Domtar and Grant Forest Products have become additional shareholders 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.

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.

Standard Forest Units	Silviculture System	% of Forest
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 annual surveillance audit of 2007. All of these CARs and Recommendations were investigated as part of this annual audit. VFM provided supporting documentation to address the CARs and Recommendations.

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 FSC Certified school forest. Dr. Mark specializes in forest health and silviculture. Dr. Mark is a consultant for Scientific Certification Systems and is responsible for the audit. Dr. Mark is a registered professional forester in California (RPF No. 1250) with over 35 years of forestry experience in public and private forestry and higher education sectors. He acted as lead for the 2004 through 2006 Nipissing Forest Annual Audits. He has served as audit team member and leader for several certification, recertification and annual audits over the past several years..

2.2 Assessment Dates

On June 23, 24 & 25, 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 and field personnel.

2.3 Assessment Process

The SCS annual audit field evaluation commenced in the morning of June 23, 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 2007 annual surveillance audit. The field audit concluded in the afternoon of June 23. 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:

June 23: The first 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, Doug Maki, Chuck Huisman and Patrick Bazinet (at first stop only) of VFM; John Cowlings of Domtar; and Tim Lehman, Area Forester with the Sudbury District MNR; John Sommerset of the Local Citizens Committee; and the audit team, Peter Higgelke and Walter Mark.

Stop #4 in the tabbed field books was a commercial thinning operation started in the fall of 2007 in a red pine stand. The operation was being conducted under a Gervais licence by Armond Gagne and son, Curtis, as a first thinning of every fifth row in a 43-year old red pine plantation with additional removal occurring by selection in the leave strips between thinned rows. Sawlogs were earmarked for the Gervais sawmill while pulp material was being delivered to the Domtar mill in Espanola.

At the request of the municipality, a modified 30 m AOC was left as a visual buffer along the municipal road with piling and loading occurring away from the road.. The modified buffer allowed sawlog removal as long as the basal area remained at 24 m/ha or greater. Examination of the stumps showed that the thinning was occurring 15-20 years later than optimal. The operation was being performed with a single grip harvester with a

processing head and a feller forwarder to move logs to landings. Scheduling of log intake at the mill had caused some impacts in the operation. The operator was forced to stockpile logs in the mill to await scheduled days for receipt of logs at the mill. This caused landings to be enlarged, which will affect future productivity of the stand negatively. REC 2008.1

Stop #12 in the tabbed field books was located at Gervais Block 05-10 of the 2005-2010 FMP. Harvesting operations in this block began in March 2008 with road construction having been completed the previous fall.

The block consisted of a variety of stand types and conditions, resulting in a assortment of prescriptions for the area from clearcut to shelterwood to pockets of seed tree. An unmapped moose aquatic feeding area was discovered by field personnel and appropriate protection applied. The main road also served as a trail for the Ontario Federation of Snowmobile Clubs. The road was therefore kept clear for this use and not used by the harvesting operation on weekends, the primary time for use by snowmobilers. An unmapped wetland was also discovered with appropriate protective measures applied.

Evidence of logging damage to residual trees was minimal. Some deficiencies were noted with the piling of slash primarily since this was performed in the winter season.

Stop #11 in the tabbed field books was located at Domtar Block 05-02 of the 2005-2010 FMP. The block was part of Domtar's allocation and was harvested by Gervais. The portion of the block adjacent to the Vermilion River had a 120m canoe route AOC to protect the integrity of the value. As well, wetlands were located in the block with appropriate protection having been applied.

The block consisted of a large component of hardwood. As the Espanola mill had been accepting hardwood for pulp, timing for this block worked well with improved hardwood market conditions at that time. The jack pine and spruce were purchased by Gervais with much of these species earmarked for delivery to Quebec. Although delivery to Quebec is not favoured, market conditions of the time again warranted this action.

Effective slash piling had occurred throughout the block as a precursor to VFM's slash burning program. Retention of residual trees in clearcut areas was appropriate.

Evidence of impeding water flow through inadequate use of cross drainages in road construction was found on two locations past the camp location in the block. There was also evidence of rutting on the roads due to road use while wet. Waterflow had been channelled down the ruts. Although the timing of the audit occurred after a lengthy period of higher than normal levels of precipitation, water must be permitted to flow without impediments under such circumstances. CAR 2008.1.

Unscheduled stop at a Category 9 gravel pit along Portelance Road. The pit was inactive at the time of the audit, but overly steep walls were observed.

The Spanish Arm Road was visited. The closure of the road was under some dispute unless the Land Use Plan was modified. The Director of the MNR made the decision to close the road until the 2010 FMP is approved. An area where the fill base was too narrow, which was noted on the 2007 annual audit, was reviewed and the road base had been fixed nicely.

Stop #8 in the tabbed field books was located in Block 05-02 of the 2005-2010 FMP. A check of the Bill of Laden was observed by the audit team as part of the chain of custody audit process. The driver, Sid Bouchet, working for J. Bell was interviewed. The BOL included the block, final destination, App # 211003, and species. The truck driver had the expected three copies in his possession. Required safety equipment was present on the truck. The unit was a clearcut with NDPEG in mixed wood for pulp. The unit included AOC's for cold water fisheries and a trapper.

Stop #9 in the tabbed field books was located at Block 05-02 of the 2005-2010 FMP. This unit was harvested in early 2005. The unit was visited during the certification audit on the forest in 2006. In 2007 an aerial herbicide application with glyphosate to control poplar and birch competition was done for site preparation. Due to scheduling problems with the flight service, the application was done in late September and the results were poor. The spray date was too late for an effective kill.

June 24: The second day of the audit again consisted of examining several sites in the field. The field group for the day consisted of Ron Luopa and Pat Bazinet (for the first stop) of VFM; Mike Bulova, Forest Management Technician with the Sudbury District MNR; Viki Mather of the Sudbury LCC; Marcel Veillette of Domtar; Claude Goulard of Goulard Lumber; Kevin Rochefort; and the audit team, Peter Higgelke and Walter Mark.

Stop #23 in the tabbed field books was located at Block 05-23 of the 2005-2010 FMP. Harvesting operations had changed hands several times. The focus of this site examination was silviculture treatments that had occurred in past year.

The most recently harvested portions of this block had been planted to jack with portions having been site prepared and/or chemically treated to reduce vegetative competition for the planted stock. Areas where site preparation had taken place were to be planted in the fall of 2008. Sprayed areas demonstrated some striping with effective control of competition other than ferns. Planted stock was demonstrating good survival and growth. Areas on which spray treatment had not been performed also had good survival and growth of planted stock. Since the planted trees remained at risk to potential over-competition from ferns, monitoring of these sites is still warranted. REC 2008.2

A wooden culvert had been installed as a water crossing. Although the initial installation had been examined several years prior during an annual surveillance audit, it was now showing signs of failure. CAR 2008.2.

Stop #22 in the tabbed field books was located at Block 05-24 of the 2005-2010 FMP. This stop was a clearcut with a few patches of white pine seed tree cut started in the fall of 2007 and completed in the winter. The harvest was performed by Piquette as a contractor to Domtar. There was good utilization and little to no residual damage. Wet areas in the unit had been avoided and there was minimal rutting. The area was scheduled for slash piling by Gervais pending availability of equipment, with site preparation planned as aerial spray or chaining. The unit contained some good pine restoration sties. The boundary of the unit was with private lands and was gps'd.

Stop #21 in the tabbed field books was Blocks 05-22 and 05-28. The auditors made several stops to examine a skid trail bridge removal where water flow was left unimpeded; brush matting on a skid trail to reduce skidding damage to soil; and, an area where slash piling had not yet occurred and access conditions might cause problems for equipment access. Tree retention was good in all areas. In one area, passive site preparation likely would have been achieved had an effort been made to distribute skid trails more evenly across the site. No silviculture treatment had yet occurred at the time of the audit.

After the conclusion of the examination of Stop #21, we were joined by Viki Mather of the Sudbury Forest LCC and Claude Goulard of Goulard Lumber.

Stop #28 in the tabbed field books was located at Block 05-21 of the 2005-2010 FMP and involved two examination stops. The first was in an area with clearcut with NDPEG, white pine shelterwood and white pine seed tree cuts. Slash had been piled although at times seemingly close to residual white and red pines. The area was harvested with a two-pass method where a feller buncher was used to harvest smaller stems, leaving the white and red pines for a cut and skid harvest. There was very little damage to residual stands.

The second field stop on this site was in an aggregate pit where a high potential cultural heritage value was located along a river, although on the far side of a rail line which runs parallel to the river. Aggregate excavation had begun in error due what was termed miscommunication. VFM personnel had not performed its pre-harvest checklist prior to the commencement of operations in the block. Discussions with MNR led to permission being granted to use the aggregate material that had already been disturbed. A not in compliance was issued by the MNR but without penalty or warning. VFM has changed mapping symbols on harvest maps to more clearly show these values. CAR 2008.3.

An unscheduled stop was made at the Carafel Creek rehabilitated water crossing to examine a site which has caused concern for some time. A portable bridge was installed and removed a number of times to impede motorized access on the Davis Road.

Additional access impediments have been used including aggressive berming, ditching and road signage. Still, ATV access to points beyond the bridge removal continues.

Stop #25 in the tabbed field books was located at Block 05-52 of the 2005-2010 FMP. This was a Chartrand block and consisted of a ground herbicide application (4-5 litres per ha) in August 2007 using an air blast sprayer. The block was planted to either white or red pine in May 2008. Examination showed that the spray was effective and the tree plant was well done and successful.

The block was on an isolated piece of Crown land surrounded by private property. Access was across private land through an agreement with the land owner who also benefitted from the road construction.

A bridge was found with crib logs laid in the stream channel and no curbing provided on the deck. Further, a gap in the bridge decking was present, permitting sediment to wash directly into the stream channel.

An aggregate pit has been developed on the private land portion of the road to serve road construction requirements. Being on private land, the pit was not subject to aggregate pit standards for Crown lands in Ontario. Inactive working faces were not sloped and excavation had occurred below the water table. Working standards in situations where private lands are used to access harvest blocks on Crown land should be consistent with Crown land standards. REC 2008.3.

June 25: The Third day of the audit again consisted of examining several sites in the field. The field group for the day consisted of Peter Street, Chuck Huisman and Patrick Bazinet of VFM; Jessie Lefevre of the Sudbury District MNR; Jim Gomme of the LCC; and Peter Higgelke and Walter Mark of the audit team.

Stop #38 in the tabbed field books was an area with a combination of treatments. One part had been treated with an aerial application of herbicide in the fall of 2007 and planted in 2008. The spray efficacy was limited and appeared have been applied too late. Another section was treated with an air blast sprayer where a previous plant had failed. Another involved spraying in a shelterwood where the treatment proved effective.

The stop included examination of an aggregate pit that had been closed and rehabilitated and re-opened. The pit had working faces that were too high and steep. A compliance order had been issued by the MNR for pit rehabilitation to be properly completed by July 31, 2008.

Stop #37 in the tabbed field books was located at N'Swakamok Block 05-64 of the 2005-2010 FMP and was harvested by Fryer Forest Products. The block consisted primary of clearcut with standards and pockets of white pine shelterwood. Operations began in the fall of 2007 and completed in February 2008 with full tree with a feller

buncher and treelength with cut and skid. Utilization was good with pulp having been delivered to Domtar's Espanola mill, white birch and white pine logs allocated to the Fryar mill and veneer delivered to Rutherglen. Damage to residuals was minimal.

Two issues surfaced at this site and were dealt with by MNR. One involved an aggregate pit and the other involved the right-of-way width, which was too wide. Part of this was due to piling slash at landings.

There was a heron rookery adjacent to the unit and this is part of the HCV monitoring.

Stop #36 in the tabbed field books was Grant block 05-73 and was harvested by Fryer Forest Products in the fall of 2007. The area was primarily a white pine shelterwood harvest performed with cut and skid operators. Red oak and hemlock were retained as residuals whenever encountered. This was a second harvest in this block since the first removal was considered too little. Several AOCs were present to protect both cool and warm water lakes. Landings were small due to the cut and skid operation utilization of smaller skidders to reduce residual damage. This area is identified as an HCV for red oak and is included in the HCV Monitoring Plan.

Stop 31 in the tabbed field book was Lahie Block 05-31 of the 2005-2010 FMP. This unit was harvested by Buddy Lowery. The area examined was harvested in the winter of 2007-2008 as a continued block. A temporary skid bridge removal was examined along with the operating area.

The skid bridge removal was well done. The harvest had been performed primarily with cut and skid with some hardwoods having been harvested by a feller buncher. Skidding had created considerable mineral soil exposure with substantial natural germination occurring at the time of the site examination.

Stop #40 in the tabbed field books was a bridge installation at Lahaie Block 05-62. the installation was well done although road approaches displayed problems. Sloped approaches to the bridge occurred on both sides and, although some cross-road berming has been carried out, the fine textured soil of the road bed as well as the slopes presented problems. Erosion of the road was occurring and sedimentation into the waterway was evident. Additional work was needed to properly address the sedimentation concern as well as prevent more substantial impacts from happening. CAR 2008.4.

Audit team member Walter Mark attended the Sudbury LCC meeting at the MNR Offices in Sudbury on Wednesday evening, June 25, 2008. Doug Maki from VFM was present along with MNR staff, 11 LCC members, and guest speaker Doug Pitt of the Canadian Forest Research Center. Doug Pitt made a presentation on Vegetation Management. The business portion of the meeting included discussions on field trip possibilities for a future LCC meeting, modified AOC

prescriptions for successional considerations and creation of beaver habitat, AWS revisions, disentanglement progress, and an update on the FMP progress.

The scope of the 2008 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, attending an LCC Meeting, and interacting with outside stakeholders.

2.4 Guidelines/Standards Employed

This annual surveillance audit was based on the Great Lakes/Saint Lawrence (GLSL) Interim Standard Version 2.0 June 2008 by Scientific Certification Systems. The scope of this standard includes both natural and plantation forests. This standard fully incorporates the indicators of the FSC Canada GLSL Field-Tested Draft Standard (April 2007). Once the FSC Canada GLSL Standard has been officially accredited by the FSC for use in the GLSL region, all further evaluations will be done against said standard. The 2008 standard is currently under review and is available in the revised form as a Field-Tested Draft, April, 2007 on the FSC Canada website (www.fsccanada.org).

3.0 STATUS OF CORRECTIVE ACTION REQUESTS AND RECOMMENDATIONS

This results section is divided in two sections: 3.1 details the status of conditions outstanding from past audits; and, 3.2 details new observations, CARS, and recommendations.

A brief summary of the 2007 certification annual is as follows:

- 1) Seven CARs were included in the 2007 certification audit.
- 2) Five Recommendations were issued in the 2007 certification audit.

3.1 Status of Corrective Action Requests and Recommendations

The conditions and recommendations issued or continued at the time the 2007 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.

CAR 2005.2:
<i>VFM must continue to pursue the alternative for the gap analysis. 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>
Company Action/Auditor Observation:
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 MNR, Ministry of Northern Development and Mines and Ontario Parks. Further complicating the disentanglement process are areas that were previously designated for protection having been returned to general lands where development might occur. VFM has a demonstrated track record of and commitment to completing this process. This issue will be reviewed during the 2009 annual audit. However, the CAR is closed.

Status at September 05, 2007:

This condition is closed.

Condition CAR.2006.2:

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 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.

Company Action/Auditor Observation:

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. Evidence was provided to demonstrate that VFM was carrying out its commitment with respect to this policy. Evidence in the field showed that improvements had occurred with respect to the operations of the parties in question.

Status at September 05, 2007:

This condition is closed.

Condition CAR.2006.3:

Annual Work Schedules must include pre-operations orientation and post-operations monitoring provisions for blocks with HCV.

Company Action/Auditor Observation:

The AWS includes an Annual Compliance Plan wherein the monitoring of HCVs is discussed, including reference to the reporting of HCV monitoring as a part of compliance monitoring. VFM provided evidence of a FOIP report which described monitoring of a HVC.

Status at September 05, 2007:

This condition is closed.

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.

Company Action/Auditor Observation:

VFM provided photographic evidence showing that corrective actions had been completed on

Domtar Block 01 of the 2005-2010 FMP. Drainages had been opened and cross drains installed. Photographs of work sites were reviewed with photographic evidence from the 2007 annual surveillance audit to confirm locations.
Status at June 25, 2008:
This condition is closed.

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.
Company Action/Auditor Observation:
VFM prepared water ponding and cross drainage direction as part of its 2008 Spring compliance meeting in association with a presentation that included a discussion of the benefits and needs of its FSC certification. As well, the 2008/2009 Annual Work Schedule “Appendix 7: Conditions Of The Sudbury Forest 2008/2009 Annual Work Schedule” included conditions for water crossings and drainages in Schedules “B” and “D”.
Status at June 25, 2008:
This condition is closed.

CAR 2007.3:
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"> • Applications intended to enhance or maintain white pine, red pine, and red oak regeneration • Applications associated with competition control in all other circumstances Data must be further disaggregated by application method.
Company Action/Auditor Observation:
VFM provided documentation providing annual herbicide use data for 2003 through 2007 by intent (enhance or maintain white pine or red pine; non-white pine or red pine), by treatment (glyphosate; release; myco-tech) and by method (aerial; air blast; backpack; sprout-less; basal bark; paste).
Status at June 25, 2008:
This condition is closed.

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...”
Company Action/Auditor Observation:
VFM provided evidence of dialogue with FSC-Canada to resolve this condition. A conference call/meeting was held on February 6 th , 2008 in Toronto with FSC Canada (Martin von Mirback), Tembec (Chris McDonnell via phone), Domtar (Keith Ley), SCS (Dave Wager via phone) and VFM (Peter Street) concerning the use of herbicides in the restoration of red & white pine and the general use of herbicides to meet MNR standards. Three scientific studies showing the need

for herbicides in managing white pine were provided to FSC Canada (Wharcliff White Pine Study by F. Wayne Bell, the McConnell Lakes White Pine Study by Doug Pitt and Site Prep in White Pine Shelterwood by Andree Mornnault). It was also pointed out that the 2006 Nipissing IFA Audit called for better vegetation control. Keith Ley also pointed out that their IFA's had shown the need for herbicides to control raspberry competition. The new GLSL Standard wording on the use of herbicides was discussed. Martin said that herbicide use was not contentious except for continuous routine use - people wanted to ensure alternatives were being looked at.

Status at June 25, 2008:

This condition is closed.

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.

Recommendation 2005.5

VFM needs to work with MNR to assure that planned road closures are effective.

Company Action/Auditor Observation:

In opposition to the District Manager's decision regarding the Spanish Arm Road, VFM requested issue resolution with the Regional Director to engage more restrictive access controls to better protect the remoteness of the immediate area. The Regional Director's decision included "...an examination of the land use designations for the area in question." This examination has been completed and the Crown Land Use Atlas has been changed, following the direction of the Regional Director. Road closures in this area have thus been invoked.

Status at June 25, 2008:

This recommendation is closed.

Recommendation 2005.6

VFM should continue to seek funds to assist in the rehabilitation of the forest areas damaged by the smelter flume in the past.

Company Action/Auditor Observation:

The source of funds for this project has been the Forestry Futures Trust, administered by the Forestry Futures Trust Committee, through funding proposals submitted by VFM. No calls for proposals was issued by the Committee this past year. VFM will submit proposals for this project when calls for proposals are issued since this Trust is in place for the rehabilitation of damaged forests, among other things. Ongoing efforts in obtaining funding for rehabilitation need to be continued by VFM.

Status at June 25, 2008:

This recommendation remains open as substantial area remains appropriate for rehabilitation.

Recommendation 2005.9

VFM is advised that during the course of the 2006 annual inspection FSC Criterion 9.4.3 will be

<i>the reviewed by the audit team to determine how the monitoring data from 9.4.2 has been utilized to adjust the management measures.</i>
Company Action/Auditor Observation:
FOIP reporting showed that monitoring of HCVs has occurred. No adjustment of management measures was required. Therefore, this recommendation will require additional time.
Status at June 25, 2008:
This recommendation remains open.

Recommendation 2007.1:
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.
Company Action/Auditor Observation:
VFM provided pictorial evidence to show water crossing installations had been repaired.
Status at June 25, 2008:
This recommendation is closed.

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 through to the time of this audit.

Higher prices for hardwood pulp has led to the utilization of low grade hardwoods on the Sudbury Forest during the year in review for this audit. Increased utilization of hardwoods has been beneficial on a number of the sites visited. Further, some blocks were operated that had a higher concentration of low quality hardwoods, enabling VFM to implement silviculture treatments on these sites improve the future forest.

Additional CARS

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

Company Action/Auditor Observation:
During the field audit, Domtar Block 2 of the 2005-2010 FMP was examined. Two instances of impeding water flow through inadequate use of cross drainages in road construction were found past the camp location in the block. Although the timing of the audit occurred after a lengthy period of higher than normal levels of precipitation, water must be permitted to flow without impediments under such circumstances.
CAR 2008.1:

By the time of the 2009 annual audit, VFM shall provide evidence to show that cross drainages have been installed on the road in this block in a manner that permits unimpeded flow of water.
Reference: FSC 6.3.7 and 6.5.1
Status at June 25, 2008:
This is a new minor CAR and will be reviewed in the 2009 audit.

Company Action/Auditor Observation:
The field audit included examination of Block 05-23 of the 2005-2010 FMP. A wooden culvert had been installed as a water crossing several years prior. Although the initial installation had been examined several years prior during an annual surveillance audit, it was now showing signs of failure.
CAR 2008.2: FSC 5.5.1, 6.3.5, 6.3.7 and 6.3.10
By the time of the 2009 annual audit, VFM shall provide evidence to show that the wooden culvert in Block 05-23 has been repaired or removed.
Reference: FSC 6.3.7 and 6.5.1
Status at June 25, 2008:
This is a new minor CAR and will be reviewed in the 2009 audit.

Company Action/Auditor Observation:
The field portion of this audit included a stop where VFM personnel had not performed its pre-harvest checklist prior to the commencement of operations in a block and excavation of an aggregate pit had begun where a high potential cultural heritage value was located.
CAR 2008.3:
By the time of the 2009 annual audit, VFM shall provide evidence to show that operations cannot proceed prior to VFM personnel performing its pre-harvest checklist with the operations personnel.
Reference: FSC 4.5.1, 5.5.1 and 6.3.5
Status at June 25, 2008:
This is a new minor CAR and will be reviewed at the 2009 audit.

Company Action/Auditor Observation:
A bridge installation at Lahaie Block 05-62 was examined as part of the field audit. the installation was well done although road approaches displayed problems. Sloped approaches to the bridge occurred on both sides and, although some cross-road berming has been carried out, the fine textured soil of the road bed as well as the slopes presented problems. Erosion of the road was occurring and sedimentation into the waterway was evident. Additional work was needed to properly address the sedimentation concern as well as prevent more substantial impacts from happening.
CAR 2008.4:
By the time of the 2009 annual audit, VFM shall provide evidence to show that work has been performed at the bridge installation on Lahaie Block 05-62 to properly address sedimentation concerns.

Reference: FSC 1.4, 6.2.2, 6.2.3, 6.6.2, 6.6.3
Status at June 25, 2008:
This is a new minor CAR and will be reviewed in the 2009 audit.

Company Action/Auditor Observation:
Field examination showed evidence of road construction activities that had resulted in impediments to water flow. This resulted in back flooding of lowland areas. The message needs to be addressed with road construction operators both as part of the annual spring compliance meeting and the checklist that is reviewed with field personnel prior to the commencement of road construction activities.
CAR 2008.5:
By the time of the 2008 annual audit, VFM should provide evidence to show that focus on ensuring that water flow is not impeded by road construction work has been included as part of the annual spring compliance meeting and the checklist that is reviewed with field personnel prior to the commencement of road construction activities.
Reference: FSC 1.4, 6.2.2, 6.2.3, 6.6.2, 6.6.3
Status at June 25, 2008:
This is a new minor CAR and will be reviewed in the 2009 audit.

Additional Recommendations

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

Company Action/Auditor Observation:
At the first field stop during the field portion of the audit, a problem with landing size was observed. The landing sizes were larger than normal due to scheduling problems for log receipt at the mill. The mill was restricting log deliveries to certain times and days, requiring operators to stock pile material in the woods on landings awaiting times when logs could be shipped to the mill.
REC 2008.1:
VFM should work with mills and operators to provide for improved scheduling of logging, shipping and mill yard receipt of logs to minimize the need to expand landings in the forest.
Reference: FSC 5.1.1 and 6.3.10
Status at June 25, 2008:
This is a new Recommendation and will be reviewed in the 2009 audit.

Company Action/Auditor Observation:
During the field audit, a Chartrand block located in an isolated piece of Crown land surrounded by private property was examined. Access was secured across private land through an agreement with the land owner who also benefitted from the road construction. A bridge was found with crib logs laid in the stream channel and no curbing provided on

<p>the deck. Further, a gap in the bridge decking was present, permitting sediment to wash directly into the stream channel.</p> <p>An aggregate has been developed on the private land portion of the road to serve road construction requirements. Being on private land, the pit was no subject to aggregate pit standards for Crown lands in Ontario. Inactive working faces were not sloped and excavation had occurred below the water table. Working standards in situations where private lands are used to access harvest blocks on Crown land should be consistent with Crown land standards.</p>
REC 2008.2:
VFM should develop working standards to ensure that its shareholders practice best practices for road, water crossing and aggregate pit development on private land when these developments provide access onto Crown lands.
Reference: FSC 6.3.5, 6.3.7, and 6.3.10
Status at June 25, 2008:
This is a new Recommendation and will be reviewed in the 2009 audit.

Company Action/Auditor Observation:
At several of the stops on the field audit examples of late summer or early fall herbicide application was observed. These were largely late September applications and the efficacy of the applications was very poor and the sites will require additional tending for the pine regeneration to succeed and attain free-to-grow status. The lack of adequate planning and availability of contractors to perform the applications in a timely manner is resulting in reduced efficacy and an increase in the need for additional herbicide treatments.
REC 2008.3:
VFM should develop better prescriptions for herbicide application to attain consistent efficacy and work with contractors to assure that applications occur in a timely manner within the prescription window.
Reference: FSC 6.6.3
Status at June 25, 2008:
This is a new REC and will be reviewed in the 2009 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, 1.2, 1.4, 2.1, 3.3, 4.1, 4.4, 5.1, 5.3, 5.6, 6.2, 6.3, 6.9, 7.1, 7.4, 8.1, 8.3 and 8.4. 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	COMMENT/CAR
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.		
C1.1 Forest management shall respect all national and local laws and administrative requirements.	C	
<p>1.1.1 The manager, staff and/or contractors understand their obligations regarding forestry, environmental, labour and health and safety regulations 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).</p> <p><i>Means of verification:</i> Staff members display working knowledge of the regulations/legislation and legal responsibilities. System/process whereby staff members are kept abreast of new developments in regulations/legislation and legal responsibilities.</p>	C	<p>Staff are 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.</p> <p>VFM holds annual compliance meetings for all operators on the Sudbury Forest. These meetings include a range of topics but typically focus on subject areas where problems exist and new legislative, regulatory and guidelines requirements. These annual compliance meetings are attended by MNR personnel as well.</p>
<p>1.1.2 The manager shall demonstrate that it has a satisfactory record of compliance with legal and administrative regulations regarding forest management</p> <p><i>Means of verification:</i> Record of periodic compliance inspections. Record of corrective actions that have been implemented in the case of any identified non-compliances</p>	C	<p>VFM is directly responsible for and manages renewal and maintenance operations. The 2006-2007 Annual Report shows that 14 compliance inspections had been completed for renewal and maintenance – VFM 7 and MNR 7. All were in compliance.</p> <p>On the Sudbury Forest, access and harvest are licensed to the shareholding companies of VFM. The 2006-2007 Annual Report shows that 95 compliance inspections had been completed for renewal and maintenance – VFM 65 and MNR 30. VFM reported 65 as in compliance while MNR reported all but three to be in compliance.</p>
C1.2. All applicable and legally prescribed fees, royalties, taxes and other charges shall be paid.	C	
<p>1.2.1 The manager shall pay all applicable and legally prescribed fees, royalties, taxes and other charges are paid by due date.</p> <p><i>Means of verification:</i> Records showing payment of fees and dues, including, GST, municipal taxes, stumpage, land use permit fees, workplace safety insurance board assessments, etc. Documented procedures to ensure payment of applicable stumpage and licence fees by subcontractors supplying certified wood to the manager from the forest management unit.</p>	C	<p>VFM provided evidence to show that the company was in good standing with the Canada Revenue Agency, the Ontario Ministry of Finance and the Ontario Workplace Insurance Board, and has maintained its minimum balance in its Forest Renewal Trust Account.</p>
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.		
<p>1.3.1 The manager shall respect the relevant provisions of all binding international agreements such as CITES, ILO Conventions, and the Convention on Biological Diversity, as listed in Annex X.</p> <p><i>Means of verification:</i> Descriptions of activities carried out by the manager related to</p>		

international training on international agreements, etc.		
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 by the involved or affected parties.	C	
1.4.1 Any situations in which the manager's compliance with FSC requirements conflicts with laws and regulations shall be documented and provided to FSC Canada by the manager.	C	See I 1.4.2 as evidence of communication.
1.4.2 The manager should work with the appropriate regulatory bodies and FSC to resolve discrepancies between laws/regulations and FSC Principles and Criteria <i>Means of verification:</i> Action plan (e.g. identification of priorities, identification of key players, recommendations to solve conflicts, communications plan)	C	A conference call/meeting was held on February 6 th , 2008 in Toronto with FSC Canada and relevant parties concerning the use of herbicides in the restoration of red & white pine and the general use of herbicides to meet MNR standards. Three scientific studies showing the need for herbicides in managing white pine were provided to FSC Canada. It was also pointed out that IFAs called for better vegetation control and the need for herbicides to control raspberry competition. The new GLSL Standard wording on the use of herbicides was discussed. FSC–Canada stated that herbicide use was not contentious but targeted the consideration of alternatives.
C1.5. Forest management areas should be protected from illegal harvesting, settlement and other unauthorized activities.		
1.5.1 The manager demonstrates that measures are in place to protect the management unit from illegal/unauthorized activities. <i>Means of verification:</i> Measures to prevent unauthorized activities (e.g boundary notices, access controls) Procedures for reporting illegal activities. Records of illegal activities (if any).		
C1.6. Forest managers shall demonstrate a long-term commitment to adhere to the FSC Principles and Criteria.		
1.6.1 The manager shall demonstrate a commitment to comply with these regional standards for the length of the current management plan and has declared its intention to protect and maintain the integrity of the forest in the long term.		
P2 Long-term tenure and use rights to the land and forest resources shall be clearly defined, documented and legally established.		
C2.1. Clear evidence of long-term forest use rights to the land (e.g., land title, customary rights, or lease agreements) shall be demonstrated.	C	
2.1.1 The applicant is the owner of the forest under assessment or has the legal right to manage and use its forest resources.	C	VFM holds a Sustainable Forest Licence for the Sudbury Forest providing the legal framework to manage Crown forests thereon.
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.		
2.2.1 Customary tenure or resource use rights held by communities are identified and documented,		
2.2.2 The free and informed consent of communities holding customary tenure or resource rights has been obtained regarding all parts of the management plan that affect their rights and resources.		
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 an operation from being		

certified.		
2.3.1 Where there is a dispute over tenure claim and use rights, the applicant is implementing a dispute resolution process that has been mutually agreed to.		
2.3.2 The manager is not involved in outstanding disputes of substantial magnitude involving a significant number of interests in relation to tenure claims and use rights on the management unit. The magnitude and extent depend on various factors including the following: <ul style="list-style-type: none"> • Whether the dispute involves local rights holders; • Whether the dispute involves legal or customary rights; • The range of issues and/or interests involved; • Whether the potential impacts on the disputant(s) are irreversible or cannot be mitigated; and/or • Whether the dispute involves issues related to meeting the FSC GLSL Regional Standard. 		
P3 The legal and customary rights of indigenous peoples to own, use and manage their lands, territories, and resources shall be recognized and respected.		
Terminology		
The term “Indigenous Peoples” in this standard means “Aboriginal Peoples” as defined in the Canadian Constitution Act, 1982 to include “Indians, Inuit and Métis”.		
The Supreme Court in Canada has recognized and clarified the application of Aboriginal and Treaty rights in a number of recent landmark decisions (e.g. Sparrow 1990, Delgam’uukw 1997, Powley 2003 and Haida 2004, to name a few). The legal framework related to Aboriginal Peoples in Canada is constantly evolving.		
Aboriginal rights are collectively held rights, therefore most of the language referring to Indigenous or Aboriginal rights in this standard refers to “Aboriginal Peoples” or communities as a whole, rather than to individuals. “Aboriginal community” refers to any First Nations or Métis community (status or non-status) with a demonstrated traditional connection to the area in question.		
C3.1. Indigenous peoples shall control forest management on their lands and territories unless they delegate control with free and informed consent to other agencies.		
Definition of community forests: A public forest area managed by the community as a working forest for the benefit of the community. Community forests includes such examples as conservation authorities, county forests, municipal forests, MRC forests and les forêts habitées. Industrial licensed forests (SFL, CAAF) or forest partnerships in which control does not rest with the communities are not community forests.		
3.1.1a Applies on public forests -The manager keeps abreast of and is able to demonstrate a good working knowledge of the Aboriginal communities, their legal and customary rights and their interests related to forest lands within the forest management planning area.		
<i>Means of verification:</i> Documented knowledge of: the number and demographic profile of distinct Aboriginal communities having or claiming rights and interests within the area;the legal and customary rights of the Aboriginal communities;the political organization and governance structure of each respective Aboriginal community;the traditional use areas or lands within the manager’s forest management area asserted by each respective Aboriginal community;the existence, and current status of publicly known negotiations between Government and the Aboriginal communities regarding rights and interests asserted by each respective Aboriginal community in relation to lands and resources; and,		

<p>3.1.1b Applies on Private and Community forests - The manager has a familiarity with available information about Aboriginal communities with traditional rights within the region.</p> <p><i>Means of verification:</i></p> <p>Demonstrated knowledge of: The Aboriginal communities with reserves, claims or asserted traditional rights in the region The traditional use areas or lands within the forest management unit.</p>		
<p>3.1.2 On Public forests, the manager applies best efforts and achieves measurable progress towards obtaining agreement from each affected Aboriginal community verifying that their interests and concerns are clearly incorporated into the management plan. Such agreement shall include:</p> <ul style="list-style-type: none"> • A description of the roles and responsibilities of the parties; • The interests of the parties; • A provision indicating that this agreement is not intended to abrogate or derogate from any Aboriginal or Treaty rights held by any party to the agreement; • A description of appropriate decision-making authorities for all parties; • A dispute resolution mechanism; and • Conditions under which consent has been given and under which it might be withdrawn, if any. <p><i>Means of verification:</i> Formal agreement or memorandum of understanding. Indication from each Aboriginal community indicates that it is satisfied that the manager has incorporated their interests and concerns within the management plan.</p> <p><i>In situations where a formal agreement is not concluded, the following means of verification can help to determine the manager efforts toward reaching agreement:</i></p> <p>Evidence that the manager has informed the community in writing of their intentions to seek FSC certification, provided a copy of Principle 3 of the applicable standard and asked for a meeting to discuss how to proceed.</p> <p>Evidence of repeated attempts, using different tactics, to open communications towards reaching agreement. Minutes of any meetings with representatives of the Aboriginal community.</p> <p>Evidence that the manager has negotiated as much of the required agreement as possible, from the description of the roles and responsibilities of the parties through to the interests of the parties, a description of appropriate decision-making authorities for all parties; a dispute resolution mechanism and the conditions under which consent has been given (or withheld) and under which it might be withdrawn (or granted)</p> <p>Written summary of what the manager understands to be the key concerns of the community and evidence of efforts to seek confirmation in writing of this understanding from the Aboriginal community.</p>		
<p>3.1.3 On public forests, the manager participates in and/or supports the efforts of the affected Aboriginal communities to</p>		

develop their capacity to enable them to participate in all aspects of forest management and development.		
<p>3.1.4 On public forests, the manager has jointly established with affected and interested Aboriginal communities, opportunities for long-term economic benefits where that is the desired objective.</p> <p><i>Means of verification:</i> Record of jobs filled and employment opportunities provided to Aboriginal individuals; Record of training opportunities provided/available to Aboriginal individuals; Joint agreements signed by both parties clearly stating the nature of the economic opportunities, evidence of revenue-sharing from forest operations, and timelines; and Indication of satisfaction from the affected and interested Aboriginal community(ies).</p>		
3.1.5.a Applies on Public forests - A dispute resolution process, where necessary, has been jointly developed with the affected Aboriginal communities, is documented and is being fairly implemented.		
3.1.5.b Applies on private and community forests - If a conflict over tenure and use rights is raised by an aboriginal community, the manager comes to an agreement with the aboriginal community on measures the manager will take towards resolving the dispute.		
<p>C3.2. Forest management shall not threaten or diminish, either directly or indirectly, the resources or tenure rights of indigenous peoples.</p> <p>On Private and Community forests, the dispute resolution requirements described in 3.1.5b is the mechanism to address 3.2.</p>		
<p>3.2.1 On Public forests, the manager makes use of an assessment of Aboriginal resources and tenure rights, undertaken by or jointly with the affected Aboriginal communities.</p> <p><i>Means of verification:</i> Baseline data on numbers of traditional land users, resources used, areas frequented and revenues generated from traditional land-use.</p>		
3.2.2 On Public forests, the manager ensures that management activities outlined in the management plan do not threaten or diminish Aboriginal resources are based on the results of the assessment described in 3.2.1.		
<p>C3.3. Sites of special cultural, ecological, economic or religious significance to indigenous peoples shall be clearly identified in cooperation with such peoples, and recognized and protected by forest managers.</p>	C	
<p>Traditional Ecological Knowledge</p> <p>Criterion 3.3 is intended to ensure that the manager takes adequate measures to identify and protect sites of significance to Aboriginal communities, and the principal source of information should be Aboriginal peoples themselves, while recognizing that the ownership of this knowledge rests with the Aboriginal peoples who choose to share it or make it available subject to appropriate confidentiality considerations.</p> <p>Aboriginal peoples have a variety of perspectives as diverse as</p>		

<p>the many Aboriginal communities that populate Canada. There are a number of Aboriginal organizations that contribute to the body of forestry knowledge as it relates to Aboriginal communities. With respect to traditional ecological knowledge Aboriginal organizations, Aboriginal Elders and others are bringing forth a science that has significant contemporary value. That science is being utilized to identify forest products that are of particular importance to Aboriginal peoples, and also in some circumstances to provide benefits outside of the Aboriginal community, such as to treat cancer or produce value added products. Where that information is being used by the manager for commercial benefit Criterion 3.4 addresses the need to provide appropriate compensation for this knowledge.</p>		
<p>3.3.1a Applies on Public forests - The manager supports the efforts of the affected Aboriginal communities to conduct land use studies and mapping which result in an Aboriginal areas of concern protection agreement, addressing information sharing, protection, mitigation and/or compensation, and confidentiality measures for Aboriginal traditional values and uses.</p> <p><i>Means of verification:</i></p> <ul style="list-style-type: none"> • Written plan on Aboriginal land use and values and supporting maps; • Evidence of financial or technical support by the manager to conduct land use studies and mapping; • Evidence of the implementation of the Aboriginal areas of concern protection agreement including evidence of change in forestry operations, if pertinent; • Evidence of negotiations with hunters, trappers and other Aboriginal individuals who are land users, that are endorsed by the Aboriginal communities; 	C	<p>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.</p>
<p>3.3.1b Applies on Private and Community forests - The manager gathers and documents publicly available information about sites of special cultural, ecological, economic or spiritual significance to Aboriginal People(s) that has been provided by relevant authorities or that has been identified during the public consultation process described in 4.4.</p>		NA
<p>3.3.2a Applies on Public forests - Where Aboriginal communities indicate that forestry operations on particular blocks or sites are creating a threat of serious environmental, economic, or cultural impact, the manager suspends or relocates forestry operations until disputes are resolved. Examples of serious threats could include:</p> <ul style="list-style-type: none"> • Destruction of burial sites, spiritual sites, spawning areas, medicinal areas; • Severe disruption of livelihood; • Damage to community water supply; or, • Severe disruption of food chain to the community. <p><i>Means of verification:</i></p> <ul style="list-style-type: none"> ○ Policies in place to suspend or relocate operations pending dispute resolution; ○ Record of suspended or relocated operations in response to an identified threat; and, ○ Community satisfaction with handling of serious threats. ○ Agreement(s) with the affected Aboriginal communities on monitoring. ○ Regular joint assessments on the effects of forest management activities on the Aboriginal communities. 	C	<p>First Nations are invited to participate in the determination of the appropriate protections and to review these on site.</p>

3.3.2b Applies on Private and Community forests - Consistent with landowner objectives, the manager takes steps to protect values identified in 3.3.1.		NA
<p>3.3.3 On Public forests, the manager supports the efforts of the affected Aboriginal communities to monitor the impacts over time of forestry activities on the values identified in the Aboriginal areas of concern protection agreement.</p> <p><i>Means of verification:</i></p> <ul style="list-style-type: none"> • Agreement(s) with the affected Aboriginal communities on monitoring. • Regular joint assessments on the effects of forest management activities on the Aboriginal communities. 	C	VFM maintains an agreement with N'Skwakamok which includes a cease and desist clause 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.
<p>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.</p> <p>The Convention on Biological Diversity notes the importance of encouraging the equitable sharing of benefits arising from the utilization of indigenous knowledge innovations and practices (Article 8j). In the FSC GLSL standard Criterion 3.4 is intended to apply specifically to the equitable sharing of the benefits from the <i>commercial use</i> of Aboriginal knowledge. The broader issue of equitably sharing benefits of forest management is addressed in 3.1.2.</p>		
<p>3.4.1 The manager enters into an agreement with the affected Aboriginal communities which compensates for the use of traditional knowledge in forest management. Examples of traditional knowledge use:</p> <ul style="list-style-type: none"> • Commercial use of a forest species, in particular non-timber forest products; • Improved management plans; or • Improved operations. <p><i>Means of verification:</i> Written compensation agreement Evidence that compensation has been delivered and of satisfaction of Aboriginal individuals with the application of the agreement</p>		
<p>P4 Forest management operations shall maintain or enhance the long-term social and economic well-being of forest workers and local communities.</p>		
<p>Employees and Forest Workers Definitions</p> <p>Employee: Anyone who is on the payroll of the manager, in a full-time, part-time or seasonal capacity, for whom the manager withholds and remits taxes in accordance with federal and provincial laws.</p> <p>Forest worker: All employees as defined above, as well as self-employed contractors, the employees of contractors or the employees of other companies whose activities (e.g. planning, road-building, thinning, harvesting, hauling, etc) contribute directly to the delivery of wood to the manager that will be included in the scope of the FSC certificate.</p>		
<p>C4.1. The communities within, or adjacent to, the forest management area should be given opportunities for employment, training, and other services.</p>	C	
<p>4.1.1 The manager supports the procurement of goods and services from local suppliers and communities.</p> <p><i>Means of verification:</i> Policies and processes related to local procurement.</p>	C	Local vendors are used whenever possible for services and supplies. Local First Nations are provided priority opportunity for silviculture contracts. VFM works with local providers to complete its silviculture projects.

<p>Tender notices. Evidence of local procurement (e.g. contracts with local suppliers, lists of purchases).</p>		
<p>4.1.2 According to its means, the manager offers employment to workers and contractors in the local and affected communities.</p> <p><i>Means of verification:</i> Evidence of employment offered to local workers and contractors (newspaper ads, use of local hiring services, etc.) Interviews with local interests</p>	C	See I 4.1.1
<p>4.1.3 According to its means, the manager contributes to local and affected communities in a manner that builds capacity and enhances quality of life and community stability.</p> <p><i>Means of verification:</i> Records of manager's sponsorship of local events, scholarships, sports teams, etc. Employment records demonstrating an emphasis on working towards providing continuous employment opportunities (versus seasonal employment). Records of manager's support to continuing education in local communities, including First Nation communities.</p>	C	See I 4.1.1.
<p>4.1.4 The manager is taking steps to minimize or mitigate negative impacts on employment (e.g. closures, restructuring, technological change, seasonal layoffs, etc.)</p> <p><i>Means of verification:</i> Assessments of technological impacts on workers. Transition programs for displaced employees. Employee retraining programs</p>	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 is working with MNR on a wood supply study to provide wood pellets to Ontario Power Generation to supply biomass-fired electricity generation facilities.
<p>4.1.5 Total remuneration packages for employees, including wages and other benefits (health, retirement, worker's compensation, housing, food, profit sharing), are fair and compare favourably with prevailing local standards.</p> <p><i>Means of verification:</i> Level of worker satisfaction with remuneration. Policies related to remuneration. Comparability of remuneration to regional forest sector standards.</p>	C	Manager has taken steps to mitigate reduced levels of employment through support of initiatives that might increase wood utilization from the Sudbury Forest. Also see I 4.1.6.
<p>4.1.6 The manager should accommodate or support alternative or community forest management projects when approached to this end by local community members and where the project receives support through the public participation process described in Criterion 4.4.</p> <p><i>Means of verification:</i> Interviews with local promoters Manager's participation in the analysis of projects brought to its attention Description of manager's collaboration</p>	C	VFM employees have faced reductions to paid work time due to decreased harvest volumes on the Sudbury Forest and corresponding reductions in revenues. Employees back to fulltime employment with increase in wages.
<p>C4.2. Forest management should meet or exceed all applicable laws and/or regulations covering health and safety of employees and their families.</p>		
<p>4.2.1 The manager ensures that all forest workers comply with all relevant provincial occupational health and safety requirements,</p>		

<p><i>Means of verification:</i> Safety policy. Equipment safety inspection records. Worker interviews. Written contracts or understandings with contractors or other employers of forest workers</p>		
<p>4.2.2 The manager has a process in place for fairly resolving disputes with employees pertaining to occupational health and safety.</p>		
<p>C4.3 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 Labor Organization (ILO).</p>		
<p>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.</p> <p><i>Means of verification:</i> No complaints or evidence of company interference such as discharging of employees related to organizing drives, coercion of employees, etc. Worker interviews.</p>		
<p>C4.4. Management planning and operations shall incorporate the results of evaluations of social impact. Consultations shall be maintained with people and groups directly affected by management operations.</p>	C	
<p>4.4.1 Local communities, community and non-government organizations, forest workers, and the interested public affected by forest management are provided with meaningful opportunities to participate in forest management planning. The manager demonstrates that all input was considered and responded to.</p>	C	<p>The legislated Forest Management Planning Manual (FMPM) requires that meaningful public consultation occur during the preparation of a plan. The Terms of Reference for the 2010 FMP describes public participation efforts that were to be carried out for the development of the FMP. This includes an invitation to participate, notices to First Nation communities with an option to follow the consultation process outlined in the Manual or develop their own consultation approach, and two public information centres.</p>
<p>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.</p>	C	<p>The FMPM requires that notice be provided in a variety of means through the development of the FMP using the MNR District mailing list. This list includes "...individual members of the public with a known interest in forest management planning for the management unit, including those people who may be directly affected by forest management operations during the ten-year period of the forest management plan, such as private land owners, tourist operators and trappers. MNR will make all reasonable efforts to identify individuals who may be directly affected, by means such as direct contact and consulting records of registered trapline areas and mining lands."</p>
<p>4.4.3 On public lands, a public participation process is used to supplement the requirements of 4.4.1. The manager openly seeks representation from a broad and balanced range of interested parties and invites them to participate.</p>	C	<p>See I 4.4.1. As well, the Local Citizens Committee is comprised of a broad and balanced range of interests and has a role on the forest management plan planning team.</p>
<p>4.4.4 The public participation process on public lands uses clearly defined ground rules that contain provisions on:</p> <ul style="list-style-type: none"> • Goals; • Timelines; • Internal and external communications; • Resources (human, physical, financial, informational or technological) according to needs; • Roles, responsibilities and obligations of participants, including their organizations; • Decision-making methods; • Authority for decisions; • Mechanism to adjust the process as needed; • Access to information; 	C	<p>The public consultation process required by the Forest Management Planning Manual addresses all of the bullet points within this criterion. Specifically, it sets goals and timelines for the plan development; it outlines a public communication process; it describes the human resources required to develop a sound plan; it requires that a planning team be struck and develop a terms of reference to guide it which must address many of the items listed in this criterion. The Manual also describes a dispute resolution process. The planning team develops and agrees to the terms of reference. The current Manual underwent a public review as required for its development and release in 2004.</p>

<ul style="list-style-type: none"> • Participation of experts, other interests and government; and • A dispute resolution mechanism. <p>The participants have been involved in the development of, and agreed to, the ground rules.</p>		
<p>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.</p>		
<p>4.5.1 The manager takes measures to avoid loss or damage to property, rights, resources or livelihoods</p> <p><i>Means of verification:</i> Manager's record of trespassing, causing damage etc. Training materials related to avoiding trespasses, etc. Manager's checking and monitoring procedures and related records. Relevant knowledge of workers and contractors to minimise potential damage by operations.</p>		
<p>4.5.2 The manager 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><i>Means of verification:</i> Written documentation regarding the dispute resolution process. Documentation regarding the resolution of past disputes. Interviews with those with whom the manager has had a dispute and used the resolution process. Evidence of disputes resolved in a timely and satisfactory fashion for all involved parties. Compensation provided.</p>		
<p>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.</p>		
<p>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.</p>	C	
<p>5.1.1 Resources are in place 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 impacts, habitat management, etc.).</p> <p><i>Means of verification:</i> Comparison of planned versus actual activities in past years.</p>	C	<p>Although actual harvest levels remain below planned harvest levels, corresponding lower renewal levels and expenditures are necessary. Contributions to the Forest Renewal Trust Account for the Sudbury Forest have maintained the required minimum balance thereby assuring sufficient funds for future silviculture work. Market conditions have not been suitable to implement forest management plans to their full extent as demand and prices for many species have suffered. The harvesting that has taken place is done by operators who recover costs from the sale of wood fibre. REC 2008.1</p>
<p>C5.2. Forest management and marketing operations should encourage the optimal use and local processing of the forest's diversity of products.</p>		
<p>5.2.1 The manager seeks the optimal or "highest and best" value for forest products.</p> <p><i>Means of verification:</i> Product sorting at harvest operations or wood yards. Documentation of efforts made to determine quality and value of products prior to harvest (e.g. Operational cruising). Forest manager demonstrates working knowledge of forest product markets. Trend over time in value obtained per unit of product.</p>		
<p>5.2.2 Preference is given to local processing and value-added</p>		

<p>facilities if financially competitive.</p> <p><i>Means of verification:</i> records of timber sales and/or deliveries to determine the percent of volume harvested which is processed locally. interviews with local wood processors. Efforts made to provide local value added industry with access to wood supply</p>		
<p>C5.3. Forest management should minimize waste associated with harvesting and on-site processing operations and avoid damage to other forest resources.</p>	C	
<p>5.3.1 Within the framework of the silvicultural system used, all harvested merchantable and marketable timber is utilized unless left on-site to provide structural diversity and wildlife habitat or for cultural reasons.</p> <p><i>Means of verification:</i> Forest manager has developed and implemented a wood utilization standard Forest manager can demonstrate efforts to improve the utilization of lower diameter and quality wood. There is evidence that log specifications and harvest procedures are designed to optimize value and avoid waste. Active measures are taken to prevent loss in value after harvest.</p>	C	<p>The Ontario Crown Forest Sustainability Act specifies four manuals for implementation in forest management activities on Crown land. The Scaling Manual provides minimum utilization standards and defines the “Failure to comply with minimum utilization standards unless otherwise described in the Forest Management Plan is a wasteful practice. No person shall commit wasteful practices in forest operations.” FOIP reports verify adherence to requirements of the Scaling Manual. Field examination of a number of sites also demonstrated the same with regard to the standards outlined in NDPEG.</p>
<p>5.3.2 The manager avoids and minimizes the removal of valuable but non-marketable trees without sound silvicultural justification.</p>	C	<p>Hemlock and red oak are retained as residual trees during harvesting operations. Tree markers mark these trees for wildlife trees (blue paint) indicating to tree felling operators that these trees are protected from felling.</p>
<p>5.3.3 On-site processing sites are limited in size and number and all by-products are properly disposed of.</p> <p><i>Means of verification:</i> Use of forest by-products for bioenergy, co-generation firewood, etc.. Slashing and chipping residue is properly disposed of and not left piled on-site Proportion of waste recycled from milling operations Number and surface area of on-site processing sites</p>	C	<p>Examination of on-site processing sites during the field portion of the audit demonstrated compliance. The number and surface area of on-site processing sites was low as most sites were only temporary. Slashing of treelength logs into log length material required no permanent processing sites. Slash (limbs, tops and cull material) was piled and burned, and these sites were renewed.</p>
<p>C5.4. Forest management should strive to strengthen and diversify the local economy, avoiding dependence on a single forest product.</p>		
<p>5.4.1 Forest management diversifies forest use and products while maintaining composition, structure and functions.</p> <p><i>Means of verification:</i> Record of forest products derived from the forest. Provisions for NTFP's (e.g. maple syrup, mushrooms, nuts, etc) in the management plan.</p>		
<p>C5.5. Forest management operations shall recognize, maintain, and, where appropriate, enhance the value of forest services and resources such as watersheds and fisheries.</p>		
<p>5.5.1 Forest management operations shall recognize, maintain, and where appropriate, enhance the value of forest services and resources, such as watersheds and fisheries.</p> <p><i>Compliance with this indicator is achieved by meeting the requirements in Principles 5 and 6.</i></p>		
<p>C5.6. The rate of harvest of forest products shall not exceed levels that can be permanently sustained.</p>	C	

<p>This Criterion addresses the actual harvest of forest products. The related but different topic of setting sustainable harvest levels is addressed in 7.1.1 (Annex D)</p>		
<p>5.6.1 The manager demonstrates that the average of the present and projected annual timber harvests over the next decade, and averages of projected timber harvests over all subsequent decades, do not exceed the projected long term harvest rate, while meeting the GLSL Standards over the long term.</p>	C	<p>Sustainable harvest levels were determined during the forest management planning process as required in Ontario. Annual rates of harvest were lower on the Sudbury Forest than the allowable levels due primarily to market conditions.</p>
<p>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.</p>		
<p>C6.1. Assessments of environmental 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 landscape level considerations as well as the impacts of on-site processing facilities. Environmental impacts shall be assessed prior to commencement of site-disturbing operations.</p>		
<p>The term “assessment of environmental impacts” as it is used here is not intended to refer to a formal “Environmental Impact Assessment” as is conducted under federal and provincial laws and regulations. As it is used here, it is intended to mean technical assessments of the manner and extent to which proposed or undertaken management activities affect the environment directly and indirectly. The assessment methodologies used must be scientifically sound. The scope of an assessment is typically outlined at the start of the project so that the project has some well-defined boundaries.</p> <p>These may include physical, temporal, political, cultural and financial limits within the project mandate. Aspects of the environment typically included in assessments are site impacts (on soil and site attributes), community impacts (on local wildlife and ecological communities), and landscape impacts (on the broader forest ecosystem).</p> <p>Where an Environmental Impact Assessment has been carried out – including a Class Environmental Assessment such as the Class Timber EA carried out by the Province of Ontario – the information and guidelines that result from that Assessment can be used towards meeting the requirements of 6.1, provided that the manager can clearly document how it has assessed the local site conditions on its management unit in advance of carrying out operations, and in enough detail to determine where and how such guidelines might apply.</p> <p>Assessments at the stand or site level are carried out prior to implementing field operations and periodically thereafter.</p>		
<p>6.1.1 A method for assessing environmental impact is implemented by the manager. This method shall consider impacts including but not necessarily limited to: the quality and quantity of forest resources; site specific impacts; and impacts on other resources</p>		
<p>6.1.2 The manager has gathered relevant data including environmental and ecological data that will serve as regional and landscape-level context for the environmental impact assessment. The information shall include, but need not be limited to:</p> <ol style="list-style-type: none"> a. Maps of ecosystems, fragile ecosites, soil type, forest cover and natural disturbance for the forest; b. An inventory of site specific environmental/ecological 		

<p>characteristics sensitive to impacts by forest operations such as steep slopes, shallow soils, moist soils and soil subject to compaction (e.g. structured clay);</p> <ul style="list-style-type: none"> c. Maps of HCVPs and their attributes; d. Classification of water bodies and identification of spawning grounds. e. Information regarding management regimes in surrounding forests, in particular for the areas or sites abutting the forest; f. Details on sites and areas of particular ecological importance for First Nations (as per Criterion 3.3). 		
<p>6.1.3 The natural variability and historic local pattern of the forest in the region has been characterized, and includes: A description of major disturbance factors, including disturbance intervals; Estimated mean distribution and/or composition of tree species, forest cover types and/or forest unit as appropriate; Estimated typical age class distribution. The assessment is reviewed by qualified specialists and available for public review.</p>		
<p>6.1.4 The data collected in 6.1.2 and 6.1.3 is verified on-site where appropriate, assessed and interpreted in consideration of the potential impacts (positive or negative) described in 6.1.1.</p>		
<p>6.1.5 Benchmarks of current forest condition at the stand and landscape levels are in place to serve as references during impact assessment.</p>		
<p>6.1.6 The results of environmental assessments are incorporated into management planning and implementation such that where an assessment has indicated that environmental impacts of proposed management activities pose significant risk, then:</p> <ul style="list-style-type: none"> a. Management activities do not occur; or b. The manager reduces the risk to an acceptable level by employing an alternative management approach or mitigative measures; or c. The manager provides a rationale that includes evidence that the chosen option is acceptable based on the conservation of biodiversity and/or other environmental values. This rationale is to be compared with the risk of taking no actions. 		
<p>6.1.7 The manager implements conditions necessary to achieve the intent of the silvicultural and harvest prescriptions including but not necessarily limited to :</p> <ul style="list-style-type: none"> a. Residual stocking, structure, species composition and quality (ref. 6.2.4, 6.2.5, 6.3.1) b. Specific habitat requirements (ref. 6.2.2, 6.2.3, 6.2.4, 6.3.1, 6.3.2) c. Protection of sensitive sites (ref. 6.3.6, 6.3.9, 6.3.16) <p>Where forest workers have not received specific training in meeting this requirement, trained tree markers shall be used.</p>		
<p>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 shall be established, appropriate to the scale and intensity of forest management and the uniqueness of the affected resources. Inappropriate hunting, fishing, trapping, and collecting shall</p>	C	

be controlled.		
6.2.1 The management plan – or related documents – has an updated list of species at risk (i.e. flora and fauna) that are presently or potentially found in the forest (i.e. the forest is located in their distribution area), as indicated in federal, provincial or regional government listings, as well as other species that have been identified as needing special protection.	C	The Forest Management Planning Manuals, both 1996 and 2004 versions, include requirements for the inclusion of species at risk in the development of FMPs in Ontario. VFM provided a list of AOC Prescription as proposed for the 2010 FMP which was in the process of being drafted during this audit. Additionally, Ontario’s new Species At Risk Act has added additional protection measures for these species. At its Spring Compliance Meeting, VFM made a presentation concerning the new Species at Risk Act. Also, a booklet titled “Species at Risk in the Lake Nipissing Watershed” was distributed to all attendees of this meeting.
<p>All species that are listed as “at risk” (i.e. those which have some special designation related to concerns for their population or habitat status) by federal or provincial government agencies and that are present or believed to be present on the management unit must be included in the considerations related to species at risk in Criterion 6.2 and elsewhere in the standard where the term “species at risk” is used. Managers should also consider other vulnerable species as “at risk” (and therefore apply the measures identified by the relevant indicators of this standard), including species that are under consideration for listing as well as species that have been identified by non-government agencies or groups if the designation or concern is the result of efforts by a diversity of agencies or groups, considering a diversity of vulnerability factors; and which include consideration of the impact of forest management activities on relevant vulnerability factors for the species.</p> <p>In 6.2.1 the manager maintains a list of all “at risk” species meeting the above criteria.</p> <p>Indicators 6.2.2 and 6.2.3 apply only to formally listed Species at Risk, while 6.2.4 applies to other uncommon species and 6.2.5 applies only to uncommon tree species.</p> <p>Also note that Principle 9 allows for the possibility of addressing concerns related to concentrations of endangered species and/or endangered ecosystems.</p>		
6.2.2 Where plans exist, or are under development by government to protect the habitat and populations of species at risk in the forest, the manager implements all measures relevant to their activities and cooperates with efforts to control inappropriate hunting, fishing, trapping and collecting. <i>Means of verification:</i> Protection plans for species and habitat or a development schedule for plans. Records of activities undertaken under the plans.	C	<p>The Sudbury Forest 2004 FMP includes a suite of AOC prescriptions for species at risk that provide protection for critical sites. Evidence was provided to show that the 2010 FMP, which was in development at the time of this audit, was incorporating a similar suite of AOC prescriptions. This is a requirement for forest management on Crown lands in Ontario as described in 2004 Forest Management Planning Manual.</p> <p>Depletion records and monitoring using supplemental aerial photography show adherence to AOC boundaries.</p> <p>Recovery plans for all species at risk are being developed by Ontario. Responsibilities of SFL holders will be included.</p>
6.2.3 Where plans identified through Indicator 6.2.2 do not exist or are incomplete or inadequate, a precautionary approach is used in management of the habitats of the relevant species at risk. <i>Means of verification:</i> Review of precautionary measures. Comparison of approaches and levels of activity in neighbouring, similar forests. Results of habitat modelling for relevant species, where it has been undertaken.	C	The proposed AOC prescriptions for the 2010 FMP for species at risk were taken from the draft Stand & Site Guide which is based upon the latest scientific knowledge.
6.2.4 Special prescriptions are applied to protect rare and uncommon species: For rare and uncommon plant and wildlife species, appropriate buffer zones or harvest modifications are applied in order to ensure their protection. <i>Means of verification:</i> Species and habitat protection plans, or timetable for preparing such plans. Records of activities undertaken in accordance with these plans	C	See comments under 6.2.2.
6.2.5 The manager has established a desired target for the	C	The FMP sets forth desired future forest conditions that bring the Forest more

<p>future distribution and abundance of rare tree species listed in 6.1.1 consistent with site conditions, historical abundance and the scale of the forest being managed. The target, management plan and operational plans should be designed to:</p> <p>Increase its relative abundance; Conserve genetic diversity; Ensure successful regeneration ; Maintain a balance of age classes in the management unit; Harvest isolated stands only if adequate natural regeneration is present within the stand or if seed from the appropriate seed zone is used to successfully regenerate (free to grow) an equivalent site within the seed zone; Harvest isolated individuals that have seed bearing potential only where they are showing signs of severe decline and are hazardous</p>		<p>closely in line with the historic forest condition. The historic forest condition was determined from independent studies of the forest. These data were used to help set future objectives and targets for the FMP. Species in decline were assigned targets to meet the objective, thereby increasing their relative abundance. As well, protective measures were developed to ensure retention of these trees during harvesting.</p>
<p>C6.3. Ecological functions and values shall be maintained intact, enhanced, or restored, including: a) Forest regeneration and succession. b) Genetic, species, and ecosystem diversity. c) Natural cycles that affect the productivity of the forest ecosystem.</p>	C	
<p>6.3.1 In consideration of the assessment results in 6.1, the manager has determined a long-term desired future forest condition that maintains, enhances or restores natural conditions in natural forests relating to:</p> <ol style="list-style-type: none"> diversity of forest types diversity of successional stages distribution of age classes, including old growth diversity of forest structures (e.g. horizontal, vertical and pattern) connectivity levels of disturbances at the landscape level (e.g. watershed) 	C	<p>See comment in 6.2.5. All points of this indicator are addressed.</p> <p>In accordance with Ontario’s NDPEG, requirements to meet natural disturbance size targets and patterns were established.</p>
<p>6.3.2 Quantitative short to mid-term (e.g. 2-5 years) objectives have been set, using expert input, to maintain, enhance or restore natural conditions in natural forests. Plans have been developed and are being implemented to achieve the objectives.</p>	C	<p>The 2005 FMP includes objectives, targets and strategies to direct forestry activities towards achieving a historic forest condition. Annual forest management activities occurring on the forest follow the direction specified in the FMP. The implementation term for the FMP is 2005-2010.</p>
<p>6.3.3 Quantitative habitat objectives should be set, using expert input, for species whose habitat requirements have not been addressed in 6.3.1. Plans have been developed and are being implemented in natural forests to achieve the objectives.</p> <p>This indicator is intended to supplement the “coarse filter” approach outlined in 6.3.1, by encouraging managers to implement measures aimed at improving habitat for significant species with specific habitat needs.</p>	C	<p>The 2005 FMP includes objectives that direct forestry activities towards achieving wildlife habitat targets for 16 wildlife species. Expert input supported the selection of the 16 species to ensure that their habitat requirements represented a broad range of habitats on the forest. This is a requirement of the FMPM.</p>
<p>6.3.4 The manager has a strategic access management plan to minimize and mitigate the negative impacts of roads. This may include but is not necessarily limited to:</p> <ul style="list-style-type: none"> reducing road density; reducing and/or limiting access to High Conservation Value Forest areas; decommissioning roads; avoiding road building in or around protected areas; and-or maintaining remoteness of areas with sensitive cultural or ecological values or where required for tourism Maintain or restore connectivity <p>The manager collaborates with the government and other relevant authorities in implementing the plan.</p>	C	<p>Roads have long been a divisive issue with the public on the Sudbury Forest. VFM has attempted to minimize and mitigate the negative impacts of roads to stakeholders whose interests might be compromised and values that might be negatively impacted by access development. Attempts have been challenged by pro-access interests.</p> <p>In the case of the Spanish Road, the District Manager decided against VFM’s position which was based on maintaining remoteness. VFM requested issue resolution with the Regional Director who ruled in opposition to the District Manager’s decision. A component of the Regional Director’s decision was an examination of the land use designations for the area in question. As a result, road closures in this area have become permitted.</p>
<p>6.3.5 The manager complies at a minimum with all provincial regulations, policies and licence conditions pertaining</p>	C	<p>The 2005 FMP includes AOC prescriptions that ensure forest management compliance with all requirements pertaining to riparian and wetland</p>

to riparian and wetland protection during harvesting and road construction.		protection. REC 2008.3
6.3.6. Disturbance to seasonal watercourses (including intermittent and ephemeral streams, seeps, ponds, vernal pools) is avoided wherever possible. Temporary crossings are restored so as to avoid damage to seasonal watercourses.	C	In Ontario, forestry operations are required to comply with the “Environmental Guidelines for Roads and Water Crossings” which includes measures to minimize disturbances to seasonal watercourses where crossings are not avoidable. VFM is obligated to adhere to these guidelines. Field examination illustrated compliance with this indicator.
6.3.7 The manager is implementing relevant best management practices pertaining to the protection of soils, water quality and sensitive sites.	C	See comment in 6.3.6. REC 2008.3
6.3.8 In partial cuts in natural forests, harvesting (whether during normal operations or salvage following a natural disturbance) and other stand management activities leave residual structures in sufficient quantity and distribution for them to serve their ecological functions. Precise objectives for different structural components are determined and documented, and include the following considerations: diversity of vertical and horizontal structure and tree pattern relevant to the site; wildlife habitat; and woody debris	C	Certified tree markers are provided direction through Ontario’s “Tree Marking Guide” which endorses awareness of significant ecological traits such as shade tolerance, seed periodicity, response to release, etc., and understanding how to take advantage of those adaptations during a treemarking program. Treemarking objectives include a broad range of considerations and are consistent with those specified in this indicator. Partial cuts on the Sudbury Forest are marked only by certified treemarkers to mark trees for retention or harvest prior to the completion of harvesting activities.
<p>6.3.9 In clearcuts and other final removal cuts in natural forests, harvesting maintains 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"> • Post harvest residual includes patches or clumps of trees and individual trees and/or patches. • Residual retention includes all standing residual structure in a defined and mapped harvest area, including insular patches, peninsular patches, partial harvest areas and reserves established for other purposes. • Residual structure consists of a mix of dispersed trees and/or a range of patch sizes adapted to the size of the cutblock. Residuals are well distributed at all scales throughout the harvest area. Where the harvest area is an aggregation of smaller cutblocks, residual trees and patches shall be well distributed within the small cutblocks as well as between or among them. • All residual retention is long term, meaning it will not be harvested until at least the subsequent rotation. • The amount of residual structure retained in harvest operations will approximate levels of expected natural post-disturbance residual identified in 6.1.3. • In small harvest blocks (i.e. 5-20ha) where there is abundant residual forest in the form of harvest block separators, peninsulas, riparian or other types of reserves, or stands harvested under one of the partial cut systems in the surrounding area, residual structure of 25 to 30 individual trees per hectare should be retained within the clearcut harvest area, based on the managers’ goals related to wildlife habitat and ecological characteristics. <p><i>Means of verification:</i> Maps and aerial photographs of harvested areas. Relevant training material used in courses or by harvest and site preparation Field reconnaissance.</p>	C	NDPEG requirements include the requirements as identified in this indicator. Results of implementation of NDPEG were witnessed during the field examination on all sites including residual trees retained in harvested areas, and islands and peninsular of residual trees.

<p>6.3.10 Forest roads, skid trails and landings are well planned and designed to minimise soil erosion and loss of productive area. Forest roads, landings and skid trails are designed to: reduce soil and road embankment erosion, soil compaction and rutting, minimise water crossings and loss of productive area; minimize loss of site productivity; and ensure the protection of aquatic habitat quality during construction and use.</p> <p><i>Means of verification:</i> Proof of implementation of standards/practices, assessed in the field Use of waterbars on steep slopes and/or switchbacks Knowledge by the field workers of the standards/practices, assessed through interviews Rate and severity of non-compliances</p>	C	<p>In general, requirements of this indicator were seen to be well executed although a few site-specific problems were noted and addressed through issuing of two correction actions.</p> <p>Water crossing were planned and installed well with no encroachments into AOCs.</p> <p>Discussions with various staff members who attended the field audit regarding their knowledge of the standards of practice in field. Staff were all found to be knowledgeable with the associated provincial guidelines and standards.</p> <p>REC 2008.1 and REC 2008.3</p>
<p>6.3.11 Rutting related site damage and damage to residual trees (crown, trunks and roots) does not exceed provincial acceptable levels.</p>	C	<p>Field examination showed rutting related site damage and damage to residual trees to be minimal.</p>
<p>6.3.12 Harvest plans schedule operations on damage prone sites to periods of the year when risks are minimized.</p>	C	<p>Efforts are made to have damage prone sites operated during the winter once the ground is frozen.</p>
<p>6.3.13 Where mechanical site preparation is adopted it keeps to a minimum soil compaction, erosion and organic nutrient displacement. The top organic layer and the underlying mineral soil are mixed rather than the organic layer removed (may vary depending on the targeted regeneration, expected competition and availability of herbicides as a treatment option).</p>	C	<p>Little mechanical site preparation is used on the Sudbury Forest. One site was examined where mechanical site preparation had been used with dragging small anchor chains with a small skidder. Desired levels of mineral soils exposure was achieved without adverse impacts to the site.</p>
<p>6.3.14 In natural forests regeneration efforts should emulate natural processes such as natural regeneration, direct seeding, and use local seed sources.</p>	C	<p>Where present desired future forest units were consistent with natural regeneration, this treatment was followed. In cases where artificial regeneration was required through tree planting, local seed sources had been used for seedling production.</p>
<p>6.3.15 Regeneration occurs in a timely fashion, and consistent with successional objectives as outlined in 6.3.1.</p>	C	<p>Several audit stops were examined for consistency with the successional objectives (FMP SGRs) and effectiveness of treatments in meeting the objectives. Silviculture work was found to follow operations within one year of completion of completion of harvesting.</p>
<p>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.</p>		
<p>Protected Areas Protected Areas are defined in this standard as areas protected by legislation, regulation, or land-use policy to control human occupancy or activity. Protected areas therefore can only be created by government and their establishment includes consideration of factors that are outside the scope of FSC certification. However, it is the intent of this Criterion to ensure that forest managers act within their sphere of influence to support the efforts by government to complete a network of representative protected areas; at the very least by taking steps to avoid diminishing future options for establishing protected areas. In this standard we use the term “candidate protected area” to identify areas that are identified by the manager and validated by external review as having the potential to contribute towards the completion of a network of representative protected areas.</p>		
<p>6.4.1 The manager shall identify potential gaps in the representative completeness of protected areas in the appropriate ecological unit(s) (ecoregions, ecodistricts, natural regions) contained on the management unit, using the best available tools</p>		

and information, such as but not necessarily limited to: land cover gap analysis; and enduring features gap analysis. There are a number of tools currently available that can be used to carry out a gap analysis, including the WWF-Canada Assessment of Representation (AoR) Gap Analysis Tool and the Ontario Ministry of Natural Resources Gap Tool. The analysis should extend to the full area of all ecological units contained on the management unit, so that protected areas in the ecological unit but outside of the management unit should be considered.		
6.4.2 Where there are identified gaps, the manager shall use the gap analysis and consideration of elements such as representativeness, connectivity, integrity, forest age, rare ecosystems, the results of the HCVF analysis in 9.1 and other available analyses to determine and map the location and size of candidate protected areas.		
6.4.3 The manager shall engage and cooperate with interested parties (e.g. ENGOs, Aboriginal communities) and qualified experts in carrying out the gap analysis and identifying candidate protected areas.		
6.4.4 Interested parties should generally be in favour of the conclusions of the gap analysis regarding the identification and contribution of candidate protected areas.		
6.4.5 The manager should act within its sphere of influence to encourage interim and long term recognition of candidate protected areas.		
6.4.6 The manager shall not undertake forest management activities, including harvesting, silviculture and road in protected and candidate protected areas.		
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 to protect water resources.		
6.5.1 The manager has and is implementing Standard Operating Procedures that cover at a minimum the harvesting and silvicultural requirements in 6.3 that relate to erosion control and minimizing forest damage.		
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 chemical pesticides. World Health Organization Type 1A and 1B and chlorinated hydrocarbon pesticides; pesticides that are persistent, toxic or whose derivatives remain biologically active and accumulate in the food chain beyond their intended use; as well as any pesticides banned by international agreement, shall be prohibited. If chemicals are used, proper equipment and training shall be provided to minimize health and environmental risks.	C	
6.6.1 Chemical Pesticides identified by FSC as highly hazardous pesticides (see Annex x) or where prohibited by law are not used. <i>Means of verification:</i> Company policy identifying prohibited chemicals/pesticides. Records of pesticide application.	C	A complete list of all the chemicals applied on the Sudbury Forest has been provided and none of the chemicals identified by FSC as highly hazardous have been utilized.
6.6.2 The manager should collaborate in the development and implementation of an integrated pest management programme, an aspect of which aims at avoiding the use of		

chemical pesticides.		
<p>6.6.3 The manager shall use chemical pesticides only when non-chemical products are not available, ineffective to attain the silvicultural objectives, cost-prohibitive or inadequate in light of risks and environmental and social benefits. Furthermore, chemical pesticides shall only be used when their use is essential to attain the following silvicultural objectives:</p> <ul style="list-style-type: none"> • The regeneration or restoration of non-forest lands; or • The regeneration of challenging species (e.g. Oak or White Pine); • The control of invasive exotic species; or • To control major insect outbreaks. <p>The rationale for each chemical pesticide use is documented and publicly available.</p>	C	The use of pesticides is mostly related to restoration efforts on the Sudbury Forest. Some problems with efficacy have occurred due to the timing of the applications. This will require additional applications in the future to assure the success of the regeneration. REC 2008.2
C6.7. Chemicals, containers, liquid and solid non-organic wastes including fuel and oil shall be disposed of in an environmentally appropriate manner at off-site locations.		
<p>6.7.1 Standard Operating Procedures (SOPs) are in place and implemented regarding safe handling and disposal of chemicals, liquid and solid non-organic wastes including fuel and oil. These SOP's reflect best management practices and at minimum ensure compliance with all regulatory guidelines.</p>		
<p>6.7.2 A recycling program is in place for used oil and plastic containers.</p> <p><i>Means of verification:</i> Written standards/practices on waste management Field inspections of waste control measures Knowledge by the field workers of the standards/practices, assessed through interviews</p>		
<p>6.7.3 In the event of a hazardous product spill, the manager shall immediately contain the product, notify the appropriate authorities, and begin cleanup and product elimination with the assistance of qualified personnel.</p> <p><i>Means of verification:</i> Written standards/practices on hazardous waste management Field inspections of hazardous waste control measures Knowledge by the field workers of the standards/practices, assessed through interviews</p>		
<p>6.7.4 Leaking equipment is repaired or taken out of the forest. Recovered material is taken to a designated disposal site.</p> <p><i>Means of verification:</i> Written standards/practices on waste management Field inspections of waste control measures Knowledge by the field workers of the standards/practices, assessed through interviews</p>		
C6.8. Use of biological control agents shall be documented, minimized, monitored, and strictly controlled in accordance with national laws and internationally accepted scientific protocols. Use of genetically modified organisms shall be prohibited.		
<p>6.8.1 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.</p>		

<p><i>Means of verification:</i> records of application of biological control agents. forest protection plans. documented rationale for the use of biological control agents.</p>		
6.8.2 Genetically modified organisms are not used.		
C6.9. The use of exotic species shall be carefully controlled and actively monitored to avoid adverse ecological impacts.	C	
6.9.1 The use of exotic species, in plantations or otherwise, shall be justified and monitored for adverse environmental impacts. Only species known to be non-invasive are to be used.	C	No exotic species have been planted on the Sudbury Forest.
<p><i>Means of verification:</i> Description and records of areas where exotic species are planted Inspection of exotic species plantations Results of monitoring measures</p>		
<p>Hybrids Hybrids derived from at least one exotic species are considered exotic species. Hybrids are typically sterile, and hence non-invasive. Hybridization does not constitute genetic modification of the sort referred to in FSC's definition of Genetically Modified Organisms.</p>	C	No hybrids from exotic species have been planted. Tree improvement programs utilizing traditional crossing methods are utilized for seed sources.
<p>C6.10. Forest conversion to plantations or non-forest land uses shall not occur, except in circumstances where conversion: a) Entails a very limited portion of the forest management unit; and b) Does not occur on High Conservation Value Forest areas; and c) Will enable clear, substantial, additional, secure, long-term conservation benefits across the forest management unit.</p>		
6.10.1 Forest conversion to plantations from the time of initial FSC certification shall not exceed 5% of the productive forest area.		
6.10.2 Forest conversion to plantations or non-forest land uses (except roads required for access) do not occur on High Conservation Value Forest (HCVF) areas.		
6.10.3 Where forest conversion to plantations or non-forest uses takes place the manager demonstrates the conservation benefits across the landscape.		
<p><i>Means of verification:</i> Evaluation of the conservation and social impacts and benefits of conversion Comparison with any candidate protected areas identified as per 6.4</p>		
6.10.4 Management actions are undertaken to convert all non-forest areas (landings, road, gravel pits, etc.) back to forest once the non-forest use has ceased.		
<p><i>Means of verification:</i> Documented plans related to re-establishment of forest cover in non-forest areas. Field inspection of re-establishment efforts.</p>		
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.		
C7.1. The management plan and supporting documents shall provide: a) Management objectives. b) description of the forest resources to be managed, environmental limitations, land use	C	

<p>and ownership status, socio-economic conditions, and a profile of adjacent lands.</p> <p>c) Description of silvicultural and/or other management system, based on the ecology of the forest in question and information gathered through resource inventories. d) Rationale for rate of annual harvest and species selection. e) Provisions for monitoring of forest growth and dynamics. f) Environmental safeguards based on environmental assessments. g) Plans for the identification and protection of rare, threatened and endangered species. h) Maps describing the forest resource base including protected areas, planned management activities and land ownership. i) Description and justification of harvesting techniques and equipment to be used.</p>		
<p>7.1.1 The management plan and supporting documents shall provide information on the elements listed in Annex X.</p>	C	The 2005 FMP includes information on the elements as required.
<p>C7.2. 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.</p>	C	
<p>7.2.1 The management plan shall be revised at least every 10 years to incorporate the results of monitoring or new scientific and technical information, as well as to respond to changing environmental, social and economic circumstances.</p>	C	<p>Ontario's forest management planning system involves planning to be performed at regular intervals – five years for plans prior to 2007 and 10 years for plans since. These plans have requirements that address all items in this indicator, as well as other new developments put forth by the MNR. The Sudbury Forest 2005 FMP was developed in accordance with the 1996 FMPM. The 2010 FMP is in the process of being developed following the 2004 FMPM.</p>
<p>C7.3. Forest workers shall receive adequate training and supervision to ensure proper implementation of the management plans.</p> <p><u>Employees and Forest Workers Definitions</u> Employee: Anyone who is on the payroll of the manager, in a full-time, part-time or seasonal capacity, for whom the manager withholds and remits taxes in accordance with federal and provincial laws. Forest worker: All employees as defined above, as well as self-employed contractors, the employees of contractors or the employees other companies whose activities (e.g. planning, road-building, thinning, harvesting, hauling, etc) contribute directly to the delivery of wood to the manager that will be included in the scope of the FSC certificate.</p>		
<p>7.3.1 The applicant ensures that forest workers receive adequate training to ensure they meet this standard's requirements. Training is tailored to their roles and responsibilities. Training material and courses address the following topics, among others: How to avoid damage to the environment, in particular to residual stands, streams, and sites of cultural significance Assessment of log quality and destination Appropriate implementation of the management plan The relevant sections of international agreements (see Criterion 1.3) Health and safety requirements Implementation of ecosystem-based management (e.g. harvesting and site preparation) Use and handling of pesticides Identify species at risk and other species listed in 6.2.1</p>		

<p><i>Means of verification:</i> Attendance register of training events Training program and content of training material Interviews with employees and contractors</p>		
<p>7.3.2 Forest workers are encouraged to promptly report to the manager any situations that may conflict with the implementation of the management plan, with the FSC standard or with regulations. Forest workers are not penalized by the manager for reporting such situations.</p>		
<p>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 in Criterion 7.1.</p>	C	
<p>7.4.1 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"> • Confidential information on traditional land use activities and cultural values; • Information about certain values, that if made available could pose a threat to the existence, conservation, health or integrity of those values; • Existing confidentiality agreements that may restrict information sharing; • 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 • Information that would affect the applicant's competitiveness (e.g. costs, revenues, etc.). 	C	<p>Copies of the complete 2005 FMP are available at the Sudbury District MNR Office, the MNR North East Region Office in Timmins and the VFM office.</p>
<p>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.</p>		
<p>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.</p>	C	
<p>8.1.1 The management plan's implementation is subject to regular monitoring that documents:</p> <ul style="list-style-type: none"> • The degree in which goals, objectives and targets were met <p>Conformance to the management plan Unexpected effects of management activities; and Social and environmental effects of management activities</p>	C	<p>Regular monitoring is accomplished through several means. First, site specific monitoring is accomplished in the performance of compliance monitoring as outlined in VFM's compliance strategy and plans. Annual Reports are submitted to the MNR which include compliance reporting activities during the year. These Annual Reports formulate the basis for the development of the Report of Past Forest Operations (RPFO) every five years, also by the SFL holder. The RPFO includes discussions of these points.</p> <p>Every SFL undergoes an Independent Forest Audit (IFA) once every five years as specified in the Crown Forest Sustainability Act. The IFA is performed by a team of qualified auditors, each of which has no conflict of interest in completing the audit and covers a term of five years. Included as components of the IFA are all of the requirements of this indicator. The last IFA for the Sudbury Forest was for the term April 01, 2001 to March 31, 2006, see: http://www.mnr.gov.on.ca/243948.pdf</p>
<p>8.1.2 The monitoring program has been designed to see if the results of management activities conform to the stated objectives, and provide the information required to allow the necessary adaptations if the objectives are not met.</p>	C	<p>See comments in 8.1.1</p>
<p>8.1.3 The manager should have or be participating in the</p>	C	<p>VFM participates on developing a Site Occupancy Index and Hemlock</p>

development of a system of sample plots, including permanent plots, and should use this information to measure forest condition and trends over time, including the impacts of forest management.		Regeneration Survey Summary.
8.2. Forest management should include the research and data collection needed to monitor, at a minimum, the following indicators: a) yield of all forest products harvested, b) growth rates, regeneration, and condition of the forest, c) composition and observed changes in the flora and fauna, d) environmental and social impacts of harvesting and other operations, and e) cost, productivity, and efficiency of forest management.		
Yield of all forest products harvested		
8.2.1 The manager monitors timber harvest volumes by species and product.		
8.2.2 The manager has assembled readily available information about the harvest of timber by parties other than themselves on the managed forest unit. <i>Means of verification:</i> Information (i.e. volume harvested by species, location of harvest) related to the timber harvests of overlapping licensees, third parties, independent operators, and any others who conduct harvest operations in the forest.		
Growth Rates, Regeneration, and Condition of the Forest		
8.2.3 The manager monitors growth rates, regeneration and condition of the forest, including but not necessarily limited to forest health, disturbance, and age class structure.		
Changes in Flora and Fauna		
8.2.4 The manager conducts regular monitoring of the forest in order to highlight changes to important habitat characteristics.		
Environmental Impacts		
8.2.5 The manager monitors environmental impacts of forest management activities assessed in accordance with Criterion 6.1.		
8.2.6 The manager sets up and implements, or participates in, a program to monitor the status of the applicable High Conservation Values as identified in 9.1 following the manager's activities in or adjacent to those High Conservation Value Forests, including the effectiveness of the measures employed for their maintenance or restoration. <i>Means of verification:</i> Documented HCV monitoring program.		
8.2.7 When monitoring results indicate increasing risk to a specific conservation attribute, the manager re-evaluates the measures taken to maintain or enhance that attribute, and adjusts the management measures to reverse the trend. <i>Means of verification:</i> Results of monitoring program.		
Impacts on Cultural Values and Resources		
8.2.8 The manager monitors the impacts of forest management activities on cultural values, resources and uses.		
Economics		

8.2.9 The manager monitors the costs, productivity and efficiency of forest management activities, consistent with Criterion 5.1.		
C8.3. 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."	C	
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.	C	It is a legal requirement that all wood harvested from Crown land in Ontario is transported using the scaling and billing system of the MNR. This system includes paper work in the form of a bill of lading prepared at the loading site by the loader operator. Copies of this bill of lading then are kept by the transporter, the receiving facility and the MNR, there by ensuring that the source of all products can be identified.
C8.4. The results of monitoring shall be incorporated into the implementation and revision of the management plan.	C	
8.4.1 The results of monitoring shall be incorporated into the implementation and revision of the management plan in accordance with the requirements of 7.2.1.	C	See comments in 7.2.1.
C8.5. 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.		
8.5.1 The results of monitoring activities are regularly compiled. For public lands, a summary report is available to the public.		
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.		
C9.1. Assessment to determine the presence of the attributes consistent with High Conservation Value Forests will be completed, appropriate to scale and intensity of forest management.		
9.1.1 The manager undertakes efforts to, or makes use of existing efforts to, identify and map the presence of HCVPs by means of a process that meets the characteristics and intent of the assessment process in Appendix x. <i>Means of verification :</i> Documented procedures used to identify and map HCVPs and related values Results of assessment processes – documents, maps, etc. Interviews with those involved in identification process.		
9.1.2 The manager ensures that a credible external review is undertaken of the HCVP assessment.		
9.1.3 The HCVP assessment shall be made publicly available, including associated maps (subject to confidentiality considerations) as well as a summary of how concerns raised during the consultation and review process have been addressed. Factors that may limit the public availability of information include the ownership of that information by other parties as well as the need in some circumstances to withhold site-specific information in order to protect the value.		
C9.2. The consultative portion of the certification process must place emphasis on the identified conservation attributes, and options for the maintenance thereof.		
9.2.1 The manager shall consult with directly affected persons, qualified specialists and Aboriginals on the identification of the High Conservation Values and the management options thereof.		
9.2.2 On public forests the manager should take steps to		

<p>encourage ongoing and constructive engagement with interested parties in the identification of High Conservation Values and the management options thereof, where the interest, commitment and capacity for such constructive engagement exists.</p> <p><i>Means of verification:</i> Record of draft information shared with interested parties (NGOs, Aboriginal communities, etc) Record of agreements or understandings reached with interested parties in which there is a shared responsibility for constructive engagement.</p>		
<p>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.</p>		
<p>9.3.1 Areas designated as HC VF are managed over the long term in a way to ensure the quality of their attributes and their size are not diminished.</p> <p><i>Means of verification :</i> Management plan and strategies related to HC VFs.</p>		
<p>9.3.2 When a High Conservation Value extends beyond property or forest management unit boundaries under the manager’s responsibilities, or when the maintenance of a conservation value depends on the proximity or connectivity with other HC VFs, the manager coordinates its conservation efforts with those of the neighbouring HC VF landowners/managers.</p> <p><i>Means of verification</i> Correspondence with managers of adjacent lands. Portions of management plan dealing with management of adjacent lands.</p>		
<p>9.3.3 The manager 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: Will create conditions with a very high probability of securing the long-term maintenance or the restoration of the applicable conservation attribute; Are being implemented; and Are proving effective (or are adapted as required) based on the results of monitoring.</p> <p><i>Means of verification :</i> Documentation of management strategies and those portions addressing the above points.</p>		
<p>C9.4. Annual monitoring shall be conducted to assess the effectiveness of the measures employed to maintain or enhance the applicable conservation attributes.</p>		
<p>See 8.2.6 and 8.2.7.</p>		

3.2 Stakeholder Comment

Stakeholders were included as part of the field audit and were interviewed extensively by audit team members during the field audit process. The individuals in the following table were contacted directly during the course of the audit.

Name & Affiliation	Address	Phone/Fax/Email	Comments
Armond Gagne, owner operator of Gagne Logging			Contacted during field audit as logger on unit. Operating is very difficult now due to fuel costs which had risen from \$0.94/L in the fall to \$1.34 currently and from \$22,000 to \$34,000 in total. Prices for delivered wood was up \$4.00 but that increase did not cover the fuel cost increase. Scheduling of log receipt at the mill was causing problems in the woods, resulting in larger than normal landings required to store logs prior to shipping.
Sid Bouchet, truck driver for T. Bell			REC 2008.1 Long hauls have been more prevalent during the current season due to market conditions. Fuel costs are high but some extra pay has been received to help offset fuel costs.
Owen Noseworthy, loader operator for Bruno Gervais Marcel Veillete, Woodlands Manager for Domtar Mike Bulova, Forest Management Technician, MNR			Good working conditions have kept him in the business for over 30 years. He works 4.5 days a week and receives overtime for long days. Has worked for Domtar for around 20 years in various parts of their operations in Quebec and Maine. VFM has been good to work with. His duties include forest compliance, FOIPs and fish stocking surveys. He mainly works on areas where Gervais, Domtar and several small operators are located. Compliance has been improving.
Viki Mather, LCC member and Kokagami Lake Lodge operator Jim Gomme LCC Co- chair			She has been a member of the LCC about 20 years as a representative of North Watch. The current FMP process is her third time through. Works on the roads and AOC task teams for the FMP process. He has been on the LCC for 6-7 years and likes participating. The main issues he is concerned with are herbicide use, viewshed impacts and access issues.
Tim Lehman; Area Forester; MNR			Works to ensure that forest management on the Sudbury Forest follows applicable provincial direction. Participates on the development of the forests management plan. Indicated that there is a good working relationship between MNR and VFM. Compliance record is improving.

A complaint from Mr. Paul Denis was received about the use of herbicides on the Sudbury forests on September 5, 2008. This complaint arrived after the field work for the 2008 audit was completed. SCS' actions taken to follow-up to the complaint from Mr. Paul Denis include:

- Sept 9, 2008- Dave Wager, Director FM for SCS, left a voice mail for Mr. Denis explaining the SCS complaints procedure and asking Mr Denis to return call to discuss further.
- Sept 10 – Dave Wager sent Mr. Denis a copy of the SCS Complaints/Appeals procedure and informed him that the first step in the complaints procedure is for the complainant to exhaust the efforts of resolving this matter directly with the certificate holder (VFM). As such, SCS has requested Peter Street, VFM General Manager, to make contact with Mr. Denis about his concerns.

- Sept 11 – VFM attempted to arrange a meeting with Mr. Denis to discuss the complaint.

To date, Mr. Denis has not responded to my voicemail or email, nor has he responded to VFM's request for a meeting.

Without yet having undertaken a complete review of the complaints raised by Mr. Denis (as the first step is to request the complainant to attempt to work out the issues directly with the certificate holder), I can say that changes to the GLSL Standard have lessened the relevancy of Mr. Denis complaints. These changes are that the GLSL standard explicitly states that chemical pesticides can be used to restore white pine. Also, the requirement to "phase out" chemical use over time has been removed from the standard.

3.3 Controversial Issues

No notably controversial or difficult issues presented themselves during this surveillance audit.

3.4 Changes in Certificate Scope

There were no changes in the scope of this certificate during the previous year.