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FOREST MANAGEMENT AND STUMP-TO-FOREST GATE CHAIN-OF-CUSTODY SURVEILLANCE EVALUATION REPORT

**VERMILION FOREST MANAGEMENT COMPANY LTD.
SCS-FM/COC--094N**

311 Harrison Drive
Sudbury, Ontario P3E 5E1

Peter Street; General Manager

Website: <http://sudburyforest.com>

CERTIFIED	EXPIRATION
00/00/00	00/00/00

DATE OF FIELD AUDIT
10/05/11
DATE OF LAST UPDATE
00/00/00

Organization of the Report

This report of the results of our evaluation is divided into two sections. Section A provides the public summary and background information that is required by the Forest Stewardship Council. This section is made available to the general public and is intended to provide an overview of the evaluation process, the management programs and policies applied to the forest, and the results of the evaluation. Section A will be posted on the FSC Certificate Database (<http://info.fsc.org/>) no less than 30 days after issue of the certificate. Section B contains more detailed results and information for the use of by the FME.

FOREWORD

Cycle in annual surveillance audits			
<input type="checkbox"/> 1 st annual audit	<input type="checkbox"/> 2 nd annual audit	<input type="checkbox"/> 3 rd annual audit	<input type="checkbox"/> 4 th annual audit
Name of Forest Management Enterprise and abbreviation used in this report:			
Forest Management Enterprise (FME)	VERMILION FOREST MANAGEMENT COMPANY LTD.		

All certificates issued by SCS under the aegis of the Forest Stewardship Council (FSC) require annual audits to ascertain ongoing compliance with the requirements and standards of certification. A public summary of the initial evaluation is available on the SCS website www.scscertified.com.

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 (CARs; see discussion in section 5.0 for a summary those CARs and their disposition as a result of this annual audit in the separate CAR report file);
- Follow-up inquiry into any issues that may have arisen since the award of certification or prior to the 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.

All items marked with an asterisk (*) are not required for FMUs that qualify as single SLIMFs.

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Section A – Public Summary

1.0 General Information

1.1 Annual Audit Team

Auditor Name:	Peter Higgelke	Auditor role:	Lead auditor
Qualifications: 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.			
Auditor Name:	Dave Wager	Auditor role:	Forester
Qualifications: As previous FM Director for SCS, Dave spent ten years managing and/or leading Forest Stewardship Council (FSC) endorsed certification assessments on more than 100 forest management operations covering over 25 million acres of forestland across 16 countries. As a certification practitioner, Dave Wager has led FSC forest management and chain-of-custody assessments on a range of private and public operations across North America, Asia, and Latin America. In other natural resources work, Dave played a key role in the development of Starbucks CAFE Practices- a program to ensure procurement of sustainably grown and processed coffee. Dave has 16 years experience working in forestry and the environmental field. He has expertise in forest ecology and business (B.S. business, Skidmore College; M.S. Forest Resources, Utah State University). While studying forest ecology at Utah State University, Dave was awarded a NASA Graduate Student Research Fellowship to develop dendrochronological techniques to assess Douglas-fir growth in Utah’s Central Wasatch Mountains.			

1.2 Total time spent on evaluation

A. Number of days spent on-site assessing the applicant:	2.5
B. Number of auditors participating in on-site evaluation:	2
C. Additional days spent on preparation, stakeholder consultation, and post-site follow-up:	1
D. Total number of person days used in evaluation:	7
(Line D = (Total number of days in Line A x Total number of auditors from Line B) + additional days from Line C.	

1.3 Standards Employed

Box 1.3.1. – Applicable FSC-Accredited Standards		
Title	Version	Date of Finalization
SCS Interim Standard for GLSL	2.0	2008
<p>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. This standard complies with all applicable FSC International policies, standards, and advice notes. A copy of the standard is available at www.scs-certified.com/forestry or upon request from SCS.</p>		

2.0 Annual Audit Dates and Activities

2.1 Annual Audit Itinerary and Activities

<p>Date: October 05, 2011</p> <p>Attendees: Peter Street, Ron Luopa, Chuck Huismann, Dave Wager, Peter Higgleke. Met in St. Georges to begin the Sudbury audit</p>	
FMU/Location/ sites visited*	Activities/ notes
Chartrand Block 072	Before examining the cut block, we reviewed construction of the Jennings Primary road that had started in the fall of 2010 and was ongoing at the time of the audit. The harvest was a clear cut with residuals with pockets of white and red pine that had been marked for seed tree cut. No compliance issues had been found in this block since operations began. A snowmobile trail was located in the block; its treatment did not include an AOC. Rather the trail had been kept clean for future use by this stakeholder group.
Unscheduled stop	Side trip down winter road. Examined a drainage crossing, AOC for a warm water fishery, a skidoo trail and several aggregate pits.
Domtar Block 041 Joined by Roland Coulombe a local trapper and LCC member	<p>This block was also visited during the 2010 annual audit where problems had been documented. Operations including additional road construction had continued since that time.</p> <p>Operations had occurred on this site when conditions were very wet. At the time of the audit visit, conditions had dried significantly.</p> <p>Considerable rutting was found during the site examination. Less road construction had taken place than was planned resulting in long skids which in turn lead to the rutting concerns. Similar concerns had been documents in the 2010 audit.</p> <p>CAR 2011.1</p>
<p>Date: October 06, 2011</p>	

Attendees: Peter Street, Chuck Huisman, Tim Lehman (MNR), Dave Wager, Peter Higgelke.	
FMU/Location/ sites visited*	Activities/ notes
Gervais Block 5 (Stop 2)	<p>Review of water crossing from 2011 surveillance audit. A repair order had been issued by the MNR. The repair had not been completed satisfactorily. Second water crossing repair was inspected and was found unsatisfactorily completed as well. Although a larger culvert had been installed (good) the installation had the culvert perched too high impeding drainage.</p> <p>Reviewed Jack Pine tree plant. Found prescription to be good, plant was marginal. VFM has monitoring program in place to catch this; area will be monitored 1,3 and 5 years after planting.</p> <p>Examined site preparation area where passive trenching was performed in advance of aerial seeding of Jack Pine. Area was laden with rock so mineral soil exposure was a concern but was found to be adequate. Good prescription for this site.</p>
Stop 40 - Gervais Block 5	<p>Water crossing removal done during the past winter with rehabilitation work performed in May. The project involved the creation of a ford to permit ATV traffic to cross the creek without need to complete unauthorized in-stream work as is often done in the Sudbury Forest.</p> <p>One stop in this block along a road was completed to examine grubbing that could have been avoided. Grubbing, that at times appeared avoidable and excessive, was also found on other stops. While the FSC GLSL Standard includes wording to minimize grubbing, clearer direction should be sought in this regard.</p> <p>OBS 2011.2</p> <p>On another stop in this block, we examined an area where operations had been completed during the late fall and winter. A log landing was developed in a lowland site resulting in impeded drainage and ponding.</p> <p>At another stop, drainage had been blocked with road construction. It appeared that a pipe had originally been installed, although too high. At the time of the stop, the pipe had been removed and water flow impeded. Water flow impediments caused by road construction and improper installation of water crossings has been a concern in past audits including the 2010 audit.</p> <p>CAR 2011.3</p> <p>NDPEG direction respecting retention tress had not been followed.</p> <p>CAR 2011.4</p>

Stop 7	Fall 2011 tree plant by College Boreal. Thin duff on the site permitted screefing and direct plant which was prescribed and performed. Prescription suited the site conditions and thepkant was well done.
Stop 48 – Eacomm Block 21	Harvesting in this block was started by Future Wood Products in fall of 2010. Several problems arose and harvesting was suspended. Janveau was given the block and its operations commenced in the summer of 2011. Areas were examined where retention trees direction had not been followed. Several kilometres of new road construction had been completed with a number of water crossing installations. Both road construction and water crossings were found to be well done.
Date: October 07, 2011	
Attendees: Peter Street, Pat Bazinet, Ron Luopa, Doug Maki, Mike Bulova (MNR), Dave Wager, Peter Higgelke.	
FMU/Location/ sites visited*	Activities/ notes
Stop 20	Two bridge removals were reviewed. In both cases, the operations had been well done and it was obvious that the operator had taken care in the removals.
Stop 30 – N'Swakamok Block 53	A White Pine Shelterwood harvest licensed to N'Swakamok, presently being operated by Corbiere Contractors, a First Nation company from Manitoulin Island. Two cut and skid crews worked the area; white pine sawlogs to Goulard and Chartrand sawmills; SPF to Nairn; pulp to Espanola. Little progress has been made in the block as the harvest is heavily dependent on a market for white pine sawlogs which has been sporadic at best. Some residual pieces were found but operations were still ongoing nearby so pick-up can occur. Generally operations found to have been performed in accordance with requirements.
Unscheduled Stop	Harvest occurred four years prior; area left for natural seeding. Good mast year 3-4 years ago, followed with aerial tending using Release (4l/ha) to promote competition control of maple and aspen. Used 2/3 spray as target was to retain some hardwood. Results showed good control of spray with evidence of retained hardwoods as well as a high number of natural conifers.
Gervais Block 065	Harvest with leave for natural regeneration. Viewed two landings that were cleaned very well. Harvest well done as was road construction.
Stop 29 - Waldie Struthers and Kilpatrick Roads.	Road construction performed during past year. Construction well done. One water crossing was viewed where slope was too steep

	although care taken to place riprap on slope for stabilization.
Stop 38 - Lahaie Block 063	Harvest in an area that had been high-graded years ago. Boundary was marked on foot and was netted down a couple of times due to remove areas of unmerchantable timber. Consensus is that new provincial imagery will provide improved information source for allocation determination.
<i>Add more rows as necessary.</i>	

3.0 Changes in Management Practices

There were no significant changes in the management and/or harvesting methods that affect the FME's conformance to the FSC standards and policies.

4.0 Annual Summary of pesticide and other chemical use

Commercial name of pesticide/herbicide	Active ingredient	Quantity applied annually (kg or lbs)	Size of area treated during previous year (ha or ac)	Reason for use
Vision	Glyphosate	541.3	300.8	Other Conifer Site Preparation
Vision	Glyphosate	1229.2	682.9	Pw/Pr Tending
Vision	Glyphosate	1074.8	597.1	Other Conifer Tending
Vantage	Glyphosate	397	139.4	Pw/Pr Site Preparation
Vantage	Glyphosate	74.8	51.9	Pw/Pr Tending
Release	Trichlopyr	373.8	196.7	Pw/Pr Tending

5.0 Corrective Action Requests (CARs) and Observations (OBSs)

SCS publishes Corrective Action Requests (CARs) and Observations (OBSs) assigned as a result of previous evaluations, as well as their current status, as separate files on the FSC certificate database. Similarly, SCS publishes a separate file for any newly assigned CARs/OBSs as a result of the current evaluation.

6.0 Stakeholder Comment*

SCS conducts stakeholder outreach as part of annual audits in order to assess on-going conformance to the applicable FSC standards. Stakeholder consultation activities can include telephone calls, written letters, emails or consultation in the field. The results of stakeholder consultation activities are summarized below. Where a stakeholder comment has triggered a subsequent investigation during the evaluation, the corresponding follow-up action and conclusions from SCS have been noted.

Box 6.1 – Summary of Stakeholder Comments and Responses from the Team Where Applicable	
SCS did not receive any comments from interested parties as a result of stakeholder outreach activities during this annual audit.	<input type="checkbox"/>
<i>Delete Rest of Table if box checked above</i>	
Stakeholder comments	SCS Response
Economic concerns	
Social concerns	
Environmental concerns	

7.0 Certification Decision

Box 7.1 Surveillance Decision	
The certificate holder has demonstrated continued overall conformance to the applicable Forest Stewardship standards. The SCS annual audit team recommends that the certificate be sustained, subject to subsequent annual audits and the FME's response to any open CARs.	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
Comments: No additional comments.	

8.0 Current list of Non-SLIMF FMUs (multiple FMU and group certificates only)

Name	Contact information	Latitude/ longitude of Non-SLIMF FMUs	

New Non-SLIMF FMUs must be added to FSC database.

Check here if national legal restrictions do not permit making information on the names, contact information, and/or geographical location of Non-SLIMF FMUs available to the public. Include the name of the state/province and country here:

If this is a single FMU, then 8.0 can be deleted entirely. If it is multiple FMU or Group certificate with Non-SLIMF FMUs then fill out the above table. If there are only SLIMF FMUs in the multiple FMU or Group Certificate, then keep the following text (and delete the table):

There are no Non-SLIMF FMUs in the scope of the FME's certificate.

Section B - Appendices

Appendix 1 – List of FMUs selected for evaluation (CONFIDENTIAL)

<input checked="" type="checkbox"/> FME consists of a single FMU – <i>No further action required</i>
<input type="checkbox"/> FME consists of multiple FMUs – <i>See table below, which applies to multiple FMU and group management evaluations, but is inapplicable if the scope of the evaluation is a single FMU.</i>
<input type="checkbox"/> FME consists of a single FMU – <i>No further action required</i>
<input type="checkbox"/> FME consists of multiple FMUs – <i>See table below, which applies to multiple FMU and group management evaluations, but is inapplicable if the scope of the evaluation is a single FMU.</i>
<input type="checkbox"/> FME consists of a single FMU – <i>No further action required</i>
<input type="checkbox"/> FME consists of multiple FMUs – <i>See table below, which applies to multiple FMU and group management evaluations, but is inapplicable if the scope of the evaluation is a single FMU.</i>

Appendix 2 – Evaluation of Management Systems (CONFIDENTIAL)*

SCS conducted the audit from Oct 3-7, 2011 with an audit team comprised of Peter Higgleke (lead auditor) and Dave Wager (team forester). The process included the assembly and review of audit evidence consisting of documents, interviews, and on-site inspections of ongoing or completed forest practices. Documents describing these activities and lists of management activities were provided to the auditors in advance, and a sample of the available field sites was designated by the audit team for review. The selection of field sites for inspection was based upon the risk of environmental impact, special features, past non-conformances/observations, and other factors. During the audit, the audit team reviewed a sample of the available written documentation as objective evidence of FSC conformance. Documents that were reviewed during this audit included management plans, SOP's, timber sale inspection forms, chemical use records, among other policies, procedures and records.

The audit team used a consensus approach to determine whether or not there was conformance with each of the indicators being assessed during this audit. The audit team also selected and interviewed contract loggers, employees within the SFL, and MNR regulatory officials, to assess conformance with the FSC standards.

Appendix 3 – Stakeholder analysis (CONFIDENTIAL)*

3.1 Stakeholder list (confidential)

List of FME Staff Consulted

Name	Title	Contact	Consultation method
Peter Street; General Manager	VFM	(705) 752-5430	Email, telephone, interview
Ron Luopa; Operations Forester	VFM	(705) 561-3506	Field consultation
Mark Lockhart; Planning Forester	VFM	(705) 752-5430	Field consultation
Doug Maki; Silviculture Forester	VFM	(705) 561-3989	Field consultation
Patrick Bazinet; Forest Technologist	VFM	(705) 561-1677	Field consultation
Chuck Huismann; Forest Technologist	VFM	(705) 561-8763	Field consultation

List of other Stakeholders Consulted

Name/ Title	Organization	Contact	Consultation method
Roland Coulombe	LCC member		Field consultation
Tim Lehman	MNR	(705) 564-7875	Field consultation

3.2 Stakeholder review, complaints, and resolution

Observations relating to the review and resolution of any complaints raised by stakeholders with the certificate holder, or with the certification body, since the previous evaluation. Stakeholder evaluation should focus on stakeholder comments that affect the FME's conformance to FSC standards and policies.

Box 3.2.1 – Summary of Stakeholder Comments and Responses from the Team Where Applicable

FME has not received any stakeholder complaints and the annual audit uncovered no known disputes since the previous evaluation. SCS has not received any complaints from stakeholders regarding its performance or treatment of FME's management system.	☒
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Appendix 4 – Additional Audit Techniques Employed (CONFIDENTIAL)*

The audit team did not employ any additional audit techniques for this annual surveillance audit.

Appendix 5 – Changes in Certification Scope

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

Production Forests		
Timber forest products		
<input checked="" type="checkbox"/>	Total area of production forest (i.e. forest from which timber may be harvested)	<i>1.1 million ha</i>
<input checked="" type="checkbox"/>	Area of production forest classified as 'plantation'	<i>Zero ha</i>
<input checked="" type="checkbox"/>	Area of production forest regenerated primarily by replanting or by a combination of replanting and coppicing of the planted stems ¹	<i>ha or ac</i>
<input checked="" type="checkbox"/>	Area of production forest regenerated primarily by natural regeneration, or by a combination of natural regeneration and coppicing of the naturally regenerated stems	<i>ha or ac</i>
<input checked="" type="checkbox"/>	The sustainable rate of harvest (usually the AAC where available) of commercial timber (cubic meters of round wood)	Other Conifer 9,652 m ³ /yr Poplar 123,870 m ³ /yr Spruce-Pine-Fir 254,510 m ³ /yr Tolerant Hardwood 17,605 m ³ /yr White and Red Pine 116,400 m ³ /yr White Birch 58,050 m ³ /yr
Non-timber forest products		
<input type="checkbox"/>	Area of forest protected from commercial harvesting of timber and managed primarily for the production of NTFPs or services	<i>ha or ac</i>
<input type="checkbox"/>	Approximate annual commercial production of non-timber forest products included in the scope of the certificate, by product type	<i>ha or ac; kg; or some other quantity per ha or ac</i>
Species and product categories in scope of joint FM/COC certificate		
<input type="checkbox"/>	Scientific/ Latin Name (Common/ Trade Name)	

¹ The area is the *total* area being regenerated primarily by planting, *not* the area which is replanted annually. NB this area may be different to the area defined as a 'plantation' for the purpose of calculating the Annual Accreditation Fee (AAF) or for other purposes.

FSC Product Classification			
Wood Products	Product Level 1	Product Level 2	
<input checked="" type="checkbox"/>	W1 Rough Wood	W1.1 Roundwood (logs)	
<input checked="" type="checkbox"/>	W1 Rough Wood	W1.2 Fuel Wood	
<input type="checkbox"/>	W1 Rough Wood	W1.3 Twigs	
<input type="checkbox"/>	W2 Wood charcoal		<i>E.g. Barbecue charcoal</i>
<input checked="" type="checkbox"/>	W3 Wood in chips or particles	W3.1 Wood chips <i>(Please select the appropriate product from the list)</i>	
<input type="checkbox"/>	W5 Solid wood (sawn, chipped, sliced or peeled)	W5.1 Flitches and boules <i>(Please select the appropriate product from the list)</i>	<i>E.g. Lumber core, rough-cut lumber, blockboard, stave core board, Railroad tie, Wood blocks, friezes, strips.</i>
Non-timber forest products	Product Level 1	Product Level 2	Product Level 3
<input type="checkbox"/>	N1 Bark		
<input type="checkbox"/>	N4 Straw, wicker, rattan and similar	N4.1 Rattan cane (rough form) <i>(Please select the appropriate product from the list)</i>	
<input type="checkbox"/>	N6 Plants and parts of plants	N6.1 Flowers <i>(Please select the appropriate product from the list)</i>	<input type="checkbox"/> N6.3.1 Christmas trees
<input type="checkbox"/>	N7 Natural gums, resins, oils and derivatives	N7.1 Rubber/ Latex <i>(Please select the appropriate product from the list)</i>	<i>E.g. Gum arabic, gum tragacanth, gamboge, frankincense, myrrh, Dammar, elemi, sandarac, canada balsam, benjamin, pitch, lacquer, unguents, incense, Camphor, Brazil nut oil, Copaiba Oil.</i>
<input type="checkbox"/>	N9 Food	N9.1 Nuts <i>(Please select the appropriate product from the list)</i>	<i>E.g. Deer, rabbit, berries, açai, Shiitake mushrooms, pine mushrooms, mate, Brazil nuts, cashew nuts</i>
For a full list of FSC product classes, product types, and product sub-types, see FSC-STD-40-004a (Version 2-0) EN – FSC Product Classification.			

Conservation Areas				
<input checked="" type="checkbox"/>		Area of forest and non-forest land protected from commercial harvesting of timber and managed primarily for conservation objectives		<i>ha or ac</i>
High Conservation Value Forest/ Areas				
High Conservation Values present and respective areas				
	Code	HCV Type ²	Description & Location	Area
<input checked="" type="checkbox"/>	HCV1	Forest areas containing globally, regionally or nationally significant concentrations of biodiversity values (e.g. endemism, endangered species, refugia).	Bald Eagle nest sites; Peregrine Falcon nest sites; Wood Turtle and Blanding's Turtle habitat; Eastern Massassaga & Eastern Fox Snake hibernacula and Gestation sites; Eastern Milk Snake Gestation Sites; Least Bittern and Black Tern habitat; Nest sites for: Chimney Swift, Whip-poor-will, Canada Warbler, Common Nighthawk, Hooded Warbler, Olive Sided Flycatcher; Monarch Butterfly nest sites; White-tailed deer wintering areas (deer yards); Moose Aquatic Feeding areas; Heronries and Mineral Licks; Remote Self Sustaining Lake Trout Lakes; Elk habitat; White elm, black cherry, ironwood as well as mid-tolerant hardwoods north of Highway 17 (e.g. yellow birch and red/bur oak); Provincially Significant Wetlands (five); Wolf Lake Old Growth Forest (F175, possible mining claim); Sturgeon River (P173; possible mining claim); Capreol-Hanmer Delta Forest Reserve (F179; possible mining claim); Vermilion River delta (Dowling/Fairbank; possible mining claim).	
<input checked="" type="checkbox"/>	HCV2	Forest areas containing globally, regionally or nationally significant large landscape level forests, contained within, or containing the management unit, where viable populations	Possible HCV: Unaccessed patch in the NW portion of the Sudbury Forest	

² High conservation values should be classified following the numbering system given in the ProForest High Conservation Value Forest Toolkit (2003) available at www.ProForest.net or at www.wwf.org

		of most if not all naturally occurring species exist in natural patterns of distribution and abundance.		
<input checked="" type="checkbox"/>	HCV3	Forest areas that are in or contain rare, threatened or endangered ecosystems.	White Cedar-Yellow Birch Forest Type; Late seral stage red and white pine untreated by shelterwood systems; Unharvested late seral stage tolerant hardwood forest; Late seral stage Hemlock	
<input checked="" type="checkbox"/>	HCV4	Forest areas that provide basic services of nature in critical situations (e.g. watershed protection, erosion control).	Wahnipitae River water quality	
<input checked="" type="checkbox"/>	HCV5	Forest areas fundamental to meeting basic needs of local communities (e.g. subsistence, health).	None	
<input checked="" type="checkbox"/>	HCV6	Forest areas critical to local communities' traditional cultural identity (areas of cultural, ecological, economic or religious significance identified in cooperation with such local communities).	French, Vermilion, Wanapitei, and Sturgeon Rivers; First Nation Values	
<input type="checkbox"/>	Total Area of forest classified as 'High Conservation Value Forest'			<i>ha or ac</i>
ANY REDUCTION IN HCVF/HCVA AREA OR CHANGES IN HCVF/HCVA CLASSIFICATION MUST BE REVIEWED BY SCS TO ENSURE COMPLIANCE WITH FSC CONVERSION POLICIES AND THAT ANY REDUCTION IS EITHER THE RESULT OF CREDIBLE FIELD ANALYSIS AND RECLASSIFICATION OR THE SALE OF LANDS TO OTHER FORESTRY COMPANIES, CONSERVATION GROUPS, STATE AGENCIES, ETC.				

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Appendix 6 – Pesticide derogations

VFM does not have any pesticide derogations.

Appendix 7 – Detailed observations (CONFIDENTIAL)

Evaluation year	FSC P&C Reviewed
2010	All – Recertification Evaluation
2011	C1.5; C2.3; C3.2; C4.1; C4.2; C4.4; C5.6; C6.2; C6.3; 6.9; C8.2; P9
2012	
2013	
2014	

C= Conformance with Criterion

C/NC= Overall Conformance with Criterion, but there are Indicator non-conformances

NC= Non-Conformance with Criterion

REQUIREMENT	C/NC	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.		
C1.2. All applicable and legally prescribed fees, royalties, taxes and other charges shall be paid.		
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.		
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.		
C1.5. Forest management areas should be protected from illegal harvesting, settlement and other unauthorized activities.	C	VFM has policies in place to address these requirements. As well, evidence was provided showing records dealing with an instance of unauthorized camp site development including clean up.
C1.6. Forest managers shall demonstrate a long-term commitment to adhere to the FSC Principles and Criteria.		
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.		
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		

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unless they delegate control with free and informed consent to other agencies.		
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.	C	As a Crown Forest, management of the Sudbury Forest must respect the direction provided in the Forest Management Planning Manual which includes a dispute resolution process. Evidence was provide to show that the VFM Manger was a cooperative party in the resolution of disputes during the planning process for the development of the recent FMP.
P3 The legal and customary rights of indigenous peoples to own, use and manage their lands, territories, and resources shall be recognized and respected.		
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.		
C3.2. Forest management shall not threaten or diminish, either directly or indirectly, the resources or tenure rights of indigenous peoples.	C	Native Background Information reports were produced for each First Nation on the Sudbury Forest for the 2010-2020 FMP. This report included Native Values which were provided protection measures agreed to by the First Nations.
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.		
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.		
P4 Forest management operations shall maintain or enhance the long-term social and economic well-being of forest workers and local communities.		
C4.1. The communities within, or adjacent to, the forest management area should be given opportunities for employment, training, and other services.		As per VFM policy, local vendors/businesses are used whenever possible for services and supplies. VFM has a list of vendors it uses.
C4.2. Forest management should meet or exceed all applicable laws and/or regulations covering health and safety of employees and their families.	C	Verified through documentation on file, i.e. policy, safety inspection records and minutes. Contracts include provisions for health and safety. Employees are expected to comply with the Ontario Occupational Health and Safety Act. Employee training records include First Aid Training and training for Workplace Hazardous Materials Information System, Ontario Forestry Safe Workplace Association modules and VFM safety policy.
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).		
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.	C	The 2010-2020 FMP includes a social economic analysis which is incorporated into the objectives set for the Plan. Public input into the planning and preparation of the FMP was provided including invitations to participate at various stages of the development of the FMP.

<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>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>		
<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>C5.3. Forest management should minimize waste associated with harvesting and on-site processing operations and avoid damage to other forest resources.</p>		
<p>C5.4. Forest management should strive to strengthen and diversify the local economy, avoiding dependence on a single forest product.</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>C5.6. The rate of harvest of forest products shall not exceed levels that can be permanently sustained.</p>	<p>C</p>	<p>Sustainable harvest levels form an integral part of the development of the Forest Management Plan. The FMP sets the maximum harvest levels given a myriad of constraints – actual harvest levels cannot exceed these levels.</p> <p>On the Sudbury Forest, actual harvest levels have been significantly lower than planned or maximum levels for a number of years.</p> <p>The long-term management direction for the management unit provides guidance for the levels of access, harvest, renewal and tending activities required to achieve the desired forest and benefits. In the development of the long-term management direction, management objectives and indicators were identified and analytical methodologies, models, and tools regarding forest regulation, social and economic assessment, wildlife habitat supply and landscape management were used.</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.</p>		

Environmental impacts shall be assessed prior to commencement of site-disturbing operations.		
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 be controlled.	C	For the FMP, MNR biologists reviewed local records, COSEWIC (Committee on the Status of Endangered Wildlife in Canada) and MNR's Natural Heritage Information Centre (NHIC) records to determine the occurrence of threatened and endangered species and species of special concern on the Sudbury Forest. This information was used to develop protection mechanisms for appropriate situations involving each of these species.
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.	C/NC	The FMP provides for the maintenance, enhancement, and restoration of ecological functions and values. Operations were found to have been performed without due regard to maintaining ecological function.
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.		
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.		
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.		
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.		
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.		
C6.9. The use of exotic species shall be carefully controlled and actively monitored to avoid adverse ecological impacts.	C	No exotic species have been used on the forest with the knowledge of VFM staff.
C6.10. Forest conversion to plantations or non-forest land uses shall not occur, except in circumstances where conversion:		

<p>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>		
<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.</p>		
<p>C7.1. The management plan and supporting documents shall provide:</p> <ul style="list-style-type: none"> a) Management objectives. b) description of the forest resources to be managed, environmental limitations, land use and ownership status, socio-economic conditions, and a profile of adjacent lands. 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>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>		
<p>C7.3. Forest workers shall receive adequate training and supervision to ensure proper implementation of the management plans.</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>		
<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>		
<p>8.2. Forest management should include the research and data collection needed to monitor, at a minimum, the</p>	<p>C</p>	<p>Annual reports include timber harvest volumes by species; forest renewal; FTG; etc. All of the requirements of this criterion are</p>

<p>following indicators:</p> <p>a) yield of all forest products harvested,</p> <p>b) growth rates, regeneration, and condition of the forest,</p> <p>c) composition and observed changes in the flora and fauna,</p> <p>d) environmental and social impacts of harvesting and other operations, and</p> <p>e) cost, productivity, and efficiency of forest management.</p>		<p>included in the Annual Reports.</p>
<p>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."</p>		
<p>C8.4. The results of monitoring shall be incorporated into the implementation and revision of the management plan.</p>		
<p>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.</p>		
<p>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.</p>		
<p>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.</p>		
<p>C9.2. The consultative portion of the certification process must place emphasis on the identified conservation attributes, and options for the maintenance thereof.</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>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>P10 Plantations shall be planned and managed in accordance with Principles and Criteria 1 9, and Principle 10 and its Criteria. While plantations can provide an array of social and economic benefits, and can contribute to satisfying the world's needs for forest products, they should complement the management of, reduce pressures on, and promote the restoration and conservation of natural forests.</p>		
<p>C 10.1. The management objectives of the plantation, including natural forest conservation and restoration objectives, shall be explicitly stated in the management plan, and clearly demonstrated in the implementation of the plan.</p>		
<p>C 10.2. The design and layout of plantations should promote the protection, restoration and conservation of natural forests, and not increase pressures on natural forests. Wildlife corridors, streamside zones and a mosaic of stands of different ages and rotation periods shall be</p>		

<p>used in the layout of the plantation, consistent with the scale of the operation. The scale and layout of plantation blocks shall be consistent with the patterns of forest stands found within the natural landscape.</p>		
<p>C10.3. Diversity in the composition of plantations is preferred, so as to enhance economic, ecological and social stability. Such diversity may include the size and spatial distribution of management units within the landscape, number and genetic composition of species, age classes and structures.</p>		
<p>C10.4. The selection of species for planting shall be based on their overall suitability for the site and their appropriateness to the management objectives. In order to enhance the conservation of biological diversity, native species are preferred over exotic species in the establishment of plantations and the restoration of degraded ecosystems. Exotic species, which shall be used only when their performance is greater than that of native species, shall be carefully monitored to detect unusual mortality, disease, or insect outbreaks and adverse ecological impacts.</p>		
<p>C10.5. A proportion of the overall forest management area, appropriate to the scale of the plantation and to be determined in regional standards, shall be managed so as to restore the site to a natural forest cover.</p>		
<p>C10.6. Measures shall be taken to maintain or improve soil structure, fertility, and biological activity. The techniques and rate of harvesting, road and trail construction and maintenance, and the choice of species shall not result in long term soil degradation or adverse impacts on water quality, quantity or substantial deviation from stream course drainage patterns.</p>		
<p>10.7. Measures shall be taken to prevent and minimize outbreaks of pests, diseases, fire, and invasive plant introductions. Integrated pest management shall form an essential part of the management plan, with primary reliance on prevention and biological control methods rather than chemical pesticides and fertilizers. Plantation management should make every effort to move away from chemical pesticides and fertilizers, including their use in nurseries. The use of chemicals is also covered in Criteria 6.6 and 6.7.</p>		
<p>C10.8. Appropriate to the scale and diversity of the operation, monitoring of plantations shall include regular assessment of potential on-site and off-site ecological and social impacts, (e.g., natural regeneration, effects on water resources and soil fertility, and impacts on local welfare and social well-being), in addition to those elements addressed in Principles 8, 6 and 4. No species should be planted on a large scale until local trials and/or experience</p>		

<p>have shown that they are ecologically well-adapted to the site, are not invasive, and do not have significant negative ecological impacts on other ecosystems. Special attention will be paid to social issues of land acquisition for plantations, especially the protection of local rights of ownership, use or access.</p>		
<p>C10.9. Plantations established in areas converted from natural forests after November 1994 normally shall not qualify for certification. Certification may be allowed in circumstances where sufficient evidence is submitted to the certification body that the manager/owner is not responsible directly or indirectly of such conversion.</p>		

Appendix 8 – Chain of Custody Indicators for FMEs (CONFIDENTIAL)

For years in which Criterion 8.3 is reviewed or a nonconformity in chain of custody (COC) or trademark use was discovered, please complete the applicable checklist from SCS FSC CHAIN OF CUSTODY INDICATORS FOR FOREST MANAGEMENT ENTERPRISES and insert it here.

COC procedures that address all of these indicators are required for large-scale operations (>10,000 ha/ >24,710 acres) and Group Certificates. SCS Auditors shall complete the fields labeled, “SCS Auditor Findings,” as well as any necessary check boxes for large-scale operations and Group Certificates. For small-scale operations (<10,000 ha/ <24,710 acres; single-SLIMFs) the SCS auditor shall evaluate the indicators included in Appendix 1 of the COC indicators checklist.

If COC was not reviewed or no nonconformities were detected, then keep the following text:

Criterion 8.3 and the SCS’ Chain of Custody (COC) indicators for Forest Management Enterprises (FMEs) were not reviewed during this audit. No nonconformities in the FME’s implementation of COC procedures and use of FSC trademarks were discovered during the audit. Furthermore, SCS has not received any complaints from FSC representatives or FME’s customers regarding trademark infringement and lapses in the implementation of COC procedures.