

SFI 2015-2019 – Public Summary Report

AV Group NB Inc.

DESCRIPTION OF COMPANY

AV Nackawic Woodlands and AV Cell Woodlands are part of a group of companies (AV Group NB Inc.), which are focused on producing specialty pulp products to service the textile and paper industry. The Group is a member of the Aditya Birla Group of India. AV Group consists of two strategically located pulp mills located in Atholville, NB and Nackawic, NB. The operations in the North are found on License #1 and in the South on License #8 and Freehold lands.

The company SFI representative is Pierre Mezzetta.

AUDIT

During the period of November 6 to November 10, 2017 underwent a Re Assessment audit to the Sustainable Forestry Initiative® (SFI®) 2015-2019 Forest Management (FM) Standard and the SFI 2015-2019 Fiber Sourcing (FS) Standard which does not include the review of Appendix 1 Rules for Use of SFI Certified Sourcing Label.

The registration cycle is over five years with surveillance audits conducted annually. The audit assessed active and/or completed harvest operations through interviews with the company staff and contractors. The audit also assessed the SFI documentation and records at the company's office including stakeholder and First Nations communication.

The SFI program third-party audit was undertaken by SAI Global. SAI Global is an independent third party registrar that is accredited by the ANSI-ASQ National Accreditation Board (ANAB) Standard ensuring the integrity and credibility of the audit process.

THE AUDIT TEAM

The SAI Global audit team who performed the audit consisted of Hervé Bescond , audit team leader, and Dominic Lessard, audit team member. The auditors are Professional Foresters and certified auditors.

REGISTRATION TYPE

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

MULTI-SITE / GROUP EVALUATION

Not applicable.

SFI 2015-2019 Forest Management Standard

FOREST LAND AND MANGEMENT PLAN INCLUDED IN THE AUDIT SCOPE

The forest lands included in the audit scope are the Upsalquitch License 1, the York License 8 and AV Nackawic Freehold.

The licenses 1 and 8 management plans follow the requirements of the New Brunswick *Crown Lands and Forests Act* (1980). The proposal forecasts timber, vegetation community and habitat supply for 80 years. The plans objectives are for a number of values and guidelines as presented by the Department of Energy and Resource Development (DERD). The Forest Management Agreement (FMA), the contract that allows AV Nackawic (AVN) the right to manage York License 8, stipulates that all freehold lands owned by the company must be managed in a similar fashion as Crown Land.

License 1 is located in Northern New Brunswick, mainly east of Saint-Quentin, and West of Bathurst. It is located in Restigouche County and comprises a total area of 425,268 hectares. 94% of this total area is classed as productive forestland (402,284 ha).

License 8 is located in western New Brunswick. It is located mainly in York County and comprises a total area of 261,825 hectares. 90% of this total area is classed as productive forestland (235,576 ha).

The AV Group NB Inc.Freehold is located in western New Brunswick, mainly west of Fredericton. It is located in York County and comprises a total area of 40,129 ha. The majority of this total area is classed as productive forestland (37,072 ha).

THE UPSALQUITCH LICENSE # 1 2012-2022 MANAGEMENT PLAN

Table i. Summary of 2012-2022 spatial annual harvest levels from License 1.

	Annual Harvest Level (m ³ /yr)					
	Sp/Fir/Jp	Hardwood	Poplar	Cedar	Pine	Hemlock
General Forest	463,100	232,200	182,300	10,500	6,400	300
Conservation Forest	9,600	5,300	4,000	200	100	0
TOTAL	472,700	237,500	186,300	10,700	6,500	300

Table ii. Summary of 2012-2022 annual silviculture levels on License 1.

	Silviculture Area (ha/yr)	
	Planting	Thinning
General Forest	860	2,190

THE YORK LICENSE # 8 2012-2022 MANAGEMENT PLAN

Table i. Summary of 2012-2022 spatial annual harvest levels from License 8.

	Annual Harvest Level (m ³ /yr)				
	Sp/Fir/Jp	Hardwood	Cedar	Pine	Hemlock
General Forest	218,100	182,000	8,100	7,000	4,700
Conservation Forest	14,000	7,100	600	200	200
TOTAL	232,100	189,100	8,700	7,200	4,900

Table ii. Summary of 2012-2022 annual silviculture levels on License 8.

	Silviculture Area (ha/yr)	
	Planting	Thinning
General Forest	480	990

AV NACKAWIC FREEHOLD 2008-2033 MANAGEMENT PLAN

Table 14.1 Summary of the period 1 spatial harvest for the total landbase after *within block net down*.

Landbase	Annual Harvest Level (m ³ /yr)				
	Hardwood	Sp/Fir/Jp	Cedar	Pine	Hemlock
General Forest	36,010	26,160	4,430	1,190	1,460
VegCom	1,700	2,100	0	0	0
Buffer	600	1,200	0	0	0
DWA	1,020	520	0	0	0
TOTAL	39,330	29,980	4,430	1,190	1,460

SCOPE OF CERTIFICATION

The scope of certification has changed since the last public summary report. The changes are:

Forest management activities- planning, harvesting, transportation and silviculture on the Crown Licenses 1,8 and on the company's Freehold in New-Brunswick. Fiber sold under this certificate counts as 100% SFI and 100% PEFC certified forest content.

AUDIT PROCESS

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

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

SUBSTITUTE INDICATORS

No substitute indicators were evaluated during this audit.

COMPLAINTS

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

SITES INSPECTED AND ASSESSMENT TIME

Audit Activity	Duration in days
Onsite	5.5
Sites	Number inspected
Roads	2 (1 on freehold)
Harvesting Blocks	8 (3 on freehold)
Silviculture Sites	6 (1 on freehold)
Operations visited: Harvesting, Silviculture, Water Crossing and Road Construction on License 1, License 8 and Freehold.	

SUMMARY OF FINDINGS

Areas of non-conformance

NC#	Type	Performance Measure #	Description	Corrective Action Plans
2017-01	Minor	SFI 2015-2019 FOREST MANAGEMENT STANDARD 9.1	Program participant did not comply with federal regulation on dangerous good transportation	Action plan has been accepted and implementation will be reviewed during the next surveillance audit
2017-02	Minor	RULES FOR USE OF SFI ON-PRODUCT LABELS AND OFF-PRODUCT MARKS 4.2	The ® has not been included on the website of AV Group.	Action plan has been accepted and implementation will be reviewed during the next surveillance audit

Opportunities for improvement

Not applicable.

Good practices

- Efficient tools of AV Group NB Inc. to manage the EMS.

Status of previous audit non-compliances

No non-conformities were raised during the previous audit.

CERTIFICATION DECISION SFI 2015-2019 FOREST MANAGEMENT STANDARD

Re-registration Audit

Based on the results of this re-registration audit it has been determined that the management system is effectively implemented and meets the requirements relative to the scope of registration and audit criteria. The action plan(s) related to the non-conformance(s) has (have) been reviewed and considered acceptable. As applicable, any major non-conformance has been closed and implementation of action plan for minor non-conformance will be reviewed at the next surveillance audit. Therefore, a recommendation for registration is made to SAI Global.

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

Table 1 Objectives Audited

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

Table 2 Evidence Observed

Environmental management system (EMS) Manual	x	Cut block size calculations	x
Written policies	x	Employee observation forms (species at risk, invasive plants, other values)	x
Standard Operating Procedures (SOPs) for best management practices	x	Pre-work discussions/meeting records	x
EMS and SFI field handbook	x	Monitoring records for non-timber values	x
Training records (staff and contractors)	x	Utilization records	x
SFI/EMS training agenda	x	Laws, legislation, regulations records	x
Health and safety manual and/or employee policy manual	x	Annual management review records	x
Timber supply review	x	Internal audit records	x
Maps (pre-harvest, harvest, post-harvest, and silviculture)	x	Corrective action logs	x
Timber development standards	x	Education/community involvement records	x
Non-timber values impact assessments (riparian, visual, recreation, biodiversity, cultural heritage, other:)	x	Records of public inquiries and complaints	x
GIS inventories (soils, forest, land classification, non-timber values)	x	Stakeholder communications records	x
Long term management plans and sustainable harvest level calculation	x	Agreements and communications with Indigenous communities	x
Cutting/harvesting permits	x	Multi-licensee and/or government meeting minutes	x
Operational plans (annual, cut block level)	x	Logging agreements and/or contracts	x
Wet/adverse weather plans or guidelines	x	Wood producer training programs	x
Reforestation plans	x	Wood producer information package	x
Pest management plan	x	SFI Annual Report	x
Fire preparedness plan	x	SFI and company websites	x
Spill prevention and response plan	x	SFI brochure	x
Silviculture surveys and reports	x	SFI Implementation committee (participation/support)	x
Standards for seed use	x	Climate change information and/or meeting minutes	x

Chemical use/spray records and applicator certification	x	Research and discussion papers	x
Tree improvement reports	x	Support for research and science	x
Green-up records	x	External audit field inspections	x
Free to grow records	x	External audit interviews (office and field)	x
Planting program records	x	Pre-harvest inspection records	x
Harvest inspection records	x	Post-harvest inspection records	x
Road and bridge inspection records	x	Government compliance records	

EVIDENCE OF CONFORMITY FOR KEY PROGRESS INDICATORS ASSOCIATED WITH THE LICENCEE PERFORMANCE EVALUATION CRITERIA FOR NEW BRUNSWICK CROWN LICENCE

Table 3

KEY PROGRESS INDICATOR	SOURCE OF KEY EVIDENCE OF CONFORMITY	IDENTIFIED NON-CONFORMANCES AND OPPORTUNITIES FOR IMPROVEMENT
Terrestrial Biodiversity (TB)		
TB1 - Severity of 3rd party audit findings for conformance to harvest standards for operating within Old Forest Communities	Field inspection of harvesting, silviculture, water Crossing and road construction activities and associated work orders and maps.	None identified
TB2 - Severity of 3rd party audit findings for encroachment into Protected Natural Areas	Field inspection of harvesting, silviculture, water Crossing and road construction activities and associated work orders and maps.	None identified
TB3 - Evidence of processes that enable forestry crews to recognize and conserve the function of Site Specific Habitats.	Interviews with staff and contractors. Sensitive Species Awareness Training AVG Special Sites Program SOP-07 Maintaining Wildlife Habitat and Biodiversity.	None identified

KEY PROGRESS INDICATOR	SOURCE OF KEY EVIDENCE OF CONFORMITY	IDENTIFIED NON-CONFORMANCES AND OPPORTUNITIES FOR IMPROVEMENT
	SOP 8 – Species at Risk	
TB4 - Severity of 3rd party audit findings for conformance to harvest standards for operating within Old Forest Wildlife Habitat	Field inspection of harvesting, silviculture, water Crossing and road construction activities and associated work orders and maps.	None identified
TB5 - Severity of 3rd party audit findings for conformance to harvest standards for operating within Deer Wintering Areas	Field inspection of harvesting, silviculture, water Crossing and road construction activities and associated work orders and maps. AVG Special Sites Program SOP–07 Maintaining Wildlife Habitat and Biodiversity.	None identified
Water Quality & Aquatic Ecosystems (WQAE)		
WQAE1 - Severity of 3rd party audit findings for conformance to legislative framework and harvest standards for operating within buffers	Field inspection of harvesting, silviculture, water Crossing and road construction activities and associated work orders and maps. SOP – 01 Harvest (Rutting and Soil Erosion Procedure). SOP - 04 Silviculture Block-Work Order Harvest Audit Checklist.	None identified
WQAE2 - Severity of 3rd party audit findings for conformance to legislative framework for installation of watercourse crossings	Field inspection of harvesting, silviculture, water Crossing and road construction activities and associated work orders and maps. SOP – 05 Road Location, Construction & Maintenance Procedure SOP – 06 Watercourse	None identified

KEY PROGRESS INDICATOR	SOURCE OF KEY EVIDENCE OF CONFORMITY	IDENTIFIED NON-CONFORMANCES AND OPPORTUNITIES FOR IMPROVEMENT
	Crossing Procedure.	
WQAE3 - Evidence of progress in maintaining watercourse crossings which have been identified for repair due to environmental concerns.	Field inspection of harvesting, silviculture, water Crossing and road construction activities and associated work orders and maps. SOP – 05 Road Location, Construction & Maintenance Procedure water crossing inspection checklist	None identified
WQAE4 - Severity of 3rd party audit findings for conformance to legislative framework and harvest standards for operating within buffers within designated watersheds	Field inspection of harvesting, silviculture, water Crossing and road construction activities and associated work orders and maps. SOP – 01 Harvest (Rutting and Soil Erosion Procedure). SOP - 04 Silviculture Block-Work Order Harvest Audit Checklist.	None identified
WQAE5 - Severity of 3rd party audit findings for conformance to legislative framework for operating within designated watersheds	Field inspection of harvesting, silviculture, water Crossing and road construction activities and associated work orders and maps. SOP – 01 Harvest (Rutting and Soil Erosion Procedure). SOP - 04 Silviculture Block-Work Order Harvest Audit Checklist.	None identified
Soil (S)		
S1 - Severity of 3rd party audit	Field inspection of harvesting,	None identified

KEY PROGRESS INDICATOR	SOURCE OF KEY EVIDENCE OF CONFORMITY	IDENTIFIED NON-CONFORMANCES AND OPPORTUNITIES FOR IMPROVEMENT
findings for conformance to the organization's site disturbance SOP for harvest and site-preparation of Crown forests	silviculture, water Crossing and road construction activities and associated work orders and maps. SOP - 04 Silviculture Block-Work Order Silviculture Audit Checklist	
S2 - Severity of 3rd party audit findings for conformance to the organization's fuel and oil spill SOP for avoiding, reporting, and reacting to spillage of hazardous materials	Field inspection of harvesting, silviculture, water Crossing and road construction activities. Interviews with staff and contractors.	Minor NC
S3 - Severity of 3rd party audit findings for conformance to the organization's logging slash dispersal SOP for harvest of Crown forests	Field inspection of harvesting, silviculture, water Crossing and road construction activities.	None identified
Growing The Resource (GR)		
GR3 - Severity of 3rd party audit findings for conformance to the Dept. of Natural Resources' quality tolerant hardwood harvest policy	Field inspection of harvesting, silviculture, water Crossing and road construction activities and associated work orders and maps.	None identified
GR4 - Forest area where white pine trees are dominant	Field inspection of harvesting, silviculture, water Crossing and road construction activities and associated work orders and maps.	None identified
GR5 - Severity of 3rd party audit findings for conformance to the organization's Environmental Management System and associated work orders and	Field inspection of harvesting, silviculture, water Crossing and road construction activities and associated work orders and maps. Interviews with staff and contractors. Review of internal	None identified

KEY PROGRESS INDICATOR	SOURCE OF KEY EVIDENCE OF CONFORMITY	IDENTIFIED NON-CONFORMANCES AND OPPORTUNITIES FOR IMPROVEMENT
standard operating procedures	audit program, Internal Audit report, SOP's and internal non-conformance registry.	
Optimizing The Value Chain (OVC)		
OVC2 - Severity of 3rd party audit findings for conformance to the Dept. of Natural Resources product utilization standards	Field inspection of harvesting, silviculture, water Crossing and road construction activities and associated work orders and maps. Interviews with staff and contractors.	None identified
OVC3 - Severity of 3rd party audit findings for conformance to the Dept. of Natural Resources' waste standards	Field inspection of harvesting, silviculture, water Crossing and road construction activities and associated work orders and maps. Interviews with staff and contractors.	None identified
Access to Crown Forests (ACF)		
ACF1 - Evidence of progress in completing designated road maintenance and repair projects which have been identified due to safety and public access concerns	Field inspection of harvesting, silviculture, water Crossing and road construction activities and associated work orders and maps. Review of public complaint registry.	None identified
ACF2 - Severity of 3rd party audit findings for conformance to standards for operating within designated recreational buffer zones	Field inspection of harvesting, silviculture, water Crossing and road construction activities and associated work orders and maps. Review of public complaint registry.	None identified
Transparency (T)		
T1 - Online forest management plan and summary	The UPSALQUITCH LICENSE # 1 and the YORK LICENSE # 8 forest management plans are available on AV Group website.	None identified

KEY PROGRESS INDICATOR	SOURCE OF KEY EVIDENCE OF CONFORMITY	IDENTIFIED NON-CONFORMANCES AND OPPORTUNITIES FOR IMPROVEMENT
	https://av-group.ca/sustainability/	
T2 - Online annual operating plan	The operating plan is available on AV Group website https://av-group.ca/sustainability/	None identified
T3 - Annual report	The annual reports have been reviewed.	None identified

SFI 2015-2019 Fiber Sourcing Standard*

**This report does not include the review of Appendix 1 Rules for Use of SFI Certified Sourcing Label*

PROGRAM PARTICIPANT'S FIBER PROCUREMENT AND/OR MANUFACTURING OPERATIONS

AV Group NB Inc. owns two pulp mills located in Atholville, NB and Nackawic, NB which are focused on producing specialty pulp products to service the textile and paper industry. The Group is a member of the Aditya Birla Group of India. AV Group NB Inc. fiber procurement is obtained from Crown and private suppliers in New Brunswick, Quebec and Maine.

SCOPE OF CERTIFICATION

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

AUDIT PROCESS

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

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

SUBSTITUTE INDICATORS

No substitute indicators were evaluated during this audit.

COMPLAINTS

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

MANUFACTURING UNITS SUPPLIED AND ASSESSMENT TIME

Audit Activity	Duration in days
Off-site preparation and on-site office review:	1,5
Field review:	1
Sites	Number inspected
Roads	1
Harvesting Blocks	3
Silviculture Sites	2
Manufacturing units supplied from the sites visited: Nackawic Mill and Atholville Mill	

SUMMARY OF FINDINGS

Definitions for findings can be found in Appendix 1.

Areas of non-conformance

Not applicable.

Opportunities for improvement

Not applicable.

Good practices

Not applicable.

Status of previous audit non-compliances

No non-conformities were raised during the previous audit.

CERTIFICATION DECISION SFI 2015-2019 FIBER SOURCING STANDARD

Re-registration Audit

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

EVIDENCE OF CONFORMITY TO SFI 2015-2019 FIBER SOURCING STANDARD

Table 1 Objectives Audited

Fiber Sourcing Within the United States and Canada		
Objective 1	Biodiversity in Fiber Sourcing	X
Objective 2	Adherence to Best Management Practices	X
Objective 3	Use of Qualified Resource and Qualified Logging Professionals	X
Objective 4	Legal and Regulatory Compliance	X
Objective 5	Forestry Research, Science, and Technology	X
Objective 6	Training and Education	X
Objective 7	Community Involvement and Landowner Outreach	X
Objective 8	Public Land Management Responsibilities	X
Objective 9	Communications and Public Reporting	X
Objective 10	Management Review and Continual Improvement	X

Fiber Sourcing Outside the United States and Canada		
Objective 11	Promote Conservation of Biological Diversity, Biodiversity Hotspots and High-Biodiversity Wilderness Areas	N/A
Objective 12	Avoidance of Controversial Sources including Illegal Logging	N/A

Objective 13	Avoidance of Controversial Sources including Fiber Sourced from Areas without Effective Social Laws	N/A
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Table 2 Evidence Observed

Environmental management system (EMS) Manual	X	SFI Annual Report	X
Written policies	X	SFI and company websites	X
Standard Operating Procedures (SOPs) for best management practices	X	SFI brochure	X
EMS and SFI field handbook	X	SFI Implementation committee (participation/support)	X
Training records (staff and contractors)	X	External audit field inspections	X
SFI/EMS training agenda	X	External audit interviews (office and field)	X
Cutting/harvesting permits	X	Education/community involvement records	X
Operational plans (annual, cutblock level)	X	Records of public inquiries and complaints	X
Wet/adverse weather plans or guidelines	X	Stakeholder communications records	X
Reforestation plans	X	Logging agreements and/or contracts	X
Best management practices monitoring records	X	Wood producer training programs	X
Evaluation of best management practices	X	Wood producer information package	X
Government compliance records	X	Policies provided to wood producers	X
Pre-work discussions/meeting records	X	Education and outreach to forest landowners	X
Monitoring records for non-timber values	X	List of qualified logging professional/certified logging professional	X
Utilization records	X	Agreements for purchased stumpage	X
Laws, legislation, regulations records	X	Program to assess and address risk of Illegal logging	X
Corrective action logs	X	Research and discussion papers	X
Support for research and science	x	Climate change information and/or meeting minutes	X

DEFINITIONS

Major Non-Conformances

Pervasive or critical to the achievement of the SFI objectives

All major non-conformances require an action plan to be implemented by the auditee within 90 days of an initial audit or registration cannot be achieved. Subsequently for surveillance audits, an action plan shall be implemented by the auditee within 60 days for the registration to be maintained.

Minor Non-Conformances

Isolated incidents that are non-critical but must be addressed before the next surveillance audit to maintain compliance to the SFI standard. Non resolved minor non-conformance will be escalated to a major non-conformance.

Opportunity for Improvement

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

Good practices

Areas that are deemed to be mentioned

MULTI-SITE / GROUP SAMPLING APPROACH

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

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

The central office function is audited annually.

OR

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

$\sqrt{(n)}$

The central office function is audited annually.

SAI Global forestry specialist group registers/certifies forest companies to ISO 14001, OHSAS 18001, CSA Z809 and CSA Z804 SFM, SFI Forest Management, SFI CoC, SFI Fiber Sourcing, SFI Certified Sourcing Label, PEFC CoC, FSC® Forest Management, FSC® CoC.

The group, led by Sylvain Frappier, Technical Manager - Forestry, consists of a highly qualified team of professional foresters, technical and industry experts.

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