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

under the
Sustainable Forest Licence
of
NIPISSING FOREST RESOURCE MANAGEMENT COMPANY LTD.
Certificate Number: SCS-FM/COC-00055N

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CERTIFIED	EXPIRATION
05/16/2008	**05/16/2013**

DATE OF FIELD AUDIT
10/25-10/27/2010
DATE OF LAST UPDATE
01/19/2011

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.

FOREWARD

Cycle in annual surveillance audits			
☐ 1st annual audit	☒ 2nd annual audit	☐ 3rd annual audit	☐ 4th annual audit
Name of Forest Management Enterprise and abbreviation used in this report:			
Nipissing Forest Resource Management (NFRM)	Peter Street General Manager		

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. Under the FSC/SCS certification system, forest management enterprises (FMEs) meeting international standards of forest stewardship can be certified as "well managed," thereby permitting the FME's use of the FSC endorsement and logo in the marketplace subject to FSC/SCS oversight.

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 2.4 for a listing of those CARs and their disposition as a result of this annual audit);
- 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.

Contents

Section A – Public Summary

1.0 General Information

1.1 Annual Audit Team

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

Dr. Walter R. Mark: Dr. Mark is a professor emeritus 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. Dr. Mark is a registered professional forester in California (RPF No. 1250) with over 40 years of forestry experience in public and private forestry and higher education sectors. He has served as audit team member and leader for several certification, recertification and annual audits over the past several years. He was a member of the SCS team that performed the FSC re-certification audit in 2008.

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.

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:	2.0
C. Additional days spent on stakeholder consultation:	0.5
D. Total number of person days used in evaluation:	6.0
(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**
Great Lakes/Saint Lawrence	Version 2.0	June - 2008

Region of Ontario		
All standards employed are available on the websites of FSC International (www.fsc.org), the FSC-Canada (http://www.fsccanada.org/default.htm) or the SCS Forest Conservation Program homepage (www.scscertified.com/forestry). Standards are also available, upon request, from Scientific Certification Systems (www.scscertified.com).		

2.0 Annual Audit Dates and Activities

2.1 Annual Audit Itinerary and Activities

Date: October 25, 2010	
Location/ sites visited/Attendees	**Activities/ notes**
Left North Bay with Peter Street (NFRM), Roy Summers (LCC), Peter Higgelke, Walter Mark	Breakfast discussion of audit plan, stops, agenda, and scope
STOP 25, West Aumond Creek, Hawksbury Road Water Crossing #5 OBM 6905115 Peter Street, Roy Summers, and Tom Clouthier and Roger Langlois of Hec Cloutier and Sons, Peter Higgelke, Walter Mark	Looked at a bridge replacement installation over West Aumand Creek. Bridge installation was excellent. The bridge was a prefab 30 foot Lessard Welding Bridge with the footing design approved by the MNR for a 24-foot bridge. The installation was designed to improve safety for road travel and to increase the channel capacity under the bridge to allow for the 25-year storm flow. Extensive armoring of the footings and the approaches was done.
STOP 25, Hawksbury Creek, Twin Ponds Road Water Crossing #4 OBM 6905115 Peter Street, Roy Summers, and Tom Clouthier and Roger Langlois of Hec Cloutier and Sons, Peter Higgelke, Walter Mark	Looked at a bridge replacement installation over Hawksbury Creek. Bridge installation was excellent. The bridge was a 40-foot Stringer Type Lessard Welding Bridge with footing of the design approved by the MNR on MNR Standard Design Shallow Cribs. The installation was designed to improve safety for road travel and to increase the channel capacity under the bridge to allow for the 25-year storm flow. Extensive armoring of the footings and the approaches was done.
Returned to MNR in North Bay to meet rest of attendees for the day. Additional attendees were Ric Hansel, Michel Laliberte and Frank Simard (NFRM), Richard Rowe (Nipissing First Nation), and Robin Hill (MNR)	
STOP 27 Nbising Block 147	This stop was the site of a training program to attempt to interest members of Nipissing First Nation in careers in forest management. A crew of 12 First Nation members were started with training on chainsaws, skidders, and first aid. The unit was harvested during

	the winter due to difficult wet conditions for road construction. The cut was a hardwood shelterwood cut. Parts of the operation were well done, with the exception of incomplete cuts, especially in areas where advance regeneration was plentiful and residual stand damage potential was high. Much of the area had not been yarded, some had not been cut at the time of inspection and there were some road construction issues with grubbing along the root zone of residual trees. A fuel spill had occurred from equipment during the operation and the MOE documentation regarding the spill and the actions taken was reviewed. Equipment sabotage had occurred on equipment parked along the road. This was an excellent example of the effort of NFRM to engage the First Nations in economic opportunities in Forest Management on the Nipissing Forest. **OBS 2010.1**
STOP 1 TEMBEC Block 196 Joined at the site by Tom MacLean (NFRM) and Marc Bouthillier (TEMBEC). Richard Rowe left the group after STOP 27.	This stop was to look at the hardwood final removal cut with full tree skidding and chipping and grinding on site. The full tree skidding required exceptions monitoring. There was an emphasis during operations on the protection of regeneration, so skidding was only allowed on designated trails. Feller bunchers were used to cut and place cut trees in the designated trails for staged skidding to the chipper on the landing. This was done very well. Little regeneration damage occurred and there was little residual stand damage along the trails. Plots are now being installed to determine the stocking present following the operations. The stocking is slightly below the 80% standard so far. The plots include the skid trail areas. The area was 93% stocked prior to operations, so the operations decreased stocking by approximately 23%. The yield from the operation is higher than from other types of operations, preliminary numbers indicate at least a 30% increase in chip production. A Category 14 pit was inspected and found to be in compliance for a pit that would be utilized again. The sides were sloped and the topsoil was stockpiled for rehabilitation when use of the pit is over. The AOC protection of the HCV area of the boundary with the Jocko River Waterway Park was examined for compliance with the prescribed protection and found to be done according to the prescription.
Unscheduled stop to look at culvert installation on Olrig Road	Installation was well done with culvert at correct orientation and depth. Well armored inlet and outlet and proper 2 to 1 slope. Nicely done installation.
STOP 4 TEMBEC Block 170,	This was an active skidding and loading operation in a hardwood

Janveaux Forest Products Contractor	final and seed tree harvesting prescription with full tree skidding exceptions monitoring and chipping and grinding. Many OFRI research plots are installed as part of this operation to examine the potential impacts of full tree yarding. Some of the studies include biomass utilization, damage to residual stand, and nutrient losses. The yarding and layout were similar to those seen at stop 1, but in this case the tops were left in the skid trail. These caused some issues with skidding; however, the tops were also utilized as brush mats in the wetter areas to reduce the potential for rutting.
Unscheduled stop along Olrig Road to talk with local trapper	Trapper was in process of checking traps along his trapline close to the operations at STOP 16 above. He indicated that he had been contacted about the upcoming harvest operations by NFRM prior to commencement of operations and provided an opportunity to provide input to afford his trapline protections. He had not contacted NFRM. When asked about the impact of forest operations on his trapping, he indicated there was an impact for approximately two years and then the animals behavior returned to the pre-harvest levels, unless the operations included clear cuts.
STOP 16 Block 183 Marc Bouthillier left group after this stop.	Also traveled to upper end of block where harvesting was complete. Damage to residual stand was measured at 9% with the standard of 15% acceptable. NFRM is growing some red oak seedlings and plans to plant some next spring. An increased level of residual stand retention was utilized in the stand to help reduce blowdown and sunscald. Monitoring of regeneration will start in 2011. Past experience in this type of operation has shown good seed production 2-3 years after harvest.
STOP 46 White Pine Shelterwood cut with mechanical and chemical site preparation.	This stop was to look at a combination of mechanical site preparation with chains following ABS treatment with herbicide. The site had extensive competing vegetation including raspberry, cherry and grass and very little white pine regeneration. Will plant site in 2011 with white pine and red pine. The site will be planted at a higher rate than usual due to anticipated mortality. The mix will be 30 to 40% red pine. The stand had some blowdown following the last harvest. Surveys have shown that on the Nipissing Forest about 30% of the shelterwood cuts in white and red pine have suffered some blowdown from 2006 on.
Returned to North Bay	
Date	
Location/ sites visited/Attendees	**Activities/ notes**
Left North Bay with Peter Street	

and Tom MacLean (NFRM), Guylaine Thauvett (MNR), and Peter Higgelke and Walter Mark to meet others in Sturgeon Falls	
Met others to participate in audit day in Sturgeon Falls, including Michele Lalibert and Frank Simard (NFRM), and a faculty member and 7 students from College Boreal from Sudbury.	
STOP 43 Stand 63083 Red Pine Pre-Commercial Thinning, Redbridge Forestry, First nation Contractor	This stop looked at the active operations in a pre-commercial thinning of a 25 year old red pine plantation. The stand was very dense with nearly 2400 stems per ha present. The stand had been marked using a contract marker. The prescription called for thinning to two-thirds of current level with the ultimate management goal to harvest red pine utility poles from the stand. There have been some problems in relations between the contractor and NFRM staff, with the contractor threatening one of the staff members. At the time of the audit stop there were two crew members working at the site. They had no outside communications and no transportation available. Peter Street issued a stop work order on them and agreed to pay them for that day of work. NFRM called the contractor to have the concerns dealt with. **CAR 2010.1**
STOP 30, Sinton Creek Road,Claude Goulard Logging New Branch Road Construction	This road construction was to avoid a stream crossing that would require a 60 foot bridge. There was an existing old road part way into the unit, then an existing ATV trail beyond that. Value updates were made for creek crossing along the road path. A Category 14 gravel pit was examined and found to be in compliance. An identified HCV of a portage trail crossed to road alignment. A First Nation member, Doug Friday, was contacted to review the AOC prescriptions for protection and he traveled to the location with NFRM staff and was paid for his time and input. The AOC included a 30 m buffer along the trail, connectivity of the trail across the road right-of-way, a 10 m road right-of-way, and retention of large red pines in the vicinity of the trail. This site is identified as a native value, not an archeology site, so First Nation consultation is adequate. Implementation of mitigation was observed to meet the standards requested.

STOP 30 Block 015, Claude Goulard Logging, met John McNutt (Goulard Lumber)	This site was an active logging site in white pine seed tree and mixed wood clearcut. The Tamagami River Park was adjacent to the block. Overall a good job in the harvest. Little residual stand damage was found. Some areas of slight rutting were found, but nothing exceeding the standards.
STOP 39 Mechanical Site Preparation	This site was mechanically site prepped for planting in 2011. The mechanical preparation was a one chain pass with spiked chains. This is a site where mechanical site preparation is being tried as an alternative to herbicide site preparation. The harvest that had proceeded the operation was a 3 or 4 cut shelterwood. There was no white pine regeneration, due mostly to low seed crop production in the last three years.
STOP 39 Chemical site preparation and tending of white and red pine plantation Guylaine Thauvett, Tom MacLean, Frank Simard, and the College Boreal faculty and students left after this stop	This site had been site prepped with ABS or no site preparation and planted in 2007. Aerial tending with glyphosate was done in 2010. The site preparation and aerial tending appeared to work well to get a successful plantation. There was quite a bit of white pine blister rust observed in localized pockets in the plantation. This could be from infested planting stock.
STOP 33 Block 38 Frerot Forestier, white pine shelterwood harvest, met Jean Liard (Frerot Forestiere) on site	This operation had recently been completed following winter operations. The area had a lot of standing dead white spruce from spruce budworm activity. This was left standing for the most part although some was observed cut and yarded to the landing. There was quite a bit of slash on the landing, which will be piled during site preparation activities for planting. There was little residual stand damage observed. The utilization was good. Little to no rutting although some very wet areas exist on the site, which will present some problems for site preparation.
The audit team with Peter Street and Michele Lalibert returned to Sturgeon Falls and North Bay This concluded the field audit portion of the annual surveillance audit.	
Date	
Location/ sites visited/Attendees	**Activities/ notes**
NFRM Offices in Calendar Walter Mark	Worked in the NFRM offices to review documentation needed to complete audit. This included contracts and health and safety policies and procedures as a follow-up to STOP 43.

3.0 Changes in Management Practices

No significant changes in the management and/or harvesting methods have occurred on the Nipissing Forest since the re-certification audit of 2008.

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
Vantage – Aerial Rotary Wing	Glyphosate – 356 g/l	188.0 kg	108.2 ha	Site Preparation
Release – Aerial Rotary Wing	Trichlopyr – 480 g/ha	285.12 kg	151.9 ha	Tending
Vantage - ABS	Glyphosate – 356 g/l	198.99 kg	128.6 ha	Tending
Vantage - ABS	Glyphosate – 356 g/l	342.3 kg	187.8 ha	Site Preparation
Vantage – Aerial Rotary Wing	Glyphosate	1048.54 kg	697.1 ha	Tending

5.0 Open Corrective Action Requests (CARs)

Auditor Observation/Non-Conformity:
The audit team observed areas where black ash was present in harvest blocks and they were once again the source of rutting in those blocks. This has been observed in past audits and CAR's and REC's have been issued with regard to rutting. In response NFRM implemented a new rutting standard for the forest and this seems to be working well in areas, except those with species that grow in wet areas, like black ash. In recognition of the special problems associated with species like black ash, NFRM included a heavy equipment exclusion from wet areas in the FMP. The following is the excerpt from the FMP regarding this issue: "No heavy equipment (e.g. skidders) shall be operated within any wet site identified on the annual operational maps unless the Ministry of Natural Resources is notified in writing at least 5 days before work begins within the wet site. Wet sites include alder & black ash swales, treed muskegs, grassy meadows and wetlands not connected to a water body". From the field site visits during the audit, it is apparent that the presence of these areas is not adequately designated on the planning and harvest maps provided to the operators. Nor is the resource identified adequately on the ground with flagging or paint to protect the resource.

CAR 2009.1:
By the time of the 2010 annual audit, NFRM must develop a workable approach to the establishment of the on the ground protection of wet sites that conforms to the 2009 FMP language. This must include a procedure for discovery of such sites by NFRM staff, marking crews and operators. The compliance training must include a training portion on recognition of wet areas and the species that indicate wet areas.
Reference: FSC 6.1.2, 6.1.7, 6.3.8, 6.3.10, and 6.3.11
FME response: Protection of wetlands is addressed in the FMP. FOIP reports include sections on this item and report non-compliance issues. The compliance training session for 2010 included a section on wet area protections. No cases of wet area damages were observed during the annual audit.
SCS Comment: NFRM has made an effort through training and FOIP to reduce the potential for damages to wet areas during operations. These efforts appear to have been successful, since no wet area damages were observed during the 2010 surveillance audit.
Disposition of CAR as of October 31, 2010:
This CAR is closed

Auditor Observation/Non-Conformity:
During the field audit portion of the 2008 recertification audit at the stop in Tembec Block # 97 a temporary crossing decommissioning site was visited. The temporary bridge had been removed during the winter. There was netting and straw in the stream channel and there were banks that needed rehabilitation. The site needed remediation work to clean it up and to prevent soil and sediment deposition into the stream. No actions have been taken on the forest to develop a system to make certain that this type of problem does not reoccur. Several instances of poor removal and rehabilitation were observed on the field audit again in 2009.
CAR 2009.2:
Water crossing decommissioning which has occurred during the winter period must be inspected after the spring thaw to determine if further rehabilitation and clean-up are required. A system such as the Tembec crossing removal checklist must be developed and adopted to review the removal during the inspection following the spring thaw.
Reference: FSC 6.3.4, 6.3.5, 6.3.6, 6.3.7, 6.3.10, and 6.5.1
FME response:
SCS Comment: No opportunity for observation of actions related to this CAR were available during the surveillance audit. No instances of winter operations with temporary crossing removals were present on the forest, so this CAR was not audited during the 2010 surveillance audit.
Disposition of CAR as of October 31, 2010:
This minor CAR remains open and will be audited during the 2011 annual surveillance audit.

Auditor Observation/Non-Conformity:
During the field audit a stop was made at the site designated as site 24 on the field stop list provided by NFRM. This site was an operation in a white birch clearcut. The operator had no spill kit on site to deal with any equipment leaks or spills. This is a violation of provincial regulations. Spill kits must be on site with each piece of equipment operating on crown forest lands. While the contract specifies that all provincial regulations be followed, past audits have shown that many contractors either do not choose to follow requirements or do not know what the requirements are for operating on crown forest lands.
CAR 2009.3:
NFRM must emphasize this requirement, along with the already existing emphasis on fuel systems in the spring contractor training and in the contracting letters and the actual contracts. This will be demonstrated in the content of the training program and in the language of the contracting documents.
Reference: FSC Criterion 1.1.1, 6.7.1, 6.7.3, and 6.7.4
FME response: NFRM has included this requirement in the language of all contracts for work on the Nipissing Forest. Training during the spring of 2010 included specific requirements for spill kit contents. Spill kits were present on equipment seen during the 2010 annual surveillance audit. One spill occurred during the year, and the operator had a partial spill kit present on site. NFRM staff came to the site and provided spill kit contents to control the spill. The spill was reported as required and was handled effectively in the field.
SCS response: While not perfect in the spill kit application in the field, NFRM has been effective in gaining compliance for spill kits from contractors. The one example of a spill in the field was handled efficiently and effectively to prevent damages.
Disposition of CAR as of October 31, 2010:
This CAR is closed.

5.1 Open Observations (OBSs)

Company Action/Auditor Observation:
The current FRI data is over20 years old. NFRM has worked to update this data set with additional information to provide a better dataset for the 2009 FMP planning data base. This updated data set has been certified for the FMP and was therefore determined to be adequate for planning. The amount of updating of the existing old database is admirable and does provide an adequate although not the most desirable basis for forest planning. Efforts to date include field assessment of white pine stands, free-to-grow assessments, aerial inventory of blowdown and spruce budworm damaged

areas, aerial surveys of moose aquatic feeding habitat, a forecast of depletions and blowdown. Future planning efforts badly need an updated FRI data set. The Ministry of Natural Resources scheduled the Nipissing Forest to be flown for the Provincial Forest Resource Inventory in summer 2008. In reality half of the forest was flown in 2008 and half in 2009. The updating of the FRI is a three-year process from start to finish, so the entire new database set will not be available until 2012 at the earliest. Problems with the older FRI dataset continue to affect current operations when expected forest types are not present.

Recommendation 2006.1:

NFRM should continue to work with the MNR to obtain updated FRI information for the forest.

Reference: FSC 8.2.4

FME Response: NFRM has done an admirable job in working to update the FRI database with additional survey information. Even so, the areas of the forest that have not operations conducted have not been updated and the errors that are present in the data set have an impact on the AWS. Many times the expected forest types are not present when the actual implementation of the AWS is done on the ground. NFRM needs to continue to push for the new FRI analysis and data set, and they need to implement this as soon as it becomes available.

Disposition of REC as of October 31, 2010:

This recommendation is closed and a new Observation, OBS 2010.2 is opened.

Company Action/Auditor Observation:

NFRM has made good progress toward meeting the overall condition for the completion and implementation of the gap analysis. The efforts resulted in the Ontario Parks completing the gap analysis and providing that information in January 2007. Some problems with the model were observed and NFRM worked with Ontario Parks to remedy this situation. The old model identified intensively managed red pine plantations as a gap. NFRM and VFM have made a joint proposal to Ontario Parks for gap mitigation. The MNR and Ontario Parks are working on "disentanglement" of proposed parks and protected areas. No additional information has been received by NFRM from either the MNR or Ontario Parks on their gap proposals or on the disentanglement process.

Recommendation 2006.2:

Within one year of the receipt of the gap analysis report from the MNR, NFRM should implement the appropriate resource protection areas based on the candidate areas identified.

Reference: FSC Criterion 6.4

FME Response: NFRM operated in good faith to make this process happen and to complete it. They have been supportive of the efforts, have assisted in updating the gap analysis model and have made proposals for transfer of property. They have done all that they can. They are waiting for the MNR and Ontario Parks to complete their efforts. Even so, NFRM remains out of compliance on this item.

Disposition of REC as of October 31, 2010:

This recommendation is closed and a new observation OBS 2010.3 is opened.

Auditor Observation/Non-Conformity:
A growing problem observed during the 2009 annual audit was the extension of winter operations into the regular harvesting season. This requires the use of road and skid trail systems which were designed and constructed for winter operations only. Often these road and trail systems are inadequate for regular season operations due to wet conditions or the presence of temporary stream crossings designed for winter use only. There were no winter operations extended into the regular logging season this year, so this Recommendation could not be audited during the 2011 Surveillance Audit. If no operations are extended out of the winter season during 2011, the recommendation will be closed, because NFRM and the contractors are successfully completing the winter operations during the winter season and this recommendation is no longer a factor.
Recommendation 2009.1:
NFRM should develop a procedure to include inspection and evaluation of winter operations roads, where an extension of the operating period will take operations into the regular operating season. The evaluation should result in the development of a list of required upgrades to the road and trail system prior to the extension of the operations.
Reference: FSC Criterion 6.3.10 and 6.3.12
FME Response: NFRM has implemented a new inspection schedule for winter operations that are extended into the regular operating season, but this has not been utilized because no winter operations from the 2009-2010 winter operating season were extended into the summer operating season.
Disposition of REC as of October 31, 2010:
This recommendation remains open. This item will be reviewed in the annual audit in 2011.

6.0 New Corrective Action Requests (CARs)

Nonconformity: During the 2010 annual surveillance audit, workers were observed in the field where no communications or transportation was available in case of an accident or injury. This is a clear violation of Ontario regulations. The contract language for all silvicultural contractors is clear that they must obey all Ontario Health and Safety regulations. This example is a violation of Ontario regulations and the terms of the contract. Several FOIP reports were present on this contractor; however, the most recent was made during July, 2010. When the General manager of NFRM learned of this condition, he issued a stop work order immediately and contacted the contractor to make certain that the situation was rectified prior to the resumption of work in the field.	
Minor CAR 2010.1	NFRM must develop a policy and procedures to assure that more frequent and timely FOIP inspections are taking place with contractors in the field. This will assure better compliance with Ontario laws and regulations
Deadline	First annual audit.
Reference	**FSC 1.1.2 and FSC 4.2.1**

Nonconformity: In order to certify that the areas of various categories of HCV's are not decreasing, the audit team must be provided with evidence showing the areas included in each category. The tabular presentation of this in the report is a new report format requirement, that the auditee was not aware of at the time of the audit. NFRM was unable to provide the breakdown of HCVs by Category at the time of the 2010 annual surveillance audit, as required by the new FSC report format. NFRM does have an exemplary HCV document for the Nipissing Forest and has implemented the prescription, monitoring and protections as outlined in the report. The protections for the attributes are not threatened by the lack of information by Category; however this information is required. This is necessary in order to determine that the size of the HCVs by Category is not diminished over time.	
Minor CAR 2010.2	NFRM must provide a breakdown of the HCVs present on the Nipissing Forest by Category of HCV by the 2011 annual audit. This must include an area in each of the Categories present on the forest.
Deadline	First annual audit.
Reference	FSC 9.3.1

6.1 Observations (OBS)

Background/ justification: During the 2010 annual surveillance audit a field stop was a winter operation from last winter which was on a block of a First Nation and included a training program to encourage participation in forest operations by First Nation members. This training program was an exemplary attempt to increase participation by First Nation members. There were several problems observed on the unit, including: incomplete skidding, incomplete falling, wood still left on landings, issues with road construction (including grubbing around the root systems of residual trees), an incomplete spill kit by the operator, and equipment sabotage on the site.	
OBS 2010.1	NFRM should continue to work with the First Nations to encourage participation in the economic opportunities that forest operations can provide. A coordination strategy should be developed between NFRM and the First Nations to make certain that the operations meet the Provincial and FSC standards.
Reference	FSC 3.1.3 and FSC 6.1.6

Background/ justification: The current FRI data provided by the MNR is over 20 years old. NFRM worked to update this data set with additional information to provide a better dataset for the 2009 FMP planning data base. This updated data set was certified for the FMP and was therefore determined to be adequate for planning. The amount of updating of the existing old database is admirable and does provide an adequate although not the most desirable basis for forest planning. Updates included information related to field assessment of white pine stands, free-to-grow assessments, aerial inventory of blowdown and spruce budworm damaged areas, aerial surveys of moose aquatic feeding habitat, and a forecast of depletions. Future planning efforts badly need an

updated FRI data set. New imagery for the next FRI was captured for the Nipissing Forest in 2008 and 2009. The updating of the FRI database from the imagery is a three-year process from start to finish, so the entire new database set will not be available until 2012 at the earliest. Problems with the older FRI dataset continue to affect current operations when expected forest types are not present.	
OBS 2010.2	NFRM needs to continue to strive to attain the updated FRI dataset at the earliest possible date and to incorporate the new FRI dataset into the planning efforts.
Reference	FSC 7.2.1 and FSC 8.4.1

Background/ justification: NFRM has made good progress toward meeting the overall condition for the completion and implementation of the gap analysis. The efforts resulted in the Ontario Parks completing the gap analysis and providing that information in January 2007. Some problems with the model were observed and NFRM worked with Ontario Parks to remedy this situation. The old model identified intensively managed red pine plantations as a gap. NFRM and VFM have made a joint proposal to Ontario Parks for gap mitigation. The MNR and Ontario Parks are working on "disentanglement" of proposed parks and protected areas. No additional information has been received by NFRM from either the MNR or Ontario Parks on their gap proposals or on the disentanglement process.	
OBS 2010.3	NFRM should continue to work with the MNR and Ontario Parks to complete the disentanglement process and to expedite the transfer of identified lands to transfer to Ontario Parks to complete the gap analysis protection strategy.
Reference	FSC 6.4.5

7.0 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 7.1 – 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.	☐
Delete Rest of Table if box checked above	
Stakeholder comments	**SCS Response**

Economic concerns	
FSC Certification assists in marketing logs to mill looking for FSC Certified wood for certain types of products	So noted
Social concerns	
When bridges are removed, maybe ATV fords could be put in for access.	Discussed during the audit with MNR and NFRM.
Access from new roads is an issue both ways with people. Some like the added access and others do not.	So noted.
The pine volume included in the logging unit is the only reason we are still in business, since pulp prices are so low this year.	So noted.
Environmental concerns	
No real problems from logging activity, the impacts on wildlife species seems to be short lived, around two years, unless the area is clearcut	So noted.
ATV Crossings put in by users after bridge removal appear to have some impacts and mess up the rehabilitation efforts.	Discussed during the audit with MNR and NFRM.

8.0 Certification Decision

Box 8.1 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** ☒ **No** ☐
Comments: There were no particularly important issues discovered during the course of the audit. NFRM management and staff continue to demonstrate a real commitment to doing a good job,	

protecting the resources, and maintaining FSC certification.

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

Not Applicable

Section B - Appendices

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

☒ FME consists of a single FMU – *No further action required*

☐ FME consists of multiple FMUs – *See table below, which applies to multiple FMU and group evaluations, but is inapplicable if the scope of the evaluation is a single FMU.*

Selection of FMUs for evaluation

SCS classifies FMUs included in the scope of the evaluation as sets of 'like' FMUs for the purpose of sampling. At times, SCS may select an FMU for evaluation due to a pertinent stakeholder issue or its proximity to another sampled FMU. A group or multiple FMU evaluation may consist of one or more sets of 'like' FMUs. In the case of forest management groups comprised of SLIMF and non-SLIMF FMEs, SCS samples non-SLIMF and SLIMF FMUs as separate strata.

These sets are selected to minimize variability within each set in terms of:

a) Forest types (natural/ semi-natural vs. plantation);

b) FMU size class – small, medium, and large FMUs (see Annex 1 of FSC-STD-20-007):

Size class	Main evaluation	Surveillance eval.	Re-evaluation
> 10,000 ha	X = y	X = 0.8*y	X = 0.8*y
> 1,000 – 10,000 ha	X = 0.3*y	X = 0.2*y	X = 0.2*y
100 – 1,000 ha	X = 0.8*√y	X = 0.6*√y	X = 0.6*√y
< 100 ha	X = 0.6*√y	X = 0.3*√y	X = 0.3*√y

For each set of 'like' FMUs to be sampled, SCS selects a minimum number of units for evaluation (X) by applying the applicable formula in the size class table (y= total number of FMUs within a set of 'like' FMUs).

c) Applicable national or regional Forest Stewardship Standard.

The results of this analysis of a) – c) are detailed below in terms of Non-SLIMF and SLIMF FMUs. In special cases, such as the high presence of HCVFs, controversial forest operations, stakeholder issues or so-called mega groups, SCS consults FSC-STD-20-007, Annex 1 and other FSC guidance.

Non-SLIMF FMUs

Natural/ Semi-Natural Forest Management

Name	Rationale for selection (check all that apply)	
	☐ Random sample	☐ Near other sampled FMU
	☐ Stakeholder issue	☐ Other:
	☐ Random sample	☐ Near other sampled FMU
	☐ Stakeholder issue	☐ Other:
	☐ Random sample	☐ Near other sampled FMU
	☐ Stakeholder issue	☐ Other:
Plantation Forest Management		
	☐ Random sample	☐ Near other sampled FMU
	☐ Stakeholder issue	☐ Other:
	☐ Random sample	☐ Near other sampled FMU
	☐ Stakeholder issue	☐ Other:
	☐ Random sample	☐ Near other sampled FMU
	☐ Stakeholder issue	☐ Other:
SLIMF FMUs		
Natural/ Semi-Natural Forest Management		
Name	**Rationale for selection (check all that apply)**	
	☐ Random sample	☐ Near other sampled FMU

	☐ Stakeholder issue	☐ Other:
	☐ Random sample	☐ Near other sampled FMU
	☐ Stakeholder issue	☐ Other:
	☐ Random sample	☐ Near other sampled FMU
	☐ Stakeholder issue	☐ Other:
Plantation Forest Management		
	☐ Random sample	☐ Near other sampled FMU
	☐ Stakeholder issue	☐ Other:
	☐ Random sample	☐ Near other sampled FMU
	☐ Stakeholder issue	☐ Other:
	☐ Random sample	☐ Near other sampled FMU
	☐ Stakeholder issue	☐ Other:

Appendix 2 – Evaluation of Management Systems (CONFIDENTIAL)*

The audit consisted of several types of review and evidence.

- Included in the evidence were two days in the field of sites selected in advance by the audit team from a list of sites where activities had occurred during the past year of operations.

- Evidence was provided in the way of digital documentation by NFRM prior to the audit team arriving on site.
- Documents in the offices of NFRM were reviewed following the field audit, based on needs for additional information in some areas.
- Hard copies of some documents, like the HCV report, maps, Policies and Procedures manual, Actual signed contracts, handling of issues between NFRM and contractors, prescriptions, maps of operations, FOIP reports, and others were reviewed during the course of the audit and as follow-up to the site visit.
- NFRM staff and stakeholder interviews were conducted during the course of the field audit.

Appendix 3 – Stakeholder analysis (CONFIDENTIAL)*

3.1 Stakeholder list (confidential)

List of FME Staff Consulted

Name/ Title	Organization	Contact	Consultation method
Peter Street/General Manager	NFRM	(707) 752-5430	Email, telephone, interview
Tom MacLean/Forester	NFRM	(707) 752-5430	Field consultation
Ric Hansel/Forester	NFRM	(707) 752-5430	Field consultation
Mark Lockart/Planning Forester	NFRM	(707) 752-5430	Field consultation
Michele Laliberte/Forest Technician	NFRM	(707) 752-5430	Field consultation
Frank Simard/Forest Technician	NFRM	(707) 752-5430	Field consultation

List of other Stakeholders Consulted

Name/ Title	Organization	Contact	Consultation method
Robin Hill/Forest Technician	MNR		Field consultation
Guylain Thauvette/Forester	MNR		Field consultation
Roy Summers/Member	LCC		Field consultation
Tom Clouthier/Shareholder/Owner	Hec Clouthier & Sons		Field consultation
Roger Langlois/Forest Technician	Hec Clouthier & Sons		Field consultation
Richard Rowe/Resource Technician	Nipissing First Nation		Field consultation
Marc Bouthillier/Forester	TEMBEC		Field consultation
Don Rumsford/Trapper	Independent		Field consultation

Morse Lamann/Chanisaw operator	Redbridge Forestry		Field consultation
John McNutt/Forester	Goulard Lumber		Field consultation
Jean Liard/Operator/Owner	Ferot Forestier Logging		Field consultation

3.2 Stakeholder review, complaints, and resolution

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.	☒

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.

NFRM does not have the HCVs broken out for area by Category. See **CAR 2010.2**

Conservation Areas				
☐	Area of forest and non-forest land protected from commercial harvesting of timber and managed primarily for conservation objectives			*ha or ac*
High Conservation Value Forest/ Areas				
High Conservation Values present and respective areas				
	Code	**HCV Type[1]**	**Description & Location**	**Area**
☐	HCV1	Forest areas containing globally, regionally or nationally significant concentrations of biodiversity values (e.g. endemism, endangered species, refugia).		
☐	HCV2	Forest areas containing globally, regionally or		

[1] 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

		nationally significant large landscape level forests, contained within, or containing the management unit, where viable populations of most if not all naturally occurring species exist in natural patterns of distribution and abundance.		
☐	HCV3	Forest areas that are in or contain rare, threatened or endangered ecosystems.		
☐	HCV4	Forest areas that provide basic services of nature in critical situations (e.g. watershed protection, erosion control).		
☐	HCV5	Forest areas fundamental to meeting basic needs of local communities (e.g. subsistence, health).		
☐	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).		
☐	**Total Area of forest classified as 'High Conservation Value Forest'**			*ha or ac*
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.				

Appendix 6 – Pesticide derogations

Name of pesticide/ herbicide	Date derogation received	Condition(s) imposed by FSC	Annual progress on conditions
No derogations			
See the following FSC documents for more information on pesticide derogations:			
Processing pesticide derogation applications, FSC-PRO-01-004		FSC Fee Structure For Processing Pesticide Derogations, FSC-ADV-30-002	
Approved derogations for use of pesticides, FSC-GUI-30-001a		FSC Forest Managers Checklist For Developing Derogation Applications, FSC-PRO-01-004a	

Appendix 7 – Detailed observations (CONFIDENTIAL)

All non-plantation forest types larger than 50,000 hectares, unless the whole area meets the requirements for classification as a "low intensity managed forest" (see FSC-STD-01-003 SLIMF eligibility criteria) require Criteria 1.5, 2.3, 3.2, 4.2, 4.4, 5.6, 6.2, 6.3, 8.2, 9.4 to be covered each year.

FMUs containing high conservation value attributes, unless the whole area meets the requirements for classification as a "small forest" (see FSC-STD- 01-003 SLIMF eligibility criteria) require Criteria 6.2, 6.3, 6.9 and 9.4 to be covered each year.

Evaluation year	FSC P&C Reviewed
2009	P6, P7
2010	P4, P9
2011	P1, P8
2012	P2, P3, P5
2013	Full Recertification Audit

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

SCS Interim Standard
For Forest Management Certification in the
Great Lakes/Saint Lawrence Region of Ontario
Version 2.0, June 2008

This standard fully incorporates the indicators of the FSC Canada GLSL Field-Tested Draft Standard (April 2007).

Note: this document omits verifiers, applicability notes, and intent statements, annexes, and other information contained in the full standard.

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.		
C1.5. Forest management areas should be protected from illegal harvesting, settlement and other unauthorized activities.	C	
1.5.1 The manager demonstrates that measures are in place to protect the management unit from illegal/unauthorized activities. *Means of verification:* Measures to prevent unauthorized activities (e.g boundary notices, access controls) Procedures for reporting illegal activities. Records of illegal activities (if any).	C	NFRM has two policies specifically aimed at addressing illegal or unauthorized activities on crown land. Policy 2 states "To develop a program with local mills to ensure that illegally harvested wood from Crown land is not accepted and/or processed." Policy 3 states "Nipissing Forest Resource Management Inc. (NFRM) and its Shareholders will immediately report to the local North Bay District MNR any illegal use and other unauthorized activities on the Nipissing Forest as soon as they are discovered." No occurrences of trespass onto the sfl have occurred in the past year. The annual compliance plans include reports on any trespass off crown lands during operations. The boundaries are gps'd to prevent excursion off crown lands during operations. A buffer of approximately 20 meters is left along the boundary to prevent any mis-mapping of the actual boundary. No evidence of excursions off crown lands was found.
P2 Long-term tenure and use rights to the land and forest resources shall be clearly defined, documented and legally established.		
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	
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.	C	Within the MNR the specific roles and responsibilities of individual advisors are identified for the SFL to utilize in questions regarding any aspect of the management of Crown Lands. These resources are available for use in any issue or dispute that might arise. The issue resolution process is outlined in the 2004 FMP Planning Guide on Page A 124. That process is the process utilized by NFRM for issue resolution regarding tenure claims and use rights. There was a cutting rights allocation issue that utilized this process in the preparation of the 2009 FMP.

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: • 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.	C	NFRM is not involved in any outstanding disputes of substantial magnitude involving a significant number of interests in relation to tenure claims and use rights on the management unit.
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.		
C3.2. Forest management shall not threaten or diminish, either directly or indirectly, the resources or tenure rights of indigenous peoples. On Private and Community forests, the dispute resolution requirements described in 3.1.5b is the mechanism to address 3.2.	C	
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	C	Each First Nation has prepared the social economic profile report for its own community. They also prepared background information reports which

communities. *Means of verification*: Baseline data on numbers of traditional land users, resources used, areas frequented and revenues generated from traditional land-use.		contain information on past resource uses and values identified by the community. During the preparation of the FMP the First Nations were involved in identifying their values on the Forest and developing protection measures (AOCs) for those values. Some of these are also included as HCVFs on the Nipissing Forest. Values information is treated as confidential and used by NFRM solely for the purposes of forest management planning.
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.	C	All known Aboriginal resources are mapped in the GIS system in use on the Nipissing Forest. In addition when operations are planned, the First Nations are contacted to see if they have knowledge of any additional resources that have not previously been identified. When cultural resources are identified in an allocation block and operations are scheduled, NFRM contacts the First Nations to determine if on site consultation should take place. If this consultation is necessary or requested, NFRM schedules the on site visit and compensates the First Nations consultant for their time and information. One example of this was reviewed on the Sinton Road, where a traditional portage was crossed by a branch road. Consultation took place and mitigations to lessen the impact were developed and implemented to establish a 30 m AOC on both sides of the Portage, assure connectivity across the road, and to retain some large red pine trees in the area.
P4 Forest management operations shall maintain or enhance the long-term social and economic well-being of forest workers and local communities.		
Employees and Forest Workers Definitions 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.		
C4.1. The communities within, or adjacent to, the forest management area should be given opportunities for employment, training, and other services.	C	
4.1.1 The manager supports the procurement of goods and	C	The majority of the Overlapping Licensees and contractors are all local businesses. Local silviculture contractors are hired each year without a

services from local suppliers and communities. *Means of verification:* Policies and processes related to local procurement. Tender notices. Evidence of local procurement (e.g. contracts with local suppliers, lists of purchases).		tendering process. Examples of local contractors utilized or observed during this audit were Redbridge Forestry Services, Young Forestry Services, Dokis First Nation, and Longwood Forestry Consultants, Sunrise Helicopters, and Benke Farms. NFRM has a policy for *Providing Opportunities to local Businesses & Contractors.* The NFRM Business Plan of 1996 also emphasizes local hiring in paragraph 5.1: *It is the policy of the Company to hire locally when feasible, and if required to assist in developing local expertise that could in turn, provide services to adjacent SFL's and Crown Management Units.* NFRM provided a list of local vendors it has done business with over the years.
4.1.2 According to its means, the manager offers employment to workers and contractors in the local and affected communities. *Means of verification:* Evidence of employment offered to local workers and contractors (newspaper ads, use of local hiring services, etc.) Interviews with local interests	C	See above. Also, NFRM does make an effort to provide a considerable share of the tree planting contract work to a local Aboriginal tree plant contractor. Over the past year approximately 50% of the planting contract was awarded to Redbridge Forestry Services and approximately 50% of the tree plant was contracted to Outland Reforestation based out of Toronto. All of the NFRM staff resides locally.
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. *Means of verification:* 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.	C	Due to the down turn in economic conditions, NFRM has cut back on its contributions to local and affected communities. NFRM staff are still given time to participate in local youth activities. Educational opportunities are provided on a limited basis, for example a group of students and a faculty member from College Boreal, Sudbury were observers on one day of the field audit. All NFRM staff are permanent full-time staff members. Two layoffs have occurred since the last audit. Both individuals were provided with notice and a severance package. One additional layoff is planned for January 1, 2011.
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.) *Means of verification:* Assessments of technological impacts on workers. Transition programs for displaced employees.	C	There have been significant personnel cuts since the last annual audit. Two of the Forestry Technicians have been laid off permanently. Another Forestry Technician layoff is planned for January 1, 2011. These cuts have resulted from the cutbacks in forestry operations due to the economic downturn. The base budget for NFRM has been cut by the shareholders and the only way to meet the budget limitations was through personnel reductions. In addition the shareholders and licencees have requested a reduction in the forestry technician support that they receive from NFRM. All three of the individuals that were laid off or will be laid off received a severance package from NFRM

Employee retraining programs		with option as to how this would be distributed to them. The two individuals who were laid off have secured employment elsewhere in the local forest industry.
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. *Means of verification:* Level of worker satisfaction with remuneration. Policies related to remuneration. Comparability of remuneration to regional forest sector standards.	C	NFRM has conducted a salary survey of adjacent SFLs and of the salaries in the MNR. NFRM has a company policy that the employees will be paid at a rate w as comparable employees in the MNR. During the past year the salaries of the staff have been adjusted to a better match with those of comparable employees of the MNR. All employees interviewed during the course of the audit expressed satisfaction with the working conditions and the remuneration packages.
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. *Means of verification:* Interviews with local promoters Manager's participation in the analysis of projects brought to its attention Description of manager's collaboration	C	NFRM has been supportive of community forest projects in the past and have worked previously with the Boy Scouts. There was a training program arranged with the Nipissing First Nation this year with a grant to attempt to encourage members of the Nipissing First Nation to enter the forest industry. A group of 7 students and a faculty member from College Boreal from Sudbury were invited to participate as observers on the second day of the field audit this year. During the past year with the personnel reduction, the time commitment to this type of activity has been reduce.
C4.2. Forest management should meet or exceed all applicable laws and/or regulations covering health and safety of employees and their families.	C	
4.2.1 The manager ensures that all forest workers comply with all relevant provincial occupational health and safety requirements, *Means of verification:* Safety policy. Equipment safety inspection records. Worker interviews. Written contracts or understandings with contractors or other	NC	NFRM is certified as an Ontario Safe Work Place. NFRM has a manual of Health and Safety Policies and Procedures, April 2010. NFRM has a health and safety representative identified. This manual is reviewed with a checklist for all contractors and new employees as part of the orientation they receive at start up. There was an example of workplace violence between an employee of NFRM and a silvicultural contractor during the past year, when the employee was verbally threatened by the contractor. This was handled through a report to the general manager and a meeting and acknowledgement of the policy by the contractor, according to the procedures outlined in the manual. The Health and Safety Policies and Procedures manual includes a section on Work

employers of forest workers		Place Violence (Section 30). During the course of the surveillance audit a health and safety problem was encountered with a crew working for a silvicultural contractor. The crew had no communications or transportation as required. The general manager issued a stop work order and contacted the contractor to be certain that the situation was rectified before work started on the contract again. **CAR 2010.1**
4.2.2 The manager has a process in place for fairly resolving disputes with employees pertaining to occupational health and safety.	C	In its "Health and Safety Policies and Procedures", NFRM has established an "Overview of Roles and Responsibilities" to ensure that health and safety concerns are communicated to NFRM's general Manager. NFRM has a Health and Safety Representative who acts on behalf of NFRM staff and contractors in ensuring that employer health and safety requirements are met as described in the Occupational Health and Safety Act (Ontario). NFRM employees and contractor employees are encouraged to contact the health and safety representative with any issues regarding safety in the workplace. The Health and Safety representative has been contacted by contractor employees in the past about working conditions and has met with the contractor to rectify the situation. This act includes provision for any worker to refuse to perform work that he or she believes will endanger themselves or others. The act prohibits reprisals by the employer.
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).		
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. *Means of verification:* No complaints or evidence of company interference such as discharging of employees related to organizing drives, coercion of employees, etc. Worker interviews.	C	NFRM has laid off two employees over the past year. There have not been any complaints filed as a result of those layoffs NFRM staff is aware of their right to organize. Ontario law guarantees the rights of workers to organize. The Ontario Labour Relations Act (R.S.O. 1995) states that "Every person is free to join a trade union of the person's own choice and to participate in its lawful activities."
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	
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.	C	The legislated Forest Management Planning Manual (FMPM) requires that meaningful public consultation occur during the preparation of a plan. All input received from the public during the consultative process for the 2009 FMP has been summarized including responses given by NFRM and/or MNR and provided to the auditors. NFRM has signed Resource Stewardship Agreements with 39 tourism outfitters which recognizes and provides for protection of their values on the

		forest. Areas of Concern prescriptions currently being applied were reviewed for use by the public during the 2009 FMP planning process. Many changes to the AOC prescriptions were included in the 2009 FMP as a result of the input received. First Nation communities are given an option to follow the consultation process outlined in the Manual or develop their own consultation approach with NFRM.
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.	C	NFRM provided an example of the notice they send to adjacent landowners and local resource users that may be directly affected by forest operations prior to commencement of operations. During the course of the surveillance audit a trapper was interviewed to determine if the notification had been sent to him. He indicated he had received a letter of notification of operations that were in the area of his trap line. The MNR North Bay District has identified all adjacent landowners and sends them notice of planned operations from the AWS. During the 2009 plan review, all work planned for the 10-year FMP was outlined and the public was invited to information centres for their input. NFRM researches the land ownership of adjacent lands to determine the ownership and sends them a letter of notification prior to commencement of operations. Resource users, such as outfitters, lodges, miners, and trappers are notified of planned operations that could impact their resource values and use.
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.	C	Under the FMP Manual, First Nation communities are provided an option to follow the consultation process outlined within the Manual or develop their own consultation approach with NFRM. In the past NFRM has held community meetings at the request of a First Nation. During the planning process for the 2009 FMP, NFRM held a special information centre and a follow-up meeting in the community of Restoule to discuss a proposed haul route through the community. The planning process in Ontario requires that a Local Citizens' Committee participate in plan development and implementation through regular meetings. Members represent a range of interests local to the area and are able to comment and provide input on forest management. NFRM and MNR attend the meetings and use the forum as another means of providing information to the public. The LCC was heavily involved in the development of the 2009 FMP.
4.4.4 The public participation process on public lands uses clearly defined ground rules that contain provisions on: • 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;	C	The public consultation process required by the Forest Management Planning Manual for Ontario 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 2009. The 2009 FMP was developed using the

• Access to information; • Participation of experts, other interests and government; and • A dispute resolution mechanism. The participants have been involved in the development of, and agreed to, the ground rules.		2004 FMP Manual and that manual contained a similar section.
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.	C	
4.5.1 The manager takes measures to avoid loss or damage to property, rights, resources or livelihoods *Means of verification:* 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.	C	There has only been one incident of trespassing onto adjacent or another landowner's property which occurred over seven years ago and was resolved out of court several years ago. No other incidents have been reported. NFRM has made a commitment to prevent incursion onto adjacent landowner's property during operations. To this end Policy 4 was formulated and adopted. The policy states: "Efforts will be made to contact the adjacent land owner to notify them of planned activities before they occur. All planned activities on adjacent property requires the written consent (or verbal consent with documentation) of the land owner. Every effort will be made to ensure that planned activities do not occur on adjacent properties. Planned activities include: harvesting, road construction, renewal, tending and protection." In addition there is a public meeting to review the annual work schedule for the forest. This provides adjacent landowners an opportunity to review the planned activities and to watch for trespass. When forest operations are occurring near the boundary of an adjacent landowner, the boundary is located on the ground utilizing GPS. There may be a small buffer established on the boundary as agreed to with the adjacent landowner. If an AOC is required, such as the 200m AOC established along the Jocko River Waterway Park observed during the course of the audit.
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. *Means of verification:* 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.	C	A company policy has been adopted to provide a procedure for individuals and the private sector to register concerns or disputes with NFRM. The policy is Policy 5 and states: "To provide steps to allow personnel to communicate with concerned members of the public and private sectors who may have a dispute with the actions or plans being carried out by NFRM." Also included in this policy is the written documentation regarding the process. There have not been any disputes raised since the last recertification. The FMP Manual includes an issue resolution process which outlines the entire process for dispute resolution during the development of the 10-year FMP and the planned operations for the second five-year term.

Compensation provided.		
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.		
C5.6. The rate of harvest of forest products shall not exceed levels that can be permanently sustained. 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)	C	
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.	C	Sustainable harvest levels are determined during the forest management planning process. Harvest level projections for the Forest were determined for a period of 150 years and demonstrate that the harvest levels do not exceed the levels that can be sustained over the long run.
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.		
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	Historical stand conditions and forest conditions are well documented and are used a reference for the desired future condition of the forest and to determine the impact of current management efforts. This is summarized in Table 6.1.26 Management Objectives, Indicators, Desired and Target Level Rationale included in the supplemental documents for the FMP. This table was part of the FMP document that received extensive review prior to approval in March 2009.
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	It is a mandatory requirement of the FMPM to ensure that species currently listed at risk in Ontario on our forests are included in the forest management planning process. This is another mandatory suite of species that must be modeled aspatially, and spatially when an appropriate and regulated model exists. The species modeled are specific to the Great Lakes-St. Lawrence Forest Region and more specifically, the Nipissing Forest. Additionally, they must have documented occurrences on the Forest. For this plan, this includes the red-shouldered hawk and the southern flying squirrel. It is important to note that there are numerous other species at risk on the Nipissing Forest (see list above taken from the wildlife section in the analysis package, section 6.1.6). There are currently no forest-dwelling SAR flora documented on the Forest, but the Plan has included Area of Concern prescriptions for American Ginseng since there is potential for it to exist.

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. In 6.2.1 the manager maintains a list of all "at risk" species meetng the above criteria. 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. Also note that Principle 9 allows for the possibility of addressing concerns related to concentrations of endangered species and/or endangered ecosystems.		See 6.1.5and 6.1.6 discussion.
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. *Means of verification:* Protection plans for species and habitat or a development schedule for plans. Records of activities undertaken under the plans.	C	Work completed by the planning team, the Nipissing LCC and the AWG (Aboriginal Working Group) to consider and refine the DFBW and AWG consultation results, as well as the FMPM and all other applicable forest management guides and guidelines, yielded 42 objectives and 61 indicators, thus providing over 1,000 measures of sustainability. The planning team set a desired level, or a specific number, range or trend for each indicator, to be achieved and maintained over time. Accompanying the desired level is a target, with a specific number, range or trend and a timeframe for achievement. One or more desired levels and targets have been identified for each indicator. The desired level is intended to reflect the planning team's interpretation of moving towards the emulation of natural processes on the landscape, or meeting a series of environmental, economic or social values. The FOIP and FOP are the basis by which this analysis would take place and

		reporting of these and the review of these documents would trigger alternative actions if they were required. The assessment of the silvicultural programs is utilized to assess operational activities and determine if they are producing the desired results. Adjustments are made to future operations based upon these results.
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. *Means of verification:* 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 planning effort is complete for the known species. As new species at risk are identified, a precautionary approach is taken in the relevant identified habitats until plans for protection of the habitat and populations are implemented.
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. *Means of verification:* Species and habitat protection plans, or timetable for preparing such plans. Records of activities undertaken in accordance with these plans	C	The effects of timber operations on other forest resources are mitigated by area of concern planning. This process begins with identification of other forest resources on a values map. (See section 2.7 and supplementary documentation 6.1.12 of the 2009 FMP.) Where planned operations may impact values, they become "areas of concern". Detailed prescriptions are developed for areas of concern to mitigate the effect of timber operations on these values (see the following in the 2009 FMP, section 4.2.1, Operational Prescriptions for Areas of Concern, Table FMP-14, section 9.0, and the area of concern documentation in section 6.1.13). See comments under 6.2.2.
6.2.5 The manager has established a desired target for the 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: Increase its relative abundance; Conserve genetic diversity; Ensure successful regeneration ;	C	There are several objectives related to desired targets for the future distribution and abundance of species in the 2009 FMP. Included are: "Balance or sustain the current forest structure" "Promote White Pine" "Return to an historic forest condition. Ensure the forest resembles the pre-industrial forest" "Ensure adequate proportions and distribution of forest units by seral stage" This group of inputs was addressed by the planning team using four objectives. • The first, Objective #4, *To maintain the area of forest cover types*

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		*that would occur naturally on the Nipissing Forest, similar to the expected natural landscape dynamics, with consideration of the pre-settlement forest condition,* considers both the FMPM requirement of the historic forest condition as well as the reality of the current forest condition and how it will develop given natural landscape dynamics. • Objective #5, *Provide Red and White Pine forest area not less than 1995 levels, consistent with the Conservation Strategy for Old Growth Red and White Pine Forests Ecosystems in Ontario, 1996*, and *#6 Restore to the PWUS or PR forest unit, a proportion of all harvested area in the White Pine Seedtree, Mixedwood and offsite Poplar and White Birch forest units,* are designed to ensure the public desire to maintain and restore white and red pine composition is met. Finally • Objective #7, to *Move towards a more natural age class distribution for each forest unit over the entire forest in mature and old aged condition, similar to that of a natural forest dynamic*. Desired levels, targets and achievement for the measures of these objectives were developed in the scoping analysis found in the analysis package in section 6.1.6 of the Plan.
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.		
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: a. diversity of forest types b. diversity of successional stages c. distribution of age classes, including old growth d. diversity of forest structures (e.g. horizontal, vertical and pattern) e. connectivity f. levels of disturbances at the landscape level (e.g. watershed)	C	See discussion under 6.2.5.
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.	C	The 2009 FMP identifies Management Objective #7: "Move towards a more natural age class distribution for each forest unit over the entire forest in mature and old-aged condition, similar to that of a natural forest dynamic. The desired level for any biodiversity indicator (Forest cover type, age structure and wildlife habitat) is intended to mimic the most likely ecological conditions that we would expect to occur. Using the forest management model the approach in the FMP is to target the results of the natural benchmark to achieve an ecologically desired level. This desired level also considers that although the general intent of forest

		management is to emulate natural disturbance, current silviculture practices may not replicate exactly the process carried out in a natural context. Subsequently, the modeled achievement reflects this reality. The 82% value has been developed through the course of scoping analysis, and designated as the maximum ecological level for the Forest in the 2009 FMP.
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. 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.	C	A variety of modeling tools and software packages were utilized to model wildlife and cultural heritage in the FMP. This results in a determination of the sustainability for various wildlife species including: A list of the species considered in this modeling in the FMP is found below. Black Backed WoodPecker, Black Bear, Autumn Lynx, Hermit Thrush, Marten, Moose, Moose Late Winter, Pileated WoodPecker, Redback Salamander, Ruby-Crowned Kinglet, Red Shouldered Hawk, Rough Grouse, Southern Flying Squirrel, Snow Shoe Hare, Spruce Grouse, White Tailed Deer, and White Throated Sparrow. The 2009 FMP includes objectives that direct forestry activates 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.
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: • 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 The manager collaborates with the government and other relevant authorities in implementing the plan.	C	The 2009 FMP includes an extensive analysis of the existing road system present and planned on the Nipissing Forest. This includes the assigned responsibility for the road, whether that is a licencee or the MNR. A road density analysis was conducted as part of the FMP process. Some AOC prescriptions limit road construction in certain areas such as near self-sustaining trout lakes. These restrictions are included with the specific goals of maintaining remoteness for areas of sensitive cultural or ecological values or to protect tourism. HCVs on the forest have been identified and prescriptions for management activities near or inside areas of HCVs are identified in the HCV report for the Nipissing Forest.
6.3.5 The manager complies at a miminum with all provincial regulations, policies and licence conditions pertaining to riparian and wetland protection during harvesting and road construction.	C	The 2009 FMP includes AOC prescriptions that ensure forest management compliance with all requirements pertaining to riparian and wetland protection.
6.3.6. Disturbance to seasonal watercourses (including intermittent and ephemeral streams, seeps, ponds, vernal pools) is avoided whereever 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. NFRM is obligated to adhere to these guidelines.
6.3.7 The manager is implementing relevant best management pratices pertaining to the protection of soils, water quality and sensitive sites.	C	See comment in 6.3.6. Ontario SFL holders are required to comply with the "Forest Management Guidelines for the Protection of the Physical Environment" which include provisions for the protection of soils and sensitive sites.

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	For each planned cut a Forest Operations Prescription is developed, based on silvicultural guidelines. Tree marking direction is taken from the Forest Operations Prescription, which is in turn derived from a stand analysis designed to be consistent with the level of stand variability and with the intended end-use of the information. 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 cutting systems on the Nipissing Forest use only certified treemarkers to mark trees for retention or harvest prior to the completion of harvesting activities.
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. • 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. *Means of verification:* Maps and aerial photographs of harvested areas. Relevant training material used in courses or by harvest and site preparation Field reconnaissance.	C	Natural Disturbance Pattern Emulation Guideline (NDPEG) requirements include the requirements as identified in this indicator. Results of implementation of NDPEG was witnessed during the field examination on all sites including islands and peninsular of residual trees,. As well, NFRM provided supplemental aerial photography of the harvested blocks, providing further evidence of adherence to NDPEG. NDPEG requirements also include retention of a minimum of 25 trees/ha after harvest. During the field audit adherence to this requirement was viewed at all stops.
6.3.10 Forest roads, skid trails and landings are well planned and designed to minimise soil erosion and loss of productive	C	Requirements of this indicator were seen to be well executed. Some areas of slight rutting were observed during the field audit; however, these were

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. *Means of verification:* 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		generally very limited in scope and scale and were within the standards utilized. Water crossing were planned and installed well with no encroachments into accompanying AOCs. Some exemplary new bridge installations were observed during the field audit. Discussions were held 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. Review of compliance reporting showed that the rate and severity of non-compliances was low. The primary reasons for non-compliances were not associated with field practices.
6.3.11 Rutting related site damage and damage to residual trees (crown, trunks and roots) does not exceed provincial acceptable levels.	C	Rutting observed during the field audit was very limited and only occurred in isolated instances. In no case was rutting observed that exceeded the provincial standard.
6.3.12 Harvest plans schedule operations on damage prone sites to periods of the year when risks are minimized.	C	Harvest scheduling on particularly damage prone areas is generally done during dry periods or planned winter operations. Winter operations are planned on sites where access is difficult due to high water tables or wet areas that must be crossed. These operations are limited to periods when the ground is frozen to limit potential damage. Some problems with completion of winter operations during the period of freeze up were observed during the field audit.
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).	C	Several sites of mechanical site preparation utilizing chains with spikes were observed during the audit. These sites were selected for mechanical site preparation due to thick duff and organic layers or difficult to control vegetation. The degree of site disturbance observed was very low on these sites, yet the competing vegetation was uprooted and the organic layers were extensively mixed, not removed. Some of these sites were selected for mechanical site preparation by NFRM as part of the effort to reduce the dependency on herbicides.
6.3.14 In natural forests regeneration efforts should emulate natural processes such as natural regeneration, direct seeding,	C	Where present desired future forest units were consistent with natural regeneration, this treatment was followed. In cases where artificial regeneration was required, especially in the white and red pine restoration

and use local seed sources.		sites, tree planting was utilized to supplement natural regeneration, Local seed sources were used for seedling production.
6.3.15 Regeneration occurs in a timely fashion, and consistent with successional objectives as outlined in 6.3.1.	C	Several audit stops were selected to examine consistency with the successional objectives (FMP SGRs) and effectiveness of treatments in meeting the objectives. Silviculture work was found to follow operations for site preparation or planting were normally implemented within one year of completion of harvesting.
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. *Means of verification:* Description and records of areas where exotic species are planted Inspection of exotic species plantations Results of monitoring measures	C	No exotic species are used on the Nipissing Forest.
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.		
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.		
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.		
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)	C	Regular monitoring is accomplished through several means. First, site specific monitoring is accomplished in the performance of compliance monitoring. Annually the SFL submits Annual Reports to the MNR which include reports of activities during the year. These Annual Reports formulate the basis for the development of the Report of Past Forest Operations (RPFO) every five years,

environmental and social impacts of harvesting and other operations, and e) cost, productivity, and efficiency of forest management.		also by the SFL holder. The RPFO includes discussions of these points. Most importantly, 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 Nipissing Forest was for the term April 01, 2001 to March 31, 2006, see: http://www.mnr.gov.on.ca/stdprodconsume/groups/lr/@mnr/@forests/documents/document/243944.pdf
Yield of all forest products harvested 8.2.1 The manager monitors timber harvest volumes by species and product.	C	Depletions, regeneration and free-to-grow determinations are monitored on a regular basis and a silvicultural obligation is calculated from this. Growth rates and condition of the forest are modeled in the FMP in section 6.1.6 using the current conditions of the forest and growing the forest to the end of the modeling period.
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. *Means of verification:* 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 necesarily limited to forest health, disturbance, and age class structure.	C	See discussion under 8.2.1.
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.	C	NFRM prepares Annual Reports which includes reporting of timber harvest volumes by species for all parties on the Nipissing Forest for the period April 01 to March 31.
Environmental Impacts 8.2.5 The manager monitors environmental impacts of	C	This information is included in the annual report referenced in 8.2.1.

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. *Means of verification:* Documented HCV monitoring program.	C	The monitoring plan for the HCVs is identified in Table 16 of the "High Conservation Value Forest in the Nipissing Forest SFL", Version 2.0, August 2007. The monitoring entity and the specific attributes monitored are listed in the table. The monitoring responsibilities are split among the MNR and NFRM, depending upon the HCV and the appropriate specialist required to determine the status of the attribute. In the case of cultural sites of the First Nations, a First Nations liaison is identified as a contact for the HCV.
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. *Means of verification:* Results of monitoring program.	C	The FOIP monitoring is utilized to identify risk to specific conservation attributes. The protections afforded these attributes has been determined to provide adequate protection to maintain or enhance the identified attributes. The latest summary of this monitoring was reviewed in the annual summary of FOIP inspections from August 11, 2010.
Impacts on Cultural Values and Resources 8.2.8 The manager monitors the impacts of forest management activities on cultural values, resources and uses.	C	The environmental impacts of forest management are monitored on a regular basis through the FOIP. There is an annual summary of the FOIP Inspections. The latest of these is from August 11, 2010.
Economics 8.2.9 The manager monitors the costs, productivity and efficiency of forest management activities, consistent with Criterion 5.1.	C	The Nipissing Forest has not achieved its allowable harvest level primarily for reasons associated with inadequate markets for wood products. Forest renewal and tending and forest restoration resources are ensured through contributions on a per unit volume basis to designated trust funds for renewal and restoration. Low harvest volumes provide sufficient financial resources to ensure forest renewal for harvested areas.
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.	C	
9.1.1 The manager undertakes efforts to, or makes use of existing efforts to, identify and map the presence of HCVFs by	C	The Nipissing Forest had an HCV report prepared and adopted in August 2007. This report has been reviewed in past annual audits and determined to

means of a process that meets the characteristics and intent of the assessment process in Appendix x. *Means of verification :* Documented procedures used to identify and map HCVFs and related values Results of assessment processes – documents, maps, etc. Interviews with those involved in identification process.		be adequate to meet the intent of this standard. The process for identification of values was presented in the HCV report. The values have been mapped and when there are operations in the area of an HCV, the HCV is identified on the ground and the appropriate protection measures are completed. Evidence the application of protections was observed several times in operations during the field audit. The audit team was given maps of the HCV values for review in the audit. Clearly the information in the HCV report has been integrated into the dataset utilized for forest operations planning. The consultant who prepared the report has been interviewed by the members of the audit team in the past, although not during the current recertification audit, since no change had been made in the report since the last conversations.
9.1.2 The manager ensures that a credible external review is undertaken of the HCVF assessment.	C	The HCV report has been reviewed by several entities as part of the general review of the HCV status. Included in this review were the LCC of the Nipissing Forest and NGO's that were contacted and agreed to a review. A review of the HCVs identified in the report was conducted during the 2009 FMP process. This process includes review by many resource professionals and extensive public review and opportunity for comment. The FMP review process including the HCVs was always planned by NFRM as the major external review process for the identified HCVs. The FMP text including the HCVs identified is posted on the MNR website and is available to the general public.
9.1.3 The HCVF 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.	C	The complete HCVF map set is available to the public upon request. There is a link on the Nipissing Forest Resource Management website for contact information to request HCVF maps from them That link is as follows: http://www.nipissingforest.com/fsc.html The complete HCV report from 2007 is also available at this same link. Certain portions of the HCVF report contains information that is confidential or is required to be withheld from the general public due to concerns over the protection of the attributes from damage due to visits from the general public. These have been identified by NFRM and are maintained in a confidential layer that is only available to those who need to have that information, such as NFRM staff when planning forest operations.
C9.2. The consultative portion of the certification process must place emphasis on the identified conservation attributes, and options for the maintenance thereof.	C	NFRM has made a concerted effort to identify and map the HCVs on the Nipissing Forest. The first report on HCVs was prepared in 2007 as Version 1.0. This report has been revised once with the latest version, "High Conservation Values in the Nipissing Forest, Version 2.0," produced in August 2007. Accompanying the report, which outlines the procedure for assessment and identification of HCVs, are lists of HCVs by category, maps of all the HCVs, and a table including the HCV, the attributes, the responsibility for inventory and monitoring, the prescription, and the current monitoring for compliance, effects, effectiveness, and status. HCVs are included in the 2009-2019 FMP for the Nipissing Forest. NFRM has plans to update the HCV Report

		for the Nipissing Forest. The report and the effort made to identify and protect HCVs are exemplary.
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.	C	External review of the HCVs identified and the prescriptions and assessment programs has been done by the MNR as part of the 2009-2019 FMP for the Nipissing Forest. The FMP is available on the MNR website at: http://www.ontario.ca/forestplans The consultation process for the HCVs includes a four-phased process composed of the following: • Broad review based on the FMP process, to determine forest values generally in the Nipissing Forest which will include as a minimum individual stakeholder representatives including the Local Citizen's Committee, communities • Consultation with technical experts about species, ecosystems or values that are HCVF • Focused review by regional, provincial and national stakeholders of the values and the management approach • Open door policy – new HCVs and new management approaches will be considered any time
9.2.2 On public forests the manager should take steps to 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. *Means of verification:* 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.	C	The 2009-2019 FMP for the Nipissing Forest is a public document and is posted on the MNR website and the HCV Report and the LTMD for the Nipissing Forest is posted on the website for the Nipissing Forest. http://www.nipissingforest.com
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.	C	
9.3.1 Areas designated as HCVF are managed over the long term in a way to ensure the quality of their attributes and their	NC	Extensive consultation has occurred with all stakeholders as part of the public consultation which was conducted as part of the review and approval process

size are not diminished. *Means of verification :* Management plan and strategies related to HCVFs.		for the 2009-2019 FMP for the Nipissing Forest. See further discussion under 9.2.2 The amount of area included in each of the HCVF categories has not been provided, so no tracking of the area in each category is possible. They are all mapped and identified on the GIS database, so this is only a matter of tallying the areas in each of the categories and does not represent a threat to the values identified. The listing of the actual area included in each HCV category is a new requirement in the FSC report format and the auditee was not aware of the requirement to provide those areas at the time of the annual surveillance audit. **CAR 2010.2**
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 HCVFs, the manager coordinates its conservation efforts with those of the neighbouring HCVF landowners/managers. *Means of verification* Correspondence with managers of adjacent lands. Portions of management plan dealing with management of adjacent lands.	C	The HCVs identified in the report and assessments have been included in the 2009-2019 FMP for the Nipissing Forest. Objectives have been developed to consider all high conservation values and they are included in section 3.6 of the FMP. The FMP process which was completed this year includes extensive consultation with all stakeholder groups. Special FMP values sessions were conducted with First Nations representatives. Compliance with this standard is evident in the operations and proposals by NFRM. They have worked closely with the Sudbury Forest and with Ontario Parks to assure that the HCV values in areas of the forest boundary are protected. These areas are clearly identified on the map sets available and HCV areas are identified on maps included in the AWS. This provides for awareness of the value in the planning of the operations and for the proper establishment of protection during operations. Examples of boundary HCV's were reviewed in the Ottawa River Park boundary area. The Nipissing Forest along with all the other SFLs in the province is participating in a regional HCV process to assure that values that have overlapping management authority are protected. This is being done in cooperation with WWF and the Nature Conservancy.
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. *Means of verification :* Documentation of management strategies and those portions	C	The management strategies and protection measures employed are those that are included in the HCV report and they consistently meet or exceed the provincial standards for the values protected. These have been reviewed as part of the HCV report consultation and were reviewed additionally during the FMP process which was completed in May 2009. The HCVs identified and the prescriptions for those are modified as new standards are included in provincial guidelines, the protection measures are modified to meet or exceed the level of protection required in the province. The resources that are protected during the operations are monitored to ascertain that they have been protected during the operations as part of the compliance inspection process. A special summary of FOIP inspections done in areas where HCVs were identified was provided during the 2010 surveillance audit. The responsibilities for inventory and monitoring are identified in the HCV report and this is a shared responsibility of the MNR and NFRM. NFRM is responsible for the prescription development and implementation. Examples of the HCV protection measures were viewed

addressing the above points.		during the field audit, specifically the Jocko River Waterway Park protection.
C9.4. Annual monitoring shall be conducted to assess the effectiveness of the measures employed to maintain or enhance the applicable conservation attributes.	C	Monitoring of the HCVs is done on an annual basis when operations are occurring in close proximity to the HCVs mapped. If additional resources that would qualify as HCV are identified in the field during preparation for operations or during operations and follow-up inspections, these resources are mapped and added to the HCV database. The FOIP is utilized to monitor the HCVs in an area where operations are planned and conducted. Examples of two separate value identification and addition to the database were presented in the FOIP evidence. One case of removal of a mapped area was also found, where the value identified from other sources was not present.
See 8.2.6 and 8.2.7.		

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

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.