

# SFI 2015-2019 – Public Summary Report

## AV Goup NB Inc.

### DESCRIPTION OF COMPANY

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

The company SFI representative is Pierre Mezzetta.

### AUDIT

During the period of 4 to 8, 2021 underwent a surveillance 4 audit to the Sustainable Forestry Initiative® (SFI®) 2015-2019 Forest Management (FM) Standard and the SFI 2015-2019 Fiber Sourcing (FS) Standard which does not include the review of Appendix 1 Rules for Use of SFI Certified Sourcing Label.

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

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

### THE AUDIT TEAM

The SAI Global audit team who performed the audit consisted of Hervé Bescond, audit team leader, Jean-François Légaré, audit team member and Fabrice Lantheaume, audit team member. The auditors are Professional Foresters and certified auditors.

### REGISTRATION TYPE

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

**MULTI-SITE / GROUP EVALUATION**

Not applicable.

# SFI 2015-2019 Forest Management Standard

## FOREST LAND AND MANGEMENT PLAN INCLUDED IN THE AUDIT SCOPE

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

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

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

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

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

## SCOPE OF CERTIFICATION

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

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

## AUDIT PROCESS

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

A sample of field review sites were chosen from a list of active sites and sites where forest management activities occurred since the last audit. The site choice also considered activity type, and risk factors,

related to the audit objectives selected for review, as well as the opportunity to verify implementation of corrective actions for previous non-conformities.

### SUBSTITUTE INDICATORS

No substitute indicators were evaluated during this audit.

### COMPLAINTS

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

### SITES INSPECTED AND ASSESSMENT TIME

Audit Activity	Duration in days
Onsite	4
Sites	Number inspected
Roads	0
Harvesting Blocks	7
Silviculture Sites	3
Operations visited: Blocks 308A309,318K256, 101H09, 308F830, 308C433, 318K213, 308F243, 1019090, 101H225, 308F110	

### SUMMARY OF FINDINGS

#### *Areas of non-conformance*

NC#	Type	Performance Measure #	Description	Corrective Action Plans
2021-01	Minor	9.2.1	Worker has been observed not wearing his required PPE outside of his truck.  Worker has been observed working in front of the trailer while loader was loading the back of the trailer.	Action plan accepted

***Opportunities for improvement***

Not applicable

***Good practices***

Not applicable

***Status of previous audit non-compliances***

No non-conformities were raised during the previous audit.

**CERTIFICATION DECISION SFI 2015-2019 FOREST MANAGEMENT STANDARD**

***Surveillance Audit***

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

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

**Table 1 Objectives Audited**

Objective 1	Forest Management Planning	
Objective 2	Forest Health and Productivity	
Objective 3	Protection and Maintenance of Water Resources	
Objective 4	Conservation of Biological Diversity	X
Objective 5	Management of Visual and Recreational Benefits	
Objective 6	Protection of Special Sites	
Objective 7	Efficient Use of Forest Resources	
Objective 8	Recognize and Respect Indigenous Peoples' Rights	X
Objective 9	Legal and Regulatory Compliance	X
Objective 10	Forestry Research, Science and Technology	
Objective 11	Training and Education	
Objective 12	Community Involvement and Landowner Outreach	12.3
Objective 13	Public Land Management Responsibilities	
Objective 14	Communications and Public Reporting	X
Objective 15	Management Review and Continual Improvement	X

***Table 2 Evidence Observed***

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



Tree improvement reports		Support for research and science	
Green-up records		External audit field inspections	X
Free to grow records		External audit interviews (office and field)	X
Planting program records		Pre-harvest inspection records	X
Harvest inspection records		Post-harvest inspection records	X
Road and bridge inspection records		Government compliance records	X

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

**Table 3**

KEY PROGRESS INDICATOR	SOURCE OF KEY EVIDENCE OF CONFORMITY	IDENTIFIED NON-CONFORMANCES AND OPPORTUNITIES FOR IMPROVEMENT
<b>Terrestrial Biodiversity (TB)</b>		
<b>TB1</b> - Severity of 3rd party audit findings for conformance to harvest standards for operating within Old Forest Communities	Not audited	Not audited
<b>TB2</b> - Severity of 3rd party audit findings for encroachment into Protected Natural Areas	Not audited	Not audited
<b>TB3</b> - Evidence of processes that enable forestry crews to recognize and conserve the function of Site Specific Habitats.	Not audited	Not audited
<b>TB4</b> - Severity of 3rd party audit findings for conformance to harvest standards for operating within Old Forest Wildlife Habitat	Not audited	Not audited
<b>TB5</b> - Severity of 3rd party audit findings for conformance to harvest	Not audited	Not audited

KEY PROGRESS INDICATOR	SOURCE OF KEY EVIDENCE OF CONFORMITY	IDENTIFIED NON-CONFORMANCES AND OPPORTUNITIES FOR IMPROVEMENT
standards for operating within Deer Wintering Areas		
<b>Water Quality &amp; Aquatic Ecosystems (WQAE)</b>		
<b>WQAE1</b> - Severity of 3rd party audit findings for conformance to legislative framework and harvest standards for operating within buffers	Field inspection of harvesting, silviculture, water Crossing and road construction activities and associated work orders and maps.  SOP – 01 Harvest (Rutting and Soil Erosion Procedure).  SOP - 04 Silviculture Block-Work Order Harvest Audit Checklist.	None identified
<b>WQAE2</b> - Severity of 3rd party audit findings for conformance to legislative framework for installation of watercourse crossings	Field inspection of harvesting, silviculture, water Crossing and road construction activities and associated work orders and maps.  SOP – 05 Road Location, Construction & Maintenance Procedure  SOP – 06 Watercourse Crossing Procedure.	None identified
<b>WQAE3</b> - Evidence of progress in maintaining watercourse crossings which have been identified for repair due to environmental concerns.	Field inspection of harvesting, silviculture, water Crossing and road construction activities and associated work orders and maps.  SOP – 05 Road Location, Construction & Maintenance Procedure  water crossing inspection checklist	None identified

KEY PROGRESS INDICATOR	SOURCE OF KEY EVIDENCE OF CONFORMITY	IDENTIFIED NON-CONFORMANCES AND OPPORTUNITIES FOR IMPROVEMENT
<b>WQAE4</b> - Severity of 3rd party audit findings for conformance to legislative framework and harvest standards for operating within buffers within designated watersheds	Field inspection of harvesting, silviculture, water Crossing and road construction activities and associated work orders and maps.  SOP – 01 Harvest (Rutting and Soil Erosion Procedure).  SOP - 04 Silviculture  Block-Work Order  Harvest Audit Checklist.	None identified
<b>WQAE5</b> - Severity of 3rd party audit findings for conformance to legislative framework for operating within designated watersheds	Field inspection of harvesting, silviculture, water Crossing and road construction activities and associated work orders and maps.  SOP – 01 Harvest (Rutting and Soil Erosion Procedure).  SOP - 04 Silviculture  Block-Work Order  Harvest Audit Checklist.	None identified
<b>Soil (S)</b>		
<b>S1</b> - Severity of 3rd party audit findings for conformance to the organization's site disturbance SOP for harvest and site-preparation of Crown forests	Field inspection of harvesting, silviculture, water Crossing and road construction activities and associated work orders and maps.  SOP - 04 Silviculture  Block-Work Order  Silviculture Audit Checklist	None identified
<b>S2</b> - Severity of 3rd party audit findings for conformance to the organization's fuel and oil spill SOP	Field inspection of harvesting, silviculture, water Crossing and road construction activities.	None identified

KEY PROGRESS INDICATOR	SOURCE OF KEY EVIDENCE OF CONFORMITY	IDENTIFIED NON-CONFORMANCES AND OPPORTUNITIES FOR IMPROVEMENT
for avoiding, reporting, and reacting to spillage of hazardous materials	Interviews with staff and contractors.	
<b>S3</b> - Severity of 3rd party audit findings for conformance to the organization's logging slash dispersal SOP for harvest of Crown forests	Field inspection of harvesting, silviculture, water Crossing and road construction activities.	None identified
<b>Growing The Resource (GR)</b>		
<b>GR3</b> - Severity of 3rd party audit findings for conformance to the Dept. of Natural Resources' quality tolerant hardwood harvest policy	Field inspection of harvesting and silviculture, activities and associated work orders and maps.  SOP – 01 Harvest (Rutting and Soil Erosion Procedure).  SOP - 04 Silviculture  Block-Work Order  Harvest Audit Checklist.	Not audited
<b>GR4</b> - Forest area where white pine trees are dominant	Not audited	Not audited
<b>GR5</b> - Severity of 3rd party audit findings for conformance to the organization's Environmental Management System and associated work orders and standard operating procedures	Field inspection of harvesting and silviculture, activities and associated work orders and maps.  SOP – 01 Harvest (Rutting and Soil Erosion Procedure).  SOP - 04 Silviculture  Block-Work Order  Harvest Audit Checklist.	None identified
<b>Optimizing The Value Chain (OVC)</b>		

KEY PROGRESS INDICATOR	SOURCE OF KEY EVIDENCE OF CONFORMITY	IDENTIFIED NON-CONFORMANCES AND OPPORTUNITIES FOR IMPROVEMENT
<b>OVC2</b> - Severity of 3rd party audit findings for conformance to the Dept. of Natural Resources product utilization standards	Field inspection of harvesting and silviculture, activities and associated work orders and maps.  SOP – 01 Harvest (Rutting and Soil Erosion Procedure).  SOP - 04 Silviculture  Block-Work Order  Harvest Audit Checklist.	None identified
<b>OVC3</b> - Severity of 3rd party audit findings for conformance to the Dept. of Natural Resources' waste standards	Field inspection of harvesting and silviculture, activities and associated work orders and maps.  SOP – 01 Harvest (Rutting and Soil Erosion Procedure).  SOP - 04 Silviculture  Block-Work Order  Harvest Audit Checklist.	None identified
<b>Access to Crown Forests (ACF)</b>		
<b>ACF1</b> - Evidence of progress in completing designated road maintenance and repair projects which have been identified due to safety and public access concerns		Not audited
<b>ACF2</b> - Severity of 3rd party audit findings for conformance to standards for operating within designated recreational buffer zones		Not audited
<b>Transparency (T)</b>		
<b>T1</b> - Online forest management plan and summary	Not audited	Not audited

KEY PROGRESS INDICATOR	SOURCE OF KEY EVIDENCE OF CONFORMITY	IDENTIFIED NON-CONFORMANCES AND OPPORTUNITIES FOR IMPROVEMENT
T2 - Online annual operating plan	Not audited	Not audited
T3 - Annual report	Not audited	Not audited
T4 - Online activity map (updated as per the organization's business rules)	Not audited	Not audited

# SFI 2015-2019 Fiber Sourcing Standard\*

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

## PROGRAM PARTICIPANT'S FIBER PROCUREMENT AND/OR MANUFACTURING OPERATIONS

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

## SCOPE OF CERTIFICATION

Sourcing fiber from New Brunswick, Quebec and Maine The Appendix 1: Rules for Use of SFI Certified Sourcing Label is not covered by the scope of this certificate.

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

## AUDIT PROCESS

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

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

## SUBSTITUTE INDICATORS

No substitute indicators were evaluated during this audit.

## COMPLAINTS

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

## MANUFACTURING UNITS SUPPLIED AND ASSESSMENT TIME

Audit Activity	Duration in days
Off-site preparation and on-site office review:	1,5

Field review:	0,5
<b>Sites</b>	<b>Number inspected</b>
Roads	2
Harvesting Blocks	10
Silviculture Sites	2
Manufacturing units supplied from the sites visited: Atholville and Nackawick	

## SUMMARY OF FINDINGS

Definitions for findings can be found in Appendix 1.

### **Areas of non-conformance**

Not applicable.

### **Opportunities for improvement**

Not applicable.

### **Good practices**

Not applicable.

### **Status of previous audit non-compliances**

No non-conformities were raised during the previous audit.

## CERTIFICATION DECISION SFI 2015-2019 FIBER SOURCING STANDARD

### **Surveillance Audit**

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



## EVIDENCE OF CONFORMITY TO SFI 2015-2019 FIBER SOURCING STANDARD

**Table 1 Objectives Audited**

<b>Fiber Sourcing Within the United States and Canada</b>		
Objective 1	Biodiversity in Fiber Sourcing	
Objective 2	Adherence to Best Management Practices	X
Objective 3	Use of Qualified Resource and Qualified Logging Professionals	
Objective 4	Legal and Regulatory Compliance	X
Objective 5	Forestry Research, Science, and Technology	
Objective 6	Training and Education	
Objective 7	Community Involvement and Landowner Outreach	7.3
Objective 8	Public Land Management Responsibilities	
Objective 9	Communications and Public Reporting	X
Objective 10	Management Review and Continual Improvement	X

<b>Fiber Sourcing Outside the United States and Canada</b>		
Objective 11	Promote Conservation of Biological Diversity, Biodiversity Hotspots and High-Biodiversity Wilderness Areas	N/A
Objective 12	Avoidance of Controversial Sources including Illegal Logging	N/A
Objective 13	Avoidance of Controversial Sources including Fiber Sourced from Areas without Effective Social Laws	N/A

**Table 2 Evidence Observed**

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

# DEFINITIONS

## ***Major Non-Conformances***

Pervasive or critical to the achievement of the SFI objectives

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

## ***Minor Non-Conformances***

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

## ***Opportunity for Improvement***

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

## ***Good practices***

Areas that are deemed to be mentioned

## **MULTI-SITE / GROUP SAMPLING APPROACH**

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

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

The central office function is audited annually.

OR

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

$\sqrt{(n)}$

The central office function is audited annually.



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

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

Contact [certification.americas@saiglobal.com](mailto:certification.americas@saiglobal.com) for more information.

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