



Katahdin Forest Management LLC

2020 SFI Forest Management Public Summary Audit Report

Introduction

The SFI Program of Acadian Timber's Katahdin Forest Management operations of Millinocket, Maine has demonstrated continued conformance with the SFI 2015-2019 Standard and Rules®, Section 2 – Forest Management Standard, according to the NSF certification process and has specifically demonstrated conformance to the sustainable harvest level requirement (Performance Measure 1.1).

Katahdin Forest Management (KFM) manages approximately 300,000 acres in Maine, of which over 280,000 are forested. This includes 9,000 acres of perpetual timber deeds. These timberlands are managed on a sustainable basis using sound business practices and accepted principles of sustainable forest management. Professional foresters who are part of a staff of seven people manage the timberlands with supporting services supplied through the company operations in Canada.

KFM operations management objectives include:

- Long-term improvement in value and productivity of the land;
- Ensuring the continuous yield of forest products;
- Maintaining forest health and biological diversity;
- Conservation of significant recreational, ecological and wildlife resources.

Approximately seventy percent of the total merchantable volume is softwood species, with red, white, and black spruce being the most significant. Over 70% of the spruce volume is sawtimber quality, while over 80% of the hardwood volume is pulpwood quality. Katahdin Forest Management Forest Management Plan 2013-2022 presents a summary of the 50-year harvest projection, with details by portions of land base and species groups. Harvest volumes are planned by species. Since 2013, harvest volumes have been 5% below the annual allowable cut (AAC).

Most of the property is accessed by a private land management road system that is maintained by KFM and other private landowners in the region. A rail siding located at the eastern end of the Golden Road in Millinocket provides a rail link between the company's private road system and other points served by rail. Timberlands located around Millinocket, East Millinocket, Medway and Woodville are accessed by a combination of public and private road networks.

Maine has a long history of public use of private land for recreational purposes. Traditionally, recreational users have used private forestland in northern Maine for hunting, fishing, canoeing access, camping and hiking. Newer uses such as access for whitewater rafting and kayaking have grown in popularity in recent years.

The major part of the audit was performed by NSF on September 16, 2020 with subsequent review of video and documentation by an audit team headed by Tucker Watts, Lead Auditor, and Michelle Matteo, Auditor. Audit team members fulfill the qualification criteria for conducting audits contained in SFI 2015-2019 Standards and Rules, Section 9 - Procedures and Auditor Qualifications and Accreditation.

The objective of the audit was to assess conformance of the firm's SFI Program to the requirements of the SFI 2015-2019 Standard and Rules, Section 2 – Forest Management.

The scope of the audit included forest management operations. Forest practices that were the focus of field inspections included those that have been under active management over the planning period of the past 3 years. In addition, practices conducted earlier were also reviewed as appropriate (regeneration and BMP issues, for example), SFI obligations to promote sustainable forestry practices, to seek legal compliance, and to incorporate continual improvement systems were also within the scope of the audit.

Several of the SFI Requirements were outside of the scope of Katahdin Forest Management's SFI program and were excluded from the SFI Certification Audit as follows:

- Indicator 2.1.5 involving planting in non-forested landscapes
- Performance Measure 8.2 involving tribal rights on public lands
- Indicator 10.1.2 involving research on genetically engineered trees
- Objective 13 for public land management.



Audit Process

The audit was governed by a detailed audit plan designed to enable the audit team to efficiently determine conformance with the applicable requirements. The plan provided for the assembly and review of audit evidence consisting of documents, interviews, and on-site inspections of ongoing or completed forest practices.

During the audit NSF reviewed a sample of the written documentation assembled to provide objective evidence of conformance. Documentation review was conducted remotely using ICF tools that allowed sharing and discussion of documents. NSF also selected field sites for inspection based upon the risk of environmental impact, likelihood of occurrence, special features, and other criteria outlined in the NSF protocols. Field sites were visited using Google Glasses for a remote joint visit to sites. Videos of some sites were also reviewed. NSF selected and interviewed stakeholders such as contract loggers, landowners and other interested parties, and interviewed employees within the organization to confirm that the SFI Standard was understood and actively implemented.

The possible findings of the audit included conformance, major non-conformance, minor non-conformance, opportunities for improvement, and practices that exceeded the requirements of the standard.

Overview of Audit Findings

Katahdin Forest Management's SFI Program was found to be in full conformance with the SFI FM Standard with no non-conformances. There were no previous minor non-conformances and corrective action plans to be implemented by Katahdin Forest Management. As such the program was recommended for continued certification.

Communication is a key to the SFI Program. Excellent communication is maintained with KFM management, various contractors, stakeholders, Outcome Based Forestry monitoring and monitors of the conservation easement on the property.

The next Surveillance Audit is scheduled for the week of September 13, 2021.

General Description of Evidence of Conformity

NSF's audit team used a variety of evidence to determine conformance. A general description of this evidence is provided below, organized by SFI Objective.

Objective 1 Forest Management Planning

To ensure forest management plans include long-term sustainable harvest levels and measures to avoid forest conversion.

Summary of Evidence: The forest management plan and supporting documentation, and the associated FIS, GIS, and growth models were the key evidence of conformance.

Objective 2 Forest Health and Productivity

To ensure long-term forest productivity, carbon storage and conservation of forest resources through prompt reforestation, afforestation, minimized chemical use, soil conservation, and protecting forests from damaging agents.

Summary of Evidence: Field observations and associated records were used to confirm practices consistent with the requirements. The Company has programs for reforestation, for protection against insects, diseases and wildfire, and for careful management of activities which could potentially impact soil and long-term productivity.

Objective 3 Protection and Maintenance of Water Resources

To protect the water quality of rivers, streams, lakes, wetlands and other water bodies through meeting or exceeding best management practices.

Summary of Evidence: Field observations of a range of sites were the key evidence. Auditor visited the portions of many field sites that were close to water resources. Review of forest management plan, state BMPs, Outcome Based Forestry metrics, and contracts was also conducted.

Objective 4 Conservation of Biological Diversity

To manage the quality and distribution of wildlife habitats and contribute to the conservation of biological diversity by developing and implementing stand- and landscape-level measures that promote a diversity of types of habitat and successional stages, and the conservation of forest plants and animals, including aquatic species, as well as threatened and endangered species, Forests with Exceptional Conservation Value, old-growth forests and ecologically important sites.

Summary of Evidence: Field observations, written plans and policies, and regular staff involvement in conferences and workshops that cover scientific advances were the evidence used to assess the requirements involved biodiversity conservation.



Objective 5 Management of Visual Quality and Recreational Benefits

To manage the visual impact of forest operations and provide recreational opportunities for the public.

Summary of Evidence: Field observations of completed operations and policies for visual quality were assessed during the evaluation. Katahdin Forest Management relies primarily on shelterwood systems, not silvicultural clear-cuts. Involvement in the North Maine Woods program and agreements for snowmobile, cross-county skiing, hiking, and multi-use trails helped confirm a strong recreation program.

Objective 6 Protection of Special Sites

To manage lands that are geologically or culturally important in a manner that takes into account their unique qualities.

Summary of Evidence: Field observations of completed operations, records of special sites, training records, written protection plans, and GIS maps and inventory were all assessed during the evaluation.

Objective 7 Efficient Use of Fiber Resources

To minimize waste and ensure the efficient use of fiber resources.

Summary of Evidence: Field observations and monitoring results of completed operations, contract clauses, and discussions with supervising foresters provided the key evidence.

Objective 8 Recognize and Respect Indigenous Peoples' Rights

To recognize and respect Indigenous Peoples' rights and traditional knowledge.

Summary of Evidence: The Company has a policy for respecting tribal knowledge and rights and for responding to requests, as well as a record of cooperative relationships regarding maintenance of common boundary lines.

Objective 9 Legal and Regulatory Compliance

To comply with applicable federal, provincial, state and local laws and regulations.

Summary of Evidence: Field reviews of ongoing and completed operations, systems to ensure compliance, and the regulatory record were the most critical evidence. Interviews with the Conservation Easement Manager and OBF Panel Member were also conducted.

Objective 10 Forestry Research, Science and Technology

To invest in forestry research, science and technology, upon which sustainable forest management decisions are based and broaden the awareness of climate change impacts on forests, wildlife and biological diversity.

Summary of Evidence: Financial records for dues, contributions, and memberships, and research sites and activities on lands within the scope were documented. Meetings and seminars provide awareness and understanding of research for sustainable forest management decisions.

Objective 11 Training and Education

To improve the implementation of sustainable forestry practices through appropriate training and education programs.

Summary of Evidence: Training records of selected personnel, records associated with harvest sites audited, and stakeholder interviews were the key evidence for this objective.

Objective 12 Community Involvement and Landowner Outreach

To broaden the practice of sustainable forestry through public outreach, education, and involvement, and to support the efforts of SFI Implementation Committees.

Summary of Evidence: Evidence of support for the Maine SFI Implementation Committee and long-time involvement in the Maine Forest Products Council, North Maine Woods, Maine TREE Foundation, Keeping Maine's Forests and many other organizations were sufficient to assess conformance with the requirements.

Objective 13 Public Land Management Responsibilities

To participate and implement sustainable forest management on public lands.

Summary of Evidence: N.A. The Company does not have management responsibilities for public lands.



Objective 14 Communications and Public Reporting

To increase transparency and to annually report progress on conformance with the SFI Forest Management Standard.

Summary of Evidence: *Summary Audit Report witnessed on SFI, Inc. website. Review of Annual Progress Report confirms record keeping is adequate and that reports are submitted on time.*

Objective 15. Management Review and Continual Improvement

To promote continual improvement in the practice of sustainable forestry by conducting a management review and monitoring performance.

Summary of Evidence: *Records of program reviews, agendas, and notes from management review meetings and interviews with personnel from all involved levels in the organization were assessed.*

Relevance of Forestry Certification

Third-party certification provides assurance that forests are being managed under the principles of sustainable forestry, which are described in the Sustainable Forestry Initiative Standard as:

1. Sustainable Forestry

To practice *sustainable forestry* to meet the needs of the present without compromising the ability of future generations to meet their own needs by practicing a land stewardship ethic that integrates *reforestation* and the managing, growing, nurturing and harvesting of trees for useful products and *ecosystem services* such as the *conservation* of soil, air and water quality, carbon, *biological diversity*, *wildlife* and *aquatic habitats*, recreation and aesthetics.

2. Forest Productivity and Health

To provide for regeneration after harvest and maintain the productive capacity of the forest land base, and to protect and maintain *long-term* forest and soil *productivity*. In addition, to protect forests from economically or environmentally undesirable levels of wildfire, pests, diseases, *invasive exotic plants and animals* and other damaging agents and thus maintain and improve *long-term forest health* and *productivity*.

3. Protection of Water Resources

To protect water bodies and *riparian areas* and to conform with forestry *best management practices* to protect water quality.

4. Protection of Biological Diversity

To manage forests in ways that protect and promote *biological diversity*, including animal and plant species, *wildlife habitats*, and ecological or natural community types.

5. Aesthetics and Recreation

To manage the visual impacts of forest operations, and to provide recreational opportunities for the public.

6. Protection of Special Sites

To manage lands that are ecologically, geologically or *culturally important* in a manner that takes into account their unique qualities.

7. Responsible Fiber Sourcing Practices in North America

To use and promote among other forest landowners *sustainable forestry* practices that are both scientifically credible and economically, environmentally and socially responsible.

8. Legal Compliance

To comply with applicable federal, provincial, state, and local *forestry* and related environmental laws, statutes, and regulations.

9. Research

To support advances in sustainable forest management through *forestry* research, science and technology.

10. Training and Education

To improve the practice of *sustainable forestry* through training and education *programs*.

11. Community Involvement and Social Responsibility

To broaden the practice of *sustainable forestry* on all lands through community involvement, socially responsible practices, and through recognition and respect of *Indigenous Peoples' rights* and *traditional forest-related knowledge*.



12. Transparency

To broaden the understanding of forest certification to the *Fiber Sourcing* Standard by documenting certification audits and making the findings publicly available.

13. Continual Improvement

To continually improve the practice of forest management, and to monitor, measure and report performance in achieving the commitment to *sustainable forestry*.

14. Avoidance of *Controversial Sources* including *Illegal Logging in Offshore Fiber Sourcing*

Applies only to the SFI 2015-2019 Fiber Sourcing Standard

To avoid wood fiber from illegally logged forests when procuring fiber outside of North America, and to avoid sourcing fiber from countries without effective social laws.

Source: *Sustainable Forestry Initiative® (SFI) Standard, 2015–2019 Edition*

For Additional Information Contact

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