

Schedule G - Licensee Performance Evaluation Criteria - Aug 1st, 2014

Themes	Values	Goals	Objectives	Key Progress Indicators	Expected Outcome	Reporting Resolution	Responsible for Work	Accountable for Outcome	Corrective Action	Punitive Damages	Measurement Frequency	
Stewardship of the Environment	Terrestrial Biodiversity	The full variety of healthy and resilient native forested ecosystems are present and sustainable across their ecological ranges.	Functional patches of old forest will be retained across each ecoregion in each of 14 identifiable community types. Objective levels in each ecoregion aim to sustain at least 6-8% in old age classes of each forest community's total area (1980's inventory).	Severity of 3 rd party audit findings for conformance to harvest standards for operating within OFC	The designated Stands that meet the required structure to provide OFC prior to harvest must continue to provide the required structure following harvest, both spatially and temporally	OFC type by License	Licensee	Licensee	Loss more than 5 hectares to be replaced to DNR's satisfaction	Additional 1x royalty penalty to be paid on area losses in excess of 5 hectares	Annual	
			Old Forest Community objectives by ecoregion attached - Appendix 1									
			The full diversity of mature forest ecosystems will be represented in Protected Natural Areas. Natural processes will be permitted to unfold with minimal human influence.	Severity of 3rd party audit findings for encroachment into PNA	There is no encroachment of industrial activities within the PNA	License	Licensee	Licensee	Loss more than 2 hectares to be replaced to DNR's satisfaction	Additional 1x royalty penalty to be paid on area losses in excess of 2 hectares	Annual	
		Forestry operations encountering site-specific habitats (including rare species, bear dens, raptor nest sites, etc.) maintain their associated function(s).	Evidence of processes that enable forestry crews to recognize and conserve the function of SSH.	A meaningful effort made to have staff trained and encouraged to find, identify and protect SSH values	License	Licensee	Licensee	Implementation of action plans as per certification		5 years		
	The full range of native forest-dwelling vertebrates are present and sustainable across their ecological ranges.	Populations of all 161 native vertebrate species will be maintained. For the 53 old forest dependant species, functional patches of old forest habitat will be maintained to support populations in geographic sub-region where the species is native.	Severity of 3rd party audit findings for conformance to harvest standards for operating within OFWH	Stands that meet the required structure to provide OFWH prior to harvest must continue to provide the required structure following harvest, both spatially and temporally	OFWH type by License	Licensee	Licensee	Loss more than 5 hectares to be replaced to DNR's satisfaction	Additional 1x royalty penalty to be paid on area losses in excess of 5 hectares	Annual		
		Old Forest Wildlife Habitat objectives by ecoregion attached - Appendix 2										
	Populations of consumptively used wildlife are maintained at desired levels.	Habitat structures to support herds through severe winters will be maintained in 169 traditional white tail deer wintering areas.	Severity of 3rd party audit findings for conformance to harvest standards for operating within DWA	Stands that meet the required structure to provide DWA habitat prior to harvest must continue to provide the required structure following harvest, both spatially and temporally	License	Licensee	Licensee	Loss more than 5 hectares to be replaced to DNR's satisfaction	Additional 1x royalty penalty to be paid on area losses in excess of 5 hectares	Annual		
	Water Quality & Aquatic Ecosystems	The integrity of watercourses and wetlands will be maintained so as to preserve the physical, chemical, and biological properties and functions of these systems in their natural state.	All perennial watercourses and wetlands greater than 1 ha will be protected through 30 m buffer zones. Buffer zones will be managed to regulate micro-climate, provide organic matter, maintain aquatic habitat, and act as sediment filters.	Severity of 3rd party audit findings for conformance to legislative framework and harvest standards for operating within buffers	Following harvest operations, buffer zone structure must continue to provide an adequate microclimate, organic matter input, water temperature, and protection against sedimentation over time	License	Licensee	Licensee	Potential for siltation of watercourses to be repaired		Annual	
			See "Forest Management Manual for NB Crown Lands, Results-based Forestry Option"									
			Forest road construction and maintenance will manage the physical impact to water quality and fish passage by means of effective planning, and well designed and executed crossings	Severity of 3rd party audit findings for conformance to legislative framework for installation of watercourse crossings	The crossing installation controls sedimentation and minimizes damage to water quality and to the stream bed. Installed crossings are properly located, stabilized, sized for predicted flows and accommodate fish passage where required.	License	Licensee	Licensee	Inadequate installations to be repaired		Annual	
			Evidence of progress in maintaining watercourse crossings which have been identified for repair due to environmental concerns.	Existing watercourse crossing structures with identified environmental or liability issues are prioritized and corrected in an appropriate manner.	License	Licensee	Licensee	Implementation of action plans as per certification		Annual		
			Waterways in designated watersheds will be protected by 75m buffer zones that will be managed to minimize physical effects that harvest could have on water quality.	Severity of 3rd party audit findings for conformance to legislative framework and harvest standards for operating within buffers within designated watersheds	Following harvest operations, buffer zone structure must continue to provide an adequate microclimate, organic matter input, water temperature, and protection against sedimentation over time	License	Licensee	Licensee	Potential for siltation of watercourses to be repaired		Annual	
See "Forest Management Manual for NB Crown Lands, Results-based Forestry Option"	Severity of 3rd party audit findings for conformance to legislative framework for operating within designated watersheds	Harvest opening size, arrangement and dispersion will protect water quality	License	Licensee	Licensee	Implementation of action plans as per certification		5 years				
Soil	Harvest and silviculture operations on Crown land will preserve soil function, processes, and health through minimizing disturbance and contamination.	Forest operations will minimize rutting through careful planning, and effective response when incidents occur.	Severity of 3rd party audit findings for conformance to J.D. Irving's site disturbance SOP for harvest and site-preparation of Crown forests	Site productivity losses are minimized and siltation to watercourses is avoided.	License	Licensee	Licensee	Implementation of action plans as per certification		Annual		
		Environmental contamination due to spillage of hazardous materials (fuels, oils, pesticides, etc.) will be minimized. Operations will effectively clean and/or mitigate any contaminations that do occur.	Severity of 3rd party audit findings for conformance to J.D. Irving's fuel and oil spill SOP for avoiding, reporting, and reacting to spillage of hazardous materials.	Following industrial operations, sites are free of environmental contaminants	License	Licensee	Licensee	All spills to be cleaned		Annual		
		The permanent net loss of productive forest area due to heavy harvest debris will be minimized.	Severity of 3rd party audit findings for conformance to J.D. Irving's logging slash dispersal SOP for harvest of Crown forests	Following industrial operations, loss of productive forest area will be minimized.	License	Licensee	Licensee	Implementation of action plans as per certification		Annual		

Supporting a Vibrant Forest Sector	Growing the Resource	Crown forests will be primarily managed to maximize Sp/bf/jp saw timber harvest in the short-term and grow it in the long-term.	Growth of plantings, precommercial thinnings, and commercial thinnings relative to performance expectations (crop tree height, crown dominance, and stocking) which anchor the forest management plan	Silviculturally treated areas meet or exceed a minimum developmental standard. In addition, the average growth rates are on track to providing the product expectations set forth in the forest management plan.	Management Status X License	Licensee	Licensee	Reimbursed areas will be treated. Underperformance to be mitigated	Unmitigated losses to be reimbursed to a maximum of \$1,000,000	5 years
		Supply of mixed hardwood species from Crown lands will be maintained in the short-term. In the long-term, overall hardwood supply will decline to a sustainable level through a reduction in the inventory of lower value species and products.	Proportional change in short-term, mid-term, and long-term harvest opportunity in successive management plans resulting from the cumulative impact of forest management activity on the License.	Industrial operations are consistent with the objectives of the forest management plan and do not compromise the future harvest potential of the License for any allocated species or product.	Timber Objectives X License	Licensee	Licensee	Allocation to be forfeited in amount equal to attributable losses		5 years
		License-level timber objectives attached - Appendix 3	Severity of 3rd party audit findings for conformance to the Dept. of Natural Resources' quality tolerant hardwood harvest policy	Stands that are dominated by desired quality tolerant hardwood species are harvested so that those species are regenerated and that quality wood products are developed.	License	Licensee	Licensee	Implementation of action plans as per certification		5 years
		Crown forests will be used to sustainably supply timber to NB's forest sector. Forest management will plan harvest and silviculture activities such to optimize the potential economic value of wood fiber from Crown lands.	Forest area where white pine trees are dominant	Stands that are dominated by white pine are harvested so that white pine is regenerated and that quality wood products are developed.	License	Licensee	Licensee	Implementation of action plans as per certification		5 years
		Where high-quality tolerant hardwoods or white pine are dominant, forestry activity will focus on culturing a sustainable supply of quality saw timber. There should be no net-loss of such area on a License.	Severity of 3rd party audit findings for conformance to J.D. Irving's Environmental Management System and associated work orders and standard operating procedures	Operators and other field staff are aware of relevant features in their surroundings, and are aware of policy or regulation that influences their work and act accordingly.	License	Licensee	Licensee	Implementation of action plans as per certification		Annual
		Harvest and silviculture operations on Crown land will be controlled using site-level prescriptions that consider forest type, environmental features, neighboring land uses, related policy, and the legislative framework in the context of forest management objectives.	Time-adjusted stumpage value of Crown forests	The value of stumpage on the License following industrial operations meets or exceeds the projected future value set forth in the forest management plan.	License	Licensee	Licensee	Unapproved loss of Crown stumpage value to be mitigated within 1 planning period	Unmitigated losses to be reimbursed to a maximum of \$1,000,000	5 years
	The overall forest management activity by the Licensee will maintain the financial value of the Crown forest inventory.									
	Optimizing the Value Chain	New Brunswick industries will strive to maximize their utilization of the available AAC from Crown lands at all times.	The ratio of consumption / Crown allocation	Rate of harvest is consistent with allocations on the License; allocated users have access to and utilize their allocations	Timber Objectives X License	Licensee	GNB	Implementation of action plans as per certification	Additional 1x royalty penalty on volume harvested in excess of 110% of AAC and 102% of running 5 year period	Annual
		Trees harvested from Crown forests will be used to provide maximum benefit to the people of New Brunswick.	Severity of 3rd party audit findings for conformance to the Dept. of Natural Resources' product utilization standards	Economic value of harvested volume for GNB is maximized.	License	Licensee	Licensee	Royalty is paid on all timber harvested from the License	Penalties as prescribed in the Forest Management Manual	Annual
		Industry will strive for 100% of trees felled from Crown land to be processed into products which contribute to NB's economy. Economic value to Government will be maximized.	Severity of 3rd party audit findings for conformance to the Dept. of Natural Resources' waste standards	100% of wood harvested is utilized.	License	Licensee	Licensee	Royalty is paid on all timber harvested from the License	Penalties as prescribed in the Forest Management Manual	Annual
Maintaining Social License To Operate	Access to Crown Forests	Forest road networks will allow traditional non-commercial access to Crown lands	In addition to use for forest management, designated roadways will be maintained in passable condition for the purpose of allowing traditional public access to Crown lands for recreation and non-commercial uses.	Evidence of progress in completing designated road maintenance and repair projects which have been identified due to safety and public access concerns.	Designated roads with identified safety or public access issues are prioritized and corrected in an appropriate manner.	License or Major Watershed	Licensee	Licensee	Implementation of action plans as per certification	Bi-annual
		Forests surrounding waterways of traditional high-recreational use will be managed to maintain aesthetic quality, user experience, and integrity	Forest harvest activities will respect Crown Angling Leases, Canadian Heritage Rivers, and other waterways of high-recreational use through special designated buffer zones.	Severity of 3rd party audit findings for conformance to standards for operating within designated recreational buffer zones	Following harvest operations, buffer zone structure must continue to provide aesthetic value.	Designated Waterway	Licensee	Licensee	Potential for siltation of watercourses to be repaired	Bi-annual
	Transparency	DNR, Stakeholders, and members of the public will have access to important information regarding the management of Crown forests.	A forest management plan will be prepared which demonstrates how current and planned activities achieve Government's economic and environmental objectives. The forest management plan will be no more than 5 years old; 10 years of planned harvest activities will be mapped and the document will be publically available.	Online forest management plan and summary	Public have free access to the current forest management plan and summary in a web format on DNR and J.D. Irving websites.	License	Licensee	Licensee	Implementation of action plans as per certification	5 years
			An annual operating plan will be prepared which maps the approximate location of planned harvest, silviculture, and road construction activities. These maps will be publically available and no older than 1 year.	Online annual operating plan	Public have free access to spatial information on planned harvest activities for the upcoming year in a web format on J.D. Irving website.	License	Licensee	Licensee	Implementation of action plans as per certification	Annual
			An annual report will be prepared which details the activity on the License over the previous operating season. See "Forest Management Manual for NB Crown Lands, Results-based Forestry Option"	Annual report	DNR is provided accurate information on forest activities, updates on annual indicators, certification audit results, and financial KPIs for the previous year operations on Crown lands.	License	Licensee	Licensee	Implementation of action plans as per certification	Annual
An online operations activity map will be maintained and will be available to DNR staff.	Online activity map (updated as per J.D. Irving's business rules)	Location of active harvest operations are available to DNR staff on a web-based activity map.	License	Licensee	Licensee	Implementation of action plans as per certification	Annual			
A financial statement will be prepared with information on royalty paid for Crown timber, License management service fees collected, and silviculture expenses (reimbursed or in-kind). Variances between actual and budgeted amounts will be explained.	Financial report (to be included in annual report)	Government has a clear understanding of where monies transferred to Licensees were spent in exchange for services. Royalty payments in exchange for wood harvested is clearly linked to accepted scaling practice. Substantial variances from budgeted amounts are accompanied by detailed explanations of the circumstances.	License	Licensee	Licensee	Implementation of action plans as per certification	Annual			