**Corrective Action Request Verification Report**

<table>
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<tr>
<th>Organization Name:</th>
<th>Syndicat des Producteurs de Bois de l'Estrie</th>
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<tbody>
<tr>
<td>Certificate Code:</td>
<td>SW-FM/COC-004614</td>
</tr>
<tr>
<td>Location:</td>
<td>4300, boul. Bourque, Sherbrooke, QC J1N 2A6</td>
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<td>Report Date:</td>
<td>September 2, 2011</td>
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**I. AUDIT PROCESS**

| Auditor, qualifications: | Alexandre Boursier, ing.f., M.Sc. |
| Audit date:              | July 12, 2011                      |
| Review process:          | The auditor reviewed the documents provided by the Syndicat des Producteurs de Bois de l'Estrie (SPBE) during a desk audit. Telephone interviews between the auditor and the SPBE were conducted in order to clarify some of the evidence provided and to finalize the report. |

The SPBE provided the following documentation:
- News-bulletin number 1 was sent to the CMO members of the group;
- Copy of the notes sent to every CMO member of the group;
- Register signed by the representatives of every CMO attesting that they acknowledge the two documents mentioned above;
- Portrait of the evolution of the private forest of Estrie;
- Justification of the relative objective to the stages of development;
- 16 photos of retention achieved during the winter 2010-2011 as well as a description of every photo;
- Work instruction of INS-08-01.07 follow-up of the maintenance of residual structures.

| Audit overview: | The SPBE forwarded SmartWood the documents to demonstrate conformance with the two major CARs on June 3, 2011, which was approximately one week before the 3 month timeline for conformance. The additional documents were provided on August 2 at the request of the auditor. |
| Changes to procedures since last audit: | None |
II. CAR REVIEW

<table>
<thead>
<tr>
<th>CAR 11/10</th>
<th>Reference to the standard: 6.3.2</th>
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<tbody>
<tr>
<td>Non conformance</td>
<td>The portrait of the natural forest of Estrie is not achieved. Some elements of the literature magazine and findings of the authors depict the processes to maintain, to improve or to restore natural conditions in natural forests. However, the quantitative objectives are yet to be defined.</td>
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**Corrective action request:**
The SPBE shall define quantitative objectives of short to medium-term with the help of specialists to maintain, to improve or to restore natural conditions in natural forests. Besides, the management plans of the SPBE should be elaborated to assure implementation of these quantitative objectives.

**Timeline for Compliance:**
Three months after the final report.

**Evidence to close CAR:**
As noted at the time of the last annual audit, the SPBE provided quantitative objectives aiming to improve or to restore the natural conditions of the forest. Therefore, SPBE identifies some objectives for what is:

- of the development stage:
  - The present forest contains a bigger young forest proportion than the historic forest. The goal of this objective can amount to aging the forest or to give it attributes of old forest by means of hammering and gardening. The SPBE intends to grow the mature population (90-120 years plus proportion from 12% to 35%). The SPBE harvests the species early successional species, leave stems of strong diameter, trees with defects, decaying and dying stems, stumps, etc.
  - The SPBE also presents the argument that all owners don’t actively manage their property. These areas contribute, or are going to contribute, to the increase of the mature forest proportion on the territory.

- of the structure of the populations:
  - The present forest contains a more even-aged age-class distribution than the historic forest. The goal is therefore to decrease the even-aged and to increase the uneven-aged by means of improvement cutting. Notably, the SPBE intends to transition the even-aged class from 62% to 37%. Therefore, the SPBE removes in priority the intolerant species (fir, poplars, birches) and encourages the tolerant deciduous species (maples, etc.).

- of the types of population;
  - The present forest contains less populations of mixed to tolerant deciduous species than the historic forest. The goal is therefore to decrease the intolerant hardwood species by means of the EPC. The SPBE intends to transition the mix to tolerant hardwood from 14% to 20%.

These findings confirm the initial findings to the effect that the SPBE has...
established objectives. For the second part of the CAR, (that the management plan of the SPBE be elaborated to assure the implementation of these quantitative objectives), the SPBE presented the argument that the silvicultural prescriptions used currently on the territory already include the treatments identified above, and that they allow the management of the forests to evolve toward the identified objectives. The SPBE presented the argument that the instruction manuals describe the criterion of admissibility of the different treatments such as the cut of improvement, the EPC, etc. A prescription for a block that SmartWood reviewed illustrated sanitation cutting on a weak part of the territory. This CAR can therefore be closed.

This same prescription however illustrated harvests with protection of regeneration and soil on the majority of the area to treat. It is justified considering the state of the area. However, a note for future audits is issued to verify that the selection thinning, cut of improvement and EPC are prescribed effectively and therefore that the SPBE works effectively to achieve its objectives to improve or to restore the natural conditions of the forest.

Note 01/11: The auditors should verify that the selection thinning, cut of improvement and EPC are prescribed effectively and therefore that the SPBE works effectively to achieve its objectives to improve or to restore the natural conditions of the forest.

**CAR Status:** CLOSED

<table>
<thead>
<tr>
<th>CAR 16/10</th>
<th>Reference to the standard: 6.3.8, 6.3.9</th>
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<tbody>
<tr>
<td>Non conformance</td>
<td></td>
</tr>
<tr>
<td><strong>Major</strong></td>
<td><strong>Minor</strong></td>
</tr>
<tr>
<td>X</td>
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There is not a precise objective for various structural components; it is not therefore possible for the SPBE to know if the residual structures in terms of quantity and distribution on the harvesting site are sufficient to fill their ecological functions.

**Corrective action request:**
The SPBE shall establish objectives of retention of the structural components mentioned in indicators 6.3.8 and 6.3.9 (that quantity and distribution of residual structures are sufficient so that they can fill their ecological functions as well as wood debris) according to the managed forest types and the recommended treatments.

**Timeline for Compliance:**
Three months after the final report.

**Evidence to close CAR:**
The gaps identified during the previous audit amount to the two following elements:

1- Need to demonstrate that the targets of retention are based on scientific literature.
   a. Findings of the present audit: SmartWood notes that the targets of the SPBE were near of the numbers suggested by the scientific literature.
2- No quantitative objectives for residual insular patches, and no present residual insular patches on the land.
   a. Findings of the present audit: The quantitative objectives for residual insular patches have been identified, and the SPBE have demonstrated that on a block where harvest took place to during winter 2010-2011, the level of retention had been adequate. A note for future audits is issued however so that the auditors verify that retention is practiced on the whole territory.

Note 02/11: The auditors should verify that the objectives of retention are met on the whole territory, including where the owners conduct their operations themselves.

| CAR Status: | CLOSED |

### III. CONCLUSIONS

#### Audit Conclusions:
- ☒ CAR(s) closed
- ☒ No follow-up required
- ☐ New CAR issued (document new noncompliance in CAR table below)
- ☐ CAR(s) open
- ☐ Company shall be suspended (Major CAR is not met)
- ☐ Minor non-conformance has become a major non-conformance (see CAR tables below)

Note 01/11: The auditors should verify that the selection thinning, cut of improvement and EPC are prescribed effectively and therefore that the SPBE works effectively to achieve its objectives to improve or to restore the natural conditions of the forest.

Note 02/11: The auditors should verify that the objectives of retention are met on the whole territory, including where the owners conduct their operations themselves.

#### Comments/ Follow-up actions at next audit:

Report Approved by: Alexandre Boursier
Date: September 6, 2011

NOTE: Report approval is required when auditor is not an authorized to approve SW reports or when the audit conclusion is suspension of the certificate.