# Corrective Action Verification Audit (CVA) Report

<table>
<thead>
<tr>
<th>Organization:</th>
<th>Silv-Econ Ltd. - Resource Management Consultants</th>
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<tbody>
<tr>
<td>Cert/Ver/Val Code:</td>
<td>SW-FM/COC-001769</td>
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<tr>
<td>Report Date:</td>
<td>March 9th 2014</td>
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## I. AUDIT PROCESS

**Auditor, Qualifications:** Christine Korol, M.F.C., is the Rainforest Alliance Forest Management Associate for Ontario. Christine has a Masters degree in Forest Conservation from the University of Toronto, and a Honours Bachelor of Science degree in Ecology from the University of Guelph. Previously, Christine has worked with organizations such as the World Wildlife Fund, the Grand River Conservation Authority and the Toronto and Region Conservation Authority. Christine has conducted over 50 CoC audits/assessments and 11 FM audits/assessments for the Rainforest Alliance, as well as completed the Rainforest Alliance Lead Auditor Training program.

**Audit Date(s):** February 5th to March 5th, 2014

**CVA Type:** Desk review [ ] On-site [x] Location(s):

**Audit Overview:** The auditor contacted the organization to set a schedule for the delivery of evidence pertaining to the two Major NCRs for evaluation. The group manager forwarded email correspondence with the Métis Nation of Ontario (MNO), as well as CoC procedures and bill of lading documents. The auditor reviewed the documents, and followed up with the group manager as well as the MNO.

**Changes to Scope since last Audit:** N/A

## II. NON-CONFORMITY REPORT (NCR) EVALUATION

<table>
<thead>
<tr>
<th>MAJOR NCR#:</th>
<th>01/12</th>
<th>NC Classification:</th>
<th>Major X</th>
<th>Minor</th>
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<tbody>
<tr>
<td><strong>Standard &amp; Requirement:</strong></td>
<td>Rainforest Alliance Locally adapted Standards for Assessing Forest Management in the Great Lakes/Saint-Lawrence Region, Indicator 3.1.1b</td>
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<tr>
<td><strong>Report Section:</strong></td>
<td>Appendix IV section 3.1</td>
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**Description of Non-conformance and Related Evidence:** The organization has not contacted the Métis to discuss if the Métis have values or concerns related to public or community forests included in the Silv-Econ’s certificate.
2013 Audit Finding Summary: The evidence provided by Silv-Econ to address this NCR was very preliminary, and based largely on informal meetings with the MNR and other SLIMF certificate holders to discuss the issue.

There have been no efforts to contact Métis and there has been no other information collected to gauge potential interests or concerns on public and community lands managed by Silv-Econ. Insufficient evidence was provided to close the prior NCR and in general the steps taken do not demonstrate best efforts to address the root cause of the issue. The NCR has therefore been raised to a Major non-conformance.

Corrective Action Request: Organization shall implement corrective actions to demonstrate conformance with the requirement(s) referenced above.

Note: Effective corrective actions focus on addressing the specific occurrence described in evidence above, as well as the root cause to eliminate and prevent recurrence of the non-conformance.

Timeline for Conformance: Within 3 months of the finalization of this report (February 18, 2014).

Evidence Provided by Organization:
* Email correspondence between Silv-Econ and the Métis Nation of Ontario
* Phone interview with Silv-Econ
* Phone interview with the Métis Nation of Ontario

Findings for Evaluation of Evidence:
Silv-Econ contacted the Métis Nation of Ontario (MNO) via email in November, 2013. The initial contact included a description of the company’s FSC-certified FMUs, as well as Silv-Econ’s desire to establish a relationship with the MNO and discuss any interests the MNO may have in Silv-Econ’s FSC-certified group members. The MNO responded shortly thereafter, requesting maps of the two community forests included in Silv-Econ’s group certificate, which were provided by Silv-Econ.

On January 2, 2014, the MNO expressed an interest for further discussions regarding the 2 FSC-certified community forests. Silv-Econ extended an invitation to meet the week of Jan. 6-10. When no response was received by the MNO, Silv-Econ again emailed the MNO to arrange for a time to discuss the MNO’s values or interests in two of the group’s community forests.

At the time of this CVA, the MNO had not yet responded to Silv-Econ’s request to discuss the MNO’s interests on Silv-Econ’s group member’s FMUs.

The auditor contacted the MNO, who confirmed that the Land, Resources and Consultation Branch look forward to beginning the relationship building process and are hoping to be in contact with Silv-Econ to see if a meeting date can be arranged sometime in April.

The auditor concludes that the FME has made timely efforts following the 2013 annual audit to contact the MNO, provide maps and information as requested, as well as good attempts to schedule a discussion with the MNO. Despite the fact that both the FME and MNO have not yet discussed the MNO’s values and interests, actions to date suggest progress in this regard. Based on the efforts made by the company, the NCR is considered closed.

However, since the MNO has confirmed their interest in particular FMUs in Silv-Econ’s group certificate, NOTE 01/14 is issued for future audit teams to follow up on actions taken by Silv-Econ to move the conversation forward and to discuss these interests.

NCR Status: CLOSED
Comments (optional): See NOTE 01/14.
### Major NCR#: 02/12  
**NC Classification:**  
- Major X  
- Minor  

<table>
<thead>
<tr>
<th>Standard &amp; Requirement:</th>
<th>FM-35 section 3.1</th>
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<tr>
<td>Report Section:</td>
<td>Appendix V section CoC 3.1</td>
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### Description of Nonconformance and Related Evidence:

Bill of Ladings or harvest contracts for wood harvested from the Keeso group members were not provided to the auditor. It could therefore not be verified whether the FSC claim and code were included on documentation for FSC-certified wood harvested over the audit period.

#### 2013 Audit Finding Summary:

The bills of lading reviewed included an FSC promotional panel only, which does not represent the FSC claim or the FSC code, as is required by indicator 3.1 of the FM-35 standard for chain of custody for FMEs.

### Corrective Action Request:

Organization shall implement corrective actions to demonstrate conformance with the requirement(s) referenced above.

Note: Effective corrective actions focus on addressing the specific occurrence described in evidence above, as well as the root cause to eliminate and prevent recurrence of the nonconformance.

### Timeline for Conformance:

Within 3 months of the finalization of this report (February 18, 2014).

### Evidence Provided by Organization:

- Tracking Certified Wood Operating Procedures (February 2014)
- Bill of Lading samples for wood harvested since the 2013 annual audit

### Findings for Evaluation of Evidence:

Silv-Econ provided updated procedures describing their CoC tracking and handling process. The procedures state that a bill of lading (BOL) will accompany each load of wood leaving a certified woodlot.

The company provides harvest contractors with BOLs to complete. A sample of the BOLs to be used was provided (8 BOLs were reviewed, covering all sites harvested since the 2013 audit) and currently includes a hand written FM/CoC code for Silv-Econ’s group certificate, as well as a hand written FSC claim (FSC 100%). The group manager plans on re-printing BOL booklets to include the FSC claim and the organization’s FM/CoC code on the BOL. In the meantime, a few BOL booklets remain and the group manager will include these FSC requirements on the BOLs by hand.

Overall, Silv-Econ has implemented measures to ensure that the FSC claim and FM/CoC code are included on all BOLs accompanying FSC material harvested from on FSC-certified properties. The requirements of this indicator have been met.

However, during the evaluation of this NCR, issues pertaining to other aspects of the BOL tracking system were identified. Refer to NCR 01/14.

### NCR Status:

CLOSED

Comments (optional):  
See NCR 01/14.

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**III. CONCLUSIONS**

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<thead>
<tr>
<th>NCRs Closed:</th>
<th>☑ No follow-up required related to closed NCRs</th>
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<tr>
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<td>☑ Original NCRs closed and new NCR(s) issued, see section IV below</td>
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<thead>
<tr>
<th>NCRs Open:</th>
<th>☐ Certification/Verification/Validation not approved; conformance with NCRs required</th>
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<tbody>
<tr>
<td></td>
<td>☐ Major NCRs not closed; suspension of certification/verification required</td>
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IV. OPEN NCRs

Newly issued or upgraded NCRs:

<table>
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<tr>
<th>NCR#</th>
<th>Date</th>
<th>NC Classification:</th>
<th>Standard &amp; Requirement:</th>
<th>Report Section:</th>
<th>Description of Nonconformance and Related Evidence:</th>
</tr>
</thead>
<tbody>
<tr>
<td>01/14</td>
<td></td>
<td>Major, Minor X</td>
<td>FM-35 section 2.3</td>
<td>Appendix V section CoC 2.3</td>
<td>CoC 2.3 requires that the “FME shall have a system that ensures that FME products are reliably identified as FSC certified (e.g. through documentation or marking system) at the forest gate.” Bills of lading are the documents that accompany all loads of wood being delivered to the forest gate. During a review of Silv-Econ’s bill of lading (BOL) system, it was identified that some BOLs were not being completed properly by contractors. Specifically, the FMU (location) of harvest, species and volume were not being correctly recorded on the BOLs. Accompanying mill scale tickets provided by the FME did not provide sufficient information to link the wood delivered to the appropriate BOL (and associated FSC claims). In this way, it is unclear how the incoming products are identifiable as FSC-certified at the forest gate. This is considered a minor NCR, as the issue was not systemic across all BOLs reviewed, but rather an issue with one contractor in particular.</td>
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Corrective Action Request: Organization shall implement corrective actions to demonstrate conformance with the requirement(s) referenced above. Note: Effective corrective actions focus on addressing the specific occurrence described in evidence above, as well as the root cause to eliminate and prevent recurrence of the nonconformance.

Timeline for Conformance: By the next annual audit.

Evidence Provided by Organization: PENDING

Findings for Evaluation of Evidence: PENDING

NCR Status: OPEN

Comments (optional): New Notes as a result of this evaluation:

NOTE 01/14

Reference Standard & Requirement: Rainforest Alliance Locally adapted Standards for Assessing Forest Management in the Great Lakes/Saint-Lawrence Region, Indicator 3.1.1b

The MNO have confirmed their interest in particular FMUs included in Silv-Econ’s group certificate, and Silv-Econ have demonstrated that good efforts have been made in terms of moving forward discussions with the Métis to identify these values and interests. However, at the time of the evaluation of Major NCR 01/12, Silv-Econ and the MNO had not yet met to discuss these interests.

NOTE: Future audit teams to follow up on the efforts made by Silv-Econ to meet and discuss the interests of the Métis, as they pertain to the FMUs included in the scope of Silv-Econ’s FSC certificate.
V. AUDIT REPORT APPROVAL

Note: a formal Q-09 Report Review and Approval (RRA) Checklist conducted by an independent, authorized reviewer is required when the CVA results in certificate/verification/validation issuance or suspension/termination, or when there is a change in scope. In all other cases, the report may be approved with the 2nd checkbox below by an authorized RRA reviewer which may be the CVA auditor, or by a Senior Auditor.

☐ Refer to separate Q-09 RRA Checklist
☒ Report approved by way of this checkbox

Approved by: Mylène Raimbault
Date: March 9th 2014
☒ Salesforce has been completed with applicable files uploaded, and is updated based on any changes to the Organization details or other areas relevant to the CVA.