Public Summary Report for Forest Management

2016 Annual audit

Report for:

Fédération des organismes de gestion en commun du BSL (FOGCBSL)
in
Saint-Alexandre, Québec, Canada

Report Finalized: August 31, 2016
Audit Dates: June 29-30 & July 4-5, 2016
Audit Team: Nicolas Lecomte

Certificate code(s): RA-FM/COC-005023
Certificate issued: July 29, 2015
Certificate expiration: July 28, 2020

Organization Contact: Serge Leclerc
Address: 605, route 289
Saint-Alexandre (Québec)
G0L 2G0

The only official version of this report is the French version. The report below is a translation of the required portions of the French report.

NOTE: More detailed public summary available in French at http://info.fsc.org/
1. **AUDIT PROCESS**

1.1. **Auditors and qualifications**

<table>
<thead>
<tr>
<th>Auditor Name</th>
<th>Nicolas Lecomte, Biol. Ph.D.</th>
<th>Auditor role</th>
<th>Responsible for environmental and forestry aspects</th>
</tr>
</thead>
<tbody>
<tr>
<td>Qualifications:</td>
<td>Nicolas Lecomte is the President of Valeur Nature (a company that focuses in forestry and carbon certification and in scientific communication and developing ecotourism). He specializes in forest ecology and has a doctorate in environmental sciences from the University du Quebec. Nicolas has also received a baccalaureate in Ecology and Evolution from the University of Western Ontario and a Masters of Advanced Studies from the University of Montpellier II in France in the same discipline. For the past 10 years, Mr. Lecomte has mainly focused on sustainable forest management working on behalf of several governmental and non-governmental organizations as well as for the private sector. Mr. Lecomte was a commissioner on the Commission of Natural Resources in the Territory of the Bay James, he is administrator in the Economic Development Corporation of Villebois, VAl Paradis and Beaucanton. Mr. Lecomte has been a Rainforest Alliance auditor since 2007, has completed the Lead Auditor training for the FSC and ISO14001 standard and has performed more than eighty audits both in the boreal forests and the deciduous forests of Quebec, Nova Scotia and Ontario.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

1.2. **Overview of sites visited**

<table>
<thead>
<tr>
<th>Type of site</th>
<th># of Sites Visited</th>
</tr>
</thead>
<tbody>
<tr>
<td>☒ Head office</td>
<td></td>
</tr>
<tr>
<td>☐ Forest districts</td>
<td></td>
</tr>
<tr>
<td>☒ Forest sites</td>
<td>37</td>
</tr>
<tr>
<td>☐ Other sites:</td>
<td></td>
</tr>
</tbody>
</table>
2. AUDIT FINDINGS AND RESULTS

2.1. Changes in the forest management of the Forest Management Enterprise (FME) and/or standard and stakeholder issues

<table>
<thead>
<tr>
<th>Issue</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>☐ Changes in the forest management of the FME have occurred since the last audit</td>
<td>No changes since the last audit except for the addition and removal of members. The FOGCBSL has a total of 5211 management units for 2016 versus 5369 in 2015.</td>
</tr>
<tr>
<td>☑ Updates to group member list (if yes, see section 2.5 below)</td>
<td></td>
</tr>
<tr>
<td>☐ Changes in the forest management standard used for audit have occurred since the last audit</td>
<td></td>
</tr>
<tr>
<td>☐ Stakeholder comments on the forest management of the FME were received</td>
<td>Comment summary and RA response: No issues raised by the interviewed stakeholders</td>
</tr>
</tbody>
</table>

Pesticide Use

☒ FME does not use pesticides. (delete rows below)

2.2. Excision of areas from the scope of certificate

☒ Not applicable. Check this box if the FME has not excised areas from the FMU(s) included in the certificate scope as defined by FSC-POL-20-003. (delete the rows below if not applicable)

☒ The FME has excised areas from FMU(s) included in the scope of the certificate since the last assessment/audit? If yes complete sections A & D below.

☒ The FME excised areas from FMU(s) included in the scope of the certificate prior to the last assessment/audit, and conformance with FSC-POL20-003 was evaluated? If yes complete sections B and C below.

A. Comments/Explanation for the excision of the FMU of the certification:

Finding: 7 OGC (Organisme de gestion en commun or name translated: joint management group) are members of the FOGCBSL, of which 6 are part of the certificate. The SER des Monts is not part of the certificate.

B. Rationale for excision of area from FMU(s) included in scope of evaluation:

Note: Rationale shall be consistent with one of the permitted conditions specified in FSC-POL-20-003, under which such certifications may be permitted.

Finding:

C. Summary of conformance evaluation against requirements of FSC-POL-20-003

Finding:

D. Control measures to prevent contamination of certified wood with wood from excluded/excised forest areas.

Finding: No control measure is needed since the management/timber transport activities of each OGC is independently managed. Thus, there is no risk of contamination.

To prevent risks of contamination of certified wood by non-certified wood, the latter are no identified the same way on the transport authorization sheets. Truckers are trained, aware and monitored in order to
properly separate both types throughout the entire process. Ideally, there must not be any stows with certified and non-certified timber, but in case it is essential to ensure the profitability of the shipment, skids placed perpendicular to the stacked timber help to accurately distinguish them. If they are deemed to high risk by the head of the CoC in some situations or with certain transporters, he can require the stows not to be mixed. If there is any doubt about a stow, the timber on that stow will not be considered as certified. In some cases, the timber can be temporarily routed to an intermediate yard where it can be specifically identified by paint or placed separately to avoid any contamination.

2.3. Conformance with applicable nonconformity reports

The section below describes the activities of the certificate holder to address each applicable non-conformity report (NCR) issued during previous evaluations. For each NCR a finding is presented along with a description of its current status using the following categories. Failure to meet NCRs will result in non-conformances being upgraded from minor to major status with conformance required within 3 months with risk of suspension or termination of the Rainforest Alliance certificate if Major NCRs are not met. The following classification is used to indicate the status of the NCR:

<table>
<thead>
<tr>
<th>Status Categories</th>
<th>Explanation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Closed</td>
<td>Operation has successfully met the NCR.</td>
</tr>
<tr>
<td>Open</td>
<td>Operation has either not met or has partially met the NCR.</td>
</tr>
</tbody>
</table>
NCR#: 01/15  NC Classification: Major Minor X

Standard & Requirement: Rainforest Alliance/SmartWood standard locally adapted for assessment of forest management in the Great Lakes/St. Lawrence region, with modifications to accommodate small and low intensity managed forests (SLIMFs) - August 2010, Indicator 1.1.1

Report Section: Appendix II

Description of Non-conformance and Related Evidence:

Standard Requirements:
The manager, staff and/or contractors understand their obligations regarding forestry, environmental, labour and health and safety regulations and a system is in place whereby staff are kept up-to-date with new regulations.

Finding:
The auditors have noted that there is a good collaboration between the representatives of municipalities and OGCs. That said, the staff of a municipality said some OGCs had little contact with them annually even though they perform several forestry work within their municipality. Furthermore, during this audit the auditors examined that there had been during the last year some non-compliance with municipal agreements or regulations as the OGCs were not aware of the latter. During the audit, the OGCs had complied with the requirements of the municipalities. However, the OGCs have not demonstrated that there is a system that allows to keep staff informed of regulations and updates as required by indicator 1.1.1.

Related Evidence:
- Letter of the Municipality of Saint-Damascus Matapedia
- Interviews

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: By the next annual audit

Evidence Provided by Organization:
- Minutes of the FOGCBSL meeting
- Letters between FOGCBSL members
- Emails sent to the municipalities
- Interviews with OGCs

Findings for Evaluation of Evidence:
Following the issuance of this NCR, FOGCBSL members met and decided to implement a procedure that obligates each OGC to send an email to all municipalities concerning them in order to find out if there were new municipal regulations that could influence the OGC activities. The interviews carried out by the auditor and the copies of the letters provided by the applicant confirm that the applicant now maintains constant communications with the municipalities to stay informed about any changes on the regulations that could affect their operations.
The applicant having improved the system in place to be kept informed about the regulations and updated regarding the municipalities, this non-conformance can be closed.

NCR Status: CLOSED

Comments (optional):
<table>
<thead>
<tr>
<th><strong>NCR#:</strong></th>
<th>02/15</th>
<th><strong>NC Classification:</strong></th>
<th>Major</th>
<th>Minor X</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Standard &amp; Requirement:</strong></td>
<td>Rainforest Alliance/SmartWood standard locally adapted for assessment of forest management in the Great Lakes/St. Lawrence region, with modifications to accommodate small and low intensity managed forests (SLIMFs) - August 2010, Indicator 6.3.15</td>
<td></td>
<td></td>
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</tr>
<tr>
<td><strong>Report Section:</strong></td>
<td>Appendix II</td>
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</tbody>
</table>

**Description of Non-conformance and Related Evidence:**

**Standard Requirements:**
Regeneration occurs in a timely fashion, and consistent with successional objectives as outlined in 6.3.1.

**Finding:**
Some OGCs plan to exclusively reforest white spruce on old wasteland that demonstrate a low potential to be invaded by secondary species. The applicant has not demonstrated how the reforestation of old wildlands exclusively with white spruce represents a regeneration that conforms to the successions of objectives determined in 6.3.1 and a reforestation approach that is inspired by natural processes such as required the criterion 6.3. This causes the issuance of this NCR.

**Related Evidence:**
- Field visit
- Interview

**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:**
By the next annual audit

**Evidence Provided by Organization:**
- 2016 reforestation table
- Minutes of the FOGCBSL meeting
- Field visits

**Findings for Evaluation of Evidence:**
Following the issuance of this NCR the FOGCBSL members met to implement a strategy to address this NCR. FOGCBSL’s strategy in regards to the reforestation of the white and black spruce consists in enabling a mixture of species (with white pine, white cedar and/or red spruce) everyone on the territory and especially on former wild lands. That said, few wild lands are actually reforested by OGCs. The auditor visited several reforestation sites in natural forests where there were sometimes mixed reforestations. A reforestation site on wild land was visited and the latter was reforested with white spruce, white cedar and white pine, consistent with succession objectives set by the applicant.

The applicant meets the requirements of this NCR.

**NCR Status:** CLOSED

**Comments (optional):**
2.4. New nonconformity reports issued as a result of this audit

<table>
<thead>
<tr>
<th>NCR #</th>
<th>01/16</th>
<th>Classification of NC:</th>
<th>Major</th>
<th>Minor X</th>
</tr>
</thead>
<tbody>
<tr>
<td>Standard &amp; indicator:</td>
<td>Rainforest Alliance Locally adapted Standard for Assessing Forest Management in the Great Lakes/Saint- Lawrence region (August 2010), Indicator 7.3.1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Report section:</td>
<td>Appendix IV</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Description of Nonconformance and Related Evidence:**

**Standard Requirements:**
The applicant ensures that forest workers receive adequate training to ensure they meet this standard’s requirements. Training is tailored to their roles and responsibilities. Training material and courses address the following topics, among others: How to avoid damage to the environment.

**Findings:**
Interviews with owners who run their own logging operations on their lots have shown that some did not know the procedures to follow in case of a spill. The OGC (Organisme de gestion en commun name translated: joint management group) representatives confirmed that it's been several years since the sound practices guide for owners had been updated and sent to the lot owners. Furthermore, during the FOGCBSL’s internal audit, one of the NCs identified was related to the knowledge of sound practices by performer owners. However, even though the solutions proposed in the internal audit report states that the guide of the owner should be updated and resubmitted to certified owners, the guide was updated late and was not widely sent to owners. Interviews with performer owners and with OGC representatives indicate gaps in the training of performer owners on how to avoid environmental damage. These gaps cause the issuance of the NCR.

**Evidence:**
- Interview with owners
- Interview with OGC representatives
- Sound practices guide

**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:**
In the 12 months of the report finalization (08.31.2016)

**Evidence provided by organization:**
PENDING

**Finding after reviewing evidence:**
PENDING

**NCR Status:**
OPEN

**Comments (optional):**

<table>
<thead>
<tr>
<th>NCR #</th>
<th>02/16</th>
<th>Classification of NC:</th>
<th>Major</th>
<th>Minor X</th>
</tr>
</thead>
<tbody>
<tr>
<td>Standard &amp; indicator:</td>
<td>FSC-STD-30-005, 8.7</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Report section:</td>
<td>Appendix IV</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Description of Nonconformance and Related Evidence:**

**Standard Requirements:**
The Group entity shall issue corrective action requests to address non-compliances identified during their visits and monitor their implementation.
Findings:
During the FOGCBSL’s internal audit, one of the NCs identified was related to the knowledge of sound practices by performer owners. However, even though the solutions proposed in the internal audit report states that the guide of the owner should be updated and resubmitted to certified owners, the guide was updated late and was not widely sent to owners. Interviews with performer owners and with OGC representatives indicate gaps in the training of performer owners on how to avoid environmental damage. Interviews with owners who run their own logging operations on their lot have shown that some did not know the procedures to follow in case of a spill. The OGC representatives confirmed that it’s been several years since the sound practices guide for owners had been updated and sent to the lot owners. Indicator 8.7 requires the Manager to follow the implementation of corrective action requests. However, since the internal audit in the fall no follow-up was done by FOGCBSL managers related to the NC issued. This monitoring gap leads to the issuance of this NCR.

Evidence:
- Interview with owners
- Interview with OGC representatives
- Sound practices’ guide
- Internal audit report

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: In the 12 months of the report finalization (08.31.2016)

Evidence provided by organization: PENDING

Finding after reviewing evidence: PENDING

NCR Status: OPEN

Comments (optional):

2.5. Audit decision

The table below gives an overview of the NCRs status after the current audit.

<table>
<thead>
<tr>
<th>NCR type</th>
<th>#</th>
</tr>
</thead>
<tbody>
<tr>
<td>Open before current audit</td>
<td>2</td>
</tr>
<tr>
<td>Closed</td>
<td>2</td>
</tr>
<tr>
<td>Upgraded to Major</td>
<td>0</td>
</tr>
<tr>
<td>New NCRs</td>
<td>2</td>
</tr>
<tr>
<td>New Major NCRs</td>
<td>0</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Certification Recommendation</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>✔ Certification requirement met: client approved for certificate maintenance:</td>
<td>Upon acceptance of the NCRs issued</td>
</tr>
<tr>
<td>✗ Certification requirements not met: major non-conformances identified that need to be addressed during 3 months after the final report date</td>
<td></td>
</tr>
<tr>
<td>✗ Certification Suspension required: major non-conformance not addressed.</td>
<td></td>
</tr>
</tbody>
</table>
2.6. Updated Group Member list

1. Total # members in the certified pool: 5211
2. Total area in Current Pool (ha. or acres): 280 110 ha

CERTIFIED GROUP MEMBERS TABLE (kept by RA)

Non-pool forestlands:

1. Total number of forestlands for which the candidate group manager has some management responsibilities or ownership: SER des Monts

2. Total area of those forestlands represent (ha): N/A