Public Summary Report for Forest Management

2018 Annual audit

Report for:

Corporation de gestion de la certification forestière des territoires publics du BSL (CGCBSL) (UA 11-71 et 12-72) in Sainte-Hélène, Quebec, Canada

Report Finalized: August 29, 2018
Audit Dates: June 26-28, 2018
Audit Team: Ugo Lapointe
Mylène Raimbault

Certificate code(s): RA-FM/COC-005447
Certificate issued: May 4, 2016
Certificate expiration: May 3, 2021

Organization Contact: Normand Simard
Address:
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Sainte-Hélène, Québec
G0L 3J0

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>Auditor role</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ugo Lapointe</td>
<td>Team Leader and responsible for socio-economic and indigenous aspects</td>
</tr>
<tr>
<td>Mylène Raimbault</td>
<td>Responsible for forestry and environmental aspects</td>
</tr>
</tbody>
</table>

**Qualifications:**

Ugo joined the Rainforest Alliance team in 2011. Until December 2013, he held the position of coordinator of FSC certification in Quebec before working with the Rainforest Alliance as a consultant. He had previously worked 4 years overseeing the collection and data analysis and writing reports and articles within the framework of research projects carried out in the boreal forests in Quebec. Holder of a Master’s degree in forest ecology on the impact of forest management on wildlife in the boreal forest, Ugo completed the Rainforest Alliance FSC auditor training for the forest management and for the Chain of Custody as well as the Lead auditor ISO 14001 training. He is fluent in English and French.

Mylène Raimbault has joined Rainforest Alliance in 2012 as a forest certification specialist for Quebec and completed the FSC Lead Auditor training with Rainforest Alliance. Since then, she manages forestry certification activities covering more than 20 million hectares of public forests in Quebec, Ontario and Alberta. She is the primary contact for Canada in terms of forestry certification and acts as a liaison with the different Aboriginal communities and regional stakeholder groups to ensure the integrity and credibility of the Rainforest Alliance certification activities.

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>011-71; 012-72</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>Since the last audit, the Ministère des Forêts, de la Faune et des Parcs has completed the merger of certain management units (MUs) at the provincial level. Two MUs can now be found in the Bas-St-Laurent. MU 11-71 includes the former MU 011-51 and 011-52, and former MUs 012-51, 012-52, 012-53 and 012-54 now form MU 12-72. The main objectives of the merger of management units were for administrative simplification and for the reduction in management costs. These mergers have not led to significant changes apart from slightly higher annual allowable cuts for management units.</td>
</tr>
<tr>
<td>☐ Updates to group member list (if yes, see section 2.5 below)</td>
<td>A notice on the protection of Intact Forest Landscapes (PFI) was issued in January 2017. The auditors verified, and this notice does not apply because there is no PFI overlapping the certified territory.</td>
</tr>
<tr>
<td>☒ Changes in the forest management standard used for audit have occurred since the last audit</td>
<td>Comment summary and RA response: See below</td>
</tr>
<tr>
<td>☒ Stakeholder comments on the forest management of the FME were received</td>
<td></td>
</tr>
<tr>
<td>P Stakeholder Comments:</td>
<td>RA Response:</td>
</tr>
<tr>
<td>A worker shared his dissatisfaction about the rates offered for non-commercial silvicultural work and the difficulty of meeting the requirements established for the acceptability of treatment.</td>
<td>According to the LADTF (Loi sur l’aménagement durable du territoire forestier or name translated: Law on Forest Management and Planning), Article 120, the value of silvicultural treatments is determined by the Bureau de Mise en Marché des Bois. The rates are established at the provincial level and can in fact ignore some ground features that could be specific locally. That said, the rates are reviewed annually and may be adjusted as needed. Although the rate-setting could be made more transparent, this system meets the requirements of the standard, which requires that the compensation system be “fair and offer the same or better conditions prevailing local practices.” There is non-conformance.</td>
</tr>
<tr>
<td>P4 Some interested parties have indicated a lack of capacity to contribute fully to TGIRT (Table de Gestion Intégrée des Ressources du Territoire or name translated: Board for the Integrated Management of Land Ressources) and to</td>
<td>During the audit, the auditors questioned several organizations present at the TGIRT to confirm if this is generalized. For now, the collected opinions were divided. Generally, TGIRT participants indicated that they work well, and they performed their function, that is to say, they allow them to assert their interests.</td>
</tr>
</tbody>
</table>
fully defend their interests in them. They report that there is no budget to support their participation in the TGIRT. According to these parties, this has led to a decrease in their involvement and participation in the TGIRT.

However, participants have seen the resources available to them to participate in the TGIRT decrease year after year especially with the recent dissolution of the GIR (Gestion Intégrée des Ressources) Team, which mainly supported the organizations with activities affecting wildlife management such as outfitters and ZEC (Zone d’exploitation contrôlée or name translated : Controlled zone for recreational activities) but also offered its expertise to other interested parties. Thus, an understanding exists among the TGIRT participants for the next steps.

An interested party believes that wildlife biologists do not sufficiently defend the interests of wildlife managers at the TGIRT. According to the interested party, the Forestry sector makes decisions at the MFFP since it generates more revenue for the department. Yet the Wildlife sector also has a financial interest in the extraction of wildlife through the sale of hunting, fishing and trapping licenses. Since the Wildlife sector is in the same department as the Forestry sector, this situation falls within the internal context prevailing in the MFFP and in this regard, this issue goes beyond the scope of the audit. This situation is the same in all Quebec TGIRTs. Also, note that wildlife biologists are available to answer questions from interested parties.

An interested party questions the rationale for the increases in volumes allocated to cutting following the merger of the six management units of the Bas-Saint-Laurent in two MUs. In other words, the question is: "Is this a real increase or is it an overstatement caused by a change in the model parameter?"

Following the merger of the management units, there has been an increase in the allowable cut. The information collected on the new calculations show that they were made with a credible method and relevant parameters were used to perform the calculations. It is difficult to determine to what extent the increase is attributable to the merger and how it is used with other parameters. Nevertheless, the increase may be related to the reduced impact of the constraints included in the calculation because of the larger scale of analysis and also because of the use of new growth models produced by the forest research division, which have higher yields for some species.

One interested party reported to the audit team that there had been logging in the winter habitat of the mountain caribou and this event was publicized. The concerned cutting sector is Blanche-Lamontagne. After verification, the auditors found that the area subject of the complaint is outside the management unit. Therefore, it is not included in the scope of the certificate.

One interested party questioned the maintenance of PAFIT targets under the special plan for the budworm. For now, there is no "special recovery plan" in force. The salvage logging currently performed are out of the harvesting areas already provided for the PAFI-O. The most vulnerable and the most affected sectors are currently prioritized. The next PAFI-O, which was under consultation during the audit, was developed as part of this strategy. Thus, the PAFIT targets are maintained.

One interested party questioned whether actions to conserve the mountain caribou are sufficient. The future of mountain caribou in Gaspésie is uncertain. However, a new development plan has been developed and will replace the 2013-2018 management plan. This plan has not been consulted by the audit team as it is confidential to the MFFP pending its public release. Note that CGCBSL
members did not have access to the new caribou management plan. Moreover, an interim moratorium on harvesting operations was applied in areas that may be affected by the new territory to the fourth edition.

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)

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 # | 01/17 | Classification of NC: | Major | Minor X |
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Rainforest Alliance Locally adapted Standard for Assessing Forest Management in the Great Lakes/Saint-Lawrence region - August 2014 version, Indicator 1.1.1</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Report section: Appendix II

Description of Nonconformance and Related Evidence:

Standard Requirement Summary:
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.

Auditor Finding Summary:
The vast majority of laws and regulations are known and respected by the applicant. However, interviews and field visits have identified that the current system does not ensure that all laws and regulations are known and respected by all forest workers of all CGCBSL members, including those of subcontractors. Indeed, the lack of consistency in work procedures and at the workers' training level between the various corporation members and their subcontractors showed gaps in compliance with laws and regulations. These gaps are mainly in respect to rescuers / workers' ratio, knowledge of endangered and vulnerable
species and training related to the RNI (*Règlement sur les normes d'intervention dans les Forêts du domaine de l'État* or name translated: Regulation on Intervention Standards for crown forest land).

**Evidence:**
- Forest machines' inspections
- Interviews with workers
- Interviews with HR managers
- List of trained workers as rescuers
- Workers' Training Record

**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 12 month of report finalization (07.27.2018)

**Evidence provided by organization:**
- Common Training Materials to CGCBSL members
- Material on wildlife species
- Interviews with staff of the organization and workers

**Finding after reviewing evidence:**
The Corporation has collected the training material of various members of the Corporation and made a common core. The use of this common core during the 2018 spring training was not compulsory for members of the corporation, but at least they had to ensure that the material had the same content. The material addresses the rescuers / workers ratio, related modules having endangered and vulnerable species and the RADF: *Règlement sur l'aménagement durable des forêts du domaine de l'État* or name translated: Regulation on sustainable forest for crown forest land (replacing the RNI: *Règlement sur les normes d'intervention dans les Forêts du domaine de l'État* or name translated: Regulation on Intervention Standards for crown forest land).

At the time of field visits, several work teams were met, and interviews confirmed that the spring training was conducted with forest workers and the minimum required rescue workers / workers ratio present during the visits was respected. Finally, the supervisors met knew the rescuers ratios required by law.

**NCR Status:** CLOSED

**Comments (optional):**

### 2.4. New nonconformity reports issued as a result of this audit

<table>
<thead>
<tr>
<th>NCR #</th>
<th>Classification of NC</th>
<th>Standard &amp; indicator</th>
<th>Report section</th>
</tr>
</thead>
<tbody>
<tr>
<td>01/18</td>
<td>Major</td>
<td>Rainforest Alliance Locally adapted Standard for Assessing Forest Management in the Great Lakes/Saint-Lawrence region - April 2014 version, Indicator 4.1.5</td>
<td>Appendix II</td>
</tr>
</tbody>
</table>

**Description of Nonconformance and Related Evidence:**

**Standard Requirement:**
Total remuneration packages for employees, including wages and other benefits (health, retirement, worker's compensation, housing, food, profit sharing), are fair and compare favorably with prevailing local standards.
Finding:
One of the subcontractors sampled did not meet the laws on labor standards including the production of pay slips (art. 46 of the Act respecting labor standards, covering the delivery and content of that pay slip). Moreover, since the pay slips are not provided, it was not possible to confirm that other legal requirements are met especially for paid holidays, vacations (4%, or 6% after 5 years) and that they are covered by all insurance required by law. Moreover, it has not been shown that the employer provides for free (as a non-taxable allowance or otherwise) the required PPE to employees.

Evidence:
- Interviews with CGCBSL officials
- Interviews with workers

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 12 month of report finalization

Evaluation Type: Ground

Evidence provided by organization: Document review

Finding after reviewing evidence: PENDING

NCR Status: OPEN

Comments (optional):

\[\text{NCR # } 02/18\]
\[\begin{array}{|c|c|}
\hline
\text{Classification of NC :} & \text{Major} \\
\hline
\text{Rainforest Alliance Locally adapted Standard for Assessing Forest Management in the Great Lakes/Saint-Lawrence region - April 2014 version} & \text{Minor X} \\
\hline
\end{array}\]

\[\text{Report section: Appendix V requirements CoC 2.1}\]

\[\text{Description of Nonconformance and Related Evidence:}\]

\[\text{Standard Requirement: CoC 2.1: FME shall have a CoC control system in place to prevent the mixing of non-FSC certified materials with FSC certified forest products from the evaluated forest area, including:}\]
\[\text{a) Physical segregation and identification of FSC certified from non-FSC certified material.}\]
\[\text{b) A system to ensure that non-FSC certified material is not represented as FSC certified on sales and shipping documentation.}\]

\[\text{Finding:}\]
\[\text{As part of the audit, it was found that timber harvested under "Permits for other purposes" for areas cut for the installation of wind turbines were considered certified by one of the plants that supplies from the territory certified on behalf of the CGCBSL. These permits are issued off grant. The wood from forests converted into a windmill park cannot be considered certified in this context\(^1\). This finding shows that there is a gap in terms of traceability or identifying non FSC certified material to prevent it from being included in the certificate for the wood from the conversion to make room for wind turbines.}\]

\[\text{Evidence:}\]
- Interviews with CGCBSL officials
- AT for supplies covered by this finding

\[\text{\(^1\) Refer to the definition of "management unit" in the document FSC-STD-01-002 Glossary of Terms}\]
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 12 month of report finalization

Evaluation Type
Ground [ ] Document review [x]

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>1</td>
</tr>
<tr>
<td>Closed</td>
<td>1</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 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>