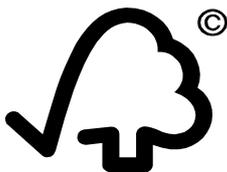




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FSC-ACC-004

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FM-06 January 2009



**Rainforest  
Alliance**

*SmartWood Program*

Forest Management  
**2009 Annual audit**  
Report for:

Nova Scotia Landowners and  
Forest Fibre Producers  
Association  
In  
Nova Scotia, Canada

Report Finalized:	June 24, 2009
Audit Dates:	April 2 and 3, 2009
Audit Team:	Keith Moore
Certificate code(s):	SW-FM/COC- 001753
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# 1. INTRODUCTION

The purpose of this report is to document annual audit conformance of the Nova Scotia Landowners and Forest Fibre Producers Association, hereafter referred to as NSLFFPA. The report presents the findings of SmartWood auditors who have evaluated the groups' systems and performance against FSC forest management standards and policies. Section 2 of this report provides the audit conclusions and any necessary follow-up actions by the group through Corrective Action Requests (CARs).

SmartWood audit reports include information which will become public information. Sections 1-3 will be posted on SmartWood's website according to FSC requirements. All appendices will remain confidential.

Dispute resolution: If SmartWood clients encounter organizations or individuals having concerns or comments about Rainforest Alliance / SmartWood and our services, these parties are strongly encouraged to contact SmartWood regional or Headquarters offices directly (see contact information on report cover). Formal complaints or concerns should be sent in writing.

## 2. AUDIT FINDINGS AND RESULTS

### 2.1. Audit conclusion

<b>Based on the Group's conformance with FSC and SmartWood requirements, the audit team makes the following recommendation:</b>	
<input checked="" type="checkbox"/>	<b>Certification requirements <u>met</u>, certificate maintenance recommended</b> No CAR(s) issued
<input type="checkbox"/>	<b>Certification requirements <u>not met</u>:</b>
Additional comments:	None
Issues identified as controversial or hard to evaluate.	None

### 2.2. Changes in the forest management of the FME and the associated effects on conformance with the standard.

There have been no changes in management since the last annual audit. The group hired a forester in early 2009 to provide professional advice and oversight to group members. One woodlot owner left the group in December 2008.

### 2.3. Stakeholder issues

No stakeholder issues were identified.

## 2.4. Conformance with applicable corrective action requests

Ten (10) Corrective Action Requests were due for completion in this annual audit. The non-conformances leading to those CARs are described in the annual audit report for 2008, completed on May 15, 2008. Based on this annual audit, all 10 CARs are met and closed.

The section below describes the activities of the certificate holder to address each applicable corrective action issued during previous evaluations. For each CAR, a finding is presented along with a description of its current status using the following categories. Failure to meet CARs will result in non-conformances being upgraded from minor to major status with conformance required within 3 months (or 6 months in exceptional circumstances) with risk of suspension or termination of the SmartWood certificate if Major CARs are not met. The following classification is used to indicate the status of the CAR:

Status Categories	Explanation
Closed	Operation has successfully met the CAR.
Open	Operation has either <u>not met</u> or has <u>partially met</u> the CAR.

Check if N/A (there are no open CARs to review)

<b>CAR 01/08</b>		<b>Reference to Standard: Criteria and indicator 1.2.</b>
<b>Non-conformance</b>		Up-to-date information was not maintained. This circumstance is reflective of the prolonged period of inactivity of the Association.
<b>Major</b>	<b>Minor</b> <b>X</b>	
<b>Corrective Action Request:</b> Information regarding legally prescribed fees, taxes and other charges will be recorded and maintained by the NSLFFPA.		
<b>Timeline for conformance:</b>		By the next annual audit.
<b>Evidence to close CAR:</b>		NSLFFPA, a not-for-profit society, is financed from a levy paid by members and non-members in the seven eastern counties of Nova Scotia who sell pulpwood under a Collective Agreement to NewPage Port Hawkesbury. It initiated and paid for its 1997 forest sustainability and 2005 FSC pilot programs from those levies and opened the FSC pool in 2008 without cost to landowners in half of the province's geographical area with assistance from a provincial grant.  NSLFFPA is not required to pay any federal or provincial taxes or other fees, taxes or other charges, except for the taxes it pays on purchases. A financial auditor reviews the NSLFFPA records. The CAR is met and closed.
<b>CAR Status:</b>		Closed.
<b>Follow-up Actions (if app.):</b>		None.

<b>CAR 02/08</b>		<b>Reference to Standard: 5.1.2. &amp; 5.1.3.</b>
<b>Non-conformance</b>		The Policy Manual does not reference improving fuel efficiency in operations and conformity of contractors with Criteria 5.1.3.
<b>Major</b>	<b>Minor</b> X	
<b>Corrective Action Request:</b> The Policy Manual shall be revised to reference improving fuel efficiency in operations and conformity of contractors with Criteria 5.1.3.		
<b>Timeline for conformance:</b>		By the next annual audit.
<b>Evidence to close CAR:</b>		This CAR appears to have been imposed in error. The requirement related to consideration of fuel efficiency for equipment purchase is not a requirement in the SLIMF standards. However, NSLFFPA has included a revision to Clause 6, under Principle 5 in the revised Standard Operating Procedures (SOP, version 2.0, March 30, 2009, page 20). The revised Clause 6 states, "...the woodlot owner is encouraged to use fuel efficient machinery when possible. If new machinery is to be purchased for use on the woodlot, its fuel efficiency shall be considered as well as its potential for environmental impact on the woodlot."
<b>CAR Status:</b>		Closed.
<b>Follow-up Actions (if app.):</b>		None.

<b>CAR 03/08</b>		<b>Reference to Standard: Criteria and indicator 5.6.3 and GC8</b>
<b>Non-conformance</b>		As a result of the inactivity of the Association, pre-harvest inspections are in arrears on properties where harvesting has occurred in 2007.
<b>Major</b>	<b>Minor</b> X	
<b>Corrective Action Request:</b> Pre-harvest assessments shall be undertaken on all properties where harvesting is to occur and proper documentation of monitoring activities shall be maintained.		
<b>Timeline for conformance:</b>		By the next annual audit.
<b>Evidence to close CAR:</b>		NSLFFPA provided documents (a pre-harvest site risk assessment and a post-harvest site inspection) showing that all harvest by group members in 2007, 2008 and 2009 has been inspected, both prior to and following harvest. These checklist forms were available in the office and maintained on file. Since the last annual audit, NSLFFPA has hired a forester to undertake this work.
<b>CAR Status:</b>		Closed.
<b>Follow-up Actions (if app.):</b>		None.

<b>CAR 04/08</b>		<b>Reference to Standard: Criteria and indicator 6.6</b>
<b>Non-conformance</b>		The new accredited Maritimes standard requires the following: The applicant must commit to attaining pesticide-free forest management. The applicant must have a target date for elimination and interim targets and objectives for the reduction of the use of chemical herbicides.
<b>Major</b>	<b>Minor</b> X	
<b>Corrective Action Request:</b> NSLFFPA shall set a target date for elimination and interim targets and objectives for the reduction of the use of chemical herbicides.		
<b>Timeline for conformance:</b>		Prior to next annual audit.
<b>Evidence to close CAR:</b>		<p>At the time of the annual audit, NSLFFPA had four members. None of these members use chemical herbicides in their woodlot operations and the Association Policy and Procedures manual includes a commitment to pesticide-free management. Thus, for the current membership of the association, no targets related to chemical herbicide use are required.</p> <p>At the time of the audit, the Association was actively seeking to recruit more woodlot owners to join the associations. Many of these prospective members do not use chemicals. But in anticipation that some prospective new members may use chemicals, the Association has established a target that requires any member woodlots using chemicals to reduce use by 30% by December 31, 2014 and to eliminate use by December 31, 2016.</p> <p>The staff forester meets with all prospective members to explain the Association commitment to pesticide-free management. Prior to being accepted as a member, all woodlot owners must sign a commitment form that says they will follow the FSC Principles and Criteria. Prospective members know that this includes a commitment to meet the timeline for the elimination of pesticide use established by the Association as a condition of membership.</p> <p>Pesticide use will be tracked using an Annual Pesticide Report and will allow the staff forester to track the usage and reduction of use by any woodlot owner who uses chemicals on his woodlot.</p> <p>Establishment of these targets and establishment of procedures to track use meets the CAR.</p>
<b>CAR Status:</b>		Closed.
<b>Follow-up Actions (if app.):</b>		None.

<b>CAR 05/08</b>		<b>Reference to Standard: Criteria and indicator 7.1.</b>
<b>Non-conformance</b>		The management plan summaries do not contain all the elements from 7.1. Objectives related to pesticide use need to be included in the plan summaries.
<b>Major</b>	<b>Minor</b> X	
<b>Corrective Action Request:</b> NSLFFPA shall include all elements from 7.1 and requirements from 6.6 in the plan summaries.		
<b>Timeline for conformance:</b>		By the next annual audit
<b>Evidence to close CAR:</b>		<p>The NSLFFPA has significantly revised the template for management plans for its members. The new template includes identification of unique sites (for example, cemeteries on site, existence of red oak or blue heron nests). There is reference to the HCVF assessment and a new Appendix XII addresses any special management zones on the woodlot. There is a new section on land use history including Mikmaq use of the local area. There is also section to address contributions to the local economy.</p> <p>All elements in Criterion 7.1 are now addressed. None of the existing group members use any chemicals. Provisions related to pesticide use by new members are addressed in supplemental documents provided to the auditor. This is described in CAR 04/08 above.</p> <p>Existing plans are being revised to conform to the new template on the anniversary date. All new plans for new members are using the new template.</p>
<b>CAR Status:</b>		Closed.
<b>Follow-up Actions (if app.):</b>		None.

<b>CAR 06/08</b>		<b>Reference to Standard: 7.2.2.</b>
<b>Non-conformance</b>		The Management Plans do not indicate the plan term. Public summaries of the plans do provide this information. The plan term should be specified on the title page of the plan.
<b>Major</b>	<b>Minor</b> X	
<b>Corrective Action Request:</b> The Management Plans shall be revised to include a statement of the plan term and date of revision (if applicable).		
<b>Timeline for conformance:</b>		Prior to the next annual audit.
<b>Evidence to close CAR:</b>		The revisions to the management template and the management plans that have been undertaken since the last annual audit now clearly specify the plan term and date of revision on the cover.
<b>CAR Status:</b>		Closed.

<b>Follow-up Actions (if app.):</b>	None.
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<b>CAR 07/08</b>	<b>Reference to Standard: 7.4.1.</b>	
<b>Non-conformance</b>		The Management Plan text does not contain a brief summary identifying special or unique attributes or features of the woodlot.
<b>Major</b>	<b>Minor</b> X	
<b>Corrective Action Request:</b> The Management Plan introduction shall be revised to include a statement identifying any unique attributes or features on the holding (where applicable).		
<b>Timeline for conformance:</b>		Prior to the next annual audit.
<b>Evidence to close CAR:</b>		As described in CAR 05/08 above, the management plan template has been revised. The revised introduction includes identification of any unique attributes or features on the woodlot. The new Appendix XII describes these features and sets out the protection measures. Contractors working on management plans for group members have been notified of these changes and new requirements.
<b>CAR Status:</b>		Closed.
<b>Follow-up Actions (if app.):</b>		None.

<b>CAR 08/08</b>	<b>Reference to Standard: 8.2.</b>	
<b>Non-conformance</b>		Information on the yield of forest products harvested is not maintained.
<b>Major</b>	<b>Minor</b> X	
<b>Corrective Action Request:</b> The Resource Manager will maintain and update harvest records relative to the annual allowable cut for all properties in the group.		
<b>Timeline for conformance:</b>		Prior to the next annual audit.
<b>Evidence to close CAR:</b>		Harvest records are being maintained on an annual basis. A report from each group member for the harvest in 2008 was provided to the auditor during this annual audit. NewPage Port Hawkesbury also provides NSLFFPA with a record of wood originating from the group members' woodlots that it purchases.
<b>CAR Status:</b>		Closed.
<b>Follow-up Actions (if app.):</b>		None.

<b>CAR 09/08</b>	<b>Reference to Standard: COC 5 and GC9</b>	
<b>Non-conformance</b>		The FME has not kept records of certification production and sales and

<b>Major</b>	<b>Minor</b> <b>X</b>	other related documents (e.g. harvest summaries, invoices, bills of lading,) up-to-date.
<b>Corrective Action Request:</b> The FME shall maintain records related to certification production and sales and other certification related information as required by the Group management conformance requirements.		
<b>Timeline for conformance:</b>		Prior to the next annual audit.
<b>Evidence to close CAR:</b>		The NSLFFPA has distributed reporting forms to collect this information. Reports for 2008 were provided during the annual audit. This included a summary of the species, the amount (cords and tons) and the destination of the production from the certified area. Information is now being collected on an annual basis.
<b>CAR Status:</b>		Closed.
<b>Follow-up Actions (if app.):</b>		None.

<b>CAR 10/08</b>		<b>Reference to Standard: COC 6</b>
<b>Non-conformance</b>		An annual report on sales has not been provided to SmartWood.
<b>Major</b>	<b>Minor</b> <b>X</b>	
<b>Corrective Action Request:</b> The FME will provide an annual report on sales to SmartWood containing monthly sales in terms of volume of each certified products to each customer.		
<b>Timeline for conformance:</b>		Prior to the next annual audit.
<b>Evidence to close CAR:</b>		Annual production by each of the active members of the group is reported annually to the group manager and was provided to the auditor at the annual audit. NSLFFPA has good records so information can be obtained at any time.
<b>CAR Status:</b>		Closed.
<b>Follow-up Actions (if app.):</b>		None.

## 2.5. New corrective actions issued as a result of this audit

No new CARs were issued in this annual audit.

## 2.6. Audit observations

**Observations** are very minor problems or the early stages of a problem which does not of itself constitute a non-conformance, but which the auditor considers may lead to a future non-conformance if not addressed by the client. An observation may be a warning signal on a particular issue that, if not addressed, could turn into a CAR in the future (or a pre-condition or condition during a 5 year re-assessment).

No Observations were recorded in this annual audit.

### 3. AUDIT PROCESS

#### 3.1. Auditors and qualifications:

Auditor Name	Keith Moore	Auditor role	Auditor
Qualifications:	Keith is a Registered Professional Forester and has an M.A. in Geography. He has been working in forestland management and environmental assessment in Canada and other countries since 1976. From 1995 to 2000 he was the Chair of British Columbia's Forest Practices Board. Since 2000, he has been a team member or team leader on over 45 other SmartWood pre-assessments, assessments, annual audits and major CAR verification audits in five provinces of Canada, and in Russia, Australia and the United States. He has completed 2 pre-assessments, 1 assessment, and 2 other annual audits in the Maritime Region. He completed SmartWood assessor training and has worked on contracts with SmartWood since 2000.		

#### 3.2. Audit schedule

Date	Location /Main sites	Principal Activities
Thurs, April 3	Port Hawkesbury	Interview and document review in NSLFFPA office.
Fri, April 4	Inverness and Antigonish counties	Field work on two NSLFFPA members' woodlots.
Wed, June 3	Auditors office	Submission of final information from NSLFFPA.
Tues, June 18	SmartWood office	Submission of draft report.
Wed, June 24	SmartWood office	Report finalized

Total number of person days used for the audit: 3.5  
 = number of auditors participating 1 number of days spent in preparation, on site and post site visit follow-up including stakeholder consultation : 5.4

#### 3.3. Sampling methodology:

The NSLFFPA has only 4 current members. One member was out of the province at the time of the audit and has no recent operations. A second member has no recent operations. The remaining two members were visited.

#### 3.4. Stakeholder consultation process

There was no consultation with outside parties. The Ecology Action Center indicated they are aware of this group certificate, but had no input to provide.

### 3.5. Changes to Certification Standards

Forest stewardship standard used in audit:	Certification Standards for Best Forestry Practices in the Maritimes – Small and Low Intensity Forests Standard
Revisions to the standard since the last audit:	<input checked="" type="checkbox"/> No changes to standard. <input type="checkbox"/> Standard was changed (detail changes below)
Changes in standard:	None
Implications for FME:	None

The NSLFFPA is a small group SLIMF. It was evaluated against the Certification Standards for Best Forestry Practices in the Maritimes – Small and Low Intensity Forests Standard. There have been no changes to the standard since the last annual audit.

## APPENDIX I: List of visited sites (confidential)

One member was out of the province at the time of the audit and has no recent operations. A second member has no recent operations. The remaining two members were visited.

<b>FMU or other Location</b>	<b>Compartment/ Area</b>	<b>Site description / Audit Focus and Rationale for selection</b>
John Moloney Woodlot	Near Mabou, Inverness County	Recent cutblock in pure softwood stand, hardwood and softwood retention, regeneration and stand management in 15 year old cutblock
Phil Clark Woodlot	Near Lakevale, Antigonish County	Two recent cutblocks in predominantly softwood stands, hardwood and softwood retention, regeneration and stand management in 3 year old cutblock

**APPENDIX II: List of stakeholders consulted** (confidential)

**List of NSLFFPA Group Members or Staff Consulted**

<b>Name</b>	<b>Title</b>	<b>Contact</b>	<b>Type of Participation</b>
Clark, Phil	Group member		Field, interview
Moloney, John	Group member		Field, interview
Spears, Steve	Forester, NSLFFPA	902-867-1941	Field, document review, interview
Stub, Wilma	Exec, Director, NSLFFPA	902-625-3800	Interview

**List of other Stakeholders Consulted**

None

### APPENDIX III: Forest management standard conformance (confidential)

The table below demonstrates conformance or non-conformance with the Forest Stewardship Standard used for evaluation as required by FSC. The SmartWood Task Manager should provide guidance on which sections of the standard should be evaluated in a particular audit. SmartWood may evaluate only a subset of the criteria or principles of the standard in any one particular audit provided that the FME is evaluated against the entire standard by the end of the certificate duration. Findings of conformance or non-conformance at the criterion level will be documented in the following table with a reference to an applicable CAR or OBS.

P & C	Conformance: Yes/No/ NE	Findings	CAR OBS (#)
<b>Principle 3. INDIGENOUS PEOPLES' RIGHTS</b>			
3.1	Yes	There have been no significant changes in management since the last annual audit. No non-conformances with any parts of the Maritime SLIMF Standard were noted during field-work, interviews with NSLFFPA staff or members or during document reviews related to the CARs audited. No new CARs are issued.	
3.2	Yes		
3.3	Yes		
3.4	Yes		
<b>Principle 6. ENVIRONMENTAL IMPACT</b>			
6.1	Yes	There have been no significant changes in management since the last annual audit. No non-conformances with any parts of the Maritime SLIMF Standard were noted during field-work, interviews with NSLFFPA staff or members or during document reviews related to the CARs audited. No new CARs are issued.	
6.2	Yes		
6.3	Yes		
6.4	Yes		
6.5	Yes		
6.6	Yes		
6.7	Yes		
6.8	Yes		
6.9	Yes		
6.10	Yes		
<b>Principle 9. MAINTENANCE OF HIGH CONSERVATION VALUE FORESTS</b>			
9.1	Yes	There have been no significant changes in management since the last annual audit. No non-conformances with any parts of the Maritime SLIMF Standard were noted during field-work, interviews with NSLFFPA staff or members or during document reviews related to the CARs audited. No new CARs are issued.	
9.2	Yes		
9.3	Yes		
9.4	Yes		

## APPENDIX IV: Chain-of-Custody Conformance (confidential)

**Note:** This CoC Appendix is used for FMEs only selling standing timber, stumpage, logs and/or chips produced within a FMU covered by the scope of the certificate. FME certificate scopes that include primary or secondary processing facilities shall include an evaluation against the full FSC CoC standard: FSC-STD-40-004 V2. Refer to that separate report Appendix.

### Definition of Forest Gate: (check all that apply)

<input type="checkbox"/>	<b>Standing Tree/Stump:</b> FME sells standing timber via stumpage sales.
<input checked="" type="checkbox"/>	<b>The Log Landing:</b> FME sells wood from the landing/yarding area.
<input type="checkbox"/>	<b>On-site Concentration Yard:</b> Transfer of ownership occurs at a concentration yard under the control of the FME.
<input type="checkbox"/>	<b>Off-site Mill/Log Yard:</b> Transfer of ownership occurs when offloaded at purchaser's facility.
<input type="checkbox"/>	<b>Other:</b> <i>explanation</i>
Comments:	

### Scope Definition of CoC Certificate:

Does the FME further process material before transfer at forest gate? <i>(If yes then processing must be evaluated to full CoC checklist for CoC standard FSC-STD-40-004 v2.)</i>	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
<b>Note: This does not apply to on-site production of chips/biomass from wood harvested from the evaluated forest area.</b>	
Comments: In case of a least one woodlot owner, there is some on-site processing of material before transfer.	
Is the FME a large scale operation (>10,000 hectares) or a Group Certificate? <i>(If yes then CoC procedures for all relevant CoC criteria shall be documented.)</i>	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
Comments: This is a small group SLIMF.	
Does non-FSC certified material enter the scope of this certificate prior to the forest gate, resulting in a risk of contamination with wood from the evaluated forest area (e.g. FME owns/manages both FSC certified and non-FSC certified FMUs)?	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
Comments: Forest gate is road side on members property.	
Does FME outsource handling or processing of FSC certified material to subcontractors (i.e. milling or concentration yards) prior to transfer of ownership at the forest gate? <i>(If yes a finding is required for criterion CoC 7 below.)</i>	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
Comments: No, All members sell at roadside.	
Does FME purchase certified wood from other FSC certificate holders and plan to sell that material as FSC certified? <i>(If yes then a separate CoC certificate is required that includes a full evaluation of the operation against FSC-STD-40-004 v2.)</i>	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
Comments:	
Does FME use FSC and/or Rainforest Alliance trademarks for promotion or product labeling? <i>(If FME does not or has no plans to use FSC/RA trademarks delete trademark criteria checklist below.)</i>	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
Comments: May use logo for some puposes in the future FME is aware of requirements if they do use.	

### Chain-of-Custody Criteria [FM-35 SmartWood Chain-of-Custody Standard for Forest Management Enterprises (FMEs)]

#### 1. Quality Management

COC 1.1: FME shall define the personnel/position(s) responsible for implementing the CoC control system.	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
<b>Findings:</b> The forester is responsible for implementing the CoC control system.	

COC 1.2: All relevant staff shall demonstrate awareness of the FME's procedures and competence in implementing the FME's CoC control system.	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
<b>Findings:</b> In Policy and Procedures Manual.	
CoC 1.3: FME procedures/work instructions shall provide effective control of FSC certified forest products from standing timber until ownership is transferred at the forest gate. <i>Note: For large scale operations (&gt;10,000ha) and Group Managers, CoC procedures covering all relevant CoC criteria shall be documented.</i> Including: a) Procedures for physical segregation and identification of FSC certified from non-FSC certified material. <b>(If applicable)</b> b) Procedures to ensure that non-FSC certified material is not represented as FSC certified on sales and shipping documentation. <b>(If applicable)</b> c) Procedures to include FME FSC certificate registration code and FSC claim (FSC Pure) on all sales and shipping documentation for sales of FSC certified products. d) Recordkeeping procedures to ensure that all applicable records related to the production and sales of FSC certified products (e.g. harvest summaries, sales summaries, invoices, bills of lading) are maintained for a minimum of 5 years. e) Procedures to ensure compliance with all applicable FSC/Rainforest Alliance/SmartWood trademark use requirements.	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
<b>Findings:</b> This is a small group SLIMF. Procedures are set out in the Policy and Procedures Manual (Section 5.2, page 23-24).	

<b>2. Certified Material Handling and Segregation</b>	
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: a) Physical segregation and identification of FSC certified from non-FSC certified material. b) A system to ensure that non-FSC certified material is not represented as FSC certified on sales and shipping documentation. <b>Note: If no outside wood is handled by FME within scope of certificate, mark as N/A.</b>	Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input checked="" type="checkbox"/>
<b>Findings:</b> No outside wood.	
CoC 2.2: FME shall identify the sales system(s) or "Forest Gate", for each FSC certified product covered by the Chain of Custody system: i.e. standing stock; sale from log yard in the forest; sale at the buyer's gate; sale from a log concentration yard, etc.	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
<b>Findings:</b> All sales are at roadside.	
CoC 2.3: 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.	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
<b>Findings:</b> This is addressed in the Policy and Procedures Manual (Section 5.2, page 23-24).	
CoC 2.4: FME shall ensure that certified material is not mixed with non-FSC certified material at any stage, up to and including the sale of the material. <b>Note: If no outside wood is handled by FME within scope of certificate, mark as N/A.</b>	Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input checked="" type="checkbox"/>
<b>Findings:</b> No outside wood.	

<b>3. Certified Sales and Recordkeeping</b>	
COC 3.1: For material sold with FSC claim the FME shall include the following information on sales and shipping documentation: a) FME FSC certificate registration code, and b) FSC certified claim: FSC Pure	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
<b>Findings:</b> Each member has his own code. The association does not manage CoC for members.	

CoC 3.2: FME shall maintain certification production and sales related documents (e.g. harvest summaries, invoices, bills of lading) for a minimum of 5 years. Documents shall be kept in a central location and/or are easily available for inspection during audits.	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
<b>Findings:</b> The group manager maintains production records.	
CoC 3.3: FME shall compile an annual report on FSC certified sales for SmartWood containing monthly sales in terms of volume of each FSC certified product sold to each customer.	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
<b>Findings:</b> The group manager provided 2007 and 2008 reports at the time of the annual audit.	

<b>4. Outsourcing</b>	
CoC 4.1: FME control system shall ensure that CoC procedures are followed at subcontracted facilities for outsourcing and FME shall collect signed outsourcing agreements covering all applicable FSC outsourcing requirements per FSC--40-004 v-2.0 <i>FSC Standard for Chain of Custody</i> November 2007. <b>Note 1: If FME outsources processing or handling of FSC certified material the outsourcing report appendix is required.</b> <b>Note 2: Check N/A if FME does not outsource processing or handling of FSC material.</b>	Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input checked="" type="checkbox"/>
<b>Findings:</b> No outsourcing.	

## 5. FSC/Rainforest Alliance Trademark (TMK) Use Criteria

<b>Standard Requirement:</b> The following section summarizes the FME's compliance with FSC and Rainforest Alliance trademark requirements. Trademarks include the Forest Stewardship Council and Rainforest Alliance/SmartWood names, acronyms (FSC), logos, labels, and seals. This checklist is directly based on the FSC labeling standard (FSC-STD-40-201 <i>FSC on-product labeling requirements</i> (version 2.0) and FSC-TMK-50-201 V1-0 <i>FSC Requirements for the Promotional Use of the FSC Trademarks by FSC Certificate Holders</i> . References to the specific FSC document and requirement numbers are included in parenthesis at the end of each requirement. (Rainforest Alliance Certified Seal = RAC seal).	
<b>General</b>	
COC 5.1: FME shall have procedures in place that ensure all on-product and off product FSC/Rainforest Alliance trademark use follows the applicable policies:	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
<b>Findings:</b> There are no procedures, but there is not current use of any trademarks. The manager is aware of requirements and will implement procedures if use is contemplated.	
COC 5.2: FME shall have procedures in place and demonstrate submission of all FSC/Rainforest Alliance/SmartWood claims to SmartWood for review and approval prior to use, including" a) On-product use of the FSC label/RAC seal; b) Promotional (off-product) claims that include the FSC trademarks ("Forest Stewardship Council", "FSC", checkmark tree logo) and/or the Rainforest Alliance/SmartWood trademarks (names and seal)(50-201,2.3).	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
<b>Findings:</b> There are no procedures, but there is not current use of any trademarks. The manager is aware of requirements and will implement procedures if use is contemplated.	
COC 5.3: FME shall have procedures in place and demonstrates that all trademark review and approval correspondence with SmartWood is kept on file for a minimum of 5 years (40-201, 1.10; 50-201, 2.4):	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
<b>Findings:</b> There are no procedures, but there is not current use of any trademarks. The manager is aware of requirements and will implement procedures if use is contemplated.	

<b>Off-product / Promotional</b> <input checked="" type="checkbox"/> <b>Check if section not applicable (FME does not, and does not plan to use the FSC trademarks off-product or in promotional pieces)</b> Note: promotional use items include advertisements, brochures, web pages, catalogues, press releases,
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tradeshow booths, stationary templates, corporate promotional items (e.g., t-shirts, cups, hats, gifts).	
When applicable to the FME's promotional/off-product use of the trademarks, the criteria below shall be met:	Yes <input type="checkbox"/> No <input type="checkbox"/>
<b>Findings:</b> Not applicable.	
COC 5.4: If the FSC trademarks are used for promotion of FMUs, FME shall limit promotion to FMUs covered by the scope of the certificate.	
COC 5.5: In cases that the Rainforest Alliance trademarks are used (50-201, 13.1, 13.2): a) The FSC trademarks shall not be at a disadvantage (e.g., smaller size); b) The FSC checkmark tree logo shall be included when the RAC seal is in place.	
COC 5.6: In cases that the FSC trademarks are used with the trademarks (logos, names, identifying marks) of other forestry verification schemes (SFI, PEFC, etc.), SmartWood approval shall be in place (50-201, 3.0).	
COC 5.7: Use of the FSC trademarks in promotion of the FME's FSC certification shall not imply certain aspects are included which are outside the scope of the certificate (50-201, 1.6).	
COC 5.8: Use of the FSC trademarks on stationery templates (including letterhead, business cards, envelopes, invoices, paper pads) shall be approved by SmartWood to ensure correct usage (50-201, 12.0).	
COC 5.9: In cases that the FSC trademarks are used as part of a product name, domain name, and/or FME name, SmartWood approval shall be in place (50-201, 9.0, 10.0).	

<b>On-product</b>	
<input checked="" type="checkbox"/> <b>Check if section not applicable (FME does not, and does not plan to apply FSC labels on product)</b>	
COC 5.10: FME shall have a secure system in place for labeling products that ensures the following (40-201, 1.2): a) Only those products originating from forests covered by the scope of a valid FSC certificate are FSC-labeled; b) Only those products that meet the eligibility requirements per CoC standard requirements for FSC-labeling are FSC-labeled; c) Only the FSC Pure label is used.	Yes <input type="checkbox"/> No <input type="checkbox"/>
<b>Findings:</b> Not applicable.	
When applicable to the FME's on-product labeling, the criteria below shall be met:	Yes <input type="checkbox"/> No <input type="checkbox"/>
<b>Findings:</b> Not applicable.	
COC 5.11: FME shall not use the FSC labels together with the logos or names of other forestry verification schemes (40-201, 1.11, 1.13).	
COC 5.12: FME shall not use the FSC labels together with claims referring to the sustainability of the forest from which the wood is sourced (40-201, 1.11, 1.13).	
COC 5.13: The FSC label shall be applied to products in such a way that it is clearly visible (40-201, 1.14).	

## APPENDIX V: FSC Annual Audit Reporting Form: (confidential)

(NOTE: form to be prepared by the client prior to audit, information verified by audit team)

Forest management enterprise information:	
FME legal name:	Nova Scotia Landowners and Forest Fibre Producers Association
FME Certificate Code:	SW-FM/CoC – 001753

1. Scope Of Certificate	
Type of certificate: single FMU	SLIMF Certificate: Small SLIMF
Annual Sales Information	
Total Sales/ Turnover	US\$
Volume of certified product sold as FSC certified (i.e. FSC claim on sales documentation) (previous calendar year)	m3
Value of certified product sold as FSC certified (i.e. FSC claim on sales documentation) (previous calendar year)	US\$

2. FME Information	
<input type="checkbox"/> No changes since previous report (if no changes since previous report leave section blank)	
Forest zone	Area reduced to 446 ha
Certified Area under Forest Type	
- Natural	446 hectares
- Plantation	hectares
- Semi-natural, mix of plantation and natural forest	hectares
Stream sides and water bodies	Linear Kilometers

3. Workers		
Number of workers including employees, part-time and seasonal workers:		
Total number of workers	workers	
- Of total workers listed above	Male	Female
Number of serious accidents		
Number of fatalities		

4. Forest Area Classification	
<input type="checkbox"/> No changes since previous report (if no changes since previous report leave section blank)	
Total certified area	446 hectares
Total forest area in scope of certificate	381.6 hectares
Ownership Tenure	
Management tenure:	
Forest area that is:	
Privately managed	446 hectares
State/Public managed	hectares
Community managed	hectares
Area of production forests (areas where timber may be harvested)	hectares
Area without <u>any</u> harvesting or management activities: strict forest reserves	15.3 hectares.

5. High Conservation Values identified via formal HCV assessment by the FME and respective areas			
<input checked="" type="checkbox"/> No changes since previous report (if no changes since previous report leave section blank)			
Code	HCV TYPES <sup>1</sup>	Description: Location on FMU	Area
HCV1	Forest areas containing globally, regionally or nationally significant concentrations of biodiversity values (e.g. endemism, endangered species, refugia).		0 ha
HCV2	Forest areas containing globally, regionally or nationally significant large landscape level forests, contained within, or containing the management unit, where viable populations of most if not all naturally occurring species exist in natural patterns of distribution and abundance.		0 ha
HCV3	Forest areas that are in or contain rare, threatened or endangered ecosystems.		0 ha
HCV4	Forest areas that provide basic services of nature in critical situations (e.g. watershed protection, erosion control).		0 ha
HCV5	Forest areas fundamental to meeting basic needs of local communities (e.g. subsistence, health).		0 ha
HCV6	Forest areas critical to local communities' traditional cultural identity (areas of cultural, ecological, economic or religious significance identified in cooperation with such local communities).		0 ha
<b>TOTAL HCVF AREA</b>			ha
Number of sites significant to indigenous people and communities			

<sup>1</sup> The HCV classification and numbering follows the ProForest HCVF toolkit. The toolkit also provides additional explanation regarding the categories. Toolkit is available at <http://hcvnetwork.org/library/global-hcv-toolkits>.

**6. Highly Hazardous Pesticide Use**

FME has a valid FSC derogation for use of a highly hazardous pesticide	<input type="checkbox"/> YES (if yes, fill in below) <input checked="" type="checkbox"/> NO No herbicide use
Number of FSC highly hazardous pesticides used in last calendar year	None
Liters of FSC highly hazardous pesticides	None liters
Number of hectares treated with FSC highly hazardous pesticides	None hectares

## APPENDIX VI: SmartWood Database Update Form

**Instructions:** For each FSC certificate, SmartWood is required to upload important summary information about each certificate to the FSC database (FSC-Info). During each annual audit SW auditors should work with the certificate holder to verify that the information posted on FSC-Info is up to date as follows:

1. Print out current Fact Sheet prior to audit from FSC-Info website or direct link to fact sheets (<http://www.fsc-info.org>)
2. Review information with the FME to verify all fields are accurate.
3. If changes are required (corrections, additions or deletions), **note only the changes** to the database information in the section below.
4. The changes identified to this form will be used by the SW office to update the FSC database.

Is the FSC database accurate and up-to-date? YES  NO   
(if yes, leave section below blank)

### Client Information (contact info for FSC website listings)

<b>Organization name</b>	Nova Scotia Landowners and Forest Fibre Association		
<b>Primary Contact</b>	Wilma Stub	<b>Title</b>	Executive Director
<b>Primary Address</b>	609 Church Street, Unit 2	<b>Telephone</b>	902-625-3800
<b>Address</b>	Port Hawkesbury NS B9A 2X4	<b>Fax</b>	902-625-3685
<b>Email</b>	nslffpa@ns.sympatico.ca	<b>Webpage</b>	No website

### Forests

<b>Change to Group Certificate</b>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<b>Change in # of parcels in group</b>	<b>4 total members</b>
<b>Total certified area</b>		<b>446 Hectares (or)</b>	<b>Acres</b>

### Species (note if item to be added or deleted)

Scientific name	Common name	Add/Delete

### Products

Product type	Description	Add/Delete

### Client Information (contact info for FSC website listings)

<b>Organization name</b>	
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## APPENDIX VII: Group management conformance checklist (confidential)

Group Certification Requirements	
GC 1: The group manager is an independent legal entity or an individual acting as a legal entity.	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
<b>Findings:</b>	
GC 2: The group manager has made a full disclosure of all forest areas over which the GM has some responsibility, whether as owner (including share or partial ownership), manager, consultant or other responsibility. Justification for exclusion of forestlands from certified pool has been provided.	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
<b>Findings:</b>	
GC 3: The group manager has sufficient legal and management authority and technical and human resources (e.g. qualified staff, equipment.) to implement their responsibilities	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
<b>Findings:</b> The group has hired a forester in 2009.	
GC 4: The responsibilities of the group manager and group members are clearly defined and documented, e.g., with respect to management planning, monitoring, harvesting, quality control, marketing, processing, etc.	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
<b>Findings:</b> Responsibilities are defined in the policy and procedures manual.	
GC 5: Group membership requirements are documented and include: a) Procedures and rules of entry and exit from the certified pool b) Procedures for the notification of SW of changes in membership within 30 days of changes.	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
<b>Findings:</b>	
GC 6: A 'consent form' or its equivalent has been signed by each group member The consent form at a minimum: a) acknowledges and agrees to the obligations and responsibilities of group membership; b) agrees to group membership for the full period of validity of the group certificate; and c) authorizes the group manager to apply for certification on the member's behalf. d) acknowledges SmartWood and FSC's right to access their forest for evaluation and monitoring	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
<b>Findings:</b> Members sign a consent form.	
GC 7: Group manager has provided each group member with documentation including: a) The applicable forest stewardship standard b) An explanation of the certification process c) An explanation of group membership requirements	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
<b>Findings:</b> All members have the required documentation.	
GC 8: Group manager has a policy and practice for monitoring of the properties in the certified pool to ensure that they are meeting the FSC P&C and group membership requirement?	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
<b>Findings:</b> The forester is visiting properties prior to and post any harvest.	
GC 9: The group manager has a system for maintaining the following records up to date at all times: a) List of names and addresses of group members, together with date of entry into group certification scheme; b) Maps of all forest areas included in the group certification; c) Records demonstrating tenure of group members; d) Evidence of consent of all group members, preferably in the form of a signed 'consent form' e) Relevant documentation and records regarding forest management of each group member (e.g. management plans, summary information regarding silvicultural	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>

system, management operations, volume production); f) Records demonstrating the implementation of any internal control or monitoring systems. Such records shall include records of internal inspections, non-conformance identified in such inspections, actions taken to correct any such non-conformance; g) Relevant documentation regarding production and sales	
<b>Findings:</b>	

**Certified Pool Participation List** (Annual update required. Insert additional rows as necessary for groups with more than 10 members.

1. Total # FMUs in the certified pool: 4
2. Total area in Current Pool (ha. or acres): 443 ha