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## Forest Management **2013 Annual audit** Report for:

Nova Scotia Landowners and  
Forest Fibre Producers  
Association (NSLFFPA)  
In  
Port Hawkesbury, Nova Scotia,  
Canada

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### Standard Conversions

1 mbf = 5.1 m<sup>3</sup>  
 1 cord = 2.55 m<sup>3</sup>  
 1 gallon (US) = 3.78541 liters  
  
 1 inch = 2.54 cm  
 1 foot = 0.3048 m  
 1 yard = 0.9144 m  
 1 mile = 1.60934 km  
 1 acre = 0.404687 hectares  
  
 1 pound = 0.4536 kg  
 1 US ton = 907.185 kg  
 1 UK ton = 1016.047 kg

# 1. INTRODUCTION

The purpose of this report is to document annual audit conformance of Nova Scotia Landowners and Forest Fibre Producers Association, hereafter referred to as NSLFFPA. The report presents the findings of Rainforest Alliance auditors who have evaluated company systems and performance against the Forest Stewardship Council™ (FSC®) forest management standards and policies. Section 2 of this report provides the audit conclusions and any necessary follow-up actions by the company through non-conformity reports.

The Rainforest Alliance founded its previous SmartWood program in 1989 to certify responsible forestry practices and has grown to provide a variety of auditing services. Rainforest Alliance certification and auditing services are managed and implemented within its RA-Cert Division. All related personnel responsible for audit design, evaluation, and certification/verification/validation decisions are under the purview of the RA-Cert Division, hereafter referred to as Rainforest Alliance or RA.

This report includes information which will become public information. Sections 1-3, Appendix I, and Appendix VII will be posted on the FSC website according to FSC requirements. All appendices will remain confidential. A copy of the public summary of this report can be obtained on the FSC website at <http://info.fsc.org/>.

Dispute resolution: If Rainforest Alliance clients encounter organizations or individuals having concerns or comments about Rainforest Alliance and our services, these parties are strongly encouraged to contact Rainforest Alliance 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 Company's conformance with FSC and Rainforest Alliance requirements, the audit team makes the following recommendation:</b>	
<input checked="" type="checkbox"/>	<b>Certification requirements <u>met</u>, certificate maintenance recommended</b> Upon acceptance of NCR(s) issued below
<input type="checkbox"/>	<b>Certification requirements <u>not met</u>:</b>
Additional comments:	
Issues identified as controversial or hard to evaluate.	

## **2.2. Changes in FMEs' forest management and associated effects on conformance to standard requirements**

The NSLFFPA group has undergone some significant changes since the last annual audit (2012 audit) in June 2011. The membership grew by 48 members, up from 153 at the time of the last audit, to 201 members and 288 woodlots at the end of October 2012 (this annual audit). The total area certified is 24,098 ha. at the time of this 2013 annual audit in November 2012.

NSLFFPA has also increased its staff with the engagement of two very experienced Nova Scotia forestry technicians to work on contract as extension staff. These two staff members are visiting every member woodlot to discuss plans, inspect operations and assist woodlot owners.

NSLFFPA has prepared a new forest management plan template, which includes additional information on soils and water that assists woodlot owners to better address the issues of rutting and ephemeral streams associated with wet sites. The new plans are now all being prepared by the two NSLFFPA staff foresters to provide a greater consistency and better content across the group membership than was possible in the past when plans were prepared by a variety of contractors. Old plans are being updated to the new format as they come up for renewal after 5 years.

In 2012, NSLFFPA established a "Forest Management Partnership" program that connects woodlot owners with qualified contractors through a contractor reference system. This allows woodlot owners to find contractors who are known and monitored by the association and who can carry out work in ways that meet FSC requirements. This Partnership program and list of "approved Forest Management Partnership" contractors is available to members and qualified contractors on the NSLFFPA website, [www.nslffpa.org](http://www.nslffpa.org).

In 2012, NSLFFPA completed a "NSLFFPA FSC Silviculture Guidebook" providing information for contractors and woodlot owners carrying out silviculture programs on members FSC certified woodlots. NSLFFPA also made much more extensive use of its website as a means of delivering regular updates on required practices and current issues to its members. Postings were made in regard to the non-conformities identified in the previous audit in regard to rutting and ephemeral streams. Training and advice to woodlot owners were offered related to forest ecosystem classification and implementation of the classification system in forest management and restoration.

The NewPage mill in Port Hawkesbury was closed for most of the audit period, and subsequently sold to new ownership, Port Hawkesbury Paper. Thus opportunities for woodlot owners to sell wood was significantly curtailed through the shutdown period. The agreements between NSLFFPA and NewPage were terminated. With the re-opening of the mill under the new ownership, NSLFFPA is in discussions to institute new agreements, and expects harvest opportunities for members might expand in 2013, if an agreement on price can be reached. NSLFFPA is also optimistic that biomass might provide new product opportunities for its members.

## 2.3 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)*

## 2.4. Stakeholder issues *(complaints/disputes raised by stakeholders to FME or Rainforest Alliance since previous evaluation)*

No concerns, complaints or disputes have been brought to the attention of Rainforest Alliance since the last annual audit (June 2011). The NSLFFPA has also not received any complaints or issues since the last annual audit.

## 2.5. 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:

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

<b>NCR#:</b>	01/12	<b>NC Classification:</b>	Minor
Standard & Requirement:	FSC-STD-CAN-Maritimes-SLIMF-2008 Indicator 6.3.5		
Report Section:	Appendix IV		
<b>Description of Non-conformance and Related Evidence:</b>			
Due to the unusually wet spring weather in 2011, there was a greater risk than usual of site damage due to rutting from machine operations on sensitive soils. Four of the nine properties visited in the field by the auditor had incurred significant site damage due to rutting from the forwarding operations. At the time of the site visit, one CAR had been issued by NSLFFPA to a group member in regard to site damage (rutting) incurred in the harvest operation during forwarding. Rutting damage was also observed on three other properties visited in the field by the auditor, and NSLFFPA staff indicated they would be issuing CARs to these group members as well. In addition, the FME expressed their intent to check for rutting damage on all other properties that had operations during the spring of 2011.			
Corrective Action Request:	NSLFFPA 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.		
<b>Timeline for Conformance:</b>	By the second annual audit.		
Evidence Provided by	<ul style="list-style-type: none"> <li>NSLFFPA 3-part Rutting Policy Framework in response to NCR 01/12</li> </ul>		

<p>Organization:</p>	<p>and written outline of steps taken to address NCR 01/12.</p> <ul style="list-style-type: none"> <li>• Write-up about rutting on the “Woodbox” site on the NSLFFPA website in July 2011 following the June 2011 audit with photos of good and poor practices and notification to members about the inclusion of this information on the website.</li> <li>• Evidence of inclusion of soil typing and soil hazard identification in new forest management plans based on provincial and federal soil classification information.</li> <li>• Evidence of a new section in forest management plans identifying high risk areas of the woodlot for rutting and compaction.</li> </ul>
<p>Findings for Evaluation of Evidence:</p>	<p>To address the non-conformance with Indicator 6.3.5, NSLFFPA prepared a Rutting Policy Framework with three parts – 1) measures to identify the scale of the problem and to address the four identified situations, 2) a framework for providing information and education to members about avoiding rutting problems in future and 3) better identification of the potential for rutting in forest management planning. Each is discussed below.</p> <p>Following the 2012 audit (June 2011), NSLFFPA staff reviewed the operations of all woodlot members with recent harvesting. No additional sites with rutting were identified, and a total of 4 CARs were issued to address this RA NCR 01/12 (1 CAR was issued prior to the RA audit and 3 after the audit).</p> <p>NSLFFPA took actions promptly to address the root causes of the non-conformity with Indicator 6.3.5 that led to the issuance of the internal CARs and this NCR. NSLFFPA posted a write-up on rutting in the “Woodbox” site on the NSLFFPA website and sent a notice to all members in regard to the identified rutting issues. The write-up described four prevention and best management practices. Photos were included to identify good and poor practices. This was posted in July 2011, soon after the June 2011 audit.</p> <p>NSLFFPA is also putting more emphasis on soils mapping and soils hazard identification in new forest management plans being prepared using a new format for members. The plans include soils maps and a section that identifies high-risk areas of the woodlot for rutting and compaction. In 2012, the NSLFFPA foresters and extension staff have been visiting every woodlot member to go over plans and FSC requirements</p> <p>In this 2013 audit, 8 woodlots were visited. Minor rutting along forwarding trails was identified in 2 sites but rutting did not extend into harvested areas in any of the sites, and no non-conformances with Indicator 6.3.5 were identified. Good use of brushmats was observed on one woodlot. Inspection reports by the NSLFFPA foresters and extension staff show similar results – occasional minor rutting, but no identified non-conformances.</p> <p>Guidance was delivered to all members and information on soils and rutting hazards is being incorporated in forest management plans. This is directed to the avoidance of non-conformity with this Indicator in future. These actions address the requirements of Indicator 6.3.5. NCR 01/12 is closed.</p>

This audit identified deficiencies in the NSLFFPA internal procedures relating to follow-up and closure of the four internal CARs issued to members in mid 2011.

Follow-up on the 4 CARs did not occur until September/October 2012. At that time of this annual audit in November 2012, the status of the CARs is as follows:

CAR 1 – Action required by June 2011: Blade down the ruts. Status in November 2012: No action has been taken by the woodlot owner. NSLFFPA staff enquired about progress by email in June 2011 and September 2012, but the woodlot owner is unable to do the work due to family and financial problems and lack of available equipment. The CAR is not completed.

CAR 2 – Action required (no date): Build a berm. Status in November 2012: The site was assessed by NSLFFPA staff in October 2012. A berm has been in place for some time and is considered adequate to address the CAR. The CAR is closed.

CAR 3 – Action required by June 2012: Re-assess in dry weather for possible blading, seeding and/or planting. Status in November 2012: The site was assessed by NSLFFPA staff in October 2012. No work has been done to date. The woodlot owner has offered to put coarse fill in some of the ruts. NSLFFPA staff have offered to seek advice on best practices. The site has grassed in. CAR completion is still under review.

CAR 4 – Action required by August 2013: Monitor and grass seed if required. Status in November 2012: The site was assessed by NSLFFPA staff in September 2012. The site is grassing back in and considered adequate to address the CAR by the required completion date. The CAR is closed.

In summary, two of the CARs are completed, one is still under review and one is not likely to be completed. This incomplete CAR was also the subject of NCR 02/12 and is further discussed there. The two sites where CARs are incomplete do not appear to present an on-going sediment problem.

NSLFFPA does have policies and procedures for addressing non-conformances (Section 4.5 of Policy Manual, pages 19-21). However, the specified timelines to review the four CARs were not implemented and there is a lack of policy to address the situations where CARs are not completed or cannot be closed because of extenuating circumstances.

These are a non-conformance with requirement 3.1v of the FSC Group Management Standard (FSC-STD – 30-005). This is a “Group Failure” on the part of NSLFFPA, not a “Member Failure”. It involves a failure to meet a group requirement identified by RA-Cert as a critical requirement in RA guidance documents (FSC Forest Management Supplementary Guide to Evaluation, FM-01, pages 83 and 84). Based on this RA-Cert guidance, a MAJOR NCR is required to address this non-conformance in Section 3.1 of the Group Management Checklist, Appendix VII. This **MAJOR NCR 01/13** also addresses the non-conformities identified below in NCR 02/12 and also requires NSLFFPA to address the incomplete CARs identified here.

<b>NCR Status:</b>	CLOSED
Comments (optional):	See MAJOR NCR 01/13

<b>NCR#:</b>	02/12	<b>NC Classification:</b>	Minor
Standard & Requirement:	FSC-STD-CAN-Maritimes-SLIMF-2008; Indicator 6.5.4		
Report Section:	Appendix IV		
<b>Description of Non-conformance and Related Evidence:</b>			
On two of the nine properties visited by the auditor in the field, there were issues with environmental impacts at crossings of ephemeral streams. In both cases, the contractor had failed to implement best management practices for the protection of water quality. This NCR is intended to focus on the prevention of future occurrences of undue impacts at water crossing locations on member properties.			
Corrective Action Request:	NSLFFPA 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.		
<b>Timeline for Conformance:</b>	Prior to the second annual audit.		
Evidence Provided by Organization:	<ul style="list-style-type: none"> <li>• A written description of the two situations posted on the Woodbox site on the NSLFFPA website describing the root cause of the identified problems and providing guidance about avoidance of sedimentation in ephemeral streams in future.</li> <li>• Links to guidance documents from Nova Scotia DNR about legal requirements for small streams, erosion protection, use of culverts, and best management practices.</li> </ul>		
Findings for Evaluation of Evidence:	<p>The non-conformity with Indicator 6.5.4 identified in the 2012 annual audit was in regard to ephemeral streams on two woodlots where NCRs were also issued by NSLFFPA to address rutting (NCR 01/12). The description of the NCR notes that the NCR was issued “to focus on the prevention of future occurrences of undue impacts at water crossing locations on member properties”.</p> <p>NSLFFPA did provide guidance to members to address the root cause of the non-conformity. This took the form of a written description of the two situations, an identification of the root cause of the problem in each, and identification of the best practices expected to be implemented. This was posted on the Woodbox site on the NSLFFPA website and sent to all members. Links to documents describing best practices were also provided. This information was not posted until October, 2012, just prior to this annual audit, but does address the NCR.</p> <p>In addition in 2012, NSLFFPA extension foresters have been visiting all woodlots and discussion plans and operational situations like streams. The NSLFFPA foresters are also responding to requests from members for on-site visits and for advice.</p> <p>No issues with ephemeral streams were identified in this annual audit. On one woodlot, crossings of two small streams were discussed and guidance was provided by NSLFFPA foresters that culverts were required prior to</p>		

	<p>using a trail for removing wood. No non-conformities are identified in inspection reports completed by NSLFFPA foresters and extension staff in 2012.</p> <p>NSLFFPA is implementing best practices on ephemeral streams and is in conformance with Indicator 6.5.4. NCR 02/12 is closed.</p> <p>The two internal CARs issued by the NSLFFPA in 2011 in regard to ephemeral streams are also two of the four CARs that were issued to address the rutting identified in NCR 01/12. As noted in NCR 01/12 above, this annual audit identified deficiencies in the NSLFFPA internal procedures relating to follow-up and closure of these two internal CARs.</p> <p>At that time of this annual audit in November 2012, the status of these two CARs is as follows:</p> <p>CAR 1 – Action required by June 2011: Blade down the ruts, leading to the stream. Status in November 2012: No action has been taken by the woodlot owner. NSLFFPA staff enquired about progress by email in June 2011 and September 2012, but the woodlot owner is unable to do the work due to family and financial problems and lack of available equipment. The CAR is not completed. More than a year elapsed between e-mails from NSLFFPA and there is no evidence of any field inspection or other follow-up. It now appears that this CAR will likely not be completed because of the personal circumstances of the woodlot owner.</p> <p>CAR 2 – Action required (no date): Build a berm to address drainage from ruts running into a small stream. Status in November 2012: The site was assessed by NSLFFPA staff in October 2012. A berm has been in place for some time and is considered adequate to address the CAR. This CAR is closed but the response of NSLFFPA has been slow. More than a year elapsed between the issuance of the CAR and field inspection, even though the issue was sedimentation of a small stream.</p> <p>NSLFFPA does have policies and procedures for addressing non-conformances (Section 4.5 of Policy Manual, pages 19-21). In the case of CAR 1, the procedures do not address CARs that are not completed or where there are extenuating circumstances. In both CAR 1 and CAR 2, the identified 1 month timeline for follow-up was not implemented and no action was taken to review completion of the non-conformity until more than a year after the CAR was issued.</p> <p>These are a non-conformance with requirement 3.1v of the FSC Group Management Standard (FSC-STD – 30-005). This is a “Group Failure” on the part of NSLFFPA, not a “Member Failure”. It involves a failure to meet a group requirement identified by RA-Cert as a critical requirement in RA guidance documents (FSC Forest Management Supplementary Guide to Evaluation, FM-01, pages 83 and 84). Based on this RA-Cert guidance, a MAJOR NCR is required to address the non-conformance identified in Section 3.1 of the Group Management Checklist, Appendix VII. This <b>MAJOR NCR 01/13</b> is issued to address the non-conformities identified in NCR 01/12 as well as in NCR 02/12 and also requires NSLFFPA to address the incomplete CARs in both those NCRs.</p>
<b>NCR Status:</b>	CLOSED
Comments (optional):	See MAJOR NCR 01/13

## 2.6. New non-conformity reports issued as a result of this audit

<b>MAJOR NCR#:</b>	01/13	<b>NC Classification:</b>	Major <b>X</b>	Minor
Standard & Requirement:	FSC-STD -30-005, Requirement 3.1v			
Report Section:	Section 2.5, NCR 01/12 and NCR 02/12, and Appendix VII, Group Management Checklist 3.1.			
<b>Description of Non-conformance and Related Evidence:</b> NSLFFPA does have policies and procedures for addressing non-conformances by members (Section 4.5 of Policy Manual, pages 19-21). However, the specified timelines to review the four CARs were not implemented and there is a lack of policy to address the situations where CARs are not completed or cannot be closed because of extenuating circumstances.				
<p>These are a non-conformance with requirement 3.1v of the FSC Group Management Standard (FSC-STD – 30-005). This is a “Group Failure” on the part of NSLFFPA, not a “Member Failure”. It involves a failure to meet a group requirement identified by RA-Cert as a critical requirement in RA guidance documents (FSC Forest Management Supplementary Guide to Evaluation, FM-01, pages 83 and 84). This is a single non-conformity that was identified in three situations - NCR 01/12, NCR 02/12 and Section 3.1 of the Group Management Checklist, Appendix VII. The MAJOR NCR also requires NSLFFPA to address the incomplete CARs that are identified in both NCR 01/12 and 02/12.</p>				
Corrective Action Request:	<p>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.</p>			
<b>Timeline for Conformance:</b>	One month from finalization of report. Due date: January 21, 2013.			
Evidence Provided by Organization:	PENDING			
Findings for Evaluation of Evidence:	PENDING			
<b>NCR Status:</b>	OPEN			
Comments (optional):				

<b>MAJOR NCR#:</b>	02/13	<b>NC Classification:</b>	Major <b>X</b>	Minor
Standard & Requirement:	FSC-STD-CAN-Maritimes-2008, Indicators 4.2.1 and 4.2.2			
Report Section:	Appendix IV, Criterion 4.2			
<b>Description of Non-conformance and Related Evidence:</b>				
<p>In this annual audit, there were two situations in which woodlot owners were not aware of the health and safety requirements pertaining to themselves and their contractors and employees engaged in work on the woodlot. This involved both lack of understanding about the applicability of safety laws and programs generally to contractors and employees on the woodlot, and lack of understanding about the specific requirements for working alone, and for using chainsaws.</p> <p>Based on observations in the field and interviews with NSLFFPA staff, NSLFFPA is not currently in conformance with Indicators 4.2.1 and 4.2.2 in regard to safety. Non-conformance with Criterion 4.2 is a Major NCR because this non-conformance is a re-occurrence of a non-conformity that was previously identified within the last 2 years.</p>				

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.
<b>Timeline for Conformance:</b>	One month from finalization of report. Due date: January 21, 2013.
Evidence Provided by Organization:	PENDING
Findings for Evaluation of Evidence:	PENDING
<b>NCR Status:</b>	OPEN
Comments (optional):	

<b>MAJOR NCR#:</b>	03/13	<b>NC Classification:</b>	Major <input checked="" type="checkbox"/>	Minor
Standard & Requirement:	FSC-STD -30-005, Requirement 3.2			
Report Section:	Appendix VII, Group Management Checklist 3.2			
<b>Description of Non-conformance and Related Evidence:</b>				
<p>In this annual audit period, there were several cases noted in the field or in inspection reports where woodlot members did not notify NSLFFPA about activities and where operations were completed before the NSLFFPA was aware of them. In at least one case, the harvesting that was undertaken was significantly different than the activity that was described in the forest management plan. The woodlot owner took advice from a neighbour/logging contractor to carry out harvesting that was quite different from the plan. This left the NSLFFPA without control of the members activity.</p> <p>It is not clear in all cases that the woodlot owners understand that following the forest management plan is a key component of meeting the FSC Principles and Criteria, and that the plan sets out stand prescriptions that meet FSC requirements. Some woodlot owners may feel that since they own their own woodlot, they are free to make decisions about harvesting activities in the plan, and that while the plan is useful, it does not necessarily guide what they do. Again in these situations, NSLFFPA does not have control of members activities and members may undertake activities on their woodlots that do not meet FSC requirements.</p> <p>To ensure that all FSC requirements are being met, NSLFFPA must demonstrate that they can ensure that all operations by all owners are meeting the requirements of the FSC standard. The apparent lack of an implemented and efficient internal control system is a significant non-conformance.</p>				
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.			
<b>Timeline for Conformance:</b>	Three months from finalization of report. Due date: March 21, 2013.			
Evidence Provided by Organization:	PENDING			
Findings for Evaluation of Evidence:	PENDING			
<b>NCR Status:</b>	OPEN			
Comments (optional):				

<b>NCR#:</b>	04/13	<b>NC Classification:</b>	Major	Minor X
Standard & Requirement:	FM-35, 5.2.2			
Report Section:	Appendix V: Chain of Custody Conformance, Section 5.2.2			
<b>Description of Non-conformance and Related Evidence:</b>				
There have been instances in the past year, including an article submitted to a newspaper, of NSLFFPA making claims regarding FSC and RA, and using FSC and RA trademarks, without first submitting them to RA for approval.				
Corrective Action Request:	Organization shall implement corrective actions to demonstrate conformance with the requirement(s) referenced above.			
<b>Timeline for Conformance:</b>	By the next annual surveillance audit			
Evidence Provided by Organization:	PENDING			
Findings for Evaluation of Evidence:	PENDING			
<b>NCR Status:</b>	OPEN			
Comments (optional):				

<b>NCR#:</b>	05/13	<b>NC Classification:</b>	Major	Minor X
Standard & Requirement:	FSC-STD-30-005, Requirement 8.1 and 8.3.			
Report Section:	Appendix VII, Group Management Checklist.			
<b>Description of Non-conformance and Related Evidence:</b>				
Since the last annual audit, the amount of activity within the group has been limited because of the closure of the NewPage Port Hawkesbury mill, and the inspections by the foresters and extension staff provide some monitoring of all activities. However, these are visits or inspections. They are not part of an organized, structured, annual monitoring program that involves visits to a selected sample of group members to confirm conformance with the FSC Maritime standard, as required by Requirement 8.1 of the FSC 30-005 standard.				
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.			
<b>Timeline for Conformance:</b>	By the next annual audit			
Evidence Provided by Organization:	PENDING			
Findings for Evaluation of Evidence:	PENDING			
<b>NCR Status:</b>	OPEN			
Comments (optional):				

## 2.7. Audit observations

**Observations** can be raised when issues or the early stages of a problem are identified 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 NCR in the future (or a pre-condition or condition during a 5 year re-assessment).

Two Observations are made in this annual audit.

<b>OBS 01/13</b>	<b>Reference Standard &amp; Requirement:</b> Criteria 9.1 and FSC-STD-30-005, Requirement 2.3.
<b>Description of findings leading to observation:</b> Based on discussions with NSLFFPA staff it appears that there may be a misunderstanding of the requirements of Criterion 9.1. Based on the brief descriptions in the forest management plan, it appears that at least two other woodlots (Florence Thomas and Heather Cross) may contain old stands that include attributes of HCVFs. In addition, one woodlot (Brian Archibald) is close to the St Mary's river and may provides habitat for wood turtles, a species at risk in Nova Scotia. Based on the discussions with staff, these may be HCVFs that are identified in the plans as reserves, but that could be identified as HCVFs.	
<b>Observation:</b> NSLFFPA should review the requirements of Criterion 9.1 and, if revisions to the HCV assessments are necessary, should ensure that identification of High Conservation Value Forests in new and updated forest management plans is consistent with FSC requirements.	

<b>OBS 02/13</b>	<b>Reference Standard &amp; Requirement:</b> Criteria 9.3 and FSC-STD-30-005, Requirement 2.3.
<b>Description of findings leading to observation:</b> Based on the review of forest management plans and discussions with NSLFFPA staff, it appears that some HCVFs may not be identified as such in the plans but are identified as "protected" or "reserved" areas with no activities.	
<b>Observation:</b> NSLFFPA should also review the requirements of Criterion 9.3 and if changes are necessary in the HCVF assessments or the type of management strategies developed, should ensure that management strategies are identified that maintain or enhance any HCV attributes identified.	

## 2.8. Notes from Previous Audits

**Notes for Future Audits** are recorded for the benefit of future audit teams. They are items that were not fully addressed in previous audits or assessments and do not constitute non-conformance. They warrant monitoring by future audit teams.

Three notes were reviewed in this annual audit and all three are closed.

<b>Note 01/12</b>	<b>Reference Standard and Requirement: FSC-STD-CAN-Maritimes-SLIMF-2008 – Indicator 8.1.1</b>	
<p><b>Note for Future Annual Audits:</b> Due to the unusually wet spring weather in 2011, there was a greater risk than usual of site damage due to rutting from machine operations on sensitive soils. At the time of the site visit, one CAR had been issued by NSLFFPA to a group member in regard to site damage (rutting) incurred in the harvest operation during forwarding. Rutting damage was also observed on three other properties visited in the field by the auditor, and NSLFFPA staff indicated they would be issuing CARs to these group members as well. In addition, the FME expressed their intent to check for rutting damage on all other properties which had operations during the spring of 2011.</p> <p>The status of these CARs should be checked, including any follow-up monitoring done by the FME, as well as any mitigative actions taken by the group members on the areas where site damage was incurred, and related effectiveness monitoring.</p>		
<input checked="" type="checkbox"/> Closed	<input type="checkbox"/> Followed-up but still open	<input type="checkbox"/> Not followed-up this year
<p><b>2013 Comments:</b> The four CARs issued by NSLFFPA in regard to the rutting and ephemeral streams were all followed up by the NSLFFPA staff by email (1 CAR) or in the field (3 CARs). However, this follow-up occurred in September and October 2012, more than a year after the CARs were issued and, in two of the three cases where completion dates were established, beyond the dates for completion for the CARs.</p> <p>The current status of these CARs is described above for NCR 01/12.</p> <p>As described for NCRs 01/12 and 02/12, NSLFFPA did undertake strategic action to address the root causes of the non-conformities. These including providing guidance to members on their website, and incorporating new information into a new section in the forest management plan template.</p> <p>The Note is closed. <b>MAJOR NCR 01/13</b> is issued to address the lack of clear policy to address the situations where CARs are not completed or cannot be closed because of extenuating circumstances.</p>		

<b>Note 02/12</b>	<b>Reference Standard and Requirement: FSC-STD-CAN-Maritimes-SLIMF-2008 – Indicator 6.3.1</b>	
<p><b>Note for Future Annual Audits:</b> The current draft version of the “Nova Scotia Policy Framework for Forestry” indicates that levels of clearcutting in the province would be reduced by one-half. This reduction appears to be arbitrary and not based on any consideration of stand condition or silvicultural need towards Acadian Forest restoration strategies. The status of the Nova Scotia Policy Framework for Forestry should be checked, and its implications for the balance of silvicultural systems that may be implemented on group member properties should be considered.</p>		
<input checked="" type="checkbox"/> Closed	<input type="checkbox"/> Followed-up but still open	<input type="checkbox"/> Not followed-up this year
<p><b>2013 Comments:</b> NSLFFPA participated in a field-test of the draft definition of “clearcut” in March, 2012. They provided written comments to the Department of Natural Resources that the definition is “workable” but that the NSLFFPA remains concerned that the definition may be more directed to measuring a reduction in clearcutting rather than consideration of the use of an appropriate harvesting and silvicultural systems in given site-specific situations.</p> <p>In August 2012, the Nova Scotia government formally adopted a definition of clearcut as follows: “A clearcut is now defined as a forest harvest where less than 60% of the area is sufficiently occupied with trees taller than 1.3 meters”. The government confirmed its commitment to reducing clearcutting as a harvest method (as defined) to no more than 50% of the total tree harvest in the province's forests by 2016. This implementation of the clearcutting policy following the Policy Framework for the Future of Nova Scotia's Forestry is explained at <a href="http://novascotia.ca/natr/strategy/clear-cut-definition.asp">http://novascotia.ca/natr/strategy/clear-cut-definition.asp</a>.</p>		

The “clearcutting policy” is now in place and will be implemented in Nova Scotia between now and 2016. There is no present indication that this will affect the ability of the NSLFFPA and its members to plan and implement harvesting and silvicultural systems that are consistent with the FSC Maritime Standard, particularly in the application of clearcutting on sites where clearcutting is appropriate as a restoration approach. The Note is closed.

<b>Note 02/11</b>	<b>Reference Standard and Requirement: 4.4.4</b>	
<b>Note for Future Annual Audits:</b> Notices of public meetings, public outreach, etc. should be checked.		
<input checked="" type="checkbox"/> Closed	<input type="checkbox"/> Followed-up but still open	<input type="checkbox"/> Not followed-up this year
<b>2011 Comments:</b> No public meetings were sponsored by the FME since the last annual audit. SmartWood reviewed correspondence with group members, and public summary documents, and found these to be in conformance with requirements. Public notices should be reviewed for the next (2013) annual audit.		
<b>2012 Comments:</b> The NSLFFPA held two well-attended public meetings in November 2011. They also did a presentation at a woodland conference in March 2012. A summary of the NSLFFPA Program (October 2012) is posted on the website and publicly available to members and all other interested parties. Public meetings are scheduled in Port Hawkesbury and Antigonish in November 2012. The Note is closed.		

## 2.9. Notes for Future Audits

One new Note for the 2014 annual audit is recorded.

<b>Note 01/13</b>	<b>Reference Standard and Requirement:</b> Criteria 9.1 and 9.3	
<b>Note for Future Annual Audits:</b> The 2014 annual audit should review conformity with Principle 9.		
<input type="checkbox"/> Closed	<input type="checkbox"/> Followed-up but still open	<input type="checkbox"/> Not followed-up this year
<b>2014 Comments:</b>		

## 3. AUDIT PROCESS

### 3.1. Auditors and qualifications

Auditor Name	Keith Moore	Auditor role	Lead Auditor
Qualifications:	Keith is a registered professional forester (RPF in BC) 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, Keith was the Chair of British Columbia’s Forest Practices Board. Since 2000, he has been a team member or team leader with RA-Cert/SmartWood on over 70 different FSC forest management assessments, annual audits and pre-condition verification audits in five provinces of Canada, in Russia, Australia, Indonesia, the US and Cameroon. He is very familiar with three of the regional FSC standards in Canada		

and has also been involved in the development of regional standards in Russia, Montenegro, Kenya and Australia. He participated in the recent process to revise the FSC Principles and Criteria. He is an RA trained FSC Forest Management lead auditor and has ISO 9001 Lead Auditor certification. Keith has led or been a team member on several previous FSC assessments and annual audits in the Maritimes using the Maritime Regional Standard. This is his second annual audit of NSLFFPA.

### 3.2. Audit schedule

Date	Location /Main sites	Principal Activities
Mon/Tues, Nov 5 and 6		Auditor travel to Port Hawkesbury.
Wed, Nov 7	Port Hawkesbury	Opening meeting in Port Hawkesbury. Review documents and interview staff of NSLFFPA.
Thurs, Nov 8	Cape Breton Island	Field day, 3 woodlots on Cape Breton Island.
Fri, Nov 9	Guysborough County	Field Day, 3 woodlots in Guysborough County.
Sat, Nov 10	Pictou County	Field Day, 2 woodlots in Pictou County. Exit meeting with NSLFFPA in Antigonish. Travel to Halifax. Exit meeting with ASI auditor in Halifax.
Sun, Nov 11		Return travel.
Mon, Nov 12		Return travel.
Nov 19-28		Report preparation in auditors office.
Tues, Dec 4		Draft report sent to NSLFFPA for review.
Wed, Dec 12		Comments received from NSLFFPA.
Fri, Dec 21		Final report completed.
Total number of person days used for the audit: 9 days = number of auditors participating 1 X average number of days spent in preparation, on site and post site visit follow-up including stakeholder consultation		

### 3.3. Sampling methodology

At the time of this audit (November 2012) NSLFFPA had 201 active members with a total of 288 forest management units. The total area certified is 24,098 ha. In previous audits it was determined that each woodlot owner with multiple parcels is a Resource Manager as each manages the operations on their personal woodlots. Thus there are a total of 201 FMUs. The sample was not stratified for parcels greater or less than 100 ha as the SLIMF Maritime Standard applies to parcels less than 1000 ha and all woodlots within the group are less than 1000 ha.

Of the 201 FMUs, 153 were part of the group prior to the 2012 annual audit (June 2011) and 48 are new members since the end of June, 2011. Thus, the group was stratified into two subsets, "existing" members (FMU = 153) and "new" (FMU = 48).

The formula for small forests less than 1000 ha (sample size =  $0.3 * \text{square root [FMU]}$ , rounded to the next highest whole number), was applied to existing members. The formula for small forests less than 1000 ha (sample size =  $0.6 * \text{square root [FMU]}$ , rounded to the next highest whole number) was applied to new members.

Existing: sample size =  $0.3 * \text{square root [153]} = 3.7$  rounded up = 4  
 New: sample size =  $0.6 * \text{square root [48]} = 4.1$  rounded up = 5

With the group manager, the auditor identified the sites with active harvesting or other operational activities since the last annual audit, and selected sites from a subset of old and new woodlot members. From the 9 sites selected, 8 were actually visited due to constraints imposed by the travel distances and available time on the final day of the audit. Four were existing prior to the last annual audit (2012); 4 were new since the 2012 annual audit. Five of the woodlots visited were on Mainland Nova Scotia, and 3 were on Cape Breton Island. The sites visited included both predominantly softwood (conifer) woodlots and predominantly hardwood (deciduous) woodlots. The activities reviewed included clearcut harvesting (3 woodlots); selection harvesting (2 woodlots); salvage harvesting (3 woodlots); crop tree release (2 woodlots); commercial thinning (1 woodlot); pre-commercial thinning (2 woodlots); roads and skid trails (3 woodlots); sites with High Conservation Value forests (1 woodlot), and species at risk habitat (1 woodlot)

### 3.3.1 List of FMUs selected for evaluation

FMU/Group Member Name	Rationale for Selection
<p>██████████  ██████████  ██████████  ██████████ Inverness County,  Cape Breton</p>	<p>172 ha. New member. Cape Breton Island. Recent pre-commercial thinning, and planned crop tree release program for hardwoods. New forest management plan.</p>
<p>██████████  ██████████  ██████████ Richmond County,  Cape Breton</p>	<p>33.2 ha. New member. Cape Breton Island. Recent clearcut harvest in softwood for pest management. Recent skid trail construction. Woodlot owner available for interview. New forest management plan.</p>
<p>██████████  ██████████  ██████████  Cape Breton County,  Cape Breton</p>	<p>71 ha. Old member. Cape Breton Island. Recent clearcut harvest of softwoods for salvage of pest damaged stand. Recent road construction.</p>
<p>██████████  ██████████  ██████████ Guysborough County</p>	<p>243 ha. Old member. Mainland Nova Scotia. Active operations. Woodlot owner available for interview. Recent and on-going selection cutting to improve softwood stand. Recent clearcutting in old farm white spruce stand. Rare species in vicinity (wood turtle).</p>
<p>██  ██████████  ██████████ Antigonish County</p>	<p>137 ha. Old member. Mainland Nova Scotia. Recent large area of selection cut (30% removal) in hardwood stand.</p>
<p>██████████  ██████████  ██████████ Antigonish  County.</p>	<p>107 ha. New member. Mainland Nova Scotia. Recent crop tree release. New forest management plan.</p>
<p>██████████  ██████████  ██████████ Pictou County</p>	<p>167.6 ha. New member. Mainland Nova Scotia. Actively managed woodlot. Owner available for interview. Recent commercial thinning in red pine stand. Pruning. Pre-commercial thinning. Small streams within operating areas. Recent skid trail</p>

	construction. New forest management plan.
████████████████████ ████████████████████ ████████████████████ Pictou County	25.1 ha. Old member. Mainland Nova Scotia. Recent clearcuts in old-farm white spruce. Two HCVPs on woodlot.

### 3.4. Stakeholder consultation process

No stakeholders were consulted during this 2013 annual audit. Rainforest Alliance's experience in this area of Nova Scotia is that stakeholders have little concern about the operations of the woodlot members in this group certificate. Residents of the region are generally very supportive of woodlot owners and several stakeholders were consulted during the 2012 annual audit. At the time of the re-assessment (2010), no stakeholders indicated any interest in providing comments in response to public notice of the re-assessment. In addition, the NCRs and the Principles being reviewed in this annual audit (Principles 5 and 7) do not normally engage stakeholders.

Rainforest Alliance will undertake outreach to First Nations and selected stakeholders when Principles 3, 4, 6 and 9 are reviewed.

### 3.5. Changes to Certification Standards

Forest stewardship standard used in audit:	FSC-STD-CAN-Maritimes-SLIMF-2008; Standard for Small and Low Intensity Forests
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.

### 3.6. Review of FME Documentation and required records

#### a) All certificate types

Required Records	Reviewed
Complaints received by FME from stakeholders, actions taken, follow up communication	Y <input checked="" type="checkbox"/> N <input type="checkbox"/>
Comments: No complaints were received in 2012. In 2012, a letter was sent from the group manager to approximately 1700 recipients telling them that their neighbours were members of the NSLFFPA and a forest management plan had been prepared. The NSLFFPA received a number of letters in response. Some advised the NSLFFPA of neighbours' concerns for wells and similar features. None were considered complaints.	
Accident records	Y <input checked="" type="checkbox"/> N <input type="checkbox"/>
Comments: No accidents were recorded in 2012.	

Training records	Y <input checked="" type="checkbox"/> N <input type="checkbox"/>
Comments: NSLFFPA staff provided training to members through a hardwood outreach management day and a GPS training course. The NSLFFPA extension foresters provided a variety of on-site training. NSLFFPA staff took training in forest carbon and forest ecosystem classification.	
Operational plan(s) for next twelve months	Y <input checked="" type="checkbox"/> N <input type="checkbox"/>
Comments: Operational plans for 2013 were reviewed. The level of harvesting was low in 2012. However, the paper mill in Port Hawkesbury re-opened in October 2012 under new ownership – Port Hawkesbury Paper (PHP). If the price offered to woodlot owners is satisfactory, there may be more operational activity in 2013. Silviculture activity depends on the availability of government or industry funding.	
Inventory records	Y <input checked="" type="checkbox"/> N <input type="checkbox"/>
Comments: Forest inventory including forest cover, wildlife information and soils was reviewed in twelve forest management plans.	
Harvesting records	Y <input checked="" type="checkbox"/> N <input type="checkbox"/>
Comments: Harvesting records for the year were submitted by NSLFFPA. These indicate that 15 members harvested 6,178 m <sup>3</sup> including biomass, fence posts, commercial and personal firewood, fuel wood, hardwood and softwood sawlogs and pulp wood.	

#### b) Group Certificates

Required Group Records	Reviewed
Group management system	Y <input checked="" type="checkbox"/> N <input type="checkbox"/>
Comments: The group management system is evaluated in Appendix VII.	
Rate of membership change within the group	Y <input checked="" type="checkbox"/> N <input type="checkbox"/>
Comments: Membership has grown by 48 members between the 2012 annual audit (June 2011) and this 2013 annual audit (November 2012).	
Formal communication/written documentation sent to members by the group entity during the audit period	Y <input checked="" type="checkbox"/> N <input type="checkbox"/>
Comments: Information is provided to members on a regular basis through the website. Information is mailed to members who do not have internet capability.	
Records of monitoring carried out by the group entity	Y <input checked="" type="checkbox"/> N <input type="checkbox"/>
Comments: The NSLFFPA foresters and extension staff visited every members at least once in 2012, reviewed plans and field activities on site.	
Records of any corrective actions issued by the group entity	Y <input checked="" type="checkbox"/> N <input type="checkbox"/>
Comments: Four CARs were reviewed. These are described in NCR 01/12 and NCR 02/12.	
Updated list of group members	Y <input checked="" type="checkbox"/> N <input type="checkbox"/>
Comments: NSLFFPA provided a current list of group members. This is attached as Appendix VIII.	

## APPENDIX I: FSC Annual Audit Reporting Form

NOTE: form prepared by NSLFFPA

Forest management enterprise information:			
<b>FME legal name:</b>	Nova Scotia Landowners and Forest Fibre Producers Association		
<b>FME Certificate Code:</b>	SW-FM/CoC – 001753		
<b>Reporting period</b>	Previous 16 month period	<b>Dates</b>	June 1, 2011 - October 31, 2012

1. Scope Of Certificate			
Type of certificate: group	SLIMF Certificate: Small SLIMF		
<b>New FMUs added since previous evaluation</b>	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	
<b>Group Certificate:</b> Updated of FMU and group member list provided in <b>Appendix VII-a:</b>			
<b>Multi-FMU Certificate:</b> List of new FMUs added to the certificate scope:			
FMU Name/Description	Area	Forest Type	Location Latitude/Longitude <sup>1</sup>
<b>See attached Appendix VII-a</b>	ha		
	ha		
	ha		

2. FME Information	
<input type="checkbox"/> No changes since previous report (if no changes since previous report leave section blank)	
Forest zone	Temperate
Certified Area under Forest Type	
- Natural	24067 hectares
- Plantation	31 hectares
Stream sides and water bodies	Linear Kilometers

3. Forest Area Classification		
<input type="checkbox"/> No changes since previous report (if no changes since previous report leave section blank)		
Total certified area (land base)	24098 ha	
1. Total forest area	20393 ha	
a. Total production forest area	20187 ha	
b. Total non-productive forest area (no harvesting)	206 ha	
- Protected forest area (strict reserves)	206ha	
- Areas protected from timber harvesting and managed only for NTFPs or services	0 ha	
- Remaining non-productive forest	ha	
2. Total non-forest area (e.g., water bodies, wetlands, fields, rocky outcrops, etc.)	3705.3 ha	

4. High Conservation Values identified via formal HCV assessment by the FME and respective areas	
<input type="checkbox"/> No changes since previous report (if no changes since previous report leave section blank)	

<sup>1</sup> The center point of a contiguous FMU or group of dispersed properties that together comprise a FMU in latitude and longitude decimal degrees with a maximum of 5 decimals.

Code	HCV TYPES <sup>2</sup>	Description:	Area
HCV1	Forest areas containing globally, regionally or nationally significant concentrations of biodiversity values (e.g. endemism, endangered species, refugia).	[REDACTED]	26.95 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.		ha
HCV3	Forest areas that are in or contain rare, threatened or endangered ecosystems.	[REDACTED]	53.36 ha
HCV4	Forest areas that provide basic services of nature in critical situations (e.g. watershed protection, erosion control).		ha
HCV5	Forest areas fundamental to meeting basic needs of local communities (e.g. subsistence, health).		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).		ha
Number of sites significant to indigenous people and local communities			1

### 5. Workers

Number of workers including employees, part-time and seasonal workers:		
Total number of workers	6 workers	
- Of total workers listed above	5 Male	1 Female
Number of serious accidents	0	
Number of fatalities	0	

### 6. Pesticide Use

<input checked="" type="checkbox"/> FME does not use pesticides. (delete rows below)
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<sup>2</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>.

**APPENDIX II: List of visited sites (confidential)**

FMU or other Location	Compartment/ Area	Site description / Audit Focus and Rationale for selection
[REDACTED]	West Bay Marshes Campbell Rd., Inverness County, Cape Breton	172 ha. New member. Cape Breton Island. Recent pre-commercial thinning, and planned crop tree release program for hardwoods. New forest management plan.
[REDACTED]	Ferguson Lake, Richmond County, Cape Breton	33.2 ha. New member. Cape Breton Island. Recent clearcut harvest in softwood for pest management. Recent skid trail construction. Woodlot owner available for interview. New forest management plan.
[REDACTED]	Grand Mira South Road, Cape Breton County, Cape Breton	71 ha. Old member. Cape Breton Island. Recent clearcut harvest of softwoods for salvage of pest damaged stand. Recent road construction.
[REDACTED]	Wallace Lake, Guysborough County	243 ha. Old member. Mainland Nova Scotia. Active operations. Woodlot owner available for interview. Recent and on-going selection cutting to improve softwood stand. Recent clearcutting in old farm white spruce stand. Rare species in vicinity (wood turtle).
[REDACTED]	Group member # 8 Pleasant Valley, Antigonish County	137 ha. Old member. Mainland Nova Scotia. Recent large area of selection cut (30% removal) in hardwood stand.
[REDACTED]	MacPherson Lane, Arisaig, Antigonish County	107 ha. New member. Mainland Nova Scotia. Recent crop tree release. New forest management plan.
[REDACTED]	Hardwood Hill, Scotsburn, Pictou County	167.6 ha. New member. Mainland Nova Scotia. Actively managed woodlot. Owner available for interview. Recent commercial thinning in red pine stand. Pruning. Pre-commercial thinning. Small streams within operating areas. Recent skid trail construction. New forest management plan.
[REDACTED]	Glengarry Road, Lorne, Pictou County	25.1 ha. Old member. Mainland Nova Scotia. Recent clearcuts in old-farm white spruce. Two HCVFs on woodlot.

## APPENDIX III: List of stakeholders consulted (confidential)

### List of FME Staff Consulted

Name	Title	Contact	Type of Participation
Burchill, Peter	Forester, NSLFFPA	pete@nslffpa.com; 902-304-0815	Interview, field, opening meeting and exit meeting
Brown, Kingsley	Certification Coordinator, NSLFFPA	brownkingsley5@gmail.com 902-625-3800	Interview, field, opening meeting and exit meeting.
Easthouse, Kari	Forester, NSLFFPA	kari@nslffpa.com; 902-302-0749	Interview, field, opening meeting and exit meetings
Hill, Bill	Extension field staff		Field
Sweet, Dave	Extension field staff		Field, exit meeting
Stub, Wilma	Executive director, NSLFFPA	nslffpa@ns.sympatico.ca; 902-625-3800	Interview

### List of Woodlot Owners and Workers Consulted

Name	Organization	Contact	Type of Participation
[REDACTED]	Woodlot owner, member		Interview, field
[REDACTED]	Forest worker, Archibald woodlot		Interview, field
[REDACTED]	Woodlot owner, member		Interview, field
[REDACTED]	Woodlot owner, member		Interview, field

## APPENDIX IV: 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. FSC requires all 10 Principles to be re-evaluated over the 5-year life of the certificate.

In this 2013 annual audit, Principle 5 and Principle 7 were re-evaluated and Criteria 4.2, 9.1 and 9.3 were reviewed as they arose in the field.

In the 2012 annual audit, all Criteria in Principles 1, 10 were re-evaluated and some indicators in Criteria 6.3, 6.5 and 8.1 were reviewed as they arose in the field.

Findings of conformance or non-conformance are documented at the criterion level, with reference to the applicable indicator, in the following table with a reference to an applicable NCR, OBS or NOTE. The non-conformance and NCR is also summarized in the NCR table in Section 2.4.

P & C	Conformance: Yes/No/ NE	Findings	NCR OBS (#)
Principle 4. COMMUNITY RELATIONS AND WORKER RIGHTS			
4.2	No	<p>The 2010 Re-assessment reported that “Many landowners conduct their own harvesting operations and it is uncertain that landowners comply with Provincial health and safety requirements and are knowledgeable of regulations. The NSLFFPA does not have a worker safety program. It is unclear as to whether forest management meets applicable laws covering health and safety and the absence of a worker safety program results in a non conformance”. CAR 02/10 was issued. This CAR was subsequently raised to MAJOR CAR 02/10.</p> <p>To address that Major CAR, NSLFFPA adapted their Policy and Procedures Manual (rev. dated Dec 14, 2010) to include an expanded health and safety component under section 3.7; and developed Standard Operating Procedures to include sections (sections 7-9) on safety. NSLFFPA also developed new safety checklists (D09) and a Health and Safety Record Tracker. Between June and December 2010, seven safety inspections were carried out. The Major CAR was closed in January 2011.</p> <p>In this annual audit, there were two situations in which woodlot owners were not aware of the health and safety requirements pertaining to themselves and their contractors and employees engaged in work on the woodlot. This involved both lack of understanding about the applicability of safety laws and programs generally to contractors and employees on the woodlot, and lack of understanding about the specific requirements for working alone, and for using chainsaws. Information about these requirements is available from the Nova Scotia Forest Safety Society website <a href="http://www.fss.ns.ca">www.fss.ns.ca</a>. This site provides a Safe Work Practices tab that</p>	MAJOR NCR 02/13

		<p>identifies safe work practices guidance for “Chain Saw Use” and “Working Alone”.</p> <p>As a “Group Manager” NSLFFPA is responsible for ensuring that all members and their forest workers “comply with all relevant provincial occupational health and safety requirements” (indicator 4.2.1). NSLFFPA is also responsible for “implementing a program of worker safety” (Indicator 4.2.2). This includes identification of the need for, and provision of, safety training and periodic review of the safety program”</p> <p>To meet the Major CAR 02/10 in 2011, NSLFFPA developed a policy relating to health and safety in the Policy and Procedures Manual and implemented a safety checklist for use with members. Since the last annual audit (June 2011), NSLFFPA foresters and extension staff completed safety checklists on only two of the 13 member woodlots inspected because these were the only two of the 13 inspections with active operations at the time of the visit. The lack of an effective notice of the member activities to the NSLFFPA as described in Requirement 3.2 of the Group Management Checklist, Appendix VII, means that the NSLFFPA is unable to inspect active operations and ensure safe work practices. Without inspections and adequate understanding by woodlot owners about worker safety requirements, NSLFFPA cannot demonstrate that it meets Indicator 4.2.1 that requires the group manager to “ensure that all workers comply with all ... safety requirements”. Based on the observations in the field and interviews with NSLFFPA staff, NSLFFPA is not currently in conformance with Indicators 4.2.1 and 4.2.2 in regard to safety.</p> <p>Non-conformance with Criterion 4.2 is a Major NCR because this non-conformance was previously identified within the last 2 years. In addition, the number of members has expanded significantly since 2011, and the amount of harvest activity may increase in 2013. This makes the need to address this non-conformity urgent. <b>Major NCR 02/13</b> is issued with a one month timeline for completion.</p>	
<b>Principle 5. BENEFITS FROM THE FOREST</b>			
5.1	Yes	<p>Indicators 5.1.1 and 5.1.3 are not applicable for SLIMF. Woodlot owners are seeking to improve the value of their woodlots and are investing in salvage harvest, crop tree selection, and silviculture (pre-commercial and commercial thinning, pruning) to improve forest value for the long-term (Indicator 5.1.2). Woodlot members are all private land owners and do not pay fees to other landowners or government (Indicator 5.1.4).</p> <p>The Criterion is met.</p>	
5.2	Yes	<p>Indicator 5.2.1 is not applicable for SLIMF. While options are limited for most woodlot owners to capture optimal value, there is evidence that owners seek to deliver different products to different mills and end-users and capture as much value as possible from the species and grades found on their woodlots (Indicator 5.2.2 and 5.2.3). NSLFFPA foresters and extension staff provide assistance in this regard.</p>	

		The Criterion is met.	
5.3	Yes	Utilization levels met standard requirements on all sites visited. Very little damage to residuals was observed. This is inspected by NSLFFPA foresters and extension staff.  The Criterion is met.	
5.4	Yes	Woodlot owners are striving to develop a diversity of products. Deliveries from woodlots in 2011/2012 were generally to more than one mill. In 2011/2012, 8 different types of products were delivered to at least 11 different mills. There is little use of non-timber products.  The Criterion is met.	
5.5	Yes	Forest services provided by the woodlot are assessed by the NSLFFPA foresters and potential impacts on those services are described in the forest management plans. Measures to protect soil and water are identified in the plans.  The Criterion is met.	
5.6	Yes	A 10 year rate of harvest is determined for each individual woodlot based on an inventory, and is identified in each forest management plan.  The Criterion is met.	
<b>Principle 7. MANAGEMENT PLAN</b>			
7.1	Yes	The NSLFFPA clearly articulates vision and objectives. This is available on the website and explained to all prospective members at the time of their application. The forest management plan for each woodlot member is prepared by the staff foresters at NSLFFPA. Previous plans prepared by contractors are being updated to a consistent standard as they come up for renewal. The plan is based on a field inventory and a thorough description of forest types, soils and water, ecological features, streams, habitats and special values. Harvesting and silvicultural schedules to maintain values and enhance Acadian forest attributes are identified. A 10-year AAC and a harvesting schedule is included, and the plan accounts for future influences of pests and pathogens where those can be foreseen. In 2012, NSLFFPA provided notice to all neighbours of all member woodlots in regard to the preparation of a forest management plan for the woodlot and invited any comments or concerns.  The forest management plans meet the Criterion.	
7.2	Yes	The plans cover a 10 year period but are revised every five years. In 2012, NSLFFPA took over preparation of all plans and made significant improvements in the information provided in the plans, especially in the areas of ecosystem classification and information on soils and water, and the rutting hazards on specific sites within woodlots. This accounts for past experiences and new information related to soils.	

		The Criterion is met.	
7.3	Yes	NSLFFPA members and extension staff have regular contact with woodlot owner members and provide on-site training and advice. There are also regular updates provided on the website, and the NSLFFPA provides field days for training.  The Criterion is met.	
7.4	Yes	Summaries of plans are available on request.  The Criterion is met.	
<b>Principle 9. MAINTENANCE OF HIGH CONSERVATION VALUE FORESTS</b>			
9.1	Yes	As reported in the November 2012 Re-assessment, assessments to determine the presence of High Conservation Value Forests are completed as part of the preparation of the forest management plans for each woodlot in the group. "Primordial forests" (indicator 9.1.2) are identified and are considered as forest reserves or protected areas. An HCVF Checklist of questions is included in each plan. Based on NSLFFPA information in Appendix I, there are 17 woodlots with identified HCVFs in Categories I and III. In the 12 forest management plans reviewed in this annual audit, one additional woodlot (Thomas Mountain) was noted to included High Conservation Value Forests. NSLFFPA is in conformance with the requirements to assess High Conservation Values.  However, based on discussions with NSLFFPA staff it appears that there may be a misunderstanding of the requirements of Criterion 9.1. Based on the brief descriptions in the forest management plan, it appears that at least two other woodlots (Florence Thomas and Heather Cross) may contain old stands that include attributes of HCVFs. In addition, one woodlot (Brian Archibald) is close to the St Mary's river and may provides habitat for wood turtles, a species at risk in Nova Scotia. Based on the discussions with staff, these may be HCVFs. They are identified in the plans as reserves, but could potentially be identified as HCVFs.  <b>Observation 01/13</b> suggests that NSLFFPA should review the requirements of Criterion 9.1 and, if revisions to the assessments are necessary, should ensure that identification of High Conservation Value Forests in new and updated forest management plans is consistent with FSC requirements.  <b>Note 01/13</b> suggests that Principle 9 should be reviewed in the next annual audit (2014).	OBS 01/13  Note 01/13
9.3		Criterion 9.3 requires inclusion of specific strategies to maintain or enhance the high conservation values identified through the assessment required in Criterion 9.1. Based on the review of forest management plans and discussions with NSLFFPA staff, it appears that some HCVFs may not be identified as such in the plans but are identified as "protected" or "reserved" areas with no activities. The management strategies required to meet Criterion 9.3 may not require full protection of the site, but may require special	OBS 01/13

		<p>management strategies, timing restrictions or other management measures to protect the attributes of the HCVF.</p> <p><b>Observation 02/13</b> suggests that NSLFFPA should also review the requirements of Criterion 9.3 and if changes are necessary in the HCVF assessments or the type of management strategies developed, should ensure that management strategies are identified that maintain or enhance any HCV attributes identified.</p>	
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## APPENDIX V: Chain-of-Custody Conformance (confidential)

**Note:** This CoC Appendix is used for FMEs only selling standing timber, stumpage, logs, chips and/or non-timber forest products (NTFPs) 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. 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 checked="" 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: In almost all situations, the forest gate is the roadside on the woodlot and ownership is transferred to the buyer at that point. This is the situation for wood sold to Port Hawkesbury Pulp and other mills (Groupe Savoie, Irving, Lebel, Northern Pulp and others). There was one situation in early 2011 where a woodlot owner sold wood to Taylor Lumber and looked after transport of the wood to the Taylor wood yard. In this situation ownership transfer occurs at the mill yard, not the roadside in the woodlot. There were no sales to Taylor Lumber in this audit period (July 1, 2011 to October 31, 2012).

### 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 type="checkbox"/> No <input checked="" 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: There is no processing 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 checked="" type="checkbox"/> No <input type="checkbox"/>
Comments: NSLFFPA is a large group certificate (209 members) of small woodlots.	
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:	
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:	
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 checked="" type="checkbox"/> No <input type="checkbox"/>
Comments: FSC trademark use is all for off-product use, and addressed in Section 5 below. In 2012, NSLFFPA received approval for trademark use on a sign for woodlots.	

## 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)	6,178 m3
Value of certified product sold as FSC certified (i.e. FSC claim on sales documentation) (previous calendar year)	US\$

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

<b>1. Quality Management</b>	
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> Kari Easthouse is the staff member responsible for COC.	
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> Staff demonstrated a good working knowledge of the flow of material and how material is tracked.	
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> Procedures for Chain of Custody are documented on pages 26-27 in NSLFFPA Policy and Procedures Manual.	

<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> There is no mixing. All wood products from each woodlot are FSC certified.	
CoC 2.2: FME shall identify the sales system(s) or "Forest Gate", for each FSC certified	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>

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.	
<b>Findings:</b> In almost all cases, the forest gate is the roadside on the woodlot where ownership is transferred to the mill facility that picks up the logs. There was one situation in early 2011 where a woodlot owner sold wood to Taylor Lumber and looked after transport of the wood to the Taylor wood yard. In this situation ownership transfer occurs at the mill yard, not the roadside in the woodlot. There were no sales to Taylor Lumber in this audit period (July 1, 2011 to October 31, 2012).	
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> NSLFFPA provided the former NewPage Port Hawkesbury (NPPH) mill with a list of all valid FSC members' PID numbers (property identification number). A similar arrangement is being established with the new owner of the mill, Port Hawkesbury Paper (PHP). When a woodlot sells wood to that mill the woodlot owners PID number is associated with all the wood that is trucked to the mill, and the woodlot owners' FSC status and FM/CoC code is automatically associated with the PID number generated by a computerized system when the wood is delivered to the mill gate. A loading slip is generated for each truckload of wood that enters the respective mill. The information about deliveries from that PID-identified woodlot is emailed to the NSLFFPA weekly, and checked by staff to ensure there are no errors. This ensures that wood from the woodlot maintains its correct FM/CoC code upon arrival at the mill.  With the exception of Taylor Lumber, no other mills maintain FSC certification. For those non-FSC mills, ownership of the wood is transferred at the roadside and no tracking or identification is required as no further FSC claim is made. The woodlot owner reports sales on a bi-annual or annual basis. Taylor Lumber is FSC certified but the woodlot owner looks after transportation of the wood to the Taylor mill and the transfer of the woodlots owners FM/CoC code to the Taylor CoC occurs at that point. No wood was sold to Taylor in this audit period.	
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> There is no mixing. All wood products from each woodlot are FSC certified.	

<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> With one exception, the only wood sold with an FSC claim is to the former NewPage Port Hawkesbury mill (NPPH), now Port Hawkesbury Paper (PHP). The process of assigning the woodlot owners FSC code to the wood is through the PID number as described under 2.3 above. A similar arrangement is being completed with the new mill owner PHP. For Taylor Lumber, the woodlot owner FSC code is passed to Taylor Lumber at the wood yard where transfer occurs. No wood was sold to Taylor in this audit period.	
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> NSLFFPA receives copies of the loading slips referred to above, by email from NPPH weekly, and maintains these in an electronic database. A similar arrangement is being completed with PHP. Other sales are reported to the NSLFFPA by woodlot owners.	

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> NSLFFPA provides an report on sales to Rainforest Alliance auditors. Sales are organized by month.	

<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> There is 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 checked="" type="checkbox"/> No <input type="checkbox"/>
<b>Findings:</b> Section 5.2 of the NSLFFPA Policy and Procedures manual has procedures for trademark use.	
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 checked="" type="checkbox"/> No <input type="checkbox"/>
<b>Findings:</b> Section 5.2 of the NSLFFPA Policy and Procedures manual has procedures for trademark use. However, there have been instances in the past year, including an article submitted to a newspaper, of NSLFFPA making claims regarding FSC and RA, and using FSC and RA trademarks, without first submitting them to RA for approval. NCR 04/13 is written.	
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 checked="" type="checkbox"/> No <input type="checkbox"/>
<b>Findings:</b> The Policy and Procedures document has been updated to include suitable procedures for trademark use. In 2012 there was one requests to use an FSC trademark on a sign for woodlots. This use was approved.	

<b>Off-product / Promotional</b> <input type="checkbox"/> Check if section not applicable (FME does not, and does not plan to use the FSC trademarks off-product or in promotional pieces) 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 checked="" type="checkbox"/> No <input type="checkbox"/>
<b>Findings:</b> The Policy and Procedures document contains procedures to address promotional/off product use. In 2012 there was one requests to use an FSC trademark on a sign for woodlots. This use was approved. NSLFFPA uses words "Forest Stewardship Council" and "FSC" on its website and occasionally uses logos in powerpoint presentations. Approvals are in place.	
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>	
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>	
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 VI: Rainforest Alliance Database Update Form (confidential)

**Instructions:** For each FSC certificate, Rainforest Alliance is required to upload important summary information about each certificate to the FSC database (FSC-Info). During each annual audit RA 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 RA 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>			
<b>Primary Contact</b>	Peter Burchill	<b>Title</b>	Forester
<b>Primary Address</b>		<b>Telephone</b>	902-304-0815
<b>Address</b>		<b>Fax</b>	
<b>Email</b>		<b>Webpage</b>	

### 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>201 total members</b>
<b>Total certified area</b>		<b>24098 Hectares (or)</b>	<b>Acres</b>

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

Scientific name	Common name	Add/Delete

### Products

FSC Product categories added to the FM/CoC scope (FSC-STD-40-004a)		
Level 1	Level 2	Species

## APPENDIX VII: Group management conformance checklist *FSC-STD-30-005 v1-0* (confidential)

### Group Certification Division of Responsibilities

Type of Forest Management Group:	Type I group	
	Group Entity	Group Member
Forest management planning	<input checked="" type="checkbox"/>	<input type="checkbox"/>
FMU monitoring activities	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Forest and resource inventory	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Harvest planning	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Harvesting	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Training of forest workers	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Legal compliance (taxes, permitting, etc)	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Timber Sales	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Marketing	<input type="checkbox"/>	<input type="checkbox"/>
FSC/RA trademark use (if applicable)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<b>Summary of division of responsibilities:</b> The NSLFFPA foresters and the woodlot owners share responsibility for harvest planning. The foresters prepare the management plan but the owners make the decisions about actual timing and locations of harvests.		

### Quality System Requirements

1.0 General Requirements	
1.1 The Group entity shall be an independent legal entity or an individual acting as a legal entity.	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
<b>Findings required if No:</b> The NSLFFPA is an independent legal entity.	
1.2 The Group entity shall comply with relevant legal obligations, as registration and payment of applicable fees and taxes.	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
<b>Findings required if No:</b> The NSLFFPA is up to date with legal obligations and payments of fees and taxes.	
1.3 The Group entity shall have a written public policy of commitment to the FSC Principles and Criteria.	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
<b>Findings required if No:</b> Commitment to FSC appears throughout the Policy and Procedures Manual.	
1.4 The Group entity shall define training needs and implement training activities and/or communication strategies relevant to the implementation of the applicable FSC standards.	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
<b>Findings:</b> Members are provided training. NSLFFPA foresters and extension staff visit woodlots regularly for on-site training and advice.	
2.0 Responsibilities	
2.1 The Group entity shall clearly define and document the division of responsibilities between the Group entity and the Group members in relation to forest management activities (for example with respect to management planning, monitoring, harvesting, quality control, marketing, timber sale, etc).	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
<b>NOTE: The actual division of responsibilities may differ greatly between different group certification schemes. Responsibilities regarding compliance to the</b>	

<b>applicable Forest Stewardship Standard may be divided between the Group entity and Group members in order to take into account of a landscape approach.</b>	
<b>Findings:</b> Responsibilities are clearly defined and are discussed on a regular basis with the individual woodlot owners.	
2.2 The Group entity shall appoint a management representative as having overall responsibility and authority for the Group entity's compliance with all applicable requirements of this standard.	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
<b>Findings:</b> Peter Burchill is the management representative with overall responsibility.	
2.3 Group entity staff and Group members shall demonstrate knowledge of the Group's procedures and the applicable Forest Stewardship Standard.	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
<b>Findings:</b> Staff have knowledge of the applicable FSC requirements in the FSC Maritime Regional Standard and the Group Certification Standard 30-005. A potential misunderstanding of the standard requirements was identified in regard to high conservation value forests. <b>Observation 01/13</b> and <b>Observation 02/13</b> suggest that staff of the NSLFFPA should review the requirements of Criteria 9.1 and 9.3 related to High Conservation Value Forests.	
<b>3.0 Group Entity Procedures</b>	
3.1 The Group entity shall establish, implement and maintain written procedures for Group membership covering all applicable requirements of this standard, according to scale and complexity of the group including: <ul style="list-style-type: none"> <li>I. Organizational structure;</li> <li>II. Responsibilities of the Group entity and the Group members including main activities to fulfill such responsibilities (i.e. Development of management plans, sales and marketing of FSC products, harvesting, planting, monitoring, etc);</li> <li>III. Rules regarding eligibility for membership to the Group;</li> <li>IV. Rules regarding withdrawal/ suspension of members from the Group;</li> <li>V. Clear description of the process to fulfill any corrective action requests issued internally and by the certification body including timelines and implications if any of the corrective actions are not complied with;</li> <li>VI. Documented procedures for the inclusion of new Group members;</li> <li>VII. Complaints procedure for Group members.</li> </ul>	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
<b>Findings:</b> The NSLFFPA maintains a Policy and Procedures Manual, including periodic revisions and updates to address these requirements. During this annual audit, it was found that the procedures set out in Section 4.5 of the Manual (pages 19-21) do not address specific situations where members have not completed work to close out CARs, especially where there are extenuating circumstances. In addition it was found that NSLFFPA is not implementing the follow-up of CARs within the timelines identified in the Manual.	
This non-conformity is a Group Failure, and based on guidance provided by RA-Cert in a Major Non-conformity and is discussed in more detail under NCR 01/12 and NCR 02/12. <b>MAJOR NCR 01/13</b> is issued with a 1 month timeline for completion.	
3.2 The Group entity's procedures shall be sufficient to establish an efficient internal control system ensuring that all members are fulfilling applicable requirements.	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
<b>Findings:</b> In the course of this annual audit, interviews with woodlot owners, review of completed inspection reports, observations on site, and discussions with NSLFFPA foresters indicate that an efficient internal control system is not presently being implemented.	
NSLFFPA has a goal of approaching 100% inspection of all commercial activities on the member woodlots to ensure conformity with the plan and with all FSC requirements. Member woodlots are asked to communicate plans to harvest or undertake silvicultural activities to NSLFFPA prior to commencing work so that an inspection can be coordinated but there does not appear to be any requirement to do so. Many members appear to forget or to neglect to advise the NSLFFPA about operations in advance.	

In the past, when the former NPPH mill was open and receiving deliveries, there was a back-up reporting system by which NPPH reported deliveries from members to NSLFFPA on a weekly basis. This allowed NSLFFPA to arrange to visit the site when the owner had forgotten to or had neglected to advise the NSLFFPA. NSLFFPA has re-instituted this arrangement with the new owners of the NPPH mill, Port Hawkesbury Paper (PHP).

However, woodlot owners also deliver wood to a number of other mills where there is no similar arrangement and during the period in 2011/2012 when the NewPage mill was not operating, there was no back-up notification to the NSLFFPA. In this annual audit period, there were several cases noted in the field or in inspection reports where woodlot members did not notify of activities and where operations were completed before the NSLFFPA were aware of them. In at least one case, the harvesting that was undertaken was significantly different than the activity that was described in the forest management plan. The woodlot owner took advice from a neighbour/logging contractor to carry out harvesting that was quite different from the plan. This did not actually result in non-conformities with the FSC standard, but did result in more harvest area, more ground disturbance, and much wider roads than called for in the management plan, and left the NSLFFPA without any opportunity to review the changes to ensure conformity with FSC requirements or to inspect active operations.

NSLFFPA foresters prepare a management plan for each woodlot member as a condition of their membership in the group. Both the member and the NSLFFPA sign the plan. The plan includes a commitment by the woodlot owner to follow all Principles and Criteria of the FSC Maritimes Standard. The woodlot owners interviewed in this audit were very pleased to have a professionally developed plan, but it is not clear in all cases that the woodlot owners understand that following the plan is a key component of meeting the FSC Principles and Criteria, and that they are required to follow the stand prescriptions in the plan. Some woodlot owners appear to feel that since they own their own woodlot, they are free to make decisions about harvesting activities in the plan, and that while they feel the plan is useful, it does not necessarily guide what they do. Again in these situations, NSLFFPA does not have control of members activities.

To demonstrate that all FSC requirements are being met, NSLFFPA needs to show they can ensure that all operations by all owners are meeting the requirements of the FSC standard. This could involve a process to ensure that woodlot owners notify NSLFFPA in advance of starting operations and allow for an inspections or phone conversation about operations. Or it could involve a formal commitment that the woodlot owner will follow the management plan unless an amendment or change to the plan is approved by the NSLFFPA forester who prepared the plan or a designate. It could involve some other process. But some process to ensure efficient internal control over conformity with the Maritime Standard by group members must be in place. This is an important requirement of the Group Management standard and the apparent lack of an implemented and efficient internal control system is a significant non-conformance. It is a "Group Failure" on the part of the NSLFFPA. **MAJOR NCR 03/13** is issued with a three month timeline for completion.

3.3 The Group entity shall define the personnel responsible for each procedure together with the qualifications or training measures required for its implementation.	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
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**Findings:** NSLFFPA foresters are responsible for procedures. At present two extension staff are in the field meeting with each group member.

3.4 The Group entity or the certification body (upon request of Group entity and at the Group entities expense) shall evaluate every applicant for membership of the Group and ensure that there are no major nonconformities with applicable requirements of the Forest Stewardship Standard, and with any additional requirements for membership of the Group, prior to being granted membership of the Group.	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
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**NOTE: for applicants complying with SLIMF eligibility criteria for size, the initial evaluation may be done through a desk audit.**

**Findings:** NSLFFPA has a lengthy process to evaluate applicants for membership. This includes an

application form, phone interview and in most cases a site visit. The FSC principles and criteria and forest management planning requirements are reviewed. Each applicant must sign a consent form with a commitment to meet FSC standards. This ensures that there are no major non-conformities.

#### 4.0 Group Member Informed Consent

4.1 The Group entity shall provide each Group member with documentation, or access to documentation, specifying the relevant terms and conditions of Group membership. The documentation shall include:

- I. Access to a copy of the applicable Forest Stewardship Standard;
- II. Explanation of the certification body's process;
- III. Explanation of the certification body's, and FSC's rights to access the Group members' forests and documentation for the purposes of evaluation and monitoring;
- IV. Explanation of the certification body's, and FSC's requirements with respect to publication of information;
- V. Explanation of any obligations with respect to Group membership, such as:
  - a. maintenance of information for monitoring purposes;
  - b. use of systems for tracking and tracing of forest products;
  - c. requirement to conform with conditions or corrective action requests issued by the certification body and the group entity
  - d. any special requirements for Group members related to marketing or sales of products within and outside of the certificate;
  - e. other obligations of Group membership; and
  - f. explanation of any costs associated with Group membership.

Yes  No

**Findings:** Full documentation is provided to members. Regular updates are provided on the website and by mail, and at annual meetings and training workshops and field days.

4.2 A consent declaration or equivalent shall be available between the Group Entity and each Group member or the member's representative who voluntarily wishes to participate in the Group. The consent declaration shall:

- I. include a commitment to comply with all applicable certification requirements;
- II. acknowledge and agree to the obligations and responsibilities of the Group entity;
- III. acknowledge and agree to the obligations and responsibilities of Group membership;
- IV. agree to membership of the scheme, *and*
- V. authorize the Group entity to be the primary contact for certification and to apply for certification on the member's behalf.

Yes  No

**NOTE: A consent declaration does not have to be an individual document. It can be part of a contract or any other document (e.g. meeting minutes) that specifies the agreed relationship between the Group member and the Group entity.**

**Findings:** Each applicant must sign a consent form addressing these requirements prior to membership.

#### 5.0 Group Records

5.1 The group entity shall maintain complete and up-to-date records covering all applicable requirements of this standard. These shall include:

- I. List of names and contact details of Group members, together with dates of entering and leaving the Group scheme, reason for leaving, and the type of forest ownership per member;
- II. Any records of training provided to staff or Group members, relevant to the implementation of this standard or the applicable Forest Stewardship Standard;
- III. A map or supporting documentation describing or showing the location of the

Yes  No

<p>member's forest properties;</p> <p>IV. Evidence of consent of all Group members;</p> <p>V. Documentation and records regarding recommended practices for forest management (i.e. silvicultural systems);</p> <p>VI. Records demonstrating the implementation of any internal control or monitoring systems. Such records shall include records of internal inspections, non-compliances identified in such inspections, actions taken to correct any such non-compliance;</p> <p>VII. Records of the estimated annual overall FSC production and annual FSC sales of the Group.</p> <p><b>NOTE: The amount of data that is maintained centrally by the Group entity may vary from case to case. In order to reduce costs of evaluation by the certification body, and subsequent monitoring by FSC, data should be stored centrally wherever possible.</b></p>	
<b>Findings:</b> Up-to-date records are maintained.	
5.2 Group records shall be retained for at least five (5) years.	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
<b>Findings:</b> Records are retained for 5 years.	
5.3 Group entities shall not issue any kind of certificates or declarations to their group members that could be confused with FSC certificates.	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
<b>NOTE: Group member certificates may however be requested from SmartWood.</b>	
<b>Findings:</b> There is no other form of certificates of declarations.	

## Group Features

<b>6.0 Group Size</b>	
6.1 The Group entity shall have sufficient human and technical resources to manage and control the Group in line with the requirements of this standard.	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
<b>NOTE: The number of Group members, their individual size and the total area will influence the evaluation intensity applied by the certification body in their annual audits.</b>	
<b>Findings:</b> NSLFFPA has an executive director and two full-time permanent staff foresters. In 2012 they also have two extension staff on employment contracts to work in the field. They hope to continue this contract arrangement in 2013 if funds are available. These are adequate resources to manage the current group.	
6.2 The Group entity shall specify in their procedures the maximum number of members that can be supported by the management system and the human and technical capacities of the Group entity.	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
<b>Findings:</b> The Policy and Procedures Manual, states: "to ensure that the integrity of the program is not compromised, care must be taken to ensure that the program does not expand beyond its available resources. Since resources available to the program are currently in flux, it is difficult to prescribe a specific maximum size. Instead, a more flexible approach needs to be taken." This approach was reviewed in the 2012 annual audit (See CAR 12/11 in 2012 annual audit report) and found to be a reasonable and adequate way to address capacity. As the group grows, more staff are added. In 2012, the two extension staff were added.	
<b>7.0 Multinational Groups</b>	
7.1 Group schemes shall only be applied to national groups which are covered by the same Forest Stewardship Standard.	Yes <input type="checkbox"/> No <input type="checkbox"/> NA <input checked="" type="checkbox"/>

<b>Findings required if No:</b>	
7.2 The Group entity shall request formal approval by FSC IC through their accredited Certification Body to allow certification of such a group scheme.	Yes <input type="checkbox"/> No <input type="checkbox"/> NA <input checked="" type="checkbox"/>
<b>Findings required if No:</b>	

## Internal Monitoring

<b>8.0 Monitoring Requirements</b>	
8.1 The Group entity shall implement a documented monitoring and control system that includes at least the following: <ul style="list-style-type: none"> <li>I. Written description of the monitoring and control system;</li> <li>II. Regular (at least annual) monitoring visits to a sample of Group members to confirm continued compliance with all the requirements of the applicable Forest Stewardship Standard, and with any additional requirements for membership of the Group.</li> </ul>	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
<p><b>Findings:</b> At present, NSLFFPA foresters visit woodlot owners periodically, at the owners request, and when the foresters are aware of harvesting activity through the weekly email of delivery slips from the former NewPage mill in Port Hawkesbury. In addition in 2012, two extension field staff members are working for NSLFFPA and are visiting all woodlot owners to discuss the program, review activities and provide advice. They are also inspecting activities being carried out in the field. Since the last audit, a total of 13 inspections have been completed.</p> <p>Since the last annual audit, the amount of activity within the group has been limited because of the closure of the NewPage Port Hawkesbury mill, and the inspections by the foresters and extension staff provide some monitoring of all activities. However, these are visits or inspections. They are not part of an organized, structured, annual monitoring program that involves visits to a selected sample of group members to confirm conformance with the FSC Maritime standard, as required by Requirement 8.1 of the FSC 30-005 standard. Annual monitoring is different than the requirement for an internal control and inspection program to address on-going activities. Both are required, especially as group membership is growing rapidly and activity may expand in 2013. Because staff are diligent in the field and are undertaking a form of monitoring, this absence of a structured monitoring program involving a sample of members is not considered a major non-conformity. <b>NCR 05/13</b> is issued.</p>	
8.2 The Group entity shall define criteria to be monitored at each internal audit and according to the group characteristics, risk factors and local circumstances.	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
<p><b>Findings:</b> NSLFFPA is visiting all of the woodlots in its program in 2012 at least once, and is reviewing many aspects of the program with members. However, these are regular inspections, not a structured monitoring program based on the sampling of specified criteria as identified in this requirement. This is addressed in <b>NCR 05/13</b>.</p>	
8.3. The minimum sample to be visited annually for internal monitoring shall be determined as follows: <ul style="list-style-type: none"> <li><b>a) Type I Groups with mixed responsibilities (see FSC-STD-30-005 v-1 section D Terms and definitions)</b> Groups or sub-groups with mixed responsibilities shall apply a <i>minimum</i> sampling of <math>X = \sqrt{y}</math> for 'normal' FMUs and <math>X = 0.6 * \sqrt{y}</math> for FMUs &lt; 1,000 ha. Sampling shall be increased if HCVs are threatened or land tenure or use right disputes are pending within the group.</li> <li><b>b) Type II Resource Manager Groups (see FSC-STD-30-005 v-1 section D Terms and definitions)</b> Group entities who also operate as resource managers may define the required internal sampling intensity at their own discretion for the forest properties they are managing, independent of their size and ownership (the minimum numbers as defined above do not apply here).</li> </ul>	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>

<b>NOTE: for the purpose of sampling, FMUs &lt; 1,000 ha and managed by the same managerial body may be combined into a 'resource management unit' (RMU) according to the proposal made in FSC-STD-20-007 Annex 1.</b>	
<b>Findings:</b> NSLFFPA is visiting all of the woodlots in its program in 2012 at least once. Inspection reports are prepared where there have been operational activities. However, these are regular inspections, not a structured monitoring program based on the sampling identified in this requirement. This is addressed in <b>NCR 05/13</b> .	
<b>FSC-STD-30-005 recommendations for internal monitoring.</b>	
8.4 For monitoring purposes the Group entity should use the same stratification into sets of 'like' FMUs as defined by the certification body in their evaluation.	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
8.5 The Group entity should visit different members in their annual monitoring than the ones selected for evaluation by the certification body, unless pending corrective actions, complaints or risk factors are requiring a revisit of the same units.	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
8.6 In the selection process of members to be visited, the Group entity should include random selection techniques.	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
<b>Comments:</b> These are recommendations, not requirements. They can be readily addressed by <b>NCR 05/13</b> .	
8.7 The Group entity shall issue corrective action requests to address non-compliances identified during their visits and monitor their implementation.	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
<b>Findings:</b> Corrective actions are issued by NSLFFPA when they are identified. Implementation is monitored. However, in 2011/2012 the timing has not been consistent with the established procedures. <b>MAJOR NCR 01/13</b> addresses the requirement for procedures to follow-up and close internal CARs.	
8.8 Additional monitoring visits shall be scheduled when potential problems arise or the Group entity receives information from stakeholders about alleged violations of the FSC requirements by Group members.	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> NA <input type="checkbox"/>
<b>Findings:</b> There has been no occurrences of reported problems or complaints. NSLFFPA foresters would quickly respond if any such reports were received. In 2012, staff have been responding quickly to requests for information or comments from neighbours that were received in response to an information notice sent out by NSLFFPA to comply with NCR 03/11 from the Re-assessment.	

<b>Group Assessment Requirements: (Completed by SW Task Manager/Lead Auditor)</b>	
Group member size restriction:	None – NSLFFPA has a demonstrated ability to expand their staffing to meet the demands of a growing group.
SW Certificate auditing strategy:	Based on Note 01/13 Principle 9 will be audited in the 2014 annual audit.