

FSC™ CERTIFICATION SYSTEM

FOREST MANAGEMENT CERTIFICATION SURVEILLANCE AUDIT n°3 Public REPORT

Report finalisation date: November 2, 2018 (last updated)

Clergue Forest Management Inc.

(Vince Strack – vince.strack@clergue.com)

Forest location(s): Ontario, Canada

Certificate registration code: BV-FM/COC-407103

Date of issue: 2015-08-04

Date of expiry: 2020-08-03

Main Evaluation :	April 14-16, 2015
Surveillance 1	August 15-18, 2016
Surveillance 2	June 12-16, 2017
Surveillance 3	June 11-14 2018
Surveillance 4	

BUREAU VERITAS CERTIFICATION

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1 - Description and background of the applicant forest entity

1.1 - General description and identification

Forest Management company			
Name	Clergue Forest Management Inc.		
Address	85 Great Northern Road, Sault Ste. Marie, Ontario P6B 4Y8		
Telephone	705.942.7706		
E-mail	Vince.strack@clergue.com		
Web site	www.clergue.com.		
President/Manager of the entity company	Mr. Mike Furniss		
Contact person (responsible) for FSC certification	Mr. Vince Strack		
FSC trademark responsible	Mr. Vince Strack		
Activity	forest management and logging		
Annual turnover:	525 000 US\$		
Category of forest management	Temperate forest and Boreal		
		Male	Female
Number of forest workers (including contractors):	Forest field activity ¹	113	8
	Administrative/office activity	8	5
	Industrial and transformation process (if relevant)	98	0

1 - Includes seasonal workers such as tree planters and tending crews

2 - Scope of certificate

2.1 - Certification application type and description of FMU(s)

2.1.1 - Certificate

	Single FMU (YES/NO) ¹	Multiple FMU (YES/NO)	Group (YES/NO)
Normal Certificate	Yes		
Small SLIMF Certificate			
Low intensity SLIMF Certificate			

¹ Fulfil where the answer is correct

2.1.2 - Description of FMUs

Classification	Number of FMUs	Total forest area (ha ²)			
		Privately managed	State managed	Community managed	Total
Less than 100 ha in area					
100 – 1000 ha in area					
1000 – 10 000 ha in area					
More than 10 000 ha	1	1,075,685			1,075,685
Meeting the eligibility criteria as SLIMF					
TOTAL	1	1,075,685			1,075,685

² 1 inch = 2,54 centimeters ; 1 foot = 0,3048 meters ; 1 yard = 0,9144 meters and 1 mile = 1,609344 kilometers

2.2 - Product categories and main commercial timber:

List of Timber Product Categories available for sale as FSC-certified products				
Trade Name	Species (botanical name)	Product Type/ Nature (round wood, pulpwood,...)	Selling mode	FSC product claim
Roundwood	Black Spruce (<i>Picea mariana</i>) White Spruce (<i>Picea glauca</i>) Balsam Fir (<i>Abies balsamifera</i>) Jack Pine (<i>Pinus banksiana</i>) Red Pine (<i>Pinus resinosa</i>) White Pine (<i>Pinus strobus</i>) Trembling Aspen (<i>Populus tremuloides</i>) Balsam Poplar (<i>Populus balsamifera</i>) White Birch (<i>Betula papyrifera</i>) Yellow Birch (<i>Betula alleghaniensis</i>) Black Ash (<i>Fraxinus nigra</i>) Green Ash (<i>Fraxinus pennsylvanica</i>) Eastern White Cedar (<i>Thuja occidentalis</i>) Larch (<i>Larix laricina</i>) Sugar maple (<i>Acer saccharum</i>) Red Maple (<i>Acer rubrum</i>) Red Oak (<i>Quercus rubrum</i>) American Basswood (<i>Tilia Americana</i>) American Beech (<i>Fagus grandifolia</i>)	W1.1 Roundwood	FOB	FSC 100%

3 - Description of evaluation

3.1 - Composition of the audit team

Evaluation Team (main assessment)	Notes and CV (<i>put CV in appendices and sum up the notes from previous audits</i>) of team member	MA	AS1	AS2	AS3	AS4
Team Leader	Brian Callaghan	X	X		X	
Auditor 1	Sarah Bros	X	X		X	
Team Leader	Sarah Bros			X		
Auditor 1	Matt Tormohlen			X		
Auditor 2	Laird VanDamme	X				

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Evaluation Team (main assessment)	Notes and CV (<i>put CV in appendices and sum up the notes from previous audits</i>) of team member	MA	AS1	AS2	AS3	AS4
Auditor 3	Phil Shantz	X				
Local Specialist (Forester and ecologist)						
Local Specialist (social)						
Trainer						
Peer Reviewers	Notes					
Peer Reviewer 1						
Peer Reviewer 2						

3.2 - Description of the audit program.

3.2.1 - Surveillance audit schedule and last survey audit schedule

MAIN AUDIT SCHEDULE			
Team	Time	Detailed visited sites	Check point, Field assessment activity and justification of the selection of the points monitored and on-sites visits performed (sampling method)
June 11, 2018			
Lead Auditor	8:30 am	Office	Opening meeting of the audit
Callaghan	9:00-4:30 pm	Office	Site Selection. Document review and staff interviews
Bros	9:00-4:30 pm	Off-site	Stakeholder and aboriginal Interviews
Audit team	4:30 pm	Office	Daily Debriefing
June 12, 2017			
Audit team	7:00am-6:30pm	Field sites	Field Sites off the Mile 38 Road
	7:30	Office	Daily Debriefing
June 13, 2017			
Audit team	7:00am-7:30pm	Field sites	Wawa field sites and Heritage Reforestation plant
Audit team	7:30 pm	Office	Daily Debriefing
June 14, 2017			
Audit Team	9:00 am-noon	Offices	Final document Review and Staff Interviews
Audit Team	12:30 pm	Offices	Team confirms audit findings
Audit Team	1:30 pm	Offices	Closing Meeting – present audit finding
Audit Team	2:30 pm	Offices	Depart

Statement of the total person days spent for assessment:

Activity	Nb of man/day
Pre-evaluation or preparatory work	0.5
Audit activity on field	8
Stakeholder consultation	1.5
Report writing	2.0
TOTAL	12

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3.2.2 - Clear description of the sampling system employed to select FMUs or sites for evaluation and RATIONALE for their selection

Field sampling was focused on the active operations on the management unit. In each operating area, an initial block was chosen at random with additional sites being chosen relatively nearby. A total of four blocks were audited and four roads. Concentrating on active operations allowed the audit team to maximize interviews with forestry workers. The audit team took advantage of the late tree plant to inspect the operations of Heritage Reforestation and interview planters.

Date	Auditor	Site No.	Comments
12-Jun	Bros Callaghan	MOU 616	viewed active P&C harvest operations for a combination of selection & shelterwood harvest for Yellow Birch management; 3 marked trees not harvested; observed road decommissioning with water bars & slash piled to divert water on steep slopes; Good wildlife tree retention
12-Jun	Bros Callaghan	Quintet Bridge Mile 38 Rd	stopped at location of bridge replacement; Banks stabilized; good approaches; flashings correctly in place; installed in 2017
12-Jun	Bros Callaghan	Mile 38 Rd	Emergency culvert replacement; Pipe failed the previous evening when a beaver damn upstream gave way; location within fisheries & wood turtle values; interviewed Mike Thomson (Bonnifero), Supervisor about installation; told replacement put back to original channel; inspected pipe installation
12-Jun	Bros Callaghan	MOU 542	Overstory removal within a land use permit (LUP); interviews with Mike Thomson stated LUP incorrect location and illegal gate on road into cabin; informed that followed Clergue procedure & reported to MNR; viewed reserve established to protect wood turtle hibernaculum;
12-Jun	Bros Callaghan	MOU 620	Hardwood selection/shelterwood active operations: interviewed Henson & Treggonne Logging forest workers: Mark MacNeil (Logging Foreman), Don Boissoneault Jr. [Dude] (feller buncher operator), (grapple skidder operator); checked H&S requirements, SAR, Annual OPs handbook & SOP booklets and knowledge, employee satisfaction, working alone, evacuation site, spill kits, fire extinguishers, training records & start up meetings; checked fuel tanks for requirements
12-Jun	Bros Callaghan	Murphy Rd	checked for road grading, water crossings, bridges for proper installation on 14 km of new construction

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Date	Auditor	Site No.	Comments
13-Jun	Bros Callaghan	Block 311	Interviewed Heritage Reforestation Inc. (tree plant contractor) forest workers - Giuseppe Restuccia (Plant Supervisor); Natalinia Restuccia (Cook); Joe Rossi (planter); checked camp facilities for H&S requirements, employee training, set up, propane requirements, fire extinguishers; interviewed Plant Supervisor reported no accidents in 5 yrs
13-Jun	Bros Callaghan	Much Lk Rd Km 5 & 7.5	Checked road washout; discussion with the FME re: course of action
13-Jun	Bros Callaghan	Block 315	Interviewed Tim Mackenzie (crewboss), Anastasia ?? (planter) & Bruno Johnston (planter); checked H&S, employee training, job satisfaction, wage
13-Jun	Bros Callaghan	Block 319	2018 planting block; discussed planting prescription with the FME; general discussion re: planting native species on Forest

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3.3 - Interview and stakeholders input and treatment.

3.3.1 - Interview(s) of involved people met during audit.

Involved people			MA	AS1	AS2	AS3	AS4
category	name	Position					
Manager	Mike Furniss	Shareholder & Chair of the Board			X		
	Dan Bowes	Shareholder & Chair of the Board		X			
	Chris Grant	Shareholder & Chair of the Board				X	
Employee(s)	Vince Strack	Operations Forester		X	X	X	
	Will Byman	Planning Forester	X	X			
	Jason McLellan	Planning Forester			X	X	
Shareholders	Mike Thompson	Bonniferro Millwoks	X	X	X	X	
	Rolf Fuchs	Oper. Supervisor, Tembec		X			
	Chris Grant	General Manager, Tembec			X	X	
Sub contractors:	Dan Boisneault	Roads & Truck Supervisor, Henson & Tregonning Logging		X	X	X	
	Roger Blais	(FB operator),		X		X	
	Don Boisneau	(Excavator operator)		X		X	
	Dave Jenning	Rentech - Consumer		X			
	Wanita Chapman,	Safety Coordinator;		X			
	Gordie Chapman	dozer operator		X			
	Dave Robinson	Excavator operator & Michipicoten FN		X			
	Eric Kennedy	FB oper		X			
	Dan Perrault	Oper Supervisor, Chapman Logging		X			
	Phil Glave	Eagle Feather aviation		X			
	Pierre Dumas	Owner/operator			X		
	Don Fry	Oper. Supervisor, Dumas Logging			X		
	Laurier Jacques	Slasher operator, Dumas Logging			X		
	Jocelyn Morin	Skidder operator, Dumas Logging			X		
	Mark McNeil	Operations Foreman, Henson & Tregonning Logging			X	X	
	Bill Gibbs	Independent trucker			X		
Brian Cranston	Tractor operator, Henson & Tregonning Logging			X			
Craig Corbett	Foreman, Con Construction			X			
Rob Semczyszyn	Regional Manager, Prentiss & Carlisle			X			

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Involved people			MA	AS1	AS2	AS3	AS4
category	name	Position					
	Dave Grenier	Gravel Truck driver, Con Construction			X		
	Will Byman, R.P.F.	Operations Supervisor, Prentiss & Carlisle			X	X	
	Jeremy Storozuk	Gravel Truck driver, COR Development			X		
	Mark Yurechuk	Forester, Prentiss & Carlisle			X		
	Cody & Cody	Tree Markers				X	
	Giuseppe Restuccia;	Plant Supervisor				X	
	Natalinia Restuccia	Cook				X	
	Joe Rossi	planter				X	
	Dave Pogue	Planter				X	
	Tim Mackenzie &	crewboss				X	
	Anastasia ??	planter				X	
	Bruno Johnston	planter				X	

3.3.2 - Stakeholders identification and consultation process

Stakeholders were first identified during the pre-audit and formally consulted prior to the recertification audit March of 2015. For this surveillance, there have been no complaints with regards to the certificate received by either Clergue Forest Management or Bureau Veritas.

3.3.3 - Record of stakeholder received comments or complaints

Stakeholders reference (name / type)	date	Received comment or complaints	Theme (social, economy, environment)	Checked on site (YES or NO)	Answer from the certificate holder	Answer from Bureau Veritas
Institutions/individuals informed about the evaluation						
Ontario Nature	15 Mar 2016	Request for information	HCV & PIC report	N/A	Have been in contact and have provided HCVF and PIC reports	Will keep in touch Ontario Nature
Garden River First Nation	May 15, 2018	NO Response, Follow-up calls made				
Thessalon First Nation	May 15, 2018	NO Response, Follow-up calls made				
Mississauga First Nation	May 15, 2018	NO Response, Follow-up calls made				
Batchewana First Nation	May 15, 2018	NO Response, Follow-up calls made				
Michipicoton First Nation	May 15, 2018	NO Response, Follow-up calls made				
Individuals who were interviewed						
Wildlands League	June 21 2018	Wildlands and CPAWS do not have any specific concerns	Environment			Will Keep in touch

		with regards to the Algoma forest at this time					
Mississauga Nation	First Nation	June 12, 2017	Concerned over continued use of herbicides	Indigenous Peoples	N/A	Arranging visits to field to discuss; presentation to Aboriginal Task Team	Minor NC9 and NC10 raised to address.
Mississauga Nation	First Nation	June 12, 2017	Concern over consultation every year but no outcome from identified issues	Indigenous peoples	N/A	Will share results of FSC audits beginning with 2017 audit.	Minor NC9 and NC10 raised to address.
Garden River Nation	First Nation	June 13, 2017	Concern over continued use of herbicides	Indigenous peoples	NA	Presentation to Indigenous Task Team; will reach out to arrange field visit to discuss herbicide use	Minor NC9 and NC10 raised to address.
Garden River Nation	First Nation	Aug 2, 15	Concerned over poor communications	Indigenous Peoples	N/A	Will need to improve communications	Will Monitor
Thessalon	First Nation	Aug 2, 15	Concerned over poor communications	Indigenous Peoples	N/A	Will need to improve communications	
Mississauga Nation	First Nation	Aug 2, 15	Concerned over poor communications	Indigenous Peoples	N/A	Will need to improve communications	Will Monitor
Aboriginal Person	Business	Aug 30	Has benefitted from the SFL as it is source of business	Economic Benefits & indigenous Peoples	N/A		
Individuals who contributed information in writing							
Missinabi-Cree		June 2018	Would like to work with Clergue on an agreement	Economic Benefits & indigenous Peoples		Negotiations are at a very preliminary stage	Will monitor

3.4 - Other evaluation techniques

Not Applicable

4 - Update about any changes to the scope of the certificate

There have been no changes to the scope of this certificate in the past year. No lands have been added or removed. There have been no changes with ownership or the administration and legal context of the forest. There have been no changes to the HCVs as reflected in the revised HCV report.

4.1 - Use of chemicals

Chemical pesticide name	Active ingredient of the chemical product	Reason for use	Approximate quantity used / year	Size of area treated annually
Vision MAX	Glyphosate	Competition Control	0 kg	0 ha

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There have been no herbicide or pesticide applications on the forest in the past year. Trained contractors and operational procedures are in place if the need for vegetation control arises. Clergue Forest Management will only use chemicals which are not listed on the FSC list of highly hazardous chemicals.

There has been a significant amount of work in Ontario looking at alternative approaches for herbaceous weed control in planted forests. Studies have examined the use of a variety of unglutates to control weeds. The results of these studies have not been positive. The Algoma Forest is not highly dependent upon use of chemical herbicides. Less than 20% of the annual harvest is in boreal softwood types where herbicide use is necessary.

4.2 - Number of accidents in forest work (serious/fatal) since the last audit

There have been no serious or fatal accidents among the staff and contractors operating on the Algoma Forest.

5 - Standard

	Ref / n° management FSC national standard	Ref / n° checklist	Other documents if relevant
Main assessment	BVC FSC generic adapted FM standard for the Great Lakes St. Lawrence Forest Region	SF03 GLSL	FSC-STD-50-001 FSC-STD-20-006
Surveillance 1	BVC FSC generic adapted FM standard for the Great Lakes St. Lawrence Forest Region	SF03 GLSL	FSC-STD-20-007 FSC-STD-50-001 FSC-STD-40-004
Surveillance 2	BVC FSC generic adapted FM standard for the Great Lakes St. Lawrence Forest Region – March 2017	SF03 GLSL_April 2017	FSC-STD-20-007 (V3-0) FSC-STD-20-007b (V1-0) FSC-STD-50-001 (V1-2) FSC-DIR-20-007 FSC-Interpretations-General FSC-PRO-20-001_V1-0 FSC-PRO-30-001a
Surveillance 3	BVC FSC generic adapted FM standard for the Great Lakes St. Lawrence Forest Region – March 2017	SF03 GLSL_April 2017	FSC-STD-20-007 (V3-0) FSC-STD-20-007b (V1-0) FSC-STD-50-001 (V2-0) FSC-DIR-20-007 FSC-Interpretations-General FSC-PRO-20-001_V1-0 FSC-PRO-30-001a
Surveillance 4			

6 - Observation

6.1 - Documents review

Administrative and legality

- Crown Forest Sustainability Act (1996)
- Forest Operations Inspection Program
- Sustainable Forest License #542257
- Algoma Policy and Procedures Manual 2016
- 2020 Forest Management Plan Terms of Reference
- 2020 Forest Management Plan Project Plan
- Clergue Website <http://www.clergue.com>.
- Boniferro Mill Works Safety Manual,
- Workplace Violence Prevention Policy.
- Domtar's Health & Safety Policy
- Domtar's Human Rights Policy
- Memorandum of Agreement (draft)
-

Intern social issues

- Forest Management Plan, Section 2.5 Social and Economic Description
- Social Economic Impact Analysis
- Health and Safety Policy Program Manual
- Vision, Mission and Guiding Principles
- Domtar's Community Investment Policy
- Extern social issues
- Occupational Health & Safety Act
- Robinson Huron Treaty
- Robinson Superior Treaty
- Local Citizens Committee Report in 2010 FMP
- Local Citizens Report in 2015 FMP...
- 2010 Forest Management Plan Summary of Public Consultation
- 2015 Forest Management Plan Summary of Public Consultation

Environmental and HFCV

- Algoma Forest HCVF Report (2018)
- Pre-Industrial Forest Condition Report
- 2010-2020 Forest Management Plan for the Algoma Forest (Phase I and II.....)
- Species at Risk Act

Management & Harvesting

- 2010-2020 Forest Management Plan for the Algoma Forest (Phase I and II)
- 2017-2018 Annual Work Schedule
- 2017-2018 Spray Plan
- Forest Management Planning Manual 2009
- Forest Information Manual 2009
- Ontario Tree Marking Guide
- Monitoring process
- 2016-2017 Annual Report

- Tree Marking Audits (Blocks 616, 620, 618)
- 2017-2018 Annual Compliance Plan
- Forest Operations Inspection Reports (Blocks 616, 620, 618, 311, 319, 315)
-

6.2 - Evaluation results with reference to the FSC referential / standard which have to be evaluated in surveillance audit

PRINCIPLE 1: Compliance with law and FSC Principles

Clergue Forest Management continues to meet and exceed its legal responsibilities. They along with the shareholder companies undertake regular compliance inspections. There have been no reported incidences of timber theft in the past year. Review of annual reports confirm there is a reasonable compliance record on the Algoma Forest. Interviews with forestry workers, the forest manager and MNR confirm there is no evidence that illegal logging or other legal transgressions have occurred on the forest in the past year.

PRINCIPLE 2: Tenure and use rights and responsibilities

The status of tenure and use rights remain in compliance of the standard. The Sustainable Forest License with the province remains valid and in place. No complaints were received by Clergue Forest Management or Bureau Veritas covering the Algoma Forest in the past year.

PRINCIPLE 3: Indigenous Peoples' Rights

The Forest Management Planning Process has mechanisms built into it that involve an assessment or update of Indigenous resources and tenure rights. The mechanisms include: participating on the Forest Management Plan planning team; opportunity for a special Native Consultation Process; the Native Values Identification and Protection process; and the development of Aboriginal Background Information Reports. All these processes are mandatory in Ontario and have been undertaken as part of the forest management planning process for the Algoma Forest. These processes used in combination provide a rigorous assessment process starting from the identification of indigenous resources and rights through to proposed operations, mitigations, consultations and resolution.

A review of the minutes of the Aboriginal Task Team shows 4 of the 6 Indigenous communities with interests on the Algoma Forest are participating in the planning for the 2020 FMP. Interviews with the FME, and Task Team minutes confirm the meetings also function as an opportunity for Indigenous communities to learn about forestry and the FME to learn about Indigenous values.

Repeated efforts to reach First Nations communities on the Aboriginal Contact List provided by the FME were unsuccessful. Auditors received a letter from one aboriginal community indicating their desire to enter into an agreement with the FME. Confirmation from the FME indicates this is in the very preliminary stages of negotiation.

Clergue Forest Management has significantly improved its communications with First Nations and has increased its participation them. They have facilitated held meetings, expanded the Arborigianl Task Team, undertaken field trips and provided information to interested First Nations. They have effectively closed NC9 and NC10 from the 2017 surveillance audit.

PRINCIPLE 4: Community relations and worker's rights

Clergue Forest Management has an office in Sault Ste Marie and operations throughout the Algoma Forest. Most of its contractors and suppliers are local businesses. The shareholders owns mills locally which employ hundreds of citizens in the forest product industries. Clergue and its shareholders are active supporters of their communities sponsoring activities such as a boy scout tree plant.

Health and safety is a priority for all contractors and shareholders on the Algoma Forest. Each has a detailed safety policy and procedures, which includes PPE, safe operating procedures, emergency

procedures and evacuation plans. Visits to three contractor operations found all employees to be using their PPE, all companies had a safety plan, and all were provincially certified. The forest manager is responsible for ensuring the Clergue personnel are properly trained in safety procedures. Annual training includes safety aspects and all employees have had first aid training.

Clergue Forest Management is required to prepare a new forest management plan every 10 years. This planning process requires a public consultation period where any organization or community located on or near the Forest are able to provide input on proposed activities. Individuals are notified of this option via a large mailing communication (ie Invitation to Participate) at the beginning of the planning process and on the Ministry's online Environmental Registry. There are several open house opportunities provided stakeholder comment.

A minor non-conformance **NC11** was closed after contractor training on proper fuel handling.

PRINCIPLE 5: Benefits from the Forest

All shareholder mills are operating fully and producing a variety of products: hardwood sawmills – Boniferro Mill Works and Midway Lumber; pulp mill – Domtar Espanola; softwood sawmills-Midway Lumber and Rayonier Advanced Materials; veneer mill – Levesque Plywood (Columbia Forest Products). The forest has no trouble selling/harvesting quality sawlogs and veneer. Products of a lower quality are hard to move as there is not a close pulp market and the Wawa pellet mill has closed. Most harvests employ up to 12 product sorts on the landing to maximise value. More than 70% of the wood is processed locally.

Harvest operations were found to have little or no waste left after harvesting. Residual stand damage was found to be minimal on all sites. There were no site disturbance related finding. Operations were observed to respect all "Sarea of Concern" prescriptions and it appears that all values are being protected (Figure 1).



Figure 1. Marten Box protected during harvest operations in MOU 620.

In the 2016-2017 Annual Report, approximately 200,000 m³ was harvested from the Algoma Forest accounting for 38% of the planned harvest volumes. Harvest levels on the Algoma forest have traditionally been well below planned levels owing to weak demand for low quality products, and rough terrain. Approximately 40% of the available harvest area was cut.

PRINCIPLE 6: Environmental Impact

Clergue Forrest Management Inc. regularly review and update the Species at Risk (SAR) list for their forest. The organization has done extensive work with MNRF Biologists to ensure that up to date SAR Guidebooks are available and personnel are trained. All contractors had up to date (2018) Species At Risk guidebooks on site during active harvests. Area of Concern prescriptions are in place for all SARs and known occurrences are mapped with their prescriptions on all operational maps

The forest management plan provides objectives and indicators to establish desired forest conditions. Area is maintained by forest type and age through time that would occur naturally on the forest. Natural disturbance guidelines are followed throughout the management process.

The FMP has an updated road management strategy. The road management strategy developed in the FMP included meeting with MNRF regarding access management, and has developed road decommissioning plans. The company has also developed objectives to minimize the footprint of new roads in the forest. Field observations included road decommissioning, water crossing removals and planted branch roads as methods of reducing road footprint on the forest. Roads are planned in consideration of values, limiting access to HCVs and maintaining remoteness. The FME is currently working on a roads update on the forest in advance of the 2020 plan,

Forest operations prescriptions are made by a professional forester. Prescriptions for all harvesting include specifications for residual standing trees including a species priority list. Habitat features such as calving areas, mineral licks, and dens must be protected. All partial cuts were marked by certified technicians and operators were in full compliance with the prescriptions. All clearcut harvest are designed to emulate fire by leaving peninsulas and interior patches along with residual standing trees and clumps

During the audit 4 sites which had been recently harvested or were currently being harvested were examined. Auditors found good performance in the harvest areas; residual stand damage was low, there were no signs of site disturbance or soil compaction, plenty of downed woody debris was found, and there was excellent leave tree retention (Figure 2) . All clear-cuts observed by the audit team had residual trees, patches and downed woody debris that conforms to MNRF Stand and Site Guide. Field observations found full compliance with guidelines and regulations for riparian and wetland protection

During the audit road conditions were observed throughout the forest. Road grading practices have significantly improved, as a result, NC12, under 6.3.9, has been closed. Auditors inspected several kilometers of new primary and branch road construction and found all areas to meet or exceed the standards in place (Figure 3)



Figure 2. Habitat tree protected during operations on Block 542



Figure 3. Excellent water crossing on road construction on the Murphy Road.

This audit was able to follow up on **OBS5** issued in 2016 for a temporary crossing found to be causing disturbance to the temporary stream. Initially this was to be a pipe but the direction was changed by the contractor without communicating with the SFL or the shareholder. The audit team confirmed that the crossing has been effectively rehabilitated.

Clergue Forest Management Inc. does not normally utilize herbicides or pesticides and have not used them in past year. Hazardous waste such as used oil, grease tubes and their containers are properly stored and disposed of.

Principle 7:

There was no criterion audited under this Principle during this surveillance audit.

PRINCIPLE 8: Monitoring and Assessment

Annual reports provide an annual public disclosure of the timber harvested by species, products and area. The reports also include an assessment of how the forest is growing. The provincial government has an extensive requirement for assessing forest growth through their growth and yield program of permanent sample plots, the FRI program and regeneration surveys. The Forest Operations and Inspection Program (FOIP) monitors environmental impacts of forest management activities against the metrics identified in the HCV Report and FMP targets for wildlife, social, economic and ecological objectives. FOIP is implemented by shareholders and overlapping licensees on their operations on the management unit. They must submit their inspections to the forest manager (Clergue) for approval with oversight provided by the MNRF. There have been no non-compliances registered in FOIP for the past three years.

Annually the forest manager carries out a renewal charge analysis to determine the best renewal rate for the year based on forecast harvest levels. The costs of renewal are an additional cost paid into the Renewal Trust Fund for the Algoma Forest by the Shareholders or overlapping licensees. The renewal charge is calculated on a cost/m³ of wood harvested.

PRINCIPLE 9: Maintenance of high conservation value forests

The HCV report was last updated in 2015 to address the recently added West Virginia White butterfly. Clergue staff stated that they liaise with the MNRF biologist and check the SAR registry annually for updates to the SAR list. No changes have been required since the last update of the HCVF report. The HCV report will undergo a full update with the development of the 2020-2030 FMP.

The Company continues to monitor the Intact Forest Landscape (IFL) in the northwest part of the forest. This area of conservations reserves and pine barrens connects to Pukasaw National Park forming a large relatively undisturbed portion of Lake Superior coast line. No changes have occurred to the area so its status as an Intact Forest Landscape is secured. Clergue Forest Management is in compliance with the requirements for IFLs.

A check of the Clergue Forest Management's website found the most recent version of the HCVF Report (6v) was not posted rather the fourth version (v4) was available. A minor nonconformance (NC-13) has been issued for the Company to update their website with the most current version of the HCV report. .

PRINCIPLE 10: Plantations

Not Applicable

NOTE: To be updated with the revised FSC STD 01 001 (Version 5.1.).

6.3 - Result regarding the correction of Non-Conformities (NC)

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n°	Indicator	Status	Date recorded	Text of the NC	Objective evidence and justification of their classification of major or minor	Opening and Closure deadline required	POTENTIAL NEW STATUTE	Closure evidence or remaining non-conformities	Closure date
1	1.1.5 (500-01)	Minor	April 16/15	The High Conservation Values poster does not correctly present one of the FSC trademarks in violation of FSC-STD-50-001 and Organisations Trademark Procedure.	Absence of a logo approval for the HCV poster This was classed as a minor due to isolated nature of the non-conformance, the existence of proper use on other documents and the fact that a contractor prepared the document..	April 15 2016	Closed	HCV poster approval received June 2 2015	April 14 2016
2	4.4.8	MINOR	April 16/15	There is no mechanism to record issues/complaints/feedback from stakeholders with Clergue Forest Management. There is no formal procedure for recording and transmitting concerns to the responsible party	The forest planning system has a formal process for recording issues/comments. It became apparent that casual or non-planning comments or complaints are not formally recorded. Classed as a minor as it does not jeopardize the criteria or sustainability. Informal processes have been in place	April 15 2016	Closed	Examined communications log and found it to be adequate	April 14 2016
3	6.1.10	MINOR	April 16/15	MOU 934 and MOU 802 had some instances of questionable tree marking practices (e.g, By wildlife trees marked for removal, marked trees in intermittent stream and inaccessible	Field observations on a variety sites showed marked trees left uncut, therefore compromising the silvicultural prescription. Classed as a minor as it has little impact on broader	April 15 2016	Closed	Examined tree marking on blocks 701, 343 and 340. Better marking was observed and all marked timber	April 14 2016

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				slopes). These blocks and MOU 613 also had many marked tress not cut that could have been cut, hence indicator performance is partly compromised as per 6.1.10 "The manager implements conditions necessary to achieve the intent of the silvicultural and harvest prescriptions	sustainability and the practice was found on only one licensees harvest blocks.			had been removed	
4	6.7.4	MINOR	April 16/15	Leaky logging equipment found on the forest.	Field Observations as follows; MOU 746 Leaking equipment, empty hydraulic pails, MOU 934 chain oil and grease containers, MOU 802 leaking slasher; fuel tank not up to TDG regs and SOP requirements Rated as minor since the bulk of the leaky equipment belonged to one contractor. None of the leaks were compromising water quality.	April 15 2016	Closed	In examining three active operations no leaking equipment was found. The offending contractor is no longer on the forest	April 14 2016
5	3.2.2	MINOR	April 16/15	Mississauga First Nation was not included in forest management planning for the 2015 Phase 2 FMP	The invitation to participate in forest management planning is an MNR responsibility although the SFL holder can provide suggestions to MNR. Clergue recognized this deficiency in	April 15 2016	Closed	Reviewed e-mail communications and the revised invitation to participate	April 14 2016

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					2014 and communicated with Mississauga and held a meeting with the Lands and Resources Director for the community. Reviewed e-mail communications and the revised invitation to participate Rated as a minor since the legal requirement falls on the Crown					
6	7.3.1	Minor	Aug 18 2016	Some Forestry workers interviewed did not have copies of the most up-to-date SAR booklets.	This was an observation (3) in the 2015 audit which still persists and has been declared a minor nonconformance as it has not resulted in impacts to forest sustainability or impaired SARs		Aug 17 2017	Closed	Reviewed evidence provided, including on site interviews with forestry workers during SV2 audit, and determined the non-conformance has been addressed.	Aug 3 2017
7	6.3.12	Minor	Aug 18 2016	In Block 139 a temporary water crossing was installed when road use plans changed, a brush matt was used instead of a pipe. The change in status and approach was not communicated effectively	Assessed on site inspections and comparison to the block plan it was discovered that the crossing was not as planned. Interviews with contractor staff conformed the fact that the change had not been communicated nor approved.		Aug 17 2017	Closed	Reviewed evidence including aerial photography and determined the necessary remedial action had been	July 14, 2017

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				through out organisation. The crossing type used could/may result in deleterious materials enter the wáter course before its removal.	This is an isolated incident which occurred on a relatively new contractor. Additionally there has been no impact on the stream in question			completed.	
8	3.2.1	Minor	Sept 18 2016	Clergue has not fully met the intent of the FSC Standard for communication with First Nations.	Interviews with Indigenous communities with traditional use area on the Algoma Forest commented that the Background Information Reports are incomplete. Additionally there were comments that there is too little communication between individual First nations and Clergue and that there were few economic benefits for FNs from the Algoma Forest. This was rated as a minor as it was the first such incidence in the past 10 years and does not reflect the longer-term communication which has occurred.	Sept. 17 2017	Closed	Reviewed evidence provided and determined the non-conformance has been addressed satisfactorily.	Sept 15, 2017
9	3.1.2	Minor	June 16, 2017	Evidence presented by the forest manager (email correspondence) covering the last 12 months	A review of the planning for the 2015 Phase II FMP showed not all indigenous communities with interests on the Algoma	June 16, 2018	Closed	Reviewed aboriginal task team minutes, develop	June 14 2018

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				indicates some efforts are being made with two communities (Michipicoten, Garden River) but that work does not fully meet the intent of this Indicator. A minor non-conformance is issued to fully address this Indicator.	Forest were part of the planning team. In preparation for the 2020 FMP, an Aboriginal Task Team has been struck but not all communities are represented because of the government process of who should be invited to an FMP planning team. Interviews with 3 indigenous communities stated they have no relationship with CFMI. The non-conformance is minor as most affected indigenous communities are members of either the planning team and/or Indigenous Task Team.			indigenous relations policy, undertook a variety fo meeting and workshops with the FNs	
10	3.3.3	Minor	June 16, 2017	Interviews, conducted with indigenous communities has identified the use of herbicides on the management unit is, in their culture, an issue. Interviews with the forest manager and government representatives confirm little work has been done to address their concerns.	The communities interviewed stated they do not feel the company is hearing them on this issue as the forest manager continues to use herbicides against aboriginal wished. Additionally, the company has not reached out to them either individually or as a collective group through the North Shore Tribal Council to discuss this issue. The issue of herbicide use is a long-	June 16, 2018	Closed	Reviewed aboriginal task team minutes, develop indigenous relations policy, undertook a variety fo meeting and workshops with the FNs	June 14 2018

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					standing issue and although the manager is developing relationships with most communities, more effective effort could be made on this issue and for this reason the non-conformance is classified as minor.				
11	4.2.5	Minor	June 16, 2017	Proper placarding and proper storage of fuel apparatus are required by Provincial regulations.	Several fuel trailers were observed as not being properly placarded and not having required "holsters" for the fueling apparatus.	June 16, 2018	Closed	Inspected tanks in the field, reviewed petroleum handling course materials	June 14 2018
12	6.3.9	Minor	June 16, 2017	Ensure that all forest roads are properly crowned and graded effectively.	All forest roads appeared to be well constructed and maintained, with very minimal evidence of erosion noted. During last year's surveillance audit, it was noted that "false berms" were being created on the edges of roads during grading. An observation was raised as a result. This practice was again witnessed during this audit. The creation of false berms during grading does not allow rainwater to properly drain from the road surface and increases the likelihood of significant surface	June 16, 2018	Closed	Inspected more than 50 km of road. Maintenance practices are markedly better	June 14 2018

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					movement and erosion. An observation was written to this indicator in previous audit and is now elevated to a minor NC.					

6.4 - Result regarding the resolution of complaints

	Date	Received complaints	FSC criteria-indicator	Checked on site (YES or NO)	Answer (+Date)		
					Client	lead auditor	Bureau Veritas Certification

6.5 - Result regarding previous observations

n°	Date recorded	Text of the OBSERVATION	Objective Opening evidence	Status (closed, still open, upgraded to minor NC)	Evidences for closure
7	June 16, 2017	Consider creating an annual summary of new occurrences so that more effective monitoring can occur on a regional level.	The organization effectively identifies known occurrences of HCVs such as wood turtle, blanding turtle and Virginia White Butterfly habitats. This information is seen as dynamic as new occurrences are documented each year.	Closed	SARs occurrence register

7 - Result of surveillance evaluations

MAIN ASSEMENT – APRIL 13-16 2016	
Number of NC closed (+File names and storage location of Non-Conformities: e.g. connection, BVC local office network, etc.)	none
Pending NC (+File names and storage location of Non-Conformities)	none
New NC raised (+File names and storage location of Non-Conformities)	NC 1 to NC 5 – see appendix C
Certification Decision (+File names and storage location of Non-Conformities)	renew
SURVEILLANCE 1 - AUGUST 13-17 2016	
Number of NC closed	NC1 – 5 refer to Appendix C
Pending NC	none
New NC raised	NC6-8 refer to Appendix C
Certification Decision	
SURVEILLANCE 2 DATE	
Number of NC closed	NC6-8 closed refer to Appendix C
Pending NC	
New NC raised	NC9-12 refer to Appendix C
Certification Decision	
SURVEILLANCE 3 DATE	
Number of NC closed	NC9-12
Pending NC	
New NC raised	NC 13
Certification Decision	Continue certification
SURVEILLANCE 4 DATE	
Number of NC closed	
Pending NC	
New NC raised	
Certification Decision	

7.1 - Synthesis on the conduct of the audit and closing meeting

A closing meeting was held on June 14, 2018. At the closing meeting, the audit team discussed their findings of the audit. Issues related to the appeal of findings and confidentiality were discussed. Based upon the results of the audit the audit team recommends continued certification.

8 - Records of Non-Conformities and observations and new ones raised during the audit

8.1 - Records of Non-Conformities

n°	Indicator	Status	Date recorded	Text of the NC	Objective Opening evidence and justification of their classification of major or minor	Closure deadline required	POTENTIAL NEW STATUTE	Closure evidence or remaining non-conformities	Closure date
13	9.1.3	Minor	14/06/18	A check of the FME's website found the most current version of the HCVF Report (V6) is not posted. The HCV report on the FME's website is dated 2010.	Reviewed Clerge website It is the opinion of the audit team that the intent of this Indicator has not been met and have issued this minor non-conformance as it does not affect forest sustainability and represents a small administrative oversight	13/06/19			

8.2 - Records of observations

New observations raised during the audit, or pending

n°	Date recorded	Text of the OBSERVATION	Objective Opening evidence

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9 - Proposals regarding the certification decision

9.1 - Proposal of conclusion on whether the candidate entity achieved or not the required level of conformance

The certificate holder is in continued conformity with the certification requirements and their certificate should be maintained.

10 - Certification decision

Technical review has been performed and it was found that the audit reports and related documented evidence were appropriate to demonstrate the company's full compliance with FSC certification requirements. Except for One minor NC shall be closed before 13 June 2019.

From the foregoing, Bureau Veritas Certification decides to MAINTAIN the FSC FM/COC certificate to "Clergue Forest Management Inc."

Issued the July 15 2018 (September 22 2018), reviewed the **2 November 2018**

FM certification technical manager,

Lead Auditor,



Brian Callaghan

11 - Appendices

- A. CV of the members of the audit team
- B. Checklist(s)
- C. Documents remitted by the applicant and any additional information that permits to justify the reports or recommendations of the auditor
- D. Other documents remitted by the applicant ...*OPTIONAL*
- E. ...
- F. ...
- G. Copy of the non-conformity form(s)