

# FSC™ CERTIFICATION SYSTEM

## FOREST MANAGEMENT CERTIFICATION INITIAL AUDIT Public Report

Report finalisation date: 20<sup>th</sup> November 2020

### Clergue Forest Management Inc.

*(Vince Strack R.P.F. – Vince.Strack@clergue.com)*

Forest location(s): Algoma, Ontario, Canada

Certificate registration code: BV-FM/COC-407103

Date of issue: 2021-02-04

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## BUREAU VERITAS CERTIFICATION

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## Initial Audit Report

### Clergue Forest Management Inc.

Ref: AR000000

## 1 - Description and background of the applicant forest entity

### 1.1 - Legislative, administrative and statutory context\*

Law/ regulation	Aspects of the forest management covered by the law (e.g. harvest monitoring, protection, health and safety, infrastructure, and other uses).	Responsible government agencies
Legal rights to harvest		
Crown Forest Sustainability Act	Covers All aspects of forest management on Crown (public) lands	Ontario Ministry of Natural Resources and Forestry
Taxes and fees		
Crown Forest Sustainability Act	Crown dues and stumpage	Ontario Ministry of Natural Resources and Forestry
Canada Revenue Act	Federal Tax & Sales Taxes	Canada customs and Revenue Agency
Timber harvesting activities		
Crown Forest Sustainability Act	Covers All aspects of forest management on Crown (public) lands	Ontario Ministry of Natural Resource and Forestry
Workers, local communities and indigenous peoples' rights (ILO conventions...)		
Robinson Huron Treaty	Treaty signed in 1850 covering aboriginal rights and titles	Government of Canada
Robinson Superior Treaty	Treaty signed in 1850 covering aboriginal rights and titles	Government of Canada
Occupational Health & Safety Act	Legislation oaring health and safety in the work place.	Ontario Ministry of Labour
Trade and Transport (classification of harvested material, CITES, etc.)		
Crown Forest Sustainability Act	Covers All aspects of forest management on Crown (public) lands including the classification and transportation of forest products	Ontario Ministry of Natural Resource and Forestry

### 1.2 - General description and identification

Forest Management company	
<b>Name</b>	Clergue Forest Management Inc
<b>Address</b>	688B Second Line East, Sault Ste. Marie
<b>Telephone</b>	1.705.942.7706
<b>E-mail</b>	Address: vince.strack@clergue.com
<b>Web site</b>	www.clergue.com
<b>President/Manager of the entity company</b>	Vince Strack R.P.F.
<b>Contact person (responsible) for FSC certification</b>	Vince Strack R.P.F.
<b>FSC trademark responsible</b>	Vince Strack R.P.F.
<b>Activity</b>	Forest management and logging
<b>Category of forest management</b>	Boreal & Temperate forest

<b>Number of forest workers (including contractors):</b>	Forest field activity	109 (male)	33 (female)
	Administrative/office activity	12 (male)	7 (female)
	Industrial and transformation process (if relevant)		

Clergue Forest Management Inc. has two full-time professional staff who are responsible for forest planning, supervising silvicultural contractors and undertaking the administration of the forest. The Company employs 86 seasonal contractors to undertake silvicultural work such as tree marking, tree planting and pre-commercial thinning.

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### 1.3 - Other land use or activity in the forest included in the audit scope.

Non-forest activity	YES/NO	Brief description	Impact or potential impact evaluation of such activities on the conformity with the requirements of FSC Standard
Industrial operations	no		
Mining	No		All mining activity is removed from the license by the province upon its establishment.
Agriculture	No		
Hunting	Yes	Hunting of deer, moose, game birds licensed and regulated by the Province	Hunting and fishing generally have no impact on forest management. In Ontario forest managers must follow specific habitat management rules as provided in provincial guideline.
Commercial tourism	Yes	The forest has approximately 70 commercial tourism businesses offering fishing, hunting and viewing opportunities	There are potential conflicts between tourism in forestry which primarily deal with forest access concerns and harvesting. Land use planning by the government and forest management planning are the forums used to discuss and accommodate resource use concerns.
Traditional livelihoods	Yes	There are more than 50 trap lines and 70 bear management areas	All traplines are protected, as are bear management areas. These activities are accommodated through the application of guidelines to protect those values and restrict forest operations in the area.
Other non-forestry activities	No		
possible illegal or unwanted activities within the area evaluated	No		

## 2 - Scope of certificate

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

#### 2.1.1 - Certificate

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

#### 2.1.2 - Description of FMUs

Classification	Total forest area (ha <sup>2</sup> )
----------------	--------------------------------------

<sup>1</sup> Fulfil where the answer is correct<sup>2</sup> 1 inch = 2,54 centimeters ; 1 foot = 0,3048 meters ; 1 yard = 0,9144 meters and 1 mile = 1,609344 kilometers

	Number of FMUs	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		1 075 685			1 075 685

### 2.1.3 - Ownership and Use Rights

The Algoma Forest is managed by Clergue Forest Management Inc. under Sustainable Forest License (SFL) 542257. This form of tenure requires the Organisation to plan and implement forest management activities. Wood products from the forest are provided to the forest products companies that are shareholders in the SFL. There are five Aboriginal Communities in the area who have traditional use rights in the area. Forest recreation activities are managed by the Ministry of Natural Resources and Forestry.

Name of FMU	Ownership	Use-rights (both legal and customary) of parties other than the certification applicant	Area (ha)	Longitude (N/S, degrees, minutes) AND Latitude (E/W, degrees, minutes)	Forest zone (boreal, temperate, subtropical, tropical) <sup>3</sup>	Comments
Algoma Forest	Crown (public)		1,075,685	47 03 25 N 83 55 20 W	<i>Northern temperate transitioning to boreal</i>	Crown Forest managed under an SFL by Clergue FMI

## 2.2 - Product categories and main commercial timber:

The Algoma Forest produces roundwood from a variety of species. Nineteen species are included in the product group list. All roundwood is sold FOB at the purchasing mills scales. All wood is sold as FSC 100% and is accompanied by documentation transmitting the chain of custody.

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
Logs	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> )	Roundwood	Mill scales (FOB)	FSC 100%

<sup>3</sup> According to the Holdridge life zone classification scheme: [http://commons.wikimedia.org/wiki/File:Lifozones\\_Pengo.svg](http://commons.wikimedia.org/wiki/File:Lifozones_Pengo.svg)

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### 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
	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> )			

**2.3 - In case of partial certification or in case of certification with exclusion - Not Applicable**

**2.4 - In case of Group certification**

N/a

**3 - In case of pre-evaluation audit**

Not applicable.

## 4 - Managed forest description.

### 4.1 - Forest description

The Algoma Forest is a large Sustainable Forest License in northern Ontario (Figure 1). It stretches from Sault Ste Marie in the south to Wawa in the north. It includes parts of the Lake Superior shoreline, as well as, part of the scenic Algoma Highlands. The forest is transitional between the Great Lakes St. Lawrence and boreal forest regions. Approximately 60% of the forest can be considered boreal. In the boreal forest spruce, jack pine and poplar forests are managed under even-aged systems through clear cutting. In the Great Lakes region maple, yellow birch, white pine and oak forests are managed using either selection or shelterwood systems. Rotation ages are relatively long being approximately 80 to 100 years in the boreal region, while cutting cycle in the southern region are 28-30 year.

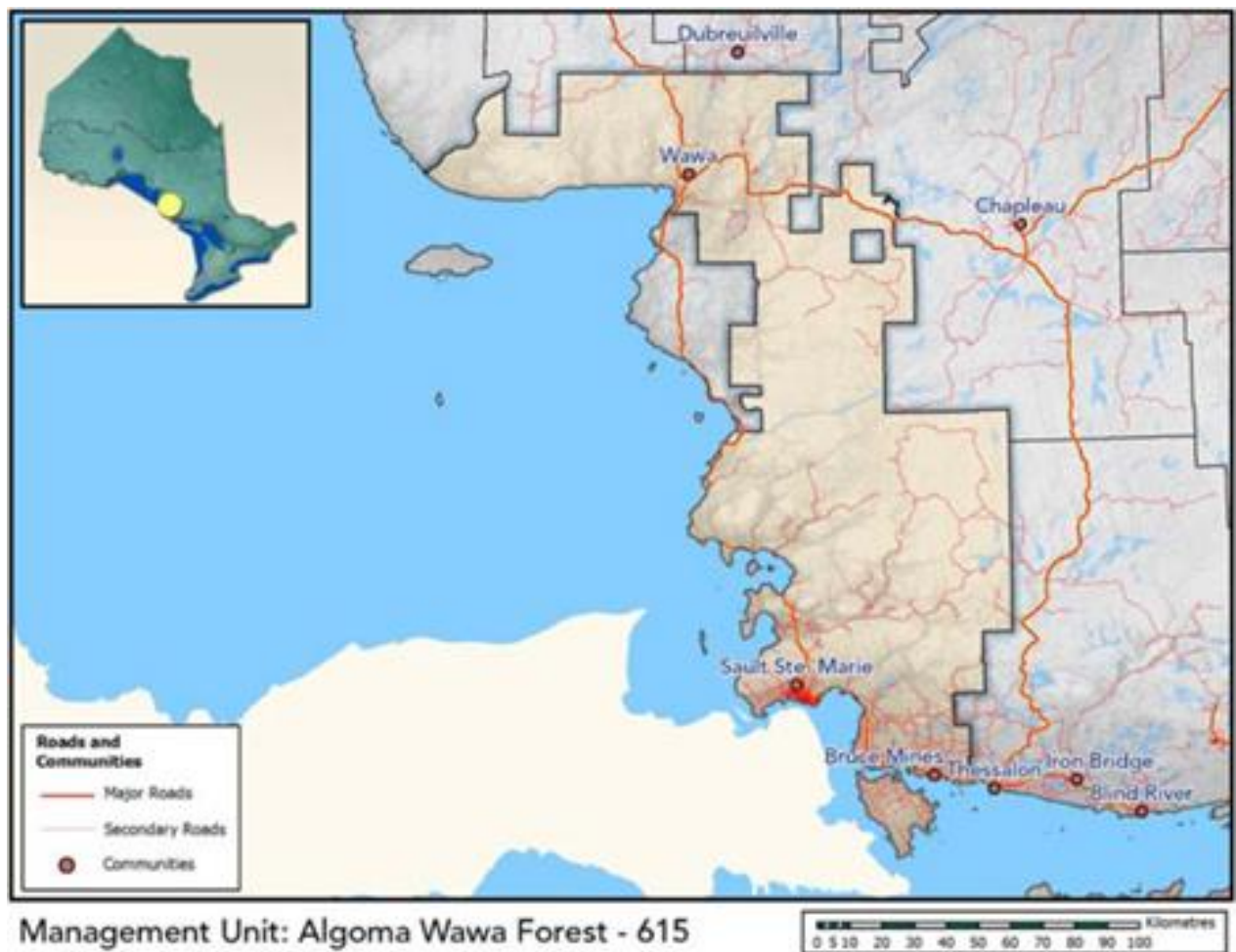


Figure 1. The Algoma Forest



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**4.1.1 - Composition/ organisation of the certified forest(s) :**

<b>Composition of the Certified Forest</b>	<b>Algoma Forest</b>
<b>Total area of production forest (i.e. forest from which timber may be harvested)</b>	702,410
<i>Area of production forest classified as "plantation"</i>	0
<i>Area of production forest regenerated primarily by replanting or by a combination of replanting and coppicing of the planted stems</i>	122,340
<i>Area of production forest regenerate primarily by natural regeneration or by a combination of natural regeneration and coppicing of the naturally regenerated stems</i>	508,600
<b>Area of forest and non-forest land protected from commercial harvesting of timber</b>	140,000
<i>and managed primarily for conservation objectives</i>	140,000
<i>and managed primarily for production of NTFPs or services</i>	0
<b>Area of forest classified as "high conservation value forest":</b>	n/a
<b>Total area</b>	1 075 685

**4.1.2 - Environmental main characteristics of certificated area.****4.1.2.1 - Presence of HFCV :**

TYPE of HCFV	PRESENCE	LOCALISATION	Notes
<b>HVC1</b> : Forest areas containing globally, regionally or nationally significant concentrations of biodiversity values.			
HVC 1.1 : Protected area	Yes	Yes	Refer to HCV report.
HVC 1.2 : presence of Threatened and endangered	Yes	Yes	Refer to HCV report.
HVC 1.3 : Concentrations of endemic species	Yes	No	Refer to HCV report.
HVC 1.4 : Concentrations of critical temporal use	Yes	Yes	Refer to HCV report.
<b>HCV2</b> : 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.			
	No	No	Refer to HCV report.
<b>HCV3</b> : Forest areas that are in or contain rare, threatened or endangered ecosystems.			
	Yes	No	Refer to HCV report.
<b>HCV 4</b> : Forest areas that provide basic services of nature in critical situations (e.g. watershed protection, erosion control)			
HVC 4.1 : Forests critical to water catchments	No	No	Refer to HCV report.
HVC 4.2 : Forests critical to erosion control	No	No	Refer to HCV report.
HVC 4.3 : Forests providing barriers to destructive fire	No	No	Refer to HCV report.
<b>HCV 5</b> : Forest areas fundamental to meeting basic needs of local communities (e.g. subsistence, health).			
	Yes	Yes	Refer to HCV report.
<b>HCV 6</b> : Forest areas critical to local communities' traditional cultural identity (areas of cultural, ecological, economic or religious significance identified in cooperation with such local communities).			
	Yes	Yes	Refer to HCV report.

#### 4.2 - List of chemical pesticides used within the forest area, and reason for use

Herbicides on the Algoma Forest are used primarily to release planted conifer trees from broadleaved competition. There have been no herbicides used on the forest in the past two years.

#### 4.3 - List of commercial timber and non-timber species, sustainable rate of harvest and annual commercial production

##### 4.3.1 - Timber forest products :

##### Available Timber Volumes (Annual)

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Species (common trade name)	Species (botanical name)	Maximum sustainable rate of harvest (cubic meters)	Reference to the source of date on which estimate is based
White Pine	<i>Pinus strobus</i>	29,464	FMP-13
Red Pine	<i>Pinus resinosa</i>	6,457	FMP-13
Jack Pine	<i>Pinus banksiana</i>	43,117	FMP-13
Black Spruce	<i>Picea mariana</i>	122,493	FMP-13
White Spruce	<i>Picea glauca</i>	45,906	FMP-13
Balsam Fir	<i>Abies balsamea</i>	43,415	FMP-13
Cedar	<i>Thuja occidentalis</i>	31,544	FMP-13
Larch	<i>Larix laricina</i>	8,830	FMP-13
Hemlock	<i>Tsuga canadensis</i>	2,687	FMP-13
Poplar	<i>Populus tremuloides</i>	69,875	FMP-13
White Birch	<i>Betula papyrifera</i>	147,259	FMP-13
Yellow Birch	<i>Betula alleghaniensis</i>	88,401	FMP-13
Sugar Maple	<i>Acer saccharum</i>	110,588	FMP-13
Red Maple	<i>Acer rubrum</i>	10,950	FMP-13
Red Oak	<i>Quercus rubra</i>	2, 948	FMP-13
	496,518	764,344	

### 4.3.2 - Non-Timber Forest Products

Currently, there are no non-timber forest products being harvested on the forest. There is interest in both tapping Maple trees for syrup and the commercial collection of Chaga (*Inonotus obliquus*).

## 5 - Social context of certificated area.

The Algoma Forest is a multiple use forest which generates thousands of jobs in the Algoma District of Northern Ontario. Clergue Forest Management Inc. is the management company which manages the forest. There are five shareholders that own the company; they are Domtar, Boniferno Mill Works, RYAM, Midway Lumber Mills and Columbia Forest Products. Roundwood harvested from this forest is consumed by area paper mills, sawmills, and board mills. Forest harvesting is carried out by logging contractors working for the mills.

The Algoma Judicial District contains approximately 100,000 citizens of a range of ethnicities including First Nations peoples, European settlers, and more recent immigrants from around the world. The dominant language is English followed by French and Ojibwe. Employment in region is dominated by a large steel mill and a number of forest products mills

The Algoma Forest is covered with lakes and streams providing a rich environment for forest recreation. The forest contains more than 70 commercial tourism businesses which are permitted to use the forest by the Ministry of Natural Resources and Forestry. Local residents fish the area as well. Hunting is a popular use of the Algoma Forest with seasons for deer, moose, bear, game birds, and small mammals (rabbits, wolves).

Angling and hunting are important recreational and economic values derived from the Algoma Forest, which provide significant revenue to the local economy and Clergue is committed in protecting these values through proper forest management planning. The Ontario Federation of Anglers and Hunter estimated in 2004 that the total economic benefit derived from moose, deer and bear hunting the Algoma Forest is \$3.596 million.

The Algoma Forest either surrounds or is adjacent to 35 provincial parks and conservation reserves and one national park, Pukaskwa National Park. Protected areas lying within the boundaries of the Algoma Forest encompass a total of approximately 140,000 hectares. This represents about 18% of the forested Crown land area of the Algoma Forest

Clergue Forest Management Inc. provides training to its staff, and contractors. Staff are provided opportunities to attend the various planning courses as well as other courses put on by the Ministry of Natural Resource and Forestry. All contractors are provided annual training focused on the procedures and best practices used in operations. Additionally all contractors must have safety training.

## 6 - Forest management plan description

### 6.1 - Main description of management system

Topic	Description and notes
Management objectives and principles	<p>The forest management plan lists 26 management objectives in four areas :</p> <p>(a) Forest diversity objectives, including consideration for the conservation of natural landscape patterns, forest structure and composition, habitat for animal life and the abundance and distribution of forest ecosystems,</p> <p>(b) social and economic objectives, including harvest levels and a recognition that healthy forest ecosystems are vital to the well-being of Ontario communities,</p> <p>(c) objectives relating to the provision of forest cover for those values that are dependent on the Crown forest,</p> <p>(d) silviculture objectives for the harvest, renewal and maintenance of the Crown forest.</p>
Forest resources (socio-economic conditions, forest composition, profile of adjacent lands)	<p>The forest management plan includes a detailed socio-economic assessment of the forest and its surrounding communities. The plan also includes a detailed description of the forest including the land types present (e.g. forests, wetlands), forest cover types, age classes, habitat suitability and landscape attributes.</p>
Silvicultural and/or other management systems being implemented (incl. harvesting techniques and equipment, rationale for species selection)	<p>Three silvicultural systems are employed which are dependent upon species and stand conditions. Selection silviculture is used in well stocked tolerant hardwood stands (e.g. maple, yellow birch). Shelterwood silviculture is used primarily in white pine stands and poorly stocked tolerant hardwood stands. Clear cutting is used in the boreal forest species (e.g. jack pine, spruce and poplar).</p> <p>A range of harvesting equipment is used the forest and is dictated by the size of the overlapping licensee and the type of terrain. Mechanical</p>

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	harvesting with feller-bunchers or cut-to-length harvesters are the predominant machinery used in conjunction with grapple skidders or forwarders.
Environmental safeguards	The primary environmental safe guards is the planning system which incorporates the protection of soil, water, and wildlife habitat through the application of a series of guidelines as set out in the Stand and Site Guide, additionally all operations are monitored as part of the Forest Operation Inspection program.
Management strategy for the identification and protection of rare, threatened and endangered species	As part of the planning process a values identification and mapping program is implemented to identify all known values on the forest. Based upon the type of value encountered guidelines are available for its protection.
Certificate holder's procedures for monitoring growth, yield and forest dynamics (incl. changes in flora and fauna), environmental and social impacts, and costs, productivity, and efficiency	<p>Forest dynamics are monitored in two ways. First a complete forest inventory is undertaken every ten years on the forest. Secondly the Province monitors growth and yield through a series a permanent sample plots across the province and within this forest.</p> <p>Environmental impacts are monitored through the forest operation and inspection program.</p> <p>Social impacts are examined every five years as part of the planning process.</p> <p>Productivity is monitored through an annual reporting process which monitors annual harvest and renewal activities.</p>
Management structures (e.g. management structure, division of responsibilities, use of contractors, provision of training, etc.)	Clergue Forest Management Inc. has two foresters who report directly to the company President. One forester is responsible for all planning matters on the forest. A second forester is responsible for the silvicultural program and certification. Contractors working for the Licensees undertake the harvest and access operations. All contractors receive training on best practices and safety.

## 6.2 - Production and harvesting

Date of data: 2019-2020

	Volume summaries, m3		
	Softwood Roundwood	Hardwood Roundwood	
Final felling	54,429	38,038	
First thinning			
Secondary thinning			
Seed tree felling			
Other thinning*	3,077	42,088	
<b>Total</b>	<b>57,506</b>	<b>80,126</b>	

\*Note – Other thinnings include 3<sup>rd</sup> and 4<sup>th</sup> thinning of Red Pine and selection harvesting of tolerant Hardwoods

Approximate Available Volume (AAC 2020 FMP): 764,344 m<sup>3</sup>/year2018-2019 Actual Harvest Volume: 137,632 m<sup>3</sup>

Approximate annual harvesting rate (Actual / AAC): 0.18 or 18%

The available harvest volume on the Algoma Forest is over 750,000 m<sup>3</sup> per year. Over the past decade harvesting has steeply declined with mill closures in Wawa, Dubreuilville, and Sault Ste Marie having reduced wood demand significantly. This has resulted in annual harvest rates of less than 30% of planned levels from the 2010 management plan.

### 6.3 - Identification, traceability and monitoring of products, for joint FM and CoC certificates

There is little risk that uncertified or uncontrolled wood can get in the supply chain from the Algoma Forest.

#### 6.3.1 - Description of the implemented systems to ensure the traceability

Wood harvested on the Algoma Forest is hauled directly to a consuming mill where the wood is weighed in (scaled). Ownership is transferred at the mill. Each truck must carry specific scale tickets as issued by the province of Ontario to identify each load and record its origin.

#### 6.3.2 - Description of the final location of taking in charge

Logs are delivered directly to one of the consuming mills being supplied by the forest. Each mill has government approved and calibrated scales which are used to weigh and record each load as it arrives.

#### 6.3.3 - Description of the documentation or of the marking system

In Ontario wood being harvested from Crown land must be accompanied by a scale ticket and a haul permit which records the origin of the wood along with a number of administrative details.

#### 6.3.4 - Evaluation of the mixing risk

The risk of mixing certified and uncertified timber is extremely low as mixed loads (wood from different sources) are not allowed, eliminating the opportunity for uncertified wood being mixed with wood from the forest.

## 7 - In case of Transfer Audit

## 8 - Base of evaluation, audit process

### 8.1 - Composition of the audit team

Evaluation Team (main assessment)	Notes and CV of team member
Team Leader	Brian Callaghan RPF, FSC FM qualified lead auditor on behalf of Bureau Veritas Certification independent consultant
Auditor 1	Sarh Bros, RPF, FSC FM qualified auditor
Auditor Under Witness 2	Laird Van Damme FSC FM qualified auditor
Local Specialist (Forester and ecologist)	Dr. Rob Foster, Wildlife Biologist

### 8.2 - FSC Forest management standard used.

#### 8.2.1 - Reference of the national/sub-national FSC standard used:

THE FSC® NATIONAL FOREST STEWARDSHIP STANDARD OF CANADA

FSC-STD-CAN-01-2018, 19/10/18

<https://ca.fsc.org/download-box.2364.htm>

#### 8.2.2 - Description of the process of local adaptation of the FSC international or generic standard\*

Not applicable

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## 8.3 - Description of the audit program.

### 8.3.1 - Main audit schedule and last survey audit schedule

MAIN AUDIT SCHEDULE			
Team	Time	Detailed visited sites	Chek point, Field assesment activity and justification of the selection of the points monitored and on-sites visits performed (sampling method)
<b>October 19 2020</b>			
Audit team	8:30 am	Remote	Opening meeting of the audit - Remote via ZOOM
Callaghan	9:00 am	Remote	Site Selection - Remote via ZOOM
Van Damme, Bros, Foster	9:00 am	Remote	Document review & staff Interviews
Audit team	2:00 pm	Field	Team members will visit private land forest site(s)
Audit team	4:30 pm		Daily Debriefing
<b>October 20 2020</b>			
Audit team	7 am	Southern sites	Team will split into two groups to undertake site visits
Audit team	4:30 pm	Office	Daily Debriefing
<b>October 21 2020</b>			
Audit team	7 am	Wawa sites	Team will split into two groups to undertake site visits
Audit team	4:30 pm	Office	Daily Debriefing
<b>October 22 2020</b>			
Audit team	7 am	East sites	Team will split into two groups to undertake site visits
Audit team	4:30 pm	Office	Daily Debriefing
<b>October 23 2020</b>			
auditors	8 am	Offices	Final document Review and Staff Interviews
Audit Team	9:30 am	Offices	Team confirms audit findings
Audit Team	11:00 am	Offices	Closing Meeting....Remote via ZOOM
Audit Team	12:00 pm	Offices	Hang Up

Statement of the total person days spent for assessment:

Activity	Nb. of man/day
Audit activity on field	16

Stakeholder's consultation	1.5
<b>TOTAL</b>	<b>17.5</b>

### 8.3.2 - Clear description of the sampling system employed to select FMUs or sites for evaluation AND RATIONALE\*

Field sampling was focused on the active or recent operations on the management unit. Over the past year two the major shareholders/licensees were not active on the forest and this limited the amount of recent activities available for review. In all operating areas, an initial block was chosen at random with additional sites being chosen relatively nearby. A total of eleven harvest blocks were inspected, four new roads and twelve water crossings.

Date	Site	Comments/Observations
October 20, 2020	807	Old Mill bay, local concern with the harvest resulted in haul restrictions, Hardwood selection site, marking audit 99.5%. AOC on lake trout lake. Excellent utilisation, no Residual Stand Damage (RSD)
	Jarvis Rd	Water Crossing install. New primary access Walked 1500 m of road good ditches and nice surface. Interviewed operator - (Avery)
	808/809	Selection harvest in a high intensity recreational use are which include category A canoe route - larger than necessary reserves have been left. WP387 old pipe inspected an OK. Marking Audit results 96%, no RSD minor ruts in wet area
	791	Christina Mine Road, cut 2018 mixedwood clear cut leaving Pw and Sp lots of retention, TM audit 98%, no issues with the harvest
	633	Murphy Road Avery Harvest interviewed the supervisor. Inspected temp bridge wp391, inspected 3 crossings 392-394 - all suffer from unstable slopes and are allowing sediment to enter the streams NC, Interviewed processor operator
October 21, 2020		Owen Bath RYA operations supervisor. Explained their operations detailing safety and training
	Much Lake road	Inspected new operating road , inspected two gravel pits OK . Moose Empasis area.
	Jarlo Pine Rd	Jarlopine Branch roads under construction examined and crossing with 1800 mm pipe Stable banks nice rip rap. Aoc is appropriate. Temp bridge with new decking and rails - beaver is trying to damn the creek near by



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Date	Site	Comments/Observations
	Jack Pine River	Upgrading an operational road to a primary road, installing bigger culverts widening the road adding gravel Roads have stable slopes. Examined 2 pipes both had no issues but were still working. Examined Jack Pine regen site - 10 years old well stocked 2 m
	335	2012 harvest 2014 plant 2 m tall well stocked jack pine
October 22, 2020		Wood Lands Mgr Midway. Hardwood selection harvest area includes a portion of the Voyager Trail
	840	Hardwood selection harvest, no RSD only marked trees taken as per stump marks. Stream buffers in place and honoured. Osprey nest buffered and protected. Unmapped stream buffered and crossed
	842	Cultural heritage value - sugar shack Found and protected by the Clergue team.
	TwoHorse Lake Rd	New Road Construction. Right of way is clear. Ditching is good with 2:1 slopes evident. Two crossings inspected. NO grubbing in AOCs. Will let road settle until next year before use
	839	Midway selection harvest, Marking audit 98%, little evidence of a cut, RSD is very low, site held u well no issues. Tree marking looked good - only marked trees cut
	888	Rose Township 3rd thinning of red pine no RSD no ground disturbance, CTL job. Area is next to the Thessalon land claim area.

## 8.4 - Documents review

### Administrative and legality

- Crown Forest Sustainability Act (1996)
- Forest Operations Inspection Program
- Sustainable Forest License #542257
- Clergue Administrative Policies & Procedures 2020
- 2020 Forest Management Plan Terms of Reference
- Clergue Website <http://www.clergue.com>.
- Boniferro Mill Works Safety Manual,
- Workplace Violence Prevention Policy

### Internal social issues

- Boniferro Mill Works Safety Manual,
- Workplace Violence Prevention Policy
- Domtar's Human Rights Policy
- 2020 Forest Management Plan, Section 2.2 Social and Economic Description
- Social Economic Impact Analysis
- Health and Safety Policy Program Manual

- Vision, Mission and Guiding Principles

#### **External social issues**

- Occupational Health & Safety Act
- Robinson Huron Treaty 1850
- Robinson Superior Treaty 1850
- Correspondence with First Nations and Metis Communities
- Local Citizens Committee Report in 2010 FMP
- Local Citizens Report in 2015 FMP...
- Local Citizens Report in 2020 FMP
- 2010 Forest Management Plan Summary of Public Consultation
- 2015 Forest Management Plan Summary of Public Consultation
- 2020 Forest Management Plan Summary of Public Consultation ...

#### **Environmental and HFCV**

- Algoma Forest HCVF Report (2020)
- Algoma Forest GAP Analysis (2009)
- Pre-Industrial Forest Condition Report
- 2020 Forest Management Plan for the Algoma Forest
- Species At Risk Act (2018)
- SAR Handbook 2020
- HCV Policy 2020

#### **Management and harvesting operation**

- 2020 Forest Management Plan for the Algoma Forest
- 2019-2020 Annual Work Schedule
- Clergue Operations Handbook 2020
- Watercrossing Handbook
- Forest Management Planning Manual 2018
- Forest Information Manual 2009
- Ontario Tree Marking Guide

#### **Monitoring process**

- 2018-2019 Annual Report
- Forest Operations and Inspection Reports
- Tree Marking Audits

## **8.5 - Interview and stakeholders input and treatment.**

### **8.5.1 - Interview(s) of involved people met during audit.**

Involved people	
Category	Position
Shareholders	Woodlands Manager, Boniferro Mills Works
	Midway Lumber Woodlands Manager
Manager	General Manager

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Employee(s):	Forester
Sub-contractors:	
	Avery – Hoe Operator
	Avery – Skidder Operator
	Tessier Logging – Owner/Operator
	RYAM – Ops Supervisor

### 8.5.2 - Stakeholders identification and consultation process

Stakeholders were first identified during a consultation with the Company in August of 2020, stakeholders were formally consulted on September 1 2020 prior to the recertification audit. Stakeholder letters were sent to a wide range of local and national stakeholders.

### 8.5.3 - Record of stakeholder received comments or complaints\*

Stakeholders reference (name / type) <b>To remove the name for public reports!!!</b>	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						
Refer to App E Clergue Stakeholders						
Individuals who were interviewed						
Makatina Cottagers	13/9/20	The recent road work was excellent. We appreciate the access to firewood. We get annual notice through the plan,	Social	Yes		This information was acknowledged by the audit team and confirmed during the interviews, documents review and field visits
Red Sky Métis	22/10/10	No issues	Social			This information was acknowledged by the audit team and confirmed during the interviews, documents review and field visits
Garden River First Nation	29/10/20	interested in more active communication, no real complaints but Chief is new in job	Social/Economic	No		We will encourage and monitor Clergue's efforts
Batchewana First Nation	22/10/20	Want harvest areas & regular communication with Clergue	Social/Economic	no		As discussed provided is the FSC FPIC guidance document.  We will monitor both the communications and any economic development that results
Missanabie Cree First Nation	22/10/20	Band requested a P3 agreement & Clergue did not follow up	Social	no		A NC has been issued we will

Stakeholders reference (name / type) <b>To remove the name for public reports!!!</b>	date	Received comment or complaints	Theme (social, economy, environment)	Checked on site? (YES or NO)	Answer from the certificate holder	Answer from Bureau Veritas
						monitor implementation,
Forest Products Company	1/10/20	Due to changes at the mill we no longer use very much timber from the forest	economic	No		This information was acknowledged by the audit team and confirmed during the interviews, documents review and field visits
North Channel Métis Council	2/11/20	no issues, very complimentary of Clergue staff	Social	No		This information was acknowledged by the audit team and confirmed during the interviews, documents review and field visits
Individuals who contributed information in writing						
Seedling Supplier	6/9/20	We supply their seedlings. We have no issues identified	economic	No		This information was acknowledged by the audit team and confirmed during the interviews, documents review and field visits
Mississauga First Nation	30/09/20	We would appreciate settlers using our "Protocol for Competitors" process	Social	no		We will review the protocol and try to employ it in future communications

## 8.6 - Other evaluation techniques\*

None.

## 8.7 - Synthesis on the conduct of the audit and closing meeting

A closing meeting was held remotely using Zoom on October 23<sup>rd</sup>. In attendance were the Organisation's General Manager and the planning forester. Audit findings were presented by the auditors including seven minor non-conformances. The team concluded that the Algoma Forest under the management of Clergue forest Management should be recertified.

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## 9 - Audit team observations

Clergue Forest Management Inc. has been certified for more than ten years to the FSC draft forest management standard for the Great Lakes St. Lawrence forest region. For this re-certification audit the new Canadian forest management standard is being applied. The level of preparation and organisation for the audit was high. Documents, records and data were all easily accessible.

### 9.1 - Evaluation results with reference to the FSC referential / standard by criteria

#### PRINCIPLE 1: Compliance with law and FSC Principles

Clergue Forest Management Inc. (Clergue or the Organization) staff and contractors demonstrated familiarity with all provincial and national legislation related to forestry, environmental, labour and health and safety regulations. Clergue has a detailed set of policies and procedures covering all aspects of forest management. Staff stay abreast of changes in legislations or regulations in a variety of ways (e.g. notices, seminars, etc.). Staff relay updates to overlapping licensees annually during annual Start-Up meetings and prior to contract implementation with silviculture and tree marking contractors.

The Organization has demonstrated a satisfactory record of compliance as confirmed through review of annual reports accepted by the Ministry of Natural Resources and Forestry (MNRF). Regular compliance inspections are undertaken by overlapping licensees, Clergue, and the Ministry of Natural Resources and Forestry and provide another measure of protection from illegal or unauthorized activities. Review of annual reports, confirm there is a reasonable compliance record on the Algoma Forest.

Clergue Forest Management Inc. carries out start-up meetings with each of the overlapping licensees and their contractors. Minutes from the 2020 meetings confirm that the procedure to report illegal or unauthorized activities was discussed with licensees and contractors.

The new Canadian forest management standard requires that there be a publicly available statement/policy regarding bribery and corruption. Such a policy statement has not been developed by the Organization. An observation has need be issued (Obs. 1 – 1.7.1) as this is a new requirement in the standard.

The Organization does not currently have a publicly available culturally appropriate dispute resolution process as required in a number of places in the standard. The lack of a dispute resolution process has not hampered discussions with stakeholders or Indigenous communities. A minor nonconformance was issued against indicator 1.6.2.

#### PRINCIPLE 2: Tenure and use rights and responsibilities

Clergue Forest Management Inc. manages the Algoma Forest under a 20-year Sustainable Forest License (SFL) granted by the MNRF. The SFL has been in place since 1997 and is renewed for the full term every five years pending the results of a regulatory audit. The SFL for the Algoma Forest was renewed in 2018. Under the terms of the SFL, The Organization has the authority to manage and use the forest resources on the Algoma Forest. Clergue Forest Management Inc. has five shareholders who have overlapping licenses to harvest Crown Timber. Shareholders include Domtar, Boniferro Mill Works, RYAM (Chapleau), Columbia Forest Products and Midway Lumber Mills. The Shareholders' Agreement endorses Clergue as their agent in all matters related to the management of the Algoma Forest.

The forest management planning process in Ontario provides multiple opportunities for stakeholders, the public and aboriginals to comment contribute and/or identify forest management activities affecting or impacting them. Maps used to support the FMP identify, for example, land ownership and values on the Algoma Forest. The Annual Work Schedule (AWS) approvals include conditions on regular operations (CRO) to protect identified values.

A variety of mechanisms are used to gain free, prior and informed consent from communities regarding all parts of the management plan. Clergue utilizes a number of mechanisms to meet this requirement:

- Overlapping license agreements ensure logging companies continue to operate on their traditional areas;
- Public consultation processes for the management plan;
- Separate aboriginal consultation during FMP planning;
- AWS public review and comment period, and separate review/presentation for aboriginal communities, and
- Two public local citizens committees, one located in Wawa and the other in Sault Ste. Marie, with representation from local municipalities, aboriginal communities, trappers, loggers, tourism outfitters, forest industry, educators, naturalists, hunters and anglers, general public, recreationalists, environmental group and the trade union oversee all forest management activities and endorsement of the FMP.

Evidence was provided of Overlapping License agreements, shareholder agreement, and contractor agreements all contain dispute resolution mechanisms. The Shareholder Agreements have an additional mechanism that in the event an issue/dispute cannot be resolved within 30 days a party can request the dispute go to an Arbitrator

### **PRINCIPLE 3: Indigenous Peoples' Rights**

The following are the indigenous communities that have a clearly indicated interest in the Algoma Forest:

Michipicoten First Nation,  
Batchewana Bay First Nation,  
Garden River First Nation,  
Thessalon First Nation,  
Mississauga First Nation,  
Missanabie Cree First Nation,  
North Channel Métis  
Metis Nation of Ontario,  
Red Sky Metis

Each of the First Nations, were invited to participate in the 2020 Forest Management Planning process and were provided the opportunity to participate in a detailed way in the process. The invitation to participate in forest management planning is the responsibility of the Ministry of Natural Resources and Forestry.

The other Aboriginal peoples in the area are the Metis. The presence of a historic Metis community in Sault Ste Marie has been recognized by the Supreme Court of Canada in a decision referred to as the "Powley" Decision. Some Metis in the area are represented by Metis Nation of Ontario, Sault Ste Marie Community Council which represents the mixed Aboriginal/French population that are not part of First Nations. A separate community the Red Sky Metis have territory which covers the northern and western parts of the forest.

The staff of Clergue Forest Management have a good understanding of Indigenous communities and their interests in the Algoma Forest. Clergue staff have a practical understanding of the legal, customary, political, environmental, economic and social issues and concerns of these communities. It should be noted that the legal framework related to Indigenous Peoples in Canada and forest management specifically in Ontario has evolved significantly over the last fifteen years. On a continuum the trend has shown greater involvement by First Nations and Aboriginal peoples in all aspects of forest management including: consultation, planning, the identification and protection of values; the consideration for Aboriginal and Treaty rights; and, economic opportunities. The trend to greater Aboriginal involvement and influence over forest management is in evidence in the Algoma Forest as First Nations have moved from merely being consulted with (about 15 years ago) to the position of being key members of the planning team; being a significant harvesters on the forest

In consulting with the First Nations and Metis communities it is clear that they each have their own unique interests and needs and while they share many common opinions and interests they do not like the idea that one can speak for or represent another or all the others interests. No concerns were raised by the First Nations with respect to the acceptability of the Plan. As the forest management plan is now completed and approved and based on consultation with the First Nations and Metis there are no planning level concerns that aren't documented. Consultation with first nations does not end with

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the new plan and its decadal process. In order to meet the requirements of the standard certificate holders must go beyond the legislative requirements.

Evidence was provided of appropriate engagement when a dispute arose regarding MOU117. The cut block was removed until negotiations are completed. Other negotiations with Indigenous communities are at different stages of engagement. One community requested revenue sharing and initiation of an agreement over 1 year ago, but the Organization could not provide evidence of follow up on the status of both items. Also, another community expressed interest for harvest areas in past, was told there was nothing but is aware of new operator on the forest. Clergue has not met the intent of the Standard to make persistent and sincere attempts to meet with communities. A non-conformance (NC3) has been issued against indicator 3.1.3.

Clergue has an Indigenous Policy that outlines a formal process with affected rights holders, including an Indigenous Task Team. Based on the evidence provided, Clergue has not followed their process, as there have been no Task team meetings since 2018, when the policy is they will be held semi-annually. The Policy does not contain a mutually agreed upon dispute resolution process as required under the Standard. In interviews with affected communities, they are aware of their rights to withhold or modify consent to management activities. Also, the Indigenous Policy requires Clergue to inform the communities of upcoming FSC audits and results of those audits. Auditors were told this was not done. A minor non-conformance (NC4) has been raised against indicator 3.2.5.

#### PRINCIPLE 4: Community relations and worker's rights

The Algoma Forest and its shareholding mills are major contributors and supporters of the communities in Algoma District and beyond. The majority of forest workers, contractors and employees reside in local communities. All timber harvesting is done by local contractors, who reside in the small communities around Algoma. A review of purchase orders found that the majority of purchases and contracts were issued locally. Each of the five shareholding mills (Domtar, Boniferro, Columbia, RYAM, and Midway) are committed to their communities. Each makes donations to local charities and community events. Locally Clergue sponsors an annual Boy Scout tree plant in addition to providing field trips to the local college.

The Organization and all contractors working on the forest have a health and safety plan in place. All staff have health and safety training. All workers observed during the audit had the appropriate personal protective equipment (e.g. Hi-Viz clothing, hard hats, boots, etc.)

Management planning in Ontario includes a very detailed and extensive public consultation. During plan development there are three formal opportunities for stakeholder input. Annually stakeholders are notified with regards to the upcoming activities on the forest including site specific activity plans. The planning system utilizes two Local Citizens Committees with a wide array of appeal opportunities. Trappers and bear management area holders are provided specific notices related to the areas they operate in. Any aerial spraying must be preceded by specific public notice requirements. The planning process also includes a hierarchical dispute resolution process with local, regional and corporate levels of appeal. The stakeholder consultation process in Ontario is highly effective, but it does not cover all the requirements of the FSC Standard. As noted above the Organization's dispute resolution process currently does not meet the requirements of the standard.

Clergue documents and protects any and all cultural heritage values found on the Forest. The new management plan identifies Archaeological Potential Areas which will require further assessment. Often heritage sites are found during on-the-ground field reconnaissance (Figure 2)





**Figure 2.** Historic sugar shack found by Clergue staff prior to operations

#### **PRINCIPLE 5: Benefits from the Forest**

The Algoma Forest provides many benefits. The forest has been supplying 130,000 m<sup>3</sup> annually to area mills and supporting more than 1000 direct jobs. Through the most recent economic downturn harvests dropped significantly on the forest, and some mills closed. Demand for timber in the area continues to be soft. There has been growing interest for cedar to be used by a local artisan and collecting Chaga.

The Algoma Forest supports a variety of recreational uses, including hiking trails, biking trails, canoe routes. Known recreational values are protected throughout the Forest through the planning process (Figure 3) There are several commercial tourism businesses whose concerns have been addressed in forest management plan.



**Figure 3.** The Voyageur Trail was protected during a recent harvest.

Planned versus actual harvest information is available in the annual reports that are part of the planning system. Annual report data include the levels for actual harvest in area & volume terms, wood utilization by mill, forest renewal achievements, stand tending, and compliance monitoring. Annual reports are available from the Ministry of Natural Resources and Forestry website.



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The long-term available harvest rates (area and volume) can be found in section 3.7 of the 2020 management plan. They are the result of an analytical exercise where a wide array of management alternatives were modelled for the Algoma Forest. Modelling was done using a new forest inventory data, landbase constraints and a host of AOC prescriptions. Currently, the available harvest is approximately 750,000 m<sup>3</sup>/year, which was affirmed as sustainable with the approval of the new plan. The actual harvest in 2019-2020 was 137,000 m<sup>3</sup>.

#### PRINCIPLE 6: Environmental Impact

In Ontario, the environmental impact of forest management was benchmarked and adjudicated in the Provinces Class Environmental Assessment into Timber Management which provides the basic environmental assessment for forestry in the provinces. The Forest Management Plan is the keystone to the system where one assesses the specific objectives. Additionally, this process enshrined the use of management guidelines for all wildlife species, tourism, forest access, and landscape values among others. The Company conducts stand-level pre-harvest surveys verifying forest type, species composition, forest unit, development stage and silvicultural treatments to be applied. Timber cruising is conducted on site in order to quantify stand conditions. The company has developed a series of detailed Operational Prescriptions for Areas of Concern. Once these are implemented, they are followed up with an inspection to verify that the prescription was followed.

The company has used and followed appropriate management guidelines in the management of environmental values and wildlife. They have a suitable method for determining impacts and monitoring objectives and indicators. The principle source of data used in planning is the Forest Resource Inventory (FRI) and the Natural Resource Values Information System (NRVIS). These data are then used to locate and develop Area of Concern prescriptions and any Conditions on Regular Operations. Field verification found that the maps were updated by site inspections prior to commencing operations and a system is in place to track changes to the FRI and Forest Operations Prescriptions.

In selection and shelterwood silvicultural systems tree-marking by licensed markers is used to control the harvest and achieve silvicultural goals. Trees must meet specific criteria to be marked and there are additional requirements on what is to be left. Harvesting is undertaken with care to ensure that the remaining stems are not damaged.

Appropriate AOC prescriptions have been developed for the species that are directly affected by forestry operations. Field observations showed nesting sites and streams being protected. Interviews revealed that operators understand procedures when encountering un-mapped conservation values, Clergue staff have recently started to use iNaturalist as a means of access citizen-science and best available information for a wide range of species than the MNRF currently does not track.

A nicely executed cut to shore was conducted in 2018 at a block on the Christina Mine Road as per the AOC prescription. This is viewed as a positive effort to renew shoreline forests, which have become overmature due to the lack of wildfire and past reluctance of companies to execute this prescription due to perceived compliance risk (Figure 4).

The current version of the SAR Handbook (2020) should be updated and improved to make it more relevant to target audience and Algoma Forest. For example, several species that are unlikely or do not occur on the Algoma Forest are included e.g., Eastern Cougar, Golden Eagle, Massasauga Rattlesnake, Short-eared Owl, Butternut are included and known SARs are excluded e.g., Little Brown Myotis, Canada Warbler. (Observation 2)



**Figure 4. A well-executed "cut to shore" prescription to mimic natural disturbance.**

The best available information has not been used to identify and define the spatial distribution of species at risk or their habitat across the Algoma Forest. Given the lack of survey effort pre-harvest and effectiveness monitoring by the MNR/MECP, it is unclear if all SAR and their habitats are adequately protected, particularly forest-dependent songbird SAR (e.g., Canada warbler, Eastern Wood-pewee, red-headed woodpecker, wood thrush) and roosting habitat for Endangered bats. Without a knowledge of the abundance and location of SAR habitat, it is difficult to assess the effectiveness of management actions to protect SAR and their habitat as required under Criterion 6.4 or to maintain and enhance HCVs as per Criterion 9.3, or periodically monitor them (9.4). NC 7 (6.4.3)

Water crossings throughout most of the Forest were found to meet or exceed the standards. Sediment control at water crossings executed by Boniferno Mill Works need improvement however. The CFMI Water Crossing Handbook clearly states that "inlet and outlet ends of culverts must be stabilized with non-erodible material (e.g. rocks)". Several culverts in the Jarvis Block had steep, unstable slopes with exposed mineral soil that were sources of sediment into the streams (Figure 5). Risk of sedimentation is increased by grading practices on the crossing approaches, which result in berms on the edge of the road that direct runoff down the road and into the stream. There was temporary silt fences but other streams on the Murphy Road lacked rip-rap and had siltation into the stream. Erosion control was generally lacking where an old road was being upgraded within an AOC, with sediment-laden runoff going into the coolwater waterbody. A minor non-conformance (NC6) was issued against indicator 6.7.2.





**Figure 5. A perched and unstable culvert on the Jarvis Block.**

#### **PRINCIPLE 7: Management Plan**

The 2020-2030 FMP for the Algoma Forest provides objectives, strategies and targets, a description of the forest condition, and challenges or limitations (social, economic, and environmental) to achieving those objectives. The Long Term Management Direction (LTMD) and the Analysis Package provide the rationale for the rate of harvest and for the achievement of the management objectives. Silvicultural Ground Rules (SGRs) govern the system of management used and provide a suite of options to achieve management objectives and the LTMD. The environment and wildlife values, including SAR, are protected through AOCs and the application of provincially regulated guides. The Algoma Forest the managers have developed prescriptions for Conditions on Regular Operations (CRO). The CROs provide direction for:

- Operating around SAR;
- Tree retention under each of the different silvicultural systems employed on the Forest;
- Operational considerations around roads, pits, water crossings, road decommissioning, site disturbance, careful logging, boundaries and tree marking, AOCs, and site disturbance;
- Other government regulations, and;
- Operating conditions not covered through regular AOCs.

A series of maps accompany the plan which identify land ownership, forest management activities during the plan period and projected management activities into the future and, parks and protected spaces.

The 2020-2030 FMP for the Algoma contains management objectives for desired future forest condition, short to mid-term targets, habitat objectives including SAR, short to mid-term access management plan and targets for increasing rare tree species on the Forest. Section 2.2 of the FMP describe the forest resources to be managed, environmental limitations, land use, socio-economic conditions and ownership status. FMP Section 4.2.2.1 describes the silvicultural approach and Table FMP-44 provides the suite of silvicultural management systems used on the Algoma Forest to meet the FMP objectives

The Organization ensures that forest workers receive adequate training to yo be able to implement the portions of the plan they are responsible for.. Training includes:

- Regular “tail-gate” sessions with forestry workers and foreman to cover, for example, how to avoid site damage, health and safety, seasonal requirements for fire and, identification of SAR;
- Annual “pre-start up” meetings with overlapping licensees. and contractors to cover changes in new plan's Area Of Concern prescriptions, updates to the SARs list and any other changes they need to be aware of.

Overlapping licensees and contractors interviewed produced copies of Clergue SAR booklets, H&S procedures and Clergue Annual Operations Handbook (2020). Interviews in the field confirm these documents are readily available from supervisors, but supervisors are not always on-site.

Tree markers, under contract to Clergue are required to renew their qualifications every 5 years. CFMI provides annual training at the time of contract renewal in addition to reviewing requirements of the AWS. Field observations and interviews with Overlapping Licensees. and CFMI staff confirm tree marking is typically exceeding 95% quality with respect to provincial tree marking standards, CRO's and CFMI requirements

The public summary of the 2010-2020 FMP for the Algoma Forest is available at:

- MNRF District offices in Wawa and Sault Ste. Marie;
- Clergue Forest Management office, Sault Ste. Marie;
- At MNRF website <http://www.efmp.lrc.gov.on.ca/efmp/home> , and;
- At CFMI website link to MNRF website above.

The complete FMP is available to the public at any of the above noted locations, confidential information on identification of traditional land use and cultural values is not publicly available.

#### **PRINCIPLE 8: Monitoring and Assessment**

A comprehensive system is in place for monitoring the forests, forest operations, wildlife habitat and ensuring the tracking of certified timber. The planning system in Ontario has enshrined the use of objectives and targets so that progress to achieving objectives is actively tracked. Table FMP 10 identifies each of the 26 objectives and how they will be evaluated.

The Forest Operation Inspection Program is the primary operations compliance monitoring system which involves inspections by the shareholders. and the Ministry of Natural Resources and Forestry. In a review of the inspection data for the past year, 61 inspections were undertaken by the shareholders, with the Crown undertaking 23 - there were five warnings issues with relation to water crossings, one each related to road construction, AOCs and utilization.

Forest conditions are monitored through maintenance of the Forest Resource Inventory (FRI). Requirements are described in the provincially regulated Forest Information Manual. The FRI is used to prepare the various forest landbase tables included with the management plan and its annual work schedules. A new inventory was used in the 2020 plan and will be maintained and updated annually.

A ‘*Bill of Lading*’ accompanies all forest products harvested on the Algoma Forest. The Bill of Ladings are issued by the MNRF and each operator must have one filled out with each load of logs. The ‘Bill of Lading’ system provides a basis to implement chain-of-custody monitoring from the forest to the mill gate. Each licensee has a unique approval number identified on the BOL which indicates the volume is from the Algoma Forest. The Bill of Lading stays with the load of wood until it is received at the mill gate.

#### **PRINCIPLE 9: Maintenance of high conservation value forests**

The Algoma Forest has had a High Conservation Values report and program for the past ten years. They have diligently updated as new information has arisen. The most recent update in 2020 updated the report for the inclusion of new wildlife species designated under the Species At Risk Act. The information in the HCV report has been integrated into the dataset utilized for forest operations planning. The Report appears to have followed the required procedures. The identified HCVs are protected during the operations and are monitored to ascertain that they have been protected as part of the compliance inspection process

The HCVF Report has undergone numerous revisions over the last 15 years. As a result the report has been reviewed by many people including the MNRF. Annually the report is revised and sent to a wide range of stakeholders including the First Nations, community members, trappers, recreationists, angler & hunters, tourism industry, conservationists, etc. In all more than 33 organizations are solicited annually. The HCV report, Version 8, October 7, 2020 available on the CFMI website, has not been adequately updated to address changes in the status of species at risk on the Algoma Forest. It does



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not include recently listed species at risk (e.g., Evening Grosbeak, Yellow-banded Bumblebee) that are included in the 2020-2030 forest management plan. A minor non-conformance (NC5) was issued against indicator 1.6

Neither Clergue nor the MNRF are not committed to carrying out periodic monitoring for all SAR HCVs. There is monitoring that will be conducted for some SAR HCVs (e.g. wood turtle), but evidence is lacking for all SAR HCVs. Based on the lack of evidence, it is not clear if current management is maintaining or enhancing HCVs, particularly forest-dependent songbird SAR such as Canada Warbler and Wood Thrush. An observation has been issued (OBS 3)

**PRINCIPLE 10: IMPLEMENTATION OF MANAGEMENT ACTIVITIES**

The Organisation relies on mostly partial harvesting and natural renewal. Softwood sites are planted in many cases within two years of harvest. silvicultural activities conform to the requirements of the CFSA . Only native species from local seed sources are used in planting and seeding activities. Stands are regenerated to meet silvicultural and landscape objectives creating a natural forest mosaic. Considerations for climate change are underway and how to adjust silvicultural practices and strategies.

The Algoma Forest lies in both the Boreal and Great Lakes Forest region. About half of the harvest is with partial harvest systems (i.e. selection and shelterwood) in tolerant hardwood, red pine and white pine forests. In the boreal portion of the forest even-aged management through clear cutting is applied flowed by either natural renewal or planting. There are no forest conversions. Herbicide use on the Forest is intermittent depending on how new softwood forests are progressing, typically aerial tending occurs every three years or so when they have enough qualifying hectares to warrant a program.

Transportation infrastructure on the Forest is well established. Auditors travelled more than 500 km on access during the audit. Road conditions were for the most part particularly good. Grading practices were found to be adequate. Water crossings on the Forest were found to be in compliance and functioning properly, with the exception of those found in the Boniferro Millworks operating area as noted in NC 6 above. An Observation has been issued against Criteria 10.10.

Most of the harvesting is cut to length which leaves material on site rather than roadside. Multiple products are sorted at each landing. During inspections of several selection and shelterwood harvests there was no significant residual stand damage and no site damage (Figure 6). Selection harvests were observed were vigorous AGS trees dominated the stand



**Figure 6. Selection harvest with good skid trails**

## **9.2 - Elements subjects to controversy**

The formulation of the criterion 10.10 (NOTE box) indicates that any minor non-conformity against listed indicators may lead to non-conformance with entire C10.10. Such situation could lead to the issuance of Major non-conformity as per FSC accreditation rules.

This issue will be further calibrated with FSC Canada.

## **10 - Result regarding the correction of previous Non-Conformities (NC)**

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Ref: AR000000

Version: 1.2

## 10.1 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
1	8.1.2	Minor	June 20 2019	Under the organization's road use strategies and the Overlapping License agreements on Mile 38 road it was not due for inspection for 1 to 3 years. This schedule could have potentially left these crossings in place in their current condition for up to three years. A more robust monitoring strategy is needed which would have immediately identified the deficiencies is necessary on active primary roads	Physical inspection of the road and sites. Interviews with the Overlapping Licensee, Clergue Staff,  Mile 38 Road is a primary access road on the forest. During the audit it was observed that on a portion of the road (approx. from km 10 to km 24) that recent road work had been undertaken including road grading and water crossing replacement. The results were that large false ditches have been established on the road (which will trap and funnel water). Two of the water crossing were extremely poorly installed: banks were too steep and unstable, culverts were too short and possibly too small for the water flow. The result was that banks were eroding into the creeks they were meant to protect.  The work was not done by the certificate holder or their contractors. The work had been done by an adjoining landowner as authorized by the Ministry of Natural Resources & Forests. The Organisation was not directly involved, though they were aware of the work.	June 19 2020	closed	Clergue have repaired the damage and discussed the issue with Compass (the adjoining land manager). Further details on closure evidence is presented in the SF 02 file.	June 10 2020

## 10.2 Result regarding the resolution of complaints – none received

Stakeholders reference (name / organisation / type)	Date	Received complaints	FSC criteria-indicator	Checked on site (YES or NO)	Answer (+Date)		
					Client	lead auditor	Bureau Veritas Certification

## 11 - Records of Non-conformities and observations

### 11.1 - Records of Non-Conformities

*New Non-Conformities raised during the audit:*

n°	Indicator	Status	Date recorded	Text of the NC or PUAR	Objective Opening evidence and justification of their classification of major or minor	Closure deadline required	Closure evidence	Closure date
1	10.12.1	Minor	Oct 23/20	<p>Several elements of the SOP were in non-conformance;</p> <p>1) When Fuelling ; return nozzle to holding mechanism</p> <p>2) Fuel tanks must meet applicable standards (i.e. ULC C142.13, or CGSB 43.146) and be properly labelled. (UN number, WHMIS, no smoking)</p>	<p>Only one of 5 slip tanks had nozzles in a holding mechanism, and none had ULC C142.13, or CGSB 43.146 standard labels. One operator insisted that a holding mechanism and drip containment system be installed because the tank was mounted on his personal truck. The fuel that leaks from unsecured nozzles is an environmental, health and safety risk (slips and falls).</p> <p>There were no tanks observed during the field inspection that were properly labelled.</p> <p>This is a minor non-conformance because the fuel handling system was compliant with most requirements and there was no evidence of environmental, health or safety issues.</p>	October 22 2021		
2	1.6.2	Minor	Oct 23, 2020	The certificate holder does not have a dispute resolution process that is publicly available and that is culturally appropriate for FPIC process.	<p>Source of verification: Overlapping License Agreements, 2017 FMPM, 2020-2030 FMP</p> <p>The dispute resolution process contained in the evidence does not meet the requirements of this Indicator as they have not been adapted for the public or are culturally appropriate and they are not publicly available. The lack of a dispute</p>	October 22 2021		



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n°	Indicator	Status	Date recorded	Text of the NC or PUAR	Objective Opening evidence and justification of their classification of major or minor	Closure deadline required	Closure evidence	Closure date
					resolution process has not hampered discussions with stakeholders or Indigenous communities and for that reason is graded as a minor non-conformance.			
3	3.1.3	Minor	Oct 23, 2020	Clergue has not met the intent of this Indicator for one community that initiated discussion	Evidence: FSC re-certification of the Algoma Forest - Indigenous People's request for interview email response, date of last email correspondence (April) with affected Indigenous community, interview with local government, and interview with Forestry Supervisor and Planning Forester for the CH and interview with affected community. The lack of persistent and sincere effort to follow up on identified issues/concerns related to forest management activities within this Indigenous community's traditional territory does not meet the intent of this Indicator. Based on evidence presented and interviews with some affected Indigenous communities, presently only 1 community is at issue and was not responded to in a timely manner. For this reason the non-conformance is graded a minor.	October 22 2021		
4	3.2.5	Minor	Oct 23, 2020	The CH has a Indigenous Policy that meets the requirements of this Indicator with the exception of a dispute resolution process. The evidence provided confirms the CH does not follow the Policy and, there is no evidence that the CH has developed the required mutually	Sources of verification: 2020-2030 FMP, 2020-2021 AWS, email correspondence, FMPM, 2017-2018 ITT meeting minutes, Indigenous Policy  The CH has met 3 of 6 of the required sub-Indicators but has not fully met 1, 3, 5. A non-conformance has been issued under 3.1.3 that pertains to sub-Indicator 1. This non-conformance is classed as a minor based on the evidence presented the CH has partially met the requirements of this Indicator.	October 22 2021		

n°	Indicator	Status	Date recorded	Text of the NC or PUAR	Objective Opening evidence and justification of their classification of major or minor	Closure deadline required	Closure evidence	Closure date
				agreed dispute resolution process.				
5	9.1.6	Minor	Oct 23, 2020	The HCV report, Version 8, October 7, 2020 available on the CFMI website, has not been adequately updated to address changes in the status of species at risk on the Algoma Forest. It does not include recently listed species at risk (e.g., Evening Grosbeak, Yellow-banded Bumblebee) that are included in the 2020-2030 forest management plan.	HCV report, Version 8, October 7, 2020 available on the CFMI website. 2020-2030 Algoma Forest Management Plan <a href="https://www.ontario.ca/page/species-risk">https://www.ontario.ca/page/species-risk</a>	October 22 2021		
6	6.7.2	Minor	Oct 23, 2020	Best management practices for prevention of sedimentation of water bodies (#6 in Indicator 6.7.2) are not being consistently applied on roads managed by Boniferro Mill Works in the southern portion of the Algoma Forest.	<p>Several culverts the along the Murphy Road (MOU 663) had steep, unstable slopes with exposed mineral soil that were sources of sediment into the streams. Sedimentation was increased by grading practices on the crossing approaches, which resulted in berms on the edge of the road that directed runoff down the road and into the stream. The CFMI Water Crossing Handbook clearly states that "inlet and outlet ends of culverts must be stabilized with non-erodible material (e.g. rocks)". No rip-rap or seeding was used.</p> <p>Erosion control was generally lacking where an old road was being upgraded within an AOC (Jarvis Block, Block 808-9), with sediment-laden runoff going into the adjacent coolwater waterbody. At least two perched culverts and a poorly aligned culvert were also observed.</p> <p>A culvert removal at MOU 807 (Old Mill Bay) was experiencing erosion and sediment transport from exposed mineral soil on the roadway approaches due to lack of seeding,</p>	October 22 2021		

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					despite well-executed water bars and ditches. The May 2020 CFMI water crossing standards book clearly states that "all exposed soil must be seeded and/or stabilized immediately" and "Sediment control measures must be in place until site vegetation is re-established or exposed soil has been stabilized with rip-rap". This did not occur			
7	6.1.1	Minor	Oct 23, 2020	The best available information has not been used to identify and define the spatial distribution of species at risk or their habitat across the Algoma Forest. Without a knowledge of the abundance and location of SAR habitat, it is difficult to assess the effectiveness of management actions to protect SAR and their habitat as required under Criterion 6.4 or to maintain and enhance HCVs as per Criterion 9.3, or periodically monitor them (9.4).	<ul style="list-style-type: none"> <li>SAR range maps were apparently used to develop SAR and HCV lists, but are not portrayed in the HCV report, 2020-2030 FMP, or CFMI SAR handbook. Such maps would at least indicate where on the management unit SAR occur, where personnel should be aware of their presence (and report if observed), and where management could potentially affect their habitat.</li> <li>No maps or quantitative summaries of the habitat for forest-dependent SAR are presented in the HCV report or 2020-2030 FMP; use of FRI-based habitat models would constitute best available information.</li> <li>Quantification of the 2020 habitat for indicator species was conducted for the 2020-2030 FMP as a result of an Issue Resolution process, but it did not include any SAR, nor did it SAR model habitat availability through time, although it is possible to do this using SFMM. OMNR formerly modelled wildlife habitat during FMP development, which could be considered "best available information" if done for SAR.</li> <li>The known locations, trends, extent of area of SAR habitat on the Algoma Forest</li> </ul>	October 22 2021		

n°	Indicator	Status	Date recorded	Text of the NC or PUAR	Objective Opening evidence and justification of their classification of major or minor	Closure deadline required	Closure evidence	Closure date
					is not identified in the HCV or planning documents.			
8	1.7.1	Minor	03/02/21	The CH does not have a publicly available commitment statement or policy related to anticorruption or bribes	Lack of such policy – new NFSS requirement	02/02/22		
9	10.10	Minor	03/02/21	A minor nonconformity was detected related to 6.7.2 (please, see details above)	As per formal NOTE listed under criterion 10.10, non-conformance with indicator 6.7.2 means not satisfying the requirement of this criterion. Nevertheless, due to specific situation and formulation of this criterion – the Minor non-conformity was raised, even though at FSC criterion level.	02/02/22		

## 11.2 - Records of complaints – none received

Stakeholders reference (name / organisation / type)	Date	Received complaints	FSC criteria-indicator	Checked on site? (YES or NO)	Answer (+Date)		
					Client	lead auditor	Bureau Veritas Certification

## 11.3 - Records of observations

n°	Date recorded	Text of the OBSERVATION	Objective Opening evidence
1	Oct 23, 2020	It is to be observed the review the Vision and Mission policy for updates to ensure it fully meets this Indicator (1.8.1)	Vision and mission statement have not been reviewed in many years
2	Oct 23, 2020	It is to be observed the update of current version of the SAR Handbook (2020) to make it more relevant to target audience and Algoma Forest. For example, several species that are unlikely or do not occur on the Algoma Forest are included e.g., Eastern Cougar, Golden Eagle, Massasauga Rattlesnake, Short-eared Owl, Butternut are included and known SAR are excluded e.g., Little Brown Myotis, Canada Warbler (6.4.6)	Document review

## 12 - Proposals regarding the certification decision

### 12.1 - Explication on all rating, weighting systems or other systems used decisions taking

The audit team did not use any rating or weighting system to conduct the initial audit.

Actually, the whole standard requirements are considered equivalent and each criterion must be satisfied by the applicant entity. The non-conformity against each indicator is evaluated.

The indices defined in the checklist, must be considered as guidance to the auditors.

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

During the course of the re-certification the audit team evaluated very positively the planning and monitoring systems being employed by Clergue. The staff of Clergue have done an extensive effort implementing the new Canadian forest management standard. After a review of evidence provided for all 10 Principles along with site visits across the forest the Organization has shown the ability to meet the requirements of the standard. Several nonconformances were issued in relation to documentation gaps, First Nations communications and the water crossings of one shareholder.

Clergue Forest Management has demonstrated, subject to correction of the identified non-compliances, that the described system of management is being implemented consistently over the whole forest area covered by the scope of the certificate. The audit team recommends full re-certification.

## 13 - Certification decision

Bureau Veritas Certification decides that FSC FM certificate of Clergue Forest Management Inc., Canada, is renewed.

There are no outstanding major non-conformities. The 9 minor non-conformities shall be closed before 22.10.2021 and 02.02.2022 respectively.

Two minor non-conformities (#8 and #9) were raised in the course of the technical review process (previously classified as Observations).

**Issued the end of elaboration November 20, 2020, reviewed the 03.02.2021**

**FM certification decision maker,**

**Lead Auditor,**

**Krzysztof Wypij**



**Brian Callaghan**

## 14 - Appendices

- A. CV of the members of the audit team
- B. Checklist
- C. SF02 Forms
- D. Stakeholder Contact List
- E. Algoma Forest HCV report