



Forest Stewardship Council® (FSC®)

Due Diligence System (DDS) Summary - Canada

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Valid Until: March 31, 2023

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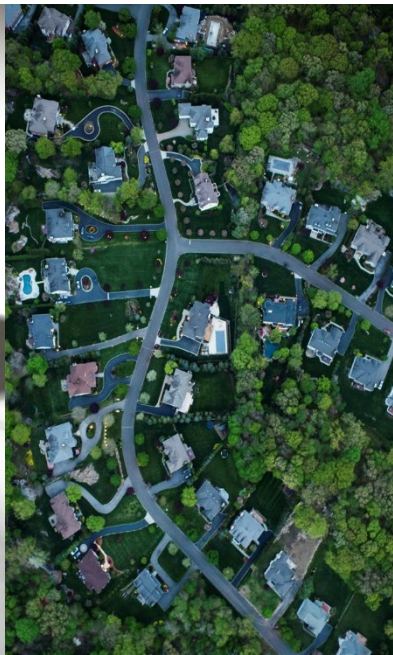




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Introduction

Zimmfor Management Services Ltd. (Zimmfor) is a leader in providing consulting services to the resource management sector, with a focus on certification support related to forest management and chain of custody (CoC) for wood and wood fibre products.

In support of our participating client base (refer to Appendix 1), Zimmfor has developed a Due Diligence System (DDS) according to the requirements for Sourcing FSC Controlled Wood (CW) Standard (FSC-STD-40-005 V3-1).

FSC Controlled Wood supports the use of FSC Mix products and the establishes minimum legal, environmental, and social requirements for non-certified fibre that can be mixed in with FSC certified fibre.

The DDS consists of three elements:

- 1) Information Gathering – completed by clients using client specific “Supplier Declarations” or similar documents (e.g., Log Purchase Agreements; Timber Sale Contracts). Supplier Declarations provide information on products and species being sourced, geographic origins of timber harvesting, includes a commitment from the supplier to assist in completing audits, and confirmation of the legality of the wood being sourced.
- 2) FSC Controlled Wood Risk Assessment – the National Risk Assessment (NRA) for the Canada (version 1) was completed by the FSC Canada Regional Office and approved on June 26, 2019. Subsequently revised and approved November 5, 2019 (version 2).

Applicable source areas are client specific (refer to Appendix 1).

- 3) Risk Mitigation – where source areas or suppliers are deemed to be not-low, or Specified Risk, measures will be implemented to mitigate identified risks. Measures may include:
 - a) physical segregation of uncontrolled material,
 - b) exclusion of suppliers, supply areas, species, or products, or
 - c) implementation of Control Measures identified within the applicable Risk Assessment.

Participating Clients, Sources Areas and Annual Review

Participating Clients have the source areas indicated above, included within the scope of their chain of custody systems until March 31, 2023, when the current DDS expires and is replaced in April 2023.

Certification Body Auditors should always request the most current version of the DDS Summary for client audits.

Applicable FSC Risk Assessment(s)

As of December 26, 2019, the FSC Canada National Risk Assessment (NRA) is the applicable Risk Assessment covering the provinces and territories in Canada. For clarity, the Zimmfor DDS transitions directly to version 2 of the NRA, effective December 26, 2019.

The Canadian NRA (versions 1 and 2) can be found at: <https://ca.fsc.org/ca-en/controlled-wood/national-risk-assessment>

There are no other applicable Risk Assessments related to these Canadian source areas for the participating Zimmfor clients.



Source Areas and Risk Designations

The source areas and risk designations applicable to risk assessed provinces in Canada are listed in Table 1 below.

Table 1: Risk Summary – Canada

Supply Areas	Overall Risk Rank by CW Category				
	1. Illegally Harvested Wood	2. Violation of Traditional or Civil Rights	3. HCVFs	4. Conversion	5. Genetically Modified Trees
Alberta	Low	Specified ¹	Specified ^{11,12,14,15,16,17,24,25,27}	Specified ²⁹	Low
British Columbia	Low	Specified ¹	Specified ^{4,7,15,16,17,19,20,21,22,24,25,26,27}	Specified ²⁸	Low
Manitoba	Low	Specified ¹	Specified ^{11,12,13,14,27}	Low	Low
New Brunswick	Low	Specified ¹	Specified ⁶	Low	Low
Nova Scotia	Low	Specified ¹	Specified ⁶	Low	Low
Ontario	Low	Specified ¹	Specified ^{2,3,9,10,11,13,27}	Low	Low
Prince Edward Island	Low	Specified ¹	Low	Low	Low
Quebec	Low	Specified ¹	Specified ^{3,5,8,9,10,13,27}	Specified ³⁰	Low
Saskatchewan	Low	Specified ¹	Specified ^{11,12,14,15,27}	Low	Low

FSC Canada National Risk Assessment Risk Designation, by Risk Value

The following summary is taken from the FSC Canada NRA and presented in the table above for clarity. A detailed breakdown by risk value and ecoregion is available in the NRA.

CW Category 2 – Wood harvested in violation of traditional and human rights

Indicator 2.3 The rights of Indigenous and Traditional Peoples are upheld

1. All ecoregions

CW Category 3 – Wood from forests where high conservation values are threatened by management activities

Indicator 3.1 – Species Diversity

- | | |
|--|---|
| 2. Southern Great Lakes forest | 17. Muskwa-Slave Lake forests |
| 3. Eastern Great Lake lowland forest | 18. Northwest Territories taiga |
| 4. Central Pacific coastal forest | 19. Fraser Plateau and Basin complex |
| 5. Eastern Canadian forest | 20. Northern transitional alpine forests |
| 6. New England Acadian forest | 21. Central British Columbia Mountain forests |
| 7. Puget Lowland forest | 22. British Columbia mainland coastal forests |
| 8. Eastern Canadian Shield taiga | 23. Northern Cordillera forests |
| 9. Central Canadian Shield forests | 24. Alberta Mountain forests |
| 10. Eastern forest-boreal transition | 25. North Central Rockies forests |
| 11. Midwestern Canadian Shield forest | 26. Okanagan dry forests |
| 12. Mid-Continental Canadian forests | |
| 13. Southern Hudson Bay taiga | |
| 14. Northern Canadian Shield taiga | |
| 15. Canadian Aspen forests and parklands | |
| 16. Alberta-British Columbia foothills forests | |



Indicator 3.2 – Landscape-level ecosystems and mosaics

27. Specified Risk IFLs from NRA (Appendix III)

CW Category 4 – Wood from forests being converted to plantations or non-forest use

Indicator 4.1 - Net conversion of natural forests to plantations or non-forest use is less than 0.02% or 5000 hectares on average for the past 5 years

28. British Columbia Boreal Plains (RU 39)

29. Alberta Boreal Plains (RU 34)

30. Quebec Mixedwood Plains (RU 12)

Control Measures

For the fiber sourced from the areas with Specified Risk, summarized in Table 1 above, Control Measures (CM) have been implemented, as described below.

Controlled Wood (CW) Category 2 – Wood harvested in violation of traditional and human rights

Indicator 2.3 – The rights of Indigenous and Traditional Peoples are upheld.

There are no mandatory CM identified for this Indicator, however there are five recommended CM (pgs. 51-52).

For Primary Producers that are sourcing roundwood or chips directly from the forest of origin, CM 1 or 4 may apply, depending on the province:

CM 1 – Evidence demonstrates that Indigenous Peoples with legal and/or customary rights within the Forest Management Unit do not oppose the Forest Management Plan.

Evidence is reviewed annually.

CM 4 – Best efforts to engage with Indigenous Peoples with legal and customary rights within the Forest Management Unit to understand if/how these rights are violated as a result of forest management activities, is demonstrated.

Evidence is reviewed annually.

For Non-Primary Producers, or Primary Producers not sourcing roundwood or chips directly from the forest of origin, CM 5 applies:

CM 5 – Dispute Resolution Process (DRP)

Consistent with CM #5, Zimmfor has developed a Dispute Resolution Process (DRP). Refer to the DDS Supplement for specifics.



Controlled Wood (CW) Category 3.1 – High Conservation Values (HCV)

Indicator 3.1 – Species Diversity

For all species (except woodland caribou), there are six potential Mandatory CM (NRA pg. 123-125). The Zimmfor DDS uses a combination of the following three CM:

- 1) CM 1 – Evidence demonstrates that:
 - harvesting does not take place in critical habitats* for Specified Risk species identified; OR
 - harvesting activities are consistent with the federally approved Action Plan or Range Plan; OR
 - harvesting is permitted through SARA (section 73 permit).

Evidence is reviewed annually, through review of the supply chain.

- 2) CM 4 - Evidence demonstrates that owners and/or managers of privately-owned forests are informed about:
 - the critical habitats* of species within their managed forests; AND
 - the threats to the critical habitat*; AND
 - best management practices to reduce threats to critical habitat*; AND
 - applicable legislation.

Evidence is reviewed annually, through review of the supply chain.

- 3) CM 5 (evidence demonstrates that actions are implemented within the sourcing area to mitigate the threats caused by forest activities to critical habitat* identified in the Federal Recovery Strategy).

Based on each client's confirmed sourcing, research has been summarized as to how forest management actions have mitigated the identified threats. Refer to the DDS Supplement for specifics.

For woodland caribou, there are four potential Mandatory CM (one specific to boreal population) (NRA pg. 125-126). The Zimmfor DDS uses a combination of the following two CM:

- 1) CM 1 – Evidence demonstrates that:
 - harvesting does not take place in critical habitats* for Specified Risk species identified; OR
 - harvesting activities are consistent with the federally approved Action Plan or Range Plan; OR
 - harvesting is permitted through SARA (section 73 permit).

Evidence is reviewed annually, through review of the supply chain.

- 2) CM 8 – Evidence demonstrates that actions are implemented within the sourcing area to mitigate the threats caused by forest activities to critical habitat* identified in the Federal Recovery Strategy.

Based on each client's confirmed sourcing, research has been summarized as to how forest management actions have mitigated the identified threats. Refer to the DDS Supplement for specifics.



Indicator 3.2 – Intact Forests

For Intact Forest Landscapes (IFL), there are seven potential Mandatory CM (NRA pg. 125-126). The Zimmfor DDS uses a combination of the following two CM:

- 1) CM 1 – Operations do not occur within IFLs.

Evidence is reviewed annually, through review of the supply chain.

- 2) CM 2 – Forest operations do not reduce an IFL below 50,000 ha, AND all meet applicable options below:

- a) For an IFL between 50,000 and 62,500 ha, cumulative impacts forest operations do not affect more than 10% of the IFL.
- b) For an IFL between 62,501 and 75,000 ha, cumulative impacts forest operations do not affect more than 20% of the IFL.
- c) For an IFL between 75,001 and 200,000 ha, cumulative impacts forest operations do not affect more than 30% of the IFL.
- d) For an IFL between 200,001 and 500,000 ha, cumulative impacts forest operations do not affect more than 35% of the IFL.
- e) For an IFL larger than 500,001 ha, cumulative impacts forest operations do not affect more than 45% of the IFL.

Based on each client's confirmed sourcing, research has been summarized as to how IFL are outside the timber harvesting land-base, or how operations meet cumulative impact requirements. Refer to the DDS Supplement for specifics.

CW Category 4.1 – Conversion

For Conversion, there are three potential Mandatory CM (NRA pg. 154). The Zimmfor DDS uses a combination of all three CM:

- 1) CM 1 – Evidence demonstrates that supplied material does not originate from areas converted to non-forest.

Evidence is reviewed annually, through review of the supply chain.

- 2) CM 2 – Evidence demonstrates that supplied material originates from acceptable sources of conversion, including:

- Conversion that results in conservation benefits (e.g. ecological restoration, species at risk protection)
- Publicly approved changes in zoning within urban areas

Evidence is reviewed annually, through review of the supply chain.

- 3) CM 3 – The Organization demonstrates support for existing integrated land management processes designed to reduce the cumulative impact of changes to non-forest landscapes.

Based on each client's confirmed sourcing, research has been summarized as to how integrated land management processes address cumulative impacts. Refer to the DDS Supplement for specifics.



Complaints

Client Procedures

Where a complaint is received by a client subscribing to the Zimmfor DDS, the client Chain of Custody Representative will follow their client specific procedures.

At a minimum, the CoC Representative will acknowledge receipt of the complaint to the complainant, and promptly (within five business days) forward the complaint to Zimmfor (contact info below).

Zimmfor Procedures

When Zimmfor receives a comment or complaint related to the Risk Assessment(s), either directly or via a client CoC Representative, Zimmfor will:

- 1) Acknowledge the complaint to the complainant, if not already done so by the client CoC Representative and provide an initial response to the complainant within two weeks of the original complaint. Zimmfor will request the complainant complete the Zimmfor FSC Complaint Form and include relevant evidence to support their concern.
- 2) Conduct a preliminary assessment to determine whether evidence provided in a complaint is or is not substantial, by assessing the evidence provided against the risk of using material from unacceptable sources.
- 3) Dialogue with complainant with the aim to solve complaints assessed as substantial, before further actions are taken.
- 4) Forward substantial complaints to the Certification Body and relevant FSC National Office for the supply area within two weeks of receipt of the complaint, including information on the steps to be taken to resolve the complaint, as well as how a precautionary approach will be used.
- 5) While substantial complaints are pending, a precautionary approach towards the continued sourcing of the relevant material will be employed, which may include:
 - considering supplies from the applicable supplier or source areas as uncontrolled, until the complaint is resolved, unless sourced as FSC certified, or
 - developing interim control measures to effectively mitigate the risk, until the complaint is resolved.
- 6) Where verification is required to resolve a substantial complaint, a desk or field verification review (as applicable) will be conducted within two months of the initial complaint.
- 7) Where a substantial complaint is assessed and verified as being substantial, corrective actions will be developed, as applicable (e.g., control measure revision or development, changes to sourcing areas or supply chain). Corrective actions may include steps to be taken by suppliers, as well as implementation of verification steps, to ensure conformance and efficacy.
- 8) If a corrective action cannot be determined and/or enforced, the relevant material and/or suppliers shall be considered a specified risk and managed accordingly.
- 9) Upon conclusion of the complaint review and verification process, the complainant, the Certification Body, and the relevant FSC National Office will be notified of the results of the complaint and any actions taken towards its resolution.
- 10) A complaints file will be maintained to record all complaints received, correspondence, and actions taken.



Contact Information

Complaints related to the DDS should be forwarded to the Zimmfor FSC Risk Assessment Manager at: FSC.DDS@zimmfor.com.

All complaints and comments received related to the Zimmfor DDS will be managed consistent with the FSC CW Standard (40-005 v3-1, section 7).

Complaints/comments must note the applicable client, province, FSC CW category and any applicable evidence to support the complaint/comment.

Complaints related to the FSC Canada National Risk Assessment should be forwarded to FSC Canada at info@ca.fsc.org, or via the FSC Canada website at <https://ca.fsc.org/en-ca>.

Risk of Mixing

The CW Standard (refer to s. 2.3, 3.4) requires organizations to assess their supply chains for the risk of mixing with non-eligible inputs (i.e., complete a “risk of mixing” assessment). This requirement should be completed as part of the organization’s (i.e., participating client) internal audit of their DDS and supply chain. However, to help provide clarity/ guidance on how the Zimmfor DDS is intended help support organizations meet this requirement, the following information is presented.

Provided that an organization’s source areas are covered by the Zimmfor DDS (see Appendix 1), there should be no risk of mixing with non-eligible inputs. The rationale for “no risk of mixing” is as follows:

- 1) Participating clients review their source areas and summarize to the province level. This review may be completed based on a review of their source areas, purchasing information, information collected from suppliers and sub-suppliers, internal and third-party expertise/ knowledge related to areas and species distribution, and other relevant information.

These assessments are meant to be conservative in nature, as follows:

- where there is potential to source from a province, it is recommended to include the province in the DDS coverage, rather than exclude it
 - if a client sources from only one (1) forest management unit or county in a given province, the whole province is included
- 2) Annually at minimum, and typically during the internal audits, client source areas are reviewed and the DDS coverage is updated to ensure there are no gaps in source area coverage by the Zimmfor DDS.
 - 3) By ensuring that all source areas (based on conservative, province-level approach) are covered by the DDS, there should be no risk of mixing with ineligible inputs. Evidence should be available to support this assertion. The evidence should link inputs to the province level source, at a minimum.
 - 4) Given that CMs and associated MOs are developed for all specified risks, at the province level, provided the DDS covers a participating client’s source areas, there should be no risk of mixing with ineligible inputs.

Consistent with Annex D of the CW Standard, “For low risk areas and where there is no risk of mixing in the supply chain, no additional actions are required. Material can be used as controlled material or sold with the FSC Controlled Wood claim”.



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- Eagle: Appel, M. (2017). Max The Bald Eagle. WordPress.Org. Retrieved May 5, 2022, from <https://www.flickr.com/photos/91501748@N07/34224173274>
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- Totem Pole: Keith, J. (2005). File: Ketchican totem pole 2 stub.jpg. WordPress.Org. Brighton & Hove, United Kingdom. Retrieved May 5, 2022, from <https://wordpress.org/openverse/image/7a6de4b8-0037-48b3-be08-144dd384e2c8>
- Forest Conversion: Stock Image Retrieved from Microsoft Office PowerPoint 2022.
- Scales: Stock Image Retrieved from Microsoft Office PowerPoint 2022.



Appendix 1 – Participating Client List and Applicable Source Areas

Participating Clients (Organizations)	Applicable Certification #	AB	BC	MB	NB	NS	ON	PEI	QC	SK
Arauco Wood Products, Inc.	SAI-COC-003948				Y		Y		Y	
Bakerview Forest Products Inc.	SAI-COC-002765		Y							
Boise Cascade Company	PWC-COC-000410	Y	Y							
Boise White Paper, LLC - Int'l Falls - Site	PWC-COC-000411			Y			Y			
Bright Wood Corporation	SCS-COC-003123	Y	Y		Y					
Columbia Forest Products	NC-COC-000065	Y	Y		Y	Y	Y	Y	Y	
Cosmo Specialty Fibers, Inc.	BV-COC-137607		Y							
Crane Garden Buildings	TT-COC-003133		Y							
DKP Pulp, LLC	TBD		Y							
Endura Products Inc.	SCS-COC-001260		Y							
Hyogo Pulp Industries Ltd.	SGSHK-COC-010885		Y							
JELD-WEN Inc. USA	BV-COC-100683	Y	Y		Y					
Lexington Manufacturing	SCS-COC-001990	Y	Y	Y			Y			
Metrie Manufacturing Group (dba-Metrie Canada Ltd.; Metrie Inc.)	SAI-COC-001082	Y	Y				Y		Y	
Murphy Company	BV-COC-011299		Y						Y	
Nanaimo Forest Products Ltd. (Harmac Pacific Pulp)	SAI-COC-004414		Y							
Nippon Dynawave Packaging Co.	SAI-COC-002386	Y	Y							
Nippon Paper Lumber Co. Ltd.	SGSHK-COC-010166		Y							
North Pacific Paper Company LLC (NORPAC)	SAI-COC-002408	Y	Y							
Northwest Hardwoods, Inc.	SAI-COC-001445	Y	Y				Y			Y
Oji Forest & Products Co, Ltd.	SGSHK-COC-004493		Y							
Paper Excellence Canada - Howe Sound Pulp & Paper Cooperation; Catalyst Paper Corporation	SAI-COC-007541	Y	Y							
Patrick Lumber Company	SAI-COC-007539		Y							
Crown Paper Group Inc., DBA The Port Townsend Group	SAI-COC-001126		Y		Y		Y		Y	
PotlatchDeltic Land and Lumber LLC	BV-COC-005430						Y			
Richmond Plywood Corporation Ltd.	SAI-COC-003610		Y							
Sierra Pacific Industries	KF-COC-001036		Y							
Taan Forest Limited Partnership	SAI-COC-002450		Y							
The Finishing Store & Millworks Ltd.	SAI-COC-001104		Y							
Tokushu Tokai Paper Co. Ltd. Industrial Material Business Division	SGSHK-COC-350047		Y							
Tru-Cut, Inc	SCS-COC-003271	Y	Y							
Western Forest Products Ltd.	SAI-COC-001037		Y							