



FSC Standard: Standard for Company Evaluation of FSC Controlled Wood: FSC-STD-40-005 (Version 3-1) EN
Annex 2: FSC Risk Assessment and Verification Program

Country and Regions covered with this risk assessment: Canada, Ontario, Algonquin Forest

McRae Lumber has completed a risk assessment of procuring raw materials from Algonquin Forestry Authority supplied wood
 Not classified as FSC certified raw materials
 The following are the results of the risk assessment.

Illegally Harvested Wood

Indicators				Further Risk Assessment down to Local Level- Algonquin Forest	Final Risk Level
1.1 Evidence of enforcement of logging related laws in the district	Ontario Ministry of Natural Resources http://www.mnr.gov.on.ca/ Algonquin Forestry Authority http://www.algonquinforestry.on.ca/ Wood Supplier Audit procedures (section 4.6 of CoC Manual)	McRae Lumber has identified all Suppliers that deliver wood to the company (Algonquin Forestry Authority and Bancroft Minden Forest Company SFL) Each Load that arrives comes with a Bill of Lading # and is put on a Mass Scale Slip. The MNR conducts compliance audits regularly on crown	Low Risk		Low Risk
1.2 There is evidence in the district demonstrating the legality of harvest and wood purchases that includes robust and effective systems for granting licenses and harvest permits.	Ontario Ministry of Natural Resources http://mnr.gov.on.ca/	Ontario has a strong system of government dedicated to the protection of its natural resources. There is strong legislation and license granting procedures in place. Included in the binder are examples of Authority to Cut and Authority to Haul Crown Forest Resources.	Although Ontario is one of the most stable areas in the world for legally harvested wood, it is too big for low risk. So it is Unspecified Risk	The Algonquin Forestry Authority (AFA) has IOS 14001 and CSA Z809 environmental certifications. The AFA also conducts all forest operation under the control of a Sustainable Forest Management Plan (FMP) written by a professional forester. The FMP must also be reviewed and subjected to public participation and comment. The AFA is a Crown Corporation and is controlled by the Crown through the Ministry of Natural Resources and the Government of Ontario. www.algonquinforestry.on.ca	Low Risk
1.3 There is little or no evidence or reporting of illegal harvesting in the		Illegal logging is a rare occurrence in Ontario. Laws and judicial system provide	Low Risk		Low Risk

district of origin		recourse and penalties in the event of timber theft. Contacts are in place between purchaser and supplier to ensure legality.			
1.4 There is a low perception of corruption related to the granting or issuing of harvesting permits and other areas of law enforcement related to harvesting and wood trade	http://www.transparency.org/country#CAN	Canada is ranked 9 th out of 176 countries in the 2012 Transparency International “Corruptions Perceptions Index” with a score of 84/100. On the 2011 Bribe Payer’s Index Canada Has a score of 8.5/10 .	Despite being leaders in a legal forest practice. Canada and Ontario are too large of jurisdictions. Therefore: Unspecified Risk	There is little to no evidence of illegal forestry activity happening in Algonquin Park. The Forestry operations are controlled and monitored by an agency of the Crown (The Algonquin Forestry Authority) who are certified and audited by the Government of Ontario and also by a number of third party certification system. The forestry operations are also monitored regularly by Ministry of Natural Resources Inspectors. www.algonquinforestry.on.ca	Low Risk

Wood Harvested in Violation of Traditional or Civil Rights

Indicators				Further Risk Assessment down to Local Level- Algonquin Forest	Final Risk Level
2.1 There is no UN Security Council ban on timber exports from the country concerned	http://www.globalpolicy.org/security-council/dark-side-of-natural-resources/timber-in-conflict.html	There is currently no UN Security Council ban on timber exports from Canada	Low Risk		Low Risk
2.2 The country or district is not designated a source of conflict timber (e.g USAID Type 1 conflict timber)	http://www.globalpolicy.org/security-council/dark-side-of-natural-resources/timber-in-conflict.html	Canada is not designated as a source of conflict timber.	Low Risk		Low Risk
2.3 There is no evidence of child labor or violation of ILO Fundamental Principles and Rights at work taking place in forest areas in the district concerned.	www.ilo.org	Forest employment in Canada is regulated under federal and provincial labour codes, which prohibit child labour, protect the rights of workers to organize and are consistent with other ILO provisions. Canada is a member of ILO.	Low Risk		Low Risk
2.4 There are recognized and equitable processes in place to resolve conflicts of substantial magnitude pertaining to traditional rights	Aboriginal Affairs and Northern Development Canada http://www.aadnc-aandc.gc.ca Forest Stewardship Council www.fsc.org	There is a process in place with both the governments of Canada and Ontario to negotiate and implement land claims and self-government agreements. There is no information on Canada under	Again Canada and Ontario are too large of jurisdiction to guarantee low risk. Therefore:	In Algonquin Park there is no evidence of wood being harvested in violation of traditional or civil rights. In the Annual Reports the AFA documents the criteria that are evaluated. See Criteria involving native involvement and protection of spiritual and traditional values. http://www.algonquinforestry.on.ca/forest-	Low Risk

including use rights, cultural interests or traditional cultural identity in the district concerned.	Ontario Ministry of Aboriginal Affairs www.aboriginalaffairs.gov.on.ca	the FSC national initiatives	Unspecified Risk	certification-what-is-it/monitoring-annual-reports/	Low Risk
2.5 There is no evidence of violation of the ILO Convention 169 on Indigenous and Tribal Peoples taking place in the forest area in the district concerned.	Canadian Human Rights Commission http://www.chrc-ccdp.ca www.ilo.org	There is no evidence of violation according to the Canadian Human Rights Commission. Canada is a member of ILO	Low Risk		Low Risk

**Wood Harvested from forest
In which high conservation
Values are threatened by
Management activities**

				Further Risk Assessment down to Local Level – Algonquin Forest	Final Risk Level
3.1 Forest management activities in the relevant level (eco-region. Sub-eco-region, local) do not threaten eco-regionally significant high conservation values	Conservation International Biodiversity Hotspots http://www.conservation.org/w/here/north_america/pages/priorities.aspx Ecoregions listed by WWF www.worldwildlife.org/science/ecoregions.cfm Intact Forests Landscapes, as identified by Greenpeace (www.intactforests.org)	Not Mentioned as a biodiversity hotspot by Conservation International. And not listed as a global 200 ecoregion or intact forest landscape	Again Canada and Ontario are too large of jurisdictions. Therefore: Unspecified Risk	A strong system of management plans and controls are in place to ensure HCV's are protected. Both the Master Plan for Algonquin Park and the Forest Management plans make significant allocations for a variety of HVC's and place the ecological integrity of the forest as the primary priority http://www.algonquinpark.on.ca/pdf/management_plan.pdf http://algonquinforestry.on.ca/wp-content/uploads/6.1.20-FMP-Summary-w-Map1.pdf	Low Risk
3.2 A strong System of protection (effective protected areas and legislation) is in place that ensures survival of the HCV's in the ecoregion.	http://www.cbd.int/countries/profile/?country=ca#status	Canada has added 24 million hectares to protected areas since 1994, which proves demonstrable progress towards completing a network of protected areas.	Again Canada and Ontario are too large of jurisdictions. Therefore: Unspecified Risk	Ontario Government Legislation governs the use of Algonquin as well as the scale and scope of forestry activities permitted. http://www.e-laws.gov.on.ca/html/statutes/english/elaws_statutes_06p12_e.htm http://www.e-laws.gov.on.ca/html/statute/english/elaws_statutes_90a17_e.htm	Low Risk
3.4 The organization shall include at least the following sources of information in the risk	https://ca.fsc.org/en-	National Risk assessment for			

<p>assessment:</p> <p>a) Risk designations provided on the FSC Global Forest Registry as a base for the risk assessment. The organization may further verify risk designations for its supply area, according to the requirements of this Section;</p> <p>b) Known and available sources of information in addition to those provided in this Section;</p> <p>c) Any information provided by the relevant FSC network partner or regional office</p>	<p>ca/standards/national-risk-assessment-01</p>	<p>Canada – specified risk</p>			<p>Low Risk</p>
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Wood Harvested from areas Being converted from forests And other wooded ecosystems To plantations or non-forest uses

<p>4.1 There is no net loss AND no significant rate of loss (>0.5%) of natural forests and other naturally wooded ecosystems such as savannahs taking place in the eco-region in question</p>	<p>FAO Global Forest Resources Assessment http://www.fao.org/docrep/013/al472.pdf pg(8) Table 1.4</p>	<p>There is no change in forest area in Canada between 1990 and 2010</p>	<p>Low Risk</p>		<p>Low Risk</p>
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Wood from forests in which Genetically modified trees are Planted

				<p>Further Risk Assessment down to Local Level- Algonquin Forest</p>	<p>Final Risk Level</p>
<p>5. The district of origin may be considered low risk in relation to wood from genetically modified trees when one of the following indicators is complied with:</p>	<p>www.fao.org/docrep/008/ae574e/AE574E00.HTM http://cfs.nrcan.gc.ca/pubwarehouse/pdfs/18459_e.pdf</p>	<p>There are no GMO trees used commercially. In Canada GMO trees are only planted in field trails (page 10 Report of Preliminary</p>	<p>Low Risk</p>		<p>Low Risk</p>

		Review of Biotechnology in Forestry including Genetic Modification-2004) (Canadian Forest Service- Genetically Modified Trees)			
a) There is no commercial use of genetically modified trees of the species concerned taking place in the country or district concerned		There is no commercial use of GMO tree species in the district concerned	Low Risk		Low Risk
b) Licenses are required for commercial use of genetically modified trees and there are no licenses for commercial use		See above	Low Risk		Low Risk
c) It is forbidden to use genetically modified trees commercially in the country concerned		See above	Low Risk		Low Risk

Conclusion: McRae Lumber is at a Low Risk Level