

CONTROLLED WOOD RISK ASSESSMENT REPORT

INTRODUCTION

UPM BLANDIN - MINNESOTA, US.

This document must be used with the RD 15-01 - Guideline - Approach and criteria for assessing risk when uncertified controlled wood is used in FSC certified products and FSC-ADV-40-016 V2 - Implementation of FSC Controlled Wood requirements in FSC STD-40-005 V2-1 and FSC-STD-20-011 V1-1.

This template is a guideline to do the risk assessment and must not be seen to include all information. Any other sources of information may be added to ensure that all detail were analysed.

This assessment must be done on origin of uncertified wood that will be used in FSC products as controlled wood.

If it is determined that the material is classified as being from a source that is classified as unspecified risk, the requirements of the RD16 - Guideline - Requirements for company verification program must be followed. This will be audited annually.

Note: This document details all the elements that are required to do the risk assessment. However, the document is divided into a “Restricted Information” section and a “Public Information” section. Only the information recorded in the “Public” section will be available on the FSC website. The information in the “Restricted” section will be covered by the SGS rules of confidentiality and will not be disclosed.

The Risk Assessment requires a precautionary approach. Any area worldwide is therefore considered “unspecified risk” until “low risk” can be determined in line with the risk assessment set out hereunder (refer Section 1.1 of FSC-STD-40-005)

The following is important:

1. The Risk Assessment shall begin at the broadest relevant scale. If conditions at a given scale are not sufficiently homogeneous to establish low risk, the scale shall be further decreased. The Risk Assessment shall be continued at decreasing scales until conditions are sufficiently homogeneous.
2. Risk designation may be possible at a national level under certain homogenous conditions, whereas under more heterogeneous conditions, risk designation may only be possible at a district or local level and/or at the level of subsets of eco-regions.
3. If more than one supplier is from the same low risk country only one risk assessment need to be completed for the specific country.
4. Companies are expected to review their risk assessments at least once per year to verify the continued correctness of their risk designations for each indicator of the five FSC Controlled Wood categories. This should be conducted before the annual surveillance by the certification body in which the certification body is expected to verify the revision process. When significant changes to the risk profile become evident (i.e. changes in the law, breakdown in rule of law through civil unrest, etc) the company shall review its risk assessment
5. The document must be completed in one of the two official language of FSC (English or Spanish).

PUBLIC INFORMATION

A APPROVAL

Approving Certification Body:	SAI Global
Date of Risk Assessment	2019-05-24
Comments:	Approved
Date Approved:	2019-07-03

B ORIGIN OF TIMBER

Country:	Canada		
District	Regions (Province) Southeast Manitoba - Ecoregion NA0416 Western Great Lakes Forest		
Risk Assessment Level (indicate the risk for the different levels)	Country	District	FMU
	Unspecified risk	Unspecified	LOW risk

C. RESULT OF RISK ASSESSMENT

Type of source e.g. natural forest or plantations and general description of the supplier	Northern temperate semi-natural managed woodlands. Two private logging contractor providing approximately 500 cords per year from crown land and private stumpage.
Results (Low or Unspecified Risk and motivation:	Risk assessment gives the grade LOW risk for all 5 categories. All of 200 Eco-region in Canada are outside of UPM's wood delivery region

SPECIFIC REQUIREMENTS FOR EACH FSC CONTROLLED WOOD CATEGORY

(For each of the finding you must motivate why it is determined as Unspecified or low. The sources of information used must be listed.)

1. ILLEGALLY HARVESTED WOOD

1.1 The district of origin may be considered low risk in relation to illegal harvesting when all the following indicators related to forest governance are present:

NOTE: FSC-STD-40-005 V2-1 requires a precautionary approach by companies when assessing risk. This means that if there is lack of information on corruption for the forestry sector, a country/district shall be defined as 'unspecified' risk for the referenced indicator and therefore for the whole Controlled Wood category

Requirements	Examples of sources of information	Finding & Evidence	Result	
			Unspecified risk	Low
1.1.1 Evidence of enforcement of logging related laws in the district	According to the global forest registry assessment made by Nepcon Canada is assessed as a low risk country in all requirements 1.1.1 – 1.1.4, see http://www.globalforestregistry.org/map	There is legislation in place to regulate forestry activities, which is generally well enforced. There is no evidence that illegal logging is a wide scale problem in Canada		LOW
1.1.2 There is evidence in the district demonstrating the legality of harvests and wood purchases that includes robust and effective systems for granting licenses and harvest permits.		Harvesting without required permit or felling licence is not known to be a problem according to international sources.		LOW
1.1.3 There is little or no evidence or reporting of illegal harvesting in the district of origin.		No reports or information about appreciable level of illegal logging.		LOW
1.1.4 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		Transparency International CPI from year 2015 gives to Canada index 83 and global position 9 of totally 167 countries. (CPI is higher than "performance level" 50)		LOW

2 WOOD HARVESTED IN VIOLATION OF TRADITIONAL OR CIVIL RIGHTS

2.1 The district of origin may be considered low risk in relation to the violation of traditional, civil and collective rights when all the following indicators are present:

Requirements	Examples of sources of information	Finding & Evidence	Result	
			Unspecified risk	Low
2.1.1 There is no UN Security Council ban on timber exports from the country concerned;	E.g. This has applied to Liberia, as of July 2003 (www.un.org/esa/africa/UNNews_Africa/timber.htm) Global Witness www.globalwitness.org	There is no UN ban on timber exports from Canada.		LOW
2.1.2 The country or district is not designated a source of conflict timber (E.g. USAID Type 1 conflict timber);	The final report of the expert panel on illegal exploitation of natural resources and other forms of wealth in Democratic Republic of Congo, 2002, Annexes I and III (S/2002/1146) www.naturalresources.org/minerals/CD/docs/other/N0262179.pdf Conflict Timber: Dimensions of the Problem in Asia and Africa. Volume I. Synthesis report. June 2003, available at: www.usaid.gov/hum_response/oti/pubs/vol1synth.pdf	Canada is not designated as a source of conflict timber.		LOW
2.1.3 There is no evidence of child labour or violation of ILO Fundamental Principles and Rights at work taking place in forest areas in the district concerned	FSC National Initiatives and Regional Offices contacts www.fsc.org ILO country offices	No evidence of child labour or violation of ILO fundamental principles on a remarkable scale is known to occur.		LOW
2.1.4 There are recognized and equitable processes in place to resolve conflicts of substantial magnitude pertaining to traditional rights including use rights, cultural interests or traditional cultural identity in the district concerned;	FSC National Initiatives and Regional Offices contacts www.fsc.org Indigenous Peoples Organizations Local community associations in the district Risk register	Legal system in the country is generally considered fair and efficient in resolving conflicts pertaining to traditional rights including use rights, cultural interests or traditional cultural identity. Based on review of international sources and reports it can be concluded that conflicts or violation of traditional rights of substantial magnitude is not a significant problem in Canada.		LOW

	National Sources (e.g. records of land claims negotiation concluded or in progress, summaries of court decisions)		
2.1.5 There is evidence of no violation of the ILO Convention 169 on Indigenous and Tribal Peoples taking place in the forest areas in the district concerned.	FSC National Initiatives and Regional Offices contacts www.fsc.org ILO country offices Addressed in the "General provisions" of the pulpwood purchase contracts between UPM and every wood supplier.	No wood supplied to the mill is from disputed areas or produced under circumstances where civil rights have been violated. Violation of ILO Convention 169 and the rights of Indigenous and Tribal people is not known to be a problem in the countries based on international sources and reports.	LOW

3 WOOD HARVESTED FROM FOREST IN WHICH HIGH CONSERVATION VALUES ARE THREATENED BY MANAGEMENT ACTIVITIES

3.1 The district of origin may be considered low risk in relation to any threat to high conservation values if:

- a) indicator 3.1 is met; or
- b) indicator 3.2 eliminates (or greatly mitigates) the threat posed to the district of origin by non-compliance with 3.1

Requirements	Examples of sources of information	Finding & Evidence	Result	
			Unspecified risk	Low
3.1.1 Forest management activities in the relevant level (eco-region, sub-eco-region, local) do not threaten eco-regionally significant high conservation values;	Addressed in the "General provisions" of the pulpwood purchase contracts between UPM and every wood supplier. FSC documentation on HCVFs: www.fsc.org Eco-region definition and information: http://www.worldwildlife.org/science/ecoregions.cfm Those regions identified by Conservation International as a Biodiversity Hotspot (or) Those ecosystems and communities that are explicitly identified by Conservation	Blandin's sourcing area is in Southeast Manitoba which are outside of IFI's in those providences. See http://www.intactforests.org/world.webmap.html		LOW

	<p>International as a key component of a <i>Biodiversity Hotspot</i></p> <p>Those forest, woodland, or mangrove eco-regions identified by World Wildlife Fund as a <i>Global 200 Eco-region</i> and assessed by WWF as having a conservation status of <i>endangered</i> or <i>critical</i>. If the Global 200 Eco-region comprises more than a single terrestrial eco-region, an eco-region within the Global 200 Eco-region can be considered low risk if the sub-eco-region is assessed with a Conservation Status other than “<i>critical/endangered</i>.”</p> <p>Those regions identified by the World Conservation Union (IUCN) as a <i>Centre of Plant Diversity</i></p> <p>Those regions identified by Conservation International as a <i>High Biodiversity Wilderness Area</i> that are forests and contain contiguous forest ecosystems greater than 500 km².</p> <p>Those regions identified by the World Resources Institute as a <i>Frontier Forest</i></p> <p>Intact Forests Landscapes, as identified by Greenpeace (www.intactforests.org)</p>		
3.1.2 A strong system of protection (effective protected areas and legislation) is in place that ensures survival of the HCVs in the eco-region;	www.natureserve.org		

4 WOOD HARVESTED FROM AREAS BEING CONVERTED FROM FORESTS AND OTHER WOODED ECOSYSTEMS TO PLANTATIONS OR NON-FOREST USES

4.1. The district of origin may be considered low risk in relation to conversion of forest to plantations or non-forest uses when the following indicator is present:

[Note: the change from plantations to other land uses is not considered as conversion].

Requirements	Examples of sources of information	Finding & Evidence	Result
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			Unspecified risk	Low
4.1.1	There is no net loss AND no significant rate of loss (> 0.5% per year) of natural forests and other naturally wooded ecosystems such as savannahs taking place in the eco-region in question	<p>FAO GOFC-GOLD Global Observation of Forest and Land Cover Dynamics</p> <p>FAO Global Forest Resources Assessment</p> <p>FSC National Initiatives and Regional Offices contacts www.fsc.org</p>	Global Forest Registry gives low risk for entire Canada in regard to forest conversion.	LOW

5 WOOD FROM FORESTS IN WHICH GENETICALLY MODIFIED TREES ARE PLANTED

5.1 Requirements related to wood from forests in which genetically modified trees are planted

Requirements	Examples of sources of information	Finding & Evidence	Result	
			Unspecified risk	Low
<p>5.1.1 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>a) There is no commercial use of genetically modified trees of the species concerned taking place in the country or district concerned. OR</p> <p>b) Licenses are required for commercial use of genetically modified trees and there are no licenses for commercial use OR</p> <p>c) It is forbidden to use genetically modified trees commercially in the country concerned.</p>	National and regional data sources	<p>GM trees are not commercially used in Canada.</p> <p>See above.</p> <p>See above.</p>	LOW	

6 GENERAL

Requirements	Examples of sources of information	Finding & Evidence	Result	
			Unspecified risk	Low
General search on the company	e.g. Google			
	All international, US federal and state level as well as UPM own information sources mentioned above.	All 5 categories give the grade "LOW"		LOW

End of report