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FM-06 – 01 March 2017



Forest Management  
**2018 Annual audit**  
Report for:

**Downeast Lakes Land  
Trust**  
In  
**Grand Lake Stream, Maine, USA**

Report Finalized:	27 June 2018
Audit Dates:	5-6 June 2018
Audit Team:	Charles Levesque
Certificate code:	RA-FM/COC-002682
Certificate issued:	17 October 2017
Certificate expiration:	15 October 2022
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<b>Standard Conversions</b>
1 mbf = 4.8 m <sup>3</sup>
1 mbf = 2 cords
1 cord = 2.4 m <sup>3</sup>
1 cord = 0.5 mbf
1 gallon (US) = 3.78541 liters
1m <sup>3</sup> = 0.41 cords
1m <sup>3</sup> = 0.21 mbf
100 tons hardwood = 97 m <sup>3</sup>
100 tons =101 m <sup>3</sup>
1 acre = 0.404687 hectares

# 1. INTRODUCTION

The purpose of this report is to document annual audit conformance of Downeast Lakes Land Trust (DLLT), hereafter referred to as Forest Management Enterprise (FME). The report presents the findings of Rainforest Alliance auditors who have evaluated company systems and performance against the Forest Stewardship Council™ (FSC®) forest management standards and policies. Section 2 of this report provides the audit conclusions and any necessary follow-up actions by the company through nonconformity reports.

The Rainforest Alliance founded its previous SmartWood program in 1989 to certify responsible forestry practices and has grown to provide a variety of auditing services. Rainforest Alliance certification and auditing services are managed and implemented within its RA-Cert Division. All related personnel responsible for audit design, evaluation, and certification/verification/validation decisions are under the purview of the RA-Cert Division, hereafter referred to as Rainforest Alliance or RA.

This report includes information which will become public information. Sections 1-3 and Appendix I will be posted on the FSC website according to FSC requirements. All other appendices will remain confidential. A copy of the public summary of this report can be obtained on the FSC website at <http://info.fsc.org/>.

Dispute resolution: If Rainforest Alliance clients encounter organizations or individuals having concerns or comments about Rainforest Alliance and our services, these parties are strongly encouraged to contact Rainforest Alliance regional or Headquarters offices directly (see contact information on report cover). Formal complaints or concerns should be sent in writing.

## 2. AUDIT FINDINGS AND RESULTS

### 2.1. Audit conclusion

<b>Based on Company's conformance with FSC and Rainforest Alliance requirements, the audit team makes the following recommendation:</b>	
<input checked="" type="checkbox"/>	<b>Certification requirements <u>met</u>, certificate maintenance recommended</b> NCR(s) closed
<input type="checkbox"/>	<b>Certification requirements <u>not met</u>:</b>
Additional comments:	FME forester and CEO show care, planning and excellent execution of operations showing conformance to the FSC FM Standard.
Issues identified as controversial or hard to evaluate.	

**2.2. Changes in FMEs’ forest management and associated effects on conformance to standard requirements:**

There have been no changes to FME’s forest management and association effects on the conformance to the Standard(s).

**2.3 Excision of areas from the scope of certificate**

Not applicable. Check this box if the FME has not excised areas from the FMU(s) included in the certificate scope as defined by FSC-POL-20-003. *(delete the rows below if not applicable)*

**2.4. Stakeholder issues** *(complaints/disputes raised by stakeholders since previous evaluation):*

1. Individual filed complaint with auditor about FME non-action related to a breached historical dam that resulted in water from one watershed on FME ownership going into another watershed and the possible result being invasive aquatic species migrating into the second watershed. Investigated before and during the audit through stakeholder interviews and followed up with State of Maine biologist familiar with the issue. No issue of law or regulation (P1). FME is fully cooperating with State agency. Issue to be resolved is who will pay for dam re-build and who will do regulatory permitting work. No outstanding issues relating to conformance to standard(s).
2. FME has resolved issue of claimed adverse possession of historical firetower on ownership. No adverse possession and claimant is satisfied. FME interviews conducted. No outstanding issues relating to conformance to standard(s).
3. Illegal harvest of small amount of firewood following harvest on FME. Was reported to state enforcement by FME. Interviews of FME staff conducted during audit. Issue remains unsolved relative to perpetrator. No outstanding issues relating to conformance to standard(s).

**2.5. Conformance with applicable nonconformity reports**

The section below describes the activities of the certificate holder to address each applicable non-conformity report (NCR) issued during previous evaluations. For each NCR a finding is presented along with a description of its current status using the following categories. Failure to meet NCRs will result in nonconformances being upgraded from minor to major status with conformance required within 3 months with risk of suspension or termination of the Rainforest Alliance certificate if Major NCRs are not met. The following classification is used to indicate the status of the NCR:

Status Categories	Explanation
Closed	Operation has successfully met the NCR.
Open	Operation has either <u>not met</u> or has <u>partially met</u> the NCR.

Check if N/A (there are no open NCRs to review)

<b>NCR#:</b>	01/17	<b>NC Classification:</b>	Major	Minor X
Standard & Requirement:	FSC-US Forest Management Standard (v1.0), 6.7a and 6.7b			
Report Section:	3.2 Summary of Evaluation Findings for FSC Forest Criteria			
<b>Description of Nonconformance and Related Evidence:</b>				
While it is the DLLT policy that contractors will have the necessary equipment to address hazardous material spills, a grader operated by a subcontractor of the DLLT logging contractor on a main forest road interviewed by the audit team did not have a spill kit or other materials to deal with a hazardous material spill should one occur. This results in a minor non-conformity.				
Corrective Action Request:	<p>Organization shall implement corrective actions to demonstrate conformance with the requirement(s) referenced above.</p> <p>Note: Effective corrective actions focus on addressing the specific occurrence described in evidence above, as well as the root cause to eliminate and prevent recurrence of the nonconformance.</p>			
<b>Timeline for Conformance:</b>	Prior to the next annual audit.			
Evidence Provided by Organization:	<p>FME offered several items of evidence to close this NCR:</p> <ul style="list-style-type: none"> <li>- Sent a letter to the offending contractor reminding that their contract requires that they have adequate on-site equipment (spill kit) to address hazardous spills. Similar letter/e-mails sent to other contractors not the subject of the NCR.</li> <li>- Terminated contract with offending contractor on the NCR. FME is using a different road contractor now.</li> <li>- New contractor was operating during audit and auditor interviewed contractor staff and inspected equipment.</li> <li>- FME has instituted a new policy and amended its field monitoring/inspection form – and implemented to do field inspections of spill kit and safety equipment of contractors.</li> <li>- Has provided a document developed by the State of Maine DEP on how to deal with hazardous spills to contractors.</li> </ul>			
Findings for Evaluation of Evidence:	<p>The root cause of the 2017 NCR was that the road contractor did not provide adequate training and equipment to a sub-contractor the contractor had hired to conduct road maintenance work. That road contractor is no longer conducting work for the FME and a new road contractor is in place. The new contractor was operating and on-site during audit and the owner was interviewed and found to be knowledgeable about hazardous spill issues and their clean-up and his field equipment had spill kit materials in them (both on construction equipment and in pick-up truck always on site.</p> <p>The field inspection results by auditor, updated policy and FME inspection process along with changing contractors all combine as evidence to adequately address the NCR and close it.</p>			
<b>NCR Status:</b>	<b>CLOSED</b>			
Comments (optional):				

## 2.6. New nonconformity reports issued as a result of this audit

<b>NCR#:</b>	01/18	<b>NC Classification:</b>	Major	Minor X
<b>Standard &amp; Requirement:</b>	FSC-STD-30-005 Group Certification Standard, COC 3.1			
<b>Report Section:</b>	Appendix V			
<b>Description of Nonconformance and Related Evidence:</b>				
<p><i>COC 3.1: For material sold with FSC claim the FME shall include the following information on sales and shipping documentation:</i></p> <p>a) <i>FME FSC certificate registration code, and</i>  b) <i>FSC certified claim: FSC 100%</i></p> <p>FME has two forest gates for the purposes of COC: the mill for harvesting operations where they retain ownership of the timber and pay the logger by rate for harvesting, processing and delivering various products to the mill; and stumpage, where the logger takes ownership of the timber when the tree is severed at the stump.</p> <p>For mill gate situations (one logger contractor), which represent the majority of timber harvested, the FME uses trip tickets to make its FSC claim to the buyer. For stumpage, the FME uses the harvesting contract to make its FSC claim.</p> <p>In the past, the trip tickets had both the FSC certificate code and 100% claim on them. In December of 2017, the FME had the trip ticket books reprinted and although the correct ticket was submitted to the printer, the printer printed the ticket books with the FSC certificate code but not the 100% claim. All tickets used after the reprint had no 100% claim but those used from older printing in 2017 did have the correct claim.</p> <p>Secondly, for stumpage harvests (the same single logger contractor), the contract did not fully have the FSC certificate code and 100% claim.</p>				
<b>Corrective Action Request:</b>	<p>Organization shall implement corrective actions to demonstrate conformance with the requirement(s) referenced above.</p> <p>Note: Effective corrective actions focus on addressing the specific occurrence described in evidence above, as well as the root cause to eliminate and prevent recurrence of the nonconformance.</p>			
<b>Timeline for Conformance:</b>	Next annual audit			
<b>NCR Evaluation Type</b>	On-site <input type="checkbox"/> Desk Review <input checked="" type="checkbox"/>			
<b>Evidence Provided by Organization:</b>	<p>The FME chose to address this NCR during the audit and offered the following evidence to close the NCR:</p> <ul style="list-style-type: none"> <li>- A contract amendment was executed between the FME and logger contractor that clearly stated the FSC claim with FSC certificate and 100% language.</li> <li>- The trip ticket books were stamped by hand to include the 100% claim. These will be used until the next re-print at which time the FME will make sure the printing is correct.</li> </ul>			
<b>Findings for Evaluation of Evidence:</b>	The two areas of non-conformance to COC 3.1 were addressed adequately during the audit which allowed for closing the NCR on-site.			
<b>NCR Status:</b>	<b>CLOSED</b>			
<b>Comments (optional):</b>				

## 2.7. Audit observations

**Observations** can be raised when issues or the early stages of a problem are identified which does not of itself constitute a nonconformance, but which the auditor considers may lead to a future nonconformance if not addressed by the client. An observation may be a warning signal on a particular issue that, if not addressed, could turn into a NCR in the future (or a pre-condition or condition during a 5 year re-assessment).

<b>OBS 01/18</b>	<b>Reference Standard &amp; Requirement: FSC-US Forest Management Standard (v1.0), 4.2.b</b>
<p><b>Indicator 4.2.b</b> <i>The forest owner or manager and their employees and contractors demonstrate a safe work environment. Contracts or other written agreements include safety requirements.</i></p> <p>During the audit, two empty and non-operating pieces of heavy equipment (skidder parked on the property since a 2017 harvest concluded and an excavator not being used on the first day of the audit) were inspected by the auditor for safety equipment and hazardous spill supplies. The excavator had no fire extinguisher or first-aid kit on it and the long-idled skidder also did not have an extinguisher or first aid kit. During the second day of the audit, the excavator was operating and the owner on-site. He was interviewed and he provided evidence of first-aid kit in the supply truck right near the operating excavator and had placed a charged-extinguisher on the excavator prior to allowing his operator to use it that day.</p>	
<p><b>Observation:</b> FME should ensure continued conformance with Indicator 4.2.b.</p>	

## 3. AUDIT PROCESS

### 3.1. Auditors and qualifications:

Auditor Name	Charles A. Levesque	Auditor role	Lead Auditor
Qualifications:	President, Innovative Natural Resource Solutions LLC (founded 1994). Education: B.S.F. in forest management from University of New Hampshire, 1979; ISO 14001 Lead Auditor Training, 2000. Certifications: RABQSA – Lead EMS Auditor – Environmental; Society of American Foresters Certified Forester and Certified Forest Auditor; New Hampshire Licensed Forester #281. Over 35 years of experience in forestry, natural resource consulting, natural resource non-profit management and environmental auditing. Co-author of “Forest Certification Auditing” published by the Society of American Foresters. Has lead or conducted sustainable forest management auditing on over 5 million acres in North American under the Sustainable Forestry Initiative, Forest Stewardship Council and American Tree Farm System since the late 1990s and has lead over 100 chain-of-custody under SFI, FSC and the Programme for the Endorsement of Forest Certification.		

### 3.2. Audit schedule

Date	Location /Main sites	Principal Activities
5/20-6/4/18	Off-site, auditor's office	Evidence review, stakeholder interviews and audit preparation
6/5/18	DLLT office and field sites	Opening meeting, document review, interviews and field audit
6/6/18	Field sites and DLLT office	Field audit and closing meeting
6/8/18	Off-site	Completion of evidence review, stakeholder interviews and audit report writing
Total number of person days used for the audit:4 = number of days spent in preparation, on site and post site visit follow-up including stakeholder consultation		

### 3.3. Sampling methodology:

The DLLT Certificate is a single Forest Management Unit (FMU) Certificate containing 22,491 hectares. As a single FMU Certificate no specific sampling intensity is required.

### 3.4. Stakeholder consultation process

No formal stakeholder notification was conducted as part of this audit. Specific stakeholders were contacted to gather evidence on conformance with the FSC standards evaluated during this audit.

Stakeholder type (i.e. NGO, government, local inhabitant etc.)	Stakeholders notified (#)	Stakeholders consulted or providing input (#)
Community member	0	1
FME board member	0	1
NGO conservation easement(s) rep	0	2
State agency	0	1
Road contractor	0	1
Recreationist	0	1

### 3.5. Changes to Certification Standards

Forest stewardship standard used in audit:	FSC-US Forest Management Standard (v1.0); FM-35 RA COC Standard for FME; FSC-STD-30-005 Group Certification Standard
Revisions to the standard since the last audit:	<input checked="" type="checkbox"/> No changes to standard. <input type="checkbox"/> Standard was changed (detail changes below)
Changes in standard:	none
Implications for FME:	Not applicable - no new requirements

### 3.6. Review of FME Documentation and required records

#### a) All certificate types

Required Records	Reviewed
Complaints received by FME from stakeholders, actions taken, follow up communication	Y <input checked="" type="checkbox"/> N <input type="checkbox"/>
Comments: Stakeholder comments/issues and FME response were reviewed.	
Accident records	Y <input checked="" type="checkbox"/> N <input type="checkbox"/>
Comments: There were no accidents since the last audit.	
Training records	Y <input checked="" type="checkbox"/> N <input type="checkbox"/>
Comments: Training records for forest manager reviewed	
Operational plan(s) for next twelve months	Y <input checked="" type="checkbox"/> N <input type="checkbox"/>
Comments: Operational plans for current field season in 2018 were reviewed.	
Inventory records	Y <input checked="" type="checkbox"/> N <input type="checkbox"/>
Comments: Inventory records are electronic and were viewed on FME lead computer.	
Harvesting records	Y <input checked="" type="checkbox"/> N <input type="checkbox"/>
Comments: Harvesting records were electronic and provided before the audit by FME lead.	

# APPENDIX I: FSC Annual Audit Reporting Form:

Note: 1 acre = 0.404687 hectares

<b>Forest management enterprise information:</b>			
<b>FME legal name:</b>	Downeast Lakes Land Trust		
<b>FME Certificate Code:</b>	RA-FM/CoC – 002682		
<b>Reporting period</b>	Previous 12 month period	<b>Dates</b>	1/1/2017-12/31/2017

<b>1. Scope Of Certificate</b>			
Type of certificate: single FMU	SLIMF Certificate: not applicable		
<b>New FMUs added since previous evaluation</b>	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	
<b>Group Certificate:</b> Updated of FMU and group member list provided in <b>Appendix VII-a:</b>			
<b>Multi-FMU Certificate:</b> List of new FMUs added to the certificate scope:			
FMU Name/Description	Area	Forest Type	Location Latitude/Longitude <sup>1</sup>
	ha		
	ha		

<b>2. FME Information</b>	
<input checked="" type="checkbox"/> No changes since previous report (if no changes since previous report leave section blank)	
Forest zone	
Certified Area under Forest Type	
- Natural	hectares
- Plantation	hectares
Stream sides and water bodies	Linear Kilometers

<b>3. Forest Area Classification</b>	
<input checked="" type="checkbox"/> No changes since previous report (if no changes since previous report leave section blank)	
Total certified area (land base)	ha
1. Total forest area	ha
a. Total production forest area	ha
b. Total non-productive forest area (no harvesting)	ha
- Protected forest area (strict reserves)	ha
- Areas protected from timber harvesting and managed only for NTFPs or services	ha
- Remaining non-productive forest	ha
2. Total non-forest area (e.g., water bodies, wetlands, fields, rocky outcrops, etc.)	ha

<sup>1</sup> The center point of a contiguous FMU or group of dispersed properties that together comprise a FMU in latitude and longitude decimal degrees with a maximum of 5 decimals.

#### 4. High Conservation Values identified via formal HCV assessment by the FME and respective areas

No changes since previous report (if no changes since previous report leave section blank)

Code	HCV TYPES <sup>2</sup>	Description:	Area
HCV1	Forest areas containing globally, regionally or nationally significant concentrations of biodiversity values (e.g. endemism, endangered species, refugia).		ha
HCV2	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.		ha
HCV3	Forest areas that are in or contain rare, threatened or endangered ecosystems.		ha
HCV4	Forest areas that provide basic services of nature in critical situations (e.g. watershed protection, erosion control).		ha
HCV5	Forest areas fundamental to meeting basic needs of local communities (e.g. subsistence, health).		ha
HCV6	Forest areas critical to local communities' traditional cultural identity (areas of cultural, ecological, economic or religious significance identified in cooperation with such local communities).		ha
Number of sites significant to indigenous people and local communities			

#### 5. Workers

Number of workers including employees, part-time and seasonal workers:

Total number of workers	6 workers	
- Of total workers listed above	3 Male	3 Female
Number of serious accidents	0	
Number of fatalities	0	

#### 6. Pesticide Use

FME does not use pesticides. (delete rows below)

<sup>2</sup> The HCV classification and numbering follows the ProForest HCVF toolkit. The toolkit also provides additional explanation regarding the categories. Toolkit is available at <http://hcvnetwork.org/library/global-hcv-toolkits>.

## APPENDIX VI: Rainforest Alliance Database Update Form

Note: 1 acre = 0.404687 hectares

**Instructions:** For each FSC certificate, Rainforest Alliance is required to upload important summary information about each certificate to the FSC database (FSC-Info). During each annual audit RA auditors should work with the certificate holder to verify that the information posted on FSC-Info is up to date as follows:

1. Print out current Fact Sheet prior to audit from FSC-Info website or direct link to fact sheets (<http://www.fsc-info.org>)
2. Review information with the FME to verify all fields are accurate.
3. If changes are required (corrections, additions or deletions), **note only the changes** to the database information in the section below.
4. The changes identified to this form will be used by the RA office to update the FSC database.

Is the FSC database accurate and up-to-date? YES  NO   
(if yes, leave section below blank)

### Client Information (contact info for FSC website listings)

<b>Organization name</b>			
<b>Primary Contact</b>		<b>Title</b>	
<b>Primary Address</b>		<b>Telephone</b>	
<b>Address</b>		<b>Fax</b>	
<b>Email</b>		<b>Webpage</b>	

### Forests

<b>Change to Group Certificate</b>	<input type="checkbox"/> Yes <input type="checkbox"/> No	<b>Change in # of parcels in group</b>	<b>total members</b>
<b>Total certified area</b>		<b>Hectares (or)</b>	<b>Acres</b>

### Species (note if item to be added or deleted)

Scientific name	Common name	Add/Delete

### Products

FSC Product categories added to the FM/CoC scope (FSC-STD-40-004a)		
Level 1	Level 2	Species