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FSC-ACC-004

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FM-06 January 2011

Rainforest Alliance
SmartWood Program

Forest Management
2011 Annual audit
Report for:

Downeast Lakes Land Trust
In
Grand Lake Stream, Maine
United States

Report Finalized:	January 5, 2012
Audit Dates:	October 11 - 12, 2011
Audit Team:	Lawson Henderson
Certificate code(s):	SW-FM/COC-002682
Certificate issued:	October 16, 2007
Certificate expiration:	October 15, 2012
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Standard Conversions

1 mbf = 5.1 m^3
1 cord = 2.55 m^3
1 gallon (US) = 3.78541 liters

1 inch = 2.54 cm
1 foot = 0.3048 m
1 yard = 0.9144 m
1 mile = 1.60934 km
1 acre = 0.404687 hectares

1 pound = 0.4536 kg
1 US ton = 907.185 kg
1 UK ton = 1016.047 kg

1. INTRODUCTION

The purpose of this report is to document annual audit conformance of Downeast Lakes Land Trust, hereafter referred to as Forest Management Enterprise (FME) or DLLT. The report presents the findings of SmartWood auditors who have evaluated company systems and performance against 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 corrective action requests.

SmartWood audit reports include information which will become public information. Sections 1-3 will be posted on SmartWood's website according to FSC requirements. All appendices will remain confidential.

Dispute resolution: If SmartWood clients encounter organizations or individuals having concerns or comments about Rainforest Alliance / SmartWood and our services, these parties are strongly encouraged to contact SmartWood 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

Based on Company's conformance with FSC and SmartWood requirements, the audit team makes the following recommendation:	
☒	**Certification requirements met, certificate maintenance recommended** No NCR(s) issued
☐	**Certification requirements not met:**
Additional comments**:**	None
Issues identified as controversial or hard to evaluate.	None

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

There have been no changes to DLLT's forest management that have had any associated effects on conformance with the applicable FSC standard requirements. There was also no change in the amount of certified area covered by the scope of the certificate.

2.3. Stakeholder issues *(complaints/disputes raised by stakeholders to FME or SmartWood since previous evaluation)***:**

No stakeholder issues were identified as a result of this audit.

2.4. Conformance with applicable non conformity 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 SmartWood 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 not met or has partially met the NCR.

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

<table>
<tr><td colspan="2">CAR 01/10</td><td colspan="2">Reference to Standard: NE Regional Std v9-0 7.3 and FSC-US Forest Management Standard (v1.0): 7.3.a</td></tr>
<tr><td colspan="2">Non-conformance</td><td colspan="2" rowspan="2">The DLLT FMP clearly indicates that field staff training to identify RTE plants and species on the ground will occur so that any additional areas of concern found can be mapped. RTE plants had been identified within the management plan as potentially occurring and field staff had not been trained how to identify these plant species upon areas where they are indicated to potentially occur so that additional mapping could take place.</td></tr>
<tr><td>Major
☐</td><td>Minor
☒</td></tr>
<tr><td colspan="4">Corrective Action Request: DLLT shall ensure all forest workers receive adequate training and supervision to ensure proper implementation of the management plan.</td></tr>
<tr><td colspan="2">Timeline for conformance:</td><td colspan="2">Prior to next annual audit</td></tr>
<tr><td colspan="2">Evidence to close CAR:</td><td colspan="2">The auditor reviewed evidence of a training event that was held on 05/26/2011 and attended by the relevant DLLT staff. The event focused on RT&E plants, species, and communities and was led by the Maine Natural Areas Program, and co-sponsored by the Small Woodland Owners Association of Maine. The training provided information on determining and identifying the presence of RT&E species in the forest, and the appropriate management options that should be taken if an RT&E species or community is encountered. DLLT had previously relied on the existing training and knowledge in place for responsible personnel, and this training event helped to add confidence and reinforcement of knowledge pertaining to the identification and management of RT&E species and communities.

Auditor discussions with DLLT indicated that if an RT&E species or community was identified, the area would be excluded from timber harvest, and a special management plan would be developed if needed. The identified RT&E species or community would be communicated to the DLLT Board, as well as to the Maine Natural Areas Program (MNAP). The presence of an RT&E species or community, and associated management strategies would be communicated to contracted</td></tr>
</table>

	harvesters by the operations forester, identified on the harvest map and plan, and identified on the ground with flagging. The evidence of the additional training efforts related to RT&E species and communities provided to the relevant DLLT personnel, as well as the knowledge demonstrated to the auditor on RT&E presence, identification and management strategies assured the auditor that proper implementation of the management plan as it relates to protection RT&E species and communities will be ensured.
CAR Status:	**CLOSED**
Follow-up Actions (if app.):	None.

CAR 02/10		**Reference to Standard: NE Regional Std v9-0: 9.4 & FSC-US Forest Management Standard (v1.0): 9.4.a**
Non-conformance		DLLT has procedures to monitor HCVF stands if management is occurring that would impact them or on an as needed basis. In 2007, DLLT conducted a selection harvest along a mapped buffer for an SMA. The harvest was consistent with the FMP for the SMA and long term management objectives. Because the SMA occurs on a very steep slope with shallow soils, during the audit concerns regarding the windfirmness of this stand were brought up as indicating a specific risk to the HCVF characteristics of the stand. Formal monitoring of this SMA to ensure that management activities nearby had not adversely impacted the HCV attributes had not taken place in the 3 years since the area was harvested and the FMP denotes that monitoring will occur if activity near one of these SMA's occurs. Other HCVF monitoring has occurred as planned and this appears to be an anomaly. Therefore, a minor CAR, rather than a major CAR, has been issued.
Major ☐	**Minor** ☒	
Corrective Action Request: DLLT shall conduct monitoring to assess the effectiveness of the measures employed to maintain and enhance the applicable conservation attributes.		
Timeline for conformance:		Prior to the next annual audit
Evidence to close CAR:		The concerns that resulted in this non-conformance being issued were related to the fact that formal monitoring had not occurred on the Farm Cove Mountain special management area (SMA) following an adjacent harvest in 2009 according to DLLT's monitoring procedures. The auditor was provided with a completed monitoring statement for the Farm Cove Mountain SMA, which determined that there has been no wind throw, erosion, or other negative damage to the HCVF area following the adjacent 2009 harvest. As documented in the monitoring report the inspection of this area was carried out in May 2011 by DLLT's operations forester. The HCVF section of the FMP specifies that the monitoring plan includes provisions for monitoring all the HCV attributes on those areas designated as HCVF. Auditor review of the monitoring plan revealed that HCVF isn't included as a specific row item within the monitoring plan. However, the

	elements to be monitored as outlined in the plan do incorporate all applicable HCV attributes including: rare species, rare natural communities and other special habitats; the ecological reserve; late successional management areas; and riparian and lakeshore management areas. Monitoring of these elements cover the areas given HCVF designation on the DLLT FMU (Farm Cove Community Forest – HCV1; Special Management Areas #16, 18, & 1 – HCVF3). Auditor follow-up conversations with DLLT confirmed that the procedure for monitoring of areas designated as HCVF is to monitor these sites as specified in the monitoring plan. When a forest treatment takes place in or nearby a designated HCVF area, formal monitoring will be conducted according to the monitoring plan over a three year period allowing for enough time to assess the effectiveness of the measures employed for the maintenance or enhancement of the HCV attributes (OBS 01/11). However, informal monitoring is completed annually. Informal monitoring of HCV attributes is ongoing annually as DLLT has an active presence of staff, contractors, and volunteers in the forest throughout the year and has a steady source of information about forest conditions and activities. The HCV attributes identified on the DLLT property are not expected to change rapidly, and do not demonstrate ecological instability. It was therefore determined that the formal monitoring of HCVF according to DLLT's monitoring plan, and the informal monitoring of HCVF during other field activities on the FMU is sufficient to monitoring the status of the specific HCV attributes identified, and the effectiveness of the measures employed for their maintenance or enhancement.
CAR Status:	**CLOSED**
Follow-up Actions (if app.):	See **OBS 01/11**.

2.5. New corrective actions issued as a result of this audit

No new corrective actions (non-conformity reports – NCRs) were raised as a result of this audit.

2.6. Audit observations

Observations are very minor problems or the early stages of a problem which does not of itself constitute a non-conformance, but which the auditor considers may lead to a future non-conformance 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).

OBS 01/11	Reference Standard & Requirement: FSC-US National Forest Stewardship Standard V1.0, Indicator 9.4.a
The HCVF section of the FMP specifies that the monitoring plan includes provisions for monitoring all the HCV attributes on those areas designated as HCVF. When a forest treatment takes place in or nearby a designated HCVF area, monitoring will be conducted over a three year period allowing for enough time to assess the effectiveness of the measures employed for the maintenance or enhancement of the HCV attributes. Informal monitoring of HCV attributes is ongoing annually as DLLT has an active presence of staff, contractors, and volunteers in the forest throughout the year and has a steady source of information about forest conditions and activities.	
Observation: Although it was determined that the formal and informal monitoring activities for HCVF are in-conformance with the requirements of the standard, DLLT should consider conducting formal annual monitoring for the status of specific HCV attributes, including the effectiveness of the measures employed for their maintenance or enhancement.	

OBS 02/11	Reference Standard & Requirement: FM-35, Criterion 1.3
In 2011, DLLT updated its trip tickets to the use of the purchaser's (Orion Timberlands) certificate registration code, due to a change in SmartWood's FSC COC requirements. Under section 3.1 of DLLT's CoC Procedures it indicates that; "for all material sold with an FSC Claim, DLLT shall include the following information on sales and shipping documentation. The information is pre-printed on all DLLT load slips: 3.1.1 DLLT FSC certificate registration code SW-FM/CoC-002682, 3.1.2 FSC Certified Claim "FSC-Pure."" Prior to the audit the auditor had identified this as an issue since the forest gate is defined as the standing tree/stump, so the load slips accompanying loads of FSC Certified wood harvested from the DLLT FMU need to rather include the purchasers' FSC certificate registration code (ownership has already passed to the purchaser prior to transport). However, DLLT staff, prior to the auditor bringing this to the attention of DLLT, had acknowledged this as an issue that needed correction and is no longer using load slips that include the DLLT certificate registration code - and rather now include the purchaser's (Orion Timberlands) FSC certificate registration code.	
Observation: DLLT should ensure that their CoC Procedures properly reflect that shipping and sales documents will include FME FSC certificate registration code and FSC claim (FSC Pure) for sales of FSC certified products.	

3. AUDIT PROCESS

3.1. Auditors and qualifications:

Auditor Name	Lawson Henderson	Auditor role	Lead Auditor
Qualifications:	Lawson is the US Region Forest Management Associate. Lawson is responsible for managing carbon services throughout the US Region, and assists with the development and implementations of SmartWood carbon validation and verification services throughout the US, including acting as a technical liaison with prospective and active clients for questions related to SmartWood carbon validation and verification services. Lawson received his B.S.F. in forest management from University of New Hampshire, 2005. Lawson has worked as a Forest Management Associate with SmartWood, US Region for the past 3 years. Lawson has additional experience as a Chain of Custody Associate with SmartWood, US Region where he was responsible for managing clients and conducting audits. Prior to working with the Rainforest Alliance, Lawson worked as a Forest Land Surveyor for a private forest/civil engineering firm in Western Oregon for two years. Lawson has participated as an auditor on more than 20 FSC forest		

	management and chain of custody audits and assessments, and participated as an audit team member on 3 carbon project assessments. Furthermore he has acted as the Project manager on over 250 forest management and chain-of-custody projects. Lawson has completed SmartWood CoC Auditor Training in April 2008, Rainforest Alliance Carbon Verification and Validation Audit Training in March 2009, and SmartWood Lead Forest Management Auditor Training in June 2009. Attended the Climate Action Reserve Lead Verifier Training for the Forest Project, and Urban Forest Project Protocol in September 2010, and completed the General Project Verification Training in June 2010. Lawson is a qualified ISO Quality Management Systems Lead Auditor Training Course (ISO) 9001), as well as a qualified Lead Auditor with the Climate Action Reserve. Lawson is a member of the Society of American Foresters.

3.2. Audit schedule

Date	Location /Main sites	Principal Activities
10/05/2011	SmartWood Richmond, VT Office	Audit preparation and review of requested materials (e.g. management plan, contracts, five year work plan).
10/11/2011	DLLT Office, Grand Lake Stream, ME	Opening meeting, review of audit process and agenda, document review, interviews with DLLT staff.
10/11/2011	DLLT FMU	Field audit of selected sites to evaluate conformance with criteria and indicators being covered during the audit.
10/12/2011	DLLT FMU	Field audit of selected sites to evaluate conformance with criteria and indicators being covered during the audit.
10/12/2011	DLLT Office, Grand Lake Stream, ME	Closing meeting, presentation of preliminary findings and next steps.
10/24/2011	SmartWood Richmond, VT Office	Review of additional documentation provided after the field work.
Total number of person days used for the audit:3.50 = number of auditors participating **1 X** number of days spent in preparation, on site and post site visit follow-up including stakeholder consultation **3.50**		

3.3. Sampling methodology:

DLLT holds a single Forest Management Unit (FMU) Certificate. The FMU is 13,641 hectares in size. As a single FMU certificate no specific sampling intensity is required. Specific sites visited during the audit were selected based on the Criteria and Indicators being covered during the audit and included recently completed timber harvest, planned timber harvest, special management areas, closed skid trails, stream crossings, and wildlife management areas.

3.4. Stakeholder consultation process

Public stakeholder notifications regarding this audit were not required. The auditor did interview some non-FME stakeholders during the audit process to get inputs and perspectives on DLLT's forest management as it relates to their FSC FM Certification. It was determined that the small number of stakeholders consulted as part of this was appropriate and additional auditor focus on stakeholder consultation was not necessary. Furthermore, additional stakeholder consultation was not necessary since there were not any stakeholder complaints, disputes or allegations of

non-conformance with any aspect of the certification standard raised or identified during the audit period.

3.5. Changes to Certification Standards

Forest stewardship standard used in audit:	FSC-US Forest Management Standard (v1.0); FM-35 SmartWood Chain-of-Custody Standard for Forest Management Enterprises (FMEs)
Revisions to the standard since the last audit:	☐ No changes to standard. ☒ Standard was changed (detail changes below)
Changes in standard:	Changes related to the FSC-US Forest Management Standard are documented in an FSC-US Crosswalk document, which is available upon request. All changes were evaluated and reported in Appendix IV.
Implications for FME:	Conformance to new requirements verified

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 ☐ N ☒
Comments: No complaints from Stakeholders were received during the audit period; therefore, no records of stakeholder complaints were reviewed by the auditor.	
Accident records	Y ☐ N ☒
Comments: There were no reported accidents during the audit period; therefore, no records of accidents were reviewed by the auditor.	
Training records	Y ☒ N ☐
Comments: Training records for FME staff were reviewed by the auditor for those training sessions that took place during the audit period.	
Operational plan(s) for next twelve months	Y ☒ N ☐
Comments: The operational plan for winter 2011, as well as a five year work plan (2011-2016) for DLLT, was reviewed by the auditor.	
Inventory records	Y ☒ N ☐
Comments: Information on the forest inventory for DLLT was included in the forest management planning documents reviewed by the auditor.	
Harvesting records	Y ☒ N ☐
Comments: A 2011 harvest summary was reviewed by the auditor.	