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SmartLogging
2022 Annual audit
Report for:
**The Trust to
Conserve Northeast
Forestlands**
in
Augusta, Maine, USA

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1. INTRODUCTION

The purpose of this report is to document annual audit conformance of **The Trust to Conserve Northeast Forestlands**, hereafter referred to as SmartLogging Operation (SLO). The report presents the findings of PREFERRED BY NATURE auditors who have evaluated company systems and performance against the SmartLogging standards and policies. Section 2 of this report provides the audit conclusions and any necessary follow-up actions by the SLO through corrective action requests.

PREFERRED BY NATURE audit reports include information which will become public information. Sections 1-3 will be posted on PREFERRED BY NATURE's website. All appendices will remain confidential.

Dispute resolution: If PREFERRED BY NATURE clients encounter organizations or individuals having concerns or comments about PREFERRED BY NATURE and our services, these parties are strongly encouraged to contact PREFERRED BY NATURE 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 the SLO's conformance with SmartLogging requirements, the audit team makes the following recommendation:	
<input checked="" type="checkbox"/>	Certification requirements <u>met</u>; certificate maintenance recommended No NCRs issued
<input type="checkbox"/>	Certification requirements <u>not met</u>: Conformance with Major NCR(s) required
Additional comments:	
Issues identified as controversial or hard to evaluate.	

2.2. Changes in the SLO operation, structure, group membership, etc.

Total group members: 114

Other changes to the operation or structure of the group: Group management has remained the same.

2.3. Conformance with applicable corrective action requests

The section below describes the activities of the certificate holder to address each applicable corrective action request issued during previous evaluations. For each NCR a finding is presented along with a description of its current status. 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 PREFERRED BY NATURE certificate if Major NCRs are not met. The following classification is used to indicate the status of the NCR:

NCR Status Categories	Explanation
Closed	Certified operation has successfully met the NCR and addressed the underlying nonconformance.
Open	Certified operation has <u>not met</u> the NCR; underlying nonconformance is still present. NCR becomes a Major NCR with a 3-month deadline for conformance

NCR: 01/21	NC Classification: minor
Standard & Requirement:	SmartLogging Generic Certification Standard, Version 6; Indicator 1.2.6
Report Section:	Appendix II
Description of Non-conformance and Related Evidence:	
<p><u>Requirement:</u> 1.2.6 Harvester has insurance in accordance with local legal requirements, which may include:</p> <ul style="list-style-type: none"> • General liability; • Worker’s comp; and • Automotive liability. <p><u>Finding:</u> Only 9 of the 11 companies visited provided proof of carrying required insurances. As the auditor has no doubt from interviews that all do carry all required insurance, there is still the need for documentation to prove such is the case. One of those missing this proof was in the hospital with Covid-19 at the time of the audit, (which as such is now overlooked), and another stated they are self-insured. Being that required insurance is such an important part of this business and the need for such proof as a minimum, an NCR is here issued. Due to the number of those missing documentation and the importance of this issue, this NCR is issued as a minor non-conformance.</p>	
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 non-conformance.</p>
Timeline for Conformance:	Within 12 months from report finalization

NCR Evaluation Type	On-site <input type="checkbox"/> Desk Review <input checked="" type="checkbox"/>
Evidence Provided by Organization:	<p>Finding: SLO identified that the root cause of the corrective action was lack of training for the members to ensure they all carry General liability; Worker's comp; and Automotive liability. SLO's corrective action was to provide self-fill templates and training sessions on the template and requirements each group member must follow.</p> <p>Evidence: SOL self-fill templates Training Schedule 2022</p>
Findings for Evaluation of Evidence:	<p>Finding: Auditor reviewed SLO templates and conducted interviews with staff and contractors which confirmed training had occurred regarding the group requirements. Auditor verified that all contractors interviewed had copy of General liability; Worker's comp; and Automotive on the site visits. Since SLO has demonstrated their templates and training were successful thus meeting the requirement, this NCR will be closed.</p> <p>Evidence: Interviews Document Review: SLO self-fill templates Training Schedule 2022 Observations: Current Individual member copy of General liability; Worker's comp; and Automotive of contractors during the site visits.</p>
NCR Status:	CLOSED
Comments (optional):	

NCR: 02/21	NC Classification: minor
Standard & Requirement:	SmartLogging Generic Certification Standard, Version 6; Indicator 2.4.1
Report Section:	Appendix II
Description of Non-conformance and Related Evidence:	
<p><u>Requirement:</u> A post-harvest evaluation (i.e., checklist or close-out document) is completed by the harvester, preferably with the landowner or land manager, and follow-up actions are identified and conducted as necessary. Post-harvest inspection by jurisdiction agency is required where the service is available.</p> <p><u>Finding:</u> There may have been some confusion in how the question was asked of the contractors as some stated that they were on an active site and a close out inspection would be completed at the time of close out. However, it is of note that of the 11 harvesters visited, only 2 were able</p>	

to provide evidence of previous harvest close out forms being completed. Four of the harvesters stated that they are contracting to large landowners and the management companies they contract to do all of the post-harvest inspections. And some stated that while they do close out inspections, they do not document these inspections. Considering that this indicator does require a documented post-harvest inspection, a non-conformance is here issued.

Corrective action request: Organization shall implement corrective actions to demonstrate conformance with the requirement(s) referenced above.
 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 non-conformance.

Timeline for Conformance: Within 12 months from report finalization

NCR Evaluation Type On-site Desk Review

Evidence Provided by Organization: **Finding:** SLO identified that the root cause of the corrective action was lack of training for the members to ensure they all do post-harvest inspections. SLO’s corrective action was to provide self-fill templates and training sessions on the template and requirements each group member must follow.
Evidence:
 SLO self-fill templates
 Training Schedule 2022

Findings for Evaluation of Evidence: **Finding:** Auditor reviewed SLO templates and conducted interviews with staff and contractors which confirmed training had occurred regarding the group requirements. Auditor verified that all contractors interviewed have knowledge and used post sale inspection forms. Contractors all said they do a post sale closeout and walk through with either the landowner or forester representative before leaving the job. Since SLO has demonstrated their templates and training were successful thus meeting the requirement, this NCR will be closed.
Evidence:
 Interviews
 Document Review:
 SLO self-fill templates
 Training Schedule 2022
 Observations: sampled post sale inspection of completed sale during the site visits.

NCR Status: **CLOSED**

Comments (optional):

NCR: 03/21	NC Classification: minor
Standard & Requirement:	SmartLogging Generic Certification Standard, Version 6; Indicator 3.1.3
Report Section:	Appendix II
Description of Non-conformance and Related Evidence:	
<p><u>Requirement:</u> BMP manuals are accessible to employees, contactors and employees.</p> <p><u>Finding:</u> Interviews confirm that all have a good working knowledge of state BMPs. However, at 6 of the 11 harvester sites visited, a BMP manual was not onsite available to employees or contractors. As such a non-conformance is here issued.</p>	
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 non-conformance.</p>
Timeline for Conformance:	Within 12 months from report finalization
NCR Evaluation Type	On-site <input checked="" type="checkbox"/> Desk Review <input type="checkbox"/>
Evidence Provided by Organization:	<p>Finding: SLO identified that the root cause of the corrective action was lack of training for the members to ensure they all have knowledge and a copy of BMP manual on site for contractor and employees. SLO's corrective action was to provide BMP manuals to any contractor that doesn't have one on site and training sessions on requirements each group member must follow. SLO's staff also carry extra manuals during internal/external audits to give out to contractors and/or employees.</p> <p>Evidence: Training Schedule 2022 Stack of BMP Manuals</p>
Findings for Evaluation of Evidence:	<p>Finding: Auditor reviewed self-fill forms, SLO training schedule and conducted interviews with staff and contractors which confirmed training had occurred regarding the group requirements. Auditor verified that all contractors interviewed have knowledge and they all had a copy of the manual on site visits. Contractors all said they do annual BMP training and that many of them have copies of the BMP manual on their machines computer to access while harvesting. Since SLO has demonstrated their training was successful, thus meeting the requirement, this NCR will be closed.</p>

	Evidence: Interviews Document Review: Training Schedule 2022 Observations: all contractors had BMP manuals on site during the site visits.
NCR Status:	CLOSED
Comments (optional):	

NCR: 04/21	NC Classification: minor
Standard & Requirement:	SmartLogging Generic Certification Standard, Version 6; Indicator 5.1.1
Report Section:	Appendix II
Description of Non-conformance and Related Evidence:	
<u>Requirement:</u> 5.1.1: A written safety & health plan that includes: <ul style="list-style-type: none"> • An emergency response plan; • Requirements for personal safety equipment; • Policies for forest workers when working alone, including strategies for making their whereabouts known to others at prescribed times each day, which is verified as a daily procedure when in the forest; and, • Periodic safety inspection of equipment. 	
<u>Finding:</u> During interviews all harvesters stated that they had written safety plans and policies meeting the requirements of this indicator. Some use the Master Logger template and others use a custom plan tailored to their operation. However, for document review, 3 of the 10 were unable to produce their written documentation of a written safety & health plan. For this reason, a nonconformance is here issued. This NCR is considered to be a minor issue as observations of field operations showed a very high regard for safety.	
Corrective action request:	Organization shall implement corrective actions to demonstrate conformance with the requirement(s) referenced above. 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 non-conformance.
Timeline for Conformance:	Within 12 months from report finalization
NCR Evaluation Type	On-site <input type="checkbox"/> Desk Review <input checked="" type="checkbox"/>
Evidence Provided by Organization:	Finding: SLO identified that the root cause of the corrective action was lack of training for the members to ensure they all have completed a health and safety plan, covering all the requirements. SLO's corrective action was to provide self-fillable templates and training sessions on requirements each group member must follow.

	<p>Evidence: SLO self-fill templates Training Schedule 2022</p>
<p>Findings for Evaluation of Evidence:</p>	<p>Finding: Auditor reviewed self-fill forms, SLO training schedule and conducted interviews with staff and contractors which confirmed training had occurred regarding the group requirements. Auditor verified that all contractors interviewed have knowledge and they all had a copy of their health and safety plans to review on site visits. Contractors all said they do daily, weekly inspections including monthly safety training topic. Some are performing all the requirement on their own while others are using a safety expert to ensure their conformance to the requirement. Since SLO has demonstrated their training was successful and all contractors had a health and safety plan onsite, thus meeting the requirement, this NCR will be closed.</p> <p>Evidence: Interviews Document Review: SLO self-fill templates Training Schedule 2022 Observations: All contractors health and safety plan during the site visits</p>
<p>NCR Status:</p>	<p>CLOSED</p>
<p>Comments (optional):</p>	

<p>NCR: 05/21</p>	<p>NC Classification: minor</p>
<p>Standard & Requirement:</p>	<p>SmartLogging Generic Certification Standard, Version 6; Indicator 5.2.3</p>
<p>Report Section:</p>	<p>Appendix II</p>
<p>Description of Non-conformance and Related Evidence:</p>	
<p><u>Requirement:</u> 5.2.3: Harvester evaluates and documents employee and sub-contractor safety performance.</p> <p><u>Finding:</u> Interviews confirmed that all harvesters do some form of employee and sub-contractor safety performance evaluations. Three of the ten have the 3rd party safety trainer handle this documentation. However, several of the others did not produce any written documentation of safety performance, and one stated that he does not document his evaluations. As documentation is specifically mentioned as being a part of this indicator, and that this documentation was not presented, a nonconformance is here issued. This NCR is issued as a minor as this is just a documentation issue.</p>	

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 non-conformance.</p>
Timeline for Conformance:	Within 12 months from report finalization
NCR Evaluation Type	On-site <input type="checkbox"/> Desk Review <input checked="" type="checkbox"/>
Evidence Provided by Organization:	<p>Finding: SLO identified that the root cause of the corrective action was lack of training for the members to ensure they all have documented safety performance evaluations of employees and sub-contractors, covering all the requirements. SLO's corrective action was to provide self-fillable templates and training sessions on requirements each group member must follow.</p> <p>Evidence: SLO self-fill templates Training Schedule 2022</p>
Findings for Evaluation of Evidence:	<p>Finding: Auditor reviewed self-fill forms, SLO training schedule and conducted interviews with staff and contractors which confirmed training had occurred regarding the group requirements. Auditor verified that all contractors interviewed have employee and/or sub contract safety performance evaluations and they all had a copy of their safety performance evaluation to review on site visits. Some contractors are performing all the requirements on their own while others are using a safety expert to ensure their conformance to the requirements. Since SLO has demonstrated their training was successful and all contractors had safety performance evaluation sheets onsite, thus meeting the requirement, this NCR will be closed.</p> <p>Evidence: Interviews Document Review: SLO self-fill templates Training Schedule 2022 Observations: All contractors had employee and/or sub contractor safety performance evaluations during the site visits.</p>
NCR Status:	CLOSED
Comments (optional):	

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

No new corrective actions were issued as a result of this audit.

2.5. 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.

No new Observations were issued as a result of this audit.

3. AUDIT PROCESS

3.1. Auditors and qualifications:

Name	Role and qualifications
Geoff Morris	Lead Auditor: Bachelor of Science in Forest Mngt/ Resource Mngt from the University of Wisconsin Stevens Point (1995), 26 years' experience; 15 years private forestry consultant co-owner/operator of mid-size consulting firm in western WI, almost 10 years as a procurement forester for a paper mill in central WI, and presently a Forestry Specialist with Preferred by Nature based in Eau Claire, WI. FSC FM/CoC Lead Auditor-(Jan.2022) (11 lead -FSC FM/CoC Audits, 1 lead -Smart Logging, 2 (1 lead) -FSC FM/CoC Reassessments, Member of SAF, Certified Tree Farm Inspector, and auditor training, working towards SFI Auditor and Tree Farm Auditor certifications.

3.2. Audit Overview

Site(s)	Date(s)	Main activities	Auditor(s)
Remote	December 9, 2022	Audit documents review	Geoff Morris
Remote	December 12, 2022	Opening meeting & Document review	Morris & FME Staff
Onsite	December 15, 2022	Day1	Morris & FME Staff
Onsite	December 16,2022	Day 2	Morris & FME Staff

Remote; Onsite	December 15, 2022	Stakeholder interviews ongoing till closing meeting	Morris
Remote	January 20, 2023	Closing meeting	Morris & FME Staff
Total auditing time used (number in person days based on 8 hour working days): 6.75			

3.3. Sampling methodology:

There are currently 114 logging contractors in the TCNEF group. The auditor sampled 11 contractors during the during remote portion with 7 sites visited. The square root of the number of current members(114) is the minimum audit sample. This comes out to 10.6, so 11 contractors were sampled for this audit to meet sampling requirements.

3.4. Stakeholder consultation process

During the certification audit process stakeholders may be consulted by the auditor(s). Stakeholder consultation carried out during a SmartLogging audit may provide evidence concerning harvester conformance with the SL standard. Stakeholders may include forest industry (including loggers, foresters, mill personnel, log purchasers, workers etc.) landowners, government regulatory agencies, and community members. Individual stakeholders were interviewed as available.

No outstanding stakeholder issues or complaints were reported by FME or discovered by the auditor.

Findings regarding stakeholder interactions as part of regular forest management are Included under specific Criterion in Annex III.

Stakeholder Type (NGO, government bodies, local inhabitant, contractor etc.)	Stakeholders consulted directly or provided input (#)
Local businesses	2
Contractors	11
Workers	3

3.1. Changes to Certification Standards

SmartLogging standard used in audit:	SmartLogging Generic Certification Standard, Version 6, SL-02 SmartLogging Group Certification Standard, Version 1, SL-03
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 SLO:	Conformance to new requirements verified

APPENDIX I: List of visited sites (confidential)

APPENDIX II: List of stakeholders consulted (confidential)

APPENDIX III: SmartLogging standard conformance (confidential)

APPENDIX IV: Chain of Custody Conformance (confidential)

**APPENDIX V: Group management conformance checklist
(confidential)**

APPENDIX VI: Certified Group Membership List

1. Total 114 members in the certified group: See Separate Excel Sheet for list of Group Members