

## Does Midway Lumber Mills Ltd. meet FSC's Controlled Wood standard?

February 20, 2023

We are carrying out an audit of Midway Lumber Mills Ltd. located in Thessalon, Ontario, Canada to see if their operations comply with FSC's [Controlled Wood](#) standard (FSC-STD-40-005 V3-1). We are writing to you to ask if you know of any reason why their operations would not meet this standard.

Controlled Wood is wood that meets minimum requirements and that can therefore be mixed with FSC wood and used in products with an FSC Mix label. In particular, the wood must not be:

- harvested illegally.
- harvested in violation of traditional and civil rights.
- harvested from forests with a high conservation value that is threatened by management activities.
- harvested from forests being converted to plantations or non-forest use.
- from forests in which genetically modified trees are planted.

We will carry out our audit on March 30, 2023. Here is how you should comment, if you wish to do so:

- When? You should send comments to us before or during the audit.
- How? You can comment by .
  - Meeting with a Preferred by Nature staff member in person.
  - Phone to James Hallworth, Preferred by Nature staff member from the North American Office, at 249-358-9844
  - Writing to James Hallworth at NEPCon Canada Inc. P.O. Box 1771, Chelsea, QC J9B 1A1.
  - Email to James Hallworth at [jhallworth@preferredbynature.org](mailto:jhallworth@preferredbynature.org)
  - In person by arranging to meet with James Hallworth
- If you want your comments to be confidential please notify us when you submit the comments.

If you provide comments, we will provide feedback to you within 30 days of the audit.

Midway Lumber Mills Ltd. has written a summary document that lists:

- the risks they have identified that they may source unacceptable wood
- the measures they implement to mitigate those risks.

We have attached this summary document to this letter.

If you wish to dispute any aspect of this forest certification process or the decision we reach as to whether this company meets the Controlled Wood standard, you can access our Dispute Resolution Policy at <https://preferredbynature.org/dispute-resolution-policy>

Thank you for any help you are able to provide.

If you have any recommendations for contacting other stakeholders that may have an interest in providing comments on this company and audit, we would also gladly receive these from you.

Yours sincerely,



Mélanie Proulx



## Midway Lumber Mills Limited

### Due Diligence System Public Summary

Midway Lumber Mills is not directly or indirectly involved in the following activities:

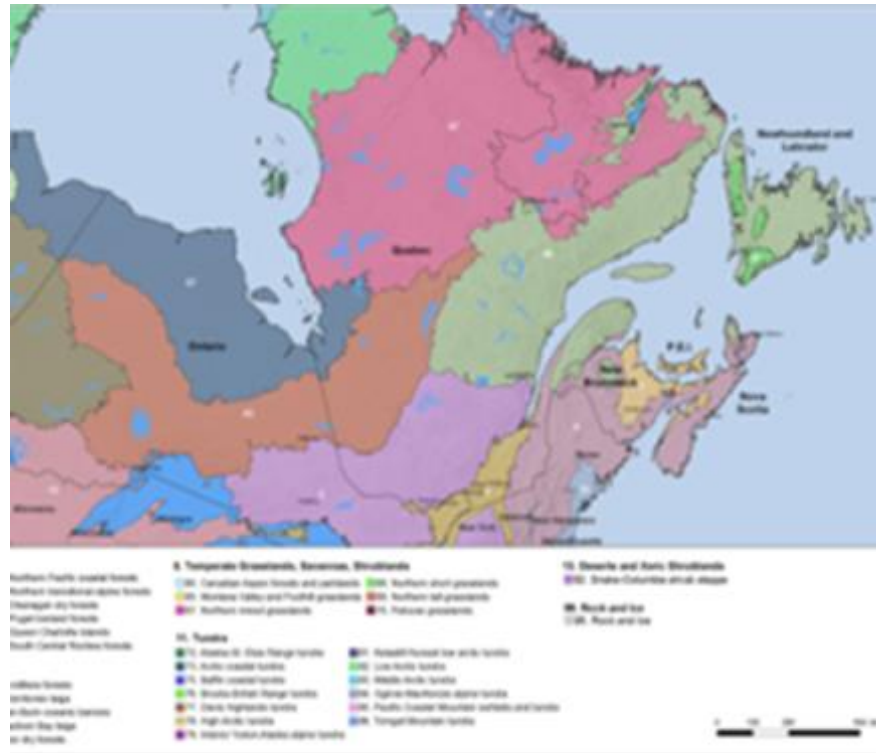
- a. illegal logging or the trade in illegal wood or forest products;
- b. violation of traditional and human rights in forestry operations;
- c. destruction of high conservation values in forestry operations;
- d. significant conversion of forests to plantations or non-forest use;
- e. introduction of genetically modified organisms in forestry operations;
- f. violation of any of the ILO Core Conventions, as defined in the ILO Declaration on Fundamental Principles and Rights at Work, 1998.

Midway Lumber Mills is committed to:

- a. occupational health and safety for its employees and contractors,
- b. only employing people of legal age,
- c. eliminating all forms of forced and compulsory labour,
- d. non-discrimination in hiring and employment, and
- e. freedom of association for all and collective bargaining rights.

Midway Lumber Mills has developed a Due Diligence System to ensure that all uncertified wood being purchased by the mill meets the requirements for FSC Controlled Wood. In the case of our mill more than 80% of the wood purchased is FSC certified. Of the remainder the majority comes for Crown sustainable forest licenses operating under the Crown Forest Sustainability Act. Approximately 3% of the wood purchased comes from small private landowners or other sawmills (e.g. oversized logs).

The **Canadian National Risk Assessment** (FSC-NRA-CA V2-0) has been published and is now the risk assessment of record. It has been derived using the WWF Biomes and Terrestrial Ecosystems. Midway Lumber Mills derives the bulk of its wood supply from the Eastern Forest Boreal Transition (NA0406), with some supply coming from the Central Canadian Shield (NA0602). In general, the Company sources timber from an area covering the judicial districts of Algoma and Sudbury along with a portion of the Nipissing District. The area includes the Algoma Forest, the Northshore Forest the Martel Forest and the Spanish Forest. The Missinabi Forest north of Wawa is an occasional source of timber in NA0406. Private lands near the coasts of Lakes Huron and Superior provide a small source of private timber supply.



**Figure 1. Canadian Biomes from the NRA**

The risk of obtaining uncontrolled wood is low for Midway Lumber Mills. More than 82% of the mill furnish came from FSC certified forests (Algoma and Northshore) in 2018. Fourteen percent came from other Crown Forests, while approximately 3% (2,300 m<sup>3</sup>) came from “other suppliers”, primarily small private landowners near Thessalon and oversized logs from other sawmills. For FSC certified Crown lands all timber harvested is FSC certified and not covered by the National Risk Assessment. For noncertified Crown lands all aspects of the Crown Forest Sustainability Act apply which covers most control measures. For the small amount of Private wood certain control measures apply.

There are several indicators in the national risk assessment where “specified risk” has resulted. They are;

- 2.3 The Rights of Indigenous and Traditional Peoples are Upheld.
- 3.1 HCV 1: Species diversity. Concentrations of biological diversity including endemic species, and rare, threatened or endangered species that are significant at global, regional or national levels.
- 3.2 HCV 2: Landscape-level ecosystems and mosaics. Intact forest landscapes and large landscape-level ecosystems and ecosystem mosaics that are significant at global, regional or national levels, and that contain viable populations of the great majority of the naturally occurring species in natural patterns of distribution and abundance.

For each of these indicators mitigative measures must be implemented to address the specified risk.



## Mitigative measures

Mitigative measures are provided in the national risk assessment and have been implemented by the Company.

### 2.3 The rights of Indigenous and Traditional Peoples are upheld.

Midway will be implementing *Control Measure 1. Indigenous Peoples with legal and/or customary rights within the Forest Management Unit do not oppose\* the Forest Management Plan.*

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#### Crown lands

Refer to the Spanish Forest FMP 2020-2029 and Missinaibi Forest FMP 2021-2030. Plans includes detailed First Nations Consultation and no opposition to the plans.

#### Private lands

Midway regularly engages with First Nations in their supply area on a variety of issues and is unaware of any opposition to forest management on private lands. Additionally, staff scan several aboriginal associations websites to monitor concerns with forestry. They include:

Chiefs of Ontario - [Chiefs-of-Ontario.org](http://Chiefs-of-Ontario.org)  
Anishnabek Nation – [anishnabek.ca](http://anishnabek.ca)

### 3.1 HCV 1: Species diversity

On uncertified Crown lands Midway is implementing Control Measure 1 The National risk assessment identifies five species at risk in the Eastern Forest Boreal Transition (NA0406), and the Central Canadian Shield (NA0602) Biomes. Woodland caribou (*Rangifer tarandus caribou*) is identified in both regions as a species at risk. Ontario has detailed guidelines and direction for the management of this species. Both forests exist south of the current Caribou range as defined by OMNRF and ECCC (Figure 2). Midway does not purchase timber from the Caribou Zone, therefore the company is implementing

#### Control Measure 1 : Evidence demonstrates that:

- **harvesting does not take place in critical habitats for Specified Risk species identified;**

For Wood Sourced from Private lands Midway will implement

#### Control Measure 4. Evidence demonstrates that owners and/or managers of privately-owned forests are informed about:

- **the critical habitats of species within their managed forests; AND**



- the threats to the critical habitat\*; AND
- best management practices to reduce threats to critical habitat\*; AND
- applicable legislation

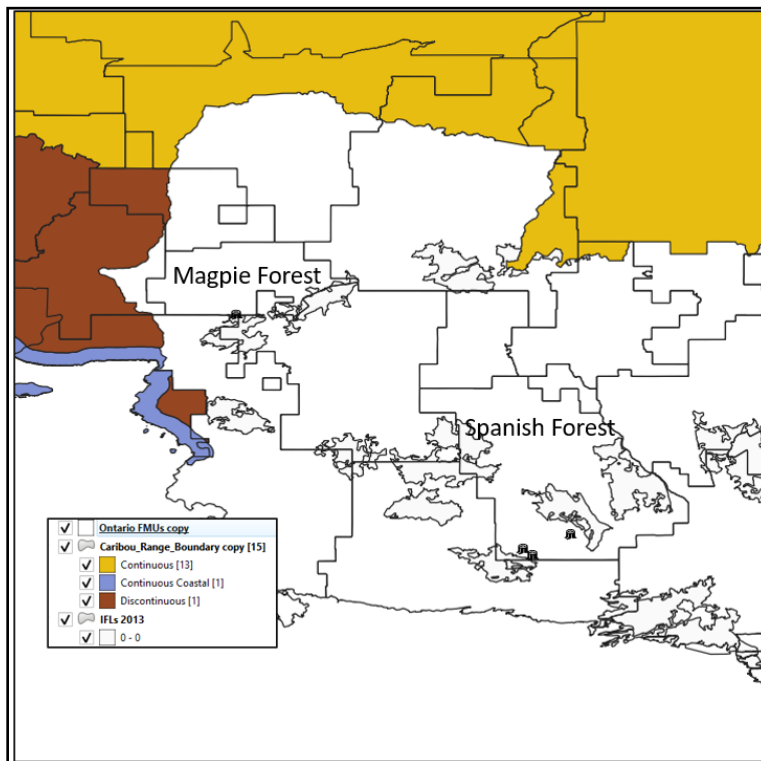
Midway has prepared a package of information on local Species at Risk identified in the National Risk assessment for the Eastern Forest Boreal Transition zone, which has been/will be provided to contractors and landowners. Where necessary Midway staff will examine the site where private land timber is being harvested to determine the presence of SARs.

**3.2 HCV 2: Landscape-level ecosystems and mosaics.**

Midway is implementing *Control Measure 1. Forest Operations Do Not Occur in Intact Forest Landscapes.*

The Spanish Forest contains portions of three intact forest landscapes: IFL 46 on the eastern side of the forest and includes Spanish River Provincial Park and several conservation reserves, IFL62 & IFL 45 on the west which are the Missisagi Burn of 1948. Midway Lumber does not harvest timber in the area of the Spanish Forest. Figure 2 shows the three most recent harvest blocks that Midway has operated on the Spanish Forest in relation to intact forest landscapes, as well as the recent harvest on the Magpie Forest (now the Missnabi Forest).

Midway’s preference for Red and White Pine limit there harvest to more southern forest types.



**Figure 2. Caribou Range and Intact Forest Landscapes in relation to the Magpie and Spanish Forest.**  
 Sources: Global Forest Watch Canada IFLs 2013, OMNR Land Information Ontario 2019, Environment & Climate Change Canada 2018



Woodlands Staff verify the exact location and nature of the wood prior to issuing a purchase order to a supplier. A risk assessment is completed for non-FSC certified wood from new districts. The Risk Assessment will follow the protocol established in MLM's Due Diligence Procedure: Controlled Fibre Risk Assessment. If there is risk associated with the site a site visit by Midway staff will be required to determine if control measures are necessary.

Midway Lumber Mills procures more than 95% of its timber from Crown lands in Ontario. As such this wood is subject to the Crown Forest Sustainability Act requirements as specified in the Scaling Manual and a its regulations. Harvest approvals and permissions to haul are specific to the individual block. These authorities do not permit bills of lading which include more than one point of origin. This means that mixed loads can not be transported or delivered to an Ontario mill.

There is no risk of mixing controlled and uncontrolled material in our wood basket during transport, processing, and storage because the entirety of our wood basket is low risk. Where necessary we have implemented mitigation measures required by NRA, as appropriate.

Verification of compliance with the mitigative measures on crown land prescriptions are in place for the protection of habitat as related to SARs species. Compliance with these plans is undertaken through the Forest Operations Compliance Inspection Program, which Midway staff monitor in all the blocks where they harvest or purchase wood.

On private timber purchases site visits are used to determine the presence of species at risk and necessary mitigative measures. If measures are to be implemented Midway staff will monitoring their establishment and effectiveness. At this point no values requiring protection have been encountered.

### **Comment or Complaints**

If Midway Lumber Mills Limited is ever approached by the public concerning our wood procurement policies and purchasing activities of controlled material, we will:

1. Acknowledge receipt of the complaint and inform the complainant of the procedures being employed, within two weeks of receiving the complaint. Complaints related to risk designation will be forwarded to FSC Canada.
2. A preliminary assessment of the evidence will determine the relevancy of the complaint.
3. Results of the preliminary assessment will be shared with complainant in an effort to maintain a dialogue regarding the issue.
4. Substantial complaints will be forwarded to FSC Canada & Preferred by Nature within two weeks of receipt.
5. Midway will initiate field verification within two months for all substantial complaints regarding wood sourcing. The Woodlands Manager will verify the legality of any complaints and will verify that the required control measures were applied or not.



6. Corrective actions for each complaint will be documented and implemented. Contractor/Logger training and monitoring will be a tool in achieving conformance.
7. If it is found that a supplier is supplying wood that is not in compliance with the FSC Controlled Wood requirements, the wood supply will be excluded from the FSC credits, the supplier will be removed from the FSC supplier list, the only way that the supplier will be added back to the list if is they can prove that they can comply with the FSC Controlled Material requirements.
8. If there are frequent non-compliances with FSC Controlled Material requirements in areas considered low risk, Midway Lumber will review their risk assessment.
9. The records of all complaints received, and the action taken will be recorded and kept for a period of 5 years.

Comments or complaints with regards to Midway Lumber Mills Due Diligence System and/or its Chain of Custody Program are to be e-mailed the Company Comptroller at [terry@midwaylumbermill.com](mailto:terry@midwaylumbermill.com).

#### **Contact Information**

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