

FSC<sup>®</sup> Controlled Wood (FSC-  
STD-40-005)

Public Summary Report

2024

Mistik Management Ltd.



Mistik Management Ltd.  
June 26, 2024

FSC® Controlled Wood (FSC-STD-40-005) Public Summary Report

Certification Body and Contact Information:	KPMG Forest Certification Services Inc. 777 Dunsmuir Street Vancouver, BC, Canada V7Y 1K3 Website: <a href="http://www.kpmg.ca">www.kpmg.ca</a> Contact Person: Shawn Ellsworth Telephone: 604-691-3440 E-mail: <a href="mailto:sellsworth@kpmg.ca">sellsworth@kpmg.ca</a>
Certificate Holder and Contact Information:	Box 9060, Meadow Lake, Saskatchewan, S9X 1V7 Website: <a href="http://www.mistik.ca">www.mistik.ca</a>  Contact Person: Kevin Gillis Telephone: 306-240-8908 E-mail: <a href="mailto:kevin.gillis@mistik.ca">kevin.gillis@mistik.ca</a>
FSC Certificate Registration Code:	KF-CW-001035
Date Certification was Issued: Certificate Expiry Date:	March 2, 2010 June 5, 2028
Type of Evaluation:	Surveillance A2
Evaluation Date(s):	June 12-14, 2024
System to evaluate the Due Diligence System (DDS):	See Appendix 1



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### Information about the DDS

Information about who has developed the DDS or elements of it, including whether the DDS was developed by an external party	The Due Diligence System was developed by the organization.
Information on the engagement of one or more experts in the development of control measures, if applicable	<p>The organization engaged the following experts in the development of control measures:</p> <p>Kevin Gillis</p> <p>Qualifications: Recognized and accepted Member of FSC Indigenous Chamber and FSC Standards Development Group Member associated with Indigenous Chamber representation. Member of the “Range Plan for Woodland Caribou in SK” planning table member. Member of the FSC Case Studies of the Intact Forest Landscape Determination in Canada.</p> <p>License/Registration #: SK ASFP Registration #87 RPF</p> <p>Scope of service: Rights of Indigenous Peoples Control Measure and High Conservation Value #1 Species Diversity #2 Landscape level ecosystems and mosaics.</p>
Description of any significant changes in the DDS	There have been no significant changes in the DDS since the previous report. Mistik did expand the DDS supply area to include some area in Alberta.
Timeline and circumstances of an extension for the period during which the organization shall adapt the DDS to approved FSC risk assessments, where applicable	Not applicable.

### Procedure for filing complaints

Contact information of the organization’s person or position responsible for addressing complaints	
Name:	Kevin Gillis
Position:	Certification Coordinator
Address:	Box 9060, Meadow Lake, Saskatchewan, S9X 1V7
Phone:	306-240-8908
E-mail:	kevin.gillis@mistik.ca
The organization’s complaint procedure	1. A complaint will be acknowledged within two weeks of receipt of the complaint; an official response will be made to the complaint in a form that best suits the complainant. Mistik’s complaint procedure will also be communicated at this time.



	<p>2. Mistik will attempt to resolve the issue within two weeks of receipt of the complaint. If the issue cannot be resolved immediately, involvement of other Mistik staff members that may provide assistance in addressing the matter will be initiated. The evidence provided in the complaint will be assessed to determine whether the complaint is or is not substantial.</p> <p>3. If the issue cannot be addressed within two weeks of Mistik being made aware of the matter, or a resolution process cannot be agreed to that is mutually agreeable to both the complainant and Mistik, document the nature of the issue on a Mistik Stakeholder Discussion Form and notify Mistik's General Manager.</p> <p>4. Complaint details will be forwarded to the certification body, affected customer(s) and FSC Canada within two weeks of receipt of the written complaint.</p> <p>5. Notification will be made to the complainant, regarding the status of the complaint on a regular basis by the Operations Manager.</p> <p>6. Employ a precautionary approach towards the sourcing of the relevant material while a complaint is pending.</p> <p>7. Within two months of receipt of the complaint, review all sources of information relevant to the complaint. Review Mistik's original documentation related to the chain of custody determination. Based on all the evidence, through the corrective action procedure, make a new chain of custody determination that will either validate the complainant's evidence or validate Mistik's original chain of custody evidence.</p> <p>8. If a non-conformance of Mistik's chain of custody procedure is found, create a corrective action report. Ensure that the supplier is excluded from Mistik's FSC controlled wood suppliers list. The supplier shall not be designated as a FSC controlled wood source until such time as Mistik's Operations Manager formally reviews the source area again and determines the appropriate chain of custody classification.</p> <p>9. Verify that the corrective action has been taken by suppliers and assess for effectiveness.</p> <p>10. Exclude the material in question and suppliers from Mistik's controlled wood supply chain if no corrective action is implemented.</p> <p>11. When the resolution of the complaint has been achieved, the complainant, the certification body, and FSC Canada will be notified of the actions taken to resolve the complaint.</p> <p>12. File all chain of custody determination decisions made in response to complaints by source, year and supplier</p>
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**Description of the DDS, including supplier structure for each participating site**

Site Name	Exact number of suppliers	approximate or exact number of sub-suppliers	Supplier type	Average length of the non-FSC supply chain	Risk Assessment (risk of mixing material with non-eligible inputs in the supply chain(s) during transport, processing, and storage)
Mistik Management Ltd.	37	5	Primary	1	Low/negligible

**A description of the supply area(s) and respective risk designation(s)**

The following tables are grouped by identified areas with a homogeneous risk designation in the applicable risk assessment for each controlled wood category.

Country	Source Area	Controlled Wood Category	Risk Designation	Name FSC or Company Risk Assessment and assessment type
Canada	Meadow Lake, Saskatchewan	Category 1	Low risk	FSC National Risk Assessment For Canada FSC-NRA-CA V2-1
		Category 2	Specified risk	
		Category 3	Specified risk	
		Category 4	Low risk	
		Category 5	Low risk	

For source areas not covered by a National Risk Assessment, the organization’s risk assessment is attached (excluding confidential information).

**Control measures implemented by the organization for each indicator not designated as low risk in the applicable risk assessment**

For each of the homogenous risk areas identified above, the implemented control measures:

Source areas	Specified risk indicator	Control Measure	Description of control measure
Meadow Lake, Saskatchewan	2.3 The rights of Indigenous and Traditional People are upheld.	CM 1	Indigenous Peoples with legal and/or customary rights within the forest management unit do not oppose the Forest Management plan.
Meadow Lake, Saskatchewan	3.1 High Conservation Value Species Diversity	CM 8	Evidence demonstrates that forests in the sourcing area have a <i>management plan</i> that contributes to the recovery of woodland caribou critical habitat, as identified in the Federal Recovery Strategy. The management plan identifies and implements:  a) Best Management Practices (BMPs) that reduce disturbance to and restore critical habitat including, but not limited to: <ul style="list-style-type: none"><li>• access management (e.g. road decommissioning, integrated access plans, restoration of linear features); <i>OR</i></li><li>• aggregate harvesting (i.e. harvest scheduling to minimize disturbance footprint). <i>OR</i></li></ul> b) Harvest deferrals, set asides, and/or protection areas within areas of critical habitat, where forest operations are not permitted.



Meadow Lake, Saskatchewan	3.2 High Conservation Value 2 - Landscape-level ecosystems and mosaics	CM 2	<p>Forest operations do not reduce an IFL below 50,000 ha, AND all meet applicable options below:</p> <p>a) For an IFL between 50,000 and 62,500 ha, cumulative impacts forest operations do not affect more than 10% of the IFL.</p> <p>b) For an IFL between 62,501 and 75,000 ha, cumulative impacts forest operations do not affect more than 20% of the IFL.</p> <p>c) For an IFL between 75,001 and 200,000 ha, cumulative impacts forest operations do not affect more than 30% of the IFL.</p> <p>d) For an IFL between 200,001 and 500,000 ha, cumulative impacts forest operations do not affect more than 35% of the IFL.</p> <p>e) For an IFL larger than 500,001 ha, cumulative impacts forest operations do not affect more than 45% of the IFL.</p>
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**Field verification performed by the organization as a control measure**

The organization did not undertake field verification as a control measure.

**Brief summary of findings from KPMG field verification(s)**

Brief summary of findings from field verification(s)													
Justification for the sampling rate applied in any type of field verification of the DDS	<ul style="list-style-type: none"> <li>If the organization has established field verification as a control measure, KPMG FCSI shall conduct field verification of a sample of supply units.</li> <li>The number of control measures that the Organization has identified in its DDS requiring field verification shall be identified for each type of risk. Refer to table below to determine the number of field verifications required in the sampling pool.</li> <li>Supplier sampling should focus on high-risk suppliers, such as those supplying higher volumes and/or supplying from specified risk areas.</li> <li>Field verification of suppliers includes either an assessment at the forest-of-origin or on-site verification of suppliers in the supply chain (such as the mill site and storage yards) including review of supply and origin records.</li> <li>An assessment of the organization's supplier audit program will inform the sample size. A robust internal audit program may result in a lower number of supplier field verifications.</li> </ul> <table border="1"> <thead> <tr> <th>Number of control measures established by Org. that include field verification</th> <th># of field verifications required</th> </tr> </thead> <tbody> <tr> <td>All clients with a Controlled Wood (CW) Risk Assessment</td> <td>One</td> </tr> <tr> <td>One control measure</td> <td>Two</td> </tr> <tr> <td>Two control measures</td> <td>Three</td> </tr> <tr> <td>Three control measures</td> <td>Four</td> </tr> <tr> <td>Four control measures</td> <td>Five</td> </tr> </tbody> </table>	Number of control measures established by Org. that include field verification	# of field verifications required	All clients with a Controlled Wood (CW) Risk Assessment	One	One control measure	Two	Two control measures	Three	Three control measures	Four	Four control measures	Five
Number of control measures established by Org. that include field verification	# of field verifications required												
All clients with a Controlled Wood (CW) Risk Assessment	One												
One control measure	Two												
Two control measures	Three												
Three control measures	Four												
Four control measures	Five												

**Commented [HC1]:** (including audits at the forest level and on-site verification of suppliers in the supply chain), with justification for the sampling rate applied in any type of field verification of the DDS.



	Five control measures and above	Discuss scope with BU Leader or KPMG FCSI President to confirm mitigation of risk
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### Summary of the organization’s stakeholder consultation process performed according to Annex B for FSC-STD-40-005

The organization did not engage in a formal stakeholder consultation process.

### Summary of stakeholder consultation conducted by the KPMG

Formal stakeholder consultation was not required or completed by KPMG for this surveillance audit.

### Evaluation of the organization’s conformity to Corrective action requests (CARs) issued by the certification body in the previous evaluation

The following previous nonconformities are applicable:

Nonconformity #:	<b>2023-NC-05</b>
Nonconformity type:	MINOR
Standard:	FSC-STD-40-005 V3.1
Clause and requirement:	1.6 The organization shall review, and if necessary, revise its DDS at least annually, and whenever changes occur that affect the relevance, effectiveness, or adequacy of the DDS.
Client procedure:	EMSOP016_CHAIN OF CUSTODY
Description of nonconformity:	During the audit on-site, it was identified that the DDS was reviewed and revised in 2023 as required by the Standard. Since the revision, Mistik has been sourcing fibre from Alberta. Mistik should have updated the DDS to include the new supply area prior to sourcing wood from Alberta. However, as referenced in the DDS, the company must carry out an individual risk assessment in case of purchase outside of Saskatchewan. Mistik provided individual risk assessments for the three properties located in Alberta.
Timeline for conformance:	A minor nonconformity shall be corrected within the maximum period of one (1) year (under exceptional and justified circumstances the timeline may be extended to two (2) years).
Evaluation of corrective action:	Mistik modified the DDS supply area map to include the area added since the last DDS revision that was completed in April 2023. From now on, any changes to the Non-FMA Wood Procurement Area will require an update to the Non-FMA Wood Procurement Area Map.
Status:	Closed

### Summary of nonconformities to FSC-STD-40-005 identified during the current evaluation

No nonconformities were identified during the audit.

### Certification decision

Maintained certification







## Appendix 1: Brief description of the system developed for the evaluation of the DDS

KPMG FCSI's system for evaluating the relevance, effectiveness and adequacy of the due diligence systems (DDS), according to the scope and scale of the organization's operation includes:

### *Verification of risk designations against available sources of information and applicable requirements*

Risk designations in National Risk Assessments do not require verification.

Where a Company Risk Assessment (CRA) is applicable, KPMG FCSI shall verify risk designations ensuring that the organization is conducting its risk assessment in accordance with the requirements of FSC-STD-40-005 including properly referencing all sources of information. The verification includes:

- Verifying that the organization is conducting its risk assessment in accordance with the requirements of Annex A (Risk assessment by the organization) of FSC-STD-40-005, including full and proper inclusion of the risk assessment indicators and full and proper referencing of the sources of information in Annex A.
- Verifying that the organization in its risk assessment is fully and properly citing any other relevant information sources cited as required by FSC;
- With respect to Controlled Wood category 3, verifying that the organization has made a clear effort to incorporate assessment of all eco-regionally relevant information, including specifically information contained on the WWF Wildfinder database respecting ecoregions listed as 'critical/endangered' or 'threatened';
- Reviewing the information contained in the FSC Global Forest Risk Registry (GFRR) to assess whether any of the conclusions on risk (which are at the national rather than provincial or ecoregional scale) for the 5 CW categories differ from those included in the organization's Risk Assessment, and if so, whether the organization's Risk Assessment provides an adequate rationale for those situations where its conclusions on risk differ;
- Verify that the information originates from credible, reputable sources and is of a sufficient quality and vintage to be credibly and reliably applied to the risk assessment;
- Where possible, corroborating the evidence provided by the organization against relevant, reliable, credible, reputable independent sources not used by the organization to verify consistency in the information used to designate risk.

### *Verification with a scope and sampling pool relevant to the DDS under evaluation*

Control Measures are field verified for adequacy for National Risk Assessments and Company Risk Assessments.

If the organization has established field verification as a control measure, KPMG FCSI shall conduct field verification of a sample of supply units. See also report section: *Justification for the sampling rate applied in any type of field verification of the DDS.*

Regardless if the organization has established field verification as a control measure, sampling of suppliers is done to confirm mitigation of risk related to origin and risk of mixing of material with non-eligible inputs.

### *Corroborating evidence provided by the organization with independent sources when possible:*

KPMG FCSI shall corroborate evidence provided by the organization by:

- Reviewing all relevant evidence provided by the organization to verify relevance and reliability.
- Verify that the information originates from credible, reputable sources and is of a sufficient quality and vintage to be credibly and reliably applied to the risk assessment.
- Where possible, reviewing relevant credible independent sources not used by the organization to verify consistency in the information used to designate risk.





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KPMG FCSI will confirm:

- Documentation of the origin of the material.
- A robust risk assessment conducted by the organization related to origin of the material and related to mixing material with non-eligible inputs in the supply chain.
- That the organization has developed and implement adequate control measures.
- That the organization has reviewed and, if necessary, revised the DDS to ensure its relevance, effectiveness or adequacy.