

Code of Conduct



Quebec Wood Export Bureau

The Quebec Wood Export Bureau (Q-WEB) is a non-profit organization established to promote the export of wood products from the province of Quebec (Canada). Q-WEB represents more than 200 member companies that manufacture wood products in one or more of the following sectors: Construction Grade Softwood Lumber, Appearance Grade Softwood Lumber, Hardwood Lumber and Components, Hardwood Flooring, Engineered Wood Products and Prefabricated Wood Frame Housing.

Q - WEB

Quebec Wood Export Bureau

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General information

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Information on the Code of Conduct

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Partner of:



Canada Wood
Produits de bois canadien



Foreword

Q-WEB is committed to representing manufacturers and producers of wood products that conduct their business with integrity in a manner consistent with relevant professional standards. Consequently, Q-WEB has established a Code of Conduct. For Q-WEB members, adhering to a Code of Conduct means striving to do what is right, being a good corporate citizen in the community, and integrating social and environmental priorities into business practices and relationships with suppliers and business partners.

The Code of Conduct includes the following sections:

Section 1: General Principles

Section 2: Principles for the Construction Grade Softwood Lumber Sector

Section 3: Principles for the Hardwood Lumber and Components Sector

Section 4: Principles for the Hardwood Flooring Sector

Section 5: Compliance Procedure

Appendix A: Q-WEB Member Commitment to the Code of Conduct

Appendix B: Policy on Wood Origin and Legality

Although there are some common elements among the wood producing sectors (General Principles), the Code of Conduct is unique in that it considers each of the wood producing sectors in terms of their legal and operational responsibilities.

To be recognized internationally as an association that abides by its Code of Conduct, Q-WEB members are required to sign a written statement that clearly shows their corporate commitment (Appendix A). The Code of Conduct provides for a compliance procedure that includes mechanisms for receiving complaints, issuing monetary penalties and suspending or expelling a member.

The Code of Conduct of is a living document that will be reviewed and revised as required to ensure that it not only reflects the current business environment, but also societal expectations.

If you have any questions regarding the Code of Conduct or if you require further information please contact us at codeofconduct@quebecwoodexport.com. You can also reach Q-WEB by calling (418) 650-6385.

Sylvain Labbé

CEO

Quebec Wood Export Bureau (Q-WEB)



1. General Principles

The Code of Conduct includes general principles that apply to all sectors. These principles are as follows:

1.1. ENVIRONMENT

- 1.1.1. The Q-WEB Environmental Principles are intended to raise members' awareness of the possible environmental consequences of their choices and activities. The environmental principles outlined below are intended to help Q-WEB members minimize their environmental impact when making business choices.
- 1.1.2. Members recognize that forests are a renewable resource that can provide a continuous flow of goods and services for current and future generations when managed responsibly. Therefore, Q-WEB members are committed to sourcing their wood products from companies that can provide evidence that their supply sources are known and legal, and that forests are managed according to legislation in effect. Consequently, members are encouraged to ask their suppliers to sign and abide by the Q-WEB Policy on Wood Origin and Legality.¹
- 1.1.3. Members recognize that independent certification of forests and/or chain of custody tracking systems are excellent tools to ensure that procured wood is from known, legal and well-managed sources that in turn promote sustainable forest management.
- 1.1.4. Members who supply products from certified forests shall ensure their product claims and labels are clear and do not misrepresent the scope of the following recognized sustainable forest management (SFM) standards:
 - ❖ Canadian Standards Association (CSA) SFM Standard CAN/CSA-Z809²;
 - ❖ Forest Stewardship Council³ (FSC);
 - ❖ Sustainable Forestry Initiative[®] Program (SFI)⁴;
 - ❖ Or any other internationally recognized SFM standards.

- 1.1.5. Members shall make an effort to minimize the environmental impact of their activities in other ways including:
- ❖ Ensuring the efficient use of energy
 - ❖ Maximizing wood fibre utilization for biomass or other wood products
 - ❖ Minimizing waste and utilizing residues
- 1.1.6. Members who import wood products shall choose suppliers who comply with international and domestic laws protecting wildlife, endangered species and species at risk⁵, and Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES)⁶.
- 1.1.7. Members shall avoid misleading and unsubstantiated claims in relation to the sources and attributes of their wood supply.
- 1.1.8. Members shall ensure that all chemicals are disposed of in an acceptable fashion, avoiding contamination of local water, air and soil.⁷



1.2. PHYTOSANITARY MEASURES

Members shall comply with international phytosanitary regulations in effect in various importing countries. Where required, members shall adhere to the Canadian Heat Treated Wood Products Certification Program (CHTWPCP) or the Canadian Wood Packaging Certification Program (CWPCP) for export and domestic movement when products are destined for export via another Canadian company. In such cases, members shall provide the appropriate certification according to the products and the country of destination⁸.

1 See Appendix B for the Policy on Wood Origin and Legality.

2 See Canadian Standards Association website at: certifiedwood.csa.ca

3 See Forest Stewardship Council's website at www.fsc.org

4 See Sustainable Forestry Initiative's website at www.aboutsfi.org

5 See Species At Risk Act. Also see Environment Canada's website at www.ec.gc.ca

6 See Convention on International Trade in Endangered Species of Wild Fauna and Flora at www.cites.org

7 See Canadian Environmental Protection Act. Environment Canada's website at www.ec.gc.ca.

8 For more details refer to CFIA policies (D-01-05 and D-03-02) at www.inspection.gc.ca



1.3. TRANSPORTATION

1.3.1. With regard to sales contracts, members shipping products shall respect the freight conditions outlined in the most recent version of International Commercial Terms (Incoterms) published by the International Chamber of Commerce (ICC).⁹ Incoterms defines the respective roles of the buyer and seller in transportation matters, and specifies when the transfer of merchandise ownership takes place.

1.3.2. In the absence of compliance with 1.3.1, other shipment conditions may be used provided they are clearly specified in the sales contract.

1.4. WORKERS CONDITIONS

1.4.1. Members must comply with relevant labor standards, occupational health and safety laws and regulations.¹⁰



⁹ See the International Chamber of Commerce's website at www.iccwbo.org/law

¹⁰ Act respecting occupational health and safety (R.S.Q., c. S-2.1), Act respecting industrial accidents and occupational diseases (R.S.Q., c. A-3.001), Workers' Compensation Act (R.S.Q., c. A-3)

2. Principles for the Construction Grade Softwood Lumber Sector

2.1. PREAMBLE

This section focuses on members' requirements for producing construction grade softwood lumber, their legal obligations in the work place and their corporate responsibilities. Q-WEB members with operations in the Construction Grade Softwood Lumber sector are required to comply with the general principles outlined below.

2.2. GENERAL PRINCIPLES

- 2.2.1. Members shall comply with the National Lumber Grades Authority¹¹ (NLGA) rules for Canadian lumber which establish standard lumber grades and grade names, assuring users of uniform design and performance for all commercial species of dimension lumber.
- 2.2.2. Members shall ensure that manufactured lumber is measured in conformance with the American and/or Canadian Standard Lumber provisions under the Canadian Standards Association's (CSA) Standard 0141.¹²
- 2.2.3. Members shall ensure that softwood products are correctly graded and marked/ stamped in accordance with NLGA rules as administered by the Canadian Lumber Standard Accreditation Board (CLSAB) or its approved grading agency.
- 2.2.4. The member's stamp must include the following:
 - a. Lumber grading agency
 - b. Manufacturer's identification number (mill number)
 - c. Species indicator
 - d. Moisture content indicator: could be marked KD or KD/HT according to phytosanitary regulations (see 1.2)
 - e. Lumber grade classification
- 2.2.5. Lumber that has not been grade stamped, following a customer request not to do so, will still meet the same standards as if it had been stamped.
- 2.2.6. Members shall ensure that grading stamps are not altered or defaced with the intention of misrepresenting the lumber grade or species.
- 2.2.7. The specifications of any specialty products falling outside the scope of the NLGA regulations shall be set out in the sales contract and supplied accordingly.
- 2.2.8. Specialty products of mixed grades can be supplied provided that the sales contract clearly defines and specifies such products.
- 2.2.9. Members shall ensure that there is a completed purchase order contract between parties prior to performing professional services.

¹¹ See National Lumber Grades Authority (2000) Standard Grading Rules for Canadian Lumber. National Lumber Grades Authority, New Westminster, BC. (www.nlga.org)

¹² See Canadian Standards Association (www.csa.ca)



3. Principles for the Hardwood Lumber and Hardwood Components Sector

3.1. PREAMBLE

Q-WEB members produce a variety of hardwood products, including but not limited to: lumber, furniture, cabinets, windows, doorframes, components, flooring and moulding. Q-WEB members with operations in the Hardwood Lumber and Hardwood Component sector are required to comply with the general principles outlined below.

3.2. GENERAL PRINCIPLES

- 3.2.1. Members shall ensure that the sale of hardwood lumber products adheres to the National Hardwood Lumber Association¹³ (NHLA) grading rules for wood species, quality, grade, dimension, measure and moisture content.
- 3.2.2. Members shall ensure that where there is no reference (e.g. rules and specifications) made to any specified standard or specific agreement between the parties for hardwood lumber, it is made clear that the NHLA grading rules shall apply.¹⁴
- 3.2.3. Members shall ensure that the specifications of any specialty lumber or component products are set out in the sales contract and supplied accordingly.
- 3.2.4. Members shall ensure that there is a completed purchase order contract between parties prior to performing professional services.
- 3.2.5. Members shall ensure that on-package or on-product markings correctly represent the hardwood species including quality and dimension, as well as indicating whether or not the product is kiln dried.
- 3.2.6. Members shall ensure that product information is not altered or defaced with the intention of misrepresenting the lumber grade or species.

¹³ See National Hardwood Lumber association's website www.nathardwood.org. See National Hardwood Lumber Association (2003), *Rules for the Measurement and Inspection of Hardwood and Cypress. Plus MHLA Sales Codes and Inspection Regulations* (January 1)

¹⁴ See National Hardwood Lumber Association (2003), *Rules for the Measurement and Inspection of Hardwood and Cypress. Plus MHLA Sales Codes and Inspection Regulations* (January 1). See www.nathardwood.org



4. Principles for the Hardwood Flooring Sector

4.1. PREAMBLE

Q-WEB members also include manufacturers that produce hardwood flooring in a wide range of species, grades and colours.

Q-WEB members with operations in the Hardwood Flooring sector are required to comply with the general principles outlined below.

4.2. GENERAL PRINCIPLES

- 4.2.1. Members shall publish and make available upon request grade specifications, description and picture. This material can be either printed or posted on a website.
- 4.2.2. Members shall provide a written definition of the graded product or make reference to the grading rules being followed. This shall also apply to specialty grades.
- 4.2.3. Members shall provide an installation guide for their products.
- 4.2.4. Members shall provide a written guarantee for their products, including the terms of their return policy.
- 4.2.5. Members shall ensure that there is a completed purchase order contract between parties prior to performing professional services.
- 4.2.6. Members shall ensure that the following information is on the packaging of the finished products of national brands:
 - a. Country in which the product has been manufactured
 - b. Name of the manufacturer
 - c. Species
 - d. Grade
 - e. Quantity of items in the package
- 4.2.7. Currently, there are no grading rules for the hardwood flooring sector. Consequently, the members are being proactive by establishing a third party verification process in association with the Quebec Forest Industry Council's Quality Control Department. Members have agreed to have their product marking practices verified by the Quebec Forest Industry Council's Quality Control Department.¹⁵

¹⁵ The verification procedures for hardwood flooring producers can be obtained by contacting Q-WEB (codeofconduct@quebecwoodexport.com).



5. Compliance Procedure

5.1. PREAMBLE

As part of their commitment to the Code of Conduct, Q-WEB and its members who have acknowledged this commitment in writing are expected to comply with the Code. However, should a violation of the Code of Conduct be reported, Q-WEB shall review the written complaint and take the necessary corrective action. All Q-WEB members are required to recognize and abide by the Code of Conduct and its supporting documents. Q-WEB members also all understand that there is a specific compliance procedure, as outlined below, to address any non-conformances brought to the attention of Q-WEB. When a non-conformance is reported by one or more of a member's clients or by a number of members representing no less than 30% of members of a sector, Q-WEB has a review mechanism in place to see that the complaint is properly addressed.

5.2. GENERAL PRINCIPLES

- 5.2.1. Members shall sign the Member Commitment to the Code of Conduct (see Appendix A) and as such will provide evidence that they have received, read, and agreed to comply with the Q-WEB Code of Conduct.
- 5.2.2. Members shall be responsible for distributing the Q-WEB Code of Conduct within their company and their supervisors have the responsibility to understand and abide by the Code.
- 5.2.3. Members shall ensure that key personnel are conversant with the Code of Conduct.

5.3. COMPLAINTS PROCEDURE

- 5.3.1. Clients¹⁶ of Q-WEB members can submit a written complaint. Information about known or suspected violations of the Code of Conduct can be reported in confidence to Q-WEB at the following address:
Quebec Wood Export Bureau · 979, avenue de Bourgogne · Bureau 540
Sainte-Foy (Québec) · G1W 2L4 · CANADA
Phone: (418) 650-6385, Fax: (418) 650-9011
codeofconduct@quebecwoodexport.com
- 5.3.2. Q-WEB shall acknowledge receipt of a complaint within five (5) working days.
- 5.3.3. The fee to file a complaint is \$500.00 (Cdn), refundable only if the complaint is found to have merit.
- 5.3.4. The Q-WEB Board shall then establish a review committee that consists of one member from each sector in addition to two independent persons. However, a member who is from the sector that receives the complaint shall not sit on the committee. This is to avoid any possible conflict of interest among members.
- 5.3.5. The review committee shall then look at the complaint and determine the following:
- a. The complaint requires further information from the complainant before any action can be taken.
 - b. The complaint is best handled by officials who have the authority (e.g., wood grading agencies or government regulatory agencies) to deal with complaints of that nature.
 - c. There is enough information to proceed and the review committee believes it does not need to be handled by official authorities or is not within their mandate to review such a complaint.

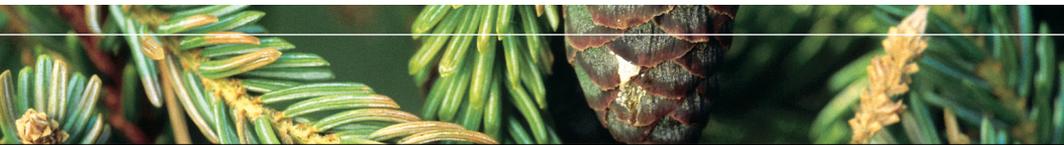
The review committee must notify the complainant of its action(s) within 30 days of acknowledging the complaint.

¹⁶ A complaint can only be filed by a company that has entered into a purchase agreement/order or a contract with a Q-WEB member.

- 5.3.6. The review committee shall examine and study the complaint. After investigating the complaint, the review committee may make the following decisions:
- a. The complaint is unfounded.
 - b. The complaint has been resolved between the two parties and no further action may be taken.
 - c. The complaint has been forwarded to officials who have the authority to deal with complaints of that nature.
 - d. The complaint has merit.
- 5.3.7. If the review committee determines the complaint has merit (see 5.3.6.d), it shall then recommend one or more of the following sanctions to the Q-WEB Board:
- a. Verbal warning
 - b. Reimbursement to Q-WEB for the complainant's fees
 - c. Compensation to Q-WEB for compliance review
 - d. Written warning
 - e. Written reprimand
 - f. Suspension
 - g. Monetary penalty
 - h. Termination of membership.



- 5.3.8. Should the complainant or member disagree with the decision rendered by the review committee, Q-WEB shall suggest mediation with one representative of the review committee, the complainant and the member. Mediation in this case shall mean a voluntary and confidential process during which the parties agree to try and resolve the issue in a consensual manner that takes into account their mutual interests. Q-WEB's Board of Directors shall contact the Institut de médiation et d'arbitrage du Québec (IMAQ) to find potential mediators and shall present its selection to the parties who will then make the final decision as to the mediator.¹⁷ The mediator's role is to oversee the process with complete impartiality and not to make a decision. All mediation-related costs shall be assumed by the parties, i.e. the member and its client. In the event no agreement is reached during mediation, the Board shall inform the member and complainant in writing of its decision and appropriate sanctions.
- 5.3.9. Using the same complaints procedure and sanctions, 30 percent of the members from a sector may also formally file a complaint against another member should they deem this member has brought "disrepute" to the industry. Such a complaint must be received in writing.
- 5.3.10. In an exceptional case, the Q-WEB Board can sanction a member who has brought "disrepute" to the industry.



¹⁷ Mediation rules are available for consultation purposes on the IMAQ's website at www.imaq.org.



Appendix A: Q-WEB Member Commitment to the Code of Conduct

Q-WEB Member Commitment to the Code of Conduct

I have been provided with a copy of the Q-WEB Code of Conduct. I acknowledge that I have read the Code of Conduct and understand my responsibilities and obligations. I further acknowledge that I have read the sections that apply to our company and understand that I am responsible for adhering to the principles in these sections. I also acknowledge the compliance procedure described in the Code of Conduct and shall ensure that our company abides by it. Finally, I shall distribute the Code of Conduct to company employees who will be responsible for ensuring the Code is respected and I shall certify that these employees have read and understood this Code.

Company Representative: _____
(Title)

Company Name: _____

Date: _____



Appendix B: Policy on Wood Origin and Legality

Considering suppliers are an integral part our members' businesses, it is important that we work together so we can all respect our environmental commitments. To achieve this goal, Q-WEB members are asking their suppliers to sign the Q-WEB policy on Wood Origin and Legality. This policy is to foster awareness of the forestry and timber trade and demonstrate best practices for the benefit of the forest sector, our communities and environment.

As a supplier for (member's company name), our company, (supplier's company name), is committed to responsible wood supply practices when it comes to its commercial operations. We wish to achieve this goal by supplying:

1. Wood that is sourced from areas where logging is authorized by legislation.
2. Wood that is procured or purchased in a legal way.
3. Wood where harvesting operations are legal.
4. Wood whose origin can be verified through proper documentation.
5. All relevant documents, if required, to demonstrate that stumpage fees, taxes or any other fees related to the harvested timber have been paid or shall be paid according to legal requirements.
6. The location of the forest and legislation in effect, if required, for the areas where the wood has been harvested, and also the management plans or any other documents proving the wood's origin and legality.

Signed at _____ this _____ day of _____ 2005.

(Name of supplier)

By: _____
(Name of representative and title)

