

**Project No. 011643-08**

August 25, 2014

Mr. Faron Knott  
Corner Brook Pulp And Paper Limited  
Woodland Operations  
Mill Road  
P.O. Box 2001  
Corner Brook, NL  
CAN, A2H 6J4

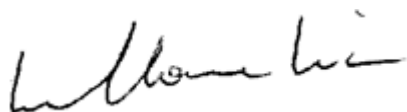
**SUBJECT: REGISTRATION PROGRAM**

Dear Mr. Knott:

Please find attached the Audit Report documenting the results of our 12 Month Surveillance Audit of your management system to the ISO 14001:2004 standard conducted at your Corner Brook facility on Aug 22, 2014. The Recommendation at the end of Section 4 of this report provides a status of your registration.

We thank you and your organization for the support and co-operation provided during the audit and if you have any questions, please contact the undersigned.

Best Regards,



Guillaume Gignac  
SAI Global Team Leader  
Encls.

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# **MANAGEMENT SYSTEM AUDIT REPORT**

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## **REPORT DISTRIBUTION**

Corner Brook Pulp And Paper Limited  
SAI Global File  
Guillaume Gignac

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**SECTION 1 - COMPANY INFORMATION**

**Company Name:** Corner Brook Pulp And Paper Limited  
**Address:** Mill Road  
P.O. Box 2001  
Corner Brook, Newfoundland  
CAN, A2H 6J4  
**Client No.:** 011643  
**Contact Person:** Mr. Faron Knott  
**Title:** Environmental Management Representative

**SECTION 2 – PURPOSE**

The purpose of the audit was to evaluate the extent of conformance to the referenced standard, confirm the effective inter-action between the elements of the system audited, and verify demonstrated commitment to maintain the effectiveness of the system. The purpose of this audit report is to summarize the degree of conformance with relevant criteria, as defined within this report, based on the evidence obtained during the audit of your organization.

This audit was performed in accordance with the requirements of SAI Global procedures which reflect the requirements and guidance provided in recognized international standards relating to audit practices such as ISO/IEC 17021, ISO 19011 and other normative criteria. SAI Global Auditors are assigned to audits according to industry, standard or technical competencies appropriate to the organization being audited. Details of such experience and competency are maintained in our records.

In addition to the information contained in this audit report, SAI Global maintains files containing details of organization size and personnel as well as evidence collected during preliminary and subsequent audit activities relevant to the application for initial registration of your organization. Such information includes details of your primary contact persons and site addresses. Please take care to advise us of any change that may affect the application and/or registration or may assist us to keep your contact information up to date, as required by our Terms and Conditions.

Please note that this report is subject to independent review and approval. Should changes to the outcomes of this report be necessary as a result of the review, a revised report will be issued and will supersede this report.

**SECTION 3 - MANAGEMENT SYSTEM AND SCOPE**

**Audit Standard:** ISO 14001:2004

**US SIC / NACE Codes:** 0811 0851 2411 / A02.0 A02.0 DD20.1

**Scope of Registration**

Woodlands operations in the Forest Management Districts No. 5, 6, 9, 14, 15, 16 including management planning, road construction and maintenance, harvesting operations, transportation of fibre, silviculture and support services.

**Statutory and Regulatory Requirements Referenced**

1. Corner Brook Pulp and Paper uses the services of through Global LTS for Legal tracking.
2. Federal, Provincial and Municipal applicable to forest management and forestry operations are being tracked. In addition other and internal requirements set by the organization are being tracked.

**Dependency Note**

Not Applicable

**SECTION 4 - AUDIT DETAILS AND RECOMMENDATION**

**Type of Audit:** 12 Month Surveillance Audit

**Audit Dates:** Aug 21, 2014 to Aug 22, 2014

**Duration of Audit:** **Person(s):** 3 **Day(s):** 3.00

**Audit Team**

Position	Name
Team Leader	Guillaume Gignac
Team Member	Daniel Martin

## Surveillance Audit

### Executive Overview

The Environment Management System of Corner Brook Pulp and Paper Woodlands Operations continues to function effectively for the organization in achieving its Environment Policy. Senior management continues to maintain a high level of commitment to the EMS and its improvement. In addition all staff and forestry contractors including contractor employees continue to demonstrate a genuine interest in doing the right thing to improve the organization's EMS. Several positive points were noted during the audit:

- Service trucks on logging operations are very well organized.
- Contractor and employee commitment to sustainable forest management.
- PCT employee commitment to prevention of pollution by adding rubber seals to the portable gas reservoirs.
- Continued participation to the CBFA process.
- Stakeholder participation maintained.
- Positive general feedback from DNR.

### Management System – Main Components

#### Management System Documentation

The management system manual revision was reviewed and found to be in conformance with the requirements of the ISO 14001:2004 standard.

#### Management Review

Management review meetings are conducted Quarterly. A review of the records of the most recent management review was performed and found to meet the requirements of the ISO 14001:2004 standard.

#### Policy

Not covered during this surveillance audit.

#### Objectives

Not covered during this surveillance audit.

#### Internal Audits

Internal audits are being conducted at planned intervals to ensure conformance to planned arrangements, the requirements of the ISO 14001:2004 standard and the established management system.

#### Compliance Evaluation

Corner Brook Pulp And Paper Limited has implemented processes for periodically evaluating its compliance with applicable legal and other requirements. Compliance evaluations for legal requirements are conducted every 3 and for other requirements every years as part of their internal audit.

## **Continual Improvement**

Corner Brook Pulp And Paper Limited is implementing an effective process for the continual improvement of the management system through the use of the policy, objectives, audit results, data analysis, corrective and preventive actions and management review.

## **Review of Changes**

Corner Brook Pulp and Paper had a number of staff changes since the last under at all level with staff leaving to work on the Musk Rat Falls project. This did put a lot of pressure on the management system however they are still in reasonably good shape.

## **Previous Audit Issues**

The non-conformance and all AOCs raised at the last audit were verified. They were properly implemented.

## **Usage of Marks, Logos and Certificate**

The certificates are well posted in the organization's office. CORNER BROOK PULP AND PAPER LIMITED uses the QMI-SAI Global Mark on maps and other documents.

## **Environmental Management System Components**

### **Site Inspection**

The audit team toured an num ber of operational sites and concluded that the conditions of some of the sites do not fully reflect an effectively implemented management system. Details are provided in NCR No. 2014-02, 2014-03, 2014-04 and 2014-05.

### **Aspect and Hazard Identification**

Based on the results of this audit, the Corner Brook Pulp And Paper Limited management system has established, implemented and maintained procedures for the identification, evaluation and upkeep of :

1. Maintenance of visual quality;
2. Potential for fuel spill;
3. Fibre recovery;
4. Collection and disposal of garbage;
5. Potential for degradation of water quality;
6. Potential for soil disturbance ;

and the associated impacts and risks

### **Operational Controls, Monitoring and Measurement Processes**

Implementation of necessary operational, monitoring and measurement controls for Potential for degradation of water quality is not adequately demonstrated. Details are provided in NCR No. 2014-02, 2014-04 and 2014-5.

**Emergency Preparedness and Response**

Corner Brook Pulp and Paper Ltd has identified the potential emergency situations and developed and tested response procedures. Many test of the emergency procedure are done annually with different contractor employees and for different potential emergency situation.

**SECTION 5 – AUDIT FINDINGS**

<b>Functions, Activity, Processes and Areas Audited</b>	
All of the applicable requirements of the ISO 14001:2004 standard for the functions, processes and areas listed below were reviewed.	
4.1 General Requirements	The scope of the EMS was properly defined and communicated to company personnel. Overall the company has established, implemented, documented, maintained, and continually improved an Environmental Management System program in conformity with the requirements of ISO 14001:2004.
4.3.1 Environmental Aspects	Environmental Aspects and Impacts were defined in the Environmental Aspects Manual dated May 26, 2007, as the basis in determining which aspects required action plans and targets. The methodology for determining significance is defined by procedure, and there were six identified significant aspects. The list of significant environmental aspects were revised during the past quarterly management review the last meeting being June 19, 2014. This element was appropriately implemented.
4.3.2 Legal and other requirements	The Environmental Management Representative is responsible to ensure that the legal requirements procedures meet the ISO 14001-2004 standard and are readily accessible to CBPP Woodlands personnel. CBPP Woodlands subscribes to the Legal Tracking Service through Global LTS. This service identifies and tracks changes to legal requirements at the three levels of government. This process is described in Global LTS's procedure number GLTS-LT-PR-002 (located in Manual 8, Section 4) dated April 1, 2012. Monthly Updates are received by the EMR and communicated to CBPP Woodlands staff by e-mail and Woodlands Management Committee meetings. This element was appropriately implemented.
4.4.2 Competence, Training, and Awareness	The Woodlands Management Committee (WMC) is responsible for the identification of training requirements. It is the WMC's responsibility to ensure that employees have obtained the knowledge and skills necessary to perform their job function in a competent manner while maintaining Company policies, rules, and all legislated requirements relating operations and training. Training skills matrix identifies the training and skills required for persons performing tasks on the organization's behalf in the implementation of the EMS/SFM. The Safety & Training Coordinator is responsible for the development and implementation of training and programs identified by the WMC as well as monitoring training records and ensuring they meet the requirements of the Environmental Management System. The field audit found that personnel were highly competent in all areas pertaining to their roles and responsibilities. Evidence of training was provided for all the employees met during the field visit.
4.4.6 Operational Control	Each work instruction is documented. Employees interviewed during the field audit demonstrated good knowledge of operational control procedures applicable to their operations. During the field audit several issues related to road building and water quality

	were identified. Two minor non-conformances were raised to address these issues; NC 2014-02 and NC 2014-05.
4.4.7 Emergency Preparedness and Response	A standard emergency response procedure has been defined by the organization listing what needs to be done in the case of an emergency situation does occur, phone numbers. Forms that must be filled out are also included in the emergency response procedure. Employees interviewed during the field audit demonstrated good understanding of the emergency preparedness and response procedures established by the organization. The emergency response manual was accessible and available on site and stored in the different service trucks visited. Emergency response tests are conducted annually. In 2014 test were conducted on April 3 2014 for oil spill, on July 22, 2014 for siltation and on July 16, 2014 for fire.
4.5.1 Monitoring and Measurement	Table 14.1 Monitoring EMS Compliance (Legal and SEA's) contains all the Significant Environmental Aspects identified by the organization, and the monitoring and measure procedures used for monitoring the activities. Implementation of the monitoring and Measurements procedure was verified at several at all harvesting and road building operations audited and found to be adequate during the audit with the exception of one minor non-conformance raised related to the weekly inspection process which was not adequately implemented on the road construction occurring on Camp #184; NC 2014-04. At the PCT operation visited the #2 inspections was provided for and was in order.
4.5.2 Evaluation of Compliance	A Legal and other requirements compliance audit is done every 3 years. A legal compliance audit was done in 2013 in conjunction with the internal audit which was held in February and June 2013. All required correctives actions following the compliance audit are documented in the audit action plan. In addition compliance is evaluated through regular inspections. Three levels of inspections are in place. As for other requirements compliance is verified through letter sent annually to the different agreement holders CBPPL has a an agreement with to verified if CBPPL is on good standing. Several of these letters were verified. In addition CBPPL verifies compliance through its annual internal audits.
4.5.3 Nonconformity, Corrective Action and Preventive Action	CBPPL has a procedure in place last Revised on March 22, 2013. Environmental incident report C-FRM-01 is used to document any non-conformance. Corrective actions are documented on the same report form. Any employee may fill in an incident report. The report must be sent to the superintendent and/or to the EMS manager who will get a copy of each incident report. Internal and External NCRs are reported on the CAR report which is different than the Incident report. Environmental incident and investigation log and Preventive action log are recording all actions taken for non-conformities or to prevent them. Since the last audit 22 incident reports with investigation were raised. A number of Incident reports were verified along with NCR raised at the internal audit and the NC and the three AOCs raised at the last external audit.. This element was appropriately implemented.
4.5.5 Internal Audit	Internal audits are conducted annually. Furthermore, Environmental Management Representative is responsible for implementing a schedule for conducting audits. Internal audit report as well as Corrective/Preventive Action Requests are completed by the lead auditor. For the last ainternal audit the audit plan was produced March 20 2014. Audit criteria included ISO 14001:2004, CSA Z809-2008 and FSC National Boreal Standard. The audit scope covers the Woodlands Operations of CBPPL. It includes all activities, products and services of the company as referenced in the EMS/SFMS/FSCMS. The internal audit was conducted in 2 parts: Part I - February 10-20 2014, Part II - June 17-18 2014. The audit was performed by Hearn Consulting Inc. along with CBPPL staff as auditors. The audit report is dated July 22, 2014. Section 7 of the audit report lists all the findings and



4.6 Management Review	<p>recommendation.</p> <p>The company holds management reviews quarterly. The minutes of the meeting for November 7, 2013, January 9 &amp; 10, 2014, March 26, 2014 and June 19, 2014 were reviewed. Very comprehensive. Interview with the Woodlands Manager was held. Very strong commitment in maintaining their EMS was noted. In the past year CBPPL was challenged with a lot of staff turnover. Consequently human resources are their biggest issue which includes appropriately training the new staff. This has put pressure and affected their EMS to a certain extent. It is not improving as effectively as it should. Based on the management review records, reviews were judged to effectively evaluate the environmental system. They also were found to assess the suitability and effectiveness of the system with regards to the standard and the company's operations.</p>
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**Non-Conformances (NCRs):**

All of the applicable requirements of the ISO 14001:2004 were audited and considered to be adequately implemented with the exception of the non-conformances identified below.

NCR No.	Level	Clause	Description	Final CAR Due Date:
2014-01	Major	4.5.1	Nonconformity, corrective action and preventive action	October 22, 2014
2014-02	Minor	4.4.6	Operational control	October 22, 2014
2014-03	Minor	5.4.2	Training, awareness, qualification and knowledge	October 22, 2014
2014-04	Minor	4.5.1	Monitoring and measurement	October 22, 2014
2014-05	Minor	4.4.6	Operational control	October 22, 2014

**Opportunities for Improvement (OFI)**

**Other Issues**

During our next audit the issues identified as requiring attention will be reviewed to ensure they have been adequately addressed, as well as the following:

- Next Scheduled Audit:** A-00240218
- Date(s):** Jul 06, 2015 to Jul 08, 2015
- Type of Audit:** S2
- No. of Persons:** 2
- No. of Audit Days Required:** 3

Guillaume Gignac  
SAI Global Team Leader

**Date:** August 25, 2014