

August 1, 2016

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 Re-Assessment Audit of your management system to the ISO 14001:2004 standard conducted at your Corner Brook facility on Jul 04, 2016. 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,

Rod Seabrook  
SAI Global Team Leader  
Encls.

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## MANAGEMENT SYSTEM AUDIT REPORT

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Corner Brook Pulp And Paper Limited  
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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**

All Woodlands operations in the Forest Management Districts No. 5,6,9,14,15 and 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 subscribes to an on-line legal tracking service (Global LTS)
2. Legal requirements applicable to forestry management planning and operations in Newfoundland and Labrador (federal, provincial and municipal)

**Dependency Note**

Not Applicable

**SECTION 4 - AUDIT DETAILS AND RECOMMENDATION**

**Type of Audit:** Re-Assessment Audit  
**Audit Dates:** Jul 04, 2016 to Jul 06, 2016  
**Duration of Audit:** **Person(s):** 2 **Day(s):** 4.50

**Audit Team**

Team Leader	Rod Seabrook
Auditor	Francois Grimard

## Re-Assessment Audit

### Executive Overview

Corner Brook Pulp and Paper Limited underwent a reassessment audit to the ISO 14001: 2004 Standard during the week of July 4, 2016. One major non-conformance was raised under element 4.5.1 (Monitoring and measurement) as a result of the ineffective implementation of corrective/preventive actions associated with a minor non-conformance for the same element raised during the 2015 external audit. The audit team has required the company to submit photographs and inspection reports for all water crossings installed within 30 days of the end of the audit to demonstrate the crossings were properly installed and monitored. Two opportunities for improvement and two positive observations were also made by the audit team. The audit team appreciated the support and hospitality of company staff provided during the audit.

### 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 at quarterly intervals. 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

Based on the results of this audit, the Corner Brook Pulp And Paper Limited management system is not effectively implemented in all areas; therefore the stated policy is not being met. A major non-conformance was raised due to the company's failure to effectively address a minor non-conformance from the 2015 external audit. Details are provided in NCR No.2016-01.

#### Objectives

Based on the results of this audit, the Corner Brook Pulp And Paper Limited management system is effectively implemented and the stated objectives are being met. An Opportunity for Improvement was raised regarding the fuel usage reduction program

#### 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 are ongoing with a separate compliance evaluation conducted as part of the internal audit process every 3 years.

#### Continual Improvement

Corner Brook Pulp And Paper Limited is not implementing an effective process for the continual improvement of the management system. A major non-conformance was raised due to the company's failure to effectively address a minor non-conformance from the 2015 external audit. Details are provided in NCR No.2016-01.

#### **Past Performance - Client and SAI Global Audit Review**

During the previous re-assessment audit a non-conformance was raised and closed regarding the process for evaluation of compliance to other requirements. One major and four minor non-conformances were raised and closed during the 12 month surveillance audit. One major and one minor non-conformance were raised during the 24 month surveillance audit. The major non-conformance was cleared however the minor non-conformance, dealing with monitoring of road construction and water crossing installations, was elevated to a major non-conformance because of the recurring nature of the deficiency.

#### **Review of Changes**

None identified

#### **Previous Audit Issues**

See Past Performance

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

The registration certificate is displayed at the Corner Brook Pulp and Paper Limited woodlands office. The company uses the Certified System logo on maps and external reports.

#### **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 environmental aspects and the associated impacts and risks

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

Implementation of necessary operational, monitoring and measurement controls for fibre recovery, visual quality, soil disturbance, spills, and damage to habitat. is adequately demonstrated. Monitoring of water crossing installations, associated with the significant environmental aspect of protecting water quality, is an issue (See NCR-2016-01)

#### **Emergency Preparedness and Response**

Corner Brook Pulp And Paper Limited has identified the potential for the following emergency situations and developed and tested response procedures.

- Forest fire
- Equipment fire
- Fuel/Oil spills
- Siltation
- Lost Employee
- Personal injury
- Herbicide spills

The last drill, conducted May 18, 2016, covered response to a siltation incident.

The results of this Re-Assessment Audit indicates that the management system of Corner Brook Pulp And Paper Limited does not fully meet the requirements the ISO 14001:2004 standard and has not been maintained based on the area of nonconformance identified during the audit and as documented in the attached Non-conformance Report. As discussed during the Closing meeting, please submit a response Root Cause Analysis within the next 30 days and completed corrective actions for major non-conformances within the next 60 days.

A recommendation for re-registration to the ISO 14001:2004 standard and to the scope of registration identified in this report is on hold pending the receipt, review and acceptance of the corrective action taken.

Notwithstanding the identified area of non-conformance, the results of this audit have confirmed that Corner Brook Pulp And Paper Limited:

- Continues to effectively implement a management system that meets the ISO 14001:2004 standard for the scope of registration identified in this report.
- Ensures the management system remains effective considering internal and external changes.

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 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.	
Policy	
4.2 Environmental policy	<p>The policy is signed by management and is dated December 2014. It is made available publicly through the website (in the 2015 environmental progress report) The document covers all elements required by the standard. Policy is available on CBPPL Website: <a href="http://www.cbpppl.com/wp-content/uploads/2016/05/Forest-Environ-Policy-for-FSC-white-background-December-2014-8x11.pdf">http://www.cbpppl.com/wp-content/uploads/2016/05/Forest-Environ-Policy-for-FSC-white-background-December-2014-8x11.pdf</a></p> <p>Ref: EMS / SFM Handbook - Manual # 1 Section 3, Version No.: 9</p> <p><b>Conclusion: Conforms</b></p>
Planning	
4.3.1 Environmental aspects	<p>Environmental Aspects and Impacts were defined in the Environmental Aspects Manual, as the basis in determining which aspects required action plans and targets. The methodology for determining significance is defined by procedure. There are six identified significant aspects. The list of significant environmental aspects was revised during the past quarterly management review, the last meeting being held on June 29, 2016. No major changes since last review; no new significant aspect.</p> <p>SEA: Fibre recovery, Visual quality, Water quality, Soil disturbance, Spills, Damage to habitat.</p> <p>This element was appropriately implemented.</p> <p>Ref: EMS / SFM Handbook - Manual # 1 Section 4, Version No.: 6 Functions and Activities, Section 2.1 1.2 Aspect and Impact Chartv7.xls as of May 20, 2016 Minutes of June 29, 2016 management review meeting.</p> <p><b>Conclusion: Conforms</b></p>
4.3.2 Legal and other requirements	<p>The audit verified the company's use of an on-line legal tracking service to identify legislation and regulations pertinent to forestry enterprises operation in Newfoundland and Labrador. The Environmental Management Representative receives notifications and reviews the information for applicability to CBPPL. Actual and potential changes in legislation or corporate requirements is a standing agenda item at the quarterly management review meetings. In addition to regulatory requirements CBPPL maintains a list of Voluntary Agreements to which it subscribes. The list is reviewed and updated as required during the quarterly management reviews.</p> <p>Ref: Manual #1 Section 5 Manual #8 Section 2</p> <p><b>Conclusion: Conforms</b></p>
4.3.3 Objectives targets and programs	<p>Procedure EMS SFM Manual 1 , section 6 - Revised March 2007</p> <p>The procedure mentions that targets must be Specific, Measurable, Achievable, Realistic, and Trackable.</p>

	<p>4 objectives and targets (Programmes) are developed as part of the EMS and considering the significant environmental aspects. They also integrate some of the FSC and CSA Z809 requirements.</p> <p>Fuel Consumption program: Target set in 2009 was to measure and monitor fuel consumption. Program is partly completed for trucks consumption. Additional actions are developed for forestry machinery and carbon emission with FP Innovations. Ongoing.</p> <p>Residual retention program: target is to retain a minimum of 10% of the operating area that resembles the structural characteristic of natural disturbance. Evidence of monitoring and results checked with the planning manager. Monitoring shows that this % is well above 10% for all districts where there has been harvesting operations.</p> <p>Programs are in place and are monitored - Management review shows that programs and targets are assessed every quarter.</p> <p><b>OBSERVATION:</b> Fuel consumption Program was implemented 7 years ago. Target: Measure / monitor current levels of fuel consumption. Fuel consumption not measured yet and tracking of carbon emission has recently been introduced as a new action/parameter of the program. Be aware of not diverting from the initial objective.</p> <p>Ref: Part B - 6 (Objectives, Targets and Programs)</p> <p><b>Opportunity for Improvement:</b> Consider the relevance of reviewing/updating the "Program to reduce fuel consumption".</p>
Implementation & Operation	
4.4.1 Resources, roles, responsibilities and authorities	<p>Roles and responsibilities for individual positions covering areas including environment, safety, training, quality, planning, and operations are described in the procedure. Also included are the role of the Woodlands Management Committee and the EMS Management Review Committee. Individuals are in place and fulfilling their roles as described. Responsibilities for the achievement of the SFM performance requirements (VOIT) are outlined in the SFM Plan (Resource Person). Resourcing of the EMS appears to be adequate. Responsibilities of contractors and other suppliers are also described.</p> <p>Ref: Manual 1 Section 7 Version 26 Manual 1 Section 12 Version 9</p> <p><b>Conclusion: Conforms</b></p>
4.4.2 Competence, training, and awareness	<p>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 &amp; 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.</p> <p>The field audit found that personnel were competent in all areas pertaining to</p>

	<p>their roles and responsibilities (field visit in Districts 14 and 15): Overall good knowledge of FM/Environmental policy, environmental risks, SOP's, ER Plan, Species at risk, etc. Excellent knowledge and implementation of safety procedures.</p> <p>Evidence of training was provided for all the employees met during the field visit (orientation forms signed by employees).</p> <p><b>Conclusion: Conforms</b></p>
4.4.3 Communication	<p>Processes are in place and functioning for both internal and external communications. Internal communications take place principally through email, meetings and reports. Communications with contractors is through contract requirements, training and regular discussions with company staff. The company website provides the general public and other interested parties with access to a variety of information and reports including the SFM Plan, Five Year Plans and maps, SFM Indicator reports, and external audit reports. The Public Advisory Committee plays a key role in providing input and advice to the company. The public advisory group also has a website that provides information to the public. Records of input from stakeholders are retained including responses.</p> <p>Ref: Manual 1 Section 9 Version 12 2015 Environmental Progress Report 2015 SFM Indicator Report CBPPL website PAC website</p> <p><b>Conclusion: Conforms</b></p>
4.4.4 Documentation	<p>CBPPL has developed a Forestry and Environment Policy that describes the company's commitment to responsible and sustainable practices including compliance to legal requirements, prevention of pollution and continual improvement in sustainable forest management and environmental performance. The company has four environmental objectives, targets and programs associated with managing their significant environmental aspects. The EMS is described and managed through a series of manuals including Manual 1 which provides an overview of the company and the management system. Documents, including records, are managed and retained in support of the management system. Documentation was found to be current and records complete.</p> <p>Ref: Manual 1 Parts A to D</p> <p><b>Conclusion: Conforms</b></p>
4.4.5 Control of documents	<p>Responsibility is described in the procedure. Electronic versions of the documents are described as being controlled. The procedure describes the process as follow : The EMS document will reside permanently on a network drive on a NT file server located in the Data Processing department of CBPPL. The file server's network name is "cbsgroups". The document itself will be located on a mapped network drive called "groups on 'cbsgroups' " under the "Woodlands" folder in another folder called "EMS". The "Woodlands" folder is accessible to everyone in the Woodlands group but the file itself will be read-only access.</p> <p>No issues with uncontrolled documents / no obsolete documents found during</p>

	<p>the field visits.  All relevant documents were found in Service trucks (Districts 14 and 15).  The following documents were verified :  Emergency Response plan, April 8, 2015  Siltation Emergency response, September 23, 2014  Marshalling points, March 30, 2016,  Personal Incident, April 5, 2016, Version 4  Fire Emergency April 5, 2016, Version 5.  All SOP's available in both service trucks.</p> <p>The controlled documents are readily available through the electronic network.  Documents are periodically revised as indicated by the revision dates at the end of procedures.</p> <p>Ref:  Manual 1, Section 11 Version 10</p> <p><b>Conclusion: Conforms</b></p>
<p>4.4.6 Operational control</p>	<p>Procedure in place - Manual # 1, Section 12. Version No: 9, Last Revised: April 5, 2016  Environmental Work Instruction Manual, Manual # 6).  Each work instruction is documented.  Activities audited in Districts 14 (Nobles Logging) and 15 (North West FR.):</p> <ul style="list-style-type: none"> <li>• Road construction</li> <li>• Harvesting (harvester)</li> <li>• Water crossing installation</li> <li>• Supervision (Monitoring)</li> <li>• Species at risk and HCV protection measures (Pine Marten protection)</li> <li>• Training</li> <li>• Emergency response plan</li> <li>• Hazardous waste material disposal</li> <li>• Relation with local stakeholder (cottages/cabin)</li> <li>• Implementation of SOPs</li> <li>• Service truck</li> <li>• Fuel supply (external supplier)</li> </ul> <p>Employees interviewed during the field audit (12 operators/supervisors) demonstrated good knowledge of operational control procedures applicable to their operations.  Overall good knowledge of FM/Environmental policy, environmental risks, SOP's, ER Plan, Species at risk, etc.  Excellent management of Residual dangerous goods,  Excellent knowledge and implementation of safety procedures.</p> <p>+++ Safety: Pre-shift safety chats, Behaviour Based Safety form, Good catch award, Jobsite hazardous goods list.</p> <p>+++ Operator's awareness of species at risk and protection measures.</p> <p>Residual retention (FSC 6.3.10): In D15 residual stem were of representative species and of various form of retention (individual stems, buffers, patches, etc.). In D14 the site was planned to be burnt over and replanted with white spruce. This being said, stems left on the harvest sites tend to be small diameters softwood and hardwoods of any diameter. "Leave areas" not planned but are rather buffer zones and non-harvestable areas (wet soil, steep slope, etc.). Nevertheless 2014 data demonstrates that the 10% target is met.</p>

	<p>Water crossings verified (Old road being upgraded in District 14): stabilization to be completed on one culvert (out of 3 verified). Operator was aware of the situation. The two other water crossings (culvert and bridge) were adequately rip-raped and stabilized. Stabilization outside the rip-rap area could be made on a longer distance but no evidence of actual or past siltation.</p> <p><b>Conclusion: Conforms</b></p>
<p>4.4.7 Emergency preparedness and response</p>	<p>Emergency response procedure in place Manual # 1, Section 13, Version No.: 10, Last Revised March 22, 2016.</p> <p>A standard emergency response procedure has been defined by the organization listing what need to be done in the case of an emergency situation does occur, including phone numbers for external support. Forms that must be filled out are also included in the emergency response procedure. Employees interviewed (12) during the field audit demonstrated good understanding of the emergency preparedness and response procedures established by the organization. All operators and supervisors were able to explain how they would react in case of an emergency and were they could find relevant information as the list of emergency phone numbers to be used to contact the appropriate authorities. The emergency response manual was accessible and available on site, stored in the service truck. Relevant emergency equipment such as fire extinguishers, portable water pumps, spill kits, stretcher, first aid kit and VHF radios were available and functional where required. Marshalling points were known by all forest workers.</p> <p>Emergency response tests are conducted annually. . In 2016, siltation response test were performed (May 18) and Medical (February 18 and March 11). All Emergency response tests analyzed and documented.</p> <p>Real incidents:  Machine on fire (August 4, 2015).  Truck accident, no injury (January 27, 2016).  Both incidents reported and analyzed.</p> <p><b>Conclusion: Conforms</b></p>
<p>Checking</p>	
<p>4.5.1 Monitoring and measurement</p>	<p>Procedure EMS / SFM Handbook - Manual # 1 Section 14 on Monitoring and Measurement, dated June 23, 2015.</p> <p>Table 14.1 Monitoring EMS Compliance (Legal and SEA's) contains all the Significant Environmental Aspects identified by the organization and the procedures used for monitoring the activities. Implementation of the monitoring and Measurements procedures was verified at all sites visited during the audit (Districts 14, 15 and 16) where the following activities were on-going:  Road construction, Water crossing installations, Harvesting (feller-buncher, processor and harvester), Supervision (Monitoring), mechanical maintenance at Service truck, Fuel supply (external supplier), etc.</p> <p>The following monitoring reports/forms were reviewed:</p> <ul style="list-style-type: none"> <li>• Harvest Area Completion No.3 inspection</li> <li>• Culvert Installation Checklist</li> <li>• Roads staff inspection report</li> <li>• Environmental incident report</li> </ul> <p>Field visit in District 14 has demonstrated that roads staff inspection report was</p>

	<p>adequately filled by the roads inspector on old road being upgraded in District 14.</p> <p>Stabilization to be completed on one culvert (out of 3 verified). Operator was aware of the situation. The two other water crossings (culvert and bridge) were adequately rip-raped and stabilized. Stabilization outside the rip-rap area could be made on a longer distance but no evidence of actual or past siltation.</p> <p><b>Minor NC 2015-02</b> Monitoring of the environmental program on Road Construction and water crossing installation and the related SOPs was not efficient.</p> <p>Evidence: Monitoring failed to identify inadequate implementation of SOP on culvert installation (R02: Steel culvert and pipe arch installation).</p> <p><b>Raised to MAJOR NC 2016-01</b> Ref: Culverts installation on road in Tommy's arm, sectors K-08 and K-09</p>
4.5.2 Evaluation of compliance	<p>The company employs audits and inspections to evaluate compliance to legal and other requirements. Harvesting contractors perform inspections (#1) on their operations and report the results to the company. Company personnel conduct separate inspections (#2) on harvesting, roads and silviculture operations to compliance to legal requirements, environmental targets, and work instructions. Company personnel also conduct inspections of completed operations (#3) including evaluation of utilization, site protection and wildlife tree retention. Records of these inspections are maintained. A sample of inspection records was viewed and found to be complete. A comparative summary of the results of compliance inspections for 2014 and 2015 are presented in the 2015 Environmental Performance Report.</p> <p>An evaluation of compliance to legal and other requirements is also conducted on a three year cycle as part of the internal audit process and the results summarized in the internal audit report.</p> <p>Ref: Manual #1 Section 5 Version 11 Manual #1 Section 14 Version 13 Compliance inspection records 2015 Environmental Performance Report Internal audit report June 13, 2016</p> <p><b>Conclusion: Conforms</b></p>
4.5.3 Nonconformance, corrective actions and preventive actions	<p>Processes are in place to identify, review, report and respond to non-conformances. Sources of non-conformances include environmental inspections, audits, inspections by regulatory agencies, and management review. The Woodlands Management Committee reviews and approves all incidents and may require an investigation be conducted.</p> <p>Corrective/preventive actions are developed, implemented and tracked. A sample of non-conformances and their associated action plans were reviewed and found to be complete and appropriate. Actions to address a minor non-conformance raised during the 2015 external audit were not found to be effectively implemented and as a result it was elevated to a major non-conformance.</p> <p>Ref: Manual #1 Section 15 Version 15 Records of environmental inspections Internal audit records Corrective Action Requests</p>

	<p>Quarterly Management reviews</p> <p><b>Conclusion: Conforms (See NCR-2016-01)</b></p>
<p>4.5.4 Control of records</p>	<p>Procedure EMS SFM Handbook Manual 1, Section 16- Revised April 5, 2016.</p> <p>The procedure is complete and describes well the process to control environmental records. No issues were found related to records control. All records needed for the completion of the audit were traceable and available. All records are identified, located and listed in the Table 16.1 Environmental records. Retention time is defined for each document.</p> <p>Ref:  Harvest Area Completion NO.3 inspection - completed  Culvert Installation Checklist- completed  Roads staff inspection report- completed  Jobsite hazardous goods list – completed  Receipts form Waste management site for HWM disposal  Minutes of Management review meeting  Internal audit report  Etc.</p> <p><b>Conclusion: Conforms</b></p>
<p>4.5.5 Internal audit</p>	<p>EMS / SFM Handbook - Manual # 1 Section 17, Version No.: 7, Last Revised: April 2, 2013.</p> <p>Internal audits are conducted annually. The 2016 internal audit was conducted in 2 phases. Part 1 on February 1 and March 4 2016, Part 2 on June 6 2016. The lead auditor report was released on June 13 2016. The audit criteria included ISO 14001:2004, CSA Z809-2008 and FSC National Boreal Standard.</p> <p>The audit scope covers the Woodlands Operations of CBPPL. It includes all activities, products and services of the company as referenced in the EMS/SFM/FSC management systems.</p> <p>The audit was performed by Hearn Consulting Inc. along with CBPPL staff as auditors.</p> <p>Audit resulted in 1 Major NC (ISO) and 13 Minor NCs (8 ISO / 9 CSA, some applying to both standards) and 40 OFI (for all 3 standards audited – CSA, ISO and FSC).</p> <p>All internal auditors were trained by external consultant and/or SAI Global. Certificates available.</p> <p>Demonstration was made that the selection and assignment of the auditors have allowed the audit process to remain objective and impartial.</p> <p>Ref:  :</p> <ul style="list-style-type: none"> <li>• Manual # 1 Section 17 (internal audit procedure)</li> <li>• Internal audit report</li> <li>• CAR forms and action plans (regulatory non-compliances)</li> <li>• 2016 Internal audit action plans (ISO/CSA non-compliances)</li> </ul> <p><b>Conclusion: Conforms</b></p>
<p>4.6 Management review</p>	<p>Management reviews are held quarterly. The Environmental Management Committee leads the review and a standing list of agenda items, consistent with the requirements of the Standard, is covered at each meeting. A quorum of four committee members is required for decisions to be made. Meeting minutes document the results and outputs consist of a list of recommendations assigned to individuals for follow-up with target dates. Quarterly meeting minutes since the previous external audit were reviewed and found to be</p>

	<p>complete. The audit team found the meetings to be comprehensive. The Woodlands Manager demonstrated a high level of awareness, involvement in and support for the EMS/SFM systems.</p> <p>Ref: Manual #1 Section 18 Quarterly Management review meeting minutes and recommendations</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.

<b>NCR No.</b>	<b>Level</b>	<b>Clause</b>	<b>Description</b>	<b>Final CAR Due Date:</b>
2016-01	Major	4.5.1	Monitoring of the environmental program on Road Construction and water crossing installation and the related SOPs was not efficient	August 17, 2016

**Opportunities for Improvement (OFI)**

- Consider the relevance of reviewing/updating the “Program to reduce fuel consumption”

**Positive Observations:**

- Operator’s awareness of species at risk and protection measures
- Comprehensive management reviews

**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:

- Monitoring program for water crossing installations

**Next Scheduled Audit:**

**Date(s):** July 3 to 5, 2017  
**Type of Audit:** S1  
**No. of Persons:** 2  
**No. of Audit Days Required:** 3

Rod Seabrook  
SAI Global Team Leader

**Date: August 1, 2016**