

## **Forest Certification Re-registration Audit Report**

**Prepared by:**

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Corner Brook Pulp and Paper Ltd.

c/o Ms. Kim Childs

Sustainable Forest Management Forester

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**for the following certified forest areas:**

Forest Management District No. 5, 6, 9, 10, 14, 15 and 16 - Newfoundland

**File Number: 011643-07****Date of Evaluation:** June 25 – June 29, 2018**Date of Report:** (07/11/2018)**Certificate Registration Date:** 01/04/2017**Certificate Expiry Date:** 09/17/2018

## **SECTION 1 – ORGANIZATION**

### **Certification type**

Group certificate	
Single certificate	<b>X</b>

### **Corner Brook Pulp and Paper Ltd.**

Corner Brook Pulp and Paper (CBPP) manages approximately 1.4 million hectares of Crown land on the Island of Newfoundland.

### **List of co-applicants**

There are no co-applicants on this certificate

## **SECTION 2 - DESCRIPTION OF THE DEFINED FOREST AREA**

### **Legal Tenure / Licence Description**

CBPPL has exclusive ownership of the timber resource on the DFA. This right originates from several sources: a series of agreements, purchases, deeds, grants, and licenses dating from 1922 to 1994. The Bowater's Newfoundland Act of 1938 amended the term and conditions of all timber licenses currently held and subsequently acquired by CBPPL. By this Act, the term of all licenses held by CBPPL at that time and any future licenses subsequently acquired by the Company was extended to 99 years, commencing on the 29th day of November 1938. The Act states that during the term of the license "... every such license shall operate to vest in the licensee during the continuance of such license the right to take and keep exclusive possession of the land therein described ... and shall vest in the holder thereof all right of property whatsoever in all trees and timber cut within the limit of the license...".

The Bowater's Newfoundland Act also requires that "*The Company will at all times carry out its cutting operations in Newfoundland in accordance with good logging practice in such a manner as will best conserve the Company's forest areas so as to ensure both the permanent supply of timber for its mills and extensions aforesaid and the export of timber as herein provided.*"

The Forestry Services Branch has responsibility to supervise, control and direct various activities relating to forest resources on Crown lands. On their timber limits CBPP is responsible for preparing timber management plans for areas of productive forest, constructing and maintaining forest access roads, harvesting timber, and carrying out programs of reforestation and silviculture.

## **Geographic Locations**

The Defined Forest Area (DFA) includes all forested land on insular Newfoundland for which Corner Brook Pulp and Paper Limited (CBPP) has management responsibility. This does not include transmission lines that cross CBPPL limits. These timber limits span from the Codroy Valley on the southwest corner of the island, to Cat Arm on the Northern Peninsula, and east to Gander in central Newfoundland (Figure 1), and are contained within provincial forest management Districts 5, 6, 9, 14, 15, and 16. In addition, CBPPL has been given a three year approval to harvest within District 10.

## **DFA description – Area and Forest types**

Of the almost 1.4 million hectares of total land area on the DFA, only 715,535 hectares are productive forest. The remainder of the land is bog, barren, water, and scrub land. The forests of the DFA form the most eastern part of the Boreal Forest Region of North America. The forests are relatively small, primarily coniferous trees intermixed with hardwoods. The variety of species is quite limited. Repeated fires have established black spruce as a characteristic species across much of Central Newfoundland. Elsewhere, the forests are dominated by the presence of balsam fir.

The forests of the west coast are predominately balsam fir (with minor components of white spruce and white birch) which prefer moist, well-drained soils and can attain heights of 10-14 meters at 70-100 years on the best sites. Black spruce has a very high tolerance for unfavourable conditions, and is thus common on very wet and dry sites. Black spruce grows well on fertile sites, but is a poor competitor among faster growing hardwoods. Black spruce is found primarily in the central plateau of Newfoundland where forest fires are common. White spruce may be found on more favourable sites.

Hardwoods have not formed a major component of forest cover types in this Province. However, white birch and trembling aspen are significant components of mixed-wood and hardwood stands on better forest sites throughout the island, especially the deep river valleys of the Western Long Range Mountains, and the Humber River and Red Indian Lake watersheds. Hardwoods may reach heights of 22 meters at 80 years on moist, fertile sites.

## **SECTION 3 – AUDIT PROCESS**

### **Process**

All audit activities are planned with the Lead Auditor prior to the audit. An audit plan is provided detailing the scope and objectives of the audit, the audit team members, the processes to be audited and the timelines. While onsite the audit team will work to verify that the management system meets the requirements of the standard and your system documentation by assessing objective evidence. The verification is done through interviews, documentation review and observation. This verification occurs in the office as well as in the field. For the field portion a sample of active and closed operations are selected. Auditors use a detailed checklist to document evidence of compliance.

As the audit is based on a sampling of the available information there is always a level of uncertainty that exists, non-conformity can go undetected as well as good practices.

## **Audit Objective**

To verify the company's documentation and the suitability, adequacy and effectiveness of the organization management system in meeting the requirements of the CSA Z809-16 National Standard of Canada Standards for the declared scope of registration and

- To confirm that the organization complies with its own policies and procedures;
- To confirm that the management system is suitable for the organization;

## **Audit Criteria**

CAN/CSA-Z809-16 National Standard of Canada (Approved September 2016)  
Sustainable forest management

## **Scope of the audit**

Facilities/organizational units/functional units to be audited are

- 1 Mill Road, Corner Brook NL
- Forest Management Districts No. 5, 6, 9,10,14,15 and 16

## **Certificate scope**

All Woodlands operations in the Forest Management Districts No. 5, 6, 9,10,14,15 and 16 including management planning, road construction and maintenance, harvesting operations, transportation of fibre, silviculture and support services.

## **Combined, joined or integrated audit (see the definition in annex 1)**

This audit is not a combined, joined or integrated audit

## **Description of SAI Global and the SAI Global Audit Team**

SAI Global is a third party management system certification Registrar. Established in 1984, SAI Global has worked with thousands of organizations in North America and around the world, issuing registration certificates to those that meet international and national management system standards.

The SAI Global Sustainable Forest Management audit team members bring with them considerable experience in the area of sustainable forest management and environmental management systems auditing. Audit teams are comprised of certified auditors and registered professional foresters. All audit team members are subject to strict confidentiality and conflict of interest agreements.

### **Audit Team**

Lead auditor: Rod Seabrook CEA(EMSLA)
Auditor: Francois Grimard, ing.f

### **Audit time and dates**

<b>Evaluation dates:</b>	
<b>Tasks</b>	<b>Person days (excluding travel)</b>
Pre and Post-audit work (audit plan and report writing)	0.75
Audit time (Documents, Records, Fieldwork)	5
Stakeholders Consultation	0.5
TOTAL	6.25

### **Review of Changes since last audit**

Some staff changes have occurred since the previous audit held July 3 - 7, 2017.

### **Significant issues impacting on the audit programme**

None

### **Noted deviations from the audit plan and their reasons**

Due to inclement weather and staff availability the field audit was moved to June 27.

### **Description of operations**

CBPP contracts out its forestry operations (road construction, felling, processing and trucking) to three contractors, two of which use CBPP unionized operators. Conifer is felled and processed into pulpwood which is delivered directly to CBPP's newsprint mill in Corner Brook or into sawlogs for delivery to area sawmills in exchange for sawmill chips. Seasonal silviculture work is also contracted out. CBPP staff oversee and monitor all operations on the DFA.

**Operations visited during the field audit include**

Site identification	Type of Operation Observed
Lynx Pond Bk K-09-16	Harvesting, processing, hauling, road construction, water crossing
Canoe Pond	Review of remediation work associated with the action plan to address NCR-2017-01
District 15 (Whitewash Road)	Pre-commercial thinning operation
District 16 (Angle Pond)	Road construction/maintenance (bridge), Harvesting

**Interviews**

Personnel (i.e. Staff/contractors)	
Position	Number
CBPP staff	
• Woodlands Manager	1
• Chief Forester	1
• SFM Forester	1
• Operations Superintendent	2
• Planner	1
• Safety Supervisor	1
• Technician	2
CBPP Consultant	2
Harvest Contractors	2
• Owner	1
• Supervisor	3
• Equipment operators & truck drivers	7
Silviculture Contractor	1
• Supervisor	1
• Thinner	3

Members of the public participation process	
Position	Number
Public Advisory Group members	10

Provincial Government	
Position	Number
Conservation Officer	2

Aboriginal People	
Community and position	Number
Invitations for comment were sent to representatives of Miawpukek First Nation and Qalipu Mi'kmaq First Nation. Comments were received from the Miawpukek First Nation Representative.	1

## **Concerns relevant to the Standard and SAI Global's response**

In this section - discussion of any significant concerns relevant to the Standard, made during the audit by public participation members, Aboriginal communities, government officials, DFA workers or other interested parties and the conclusions reached by the audit team in relation to them;

### Concerns received:

A member of the Public Advisory Group expressed concern over the impacts of CBPP operations on the forest environment and on tourism based businesses.

### SAI Global's response:

The audit team stated that the foundation of sustainable forestry is protection and maintenance of the forest environment and that the social and economic benefits are based on that principal. The values, objectives, targets and indicators, in the Sustainable Forest Management Plan, developed with the involvement of the Advisory Committee, should reflect this. The audit team found that the VOITs related to non-timber benefits, as documented in the SFM Plan and as reported in the 2017 Indicator Report, to be compliant. The audit team found harvesting and renewal practices to be compliant.

Some members of the Public Advisory Group expressed concern over CBPP's decision to reduce the number of harvest contractors working on the company's licence areas and the potential negative impacts that the reduction may have on forest workers and their communities.

### SAI Global's response

The audit team stated that the Public Advisory Committee should consider a review and discussion of its mandate and the VOITs in the SFM Plan associated with community benefits. The audit team found that the VOITs related to timber and non-timber benefits and community benefits, as documented in the SFM Plan and as reported in the 2017 Indicator Report, to be compliant.

### Comments from stakeholder are paraphrased, as follows

A member of Miapukek First Nation (MFN) commented that MFN's concerns regarding CBPP operations on MFN traditional lands have not been addressed, and that there have been no talks or discussions between MFN and the company regarding the indicators related to Aboriginal people over the past five years.

The commenter further stated "it seems that the company showed lack of interested in the identifies of the culture and traditional areas of important of the indigenous community and that Kruger (CBPP) has no interest in protecting areas of culturally important on activities within the MFN traditional lands that holds a lot of history and cultural for the indigenous people."

### SAI Global's response:

The MFN representative met with executive staff of Kruger Industrial on May 14, 2017 to discuss MFN concerns. Discussions between CBPP and the Government of Newfoundland are currently underway that may lead to a resolution of the outstanding issues related to the company's forestry operations on MFN's area of concern.

## Overview of elements audited off-site and on-site

See annex 1

## SECTION 4 - AUDIT FINDINGS

### Status of non-conformances from the previous audit

<b>NC#</b>	<b>2017-01</b>	<b>Grade :</b>	<b>Minor NC</b>
<b>Requirement:</b>			
Core Indicator 6.3.3 Evidence that a worker safety program has been implemented and is periodically reviewed and improved			
<b>Non-conformance:</b>			
Worker safety manuals have not been reviewed and updated/validated as required.			
<b>Justification for Major or Minor:</b>			
Minor: Does not result in fundamental failure to meet the requirement			
<b>Evidence provided to close the non-conformity:</b>			
Contractor safety plans maintained on the Shared drive indicate all have been reviewed and/or updated, as required			
<b>Status:</b>		Closed	

### Non-conformances identified during this audit

<b>NC#</b>	<b>2018-01</b>	<b>Grade :</b>	<b>Minor NC</b>
<b>Requirement:</b>			
7.4.7 Emergency preparedness and response			
<b>Non-conformance:</b>			
Emergency response equipment on the float truck at Lynx pond lacked evidence of current inspection			
<b>Justification for Major or Minor:</b>			
Minor: Does not result in fundamental failure to meet the requirement			
<b>Evidence provided to close the non-conformity:</b>			
<b>Status:</b>		Open	



### **Opportunities for Improvement (OFI):**

1. During the next PAC meeting, consider conducting a review of the mandate of the PAC and how the mandate guides the work of the Committee
2. Consider utilizing additional methods of encouraging PAC input/feedback – e.g. one on one interviews
3. Consider whether action needs to be taken to address the perched outlet end of the 1600 mm culvert installed on Lynx Pond road
4. Consider whether rehabilitation of borrow pits should be added as an item to be checked during #3 inspections
5. Consider listing the contents of the MSDS binders at the front of each binder
6. Consider testing a rupture seal kit to determine whether it's contents are still functional after the "Use Before" date
7. Consider whether the fuel hose with the deteriorating outer cover located on the troop carrier in Lynx pond should be replaced
8. Consider clarifying with NFLD DNR whether loading and hauling are permitted activities during the timing restriction period for core pine marten areas
9. Consider including additional metrics – e.g. actions developed and completed to assist in demonstrating conformance to Indicator 6.3.3 Worker Safety Program
10. Consider determining why all Orders arising from NFLD Health and Safety inspections are not displaying in Intelx
11. Consider presenting a summary of the status of completed #2 inspection reports during Quarterly meetings
12. Consider evaluating the relevance of simplifying the management of the non-compliances
13. Consider evaluating the relevance of communicating to short term service providers CBPP requirements on used oil disposal;
14. Consider evaluating the needs of restoring the vegetation on an unused section of road recently built at Angle Pond.
15. Consider evaluating the relevance of tracking the volume of commercial wood used as corduroy (pontage) to support section of roads built on organic or fine textured soils.
16. Consider evaluating reloading with gravel material and stabilizing with geotextile and vegetation the approaches of the wooden bridge at Angle Pond.
17. Consider adding sections in the emergency response test report where conclusions could be summarized by topics such as: Communications, Safety material used, Global preparedness.
18. Consider the relevance of the target set for indicator 2.1.3 in the context of guidance contained in Section A.6.3.2.3 Element 2.1 — Forest ecosystem condition and productivity – of CAN/CSA-Z809-16

### **Positive Aspects of the Management System & Best Practices**

- Comprehensive investigation undertaken and actions developed and implemented to address the non-conformances raised during the previous audits
- Cooperation of CBPP staff and contractors and their support of the audit
- Operators' awareness of species at risk and protection measures.
- Access to a defibrillator in service trailers
- General commitment of CBPPL management team, contractors and operators

### **Key focus areas/topics to be assessed during next audit**

- Active harvest operations

### **Any unresolved issues, if any identified**

- A final resolution regarding CBPP operations on Miapukek First Nation area of concern has not yet been reached

## **SECTION 5 - GENERAL ASSESSMENT AND RECOMMENDATION**

Based on the review of the company's SFM program, and the audit results, the following recommendation is made:

### **Re-assessment audit**

Below are the results of the NCRs identified during the previous cycle:

<b>Audit Type (I/RR/S)</b>	<b>NC #</b>	<b>Grade Major - Ma Minor - Mi</b>	<b>Standard clause</b>	<b>NCR Description</b>
S	2017-01	Minor	6.3.3	Worker safety manuals have not been reviewed and updated/validated as required.
In preparation for the audit the lead auditor has reviewed the above listed NCRs. This review allowed focusing the present audit on the weakness previously identified. The reregistration audit did not find reoccurring NCRs identified in the previous cycle.				

The company conducted an internal audit on May 15 – 17, 2018. No non-conformances were identified.

A management review was conducted on May 10, 2018 where the following agenda items were reviewed and discussed with the management team.

Topics covered during the management review were:

- public and Aboriginal participation process;
- values, objectives, indicators, targets, strategies, and forecasts;
- performance in relation to targets;
- changes in the forest in relation to forecasts;
- findings of monitoring and audits (internal and external);
- corrective actions;
- SFM policy and the need for changes;
- changing legislation or other relevant requirements;
- changing expectations, requirements, or responsibilities of interested parties;
- changes in types of forest operations or forest activities;
- changes in the organization or in resource requirements and availability;
- advances in science and technology;
- lessons learned from experience; and
- changes in the DFA.

The results of the Re-assessment including the review of the performance of the Management System over the past cycle indicate the capability of the management system to meet applicable requirements and expected outcomes, that the scope remains appropriate and that the audit objectives have been fulfilled with the exception of the non-conformance identified during this audit.

As discussed during the closing meeting, a root cause analysis with an action plan must be submitted within 30 days for the minor non-conformance for approval by the Lead Auditor. A recommendation for the reregistration to the standard requirements and to the scope of registration identified in this report is on hold pending the receipt, review, and acceptance of the corrective action taken and closure of the major non-conformances.

The certification decision is confirmed with the reissuance of the certificate.

**Next Scheduled Audit:**

**Date(s):** June 18 – June 21, 2019

**Type of Audit:** S1

SAI Global  
Team Leader

Date: July 11, 2018

## **ANNEXE 1**

**A joint audit** is when two or more auditing organizations cooperate to audit a single client.

**A combined audit** is when a client is being audited against the requirements of two or more management systems standards together.

**An integrated audit** is when a client has integrated the application of requirements of two or more management systems standards into a single management system and is being audited against more than one standard.

## **ANNEXE 2**

Standard requirement	Audited on-site	Audited off-site
4.1 General requirements	X	
4.2 Required activities	X	
5.1 General requirements	X	
5.2 Interested parties	X	
5.3 Process: Basic operating rules for advisory groups	X	
5.4 Work of the advisory group	X	
5.5 Public communication	X	
6.1 DFA-specific performance requirements	X	
6.2 SFM criteria — General	X	
6.3.1.2 Discussion items for Criterion 1- Biological diversity	X	
6.3.1.3 Element 1.1 — Ecosystem diversity (VOITS)	X	
6.3.1.4 Element 1.2 — Species diversity (VOITS)	X	
6.3.1.5 Element 1.3 — Genetic diversity (VOITS)	X	
6.3.1.6 Element 1.4 — Protected areas and sites of special biological, geological, heritage, or cultural significance (VOITS)	X	
6.3.2.2 Discussion items for Criterion 2 - Ecosystem condition and productivity	X	
6.3.2.3 Element 2.1 — Forest ecosystem condition and productivity (VOITS)	X	
6.3.3.2 Discussion items for Criterion 3 - Soil and water	X	
6.3.3.3 Element 3.1 — Soil quality and quantity (VOITS)	X	
6.3.3.4 Element 3.2 — Water quality and quantity (VOITS)	X	
6.3.4.2 Discussion items for Criterion 4 - Role in global ecological cycles	X	
6.3.4.3 Element 4.1 — Carbon uptake and storage (VOITS)	X	
6.3.4.4 Element 4.2 — Forest land conversion (VOITS)	X	
6.3.5.2 Discussion items for Criterion 5 - Economic and social benefits	X	
6.3.5.3 Element 5.1 — Timber and non-timber benefits (VOITS)	X	
6.3.5.4 Element 5.2 — Communities and sustainability (VOITS)	X	

Standard requirement	Audited on-site	Audited off-site
6.3.6 Criterion 6 — Society's responsibility	X	
6.3.6.2 Element 6.1 — Fair and effective decision-making (VOITS)	X	
6.3.6.3 Element 6.2 — Safety (VOITS)	X	
6.3.7 Criterion 7 — Aboriginal relations	X	
6.3.7.2 Element 7.1 — Aboriginal and treaty rights (VOITS)	X	
6.3.7.3 Element 7.2 — Respect for Aboriginal forest values, knowledge, and uses (VOITS)	X	
7.1 General	X	
7.2 SFM policy	X	
7.3.1 Defined forest area	X	
7.3.2 Defined responsibilities	X	
7.3.3 Rights and regulations	X	
7.3.4 Incorporation of public participation requirements	X	
7.3.5 SFM plan	X	
7.4.1 Structure, responsibility, and resources	X	
7.4.2 Competence, training, and knowledge	X	
7.4.3 Communication	X	
7.4.4 SFM documentation	X	
7.4.5 Document control	X	
7.4.6 Operational procedures and control	X	
7.4.7 Emergency preparedness and response	X	
7.5.1 Monitoring and measurement	X	
7.5.2 Corrective action	X	
7.5.3 Records	X	
7.6 Management review	X	