

Forest Certification Surveillance #1 Audit Report

Prepared by:

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Corner Brook Pulp and Paper Limited

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for the following certified forest areas:

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

File Number: 011643-07**Date of Evaluation:** June 2 – June 3, 2019**Date of Report:** July 14, 2019**Certificate Registration Date:** September 17, 2018**Certificate Expiry Date:** September 16, 2023

SECTION 1 – ORGANIZATION

Certification type

Group certificate	
Single certificate	X

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 supplying fibre to its paper mill in Corner Brook and logs to area sawmills in return for sawmill chips.

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 Defined Forest Area (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 DFA includes all forested land on insular Newfoundland for which 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 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 the company's 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 completed operations are selected. Auditors use a detailed checklist to document evidence of conformance.

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 is a combined audit with ISO 14001:2015

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: Fabrice Lantheaume

Audit time and dates

Evaluation dates:	
Tasks	Person days (excluding travel)
Pre and Post-audit work (audit plan and report writing)	0.75
Audit time (Documents, Records, Fieldwork)	4
Stakeholders Consultation	Included in the above
TOTAL	4.75

Review of Changes since last audit

A new Woodlands Manager was appointed in April 2019

Significant issues impacting on the audit programme

No significant issues

Noted deviations from the audit plan and their reasons

No deviations from the audit plan

Description of operations (Day shift, Night shift)

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
District 14 - Black Duck	Road construction
	Water crossing installations
District 16 – Humber River	Felling, processing, forwarding, loading, hauling

Interviews

Personnel (i.e. Staff/contractors)	
Position	Number
CBPPL staff:	
• Chief Forester	1
• Sustainable Forest Management Forester	1
• Roads Technician	2
• Operations Superintendent	1
• Safety & Training Supervisor	1
• Planner	2
• Scaling & Silviculture Supervisor	1
• EMS Consultant	1
Road Construction Contractor	
• Supervisor	1
• Processor operator	1
• Mechanic	1
Harvesting Contractor	
• Foreman	1
• Feller buncher operator	1
• Processor operator	1
• Forwarder operator	1
• Loader operator	1
• Truck driver	1

Members of the public participation process	
Position	Number
Public Advisory Group members	12

Provincial Government	
Position	Number
Conservation Officers representing Districts 5, 6, 9, 14, 15 and 16	3

Aboriginal People	
Community and position	Number
Qalipu First Nation	0
Miawpukek First Nation	0

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:

During the meeting with members of the Public Advisory Committee (PAC) some members continued to express 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. The reduction took place in 2018. The concerns were expressed in the context of the SFM indicators that speak to communities and sustainability. There was a sentiment expressed by some members that CBPPL should have advised the PAC of their decision prior to it becoming public knowledge.

SAI Global's response

The audit team acknowledged the PAC's desire for transparency and discussed the delicate balance between the involvement of the PAC in development and monitoring of the Sustainable Forest Management Plan and the company's prerogative to make business decisions.

Overview of elements audited off-site and on-site

See annex 1

SECTION 4 - AUDIT FINDINGS

Status of non-conformances from the previous audit

NC#	2018-01	Grade :	Minor NC
Requirement:			
Emergency preparedness and response			
Non-conformance:			
Emergency response equipment on the float truck at Lynx pond lacked evidence of current inspection			
Justification for Major or Minor:			
Minor: Impact is limited in time or scale			
Evidence provided to close the non-conformity:			
Communication to contractor to provide proof that the first aid kit has required supplies and fire extinguisher has been inspected for this particular float truck by July 12, 2018.- Verified email from contractor to CBPP staff that the first aid kit and fire extinguisher were replaced on truck in question on July 5, 2018			
Communication to three harvesting contractors detailing requirements for Emergency Preparedness and response for supplier service vehicles by August 31, 2018 – Verified			

sent Oct 2, 2019

Revise our instruction to service providers to indicate requirements for Emergency Preparedness by August 30th 2018. – Verified letter provided to contractors and list of service providers

Develop a focus audit to target service providers. Trial and implement in January 2019.
- Verified form for Service Provider Focus Audit - completed by Contractor Supervisor - Verified report for NWFR and Western Petroleum Feb 12, 2019 - 92% compliance - inspector C. Chubb

Create Standard Operating Procedure for Take 5 – Short-Term Operations (includes service providers) which will include requirements for Emergency Preparedness by January 2019 – Verified SOP SA-24 Take 5 – Short term operations – hazard assessment – May 28, 2018 – VERIFIED example for Humber Arm Contracting Jun 25, 2019

Status: Closed

Non-conformances identified during this audit

NC#	2019-01	Grade :	Minor NC
Requirement:			
7.5.1 Monitoring and measurement			
Non-conformance:			
Indicator 2.1.4 - Annual harvest volume figures reported for 2017 in District 2016 are not accurate			
Justification for Major or Minor:			
Minor: Temporary lapse			
Evidence provided to close the non-conformity:			
Status:	Choose an item.		

NC#	2019-02	Grade :	Minor NC
Requirement:			
7.3.3 Rights and regulations			
Non-conformance:			
Legal requirements were not fully followed			
Justification for Major or Minor:			
Minor: Impact is limited in time or scale			
Evidence provided to close the non-conformity:			
Status:	Choose an item.		

Opportunities for Improvement (OFI):

- Consider placing pack pumps close to operating equipment
- Consider adding a check of proper ditch depth and culvert integrity to the Road Inspection Report form
- Consider conducting a review of the placement of portable fire extinguishers on heavy equipment to ensure ready availability in the event of a fire
- Consider reviewing the practice of using aggregate from steep side hills along road right of ways

Positive Aspects of the Management System & Best Practices

- Comprehensive management reviews and associated actions arising from the discussions
- Good achievement of the VOIT targets (Criteria 3 Soil and water and Criteria 5 Economic and Social)

Key focus areas/topics to be assessed during next audit

None

Any unresolved issues, if any identified

None

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:

Surveillance Audit

The company conducted an internal audit between February and June 2019. No non-conformances were identified.

Quarterly management reviews are conducted where the following agenda items were reviewed and discussed with the management team over the review cycle:

- Approval of minutes of last meeting
- Review of unfinished business
- Environmental issues from operations

- Environmental policy review
- Environmental Management/Sustainable Forest Management System – internal and external audits
- Environmental incident reports and incident investigations
- Structure and documentation
- Environmental work instructions
- Environmental progress report
- Indicator report
- Approval of document revisions
- Environmental training
- Emergency response
- EMS compliance inspection reports
- Environmental objectives, targets and programs
- Sustainable forest management – VOITs
- Actual or potential changes in legislation or corporate requirements
- Review non-regulatory and voluntary requirements
- Bew and emerging environmental issues of relevance
- Concerns of interested parties
- External and internal communications
- Environmental budget
- Upcoming audit schedule
- Commitments to continual improvement
- Internal auditor evaluation
- Advances in science and technology
- Chain of custody risk assessment
- EMS remains suitable, adequate and effective
- Management review status

The results of this surveillance audit indicate that the scope is appropriate and that the audit objectives have been fulfilled. The implementation of the current Management System meets the standard requirements and the expected outcomes. Therefore, a recommendation for the maintenance of registration to the CSA Z809:2016 standard will be made to the SAI Global.

The results of this surveillance audit 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-conformances 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 approval by the Lead Auditor. Implementation of the corrective actions for minor non-conformance will be verified at the next surveillance audit.

A recommendation for the maintenance of registration to SAI Global to the CSA Z809:2016 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 and closure of the major non-conformances.

Next Scheduled Audit:

Date(s): June 15 – 16, 2020

Type of Audit: Surveillance

Rod Seabrook
SAI Global
Team Leader

Date: July 14, 2019

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		
4.2 Required activities		
5.1 General requirements		
5.2 Interested parties	X	
5.3 Process: Basic operating rules for advisory groups		
5.4 Work of the advisory group		
5.5 Public communication		
6.1 DFA-specific performance requirements		
6.2 SFM criteria — General		
6.3.1.2 Discussion items for Criterion 1- Biological diversity		
6.3.1.3 Element 1.1 — Ecosystem diversity (VOITS)		
6.3.1.4 Element 1.2 — Species diversity (VOITS)		
6.3.1.5 Element 1.3 — Genetic diversity (VOITS)		
6.3.1.6 Element 1.4 — Protected areas and sites of special biological, geological, heritage, or cultural significance (VOITS)		
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		
6.3.4.3 Element 4.1 — Carbon uptake and storage (VOITS)		
6.3.4.4 Element 4.2 — Forest land conversion (VOITS)		
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	X	

(VOITS)		
6.3.6 Criterion 6 — Society's responsibility		
6.3.6.2 Element 6.1 — Fair and effective decision-making (VOITS)		
6.3.6.3 Element 6.2 — Safety (VOITS)		
6.3.7 Criterion 7 — Aboriginal relations		
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		
7.2 SFM policy	X	
7.3.1 Defined forest area		
7.3.2 Defined responsibilities		
7.3.3 Rights and regulations	X	
7.3.4 Incorporation of public participation requirements		
7.3.5 SFM plan		
7.4.1 Structure, responsibility, and resources		
7.4.2 Competence, training, and knowledge	X	
7.4.3 Communication		
7.4.4 SFM documentation		
7.4.5 Document control		
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		
7.6 Management review	X	