

Audit Report

RR for

Corner Brook Pulp And Paper Limited
Client Representative: Faron Knott

011643-08

Audited Address: 1 Mill Road, Corner Brook, NL, CAN, A2H 6J4

Start Date: Jun 22, 2020 End Date: Jun 23, 2020

Type of audit: Single management system,

Issue Date: Current on June 22, 2020

BACKGROUND INFORMATION

SAI Global conducted an audit of Corner Brook Pulp And Paper Limited beginning on Jun 22, 2020 and ending on Jun 23, 2020 to ISO 14001:2015.

The purpose of this audit report is to summarise the degree of compliance with relevant criteria, as defined on the cover page of this report, based on the evidence obtained during the audit of your organization. This audit report considers your organization's policies, objectives, and continual improvement processes. Comments may include how suitable the objectives selected by your organization appear to be in regard to maintaining customer satisfaction levels and providing other benefits with respect to policy and other external and internal needs. We may also comment regarding the measurable progress you have made in reaching these targets for improvement.

SAI Global audits are carried out within the requirements of SAI Global procedures that also reflect the requirements and guidance provided in the international standards relating to audit practice such as ISO/IEC 17021-1, 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 for each client. These files contain details of organization size and personnel as well as evidence collected during preliminary and subsequent audit activities (Documentation Review and Scope) relevant to the application for initial and continuing certification of your organization.

Please take care to advise us of any change that may affect the application/certification or may assist us to keep your contact information up to date, as required by SAI Global Terms and Conditions.

This report has been prepared by SAI Global Limited (SAI Global) in respect of a Client's application for assessment by SAI Global. The purpose of the report is to comment upon evidence of the Client's compliance with the standards or other criteria specified. The content of this report applies only to matters, which were evident to SAI Global at the time of the audit, based on sampling of evidence provided and within the audit scope. SAI Global does not warrant or otherwise comment upon the suitability of the contents of the report or the certificate for any particular purpose or use. SAI Global accepts no liability whatsoever for consequences to, or actions taken by, third parties as a result of or in reliance upon information contained in this report or certificate.

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.

Standard:	ISO 14001:2015
Applicable codes:	0811 0851 2411 / A02.0 A02.0 DD20.1
Scope of Certification:	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.
Dependency:	Not Applicable
Permissible exclusions:	None
Number of Staff:	175
Number of Shifts:	1
Total audit duration:	Person(s): 2 Day(s): 3.00
Audit Team Member(s):	Team Leader Rod Seabrook Team Member Daniel Simonds

Audit Report

Definitions and action required with respect to audit findings

Area of Concern: Area of the system likely to become 'Non-conformance' at Stage 2 Audit.

Action required: Client is required to investigate potential or actual nonconformity and complete corrective action or preventive action within own management system. This will be followed up by SAI Global at Stage 2 audit.

Opportunity for Improvement:

A documented statement, which may identify areas for improvement however shall not make specific recommendation(s).

Action required: Client may develop and implement solutions in order to add value to operations and management systems. SAI Global is not required to follow-up on this category of audit finding.

Non-conformance:

Major Non-conformance:

Based on objective evidence, the absence of, or a significant failure to implement and/or maintain conformance to requirements of the applicable standard. Such issues may raise significant doubt as to the capability of the management system to achieve its intended outputs (i.e. the absence of or failure to implement a complete Management System clause of the standard); or

A situation which would on the basis of available objective evidence, raise significant doubt as to the capability of the Management System to achieve the stated policy and objectives of the customer.

NOTE: The "applicable Standard" is the Standard which SAI Global are issuing certification against, and may be a Product Standard, a management system Standard, a food safety Standard or another set of documented criteria.

Action required: This category of findings requires SAI Global to issue a formal NCR; to receive and approve client's proposed correction and corrective action plans; and formally verify the effective implementation of planned activities. Correction and corrective action plan should be submitted to SAI Global prior to commencement of follow-up activities as required. Follow-up action by SAI Global must 'close out' the NCR or reduce it to a lesser category within 90 days for initial certification and 60 days for surveillance or recertification audits.

If significant risk issues (e.g. safety, environmental, food safety, product legality/quality, etc.) are detected during an audit these shall be reported immediately to the Client and more immediate or instant correction shall be requested. If this is not agreed and cannot be resolved to the satisfaction of SAI Global, immediate suspension shall be recommended.

In the case of initial certification, failure to close out NCR within the time limits means that the Certification Audit Stage 2 may be repeated.

In the case of an already certified client, failure to close out NCR within the time limits means that suspension proceedings may be instituted by SAI Global.

Minor Non-conformance:

Represents either a management system weakness or minor issue that could lead to a major nonconformance if not addressed. Each minor NC should be considered for potential improvement and to further investigate any system weaknesses for possible inclusion in the corrective action program

Action required: This category of findings requires SAI Global to issue a formal NCR; to receive and approve client's root cause analysis, proposed correction and corrective action taken or planned to be taken; and formally verify the effective implementation of planned activities at the next scheduled audit. Follow-up activities incur additional charges.

Re-certification Audit Executive Overview

The objective of this audit was to determine the capability and effectiveness of your organization's management system in: ensuring continual compliance with statutory and regulatory requirements; meeting its specified objectives; and conformity of the management system to stated criteria.

Changes to the audit plan and the reasons for the change

None

Significant issues impacting on the Audit Programme

The audit was conducted remotely using conference calls, one on one phone calls, and emails. In addition, CBPPL created an ftp site to which they uploaded the EMS manuals and supporting evidence. The ftp site was updated with additional evidence during the audit.

Site(s) description: activities/processes at each site

CBPPL Woodlands maintains an office in Corner Brook NL at which administration of the woodlands activities take place. Forest management activities covering timber harvesting operations, transportation of fibre, and silviculture activities are conducted on seven Crown forest management districts licensed to the company in Newfoundland. Processes cover the following: planning, training, communication, performance evaluation, administration, access development, maintenance and decommissioning, harvesting, processing and transportation of timber, renewal and tending of the forest, control of operations, emergency management, heavy equipment maintenance, chemical and waste management, and fuel management.

Interrelationship between sites (dependency)

Not applicable

The objectives of the audit were achieved

The Information and Communications Technology(s) (ICT) employed during the remote audit were effective and used as planned

The final breakdown was as follows:

- total onsite audit days: 0
- total ICT remote audit days: 3

Overall Recommendation

The capability of the management system to meet expected outcomes

The audit found that the EMS is being maintained, staffed and supported. Documentation is current and effective in describing required processes and procedures and in providing guidance to personnel. Policy commitments are in place and being met. Operations are compliant with requirements. Monitoring is thorough and leadership maintains regular oversight and develops, implements and tracks actions directed at continual improvement of the management system.

Audit recommendations are always subject to ratification by SAI Global certification authority.

For the following standard(s): ISO 14001:2015

Based on the results of this audit it has been determined that the management system is effectively implemented and meets the requirements of the standard relative to the scope of certification identified in this report; therefore, a recommendation for re-certification will be submitted to the SAI Global review team.

Audit Findings

Non-Conformances (NCRs):

None identified.

Opportunities for Improvement:

The following opportunities for improvement have been identified.

- Consider including contractor identified preventive actions should be discussed during the monthly safety and environment meetings
- Consider reviewing the Company website and removing any out of date links (e.g. Forest Management and Operations Manual)
- Consider refining the summary data from the #2 and #3 inspections to account for differences in operating years (e.g. annual harvest area, annual harvest volume). Methods could include weighted averages and use of rolling data
- Consider whether changes to the configuration of pulp wood trailers and the associated decommissioning of the load aligners, and the proposed use of log truck backhauls should trigger a review of environmental aspects, risks and opportunities associated with such changes to operations

It is suggested that the opportunities for improvement be considered by management to further enhance the company's Management System and performance of the business.

Audit Trail Summary - Management System

Review of any changes including documentation

There has been no significant change to the organization scope and structure since last audit.

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

Use of marks and/or any other reference to certification

The use of the StandardsMark and claims of certification appear to be in accordance with the guidelines available via the SAI Global website.

Actions taken on previous audit issues

NCR-2019-01 – Verified the following additional corrective/preventive actions:

- CBPPL memo from C. Chubbs to contractors June 18, 2020 re: slip tank securement requirements on company worksites – direction arose from review conducted by CBPPL re: securement practices in other jurisdictions
- #2 inspection forms updated to include checks for slip tank securement and serviceable fire equipment – reviewed example completed #2 inspection for Apr 30, 2020 and confirmed items were checked and found compliant
- Inspection Guidelines updated to include requirements for fire suppression equipment for serviceability and inspection

NCR-2019-02 – Verified the following additional corrective/preventive actions:

- Checklist for hiring
- Contractor Indoctrination form – includes section for hiring engagement
- Work Employee Work Site Orientation form includes checklist item for confirming Hiring Engagement provided to CBPPL

Past performance including a review of the results of previous SAI Global audits

Over the audit years 2017, 2018 and 2019, including an upgrade audit to the ISO 14001:2015 standard, five minor non-conformances were identified. No systemic issues were observed between the non-conformances and all were promptly and effectively addressed by CBPPL.

Management Responsibilities, Commitment and Performance Monitoring

There continues to be a satisfactory level of input and support from top management to ensure the management system provides the intended controls and improvement opportunities. The health and performance of the system continues to be monitored via KPI's and related targets. The stated objectives are in the process of being met.

Management Review

Meetings verified dated: July 17, 2019, October 16, 2019, January 22, 2020, April 22, 2020

Records of the most recent management review meetings were verified and found to meet the requirements of the standard. All inputs were reflected in the records, and appear suitably managed as reflected by resulting actions and decisions.

Internal Audits

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

Examples verified included: June 18, 2020

Corrective and Preventive Action & Continual Improvement Processes

The company is implementing an effective process for the continual improvement of the management system through the use of the policy, objectives, audit results, data analysis, the appropriate management of corrective and preventive actions and management review.

Audit Trail Summary - EMS

Site Inspection

Due to travel restrictions imposed by the COVID-19 pandemic the audit team did not attend on-site during the audit. Interviews with CBPPL staff and contractors, and the review of supporting evidence, combined with the audit team's previous audit on-site observations, concluded that conditions of the site reflect an effectively implemented management system.

Risks (including Aspects and Footprint)

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, upkeep, control and monitoring of risks.

Examples of Risks Audited: potential for fuel spill, fibre recovery, collection of garbage/waste, degradation of water quality, and potential for soil disturbance

Compliance Evaluation

Corner Brook Pulp And Paper Limited has implemented processes for periodically evaluating its fulfilment of compliance obligations. Compliance evaluations are conducted annually through #2 and #3 inspections and the annual internal audit. A separate compliance audit is conducted on a three year cycle with the next audit planned for 2021.

Audit Trail Summary Processes

Process: Administration, communication - Element 4 Context of the Organization

Auditees: Chief Forester, SFM Forester

Records/Objective Evidence:

- Manual 1 Section 2 Context of the Organization
- Manual 1 Section 9 Communications
- Email Jun 19, 2020 re: NCC/CBPPL report re: potential protected areas on CBPPL lands
- Email Jun 2, re: logging within PWSA
- Letter to PAC May 2020 re: planning in Zone 5
- Public Notice re: planning in Zone 5
- Mitigation Table for issues arising during 2021-2025 plan development
- Email Jun 8 from interested party re: meeting with CBPPL re: 5 year plan
- Stingray Radio invoice Jun 7, 2020 re: advertising for public opportunities to view 5 year plan on CBPPL website

Changes to business – looking at truck configurations and productivity – will be bring brining wood to mill shotgun style – would get rid of load aligners (6 or 7) – happening now – Nobles replaced a lot of their trailers – Province is helping transition –still reporting in M3 to Crown – paying trucks by weight – reduces area for aligners, less chance for – may be repurposed or could be used for scrap

Backhauls – trucks to sawmills then going to bush to pick up load of pulp – might be something there

OFI - • Consider whether changes to the configuration of pulp wood trailers, decommissioning of the load aligners, and the proposed use of truck backhauls should trigger a review of environmental aspects, risks and opportunities associated with such changes to operations

Interested parties – small change to PAC – with COVID haven't been able to meet – group realize that won't be preparing indicators – are familiar with CB operations – knowledgeable people
New 5 year plan for District 10 – met with outfitters – made aware of process and received comments – Kim reviewed last 5 year plan and she sent out notice of planning – gave them access to website and maps – also reached out to Town of Badger and Grand Falls – reviewed list of contacts and letters, - 5 year plan submitted for review – have to clear EA by Dec 31, 2020 – will consult with outfitters on annual basis to discuss concerns and prescriptions (e.g. timing restrictions, season of harvest) – individuals can request consideration of their concerns

Indian Bay Ecosystem Development Corporation – Faron met with them and agreed that CB could log in Spring

Legal and Other requirements includes voluntary agreements e.g.

- Ducks Unlimited
- CBFA
- FADEC
- Hardwood agreements
- Nature Conservancy
- Newfoundland Snowmobile Assoc.
- AWARE
- Newfoundland Outfitters Assoc.

Wilderness and Ecological Concerns Advisory Council – FK currently reviewing background

Scope – no change

NCC – Nature Conservancy of Canada is looking at potential new protected areas – currently looking at how to value lands

Summary and Conclusions:

Activities associated with the processes were assessed in relation to specific standard requirements and relevant procedures. Through interviews with personnel and review of relevant records it was determined that the process is/is not consistently applied and effective in meeting the established process objectives.

Process: Administration, communication – Element 5 Leadership

Auditees: Woodlands Manager, Operations Supt. (2), Silviculture & Roads Technician

Records/Objective Evidence:

- Manual 1 Section 18 Management Review
- Minutes of Woodlands EHS Operations Committee – 2019 (Jul, Aug, Sep, Oct, Dec); 2020 (Jan, Feb)
- Minutes of Management Review Meetings – 2019 (Jul, Oct); 2020 (Jan, Apr)
- Prewrite for PCT crew Jun 22, 2020
- Prewrite for tree plant crew May 28, 2020
- #2 and #3 inspections (various)

EHS meetings include EMS updates – meetings include updates on actions assigned to staff

Management review – comprehensive management reviews conducted covering all required elements of standard – ongoing list of actions/improvements maintained and updated as actions completed

Interviews:

Woodlands Manager

- Lots of change collapse of paper market, COVID
- 2 illegal job actions
- Converting to shotgun style trailers – fired 3 drivers for failure to follow requirements
- Key responsibilities – ensure EMS is part of daily business – sets tone for how they conduct business
- Have dedicated resources with knowledge, interest
- Have 3 contract staff plus 10 FT staff – participate as auditors – use as auditors for mill and Deer Lake Power – have high staff participation – very strict with each other
- Compliance discussed at monthly meetings –e.g. fuel tanks – remove from site if doesn't comply – e.g. placarding and securing
- Contractor negotiations – discuss things like forwarder trails – brought in trainers from New Brunswick – placing trail and proper planning – rolled out last year with CB planners to get better imagery so can give contractor proposed forwarding route – herring bone pattern is a good approach – have acquired digital 3D imagery
- Gets involved at end of process for incident investigations/CARs – e.g. two slips – cleats required – no checks – road locations re: environment and safety – moved bridges around – large bridges very expensive – examine alternate routes to avoid constructing bridges
- Good Catches recognize good work by contractors and employees – e.g. ribbons moved too close to water body
- Continue to support PAC and their involvement – in CBPPL best interest to keep committee operating – provides valuable feedback

Operations Superintendent 1

- Responsible mainly for delivery of wood fibre, tug boat
- EMS – does #2 inspections, any issue address with contractors
- Contract staff Jeff Decker reports to Lorne
- Ensure all issues are dealt with before block is released
- Communicates requirements to contractors or directs them to Faron or Andrea
- Prework review with contractors – Trevor covers this during day to day operations – will email example
- Start with pre-work and #1 inspection completed by contractors - #2 inspections completed by staff (fuel handling, fibre)
- Couple of weeks ago he was in Pelleys Brook (Spring area) – foreman had put up berms to protect drainages – very proactive
- Great EMS team – system in place since 2004 – everyone understands their role
- Have regular meetings – he is not on that committee – he gets email updates
- Monthly safety and environment meeting – review incidents, updates to EMS program, review #1 inspection reports – Lorne will send sample minutes
- Faron has asked to have loggers leave residual trees further from road so won't be felled for firewood

Operations Superintendent 2

- Direct point of contact for contractor
- Daily basis or when on job site always checking on things – e.g. boundaries marked, where set up is placed – typically find contractors are conforming
- Corrective action log – records preventative actions e.g. if needed to move forwarder because ground is too wet – could include update to values e.g. NTS brook – OFI - could there be value in including contractor identified preventive actions during the monthly safety and environment
- Conducts prework meetings with contractors – opportunity to have dialogue with contractor or foreman – discuss boundaries, special circumstances (e.g. Protected watershed, private land), ensure permits in place, fire prevention
- Re: corrective actions – boundary infraction in Riverside operating area – currently under investigation – Faron met with the individual and walked site – currently checking data files to ensure information was current

Silviculture and Roads Technician

- PCT started this morning and planting started on Jun 1
- One contractor does all planting
- PCT is CBPPL employees – fuel spills, buffer zones, garbage – foreman is on the job daily
- No SIP and no herbicide this year
- Dave and Safety Supervisor do prework review with planting crew and PCT before start up
- For planting – garbage removal, brook crossings require permitting, protected waters, fire equipment – planters stay in travel trailers in gravel pits – holding tanks for sewage
- PCT crew – prework meeting conducted – cover any changing policies, ERP, marshalling points, foreman does orientation with each worker; if need DFO authorization must be on-site; fire equipment and spill kits – buffer zones – fuel/oil storage
- No incidents or corrective actions
- Have monthly environmental/safety meetings – Dave attends – includes union rep and OHS rep attend – report on current operations

Summary and Conclusions:

Activities associated with the processes were assessed in relation to specific standard requirements and relevant procedures. Through interviews with personnel and review of relevant records it was determined that the process is/is not consistently applied and effective in meeting the established process objectives.

Process: 6. Planning; Aspects, Objectives, Programs

Auditees: Environmental Management Rep, Chief Forester, SFM Forester

Records/Objective Evidence:

Manual #1 Section 4 Version 2 – Environmental Aspects; Section 6 – Env. Objectives and Planning Actions (Programs)

6.1.1 General

- Summary of Risks and Opportunities and Associated Objectives V4 – covers aspect/issue/need/expectations/obligations, relevance, risks, opportunities, objective, SFM Indicator/Action Plan/Program Objective
- Summary document grouping Environmental Aspects (Significance rating), External/Internal Issues, Needs/Expectations of External Parties, Compliance Obligations

6.1.2 Aspects; 6.1.4 Planning Action

- CBPPL Woodlands Env. Aspect and Impact Chart (May 24, 2017, v.8)
 - Confirmed annual review – stable since 2017
- Analysis includes qualitative ranking and scoring. Significance rating based on threshold. Ranking unchanged from last visit (registration).
- EMS Manual, 6.1.2: SEA Functions & Activities
 - SEAs identified – with details:
 - 6 SEAs, Associated Functions & Activities
- Associated SOP & WI:
 - EMS Manual 6: EWIs SOPs
 - EWI-5: Potential for Degradation of Water Quality
 - EWI-6: Potential for Soil Disturbance
 - EWI-3: Fiber Recovery
 - EWI-4: Collection & Disposal of Garbage
 - EWI-2: Potential for Fuel Spill

6.2.1/6.2.2 Environmental objectives/actions

- 3 current programs with associated objectives
- Programs developed and documented and progress tracked
 - EMS Documentation Improvement – ongoing
 - Fuel Consumption – objectives under review
 - QLP Promotion – initiated in 2019 to support SFI certification. Some performance targets delayed by pandemic safety concerns.
- Programs appropriately linked to CBPPL business

Summary and Conclusions:

Activities associated with the processes were assessed in relation to specific standard requirements and relevant procedures. Through interviews with personnel and review of relevant records it was determined that the process is consistently applied and effective in meeting the established process objectives.

Process: 7. Support; Roles, Responsibilities, Competence, Training

Auditees: Environmental Management Rep, Safety & Training Supervisor, Operations Superintendent

Records/Objective Evidence:

Manual #1 Section 4 Version 2 – Environmental Aspects; Section 8 – Competence & Awareness (Training)

7.2/3 Competence & Awareness (Training)

- EMS Manual 1 – Section 7: Leadership, Roles & Responsibilities
 - Verified key roles for EMS system – consistent with staff presentations & observed roles
- EHS Monthly Operations Meeting
Interview & record review (C. Chubbs)
 - Agenda & Minutes for 2/21/20, 1213/20 meetings – attendance includes active contractors (owners, foremen, staff)
 - Roster (OHS Meeting – 2/21/20)
 - Example: EHS Action 7963 (L. Flynn): clarification of buffer vegetation criteria
- EMS Manual 11 – Environmental Training: Training needs matrix.
- Program for training, competency, and certification is demonstrated and verified by sample
Interview: C. Chubbs, A. Coombs
Review of Intellex-based training/competency database using staff & contractors engaged during this audit. Names selected from EHS Operations Committee meeting roster (February). Names selected for cross-reference: Jim Reid, Kerry Anstey, Harvey Rice, Felicia Allingham.
Note: plans for a spring QLP program for contractors have been deferred due to the COVID19 outbreak. Current plans are in place for September 2020.

NOTE: education & training program for staff and DFA contract employees remains fully integrated

- QLP promotion

Interview: K. Childs, F. Knott, A. Coombs, J. Maclellen

List of current contractors (email)

DFA Operators Union (2) & Non-Union (2)

Revised contract template includes appropriate & direct QLP reference. Interim status established with communication dated 15 July 2019

- Timber Harvest & Delivery Contract – Union Contract: Article VI- 6.2 re: Training (provided by company)
- Memo: Woodland Contractors: Qualified Logging Professional Training (15 July 2019)

Crown Contracts (5)

- Pulpwood Purchase Contract: clause 5.6
Verified 2 executed examples: Sexton Lumber, Burton's Cover Logging & Lumber

Summary and Conclusions:

Activities associated with the processes were assessed in relation to specific standard requirements and relevant procedures. Through interviews with personnel and review of relevant records it was determined that the process is consistently applied and effective in meeting the established process objectives.

Process: 8. Operation; Operational Planning & Control, Emergency Preparedness & Response

Auditees: Environmental Management Rep, On-License Harvest Supervisor (Major's, Northwest)

Records/Objective Evidence:

Manual #1 Section 4 Version 2 – Operational Planning & Control; Section 12

8.1 Operational Planning & Control

- EMS Manual 1 – Section 7: Leadership, Roles & Responsibilities

- Verified key roles for EMS system – consistent with staff presentations & observed roles
- Incident Summary 2020
- Active Operation review (Interview: Jim Reid, Craig Reid)
 - Major's Contracting – Taylor Brook (Upper Humber)
 - 2020 Summer Operations Map K-16-44
 - 2020 Summer Operations Pre-work form
 - 2020 Summer Roads Map
 - Northwest Forest Resources (?)
 - North Brook – 2020 Ops Map
 - Main Brook – 2020 Ops Map, K-09-17

Auditor sample – Level 1 Inspections:

- NWFR Sept 2019
- MCL Oct 2019
- SFR Mar 2020
- NWFR Jan 2020
- MCL Feb 2020
- Auditor Sample – Level 2 Inspections
 - NWFR Fall 19 harvest
 - NWFR Fall 19 roads
 - LTD Fall 19 roads
 - MCL Fall 19 roads
 - RI Fall 19
 - SFL Summer 19 road & Rebuttal
 - NOTE: file includes clarifying notes from contractor
 - NWFR Summer 19 harvest

Manual #1 Section 13 v3 – Operational Planning & Control
EMS 8.2 Emergency Preparedness and Response v13

- EMS Manual 1 – Section 8.2: Preparedness and Response
 - Verified relevant emergency preparation planning – integration with EHS SOPs and WIs
 - EMS Reference 8.2 v27: ERP Amendment list
 - 2.1 Personal Incident Emergency Response Flow Chart, v8
- Emergency Response Tests – 2019 & 2020
 - Records of monthly tests in various areas & contracts

Summary and Conclusions:

Activities associated with the processes were assessed in relation to specific standard requirements and relevant procedures. Through interviews with personnel and review of relevant records it was determined that the process is consistently applied and effective in meeting the established process objectives.

**Process: Performance evaluation
Elements 9 and 10**

Auditees: Environmental Management Rep; Operations Superintendent

Records/Objective Evidence:

- Manual 1 Section 14 – Monitoring and Measurement,
- Manual 1 Section 15 – Nonconformity & Corrective Action,
- Manual 1 Section 17 – Internal Audits,
- Manual 1 Section 18 – Management Review
- Manual 3 Management Review
- Manual 8 Legal & Other Requirements
- Manual 9 Inspections
- Manual 14 Audits
- Incident Summary 2020,
- Summary of #2 Inspections 2019;
- Summary of #3 Inspections 2018/2019;
- Internal Audit Report June 18 2020;
- Management Review meeting minutes (Jul 2010 to Apr 2020)

Environmental Management Rep

- Program is a combination of checking and tracking including interim tracking – contractors completed #1 inspections to stay on top of their job – complete monthly
- CB does seasonal #2 inspection – one inspection per contractor per season – is a monetary incentive for contractors to do well
- #3 inspection is the completion inspection – completed when job is finished – done once contractor has released the site to CB – includes utilization work – also monetary incentive – memo went out this Spring requiring #3 inspection within 90 days of block completion – can partially release a site – reviewed example #3 inspection for Majors May 2019 – includes utilization summary report); Springdale Forest Resources – both inspection show 100% compliance
- PCT and scarification jobs also have #2 inspections

Compliance Inspections:

- Covers SEAs – covered by #1, #2 and #3 inspections – includes use of FPDat information on location of equipment on harvest areas
- Covers voluntary and non-voluntary agreements – reviewed List of Agreement Holders Compliance – is list of agreements that CB holds – e.g. AWARE is a research based project that CB has been helping fund; Ducks Unlimited; Freshwater Bay Ecosystem Corp; Hardwood Agreements; Indian Bay Ecosystem Corp. and others – summary indicates all agreements reviewed annually as applicable – new agreement in 2020 with Spruce Trail Snowshoe Assoc.- CB will consult with them if operations planned near their trails
- Legal compliance audit conducted every 3 years – next audit 2021

Evaluation

- #2 and #3 inspection review done every January – look at incidents, internal audit results – also review #2 inspection guidelines
- Reviewed #2 inspections summary 2019 – CB using data to identify areas of focus for improvement going forward
- Reviewed #3 inspections summary for 2018/2019 – when a site fails a #3 inspection it triggers an environmental incident report
- Reviewed #3 inspection for NWFR Camp 184 inspection (fail due to all merchantable timber in block not cut) – reviewed incident report and incident investigation – actions developed,

Operations Superintendent

- As supt. are involved in investigations, changes required, disciplinary actions

- Company leads number 2 and number 3 inspections
- Must complete 2 to 3 inspections per year
- Prepare agenda – list prepared for the year
- All inspection get completed – Andrea tracks progress – Andrea has a form and prepares a weekly report on progress – if green then completed – verified all planned inspections for 2019 completed; verified 2020 inspection plan – 4 completed to date (on target)
- Summary of results prepared – used to evaluate system – check for trends – scoring review
- Have been trends – e.g. oil stains
- Trends in failures raise concerns
- #3 inspections – done after contractor is finished with block – after contractor has notified that area is finished and ready for CB inspection – pass or fail – key things are oils stains, garbage, utilization, blocked culverts
- 2019 was a higher year for fails – fail affects KPI score and has financial impacts
- Incident report completed – e.g. utilization issue - leads to lot of discussion between contractor and CB staff
- Verified #2 inspections completed for ballast operations
- OFI - Consider refining the summary data from the #2 and #3 inspections to account for differences in operating years (e. g. annual harvest area, annual harvest volume). Methods could include weighted averages and use of rolling data

Internal Audit:

- Comprehensive internal audit conducted
- Kim C. was lead auditor – done in 2 parts – Feb/Mar and Jun 17 – covered EMS/SFI FM/SFI FS
- Found major NC re: training reports; several minor NCs – OFIs identified – action plan prepared, target dates (Except fire extinguisher NC) and responsible person(s) identified – all actions completed or in progress

Continual Improvement

- Through NC process and management review – various actions developed to address deficiencies identified during inspections, audits and management review
- Reviewed management reviews conducted since previous audit – i.e. Jul 17, 2019, Oct 16, 2019, Jan 22, 2020, Apr 22, 2020 – all agenda items covered – recommendations made and assigned to staff – closed in subsequent meeting minutes when completed

Summary and Conclusions:

Activities associated with the processes were assessed in relation to specific standard requirements and relevant procedures. Through interviews with personnel and review of relevant records it was determined that the process is/is not consistently applied and effective in meeting the established process objectives.

This report was prepared by:

Rod Seabrook
SAI Global Management Systems Auditor