

Project No. 014205-14

December 5, 2017

Mr. Paul Chapman
Woodlands Manager - Forestry
Canadian Kraft Paper Industries Ltd.
Highway 10 North
The Pas, Manitoba
R9A 1S1

SUBJECT: REGISTRATION PROGRAM

Dear Mr. Chapman,

Please find attached the Audit Report raised as a result of our S2 Surveillance Audits of your management systems to the CAN/CSA - Z809-2008 standard and the ISO 14001:2004 management standard conducted on your forest operations starting on November 20, 2017.

I want to thank you and your organization for the support and co-operation given during these audits.

Best regards,
SAI Global



Ken Hall RFT, EP(EMSLA)
Lead Auditor
Encls.

SAI GLOBAL Confidential

SUSTAINABLE FOREST MANAGEMENT SYSTEM CAN/CSA-Z809-2008

Auditee: Canadian Kraft Paper Industries Limited
Address: Highway 10 North Box 1590
The Pas MB
CAN R9A 1L4

Contact: Mr. Paul Chapman
Dates of Audit: November 20, 2017 to November 22, 2017
Total Number of Audit Days: 5.50
Audit Team Leader: Ken Hall RFT, EP(EMSLA)
Type of Audit: S2 Surveillance Audit
Audit Frequency: Annual
SIC / NACE Code: 0811 0851 2611/A02.0 A02.0 DE21.1

REPORT CONTENTS

1. Executive Summary
- 2.. Description of the Defined Forest Area (DFA)
3. Organization
4. Audit Findings
5. General Assessment and Recommendation

REPORT DISTRIBUTION

Canadian Kraft Paper Industries Limited
SAI GLOBAL File
Ken Hall

Statement of Confidentiality

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SECTION 1 - EXECUTIVE SUMMARY

Scope #	Scope Description
1	Forest management activities - planning, harvesting, transportation and silviculture on the Manitoba Defined Forest Area, Forest Management License Area No. 2.

Site:

Canadian Kraft Paper Industries Limited
Highway 10 North
Box 1590
The Pas
MB
CAN, R9A 1L4

Summary of Audit Findings:

A 24/Month Surveillance Audit was conducted starting on November 20, 2017 on the Canadian Kraft Paper Industries Limited Manitoba Defined Forest Area, Forest Management License Area No. 2 sustainable forest management system. One (1) instance of minor nonconformance was identified along with nine (9) Opportunities for Improvement. The audit team found that the Canadian Kraft Paper Industries Limited SMF system generally conforms to the requirements of CAN/CSA Z809-2008 and adheres to the company's requirements, with the exception of the noted minor nonconformity. Failure to provide action plans as arranged with SAI Global and/or to implement correction and corrective action within the nominated time frames may lead to a recommendation that Canadian Kraft Paper Industries Limited certification be suspended. Two (2) positive attributes of the management system were also noted.

Recommendations:

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

Surveillance Audit:

The results of this Surveillance Audit indicate that the Management System of Canadian Kraft Paper Industries Limited is suitable and effective with the exception of the area of minor non-conformance identified during the audit. The area of minor non-conformance must be resolved within a 60-day time frame. If the area of minor non-conformance is not resolved by the agreed corrective action date, the registration suspension process will commence.

Upon successful resolution of the area of minor non-conformance Canadian Kraft Paper Industries Limited will continue to be recommended for registration to the CAN/CSA-Z809-2008.

SECTION 2 - DESCRIPTION OF THE DEFINED FOREST AREA (DFA):

Geographic Locations, Forest Types, Size, Legal Tenure and SLF Description:

Area of DFA: 8,777,724 Ha.

Legal Tenure / Licence Description: Manitoba Defined Forest Area, Forest Management License Area No. 2.

Canadian Kraft Paper Industries Ltd. FML Area No. 2	
Tree Species	Percentage of DFA Area ⁽¹⁾
Black Spruce (<i>Picea mariana</i>)	41.2
White Spruce (<i>Picea glauca</i>)	8.0
Jack Pine (<i>Pinus banksiana</i>)	22.3
Trembling Aspen (<i>Populus tremuloides</i>)	20.2
Other Hardwoods ⁽²⁾	6.2
Other Softwoods ⁽³⁾	2.1

⁽¹⁾ Percentages based on Forestry Branch forest inventory volumes on productive crown land for FML Area No. 2

⁽²⁾ Other Hardwoods include Balsam Poplar (*Populus balsamifera*) and White Birch (*Betula papyrifera*)

⁽³⁾ Other Softwoods include Balsam Fir (*Abies balsamea*) and Tamarack (*Larix laricina*)

Canadian Kraft Paper Industries Ltd. FML Area No. 2	
Tree Species ⁽¹⁾	Volume Harvested (m ³) ⁽²⁾
Softwood – Company Operations ⁽³⁾	220,028
Softwood – Third-party and Quota Operations ⁽⁴⁾	22,262
Softwood Subtotal	242,290
Hardwood – Company Operations ⁽³⁾	0
Hardwood– Third-party and Quota Operations ⁽⁴⁾	40,951
Hardwood Subtotal	40,951
Grand Total	283,421

⁽¹⁾ Canadian Kraft Paper Industries Ltd. does not sort tree species prior to mill consumption.

⁽²⁾ Reporting period per Manitoba Government fiscal year. Used 2015-2016 period of April 1st, 2015 to March 31st, 2016

⁽³⁾ Refers to wood harvested by Canadian Kraft Paper Industries Ltd contractor operations.

⁽⁴⁾ Refers to wood harvested by non-company operations on FML Area No. 2 where wood may be purchased by Canadian Kraft Paper Industries Ltd. or used for personal consumption (personal sawmill, fuelwood, etc.).

SECTION 3 - ORGANIZATION:

Description of the DFA Workforce:

The workforce is composed of employees of independent contractors, who hire predominantly from the DFA communities and is representative of the northern Manitoba population in terms of ethnic background but heavily skewed to male in the logging and transportation functions. Silviculture crews are generally younger, gender balanced but more likely to be from off DFA due to the mobile nature of the contractor business.

Management Objectives and Responsibilities on the DFA:

As the sole Forest Management License holder for the FML Area No. 2 DFA, CKP takes responsibility for the lead role in undertaking to develop and implement the SFM System for the DFA. In the spirit of partnership building and the shared responsibility of all interested parties to take a role in sustainable forest management, the Company works on an on-going basis with such parties in planning and implementing sustainable forest management on the DFA. Building on past experiences and developed partnerships this same approach has been utilized in the development of the SFM Plan.

The CSA Z809-08 standard for SFM is a performance standard to ensure that the six Criterion for Sustainable Forest Management (SFM) as identified by the Canadian Council of Forest Ministers (CCFM) are addressed for the DFA. Each of the six CCFM SFM Criterion are further defined in terms of CSA SFM Critical Elements that provide the framework to apply SFM at the local level in identification of values, objectives, indicators and targets for the DFA. The 6 CCFM SFM Criterion and 17 CSA SFM Critical Elements form the performance framework for the SFM Plan.

To complement the existing public participation mechanisms already in place for the DFA, the Company undertook an additional process to specifically address the public participation requirements of the CSA Z809-02 standard. In this regard an additional committee was formed, the Tolko CSA SFM Committee, to assist the Company to address public participation requirements not already in place and covered by other public participation processes of the Company as described earlier. Following the development of the SFM plan in 2004 the FRAC and SFMC eventually combined and were known as the SFMC. This SFM Committee was given the mandate to assist the Company in the redevelopment of the SFM Plan to meet the CSA Z809-08 standard, through proactive involvement including:

- A particular focus on providing guidance and drafting of the performance framework to be utilized for development and implementation of the SFM Plan in terms of:
- Identification of local values that relate to the Canadian Council of Forest Ministers (CCFM) SFM criteria and critical elements for the DFA;
- Development of objectives that describe a desired future state or condition for each value;
- Selection of indicators to be used in monitoring to assess progress in meeting the objectives for the DFA; and,
- Establishment of one or more targets for each indicator to provide a statement of expected results.
- Advice on procedures to be applied for monitoring the developed indicators to assess the effectiveness of the SFM Plan;

- Communicating the progress of the Committee to their constituents; and,
- Providing advice to the Company on a broad range of issues relating to forest management and sustainable development on the DFA.

For each of the Criterion the following number of Objectives have been established;

- Criterion 1 – 9 Objectives
- Criterion 2 – 4 Objectives
- Criterion 3 – 2 Objectives
- Criterion 4 – 4 Objectives
- Criterion 5 – 8 Objectives
- Criterion 6 – 11 Objectives

Aboriginals Consultation Process:

Given the mandate of the Crown to ensure that consultation with First Nations occurs for resource management activities, CWS has communicated to the Company that the Manitoba government will conduct its own First Nation consultation regarding the 2015/2017 Plan during the spring of 2015. Additional conditions resulting from this consultation may be provided to the Company when the plan is approved. Note that the company continues to hold its own communications with First Nations communities through the open house, FRAC, Resource Boards and other processes.

SECTION 4 - AUDIT FINDINGS:

Scope #	Registration Scope Description
1	Forest management activities - planning, harvesting, transportation and silviculture on the Manitoba Defined Forest Area, Forest Management License Area No. 2.

Audit Objective:**Stage 2 – 24 Month Surveillance Audit**

To confirm the management systems complies with the applicable elements of the Standards; to confirm the organization complies with its own policies and procedures; to confirm the management systems are suitable for the organization; to confirm that the management systems are suitable and effective, and enable the client to achieve its own objectives.

Audit Criteria: CSA Z809:2008

Audit Scope: Facilities/organizational units/functional units audited are located at Highway 10 North, The Pas, Manitoba and within the Manitoba Defined Forest Area, Forest Management License Area No. 2.

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.

The following personnel conducted this audit:

Audit Team

<u>Position</u>	<u>Name</u>
Lead Auditor	Ken Hall
Team Member	Rod Seabrook

Audit Coverage:

Noted Deviations from the Audit Plan:

All field visits were determined on the first day Monday 20, 2017 resulting in Thursday November 23 being a full day in the field and Friday November 24 being an office day and closing meeting.

Operations / Cut-Blocks Visited during the field audit include:

Manitoba Defined Forest Area, Forest Management License Area No. 2	
Block / Road Number / Name	Type of Operation Observed
<ul style="list-style-type: none"> • Blk HY43 and 13 and 42 <ul style="list-style-type: none"> ○ HY13 - 90 Ha ○ HY43 - 50 Ha ○ HY42 - 50 Ha • Nameu Lake Road 	<p>Anderson Logging</p> <ul style="list-style-type: none"> • In bush chip production • Block has been felled and bunched only at this time • Anderson Logging did the felling phase, and did in block roads and Rehab on old existing road • Classified as a winter block • Amendment NWL322 Permit 2017 -02-26-036 approved November 14, 2017 add 3.8 Ha • Excellent understory retention, snags, mature retention, single stem and islands. Buffers in place around Lake. Good visual breaks. • Deciduous trees are processed as round wood to the mill and used as hog for the boilers • 5" at DBH is cutting spec • Left Blk 42 at this time as block is too soft/wet • Leave popular in Blk 42 and Blk 43, leave islands, gallery selection on spruce in some leave islands • GPS Guidance system on board feller buncher, block boundaries are not ribboned or painted, • If unmarked creek is found tell the supervisor, • caribou and wolverine are endanger, • local contractor from Cranberry, training with Tolko a couple of weeks ago; book in the field • Training for WHMIS completed • Rut - 12" deep x 42' long and break the root mass, must be less than 2% of block area, • spill; dirty diapers to shop, report to

	<p>supervisor,</p> <ul style="list-style-type: none"> • Leave 5-10 trees/Ha, • Slip tank tested no tag found on tank; office records indicate pressure testing of tank has been completed • Nameu lake road, not snow plowed at the time of visit <p>HY30 completed in Spring 2017</p> <ul style="list-style-type: none"> • Chipper block • Deciduous retention • 70.2 Ha • Half way road plowed and maintained • Good visual buffer between block and road
<ul style="list-style-type: none"> • HY21A • JB 34 Interlake / Devils Lake • JB 23 Interlake 	<p>Moose Lake Logging</p> <ul style="list-style-type: none"> • HY21A • Chipper block • Active Phase 1 felling • First Nations contractor • Road clearing of snow and pounding frost into road bed • Camp off site; permits in place in the name of Canadian Kraft • Double walled fuel tank on a trailer on site; good signage, nozzle contained, inspection has been completed and is current <ul style="list-style-type: none"> ○ Inspection date and inspector license number spray painted onto the front of the tank. ○ Interstitial space is not being monitored. • JB 34 Interlake / Devils Lake • 160 Ha • Bobs Hauling independent contractor • Multi phase system • Clearcut with deciduous reserves • Active falling, yarding, processing, hauling • D7R crawler Cat maintaining roads and pounding frost into road bed • Good spill awareness <ul style="list-style-type: none"> ○ spill kits on site • fuel tank with placards <ul style="list-style-type: none"> ○ TDG warning UN 1202 ○ inspection has been completed and is current <ul style="list-style-type: none"> ▪ inspector number and date is spray painted on the tank

	<ul style="list-style-type: none"> ○ processor operators check log lengths once a day <ul style="list-style-type: none"> ▪ note everything is for chipper; no sawlog production in this block • Good understanding of species at risk <ul style="list-style-type: none"> ○ good understanding of caribou ○ good understanding of looking for nests • Skidder operators have a very good understanding of what a rut is and watching for ground disturbance • Tops are being dragged back out into the block and spread for seed sources; block will be scarified at a later date to release the seed and prep the ground • Spruce retention • Shop truck; <ul style="list-style-type: none"> ○ propane bottle secured outside of the trailer ○ eyewash bottles present adjacent to the chop saw station ○ empty fire extinguishers have been collected and tagged; not in service ○ good marking for Muster Station • ambulance on site • Note truck driver with Bob's Hauling was outside of truck cab with no Vis Vest. Driver was doing work at the second bunk (drivers side) while the loader operator was loading the third bunk (passenger side) Loaded operator was blind to the drivers location. • Block JB23 • Moose Lake Camp • 7 mobile fuel tanks viewed and were all current for inspections • Logging tops and debris have been dragged back into the block and spread evenly
<ul style="list-style-type: none"> • JB 1, 2, and 3 Interlake • JB 6,14, and 16 Interlake 	<p>Nelson River Logging</p> <ul style="list-style-type: none"> • JB 1, 2, and 3 Interlake completed • JB 16 active, slasher • 180 Ha • Multi phase logging operation; multiple contractors • KYLM and Son Hauling

	<ul style="list-style-type: none"> • Manitoba pine beetle salvage area • Clear cut salvage, some sawlog • Feller buncher • 3 skidders • 2 slashers • 2 limbers • Loader • Camp in place, permit in place in Canadian Kraft's name <ul style="list-style-type: none"> ○ Propane bottles secured ○ Spill kit present ○ Double walled fuel tank with barricades, placards in place; UN 1202 ○ Fueling procedures posted ○ Inspectors licence and inspection date present; spray painted 33-192, 9/17 • Adjacent to power lines and highway <ul style="list-style-type: none"> ○ Visual buffers along highway • Tops and debris have been dragged back and disbursed in the block as a seed source • JB 1 and 2 has been dragged with torpedoes and scarified • Spruce retention and deciduous retention • Windthrow and wind shear in standing reserves • JB 6 active • Felling, skidding • Tailgate meeting observed for JB 14 • Thumb drive inserted into FPdat system in feller buncher to update maps and cut block JB 14 • First Nation Contractor • Local contractor
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Personnel (ie Staff/contractors) interviewed in the field:

- Canadian Kraft Paper
 - Harvesting Supervisor
- Moose Lake Logging
 - Owner/Supervisor/crawler tractor operator
 - 2 feller buncher operators
 - 2 processor operators
 - 2 skidder operators
 - 1 Supervisor
- Anderson Logging
 - Feller Buncher Operator

Members of the public participation process interviewed:

- One (1) member of the public advisory committee joined the audit team during the field portion of the audit and was interviewed at that time.

Provincial Government personnel interviewed:

- No (zero) provincial government personnel were available for an interview when the auditors were available.

Aboriginal People interviewed:

- Moose Lake Logging
 - Owner/Supervisor
 - Feller Buncher Operator
- Manitoba Metis Federation
 - Engagement and Consultation Coordinator

VOITs verified (field & office)

Indicator	Description	Field and/or Office	Improvement
1.1.1.1.1 1.1.2.1.1 1.2.3.1.2 2.1.1.1.1 4.1.1.1.2 5.1.2.1.2	Forest cover composition of reforested cutover areas	Field	On Track
1.1.3.1.1 2.2.2.1.1 5.1.1.1.1	Harvest levels in cubic meters as compared to the AAC	Office	Target met
1.1.4.1.1 1.1.4.1.2 3.1.2.1.1	Abundance of residual stand structure Amount and Distribution of coarse woody debris Amount and Distribution of coarse woody debris	Field	Target met
1.2.1.1.1 1.2.2.1.1	Woodland Caribou Habitat for priority herds	Office/Field	Target met
1.2.2.2.1	Staff awareness of current SARA and MESA lists for DFA	Office/Field	Target met
1.4.1.1.1 1.4.2.1.1 5.1.1.1.3	Percentage of harvest blocks subject to Pre-harvest Forest Investigation (PHFI) surveys	Office/Field	Target met
1.4.1.1.2 5.1.4.1.1	Protected Areas recognized in forest management plans (FMP and AOP)	Office/Field	Target met
1.4.2.1.2 5.1.3.1.1	Proposed all-weather roads reviewed for the potential for the occurrence of heritage resources	Office	Target met

2.2.1.1.1 3.1.1.1.1 4.2.1.1.2	Limit extent and duration of in-block seasonal roads and landings –	Office/Field	Target A&B met Target C within variance and seeking government approval
2.2.1.1.2 3.1.1.1.2 4.2.1.1.1	Amount of area in all-weather roads (Categories 1 & 2) in place at any given time	Office	Target A met Target B within variance and seeking government approval
3.1.1.1.4 3.2.1.1.2 5.1.1.2.1	Adherence to work permit conditions and SOPs guiding CKP and contractor forestry operations on the DFA including those pertaining to rutting, protection of non-timber values, and for operations adjacent to watercourses including buffers and the handling and storage of fuels, lubricants and herbicides	Field	Target being met
3.2.1.1.1	Proportion of watershed or water management areas with recent stand-replacing disturbance	Office	Target met
3.2.1.1.3	Condition of stream crossings and roadways in terms of erosion control	Field	Target being met
4.1.1.1.1	Net Carbon Uptake	Office	Target met
4.1.1.1.3	Level of awareness of Woodlands staff of effects of unnecessary vehicle idling	Field	Target met
5.1.1.1.2 5.2.4.1.1 6.1.1.1.2 6.1.2.1.1 6.1.3.1.1 6.2.1.1.1	Documentation of public consultation process followed, communities consulted, concerns raised and strategies/mitigation developed to address concerns of local Aboriginal and other communities and non-timber resource users within forest management plans for the DFA (FMP, AOP, Road Management Plans)	Office/Field	Target met
5.2.1.1.1 5.2.3.1.1 6.3.1.1.2	Extent of local involvement in forest operations in the DFA	Office/Field	Target met
5.2.2.1.2 6.5.3.1.1	Training and awareness opportunities for contractors on the DFA	Field	Target met
5.2.2.1.3	Level of investment in training and skills development	Office	Target met
5.2.4.1.2 6.4.2.1.1	Evidence of efforts to promote capacity development and meaningful participation in general	Office/Field	Target met
6.3.1.1.1	Evidence that the organization has co-operated with other forest-dependent businesses, forest users, and the local	Office/Field	Target met

	community to strengthen and diversify the local economy		
6.3.2.1.1	Evidence of co-operation with DFA-related workers and their unions to improve and enhance safety standards, procedures, and outcomes in all DFA-related workplaces and affected communities	Office/Field	Target met
6.3.2.1.2	Evidence of co-operation with DFA-related workers and their unions to improve and enhance safety standards, procedures, and outcomes in all DFA-related workplaces and affected communities	Office/Field	Target met
6.3.3.1.1	Evidence that a worker safety program has been implemented and is periodically reviewed and improved	Office	Target met
6.3.3.1.2	Evidence that a worker safety program has been implemented and is periodically reviewed and improved.	Office/Field	Target met
6.4.3.1.1	Evidence of efforts to promote capacity development and meaningful participation for Aboriginal communities	Office/Field	Target met
6.5.1.1.1	Number of people reached through educational outreach	Office	Target met

Review of Changes:

The organization has now completely severed any ties that it may have had from Tolko. There is no longer any support or “transition” period and restructuring has now been completed. The preexisting ISO 14001:2004 environmental management system has been updated to reflect the new ownership and roles and responsibilities have been assigned accordingly.

Summary:

The findings were discussed with Mr. Paul Chapman Woodlands Manager - Forestry. The Audit Team Leader commenced the closing meeting by thanking the Canadian Kraft Paper Industries Limited staff for the cooperation and courtesy extended to the audit team during the audit. The persons listed in the ‘Meeting Attendees’ attended the opening and closing meetings. The Meeting Attendees form is maintained on file at SAI Global.

The SAI Global Audit Team recorded the following audit results:

Documentation Review:

The audit team reviewed the SFM documentation (interim SFM monitoring report, SFM plan) and found the documents to be in conformance with the requirements of the CSA Z809:2008 standard reaffirmed 2013.

Status of any previously recorded non-conformances (NCRs)

No previously recorded or outstanding NCRs.

Positive Aspects of the Management System:

- Retention of stratified understory and reserve trees in islands and individual stems including snags.

Non-conformances:

All of the applicable requirements of the ISO 14001:2004 were audited and considered to be adequately implemented with the exception of the following;

NCR No.	Clause No.	Clause Description	Type	Response Due
2017-001	Indicator 6.3.3	Forest community well-being and resilience	minor	2017.12.

Corrective Action Plans

Canadian Kraft Paper Industries Ltd have developed corrective action plans to address the root cause of the minor non-conformity identified during the audit. The root cause analysis and proposed corrective actions have been reviewed by SAI Global to ensure that they are appropriate and fully address the identified deficiencies. At the next annual Re Registration Audit a follow up on the implemented corrective actions will be done to confirm that the corrective actions were appropriate and effective in ensuring the non-conforming situation has not reoccurred.

Opportunities for Improvement (OFIs):

- Indicator 3.2.1.1.1 – The organization may wish to consider whether there is an ecological basis to the target elected.
- Indicators 5.2.1.1.1, 5.2.3.1.1, 6.3.1.1.2 - The organization may wish to consider whether the use of approximate numbers is appropriate in reporting metrics for contracts and purchase orders

- Indicators I6.4.3.1.1, 6.5.1.1.1 - The organization may wish to consider using other measures to capture Aboriginal involvement in activities rather than an company derived estimate of numbers (i.e. demonstrated promotion of events/opportunities with Aboriginal communities and organizations; records of events held directly in Aboriginal communities).
- 6.3 - The organization may wish to consider explicitly stating required core indicators and developing targets directly associated with them, rather than using surrogate indicators or restating targets as indicators.
- 6.3 - The organization may wish to consider reviewing each indicator to ensure that the focus of targets and the associated progress reporting is specific to the indicator (e.g. Indicator 5.2.2.1.3 - meaningful participation for communities only if linked to investment in training and skills development; Indicator 6.3.2.1.1 - during road inspections, signage is checked).
- 6.3 - The organization may wish to consider developing local indicators only where core indicators do not adequately meet local needs or circumstances

Please note that these Opportunities for Improvement will be reviewed as part of the preparation for the next audit.

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 results of this Surveillance Audit indicate that the Management System of Canadian Kraft Paper Industries Limited is suitable and effective with the exception of the area of minor non-conformance identified during the audit. The area of minor non-conformance must be resolved within a 60-day time frame. If the area of minor non-conformance is not resolved by the agreed corrective action date, the registration suspension process will commence.

Upon successful resolution of the area of minor non-conformance Canadian Kraft Paper Industries Limited will continue to be recommended for registration to the CAN/CSA-Z809-2008.

Next Scheduled Audit:	June 2018
Date(s):	to be determined
Type of Audit:	Re registration and upgrade to the 2016 version
No. of Persons:	2
No. of Audit Days Required:	8.5 audit days
Forest Areas for the Next Audit:	Manitoba Defined Forest Area, Forest Management License Area No. 2



Ken Hall RFT, EP(EMSLA)
Lead Auditor
SAI Global

Date: 2017.12.05

SAI GLOBAL REGISTRATION PROGRAM

INSTRUCTIONS FOR THE COMPLETION OF NON-CONFORMANCE REPORTS (NCR)

Failure to provide action plans as arranged with SAI Global and/or to implement correction and corrective action within the nominated time frames may lead to a recommendation that your certification be denied or suspended. Certain sectors require both Major and minor NCR's to be cleared within a specified time. Refer to sector specific requirements for details.

Section 1

To be completed by the SAI Global Team Leader at the time of the audit. A copy of the NCR shall be left with the Client at the completion of the audit.

Section 2 - Organization Response

Complete Section 2 as described below and return it to -SAI Global. In lieu of completing SAI Global NCR form, the Client may submit an equivalent corrective action document.	
Root Cause:	Consider using appropriate root-cause analysis tools such as, 5 Why's, FMEAs, Fault tree analysis and fish bone diagrams, etc., to ensure identification of root cause.
Correction:	Describe the action taken to correct the incident and contain the problem. Objective evidence in the form of revised procedures, records, etc. shall be submitted unless otherwise identified by the Audit Team Leader
Corrective Action:	Client shall describe the systemic (long term) corrective action(s) planned or taken to eliminate the root cause to prevent recurrence. Objective evidence in the form of revised procedures, records, etc. shall be submitted unless otherwise identified by the Audit Team Leader. <i>NOTE: For audits to the ISO 13485 – CMDCAS standard the client shall submit a corrective action plan that identifies the steps to correct the root cause and verify the effectiveness of actions taken within 30 days of the NCR issuance date. Objective evidence for closure can be submitted at a later date.</i>
Organization Acknowledgement:	Name of the organizations representative who was presented the non-conformance. Signature is not required.
SAI Global Verification Method	Record if site visit is required or what information is to be provided to effect NCR closure.

Section 3

The SAI Global Team Leader /Client/Project Manager will review the completed NCR or Client's equivalent corrective action document for adequate root cause analysis, systemic corrective action taken on root cause and objective evidence submitted. Upon completion of the review the SAI Global Team Leader will either accept the corrective action taken and clear the NCR or request that the Client provide an additional or revised response or objective evidence in order to clear the NCR. Comments shall be added to the hardcopy of the NCR or electronically as appropriate to identify any request for additional information, including the date for submittal.

Section 4 – Verification of Effectiveness

Identify the method (plan) to be utilized to verify that the corrective action taken is effective. This could be a follow-up audit or submission of objective evidence of implementation. Where appropriate, records of the client's method of verifying effectiveness can be utilized. Record in the results the actual method and documents reviewed to verify effectiveness.

Section 5 - NCR Closure

Name and date of individual performing the verification and NCR closure.

Failure to provide action plans as arranged with SAI Global and/or to implement correction and corrective action within the nominated time frames may lead to a recommendation that your certification be denied or suspended.

Activity #:	014205-14	Client:	Canadian Kraft Paper Industries Limited		App/Cert:	
Function/Area/Process:	Indicator 6.3.3 - Forest community well-being and resilience			Site:	Highway 10 North, The Pas	
Std. and Clause No(s):	CAN/CSA - Z809-2008	NCR#:	2017-001	Category:	minor	

Section 1- Details of non-conforming situation:

Non-conforming situation:

Worker safety manuals have not been reviewed and updated/validated as required.

Requirement:

Element 6.3 — Forest community well-being and resilience

Encourage, co-operate with, or help to provide opportunities for economic diversity within the community.

Core indicators

- 6.3.3 — Evidence that a worker safety program has been implemented and is periodically reviewed and improved

Objective evidence:

- Indicator 6.3.3. – Requirement comes from the organization’s notes from annual contractor meeting. Evidence that the contractor Work Safety Manuals are current was not provided for audit; Anderson Logging and Nelson River Logging.

Due Date: 2017.12.28

Audit Team Leader	Name	Ken Hall	Organization’s acknowledgement of receipt of NCR	Name	Paul Chapman
	Date:	2017.11.24		Date:	2017.11.24

SAI Global Verification Method: (record if site visit is required or what information is to be provided):

Section 2- Organization’s Response: (Attach separate sheet if required)

Root Cause Analysis (record or attach 5 why, 8D, fishbone diagram, etc to support this analysis):

Correction with completion dates (what was the immediate fix? Submit objective evidence of correction):

Corrective Action Taken/Planned (with completion date(s) (record what action is planned or will be taken to prevent recurrence. Submit objective evidence of completed corrective actions):

Organization Representative :

Name:

Date:

Section 3- SAI Global Response Review:

Reviewer:

Date:

Section 4- SAI Global Verification of Corrective Action for effectiveness

Section 5- SAI Global NCR Closure:

Name:

Date: