

June 10, 2018

Mr. Paul Chapman
Canadian Kraft Paper Industries Limited
Manitoba Woodlands
PO Box 1590
The Pas, MB
CAN, R9A 1L4

SUBJECT: REGISTRATION PROGRAM

Dear Mr. Chapman:

Please find attached the Audit Report documenting the results of our Re-Assessment Audit of your management system to the ISO 14001:2004 standard conducted at your facility in The Pas on May 28, 2018. The Recommendation at the end of Section 4 of this report provides a status of your registration.

We thank you and your organization for the support and co-operation provided during the audit and if you have any questions, please contact the undersigned.

Best Regards,

Rod Seabrook
SAI Global Team Leader
Encls.

SAI Global Confidential

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MANAGEMENT SYSTEM AUDIT REPORT

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Canadian Kraft Paper Industries Limited
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Rod Seabrook

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SECTION 1 - COMPANY INFORMATION

Company Name: Canadian Kraft Paper Industries Limited
Address: Highway 10 North
Box 1590
The Pas, Manitoba
CAN, R9A 1L4
Client No.: 014205
Contact Person: Mr. Paul Chapman
Title: Woodlands Manager Forestry

SECTION 2 – PURPOSE

The purpose of this audit report is to summarize the degree of conformance with relevant criteria, as defined within this report, based on the evidence obtained during the audit of your organization. This audit 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.

This audit was performed in accordance with the requirements of SAI Global procedures which reflect the requirements and guidance provided in recognized international standards relating to audit practices such as ISO/IEC 17021, ISO 19011 and other normative criteria. SAI Global Auditors are assigned to audits according to industry, standard or technical competencies appropriate to the organization being audited. Details of such experience and competency are maintained in our records.

In addition to the information contained in this audit report, SAI Global maintains files containing details of organization size and personnel as well as evidence collected during preliminary and subsequent audit activities relevant to the application for initial registration of your organization. Such information includes details of your primary contact persons and site addresses. Please take care to advise us of any change that may affect the application and/or registration or may assist us to keep your contact information up to date, as required by our Terms and Conditions.

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Please note that this report is subject to independent review and approval. Should changes to the outcomes of this report be necessary as a result of the review, a revised report will be issued and will supersede this report.

SECTION 3 - MANAGEMENT SYSTEM AND SCOPE

Audit Standard: ISO 14001:2004

US SIC / NACE Codes: 0811 0851 2611 / A02.0 A02.0 DE21.1

Scope of Registration

The registration covers the environmental management system for forest management activities controlled by the woodlands department.

Statutory and Regulatory Requirements Referenced

1. The organization has identified links to Federal and Provincial legislation and regulations that govern its business and uses a third party service provider; ECOLOG which provides monthly updates to Provincial and Federal Legislation
2. Identified requirements: Legislation that has been identified (but not limited to)
 - Environmental Protection Act
 - Species at Risk Act
 - Transportation of Dangerous Goods Act
 - Wildlife Act
 - Navigable Waters Act

Dependency Note

Not Applicable

SECTION 4 - AUDIT DETAILS AND RECOMMENDATION

Type of Audit: Re-Assessment Audit
Audit Dates: May 28, 2018 to May 30, 2018
Duration of Audit: **Person(s):** 3 **Day(s):** 8.0

Audit Team

Position	Name
Team Leader	Rod Seabrook
Team Member	David Barker
Team Member	Jeff Koch
Observer	Sylvain Frappier

Re-Assessment Audit

Executive Overview

A re-assessment audit to the ISO 14001:2004 environmental management system standard was held during the week of May 28, 2018 in conjunction with the upgrade transition audit to the ISO 14001:2015 standard. The audit found that the management system to be in general conformance with the standard with the exception of five minor non-conformances that were identified. A recommendation for continued certification is on hold pending receipt and acceptance of the Company's responses to the non-conformances. Five Opportunities for Improvement and four Good Management Practices were also noted.

Management System – Main Components

Management System Documentation

The management system manual revision was reviewed and found to be in conformance with the requirements of the ISO 14001:2004 standard.

Management Review

Management review meetings are conducted at annual intervals. A review of the records of the most recent management review was performed and found not to meet the requirements of the ISO 14001:2004 standard. Details are provided in NCR No. 2018-05

Policy

Based on the results of this audit, the Canadian Kraft Paper Industries Limited management system is effectively implemented and fulfils the stated policy.

Objectives

Based on the results of this audit, the Canadian Kraft Paper Industries Limited management system is not effectively implemented in all areas. Details are provided in NCR No. 2018-02

Internal Audits

Internal audits are being conducted at planned intervals to ensure conformance to planned arrangements, the requirements of the ISO 14001:2004 standard and the established management system.

Compliance Evaluation

Canadian Kraft Paper Industries Limited has implemented processes for periodically evaluating its compliance with applicable legal and other requirements. Processes for conducting compliance evaluations operational inspections, Government inspections, internal & external audits and environmental incident reports

Continual Improvement

Canadian Kraft Paper Industries Limited is implementing an effective process for the continual improvement of the management system through the use of the policy, objectives, audit results, data analysis, corrective and preventive actions and management review.

Past Performance - Client and SAI Global Audit Review

CKPI has been registered to CAN/CSA Z809 since January 4, 2017. No non-conformances had been identified

Review of Changes

Changes were made to the EMS manual to align it with the requirements of ISO 14001:2015

Previous Audit Issues

None

Usage of Marks, Logos and Certificate

None identified

Changes to the audit plan and the reasons for the change

None

Significant issues impacting on the Audit Programme

None

Environmental and/or Health and Safety Management System Components

Site Inspection

The audit team toured the site and concluded that the conditions of the site reflect an effectively implemented management system.

Aspect and Hazard Identification

Based on the results of this audit, the Canadian Kraft Paper Industries Limited management system has not established, implemented and maintained procedures for the identification, evaluation and upkeep of <<choose "environmental aspects" and the associated impacts and risks. Details are provided in NCR No. 2018-01

Operational Controls, Monitoring and Measurement Processes

Implementation of necessary operational, monitoring and measurement controls for the audited significant environmental aspects is adequately demonstrated.

Emergency Preparedness and Response

Canadian Kraft Paper Industries Limited has identified the potential for emergency situations including fire and spills and developed and tested response procedures. The last drill covered was conducted March 28, 2018 and covered an actual truck fire.

The results of this Re-Assessment Audit Re-Assessment Audit indicates that the management system of Canadian Kraft Paper Industries Limited does not fully meet the requirements the ISO 14001:2004 standard and has not been maintained based on the areas of nonconformance identified during the audit and as documented in the attached Non-conformance Reports. As discussed during the Closing meeting, please submit a response Root Cause Analysis and corrective action plans within the next 30

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

Notwithstanding the identified areas of non-conformance, the results of this audit have confirmed that Canadian Kraft Paper Industries Limited:

- Continues to effectively implement a management system that meets the ISO 14001:2004 standard for the scope of registration identified in this report.
- Ensures the management system remains effective considering internal and external changes.
- Demonstrates a commitment to maintain the effectiveness and improve the management system in order to enhance overall performance.
- Operates the management system to ensure the achievement of the stated policies and objectives.

Please note that this report is subject to independent review and approval. Should changes to the outcomes of this report be necessary as a result of the review, a revised report will be issued and will supersede this report.

SECTION 5 – AUDIT FINDINGS

Functions, Activity, Processes and Areas Audited	
All of the applicable requirements of the ISO 14001:2004 standard for the functions, processes and areas listed below were reviewed.	
Policy	<p>4.2 Environmental policy</p> <p>Environmental policy dated Nov 30, 2016 signed by Chief Operating Officer</p> <p>Policy includes commitments to continual improvement, minimizing pollution and adherence to compliance requirements</p> <p>Policy is documented and available at https://www.canadiankraftpaper.com/files/CKP-Environmental-Policy.pdf</p> <p>The Environmental Policy was found to meet the requirements of the Standard and is being implemented</p> <p>Conclusion: Conforms</p>
Planning	<p>4.3.1 Environmental aspects</p> <p>EMS manual Section 6.1.2 Environmental Aspects</p> <p>Describes processes for identifying environmental aspects, including SEAs</p> <p>Last review conducted May 22, 2018 – aspects and SEAs documented</p> <ul style="list-style-type: none"> • 15 aspects identified • 8 significant • Objectives, targets and programs developed for each environmental aspect <p>*OFI Consider reviewing the aspect description to make them consistent with the definition contained in the ISO 14001 Standard</p> <p>Conclusion:</p> <p>NC-2018-01 Not all environmental aspects are consistent with the definition in the Standard and are more related to impacts</p> <p>4.3.2 Legal and other requirements</p> <p>EMS SOP 100 Legislation and Regulation Master List. This spreadsheet has Provincial Acts and Regulations, Federal Acts and Regulation, Provincial Forest Guidelines and Other Legislation. Interview Matthew Interview Matthew</p> <p>a) Determine & have access to comp. Obligations: Manual states who and what. b) Determine how they apply- Inferred from the Excel sheet: EMS – SOP-100 Legislation and Regulation Master List, shows Provincial, Federal and Provincial Codes/Other. There are 5 others: 2 Environmental Act Licenses (EAL 2302-E and EAL 2896, The FMA Licence, and the two standards- Z809 and ISO. PEFC standard is not there. Lists are updated using the EcoLog Monthly legislation update ledger. The ones that are not in this EcoLog ledger update, done manually. Last time was April 27/18.</p>

c) Use compliance obligations when improving the management system: Pertains as to what gets changed in ledger, described to EMS Committee. E.g. March 2018 added multi species, judged not to affect operations. Last change that did affect operations was Transport and Dangerous Goods Jan 2018. Added Lithium Ion batteries. Email drone pilots regarding new regs re weight and transport. Apr 16/18 Marked the case regarding combustibility. Another example Nov. 2017 re Species of Special Concern, reviewed and decided no change in operations- aware of the need to make changes.

OFI Consider mentioning ILO and PEFC standard in list of other requirements.

Conclusion: Conforms

4.3.3 Objectives, targets and programmes

Thirteen objectives, with targets and programs developed to address each environmental aspect as follows:

1. conduct forest operations to maintain existing fish habitat
2. conduct forest operations to maintain existing water quality
3. maintain productivity of soils over time by insuring operational controls in place to balance forest resource values with environmental impacts
4. conduct forest operations in a manner that prevents spills of fuels or oil products from causing environmental damage
5. conduct forest operations in a manner that ensures compliance with approved operating boundaries
6. conduct forest operations in a manner that prevents uncontrolled fires
7. conduct forestry operations without compromising environment through spills or off target application of herbicide
8. conduct forest operations in a manner that minimizes removal or alteration of forest cover
9. conduct forest operations in a manner that minimizes impact to rare or at risk species
10. conduct forest operations in a manner that minimizes possibility of introduction of exotic or invasive species
11. conduct forest operations in a manner that minimizes littering
12. conduct forest operations in a manner that allows for effective debris management
13. ensure proper approvals are in place prior to commencement of forest management operations

Objectives and targets consistent with Environmental Policy commitments to Protect the environment, comply with legal requirements, minimize pollution, practice sustainable forestry and continually improve.

Numerical targets set where appropriated

Programmes established through application of various practices and activities such as:

- Tailgate meetings,
- Operations Inspections,
- Forest Operation Modification Guideline,
- Forest Operations Equipment Standard Guideline,
- Debris Burning Guideline,
- Forest Fire EPP,
- Work Permit SOP,
- CKP annual fire plan,
- Contractor Mini Fire Plan

	<ul style="list-style-type: none"> • Ensure integrity of water crossings and culverts through regular inspections and maintenance (Little Atik road and railway crossing, Ochre Road, Sugar Road) • Zero instances of buffer infringement: (field blocks PF 7, 8, HY 42, 43, AB 3-2009) • Minimize soil disturbance: (field blocks PF 7, 8, HY 42, 43) • Zero instances of trespass (aerial spray): (field block OF-5) • Zero reportable spills, Availability of spill kits, Assess contractors ability to respond to spill (JB-17, JB-6) • Training and monitoring of contractors using tablets in bunching equipment (JB-17) • Document that copies of approved work permit boundaries are provided and maintained on site (JB-17, JB-6, Davidson Road) • Zero incidents of trespass (PF-7, PF-8, (2015-16 harvest) HY-42, HY-43 (2017-18 harvest) • No harvesting within parks or protected areas (PF-7, PF-8, (2015-16 harvest) HY-42, HY-43 (2017-18 harvest) • Conduct operations in a manner that prevents uncontrolled fire. (truck fire did not spread- 2018 Emergency Response Test Form, completed March 28/18- Truck fire in block) • Identification of riparian buffer for spray control (field block OF-5) • Minimize in-block roads (field blocks PF 7, 8, HY 42, 43, JB-6, JB-17, OL-102, OL-44) • Training in rare and endangered species (interview Jeanne, Joyce, training records) • Trees planted from Government approved seed zone ((field blocks PF 7, e8) • Contractors aware of debris management strategies ((field blocks PF 7, 8, HY 42, 43, JB-17) <p>Conclusion:</p> <p>NC- Designation of responsibility for achieving objectives and targets and the means and time-frame by which they are to be achieved are not identified.</p>
Implementation and operation	<p>4.4.1 Resources, roles, responsibilities and authorities</p> <p>Operations Forester- operational planning, technical education, forester based on overall qualifications. Agrees lack of recent hires have not significantly affected ability to do job. However not swamped Resources are provision of operational maps to contractors. Saw where feller buncher went on JB-26. Stayed within the block. GP- digital maps.</p> <p>Woodlands Assistant-keeps filing and maintains communications among staff, good at her job- Short a harvesting supervisor but still able to do job.</p> <p>Operations Forester Planning- Tech 1994, long period of work with this company, including road construction tech. Responsibility for 11 SOPs. Current planning- interface with Provincial Government, road planning. Bignell Road- summer road planning. Reviewed 2017-2019 operating plan: 17 km construction. Photo interpretation to reduce xing of bogs and fens. Phase 1- part of road inside WHA, part outside. Heritage resource survey: Historic Resources Branch of Manitoba. Email July 11/17 re no heritage Bignell Road. Short people- operating plan to be started in November, but okay for now. No negative findings</p> <p>4.4.2 Competence, training and awareness</p> <p>Training procedure and responsibilities is detailed in the CKPI Woodlands EMS Manual (EMS-PROC 100 – Woodlands EMS Manual – Section 7.2</p>

(Competence) & Section 7.3 (Awareness).

Responsibilities have been defined in a table for procedures, process and records.- adequate

EMS Training Matrix (dated Apr 25, 2018) contains detailed training requirements for CKPI woodlands staff – adequate.

Contractor training is primarily handled through the annual contractor meeting (held on Sept 13, 2017). Covers EMS/CSA review – reviewed PDF presentation. Three of CKPI's larger contractors (Moose Lake Logging, Anderson Logging & Lajambe) were verified as having participated in this review which is mandatory. One contractor missed the session and a CKPI supervisor reviewed this with him (Floyd from Katiskiwa). Contractor Orientation Records (CORs) are completed once per year for all contractors and cover pertinent items relating the contractors business (eg, hauling, harvesting, renewal, etc). Review CORs for Anderson Logging (10/26/2017) and Moose Lake Logging (11/17/2017) – they are required once annually for all contractors. CORs cover: EMS responsibilities, Environmental Certificates reviewed (EMS, Z809), Env Objectives, Contractor Safety Program and whether or not the contractor is in good standing with WCB & provincial WS&H safety requirements. All required items reviewed on these two CORs.

Reviewed staff training records for (tracked in Corepoint database):

- Wally Quiring (Woodlands Mgr – Harvesting) - Training sufficient by matrix
- Mike Paddock (Operations Forester – Planning) – Training sufficient by matrix
- Matt Forbes (Operations Forester – Planning) – Training sufficient by matrix
- Joyce Totte (Woodlands Assistant) – Training sufficient by matrix

Reviewed contractor training records for:

- Matt Atkinson (Inter Mountain Contracting Supervisor) – Training sufficient by CPKI contract Appendix C requirements
- Carl Beck (Inter Mountain Contracting Feller Buncher Operator) – Training sufficient by CKPI contract Appendix C requirements
- Mike Klym (Klym & Son Contracting Supervisor) – Training sufficient by CKPI contract Appendix C requirements
- Henry Christie (Klym & Son Contracting Scarification Skidder Operator) – Training sufficient by CKPI contract Appendix C requirements
- Carl Hall (Klym & Son Contracting Scarification Skidder Operator) – Training sufficient by CKPI contract Appendix C requirements

Field Notes

- Interviewees:

Inter Mountain Contracting (Block KB-17)- Matt Atkinson (Supervisor/Cat operator), Carl Beck (Buncher operator)

Klym & Son Contracting (Block KB-6) – Mike Klym (Supervisor/Skidder operator), Henry Christie (skidder operator), Carl Hall (skidder operator)

- Shayne Elliot (CKPI)

- All interviewees were knowledgeable of:

- their primary potential environmental impacts (eg. Soil disturbance, spills and causing a fire)
- the CKPI rutting definition (12" by 40' for 90 meters) though all would be pulling out of areas before creating ruts that big
- spill reporting requirements (50L or greater of any product spilled to ground is reported to MB SD as well as spills within 150m of a watercourse)
- CKPI's commitment to environmental and sustainable forest management

stewardship which is delivered via the Annual contractor training session (last one conducted (Sept 13, 2017) and the further provision of on-site training/guidance from CKPI supervisors – both contract supervisors interviewed had attended the training which has an environmental component and discussions around both EMS and SFM certification.

OFI - Consideration could be given to further clarifying in the CKPI Woodlands Manual that contractor principals/supervisors are responsible for delivering required environmental/SFM training to their employees based on requirements stated in the CKPI contract agreements.

OFI - Consideration could be given to further reconciling the EMS Training Matrix with the Corepoint Training database to ensure that “Company Guidelines” and “Standard Operating Procedures” as per the EMS Matrix have standardized training content to ensure that all employees requiring this training are actually reviewing the same information.

Good management practice – Very knowledgeable and environmentally conscious contractors interviewed in the field.

Training needs matrix on the Woodlands shared drive, has suite of required training. Training was done on Species at Risk/EMS awareness on Apr. 23. Records are shown on-line (CorePoint) eg. Spill Response plan- Group Review November 13, 2017.

Contractors- Training records: in blue binder e.g. Contractor/Employee Workshop form completed for Intermountain Contracting May 16, 2018 re 13 modules re EMS training (eg. Nesting Birds). Second Example- Intermountain Fire Protection training. May 8, 2018.

Woodlands Assistant- Training via on-the-job, 18 years in accounting (sawmill), familiar with woods through periodic field trips/join the woods staff on inspections, self-study: review of Manitoba Fire Codes.

Conclusion:

NC - CKPI Woodlands EMS Manual Section 7.0 Support states that the company has developed a matrix summarizing job categories regarding environmental training needs of woodlands staff and for relevant contractors. The matrix is in place for CKPI staff but not relevant contractors at this point.

4.4.3 Communication

EMS Manual Sections:

7.4.2 Internal Communication

Routine Internal Communication:

- Email
- Meetings
- PIFs & EIRs
- Quarterly reviews

7.4.3 External Communication

- Public Concerns table
- Aboriginal Concerns table
- PIFs & EIRs
- Environmental Policy,

- Sustainable Forest Management Policy,
- SFM Plans
- SFM annual reports
- applicable compliance obligation report
- summary of 3rd party SFM audits made available to the public

CKP does not provide other EMS documentation, such as the significant environmental aspects, to external parties.

Communications practices were found to be comprehensive and effective

Conclusion: Conforms

4.4.4 Documentation

All required EMS Documentation in place: The CKPI Woodlands EMS Manual (EMS-PROC 100, dated May 18, 2018) describes all the main elements of the CKPI EMS and their related interactions and references documents used to support the EMS. See the remainder of Section 5 of this report for specific documentation support for particular areas of the standard.

Good Management Practice: Guide 980: Nesting Bird Protection Operational Guideline, updated April 2018 is comprehensive regarding bird protection and management.

Conclusion: Conforms

4.4.5 Control of documents

Control of Documents procedure and responsibilities is detailed in the CKPI Woodlands EMS Manual (EMS-PROC 100 – Woodlands EMS Manual – Section 7.5 (Documented Information) and Section 10.0 (Improvement) – adequate. Covers both control of documents and control of records (follows ISO 14001:2015 clause numbering)

Approval of documentation – EMS Committee is responsible (meets as required but a minimum of once / year (met 4 times in 2018) – last met 05/24/2018

Review, Changes & Update – EMS Committee updates documentation upon review and approval of EMS docs to be revised. PIF reviewed for Operational Control Update Matrix (wording changes to doc). PIF approved by Woodlands Manager Forestry (EMS Committee Chair) on 5/18/2018 and revised document was viewed on the server. Old document has been placed in archived folder.

Relevant Versions in Use - Revised documents are then placed in the Share CKPI Woodlands server in the appropriate file folder in pdf format and CKPI staff has access off that drive to EMS documents – documents referred to by staff in the office or during the field day as well as CKPI information which is distributed to contractors for field use was up to date.

Documents of External Origin – The only documents that would fall into this category are Manitoba SD or other provincial and federal (eg. DFO) regulatory bodies. This information is accessed directly off the appropriate website for the regulatory body.

Obsolete Documents – Documents which are no longer in use are placed in an archived file which is maintained on the Share CKPI Woodlands server

EMS Document ID:

- Procedure Manuals start with "PROC"
- SOPs, Operational Controls and Emergency Preparedness Plans start with "SOP" or "EPP"
- Forms start with "FORM"
- Guidebooks start with "GUIDE"

See other related clauses referenced in this report for a comprehensive list of documentation seen during the audit.

Field Notes

Intermountain Contracting (Block JB-17) and Klym & Son Contracting (Block JB-6) both had the following CKPI documents in their possession on block:

- CKPI EMS Help Cards (pink dated Nov 2016)
- Work Permits 2017-02-24-019 (JB-17) & 2018-02-24-004 (JB-6)
- CKPI Forest Management Planning & Operational Practices Operators Guide (dated Sept 12, 2017)
- CKPI Guides for: Selection of Leave Trees (Guide 970), Bird Protection (Guide 980), GPS Unit Operation (Guide 960 – dated Dec 20, 2016), Standing Tree Surveys (Guide 940 – dated Nov 30, 2016), Soil Disturbance (Guide 909)
- CKPI Fuel Oil & Antifreeze Spill Procedure (EPP-010 – dated Nov 2016)
- CKPI Forest Operations Equipment Standard (covers Fire Suppression equipment requirements - dated Jan 30, 2017)

Conclusion: Conforms

4.4.6 Operational control

EMS Manual Section 8.1 Operational Planning and Control

- Processes listed
- Tools include SOPs, guides and PIFs
- Operational control matrix lists SEAs and associated operational controls and monitoring/measurement methods

Documented SOPs and guides provide detailed instruction to operations, including consequences of nonconformance

Example SOPs are:

- SOP-030 Field Marking
- SOP-032 Road Management Planning
- SOP-033 Road Construction
- SOP-040 Work Permit
- SOP050 Working Near Water Bodies

Operational controls communicated to staff and contactors during training

Field Notes:

Applicable documents onsite at both Block KB-17 (Bunching & Road Construction) and Block KB-6 (Scarification):

- CKPI EMS Help Cards (pink dated Nov 2016)
- Work Permits 2017-02-24-019 (JB-17 – single block permit for harvesting) & 2018-02-24-004 (JB-6 – one of 14 blocks included on the work permit for scarification)
- CKPI Forest Management Planning & Operating Practices Operators Guide (dated Sept 12, 2017)
- CKPI Guides for: Selection of Leave Trees (Guide 970), Bird Protection (Guide 980), GPS Unit Operation (Guide 960 – dated Dec 20, 2016), Standing

Tree Surveys (Guide 940 – dated Nov 30, 2016), Soil Disturbance (Guide 909)
 - CKPI Project Tailgate Form (WL101 – dated 5/16/2018 for Block KB-17 and 05/08/2018 for Block KB-6 (and 14 other blocks to be scarified)
 - CKPI Planning & Building Block Roads Best Practices document (undated)
 - CKPI Operations Inspection Form (dated 05/29/2018 for Block KB-17 and scarification blocks have just begun so no CKPI supervisor has done an inspection yet.

- Interviewees:

Inter Mountain Contracting (Block KB-17) Supervisor/Cat operator, Buncher operator
 Klym & Son Contracting (Block KB-6) – Supervisor/Skidder operator, skidder operator
 - Area Superintendent (CKPI)

- Work Permits granted by MB SD authorize CKPI to begin work in areas.
 - CKPI completes a Project Tailgate (Pre-Work with contract supervisor at minimum to cover off pertinent environmental, operational and safety items for the block – this document is signed off by the contractor and CKPI supervisor
 - Handover of applicable CKPI documents (Guides, SOPs, Procedures, etc) occurs after contractor and CKPI supervisor signoff
 - Inspections occur when CKPI supervisors are onsite visiting contractors – no set period for inspections but supervisors are onsite so often that this is not an issue.

10 Guides, SOPs (Forest Fire, Fuel Oil and Antifreeze, Herbicide Spills); FMPOP Operators Guide is uncontrolled, is being used, has parts that are in other SOPs.
OFI Evaluate its use and decide controlled or not, use it or lose it .

Leave tree SOP met (PF-7, PF 8, HY-42, 43).

Tailgate meetings recorded for Completed harvest and roads: PF-7, PF-8, (2015-16 harvest) HY-42, HY-43 (2017-18 harvest)
 Decommissioned roads: PF-7, PF 8, HY-42, Completed planting: PF-7, PF-8, Aerial herbicide spray: OF-5

Good Management Practice:

All contractors have electronic tablets with GPS and the operating block boundaries shown on the screen, which improves information and accuracy about where to operate, shows staff where the machines were on the block, and reduces the chances of tree cutting errors.

The auditor observed excellent retention of standing trees both in-block and at the edge of the block. These retained trees included single trees, clumps including merchantable trees, stubs, and advanced regeneration.

Conclusion: Conforms

4.4.7 Emergency preparedness and response

Staff aware of fire preparedness and response requirements.

2018 Fire Suppression Plan, April 2018.

2018 Emergency Response Test Form, completed March 28/18- Truck fire in block. In the Canadian Kraft “response test form report” there was a missing cause and an unclear reference to a related record; no conclusion or recommendation. Joyce: May 1/18 Viewed handwritten report from Contractor, also not complete re cause, recommendations.

Perhaps staff training? Follow-up on staff training or form revision? What is required as a contractor report?

	<p>OFI To review/analyse the response report to an incident or a test in more thorough manner.</p> <p>Applicable documents onsite at both Block KB-17 (Bunching & Road Construction) and Block KB-6 (Scarification):</p> <ul style="list-style-type: none"> - CKPI Fuel Oil & Antifreeze Spill Procedure (EPP-010 – dated Nov 2016) - CKPI Forest Operations Equipment Standard (covers Fire Suppression equipment requirements - dated Jan 30, 3017) - CKPI Forest Fire Emergency Preparedness Plan - CKPI Fuel & Oil Spill Emergency Preparedness Plan <p>- All interviewees were knowledgeable on spill reporting requirements (50L or greater of any product spilled to ground is reported to MB SD as well as spills within 150m of a watercourse). Required spill kits were on pieces of equipment and at portable fuel tank trailers on the blocks.</p> <p>- Both contractors sampled had sufficient water delivery systems (1000 gallon water tank trailers) on site as well as 600 ft of hose available. All equipment had sufficient type and number of fire tools (fire extinguishers, shovels, axes and backpack water pumps on board as per CKPI Forest Operations Equipment Standard)</p> <p>- Fire weather ratings (1 (Low) – 4 (Extreme)) are provided by CKPI to contractors on a daily basis and shut downs occur based on work types (eg. high risk/hot work). Fire season is April 1 to Nov 15 annually.</p> <p>Conclusion: Conforms</p>
<p>Checking</p>	<p>4.5.1 Monitoring and measurement</p> <p>EMS Manual Section 9.1 Monitoring, measurement, analysis and evaluation</p> <p>Monitoring of the following:</p> <ul style="list-style-type: none"> • Established EMS objectives, - tailgates, operations inspections, GPS tracking, AgNav tracking, road inspections, AAC tracking/reporting • Relevant environmental legislation –SOP-100 Legislation and Regulations – re: evaluation of compliance – e.g. Ecological Reserves Act (Provincial) – compliance monitoring subfolder share-CKPI-woodlands/ISO/EMS/CKP EMS Legislation and Review/Compliance Monitoring – each act or reg has own tab – set monitoring frequency (minimum is once per 3 years) – annually compare harvest to harvest boundaries – last done May 24, 2018 • Other environmental obligations – internal reporting on Environment Act obligations • SFM requirements – Annual report <p>Reviewed monitoring/inspection reports for field blocks: Completed harvest and roads: PF-7, PF-8, (2015-16 harvest) HY-42, HY-43 (2017-18 harvest) Decommissioned roads: PF-7, PF 8, HY-42, Completed planting: PF-7, PF-8 Aerial herbicide spray: OF-5, Free to grow surveys: AF-200, AF 202, NA 33</p> <p>Applicable documents onsite at both Block KB-17 (Bunching & Road Construction) and Block KB-6 (Scarification):</p> <ul style="list-style-type: none"> - CKPI Operations Inspection Form (dated 05/29/2018) for Block KB-17 and scarification blocks have just begun so no CKPI supervisor has done an inspection yet. <p>Inspections occur when CKPI supervisors are onsite visiting contractors – no set period for inspections but supervisor generally conduct inspections when they are present on-site.</p>

OFI - Consider developing a method of tracking action items identified during operations inspections to ensure that they are actioned.– e.g. Block Hy 21 re: spreading of chipper debris into standing timber

Conclusion:

NC: Issues identified in two 2018 Operations Inspection Reports (Bk Hy21 01/16/2018 and Bk PT-11 02/02/2018) were not properly addressed in the "Action Items" section of the report

4.5.2 Evaluation of compliance

EMS Manual Section 9.1.2 Evaluation of Compliance

Processes for evaluating compliance include

- Operational inspections – as per records
- Government inspections – interviewed Regional Forester, Manitoba Sustainable Development – no compliance issues
- Internal & external audits – last external EMS audit Nov 2017; last internal audit May 2018
- Environmental incident reports – as per records
- Contractor communications – reviewed sample CORs
- Woodlands meetings – e.g. Management review May 2018
- Compliance Audits – CSA Z809 and PEFC Chain of Custody audits conducted May 2018; legal compliance reviewed for applicable legal requirements on three year cycle (verified sample)
- Environmental Act Licences – Champions identified, 2017 monitoring being compiled

Conclusion: Conforms

4.5.3 Nonconformance, corrective actions and preventive actions

Nonconformity and Corrective Action procedure and responsibilities is detailed in the CKPI Woodlands EMS Manual (EMS-PROC 100 – Woodlands EMS Manual – Section 10.2 (Nonconformity & Corrective Action) – adequate.

EMS/CSA/PEFC Corrective Action Log is maintained by Paul Chapman with the following items being tracked:

- NCs (Internal & External Audits) – 2017 NCs are all being tracked
 - 2017 Internal Audit NCs – 1 NC – tracked and completed
 - 2017 External Audit NCs – 1 NC – tracked and completed
 - 2018 Internal Audit NCs – 1 NC – tracked and completed
- OFIs (Internal & External Audits) – 2017 & 2018 OFIs are all being tracked
 - 2017 Internal OFIs (all have been entered in log – 2 completed and 1 in progress)
 - 2018 Internal OFIs (all have been entered in log – 4 completed and 2 in progress)
 - 2017 External Audit (all have been entered – 14 OFIs – 2 are currently being actioned, the rest may be in the future but are not currently being actioned at this point.
- EIR (Environmental Incident Reports) – one incident from 2017 (10/11/2017) tracked: A contractor (Nelson River Logging) had caused ruts in a block beyond what CKPI requirements are, though not out of compliance with MB SD requirements. Completed and contractor has been spoken to by CKPI

	<p>company management about future site deg. - PIF (Process Improvement Form) – 5 in log right now – 1 complete and 4 in progress (reviewed PIF dated 5/24/2018) for updating EMS Help Card for closure of Mafeking, MB SD office – is being tracked in log (in progress).</p> <p>Conclusion: Conforms</p> <p>4.5.4 Control of records</p> <p>Control of Documents procedure and responsibilities is detailed in the CKPI Woodlands EMS Manual (EMS-PROC 100 – Woodlands EMS Manual – Section 7.5 (Documented Information) as well as Section 10.0 (Improvement) – adequate. Covers both control of documents and control of records (follows ISO 14001:2015 clause requirements)</p> <p>Records are primarily stored online on the company server and are retrievable by woodlands staff. Some records are maintained in hard copy (eg. Contractor Training Records). Sampled records maintained are: Contractor Orientation Records (CORs), Project Tailgate Checklists, Operations Inspection Forms (OIF), training records, EMS Committee meeting records, contract records, internal audit, mgt review, etc. See other clauses of this report for a comprehensive review of records sampled.</p> <p>As per CKPI Woodlands EMS Manual – retention period is a minimum of 3 years unless otherwise stated in a CKPI procedure or if required through legislation. Disposal of records may occur after the minimum retention period has been met.</p> <p>Conclusion: Conforms</p> <p>4.5.5 Internal audit</p> <p>EMS Manual Section 9.2.2</p> <ul style="list-style-type: none"> • Internal audit conducted May 15-17, 2018 • External Auditor – Register Professional Forester (BC) with extensive experience in EMS, SFM and Forest Product Chain of Custody • Criteria: CKPI EMS commitments; ISO 14001:2015 standard • Audit consisted of document review and interviews – no field component due to forest fire danger • Report prepared May 19, 2018 • One nonconformance identified and addressed • Four OFIs and addressed <p>Conclusion: Conforms</p>
Management review	<p>4.6 Management review</p> <p>EMS Manual Section 9.3 Management Review</p> <ul style="list-style-type: none"> • Management review held May 9-10, 2018 – top management in

	<p style="text-align: center;">attendance</p> <ul style="list-style-type: none"> • Minutes document • Review covered SFM, EMS and CoC • Discussion topics required by standards covered • Requirements of Standard re: outputs of management review not met <p>Conclusion: NC - Documented evidence of the outputs from management review was not provided for audit</p>
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Non-Conformances (NCRs):

All of the applicable requirements of the ISO 14001:2004 were audited and considered to be adequately implemented with the exception of the non-conformances identified below.

NCR No.	Level	Clause	Description	Final CAR Due Date:
2018-01	Minor	4.3.1	Not all environmental aspects are consistent with the definition in the Standard and are more related to impacts	July 29, 2018
2018-02	Minor	4.3.3	Designation of responsibility for achieving objectives and targets and the means and time-frame by which they are to be achieved are not identified.	July 29, 2018
2018-03	Minor	4.4.2	CKPI Woodlands EMS Manual Section 7.0 Support states that the company has developed a matrix summarizing job categories regarding environmental training needs of woodlands staff and for relevant contractors. The matrix is in place for CKPI staff but not relevant contractors at this point.	July 29, 2018
2018-04	Minor	4.5.1	Issues identified in two 2018 Operations Inspection Reports were not properly addressed in the "Action Items" section of the report	July 29, 2018
2018-05	Minor	4.6	Documented evidence of the outputs from management review was not provided for audit	July 29, 2018

Opportunities for Improvement (OFI)

- Consider developing an environmental aspects matrix that describes aspects in the context of specific activities and includes associated risks, opportunities, life cycle considerations and compliance obligations
- Consider strengthening the documented information associated with the environmental objectives to better align with the requirements of the ISO 14001:2015 Standard (e.g. resources, timelines, monitoring methods)
- Consider developing a method of tracking action items identified during operations inspections
- Consider preparing incident or test reports more thoroughly.
- Consider reviewing Guides and Standard Operating Procedures for consistency with field practices.
- Consider further clarifying in the CKPI Woodlands Manual that contractor principals/supervisors are responsible for delivering required environmental/SFM training to their employees based on requirements stated in the CKPI contract agreements.

Other Issues

None

Next Scheduled Audit: A-00376136
Date(s): June 17 to June 21, 2019
Type of Audit: S1
No. of Persons: 2
No. of Audit Days Required: 2

Rod Seabrook
SAI Global Team Leader

Date: June 10, 2018