

Forest Certification Surveillance #2 Audit Report

Prepared by:

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www.saiglobal.com**for:**Canadian Kraft Paper and
Nisokapawino Forestry Management Company

c/o Andrew Forward

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for the following certified forest area:

Forest Management Licence Area No. 2

File Number:**Date of Evaluation:** Nov 25 – 27, 2020**Date of Report:** Dec 6, 2020**Certificate Registration Date:** Sep 17, 2018**Certificate Expiry Date:** Sep 16, 2023

SECTION 1 – ORGANIZATION

Certification type

Group certificate	
Single certificate	X

Name and Description of the certified organization - Canadian Kraft Paper Industries Limited

Located in The Pas, Man., Canadian Kraft Paper Industries (CKPI) manufactures high quality unbleached kraft extensible papers sold globally for various packaging applications. Forest Management License Area No. 2 is located in northern Manitoba and is managed by CKPI and Nisokapawino Forestry Management Corporation (NFMC) under Forest Management License (FML) Agreement No. 2, the defined forest area (DFA). Administration of the DFA is undertaken by Manitoba Sustainable Development (SD) through the Northwest, Northeast and Western Region offices.

List of co-applicants

Name	Active on the DFA Yes or NO
Canadian Kraft Paper Industries Limited	Yes
Nisokapawino Forestry Management Corporation	Yes

SECTION 2 - DESCRIPTION OF THE DEFINED FOREST AREA

Legal Tenure / Licence Description

The softwood resources of the FML Area No. 2 DFA are managed by CKPI, under a Forest Management Licence (FML) Agreement with the Province of Manitoba. The FML Agreement specifies the responsibilities of CKPI for management of the forest resource within the FML Area No. 2 DFA. CKPI is the sole licence holder for the DFA. CKPI entered into an Assignment and Assumption Agreement on August 13, 2018 with Nisokapawino Forestry Management Corporation (NFMC) and the Crown, represented by Manitoba Sustainable Development to assign certain licence responsibilities to NFMC; specifically forest management planning, silviculture, and monitoring of regeneration success. NFMC is a 50/50 partnership between CKPI and Nekote Tribal Council which represents seven Swampy Cree First Nation communities.

Administration of the forest and other natural resources within the DFA comes under the responsibilities of Manitoba Sustainable Development.

The FML Area No. 2 DFA is, as described in the FML Agreement with the Province of Manitoba "Area I" (FML Agreement Clause 8 (A) (i)). Forest Management Unit (FMU) 57 of the Saskatchewan River Forest Section is excluded from the DFA, although it is contained within the outside perimeter boundary of FML Area No. 2. In addition FMU 60 of the Highrock Forest Section was removed from the FMLA in 2009 through a legislation change

Geographic Locations

The FML Area No. 2 DFA is comprised of approximately 8,777,724 hectares of Manitoba Provincial Open Crown land. In an ecological context, the DFA is situated on the boundary of the Boreal Plain Ecozone to the south and the Boreal Shield Ecozone to the north. Areas corresponding generally to the Highrock Forest Section and the FMUs of the Nelson River Forest Section fall within the Boreal Shield Ecozone with the Churchill River Upland Ecoregion to the west and the Hayes River Upland Ecoregion to the east. The areas generally corresponding to FMUs 50, 53, 58, and 59 fall within the Mid-boreal Lowland Ecoregion of the Boreal Plain Ecozone.

DFA description – Area and Forest types

Topography ranges from generally flat terrain in the southern areas of the Mid-boreal Ecoregion to more rolling in the Hayes River Uplands. The area comprised of the Highrock Forest Section, which is most of the western portion of the Churchill River Uplands is typically Canadian Shield country with interspersed rock outcrops and lowland areas occurring frequently. Boreal forests dominated for the most part by the softwood species of black and white spruce and jack pine with smaller components of balsam fir and tamarack, provide the forest cover on the DFA. The smaller hardwood component is primarily trembling aspen, with lesser portions of balsam poplar and white birch.

SECTION 3 – AUDIT PROCESS

Process

All audit activities are planned with the Lead Auditor prior to the audit. An audit plan is provided detailing the scope and objectives of the audit, the audit team members, the processes to be audited and the timelines. Due to restriction related to the COVID19 pandemic the entire audit was conducted remotely; there was no on-site component. Remote auditing techniques included posting of evidence by the auditee on Microsoft One Drive and through email. Interviews were conducted by telephone and through Microsoft Teams. The latter method also included screen sharing of evidence by the auditee. Interviews were conducted remotely with contractor representatives on active operations and with CKPI field staff.

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

Audit Objective

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

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

Audit Criteria

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

Scope of the audit

Facilities/organizational units/functional units to be audited are

- Highway 10 North Box 1590 The Pas, Manitoba Canada, R9A 1L4
- The Defined Forest Area (DFA) for the Company is Forest Management License (FML) Area No. 2.

Certificate scope

Forest management activities - planning, harvesting, transportation and silviculture on the Manitoba defined forest area, Forest Management License Area no. 2. CAN/CSA-Z809-16 meets the principles and/or requirements of CAN/CAS-Z809-08, which is endorsed by PEFC.

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

This is an integrated audit with ISO 14001:2015:

Description of SAI Global and the SAI Global Audit Team

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

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

Audit Team

Lead auditor: Rod Seabrook
Auditor: Cindy Hutchison

Audit time and dates

Evaluation dates:	Nov 25 – 27, 2020
Tasks	Person days (excluding travel)
Pre and Post-audit work (audit plan and report writing)	0.75
Audit time (Documents, Records, Fieldwork)	5.0
Stakeholders Consultation	Included in the above
TOTAL	5.75

Review of Changes since last audit

There were some staff changes and re-assignment of duties since the previous audit

Significant issues impacting on the audit programme

Due to the COVID-19 pandemic the audit team did not attend on-site. All audit activities were conducted remotely.

Noted deviations from the audit plan and their reasons

None

Description of operations

Harvesting and hauling operations were active on the DFA

Operations reviewed during remote field audit include

Site identification	Type of Operation Observed
SR-1	Bob's Hauling - Loading and hauling.
JB-65, JB-71	Nelson River Logging – Harvesting and road building.
SR-1, SR-3, PI-13	Moose Lake Logging – Harvesting, processing, skidding, road building and maintenance.
JB-61, JB-62, JB-63, JB-64, JB-65	Kurian/Seer – felling, skidding, chipping, hauling
JB-72	Justin Klym Hauling – load and haul
JB-65, JB-70	Spruce Products – skidding, chipping

JB-70	Timberline - felling
Various	Art Fenner – beaver control, slash pile burning, road packing

Interviews

Personnel (i.e. Staff/contractors)	
Position	Number
CKPI/NFNC	12
Contractors	8

Members of the public participation process	
Position	Number
SFMC Chairperson	1
SFMC members	2

Provincial Government	
Position	Number
Regional Forester- The Pas - Manitoba Agriculture and Resource Development – Forestry.	1

Aboriginal People	
Community and position	Number
Emails were sent to representatives of nine Indigenous communities inviting input into the audit – no responses were received	

Concerns relevant to the Standard and SAI Global’s response

None

Overview of elements audited off-site and on-site

See annex 1

SECTION 4 - AUDIT FINDINGS

Status of non-conformances from the previous audit

No previously recorded or outstanding NCRs.

Non-conformances identified during this audit

NC#	2020-01	Grade :	Minor NC
Requirement:			
Clause 5.5 Public communication			
Non-conformance:			
The reporting for Indicator #4 in the 2019 Annual Monitoring Report is referencing debris management for purposes of silviculture and not CWD as required for the indicator “Amount and distribution of coarse woody debris”.			
Justification for Major or Minor:			
Minor: Does not result in fundamental failure to meet the requirement			
Evidence provided to close the non-conformity:			
Status:	Open		

Opportunities for Improvement (OFI):

- Consider conducting a review of International agreements and conventions, associated with the corresponding SFM Policy commitment
- Consider altering the target wording in indicator 24 (Extent of local involvement in forest operations in the DFA) to only include contracts for which local contractors on the DFA possess the capability or capacity to conduct the work – the metric may be adjusted accordingly
- Consider training matrix for contractual requirements such as TDG, WHMIS, herbicide applicator certification, first aid, and emergency response drills (as required under ERPs).
- Consider whether the formatting of the header and footer in the 2019-02-14 Legislation and Regulation SOP is consistent with general formatting requirements
- Consider aligning wording fuel management in the following documents: FMOPS Page 34 Petroleum Products Storage/Location/Spills and 2020 Spill Response and Clean-up Plan indicates “Any size spill within 150 metres of a water body must be reported within 5 hours of discovery to CKP”, whereas EPP-010 indicates “Any spills within 100 metres of a water body must be reported immediately (within 5 hours)”
- Consider adding completion of final cutblock inspections to the “dashboard” as an action item.
- Consider documenting procedures for installation and sizing of culverts.
- Consider documenting requirements for placards for fuel tanks as per TDG regulations

Positive Aspects of the Management System & Best Practices

- Ongoing involvement of CKP/NISO staff in various forest educational and communications initiatives
- Action completion items dashboard
- Contractors interviewed are knowledgeable and well-spoken ambassadors for Forestry in Manitoba
- The PAG indicated great transparency, openness to ideas, and communication from CKPI
- Very committed long term PAG member group demonstrates satisfaction with objectives of the committee
- Thorough tailgate meetings

Key focus areas/topics to be assessed during next audit

None

Any unresolved issues, if any identified

None

SECTION 5 - GENERAL ASSESSMENT AND RECOMMENDATION

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

Surveillance Audit

The company conducted an internal audit on March 3 – 5, 2020 and identified no Non-conformances.

A management review was conducted on October 30, 2020 where the following agenda items were reviewed and discussed with the management team.

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

- advances in science and technology;
- lessons learned from experience; and
- changes in the DFA.

The results of this surveillance audit indicate the capability of the management system to meet applicable requirements and expected outcomes, that the scope remains appropriate and that the audit objectives have been fulfilled with the exception of the non-conformance identified during this audit. As discussed during the closing meeting, a root cause analysis with an action plan must be submitted within 30 days for approval by the Lead Auditor. Implementation of the corrective actions for minor non-conformance will be verified at the next surveillance audit.

A recommendation for the maintenance of registration to SAI Global to the CSA Z809:2016 standard and to the scope of registration identified in this report is on hold pending the receipt, review, and acceptance of the corrective action taken and closure of the major non-conformances.

Next Scheduled Audit:

Date(s): Nov 24 – 26, 2021

Type of Audit: S3

SAI Global
Team Leader: Rod Seabrook

Date: Dec 6, 2020

ANNEXE 1

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

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

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

ANNEXE 2

Standard requirement	Audited on-site	Audited off-site
4.1 General requirements		X
4.2 Required activities		X
5.1 General requirements		X
5.2 Interested parties		X
5.3 Process: Basic operating rules for advisory groups		X
5.4 Work of the advisory group		X
5.5 Public communication		X
6.1 DFA-specific performance requirements		
6.2 SFM criteria — General		X
6.3.1.2 Discussion items for Criterion 1- Biological diversity		X
6.3.1.3 Element 1.1 — Ecosystem diversity (VOITS)		X
6.3.1.4 Element 1.2 — Species diversity (VOITS)		X
6.3.1.5 Element 1.3 — Genetic diversity (VOITS)		X

6.3.1.6 Element 1.4 — Protected areas and sites of special biological, geological, heritage, or cultural significance (VOITS)		X
6.3.2.2 Discussion items for Criterion 2 - Ecosystem condition and productivity		
6.3.2.3 Element 2.1 — Forest ecosystem condition and productivity (VOITS)		
6.3.3.2 Discussion items for Criterion 3 - Soil and water		
6.3.3.3 Element 3.1 — Soil quality and quantity (VOITS)		
6.3.3.4 Element 3.2 — Water quality and quantity (VOITS)		
6.3.4.2 Discussion items for Criterion 4 - Role in global ecological cycles		
6.3.4.3 Element 4.1 — Carbon uptake and storage (VOITS)		
6.3.4.4 Element 4.2 — Forest land conversion (VOITS)		
6.3.5.2 Discussion items for Criterion 5 - Economic and social benefits		
6.3.5.3 Element 5.1 — Timber and non-timber benefits (VOITS)		
6.3.5.4 Element 5.2 — Communities and sustainability (VOITS)		
6.3.6 Criterion 6 — Society's responsibility		X
6.3.6.2 Element 6.1 — Fair and effective decision-making (VOITS)		X
6.3.6.3 Element 6.2 — Safety (VOITS)		X
6.3.7 Criterion 7 — Aboriginal relations		X
6.3.7.2 Element 7.1 — Aboriginal and treaty rights (VOITS)		X
6.3.7.3 Element 7.2 — Respect for Aboriginal forest values, knowledge, and uses (VOITS)		X
7.1 General		X
7.2 SFM policy		X
7.3.1 Defined forest area		X
7.3.2 Defined responsibilities		X
7.3.3 Rights and regulations		X
7.3.4 Incorporation of public participation requirements		X
7.3.5 SFM plan		X
7.4.1 Structure, responsibility, and resources		X
7.4.2 Competence, training, and knowledge		
7.4.3 Communication		X
7.4.4 SFM documentation		X
7.4.5 Document control		X
7.4.6 Operational procedures and control		X
7.4.7 Emergency preparedness and response		X
7.5.1 Monitoring and measurement		
7.5.2 Corrective action		X
7.5.3 Records		
7.6 Management review		X