

Forest Certification UPDATE



PORT HAWKESBURY PAPER LIMITED PARTNERSHIP

DESCRIPTION OF COMPANY

Located on the shores of the Strait of Canso in Nova Scotia (Canada), PORT HAWKESBURY PAPER LP is a producer of supercalendered paper, and on an annual basis they can produce 360,000 tonnes per year. In order to ensure a constant fiber supply, the woodland staff manages approximately 523,000 hectares on Crown land and has short term agreements with private landowners for wood harvesting and forest management treatments. Woodchips from sawmill procurements is a minor contribution to the mill's fibre supply.

BACKGROUND

During the period of August 31 2015 to September 4 2015 Port Hawkesbury Paper (PHP) underwent a S2 audit to the SFI 2015-2019 Forest Management Standard and SFI 2015-2019 Fiber Sourcing Standard standards. The registration cycle is over 3 years with surveillance audits conducted annually. This report summarizes the audit process and the results of the SAI Global evaluation.

SCOPE OF CERTIFICATION

- Forest management activities – planning, harvesting, transportation and silviculture on Nova Scotia Crown Lands licensed to Port Hawkesbury Paper (as identified in the Forest Utilization Agreement – FULA).
- Sourcing of fiber from private wood suppliers (including silviculture treatments) and wood chips from the Province of Nova Scotia.

EXECUTIVE SUMMARY

The Sustainable Forestry Initiative® (SFI®) program third-party audit was undertaken by SAI Global. SAI Global is an independent third party registrar that is accredited by the ANSI-ASQ National Accreditation Board (ANAB) for registrations to SFI 2015-2019 Forest Management Standard and SFI 2015-2019 Fiber Sourcing Standard. This ensures the integrity and credibility of the audit process.

The audit assessed active and completed harvest operations through interviews with the company staff and contractors. The audit also assessed the SFI documentation and records at the company's office.

THE AUDITORS

The SAI Global audit team who performed the audit consisted of Daniel Martin, ing.f audit team leader, Hervé Bescond, M.Sc., and Daniel Simonds, RPF audit team members. The M. Martin and M. Simonds are Professional Foresters and certified lead auditors.



AREAS OF NON-CONFORMANCE

Type	Performance Measure #	Description
Minor	FM 11.1	The organization's procedures for ensuring and tracking the training of Contractors are inconsistently implemented.
Minor	FM 11.2.2	There is no evidence that the SIC approved wood producer training program includes a continuing education component with coursework that supports the current training programs, safety and the principles of sustainable forestry.
Minor	FS 6.2.2	There is no evidence that the SIC approved wood producer training program includes a continuing education component with coursework that supports the current training programs, safety and the principles of sustainable forestry.

OPPORTUNITIES FOR IMPROVEMENT

- OFI - SFI FM – 2.3.6: Consider clarifying or updating the status of Work Instruction 9.3: Road and Watercourse Crossing Monitoring & form WDS 603.
- OFI - SFI FM - 15.1.1: Consider reviewing the contractor audit program to ensure capturing all of the health and safety aspects.

CORRECTIVE ACTION PLANS

Port Hawkesbury Paper LP has developed corrective action plans to address the root causes of the non-conformities identified during the audit. The root cause analysis and proposed corrective actions have been reviewed by SAI Global Lead auditor to ensure that they are appropriate, and fully address the identified deficiencies. At the next annual 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 will not reoccur.

COMPLAINTS

No complaints have been received; therefore the complaint handling process could not be verified.

SFI 2015-2019 Forest Management Standard Periodic Assessments

Major non-conformances: 0
 Minor non-conformances: 3
 Opportunities for Improvement: 2
 Positive Aspects: 4

SFI 2015-2019 Fiber Sourcing Standard Periodic Assessments

Major non-conformances: 0
 Minor non-conformances: 0
 Opportunities for Improvement: 0
 Positive Aspects: 0

Major Non-Conformances

Pervasive or critical to the achievement of the SFI objectives. All major non-conformances require an action plan to be implemented by the auditee within 90 days of an initial audit and subsequently 60 days or registration cannot be achieved/maintained.

Minor Non-Conformances

Isolated incidents that are non-critical but must be addressed before the next surveillance audit to maintain compliance to the SFI standard.

Opportunity for Improvement

Are not non-conformances but are comments on specific areas where improvements can be made.

Positive Aspects

Areas that are deemed to be of best practices.

POSITIVE ASPECTS

- Very strong health and safety performance including effective staff engagement.
- Commercial thinning operations on the Highlands result in high quality stands in challenging circumstances.
- Long-term harvest plans for the Highland Plateau include mitigating strategy for the Spruce Budworm.
- HCVF assessment with positive comments from stakeholders and ENGOs.

EVIDENCE OF CONFORMITY TO THE SFI 2015-2019 FOREST MANAGEMENT STANDARD

Objectives Audited

Objective 1	Forest Management Planning	x
Objective 2	Forest Health and Productivity	x
Objective 3	Protection and Maintenance of Water Resources	x
Objective 4	Conservation of Biological Diversity	x
Objective 5	Management of Visual and Recreational Benefits	
Objective 6	Protection of Special Sites	
Objective 7	Efficient Use of Forest Resources	
Objective 8	Recognize and Respect Indigenous Peoples' Rights	x
Objective 9	Legal and Regulatory Compliance	x
Objective 10	Forestry Research, Science and Technology	x
Objective 11	Training and Education	x
Objective 12	Community Involvement and Landowner Outreach	x
Objective 13	Public Land Management Responsibilities	
Objective 14	Communications and Public Reporting	x
Objective 15	Management Review and Continual Improvement	x

Evidence Observed

Environmental management system (EMS) Manual	x	Cutblock size calculations	x
Written policies	x	Employee observation forms (species at risk, invasive plants, other values)	x
Standard Operating Procedures (SOPs) for best management practices	x	Pre-work discussions/meeting records	
EMS and SFI field handbook	x	Monitoring records for non-timber values	
Training records (staff and contractors)	x	Utilization records	x
SFI/EMS training agenda	x	Laws, legislation, regulations records	x
Health and safety manual and/or employee policy manual	x	Annual management review records	x
Timber supply review	x	Internal audit records	x
Maps (pre-harvest, harvest, post-harvest, and silviculture)	x	Corrective action logs	x
Timber development standards		Education/community involvement records	x
Non-timber values impact assessments (riparian, visual, recreation, biodiversity, cultural heritage, other:)	x	Records of public inquiries and complaints	x
GIS inventories (soils, forest, land classification, non-timber values)	x	Stakeholder communications records	x
Long term management plans and sustainable harvest level calculation	x	Agreements and communications with Indigenous communities	x
Cutting/harvesting permits	x	Multi-licensee and/or government meeting minutes	
Operational plans (annual, cutblock level)	x	Logging agreements and/or contracts	x
Wet/adverse weather plans or guidelines	x	Wood producer training programs	x
Reforestation plans	x	Wood producer information package	x
Pest management plan		SFI Annual Report	x
Fire preparedness plan		SFI and company websites	x
Spill prevention and response plan	x	SFI brochure	x
Silviculture surveys and reports	x	SFI Implementation committee (participation/support)	x
Standards for seed use		Climate change information and/or meeting minutes	
Chemical use/spray records and applicator certification		Research and discussion papers	
Tree improvement reports		Support for research and science	
Green-up records	x	External audit field inspections	
Free to grow records		External audit interviews (office and field)	
Planting program records	x		
Harvest inspection records	x		
Road and bridge inspection records	x		
Pre-harvest inspection records	x		
Post-harvest inspection records	x		

Government compliance records	x		
-------------------------------	---	--	--

CERTIFICATION DECISION SFI 2015-2019 FOREST MANAGEMENT STANDARD

Surveillance Audit

Based on the results of this surveillance audit it has been determined that the management system of Port Hawkesbury Paper LP is effectively implemented and meets the requirements relative to the scope of registration and audit criteria. The action plans related to the non-conformances have been reviewed and considered acceptable. As applicable, any major non-conformance has been closed and implementation of action plan for minor non-conformance will be reviewed at the next surveillance audit. Therefore, a recommendation to maintain the registration is made to SAI Global.

EVIDENCE OF CONFORMITY TO SFI 2015-2019 FIBER SOURCING STANDARD

Objectives Audited

Fiber Sourcing Within the United States and Canada		
Objective 1	Biodiversity in Fiber Sourcing	x
Objective 2	Adherence to Best Management Practices	x
Objective 3	Use of Qualified Resource and Qualified Logging Professionals	
Objective 4	Legal and Regulatory Compliance	x
Objective 5	Forestry Research, Science, and Technology	x
Objective 6	Training and Education	x
Objective 7	Community Involvement and Landowner Outreach	x
Objective 8	Public Land Management Responsibilities	
Objective 9	Communications and Public Reporting	x
Objective 10	Management Review and Continual Improvement	x

Fiber Sourcing Outside the United States and Canada		
Objective 11	Promote Conservation of Biological Diversity, Biodiversity Hotspots and High-Biodiversity Wilderness Areas	N/A
Objective 12	Avoidance of Controversial Sources including Illegal Logging	N/A
Objective 13	Avoidance of Controversial Sources including Fiber Sourced from Areas without Effective Social Laws	N/A

Evidence Observed

Environmental management system (EMS) Manual	x	SFI Annual Report	x
Written policies	x	SFI and company websites	x
Standard Operating Procedures (SOPs) for best management practices	x	SFI brochure	x
EMS and SFI field handbook	x	SFI Implementation committee (participation/support)	x
Training records (staff and contractors)	x	External audit field inspections	
SFI/EMS training agenda	x	External audit interviews (office and field)	
Cutting/harvesting permits	x		
Operational plans (annual, cutblock level)	x		
Wet/adverse weather plans or guidelines	x		
Reforestation plans			
Best management practices monitoring records	x		
Evaluation of best management practices	x		
Government compliance records			
Pre-work discussions/meeting records			
Monitoring records for non-timber values			
Utilization records	x		
Laws, legislation, regulations records	x		
Corrective action logs	x		
Education/community involvement records	x		
Records of public inquiries and complaints	x		
Stakeholder communications records	x		
Logging agreements and/or contracts	x		
Wood producer training programs	x		
Wood producer information package	x		
Policies provided to wood producers	x		
Education and outreach to forest landowners	x		
List of qualified logging professional/certified logging professional	x		
Agreements for purchased stumpage	x		
Program to assess and address risk of Illegal logging	x		
Research and discussion papers			
Support for research and science			
Climate change information and/or meeting minutes			

Additional evidence for Objectives 11 -13 Sourcing from Outside Canada and USA			
Use of information from sources such as: Biodiversity hot spots, high biodiversity wilderness areas, rare species, habitat information		When identified, Program to address significant risk for countries without effective laws	
Info about direct supplier's application of principle of sustainable forestry		When identified, Program to address significant risk of Illegal logging	
Program in place to reduce risk of Illegal logging			
Program in place to assess risk for countries without effective laws			

CERTIFICATION DECISION SFI 2015-2019 FIBER SOURCING STANDARD

Surveillance Audit

Based on the results of this surveillance audit it has been determined that the management system of Port Hawkesbury Paper LP is effectively implemented and meets the requirements relative to the scope of registration and audit criteria. The action plans related to the non-conformances have been reviewed and considered acceptable. As applicable, any major non-conformance has been closed and implementation of action plan for minor non-conformance will be reviewed at the next surveillance audit. Therefore, a recommendation to maintain the registration is made to SAI Global.



SAI Global forestry specialist group registers/certifies forest companies to ISO 14001, OHSAS 18001, CSA Z809 and CSA Z804 SFM, SFI Forest Management, SFI CoC, SFI Fiber Sourcing, SFI Certified Sourcing Label, PEFC CoC, FSC® Forest Management, FSC® CoC.

The group, led by Sylvain Frappier, Technical Manager - Forestry, consists of a highly qualified team of professional foresters, technical and industry experts.

Contact certification.americas@saiglobal.com for more information.

Company Contact:

Andrew Fedora
Port Hawkesbury Paper LP
120 Pulp Mill Rd, Port Hawkesbury, NS, B9A 1A1
Company Tel.: (902) 625-6274

This report may only be reproduced by the intended client, with the express consent of SAI Global. Information in this issue is of a general nature with respect to audit findings and is not intended to be acted upon without appropriate professional advice.