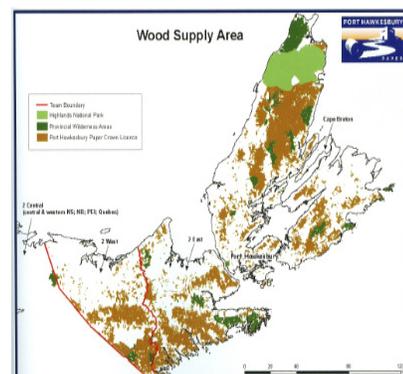


# Forest Certification UPDATE



## PORT HAWKESBURY PAPER LP

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 September 30<sup>th</sup> to October 2<sup>nd</sup>, 2014 PORT HAWKESBURY PAPER LP underwent a 12-month surveillance audit to the Sustainable Forestry Initiative (SFI®) Standard 2010-2014. The registration cycle is over 3 years with surveillance audits conducted annually. This report summarizes the audit process and results of the SAI Global 12-month surveillance audit.

### SCOPE OF CERTIFICATION

Forest management activities include planning, harvesting, transportation and silviculture on Nova Scotia Crown lands licensed to PORT HAWKESBURY PAPER LP (as identified in the Forest Utilization License Agreement - FULA), and procurement from private wood suppliers (including silviculture treatments) and wood chips suppliers. - Objectives 1-20.

### EXECUTIVE SUMMARY

The SFI Program third-party 12-month surveillance 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 SFIS 2010-2014. This ensures the integrity and credibility of the audit process.

The audit assessed active and completed harvest operations through on site inspections and interviews with PORT HAWKESBURY PAPER LP staff and contractors. The audit also assessed documentation related to SFI requirements and PORT HAWKESBURY PAPER LP's Environmental Management System, including job site documents and records at the PORT



HAWKESBURY PAPER LP office. The audit included site visits and interviews with contractors logging private timber sales to assess the PORT HAWKESBURY PAPER LP procurement system.

**THE AUDITORS**

The SAI Global audit team who performed the audit consisted of Pierre Levac ing.f. M. Sc. and Martin Litchfield RPF. The auditors are Professional Foresters and certified lead auditors.

**AREAS OF NON-CONFORMANCE**

NC No	Clause No	Clause Description
2014-01	14.1.3	PM 14.1. Program Participants shall take appropriate steps to comply with applicable federal, provincial, state and local forestry and related social and environmental laws and regulations. Indicator #3: Demonstration of commitment to legal compliance through available regulatory action information
2014-02	20.1.2	PM 20.1. Program Participants shall establish a management review system to examine findings and progress in implementing the SFI Standard, to make appropriate improvements in programs, and to inform their employees of changes. Indicator #2 :System for collecting, reviewing, and reporting information to management regarding progress in achieving SFI 2010-2014 Standard objectives and performance measures.
2014-03	20.1.3	PM 20.1. Program Participants shall establish a management review system to examine findings and progress in implementing the SFI Standard, to make appropriate improvements in programs, and to inform their employees of changes. Indicator #3: Annual review of progress by management and determination of changes and improvements necessary to continually improve conformance to the SFI 2010-2014 Standard.

**KEY OPPORTUNITIES FOR IMPROVEMENT**

- PM 8.1.2: a) Consider to improve and adapt for the most relevant Forest of Exceptional Conservation Value (FECV),

**SFIS 2010-2014**

**Periodic Assessments**

Major non-conformances: 0  
 Minor non-conformances: 3  
 Opportunities for Improvement: 5  
 Positive Aspects: 5

**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

- the material communicated to the landowners. b) Consider the verification of the presence of FECV before any purchase of stumpage
- PM 9.1.2 : Improve the manual documentation for this indicator
  - PM 16.2.1: Consider clarifying the continuing education, upgrades or refresher requirements for the SFI recognized logger training programs.
  - PM 17.2.2: Consider updating the SFI pamphlet as it is 2009 vintage and the list of members is no longer accurate.
  - PM 17.2.3: Consider modifying the tracking of Public Inquiries procedure to identify the need to notify SFI of an Inconsistent Practice or complaint.

### **CORRECTIVE ACTION PLANS**

PORT HAWKESBURY PAPER LP have 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 to ensure that they are appropriate and fully address the identified deficiencies. At the next annual Surveillance 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.

### **POSITIVE ASPECTS**

- The commitment at all levels to support the implementation of the SFI program
- The commitment to forest management
- The effective use of the FP-Dat technology by the equipment operators (an FP Innovations tool to support navigation and equipment performance).
- The awareness of harvesting prescriptions by operators
- The merchandizing and sorting of optimum forest products

### **EVIDENCE OF CONFORMITY**

Evidence that was assessed to determine PORT HAWKESBURY PAPER LP conformity with the SFIS 2010-2014 standard appears below:

#### **SFI-08 Land Outreach**

A "Landowner Outreach Package" has been developed in 2013 and has been distributed to all private woodlot owners PORT HAWKESBURY PAPER LP approaches. Part of the communication process has included a clear invitation to participate and implement the SFI Values.

### **SFI-09 Use of Qualified Resource and Logging Professionals**

PORT HAWKESBURY PAPER LP has rewritten in early 2014, the Wood Supply Agreement from private sources and the private wood purchase terms, to include the strong commitment that encourage the landowners to utilize the service of qualified logging professionals. The list of qualified logging professional is maintained by the Company.

### **SFI-10 Adherence to Best Management Practices**

A series of actions has been implemented to encourage the use of qualified logging professionals for the wood harvested from private owners. Cooperative work is in progress with the Maritime SFI Implementation Committee (SIC). A "Private Wood Purchase Terms" and "Private Supplier Agreement" have been recently put in place. All those documents emphasis the use of the best management practice (BMP). For the wood harvested from the Crown Land, the use of the BMP's has been in place for several years. A minor nonconformance was issued relating to a minor management weakness and incomplete monitoring process related to adherence to the SFI values.

### **SFI-11 Promote Conservation of Biological Diversity, Biodiversity Hotspots and Major Tropical Wilderness Areas**

PORT HAWKESBURY PAPER LP does not source fiber from outside North America.

### **SFI-12 Avoidance of Controversial Sources including Illegal Logging**

PORT HAWKESBURY PAPER LP does not source fiber from outside North America.

### **SFI-13 Avoidance of Controversial Sources including Sources without Effective Social Laws**

PORT HAWKESBURY PAPER LP does not source fiber from outside North America.

### **SFI-14 Legal and Regulatory Compliance**

A legal compliance audit was performed by independent parties in 2014. The audit has demonstrated an excellent level of legal compliance. A minor non-conformance was identified from the field audit. The legal non-compliance is related to improper management of a temporary bridge.

### **SFI-15 Forestry Research & Technology**

PORT HAWKESBURY PAPER LP participates actively in various forestry related research committees, at the provincial and regional level.

### **SFI-16 Training and Education**

PORT HAWKESBURY PAPER LP has put serious emphasis on training, through work instructions, since 1998 for the Crown land activities. In spring 2014, education packages

were prepared and distributed through seminar sessions including both Crown land and Private land harvesters. In addition, serious activities with the Maritime SIC were initiated to enforce the SFI Values and to ensure they are implemented on a consistent basis.

#### **SFI-17 Community Involvement in the Practice of Sustainable Forestry**

PORT HAWKESBURY PAPER LP is an active member of the Maritime SIC through various activities. Maritime SIC meeting minutes are on file.

#### **SFI-18 Public Land Management Responsibilities**

PORT HAWKESBURY PAPER LP is collaborating with the N.S. Department of Natural Resources (NSDNR) in the development to the new Sustainable Forest Management Long Tern Plan. In addition, PORT HAWKESBURY PAPER LP supports and receives feedback from an independent Forest Advisory Committee who has meetings 6 times per year. PORT HAWKESBURY PAPER LP have developed numerous work instructions and provided training sessions to all their employees to implement the various NS DNR requirements related to the FULA.

#### **SFI-19 Communications and Public Reporting**

It will be evaluated at their 12-month surveillance audit.

#### **SFI-20 Management Review and Continual Improvement**

PORT HAWKESBURY PAPER LP has performed an incomplete internal audit and conducted an incomplete management review meeting, Minutes and support documents are on files. Two minor non-conformances were identified during the present surveillance audit.



SAI Global forestry specialist group registers/certifies forest companies to ISO 14001, OHSAS 18001, CSA Z809 and CSA Z804 SFM, SFIS, SFI CoC, PEFC CoC. QMI-SAI Global registers/certifies forest companies to FSC FM and 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](mailto:certification.americas@saiglobal.com) for more information.

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