



Domtar Dryden Forestlands EMS Auditing, Compliance and Corrective Actions Policy and Process

Domtar Dryden Forestlands has developed a method of monitoring the environmental performance of our employees, contractors and overlapping license holders through an auditing and corrective actions process. This is to check the conformance to the Environmental Management System, the requirements of independent third party forest certification and to all legal requirements allowing for continual improvement. This policy and the related process apply to all Domtar Forestlands employees, contractors and overlapping license holders.

Audit Process:

- Domtar staff will conduct at least one formal, documented EMS audit, per contractor, per active operation, per year, on both license and off license activities (fibre sourcing). This must include documented interviews, site and equipment inspections. The audits are summarized in formal audit documents and inspection checklists which must be submitted by the forester conducting the audit and kept in Domtar's master file. Any audits that do not meet the passing score of 85% are considered a fail and must be re-audited.
- One formal "internal audit" will be conducted by Domtar per year in snow free conditions and include a cross section review of all operations, current and past on both the Trout Lake and Wabigoon license areas. This can be conducted by an external service provider / contractor and a final report will be submitted to Domtar.
- Independent third party certification verification audits will take place annually according to the cycles and scope of the applicable certification standard and a final report will be submitted to Domtar.
- All contractors and overlapping license holders are expected to conduct periodic checks of their operations at regular intervals to ensure compliance and submit any outages to Domtar via the Corrective Action Process outlined below

Corrective Action Process:

The corrective Action process is applicable not only to the Wabigoon and Trout Lake license operations, but also for those operations off license that fall within the scope of the SFI Fibre Sourcing Standard.

- All environmental findings discovered through the audit process, through day to day activity or through general observations are to be submitted through the Domtar online Incident Hazard Report (IHR) by the Domtar employee or contractor supervisor who has discovered the finding
- The IHR must be detailed, include a root cause and include corrective actions to immediately address the finding AND include actions to prevent the incident from reoccurring. Task completion dates and specific owners must be assigned. It is the responsibility of the individual submitting the report to ensure the actions are completed as per the assigned timelines
- The IHR report will be populated into a database and completion dates will be monitored to ensure completion

Compliance:

Compliance reporting through the Forest Operations Inspection Program is mandated by the province of Ontario to ensure legal requirements are met and that the Forest Management Plan is followed.

- Only Certified FOIP Inspectors can complete and submit Forest Operations Inspection Reports
- Certified FOIP inspectors complete a Compliance Report for operations (Logging, Roads, Reforestation) according to the 10 year Compliance Plan for each Sustainable Forest License Area
- The inspector submits reports into the FOIP database at regular intervals which then prompts a required approver from Domtar.
- Task Issue Manager will be used in FOIP to track any outstanding issues.

| DOCUMENT REVISION HISTORY | | |
|---|---|---------------|
| Revision date | Purpose | Completed by |
| November 6, 018 | Revamp and update of outdated EMS documentation | Dianne Loewen |
| <i>PRINTED COPY CONSIDERED UNCONTROLLED</i> | | |