



## **2016 SFI Public Summary Report**

### **Georgia-Pacific LLC Sustainable Forestry Initiative® (SFI) 2015-2019 Fiber Sourcing Standard (SFIFS)**

**Date: July 27, 2016**

#### **Project Scope and Objectives**

PricewaterhouseCoopers LLP (PwC) completed a multi-site Maintenance / Transition Assessment on Georgia-Pacific LLC's (the Company or GP) North American wood fiber sourcing by the Wood & Fiber Supply business unit (Atlanta head office and the primary facilities listed in Appendix 1 of the PwC certificate) and the global sourcing of pulp by the Georgia-Pacific Pulp Procurement business unit (Atlanta head office). The Lead Assessor was Bruce Eaket, EMS (LA). Other team members were Karen Boyd, PwC Contract Assessor, and Cheryl Woode, PwC Assessor.

The primary objective was to assess the Company's SFIFS management system and to evaluate the Company's implementation of the management system in the field. There have been minor changes to the list of primary facilities in Appendix 1 of the multi-site certification since the last public summary, and the scope of work this year included a transition assessment to the new SFIFS Standard.

GP's fiber sourcing system procures material for 11 pulp and paper mills, 4 cellulose mills, 12 chip mills, one woodyard, and 41 wood products facilities. Wood & Fiber Supply is responsible for purchasing roundwood, chips, shavings, sawdust, and biomass fuel for all of GP's facilities in the U.S. that use wood and wood fiber as a raw material. Pulp Procurement is responsible for purchasing the pulp for all of GP's mills that use pulp as a raw material.

Wood and fiber are purchased in two ways: 1) purchase at plant (PAP) delivered contracts or 2) purchased stumpage (controlled) transactions. Through Purchase at Plant (PAP) contracts, GP purchases the material when it crosses the scales at each GP facility. GP has written contracts for the purchase of raw material sourced directly from the forest and includes provisions requiring the use of best management practices (BMPs). When purchasing roundwood, chips, and residual chips from PAP suppliers, all GP foresters and personnel must implement the requirements established for suppliers and monitor compliance with those requirements, including monitoring use of BMP's.

Purchased stumpage (controlled) transactions involve GP purchasing standing timber from landowner(s) or their representative(s). When buying controlled stumpage, all GP foresters will recommend, when requested, the appropriate harvesting technique based on landowner objectives and physical, ecological, and economic circumstances (i.e. thinning, shelterwood, seed tree, and clearcutting). The forester will then appraise the timber on the tract accordingly and contract with a qualified logger to perform the harvest.

GP foresters conduct periodic BMP inspections during operations on all tracts where GP controls the harvest. A final BMP inspection is conducted at the close-out of a tract and is recorded in an internal database. GP's Regional Sustainable Forestry & Environmental Managers periodically review the

database and select tracts for internal auditing. The results are also shared with the GP foresters at regional meetings. The information collected in the database is provided to F&W Forestry Services, where it is compiled into basin level BMP monitoring reports.

GP Wood & Fiber Supply procures wood from the Eastern and Southeastern United States, and from the Northwest United States. The Eastern/Southeastern region spans from New York to East Texas, and includes the entirety of Alabama, Arkansas, Delaware, Georgia, Kentucky, Louisiana, Maryland, Mississippi, New York, North Carolina, Ohio, Pennsylvania, South Carolina, Tennessee, Virginia, and West Virginia; and counties within Florida, Illinois, Indiana, Missouri, Oklahoma, and Texas. The Northwest region includes Oregon and Washington, and counties within California, Idaho and Montana. Pulp Procurement sources pulp from within the United States, Canada, and South America.

### **Indicators**

All of the indicators in the SFIFS Standard were within the scope of the assessment, except for Objective 8, since the Company does not manage public land. There were no substitute indicators.

### **Assessment Process**

On March 7 and 8, 2016, the assessment team conducted interviews and reviewed documentation at the central office in Atlanta, Georgia. On May 9 to 13, 2016, the assessment team conducted field assessments in Brunswick, Georgia, and in Palatka, Foley, and Hosford, Florida. In total, the audit team spent 4 auditor days at the central office and 10 auditor days in the field. The audit report was dated July 27, 2016.

GP has a multi-site management system for fiber sourcing in North America and the global sourcing of pulp. PwC uses a rotational audit approach where the central office is audited annually and the Company's fiber sourcing operations are sampled on a 3-year rotating schedule that conforms to the International Accreditation Forum Inc.'s Mandatory Document 1 and 5.

**Summary of Conformance, Evidence, Findings, and Good Management Practices**

<b>Objective</b>	<b>Performance Measure</b>	<b>Evidence of Conformity</b>
<b>Objective 1: Biodiversity in Fiber Sourcing</b>	<i>Performance Measure 1.1. Promotion and conservation of biological diversity.</i>	<i>Evidence: maps, risk assessments, documented procedures</i>  GP has mapped endangered forests and special areas. GP has conducted risk assessments to evaluate the risk of sourcing from these areas. In unique situations where credible scientific evidence demonstrates that ecological restoration activities are needed to improve habitat for rare, vulnerable, threatened or endangered species, GP may procure fiber from these endangered forests and special areas as a result of these restoration activities.
	No Nonconformities or Opportunities for Improvement were identified related to this performance measure.	
<b>Objective 2: Adherence to Best Management Practices</b>	<i>Performance Measure 2.1. Program Participants shall clearly define and implement policies to ensure that facility inventories and fiber sourcing activities do not compromise adherence to the principles of sustainable forestry.</i>	<i>Evidence: contracts, documented procedures, GP monitoring inspections, interviews with loggers, on-site observation.</i>  GP has written contracts for the purchase of raw material sourced directly from the forest and includes provisions requiring the use of best management practices (BMP).  Additionally, logging plans and inspection reports address BMPs, where GP is responsible for the harvest, and internal audits assess compliance to BMPs. GP has a Wet Weather Policy to protect water quality and promote forest health. This includes protection measures based on terrain, vegetation, weather predictions and all other applicable factors.
	No Nonconformities or Opportunities for Improvement were identified related to this performance measure.	
	<i>Performance Measure 2.2. Program Participants shall monitor the use of best management practices.</i>	<i>Evidence: documented procedures, monitoring inspection forms</i>  GP conducts periodic BMP inspections on all tracts where GP controls the harvest. Final BMP inspections are conducted at the close-out of a tract and a select sample of tracts are chosen for internal audit.  GP utilizes state BMP compliance reports and purchased monitoring reports where GP does not control the harvest. GP foresters review these state BMP compliance reports with suppliers. GP uses BMP reports to track trends, which they use both internally and report to the state SFI Implementation Committees (SIC) for areas where training may need to be improved or modified.
No Nonconformities or Opportunities for Improvement were identified related to this performance measure.		

<p><b>Objective 3: Use of Qualified Resource and Qualified Logging Professionals</b></p>	<p><i>Performance Measure 3.1. Program Participants shall encourage landowners to utilize the services of qualified logging professionals, certified logging professionals (where available), qualified resource professionals and to apply principles of sustainable forest management to their lands.</i></p>	<p><i>Evidence: contracts, interviews with loggers, State lists of trained loggers.</i></p> <p>GP written contracts require that the raw material be harvested solely by loggers who are in full compliance with the applicable SFI State Implementation Committee’s logger training program requirements under the Sustainable Forestry Initiative or other equivalent certification Program. An exemption is provided for suppliers meeting the internal de minimus policy.</p> <p>Excluding exceptional cases, GP will not accept fiber from loggers who are not current with their training. GP samples their multi-crew PAP Contractors annually by requesting the list of their loggers to check their training.</p>
<p>No Nonconformities or Opportunities for Improvement were identified related to this performance measure.</p>		
<p><b>Objective 4: Legal and Regulatory Compliance</b></p>	<p><i>Performance Measure 4.1. Program Participants shall comply with applicable federal, provincial, state and local forestry and related social and environmental laws and regulations and take steps to avoid illegal logging.</i></p>	<p><i>Evidence: List and review of compliance with relevant laws, various regulations, Environmental Policy, Health and Safety Policy, Harassment and Discrimination Policy. Staff interviewed and operations assessed in the field.</i></p> <p>Compliance to laws and policies are addressed in the GP Compliance Standards, GP Forest Law Training, and in the GP Code of Conduct. GP written contracts require legal title to the supply and that suppliers shall comply with all applicable governmental laws, rules, and regulations.</p>
<p>No Nonconformities or Opportunities for Improvement were identified related to this performance measure.</p>		
	<p><i>Performance Measure 4.2. Program Participants shall take appropriate steps to comply with all applicable social laws at the federal, provincial, state and local levels in the country in which the Program Participant operates.</i></p>	<p><i>Evidence: policy statement. Operations assessed in the field.</i></p> <p>GP has a Code of Conduct demonstrating commitment to comply with social laws, such as those covering civil rights, equal employment opportunities, antidiscrimination and anti-harassment measures, workers’ compensation, Indigenous Peoples’ rights, workers’ and communities’ right to know, prevailing wages, workers’ right to organize, and occupational health and safety.</p> <p>Additionally GP has an internal GuideLine and systems for the reporting of non-compliance.</p>
<p>No Nonconformities or Opportunities for Improvement were identified related to this performance measure.</p>		
<p><b>Objective 5. Forestry Research, Science and Technology</b></p>	<p><i>Performance Measure 5.1. Program Participants shall – individually and/or through cooperative efforts involving SFI</i></p>	<p><i>Evidence: Summary of research projects, inspection records, and interviews. Wildlife researcher on staff.</i></p> <p>GP has a corporate membership in National Council for Air and Stream Improvement, Inc. (NCASI) to support</p>

	<p><i>Implementation Committees, associations or other partners – provide in-kind support or funding for forest research to improve forest health, productivity, and sustainable management of forest resources, and the environmental benefits and performance of forest products.</i></p>	<p>NCASI's scientific research and information gathering activities. In turn, GP has access to environmental and sustainability information that results from NCASI's activities.</p> <p>Additionally, GP supports and contributes financially to SIC and State Forestry Associations in the states where fiber is sourced. GP also supports and participates in various forest foundations, research programs, as well as participating in various wildlife projects at several GP mills sites.</p>
<p>No Nonconformities or Opportunities for Improvement were identified related to this performance measure.</p>		
	<p><i>Performance Measure 5.2. Program Participants shall individually and/or through cooperative efforts involving SFI Implementation Committees, associations or other partners develop or use state, provincial or regional analyses in support of their sustainable forestry programs.</i></p>	<p><i>Evidence: Summary of research projects, memberships and staff interviews.</i></p> <p>GP has memberships and participates in national, state, regional, and local forestry associations, logging associations, and conservation groups through their continued support and participation in state SICs.</p>
<p>No Nonconformities or Opportunities for Improvement were identified related to this performance measure.</p>		
	<p><i>Performance Measure 5.3. Program Participants shall individually and/or through cooperative efforts involving SFI Implementation Committees, associations or other partners broaden the awareness of climate change impacts of forests, wildlife and biological diversity.</i></p>	<p><i>Evidence: staff interviews, wildlife researcher on staff, membership and participation with research organizations.</i></p> <p>GP works with NCASI to determine if credible, science-based models are available that are applicable to GP's business.</p>
<p>No Nonconformities were identified related to this performance measure. An Opportunity for Improvement was identified in the following area: additional climate change resources to investigate or consider.</p>		
<p><b>Objective 6. Training and Education</b></p>	<p><i>Performance Measure 6.1. Program Participants shall require appropriate training of personnel and contractors so that they are competent to fulfill their responsibilities under the SFI 2015-2019 Fiber Sourcing Standard.</i></p>	<p><i>Evidence: Sustainable Forest Management &amp; Environmental Policies, Health and Safety Policy, staff and contractor training records. Staff were interviewed and operations assessed in the field.</i></p> <p>GP personnel education and training is sufficient to their roles and responsibilities. For example, all newly hired foresters complete an approved SIC logger training introductory course. On-going education is provided</p>

		<p>throughout the year through communications, meetings, and knowledge sharing.</p> <p>GP written contracts require all raw materials suppliers (roundwood &amp; chips) to deliver wood that is harvested solely by loggers who are in full compliance with the applicable state's</p> <p>Implementation Committee's logger training program requirements under the Sustainable Forestry Initiative or other equivalent certification program. GP is committed to checking the SFI logger training status of their PAP contractors' contractors (sub-contractors). An exemption is provided for suppliers meeting the internal de minimus policy.</p>
	<p>No Nonconformities were identified related to this performance measure.</p> <p>An Opportunity for Improvement was identified in the following area: mill safety policy for truck drivers.</p>	
	<p>Performance Measure 6.2. Program Participants shall work individually and/or with SFI Implementation Committees, logging or forestry associations, or appropriate agencies or others in the forestry community to foster improvement in the professionalism of wood producers.</p>	<p><i>Evidence: Staff were interviewed and operations assessed in the field.</i></p> <p>GP works with and supports SFI State Implementation Committees to foster improvement in the professionalism of wood producers.</p> <p>Additionally, GP sponsors workshops and training to promote continuing education.</p>
	<p>No Nonconformities were identified related to this performance measure.</p> <p>An opportunity for improvement was identified in the following area: training on the importance of Spill Kits on active jobs in Florida.</p>	
<p><b>Objective 7. Community Involvement and Landowner Outreach</b></p>	<p><i>Performance Measure 7.1. Program Participants shall support and promote efforts by consulting foresters, state, provincial and federal agencies, state or local groups, professional societies, conservation organizations, Indigenous Peoples and governments, community groups, sporting organizations, labour, universities, extension agencies, the American Tree Farm System® and/or other landowner cooperative programs to apply principles of sustainable forest management.</i></p>	<p><i>Evidence: SIC meeting minutes, letters to landowners, and staff interviews.</i></p> <p>GP supports and promotes efforts by consulting with agencies, groups, and organizations to apply principles of sustainable forest management. GP supports, including financially, SIC and State Forestry Associations in the states where fiber is sourced. Both SIC and State Forestry Associations provide sustainable forest management information to landowners. Additionally, GP supports AFF and state forestry commission agencies, as well as providing financial support for the ATFS Leadership Conference and annual meeting for the Southern Group of State Foresters.</p> <p>Additionally, GP sends letters offering information regarding sustainable forest management practices to landowners from whom GP buys stumpage .</p>

	No Nonconformities were identified related to this performance measure. An opportunity for improvement was identified in the following area: distributing more current landowner information materials available from the Georgia and Florida State Implementation Committees.	
	Performance Measure 7.2. Program Participants shall support and promote, at the state, provincial or other appropriate levels, mechanisms for public outreach, education and involvement related to sustainable forest management.	<i>Evidence: staff interviews, SIC membership and participation.</i>  GP supports and promotes sustainable forest management through their involvement with the SIC and the Southern Group of State Foresters. GP has mechanisms for public outreach, education and involvement related to sustainable forest management.
	No Nonconformities or Opportunities for Improvement were identified related to this performance measure.	
	Performance Measure 7.3. Program Participants shall establish, at the state, provincial, or other appropriate levels, procedures to address concerns raised by loggers, consulting foresters, employees, unions, the public or other Program Participants regarding practices that appear inconsistent with the SFI 2015-2019 Fiber Sourcing Standard principles and objectives.	<i>Evidence: staff interviews, SIC membership and participation.</i>  GP participation in the state SIC's inconsistent practices program regarding practices that appear inconsistent with the SFI 2015-2019 Fiber Sourcing Standard principles and objectives.  Internally, GP has an Investigation, Reporting and Tracking compliance standard and a GuideLine to address concerns raised by loggers, consulting foresters, employees, unions, the public or other Program Participants.
	No Nonconformities or Opportunities for Improvement were identified related to this performance measure.	
<b>Objective 8. Public Land Management Responsibilities</b>	<i>Performance Measure 8.1. Program Participants with forest management responsibilities on public lands shall participate in the development of public land planning and management processes.</i>	Not applicable as Georgia-Pacific LLC does not have forest management responsibilities on public lands.
	No Nonconformities or Opportunities for Improvement were identified related to this performance measure.	
<b>Objective 9. Communications and Public Reporting</b>	<i>Performance Measure 9.1. A Program Participant shall provide a summary audit report, prepared by the certification body, to SFI Inc. after the successful completion of a certification, recertification or</i>	<i>Evidence: SFI website and staff interviews.</i>  PwC prepared the annual public summary report in 2014.

	<i>surveillance audit to the SFI 2015-2019 Fiber Sourcing Standard.</i>	
	No Nonconformities or Opportunities for Improvement were identified related to this performance measure.	
	<i>Performance Measure 9.2. Program Participants shall report annually to SFI Inc. on their conformance with the SFI 2015-2019 Fiber Sourcing Standard.</i>	<i>Evidence: SFI website and staff interviews.</i>  GP reports annually to SFI, Inc. on their conformance to the SFI standard. Records are kept for all the categories of information needed for SFI annual progress report surveys.
	No Nonconformities or Opportunities for Improvement were identified related to this performance measure.	
<b>Objective 10. Management Review and Continual Improvement</b>	<i>Performance Measure 10.1. Program Participants shall establish a management review system to examine findings and progress in implementing the SFI 2015-2019 Fiber Sourcing Standard, to make appropriate improvements in programs, and to inform their employees of changes.</i>	<i>Evidence: Management review meeting minutes, internal audit records and report, field inspection records, corrective action plans, field inspections and staff interviews.</i>  GP has a mechanism in place to examine audit findings, make appropriate improvements and to inform their employees of changes to their certification management system.
	No Nonconformities or Opportunities for Improvement were identified related to this performance measure.	
<b>Objective 11. Promote Conservation of Biological Diversity, Biodiversity Hotspots and High-Biodiversity Wilderness Areas</b>	<i>Performance Measure 11.1. Program Participants shall ensure that their fiber sourcing programs support the principles of sustainable forestry, including efforts to promote conservation of biological diversity.</i>	<i>Evidence: contracts, maps of high conservation value areas, field inspections and staff interviews, files and records with regard to the purchase of pulp.</i>  GP sources pulp from outside the United States and Canada and ensures that their fiber sourcing program supports the principles of sustainable forestry, including efforts to promote conservation of biological diversity. Fiber supply contract language addresses illegal logging and sustainable forestry. Supplier surveys address legal and sustainable forestry. GP reviews applicable websites to determine proximity of sourcing areas to known high biodiversity areas.
	No Nonconformities or Opportunities for Improvement were identified related to this performance measure.	
<b>Objective 12. Avoidance of Controversial Sources including Illegal Logging</b>	<i>Performance Measure 12.1. Program Participants shall ensure that their fiber sourcing programs support the principles of sustainable forestry, including efforts to reduce the risk of illegal logging.</i>	<i>Evidence: contracts, supplier surveys, monitoring inspection forms, field inspections and staff interviews, files and records with regard to the purchase of pulp.</i>  GP sources pulp from outside the United States and Canada and ensures that their fiber sourcing program supports the principles of sustainable forestry, including efforts to reduce the risk of illegal logging. Supplier surveys address legal and sustainable forestry practices.

		Surveys are reviewed by the GP Due Diligence Team which includes members from legal and the sustainable forestry office. GP manages risk through fiber supply contract language addressing illegal logging and sustainable forestry and surveys suppliers to determine application of sustainable forestry.
	No Nonconformities or Opportunities for Improvement were identified related to this performance measure.	
<b>Objective 13. Avoidance of Controversial Sources including Fiber Sourced from Areas without Effective Social Laws</b>	<i>Performance Measure 13.1. Program Participants shall avoid controversial sources and encourage socially sound practices.</i>	<i>Evidence: contracts, supplier surveys, monitoring inspection forms, field inspections and staff interviews, files and records with regard to the purchase of pulp.</i>  GP sources pulp from outside the United States and Canada. GP avoids controversial sources including fiber sourced from areas without effective social laws through supplier surveys, which address legal and sustainable forestry practices. Additionally, GP performs risk-based annual assessments and supplier diligence to the GP Supplier Sustainability Guidelines.
	No Nonconformities or Opportunities for Improvement were identified related to this performance measure.	

**Specific Good management practices are noted below:**

- A Palatka Purchase at Plant supplier is to be commended for the high level of detailed record keeping, and scheduled maintenance/cleaning of all equipment including the maintenance of 16 trailers per month. The supplier also keeps detailed records of maintenance and other costs for improved expense tracking and liability reduction. Safety meetings are contracted to a third party who conducts monthly meetings for both crews.
- GP procurement teams are to be commended for their relationships with Purchase at Plant (PAP) suppliers. Observations and interviews with both GP staff and PAP suppliers revealed a high level of frequent and consistent communication through one on one interaction and biannual supplier meetings.

**Conclusion**

The Company has maintained conformance with the requirements of the SFI Standard and transitioned to the new requirements of the SFI 2015-2019 Fiber Sourcing Standard. The Certificate can be obtained by contacting Deborah Baker of Georgia-Pacific LLC at (404) 652-4032. More information on Georgia-Pacific LLC’s sustainable forestry program can be found at: <http://www.gp.com/Company/Sustainability/Forestry>.