



Greif Packaging 2014 Public SFI Surveillance Audit Report

The SFI Program of Greif Packaging, LLC of Riverville, Virginia has demonstrated continuing conformance with the Sustainable Forestry Initiative Standard ®, 20010-20014 Edition (SFIS), according to the NSF-ISR SFIS Certification Audit Process.

NSF-ISR initially certified Greif to the SFIS in July 2009 and recertified them in 2012. This report describes the second Surveillance Audit designed to focus on changes in the standard, changes in operations, the management review system, and efforts at continuous improvement. This audit included a detailed review of a portion of the SFI requirements.

Greif Packaging LLC is a publicly owned forest products company with corporate headquarters located in Delaware, Ohio, that operates a pulp mill in Riverville, Virginia. Greif Packaging LLC procures wood primarily from south central and western Virginia. The facility utilizes hardwood.

The Surveillance Audit was performed by NSF-ISR October 12-15, 2014 in conjunction with a triple Chain of Custody audit by Norman Boatwright, Lead Auditor. Audit team members fulfill the qualification criteria for conducting SFIS Certification Audits contained in the Sustainable Forestry Initiative® Audit Procedures and Qualifications (SFI APQ). The objective of the audit was to assess continuing conformance of the firm's SFI Program to the requirements of the Sustainable Forestry Initiative® Standard 2010-1014.

The scope of the SFIS Audit included procurement operations. Procurement operations occurring in the past 12 months were reviewed to ensure that SFI Procurement Standards were met. In addition, SFI obligations to promote sustainable forestry practices, to seek legal compliance, and to incorporate continual improvement systems were within the scope of the audit.

The 2010-2014 Sustainable Forestry Initiative Standard® was used without modifying any requirements. Several of the SFI Indicators were outside of the scope of the company's SFI program and were excluded from the scope of the SFI Certification Audit as follows:

- Objectives 1 - 7 Land Management
- Objectives 11 - 13 Fiber Sourcing outside Canada and the US
- Core Indicator 14.2.2 Forestry enterprises
- Core Indicator 15.1.2 Research on genetically engineered trees
- Core Indicator 16.1.5 Forestry Enterprises
- Objective 18 Public land management responsibilities

No indicators were modified.

SFIS Surveillance Audit Process

The review was governed by a detailed audit protocol designed to enable the audit team determine conformance with the applicable SFI requirements. The process included the assembly and review of audit evidence consisting of documents, interviews, and on-site inspections of ongoing or completed forest practices. Documents describing these activities were provided to the auditor in advance, and a sample of the available audit evidence was designated by the auditor for review.

The possible findings for specific SFI requirements included Full Conformance, Major Non-conformance, Minor Non-conformance, Opportunities for Improvement, and Practices that exceeded the Basic Requirements of the SFIS. Recertification Audits generally focus on conformance issues and do not generally address exceptional practices.

Overview of Audit Findings

Greif Packaging, LLC's SFI Program was found to be in full conformance with the SFIS Standard. A minor non-conformance issued during the 2013 audit was evaluated and closed during the audit:

PM 19.1 *A Certified 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 surveillance audit to the SFI 2010-2014 Standard.*

Greif failed to submit the 2012 Recertification Public Audit Report provided by NSF to SFI Inc. The report was submitted during the 2013 audit and the 2014 audit confirmed that the 2013 public summary report was present on the SFI website.

No other non-conformances or opportunities for improvement were identified. The next Recertification audit is scheduled for May 12, 2015.

General Description of Evidence of Conformity

NSF's audit team used a variety of evidence to determine conformance. A general description of this evidence is provided below, organized by SFI Objective.

Objective 10. Adherence to Best Management Practices - To broaden the practice of sustainable forestry through the use of best management practices to protect water quality.

Summary of Evidence – Greif Packaging LLC requires all direct logging contractors working on purchased stumpage tracts to complete an SFI recognized training program. Direct logging contractors are also contractually obligated to follow the Virginia BMPs. Field observations did not identify any BMP issues.

Objective 14. Legal and Regulatory Compliance - Compliance with applicable federal, provincial, state and local laws and regulations.

Summary of Evidence – Field reviews of ongoing and completed operations were the most critical evidence. Regulatory organizations contacted included the Virginia Forestry Commission.

Objective 15. Forestry Research, Science, and Technology - To support forestry research, science, and technology, upon which sustainable forest management decisions are based.

Summary of Evidence – Confirmed via review of records on file and interviews that the SFI team is aware of the effects of climate change of forest and wildlife.

Objective 17. Community Involvement in the Practice of Sustainable Forestry - To broaden the practice of sustainable forestry by encouraging the public and forestry community to participate in the commitment to sustainable forestry, and publicly report progress.

Summary of Evidence – Confirmed by Greif’s financial and physical support of the VA SIC and its development of handouts for forest landowners.

Objective 19. Communications and Public Reporting - To broaden the practice of sustainable forestry by documenting progress and opportunities for improvement.

Summary of Evidence – Confirmed audit report was filed on time with SFI Inc. and that Greif maintains copies of previous reports.

Objective 20. Management Review and Continual Improvement - To promote continual improvement in the practice of sustainable forestry, and to monitor, measure, and report performance in achieving the commitment to sustainable forestry.

Summary of Evidence – Greif Packaging LLC’s SFI Team annually meets to review the Sustainable Forestry Policy and Procurement Program to evaluate their effectiveness and has a system for annually collecting, reviewing and reporting information addressing progress in achieving the SFI Standard.

Relevance of Forestry Certification

Third-party certification provides assurance that forests are being managed under the principles of sustainable forestry, which are described in the Sustainable Forestry Initiative Standard as:

1. Sustainable Forestry

To practice sustainable forestry to meet the needs of the present without compromising the ability of future generations to meet their own needs by practicing a land stewardship ethic that integrates reforestation and the managing, growing, nurturing and harvesting of trees for useful products and ecosystem services such as the conservation of soil, air and water quality, carbon, biological diversity, wildlife and aquatic habitats, recreation, and aesthetics.

2. Forest Productivity and Health

To provide for regeneration after harvest and maintain the productive capacity of the forest land base, and to protect and maintain long-term forest and soil productivity. In addition, to protect forests from economically or environmentally undesirable levels of wildfire, pests, diseases,

invasive exotic plants and animals and other damaging agents and thus maintain and improve long-term forest health and productivity.

3. Protection of Water Resources

To protect water bodies and riparian zones, and to conform to best management practices to protect water quality.

4. Protection of Biological Diversity

To manage forests in ways that protect and promote biological diversity, including animal and plant species, wildlife habitats, and ecological or natural community types.

5. Aesthetics and Recreation

To manage the visual impacts of forest operations, and to provide recreational opportunities for the public.

6. Protection of Special Sites

To manage forests and lands of special significance (ecologically, geologically or culturally important) in a manner that protects their integrity and takes into account their unique qualities.

7. Responsible Fiber Sourcing Practices in North America

To use and promote among other forest landowners sustainable forestry practices that are both scientifically credible and economically, environmentally and socially responsible.

8. Avoidance of Controversial Sources including Illegal Logging in Offshore Fiber Sourcing

To avoid wood fiber from illegally logged forests when procuring fiber outside of North America, and to avoid sourcing fiber from countries without effective social laws.

9. Legal Compliance

To comply with applicable federal, provincial, state, and local forestry and related environmental laws, statutes, and regulations.

10. Research

To support advances in sustainable forest management through forestry research, science and technology.

11. Training and Education

To improve the practice of sustainable forestry through training and education programs.

12. Public Involvement

To broaden the practice of sustainable forestry on public lands through community involvement.

13. Transparency

To broaden the understanding of forest certification to the SFI 2010-2014 Standard by documenting certification audits and making the findings publicly available.

14. Continual Improvement

To continually improve the practice of forest management, and to monitor, measure and report performance in achieving the commitment to sustainable forestry.

Source: Sustainable Forestry Initiative® (SFI) Standard, 2010-2014 Edition

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