

The Westervelt Company 2015 Fiber Sourcing Public SFI Recertification Audit Report

The SFI Program of The Westervelt Company (TWC) in Tuscaloosa, Alabama has demonstrated continuing conformance with Section 3 of the Sustainable Forestry Initiative Standard® 2015-2019 Standards and Rules (SFIS), according to the NSF SFIS Certification Audit Process.

NSF initially certified Gulf States Paper Corporation (GSPC) to the SFIS in July 2004. GSPC has since changed its name to The Westervelt Company and was recertified in 2007 and 2012. This report describes the third Recertification 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 sample of the SFI requirements.

TWC manages approximately four hundred ninety-eight thousand eight hundred sixty-one acres (498,861) of fee and long term lease land in Alabama, Georgia, Mississippi, South Carolina and Virginia. TWC operates a large pine sawmill and a cantor wood mill in Moundville, Alabama and a new pellet mill in Aliceville, Alabama and typically procures wood within a ninety mile radius of these facilities. Pine is the primary species utilized. TWC's SFI Fs Program is managed by Clint Woods.

The Recertification audit was performed by NSF February 24-25 and April 20-22, 2015 by Norman Boatwright, Lead Auditor and Tucker Watts, Team Auditor. Both Auditors meet the qualification criteria for conducting SFIS Certification Audits contained in the Sustainable Forestry Initiative® Requirements. The objective of the audit was to assess continuing conformance of the firm's SFI Program to the requirements in Section 2 of the Sustainable Forestry Initiative® 2015-2019 Standards and Rules.

The scope of the SFIS Audit included the SFI program of The Westervelt Company its procurement operations supplying timber and wood fiber to its manufacturing facilities in Moundville and Aliceville, Alabama. Forest practices that were the focus of field inspections included those that have been conducted since the previous field audit conducted in April, 2014. A sample of procurement operations since that time were also reviewed. In addition, all of the SFI obligations to promote sustainable forestry practices, to seek legal compliance, to support and implement training for loggers and forest managers, to promote sustainable forest management, and to incorporate continual improvement systems were reexamined during the audit. Use of the SFI logo and the requirement to provide a public disclosure of audit reports were also reviewed.

As with the initial certification, several of the SFI Performance Measures were outside of the scope of the TWC's SFI program and were excluded from the scope of the SFI Certification Audit as follows:

- Core Indicator 5.2.2 - Research on genetically engineered trees
- Objective 8 – Public Land Management Responsibilities

SFIS Surveillance Audit Process

The review was governed by a detailed audit protocol designed to enable the audit team to 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.

Overview of Audit Findings

TWC's SFI Program was found to be in full conformance with the SFIFS Standard. The NSF Audit team did not identify any non-conformances or opportunities for improvement.

The following areas were found to exceed the standard:

CI 5.1.1 Requires financial or in-kind support of research to address questions of relevance in the region of operations. The Company's efforts to support research cooperatives as well as NCASI exceeds this requirement.

The next audit is tentatively scheduled for early the week of April 18, 2016.

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 1. Biodiversity in Fiber Sourcing - To address the practice of *sustainable forestry* by conserving *biological diversity*.

Summary of Evidence – Review of records, interviews with landowners and participation in the AL SIC.

Objective 2. 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 – Field observations, review of BMP monitoring records and state BMP audits.

Objective 3. Use of *Qualified Resource* and *Qualified Logging Professionals* - To encourage forest landowners to utilize the services of *qualified logging professionals, certified logging professionals* (where available) and *qualified resource professionals*.

Summary of Evidence – Training records of selected personnel, records associated with harvest sites audited, and landowner interviews were the key evidence for this objective.

Objective 4. Legal and Regulatory Compliance - To comply 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 Alabama Forestry Commission.

Objective 5. *Forestry Research, Science and Technology* - To invest in *forestry* research, science and technology, upon which sustainable forest management decisions are based and broaden the awareness of *climate change* impacts on forests, *wildlife* and *biological diversity*.

Summary of Evidence – Confirmed by review of records that the Company has sponsored forestry research.

Objective 6. Training and Education - To improve the implementation of *sustainable forestry* practices through appropriate training and education *programs*.

Summary of Evidence – Confirmed by the Company's financial and physical support of the Alabama SIC and its development of education and logger training programs.

Objective 7. Community Involvement and Landowner Outreach - To broaden the practice of *sustainable forestry* through public outreach, education, and involvement and to support the efforts of *SFI Implementation Committees*.

Summary of Evidence – Confirmed by the Company's financial and physical support of the Alabama SIC and its development of handouts for forest landowners.

Objective 9. Communications and Public Reporting - To increase transparency and to annually report progress on conformance with the *SFI Fiber Sourcing Standard*. .

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

Objective 10. Management Review and Continual Improvement - To promote continual improvement in the practice of *sustainable forestry* by conducting a management review and monitoring performance.

Summary of Evidence – Records of program reviews, agendas and notes from management review meetings, internal audits and interviews with personnel from all involved levels in the organization were assessed.

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 areas, and to conform with forestry 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 lands that are ecologically, geologically or culturally important in a manner that 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. Legal Compliance

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

9. Research

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

10. Training and Education

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

11. Community Involvement and Social Responsibility

To broaden the practice of sustainable forestry on all lands through community involvement, socially responsible practices, and through recognition and respect of Indigenous Peoples' rights and traditional forest-related knowledge.

12. Transparency

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

13. Continual Improvement

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

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

(Applies only to the SFI 2015-2019 Fiber Sourcing Standard)

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.

Source: Sustainable Forestry Initiative® (SFI) Standard, 2015–2019 Edition

END OF PUBLIC REPORT