

## **2016 SFI Public Summary Report**

### **Boise Paper Holdings, L.L.C. Sustainable Forestry Initiative® (SFI) 2015-2019 Fiber Sourcing Standard**

**Date: April 23, 2016**

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

PricewaterhouseCoopers LLP (PwC) completed a multi-site Recertification Assessment of Boise Paper Holdings, L.L.C.'s ("the Company" or "Boise") fiber sourcing in North America including operations in Washington, Oregon, Idaho, Montana, Alabama, Mississippi, Minnesota and the provinces of Manitoba and Ontario. The fiber sourcing activities are managed by the Central Office in Boise, Idaho. The Lead Assessor was Karen Boyd, EMS (LA) and the audit team member were Joann Cox, EMS (LA), both PwC Contract Assessors. The audit team was accompanied by Boise Cascade's SFI Representatives, Brad Holt, Curtis Chatterton, Mary Perala and Tim O'Hara.

The primary objective of the assessment was to assess the Company's SFI management system and to evaluate the Company's implementation of the SFI Fiber Sourcing Standard in the field. The certification scope includes wood procurement operations carried out in the United States and Canada at Boise's Jackson, AL, International Falls, MN and Wallula, WA paper mills. Two states, Louisiana and Texas, were removed from the scope of the certificate since the last public summary.

#### **Indicators**

All of the indicators in the SFI Fiber Sourcing Standard were within the scope of the assessment, except for Objectives 8, and 11 – 13 since none of the land managed by the Company is public land and no fiber is procured outside of the United States or Canada. There were no substitute indicators.

#### **Assessment Process**

On February 2, 2016, the assessment team conducted interviews and reviewed appropriate documentation to assess policies and procedures, and tested the implementation of SFI program requirements at their office in International Falls, Minnesota. On February 3 and 4, 2016, the assessment team conducted field assessments in Minnesota. In total, the audit team spent 1 day at the procurement office and 2 days on-site for field assessments. The audit report was dated April 23, 2016.

Boise has a multi-site certification for their three geographical wood fiber procurement regions in North America: Jackson, Alabama; International Falls, Minnesota; and Wallula, Washington. PwC uses a rotational audit approach where the central office is audited annually and the three geographical regions are sampled on a 3 year rotating schedule that conforms to the International Accreditation Forum Inc.'s Mandatory Document 1.

**Summary of Conformance, 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: Interviews with Boise staff, suppliers and loggers and documentation reviews confirm Boise has developed a comprehensive program to promote and conserve biological diversity through the development of state specific biodiversity flyers that are provided to landowners and suppliers and involvement in state conservation efforts and Minnesota Logger Education Program (MLEP) education programs. Comprehensive biodiversity training was developed and presented to Company personnel. Natural Heritage database checks, harvest inspection checks and onsite pre-work meetings with contractors are all part of their program to address Forests with Exceptional Conservation Value (FECV) in the harvest of purchased stumpage.</i>
	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: Interviews with Boise staff, suppliers and loggers, and documentation review confirm Boise has implemented a program to require BMPs for both purchased stumpage tracts and delivered purchases that include written agreements, wet weather contingencies, written fiber sourcing policies and process for making the policies available to their wood suppliers.</i>
	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: Interviews with Boise staff, suppliers and loggers, documentation review and on-site assessment confirm Boise has a verifiable monitoring system that includes the monitoring of purchased stumpage, random monitoring of delivered purchases, and review and follow-up of state BMP monitoring programs.</i>
	One Opportunity for Improvement was identified related to this performance measure. Boise may wish to consider reviewing their current verifiable monitoring system in light of changes to Minnesota's approach to state BMP monitoring program.	
<b>Objective 3: Use of Qualified Resource and Qualified Logging Professionals</b>	<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</i>	<i>Evidence: Interviews with Boise staff, suppliers and loggers and documentation review confirm Boise promotes the use of qualified logging professionals and qualified resource professionals to forest landowners through their contracts, contract terms and conditions procurement policy, and SFI implementation policy. Minnesota has both a qualified logging professional program and a certified logger program, and both are supported by Boise. State lists of qualified logging professionals are reviewed to verify training credentials. Boise sponsors annual continuing education training to facilitate up-to-date training credentials for their foresters, suppliers and loggers. The Company strives for</i>

	lands.	100% use of qualified logging professionals and reviews progress as part of their annual Management Review.
	No Nonconformities or Opportunities for Improvement were identified related to this performance measure.	
<b>Objective 4: Legal and Regulatory Compliance</b>	<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>	<i>Evidence: Interview with Boise staff and documentation review of Risk Assessments noted that Boise has determined the International Falls procurement area to be "low risk" for acquiring material through illegal logging. Contract requirements, verification of the source of delivered purchases, and monitoring of BMPs both from state and internal processes and ongoing communications with suppliers also confirm "low risk". Processes are in place to address significant risk in the raw material supply if found.</i>
	No Nonconformities or Opportunities for Improvement were identified related to this performance measure.	
	<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 they Program Participant operates.</i>	<i>Evidence: Interviews with Boise staff, suppliers and documentation review of written contracts confirm Boise employees have access to relevant laws and regulations through websites, contract language, state SIC participation and legal service providers. They achieve compliance with applicable laws through communication and enforcement of company policies, contract provisions, and contract monitoring.</i>
	No Nonconformities or Opportunities for Improvement were identified related to this performance measure.	
<b>Objective 5. Forestry Research, Science and Technology</b>	<i>Performance Measure 5.1. Program Participants shall – individually and/or through cooperative efforts involving SFI 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>	<i>Evidence: Interview with Boise staff and outside stakeholders, and documentation review confirm Boise, individually and through active state SIC participation, provides funding for various forest research activities such as NCASI and the Minnesota Forest Industries Council. They also utilize state forest action plans, FIA assessments, as well as, state and Company BMP implementation and conformance monitoring data to support their sustainable forestry programs. Available climate change data is monitored and Boise employees have participated in training on climate change impacts on wildlife and biodiversity. Boise does not engage in forest tree biotechnology research.</i>
	No Nonconformities or Opportunities for Improvement were identified related to this performance measure.	
	<i>Performance Measure 5.2. Program Participants shall individually and/or through cooperative</i>	<i>Evidence: See comments in 5.1.</i>

	<p><i>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>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: See comments in 5.1</i></p>
	<p>No Nonconformities or Opportunities for Improvement were identified related to this performance measure.</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: Interviews with Boise staff and documentation review confirmed Boise requires appropriate training of employees and contractors in order to implement sustainable forestry practices. The use of qualified logging professionals is required per written contract terms and conditions for purchased stumpage tracts and delivered purchases of raw material.</i></p>
	<p>One Opportunity for Improvement was identified related to this performance measure where Boise may wish to consider assigning backup personnel for roles and responsibilities for achieving SFI Fiber Sourcing Standard objectives.</p>	
	<p><i>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.</i></p>	<p><i>Evidence: Interviews with Boise staff and outside stakeholders confirms active participation in state SICs include support of initial training and continuing education classes for wood producers that include support of initial training and continuing education classes for wood producers. The organization also sponsors continuing education training for wood producers within their procurement areas, and provides results of random BMP monitoring to the MN SIC for further training class development.</i></p>
	<p>One Opportunity for Improvement was identified related to this performance measure. The organization may wish to consider further clarification of criteria for public policy and outreach training in concert with the development of MLEP training programs.</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: Interviews with Boise staff and outside stakeholders and review of documentation confirm Boise financially supports and actively participates in the Minnesota (MN) state SIC. Through SIC support and participation, MN has published an updated Landowner Guide that meets SFI 2015 – 2019 standard requirements. Landowner Guides are given directly to private landowners on purchased stumpage tracts and given to wood suppliers who are encouraged to distribute them to landowners. Landowners are encouraged to participate in forest management certification programs through MN SFI Landowner Guide and the operation’s support and participation in ATFS certification. Boise has an employee in the role of current chair of the MN State Tree Farm Committee.</i></p>
	<p>No Nonconformities or Opportunities for Improvement were identified related to this performance measure.</p>	
	<p><i>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></p>	<p><i>Evidence: Interviews with Boise staff and outside stakeholders and documentation review confirm Boise employees actively engage with the public in numerous outreach activities, and Boise is to be recognized for their exemplary involvement in their respective home communities.</i></p>
	<p>No Nonconformities or Opportunities for Improvement were identified related to this performance measure.</p>	
	<p><i>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></p>	<p><i>Evidence: Interviews with Boise staff and review of the MN state SICs website and Landowner Guide confirm the MN State SIC have a processes in place to receive and respond to public inquiries that appear inconsistent with this standard through the MN Forest resource Council’s Citizens Concern Harvest Complaint website and Public Concerns Registration Process phone line.</i></p>
	<p>One Opportunity for Improvement was identified related to this performance measure. Consideration could be given to encourage the MN SIC to include Minnesota’s Inconsistent Practices on its’ Facebook page.</p>	

<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>	<i>This Objective is not applicable. The Company does not have forest management responsibilities on public lands.</i>
Not Applicable		
<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 surveillance audit to the SFI 2015-2019 Fiber Sourcing Standard.</i>	<i>Evidence: Interviews with Boise staff and documentation review confirm the organization provided a summary audit report prepared by their certification body to SFI Inc. after the completion of their 2015 surveillance audit.</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: Interviews with Boise staff and documentation review confirm the organization has a process for collecting information for SFI's annual Progress Report and the 2015 SFI Progress Report was sent to SFI Inc. in a timely manner. Copies of past reports are maintained by the organization to document progress and improvements and demonstrate conformance to the standard.</i>
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: Interviews with Boise staff and documentation review confirm the Company has a management review system that includes commitments, programs and procedures to evaluate effectiveness of implementation of the SFI 2015 – 2019 Fiber Sourcing Standard. Processes are in place to collect, review and report information to management regarding effectiveness in achieving standard objectives and performance measures. The Senior Management Review was conducted in 2015 per standard requirements.</i>
No Nonconformities or Opportunities for Improvement were identified related to this performance measure.		
<b>Objective 11. Promote Conservation of Biological Diversity,</b>	<i>Performance Measure 11.1. Program Participants shall ensure that their fiber sourcing programs support the</i>	<i>Evidence: Interviews with Boise staff confirm the International Falls raw material is sourced only from the USA and Canada. Process and procedures are in place in the event that raw material is purchased from sources outside the USA and Canada.</i>

<b>Biodiversity Hotspots and High-Biodiversity Wilderness Areas</b>	<i>principles of sustainable forestry, including efforts to promote conservation of biological diversity.</i>	
	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: Interviews with Boise staff confirm the International Falls raw material is only sourced from the USA and Canada. Process and procedures are in place in the event that raw material is purchased from sources outside the USA and Canada.</i>
	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: Interviews with Boise staff confirm the International Falls raw material is sourced only from the USA and Canada. Process and procedures are in place in the event that raw material is purchased from sources outside the USA and Canada.</i>
	No Nonconformities or Opportunities for Improvement were identified related to this performance measure.	

**Good management practices are noted in the following areas:**

- Meeting and exceeding BMPs and efforts to enhance biodiversity:
  - On one purchased stumpage tract, the width of the Riparian Management Zone (RMZ) exceeded state requirements.
  - One contractor delimeter trees at the location of felling to evenly spread slash over the tract, minimize soil impact and reduce dust.
  - On several occasions, Boise foresters identified better site access than was specified in timber contract, and worked with state or county foresters to modify access to avoid water crossings and/or unnecessary road construction.
- Development and use of comprehensive biodiversity training material.
- Boise has a qualified Stewardship Plan writer who can assist nonindustrial private landowners who wish to participate in Minnesota tax incentive program by writing a management plan.
- Boise has a unique and effective safety program that combines safety activities and training with corporate social responsibility.
- Minnesota’s SIC has a Facebook Page and has chosen a unique way to communicate SFI principles through social media.

**Conclusion**

Boise Paper Holdings, L.L.C. has maintained conformance with the requirements of the SFI Fiber Sourcing Standard. The Certificate can be can be obtained by contacting Brad Holt, Forest Certification Manager, of Boise Paper Holdings, L.L.C. at 208-805-1296. More information on Boise Paper Holdings' sustainable forestry program can be found at: <http://www.boisepaper.com>.