



**Bureau Veritas Certification  
North America, Inc.  
SFI Audit Report**

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PQC Code	E07A-Manuf.of paper & pulp

Contract Number:	US.1939755	Certification Audit:		Re-Certification Audit:		Surveillance: (Indicate visit # or Pre-Assessment)	SV2
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**Audit Summary**

**Introduction**

Bureau Veritas Certification undertook a surveillance audit and certificate transfer of Resolute FP US Inc.'s (Resolute's) Sustainable Forest Initiative program. Three auditors undertook the audit; Brian Callaghan (Lead), Rick Larkin, and Steve Tomlin from April 20 to April 24, 2015

**Audit Scope, Objectives and Process**

This audit was conducted to the 2010 – 2014 SFI Standards. The scope is fiber sourcing at all mill locations (specified below) and additionally land management on 52,000 acres at Calhoun. The audit was conducted against the SFIS 2010-2014 standard. All SFI Objectives were assessed with the exception of objectives 11, 12, 13, and 18 which were not applicable to this certificate. There were no substitutions or modification of indicators. Specifically, two objectives of the SFI audit were to verify that the Program Participant's SFI Program is in conformance with the SFI Objectives, Performance Measures and Indicators, and any additional indicators that the Program Participant chooses, and verify whether the Program Participant has effectively implemented its SFI Standard program requirements on the ground.

Standard Bureau Veritas Certification protocols and forms were applied throughout the audit as provided by the most recent version of the Bureau Veritas Certification SFI Auditor Handbook available on the auditor access website.

**Audit Plan**

An audit plan was prepared which scheduled the variety of activities being undertaken during the audit. Document review and headquarters responsibilities were audited by the lead auditor while field inspections were carried out by the remaining auditors. A copy of the full audit plan is on file with Bureau Veritas Certification.

**Company Information**

Resolute FP US Inc. is a pulp and paper company with six mills in the United States. The company makes a variety of grades of paper and market pulp. The Company owns 52,000 acres of forest land in Tennessee which is tied to the Calhoun mill. The Company procures wood from open market sources at all mills.

## Multi-Site Requirements

Resolute FP US Inc. operates an environmental management system which defines the procedures and processes for the company. Each site operates under the same management system and is duly responsible to headquarters for implementing it locally. During the audit the Calhoun, Catawba and Grenada sites were assessed. Calhoun Tennessee has been designated as headquarters. All sites operate a similar wood procurement program, with the exception of Augusta Georgia where the International Paper Company had been contracted to procure fiber under their certificate. Calhoun is the only site where land management is applied.

Sites	Sites Audited During this Event
HQ : Calhoun, Tennessee (52,000 acres)	✓
Augusta, Georgia	
Catawba, South Carolina	✓
Coosa Pines, Alabama	
Grenada, Mississippi	✓

## Audit Results

The audit was successfully undertaken at three sites (Calhoun, Catawba, and Grenada). Positive results were found at all locations. Resolute staff were found to open and helpful at all locations. Records were well organized and easily available.

### 1. Forest Management Planning.

A review of harvest levels indicates that the Calhoun forest lands are being managed to provide a long-term sustainable harvest. Stands selected for harvest are inventoried prior to harvest, stand yields are generated from internal growth and yield models. Resolute documents forest management practices through pre-harvest plans, harvest inspection reports, regeneration plans and inspections.

### 2. Forest Productivity

All sites visited during the audit had been regenerated within two years of harvest. Pine stands are regenerated to pine while hardwood stands are naturally regenerated to hardwood. Resolute manages to maintain a healthy, vigorous forest by minimizing competition and by planting genetically improved trees. The Company uses a variety of BMPs including: no spray buffers, controlling public access, and minimal-drift spray valves as part of its operations.

### 3. Protection and Maintenance of Water Resources

Resolute implements BMPs during all forest management activities. All sites visited during the audit were in compliance with state BMP requirements. Seasonal logging restrictions are documented on the pre-harvest plan. Harvest activities are monitored and if a site becomes too wet, the operation is shut down.

### 4. Conservation of Biological Diversity including Forests with Exceptional Conservation Value

During pre-harvest planning, Resolute checks the local natural heritage database to determine which RTE/FECV species and communities occur in the county where activity is proposed. Resolute then determines if suitable habitat for the species occurs on the site. If suitable habitat is present, instructions to protect potential habitat are described in the preharvest plan and regeneration plan.

Resolute personnel also look for rare species while setting up and monitoring the harvest. The field audit also confirmed that preharvest plans that contained habitat protection prescriptions were effectively implemented. In addition, any RTE/FECV species or suitable habitat identified at the pre-harvest planning phase is incorporated into the GIS. Approximately 1/3 of the land base is managed extensively (with many areas not harvested at all) and thus old growth attributes have or are developing in these areas. In addition, SMZ's have minimal harvest and should develop old-growth characteristics. These areas are mapped in the GIS.

#### **5. Management of Visual Quality and Recreational Benefits**

Aesthetic considerations are considered during planning to mitigate visual concerns.

#### **6. Protection of special sites**

Resolute's special sites program examines all areas for Forest of Exceptional Conservation Values.

#### **7. Efficient use of forest resources**

Resolute effectively monitors utilization during harvest inspections. All sites visited during the audit showed good utilization of harvested timber.

#### **8. Landowner Outreach.**

Resolute distributes *Landowners Guide to Forestry* brochure through its wood suppliers or directly to landowners. The Company tracks the number of brochures distributed annually.

#### **9. Use of qualified resource and qualified logging professionals**

The logger training status is verified for each wood supplier by checking the various state online databases. More than ninety-five percent of the wood purchased by the Company is through trained loggers. Resolute provides landowners information on trained logging professionals. Preference is given to trained loggers.

#### **10. Adherence to Best Management Practices**

All procurement staff hold a current certificate for the logger training program for the primary state in which they work. The vast majority of wood delivered to Resolute mills is produced by trained loggers. Mills will accept wood from untrained loggers that are in the process of receiving training. Logger training status is verified by checking the online databases. The Fiber Purchase Plan agreement, which all suppliers must sign, contains a requirement that all wood shall be produced according to state BMPs.

#### **11. Promote Conservation of Biological Diversity, Biodiversity Hotspots, and High-Biodiversity Wilderness Areas**

Not Applicable

#### **12. Avoidance of Controversial Sources including Illegal Logging**

Not Applicable

#### **13. Avoidance of Controversial Sources including fiber sourced from areas without effective social laws**

Not Applicable

#### **14. Legal and Regulatory Compliance**

Policies and procedures for legal compliance are set forth in the Resolute *Code of Business Conduct*, which includes a Protecting the Environment section. An *Ethics Reporting Policy* complements the Code of Business Conduct. Additionally, each mill site with which Resolute operations are

associated has employee handbooks and written policies relevant for that specific site. Employee handbooks for Calhoun, Catawba, Coosa, and Grenada are available on the Resolute corporate HR intranet site: Resolute *Employee Handbooks*. The Code of Business conduct presents the Company's approach to meeting or exceeding all regulatory requirements.

### **15. Forestry Research, Science, and Technology**

Resolute is very active with National Council for Air & Stream Improvement (NCASI) and the Southern Forest Resource Assessment Consortium (SOFAC). The Company provides both monetary support and staff time to each organization. The Company also invests directly in research studies. In 2004 the Company entered into an agreement with the State of Tennessee to collaborate in a project whereby the University of Tennessee at Knoxville surveyed certain Bowater lands in order to identify areas of ecologic, geologic, or historic significance that may warrant conservation

### **16. Training and Education**

Resolute's commitment to the SFI Standard has been conveyed to mill managers, wood procurement managers, and all wood procurement personnel. Resolute's commitment to responsible fiber sourcing and Sustainable Forest Management (SFM) certification is available on the company website. A statement of the Corporate Wood and Fiber Procurement Policy is also available on the website. Wood and Wood Fiber Procurement personnel receive initial SFI and EMS training and updates as required. Records of training or updates are kept at the region office.

### **17. Community Involvement in the Practice of Sustainable Forestry**

Through the SICs Resolute participates in the development and distribution of landowner information, supports SICs, state forestry associations, and national industry groups through memberships and involvement. The Company supports the American Tree Farm System (ATFS). These organizations provide information to private landowners about market-based incentive programs and other programs that address this indicator.

Resolute supports public education efforts of SICs, state forestry associations, and national industry groups through memberships and involvement. Resolute personnel are encouraged to seek opportunities to educate the public about forestry and forest management in general and about Resolute forestlands operations. Examples of such opportunities include conducting presentations or field tours for schools, civic clubs, governmental organizations, customers, or other groups.

### **18. Public Land Management Responsibilities**

Not applicable

### **19. Communications and Public Reporting**

Resolute ensures that its certification body prepares summary audit reports as required and described for this indicator in the SFI Standard. Resolute ensures that such reports are provided to SFI Inc. on a timely basis. It is understood that SFI Inc. will post such reports to its website for public review

### **20. Management Review and Continual Improvement**

The SFI Steering Committee is the management body responsible for the overall management and implementation of the EMS. The Steering Committee consists of the US Wood Products General Manager, who will serve as chairman, the Operations Procurement Manager for each of the wood procurement operations, and the Forest Analyst. The Forest Analyst is the primary liaison with the certification body. The committee annually reviews the certification program and its operation at each of the mills.

## **Findings**

**Previous non-conformances: None**

**Non-conformances: None**

**Opportunities for Improvement: None**

**Notable Practices: None**

### **Logo/label use:**

The company may use the SFI trademark for promotion. The company has the appropriate procedures in place for trademark approval. The Company will not be using the Bureau Veritas trademark.

### **SFI reporting:**

The 2014 audit report was available on the SFI website.

## **Conclusions**

Given the positive results of the audit it is recommended that the Resolute FP US Inc.'s SFI certificate be continued.

**SEE SF61 FOR AUDIT NOTES**

<b>Summary of Audit Findings:</b>										
Audit Date(s):			From: April 21 2015				To: April 24, 2015			
Number of SF02's Raised:				Major:		0		Minor:		0
Is a follow up visit required:			Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>	Date(s) of follow up visit:			
Follow-up visit remarks:										
<b>Team Leader Recommendation:</b>										
Corrective Action Plan(s) Accepted			Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	N/A	<input checked="" type="checkbox"/>	Date:	
Proceed to/Continue Certification			Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>	N/A	<input type="checkbox"/>	Date:	April 24, 2015
All NCR's Closed			Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	N/A	<input checked="" type="checkbox"/>	Date:	
Standard audit conducted against:										
1)	SFIS 2010-2014			3)						
2)				4)						
Team Leader (1):			Team Members (2,3,4...)							
Brian Callaghan			2) Steve Tomlin							
			3) Rick Larkin							

	4)				
	5)				
<b>Scope of Supply: (scope statement must be verified and appear in the space below)</b>					
<i>Forest Land Management and Fiber Sourcing for the Calhoun, Tennessee Operations and Fiber Sourcing for the Catawba, South Carolina; Grenada, Mississippi; Coosa Pines, Alabama and Augusta, Georgia, Resolute FP Augusta LLC Operations</i>					
Accreditation's	ANAB				
Number of Certificates	1				
<b>Proposed Date for Next Audit Event</b>					
Date	May 2016				
<b>Audit Report Distribution</b>					
Kevin Gallagher : kevin.gallagher@resolutefp.com					
Melani Potts : melani.potts@us.bureauveritas.com					

Clause	Audit Report
Opening Meeting	Participants: Brian Callaghan, Kevin Gallagher, Jamey Hollis, Marshall Thompson, Rick Larkin, Frazier Baldwin Discussions: <ul style="list-style-type: none"> <li>➤ Introductions</li> <li>➤ Scope of the audit</li> <li>➤ Audit schedule/plan</li> <li>➤ Nonconformance types – Major / Minor</li> <li>➤ Review of previous nonconformances - 0.</li> <li>➤ Process approach to auditing and audit sampling</li> <li>➤ Confidentiality agreement</li> <li>➤ Termination of the audit</li> <li>➤ Appeals process</li> <li>➤ Closing meeting timing – Calhoun April 24 3:00 pm</li> </ul>
Closing Meeting	Participants: Brian Callaghan, Kevin Gallagher, Steve Owen, Kent Cumberton Discussions: <ul style="list-style-type: none"> <li>➤ Introductions and appreciation for selecting Bureau Veritas Certification.</li> <li>➤ Review of audit process - process approach and sampling.</li> <li>➤ Review of OFIs and System Strengths</li> <li>➤ Nonconformances - 0</li> <li>➤ Date for next audit.</li> <li>➤ Reporting protocol and timing</li> </ul>