

Appendix 5: Public Report

NSF International Forestry Program Bear Island Paper WB, LLC SFI Summary Audit Report

SFI Fiber Sourcing

The SFI Program of Bear Island Paper WB, LLC of Ashland, VA has demonstrated conformance with the SFI 2015-2019 Standards and Rules, Section 3 – Fiber Sourcing, according to the NSF Certification Process.

Bear Island Paper WB, LLC (Bear Island) is a forest products company with corporate headquarters located in Greenwich, CT, that operates a newsprint mill in Ashland, VA. Bear Island procures wood primarily from the surrounding counties in Virginia. The facility utilizes roundwood, wood chips, and recycled fiber for its production of newsprint.

The audit was performed by NSF on April 05-06, and with the final closing meeting on April 27, 2016 by Michelle Matteo, Lead Auditor. Audit team members fulfill the qualification criteria for conducting audits contained in SFI 2015-2019 Standards and Rules, Section 9 – Audit Procedures and Auditor Qualifications and Accreditation.

The scope of the Audit included procurement operations. Procurement operations occurring in the past 12 months were reviewed to ensure that SFI Procurement Standards were met, in addition to SFI obligations to promote sustainable forestry practices, to seek legal compliance, and to incorporate continual improvement systems were within the scope of the audit. Several of the SFI Performance Measures were outside of the scope of Bear Island's SFI program and were excluded from the scope of the SFI Certification Audit as follows:

- Bear Island does not purchase stumpage, therefore Objective 1 - SFI Indicator 1.1.2 is not applicable.
- Bear Island does not purchase stumpage, therefore Objective 2 - SFI Indicator 2.1.1 is not applicable.
- Bear Island does not own timberland, therefore Objective 5 - SFI Indicator 5.1.2 is not applicable.
- Bear Island does not have public land management responsibilities. Thus, the SFI Standard Performance Measures and Indicators contained in Objective 8 do not apply and are outside the scope.
- Bear Island does not procure wood from outside of the U.S. and Canada. Thus, Objectives 11, 12, and 13 are outside the scope of the SFI Program.

The remaining SFI Indicators were used for the assessment; no indicators were modified.

Audit Process

NSF initiated the audit process with a Readiness Review to confirm the scope of the audit, review the SFI Indicators and evidence to be used to assess conformance, verify that Bear Island was prepared to proceed to the Certification Audit, and to prepare a detailed audit plan. NSF then conducted the Certification Audit of conformance to the SFI, Section 3. A report was prepared and final approval was done by an independent Certification Board member assigned by NSF. Follow-up or Surveillance Audits are required by SFI, Section 9. The next Surveillance Audit is scheduled for April 04, 2017.

The audit was governed by a detailed audit plan designed to enable the audit team to efficiently determine conformance with the applicable SFI requirements. The plan provided for the assembly and review of audit evidence consisting of documents, interviews, and on-site inspections of ongoing or completed forest practices.

During the audit NSF reviewed a sample of the written documentation assembled to provide objective evidence of Conformance. NSF also selected field sites for inspection based upon the risk of environmental impact, likelihood of occurrence, special features, and other criteria outlined in the NSF protocols. NSF also selected and interviewed

stakeholders such as contract loggers, landowners and other interested parties, and interviewed employees within the organization to confirm that the SFI Standard was understood and actively implemented.

The possible findings of the audit included Full Conformance, Major Non-conformance, Minor Non-conformance, Opportunities for Improvement, and Practices that exceeded the Basic Requirements of the standard.

Overview of Audit Findings

Bear Island was not found to be in full conformance with the standard. NSF determined that there were 3 minor non-conformances:

- 1.1.1 & 7.1.2 - Procedures state that regionally appropriate SFI information is given to their wood producers who in turn distribute it to forest landowners, for the promotion and conservation of biological diversity, however no paperwork has been given out to suppliers during this audit cycle.
Support education and outreach to forest landowners is noted as occurring by distribution of the SFI/Virginia Tech publication, Sustainable Forestry: A Guide for Virginia Forest Landowners, to their wood producers who in turn distribute it to forest landowner, however no copies were given to wood producers this past year.
- 2.1.2 & 6.1.5 - Written agreements (POs) are in place with suppliers, but do not include provisions requiring the use of BMPs. BMP language in the POs notes "should".
Written agreements are in place with suppliers, but do not include provisions requiring the use of qualified logging professionals and/or certified logging professionals and/or wood producers.
- 2.2.1 - BIP has not completed BMP monitoring on any of their tracts that their wood producers are harvesting from, nor has requested copies of harvest closure forms (BMP compliance reports) from the County Foresters, as noted in their procedures.

Bear Island has developed plans to address these issues. Progress in implementing these corrective action plans will be reviewed in subsequent surveillance audits.

1 opportunity for improvement was also identified, and included:

- 6.1.3 - Although the training is conforming based on the procurement foresters experience, consider updating training records within the organization to show that the SHARP certificate are current for procurement foresters.

These findings do not indicate a current deficiency, but served to alert Bear Island to areas that could be strengthened or which could merit future attention.

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 and participation in the VA State 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: *The Company requires all suppliers of roundwood to complete an SFI recognized training program. Logging contractors are also obligated to follow the State BMPs. Field observations did not identify any BMP issues.*

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 and interview of selected personnel, supplier's logger training records, purchase agreement records from suppliers, and review of supplied landowner brochures were the key evidence for this objective.*

Objective 4 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 State Forestry Commission.*

Objective 5 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. Financial records of funding for forestry research were confirmed with receipts from the receiving organization.*

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 Virginia 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 Virginia SIC and its development of handouts for forest landowners.*

Objective 8 does not apply.

Objective 9 Communications and Public Reporting

To broaden the practice of *sustainable forestry* by documenting progress and opportunities for improvement.

Summary of Evidence: *Confirmed knowledge of the need to file audit report with SFI Inc. at the conclusion of each audit and the need to maintain copies of previous reports.*

Objective 10 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: *Records of program reviews, agendas, and notes from annual management review meeting and interviews with personnel from all involved levels in the organization were assessed.*

Objectives 11-13 do not apply.

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

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