

**SFI CERTIFICATION AUDIT
FINAL REPORT**

**Sustainable Forestry Initiative® Standard
2015-2019 Edition**



for

**Mondi Pine Bluff, LLC
Pine Bluff, AR
C0248293**

May 26, 2015

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Mondi Pine Bluff, LLC SFI Summary Audit Report

The SFI Program of the Mondi Pine Bluff, LLC of Pine Bluff, AR has achieved conformance with the SFI 2015-2019 Standards and Rules, Section 3 Fiber Sourcing (SFIS3) according to the NSF SFIS Certification Audit Process.

Mondi Pine Bluff, LLC is located in Pine Bluff, Arkansas. It is one of eleven mills owned by Mondi. It is the only mill in North America. Their Pine Bluff Mill manufactures sack kraft - brown kraft paper for use in grocery bags and multi-wall applications. Roundwood for the mill is procured in Arkansas and processed at a contract chipmill in Star City, AR. Only chips are received at the mill. The primary specie used in the manufacturing process is pine. Mondi Pine Bluff, LLC's SFI Program is managed by Glen Hendrix.

The audit was performed by NSF on May 20, 2015 by an audit team headed by Tucker Watts, Lead Auditor. Audit team members fulfill the qualification criteria for conducting SFIS Certification Audits of "Section 9. SFI 2015-2019 Audit Procedures and Auditor Qualifications and Accreditation" contained in Requirements for the SFI 2015-2019 Standards and Rules.

The objective of the audit was to assess conformance of the firm's SFI Program to the requirements of the Sustainable Forestry Initiative® 2015-2019 Fiber Sourcing Standard.

The scope of the SFIS Audit included procurement operations. Procurement operations 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.

Several of the SFI Performance Measures were outside of the scope of Mondi Pine Bluff, LLC's SFI program and were excluded from the scope of the SFI Certification Audit as follows:

- Indicator 1.1.2 – Mondi Pine Bluff, LLC does not purchase stumpage.
- Indicator 2.1.1 – Mondi Pine Bluff, LLC does not purchase stumpage.
- Indicator 5.1.2 - Indicator 1.1.2 – Mondi Pine Bluff, LLC does not conduct research on genetically engineered trees.
- Indicator 6.2.3 – Arkansas does not have a logger certification program.
- Objective 8 – Mondi Pine Bluff, LLC does not have public land management responsibilities.
- Objective 9 – This is a Certification Audit. Mondi Pine Bluff, LLC does not currently have responsibility for communication and public reporting for SFI, Inc.
- Objectives 11 - 13 Fiber Sourcing outside Canada and the US

No indicators were modified.

SFIS Audit Process

NSF initiated the SFIS 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 Mondi Pine Bluff, LLC was prepared to proceed to the SFIS Certification Audit, and to prepare a detailed audit plan. NSF then conducted the SFIS Certification Audit of conformance to the SFI Standard. 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 the 2015-2019 Sustainable Forestry Initiative Standard ®. The initial Surveillance Audit is scheduled for the week of May 2, 2016.

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 SFIS 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 SFI-SOP. 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 SFIS.

Overview of Audit Findings

Mondi Pine Bluff, LLC's SFI Program was found to be in full conformance with the SFIS Standard. NSF determined that there were no minor non-conformances and no opportunities for improvement were identified.

NSF also identified the following areas where forestry practices and operations for procurement of fiber for Mondi Pine Bluff, LLC's mill exceed the basic requirements of the SFI Standard:

- Mondi Pine Bluff, LLC contributes to research on a local level through the AR Forest Resources Center at the University of Arkansas at Monticello. Funding is being used for research on the restoration of wetlands in the mill procurement basin.

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 *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 – Direct logging contractors are contractually obligated to complete an SFI recognized training program and to follow the *State BMPs*. Data received from logger training database confirmed logger training of direct logging contractors. 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 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* -

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 and that forestry research is funded.

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

Summary of Evidence – Confirmed financial and physical support of the *State 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 financial and physical support of the *State SIC* and its development of handouts for forest landowners.

Objective 9. 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 copies of previous reports are maintained.

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 – The 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 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 *Fiber Sourcing* 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

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