



Greif Packaging 2015 Public SFI Recertification Audit Report

The SFI Program of Greif Packaging, LLC of Riverville, Virginia has demonstrated continuing conformance with the SFI 2015-2019 Standards and Rules, Section 3 Fiber Sourcing (SFIS3), according to the NSF SFIS3 Certification Audit Process.

NSF initially certified Greif to the SFIS in July 2009 and recertified them in 2012. This report describes the next 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 all of the applicable SFI requirements.

Greif Packaging LLC is a publicly owned forest products company with corporate headquarters located in Delaware, Ohio, that operates a pulp mill in Riverville, Virginia. Greif Packaging LLC procures wood primarily from south central and western Virginia. The facility utilizes hardwood and reclaimed material.

The Recertification Audit was performed by NSF April 6-8, 2015 in conjunction with a triple Chain of Custody audit by Norman Boatwright, Lead Auditor. Audit team members fulfill the qualification criteria for conducting SFIS Certification Audits contained in the Sustainable Forestry Initiative® Audit Procedures and Qualifications (SFI SOP). The objective of the audit was to assess continuing conformance of the firm's SFI Program to the requirements of the SFIS3.

The scope of the SFIS Audit included procurement operations. Procurement operations occurring in the past 12 months 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.

The SFIS3 Standard® was used without modifying any requirements. Several of the SFI Indicators were outside of the scope of the company's SFI program and were excluded from the scope of the SFI Certification Audit as follows:

- Core Indicator 4.1.5 Risks associated with illegal logging
- Core Indicator 5.2.2 Research on genetically engineered trees
- Objective 8 Public land management responsibilities
- Objectives 11 - 13 Fiber Sourcing outside Canada and the US

No indicators were modified.

SFIS3 Recertification Audit Process

The review was governed by a detailed audit protocol designed to enable the audit team 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 Nonconformance, Minor Nonconformance, Opportunities for Improvement, and Practices that exceeded the Basic Requirements of the SFIS.

Overview of Audit Findings

Greif Packaging, LLC's SFI Program was found to be in full conformance with the SFIS Standard. Two transitional nonconformances were identified:

CI 2.1.2 *Use of written agreements for the purchase of raw material sourced directly from the forest is required and must include provisions requiring the use of best management practices.*

Greif has written agreements with the required language for contract loggers but does not have written agreements with other wood suppliers.

CI 6.1.5 *Program Participants shall have written agreements for the use of qualified logging professionals....*

Greif has written agreements with the required language for contract loggers but does not have written agreements with other wood suppliers.

Three opportunities for improvement were identified:

CI 4.1.4 There is an opportunity to improve the program to assess the risk that the Program Participant's fiber sourcing program could acquire material from illegal logging.

CI 6.1.2 There is an opportunity to improve the assignment and understanding of roles and responsibilities.

CI 9.2.2 There is an opportunity to improve the record keeping for all the categories of information needed for SFI annual progress report surveys.

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

No nonconformances were issued in the 2014 audit. The next Surveillance audit is scheduled for April 4, 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 VA 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 direct logging contractors working on purchased stumpage tracts to complete an SFI recognized training program. Direct logging contractors are also contractually obligated to follow the Virginia 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 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 Virginia Department of Forestry.

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 the Company has funded 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 VA 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 VA 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 the Company maintains 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 – The Company’s 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

For Additional Information Contact:

Norman Boatwright
Forestry Program Manager, NSF
P.O. Box 4021
Florence, SC 29502
843-229-1851
nboatwright12@gmail.com

Jay Phaup
Greif Packaging, LLC
861 Fibre Plant Road
Gladstone, Virginia 24553
434-933-4139
jay.phaup@greif.com