

## **2019 SFI Public Summary Report**

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

**Date: August 28, 2019**

### **Project Scope and Objectives**

PricewaterhouseCoopers LLP (PwC) completed a multi-site Maintenance Assessment on Boise White Paper, L.L.C.'s (the "Company" or "Boise Paper") Wood Fiber Procurement in North America for the International Falls, MN mill wood procurement operation. The fiber sourcing activities are managed by the Central Office in Boise, ID. The Lead Assessor was Karen Boyd, PwC Contract Assessor. The audit team was accompanied by Boise White Paper, L.L.C.'s SFI Representative, Ebba Hansen.

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.

### **Client Profile**

The Company's operations are comprised of two manufacturing sites located in Jackson, AL and International Falls, MN with one Central Office that maintains control of all management system requirements for both sites. The mills produce office papers. The Jackson, AL mill supply area is comprised of the states of Mississippi, Alabama, Tennessee, and parts of Florida, Georgia, Louisiana, and Kentucky. The International Falls, MN mill supply area includes parts of Minnesota, North Dakota and Wisconsin, as well as portions of the Canadian provinces of Manitoba and Ontario. Wood suppliers are used to supply fiber directly from the woods through direct stumpage purchases and/or direct market deliveries of roundwood and/or chips. Indirect suppliers are also used to supply roundwood from woodyards, primary chips and mill residual chips.

### **Indicators**

All of the indicators in the SFI Fiber Sourcing Standard were within the scope of the assessment, except for performance measure 8.2 within Objective 8 since the Company does not manage public land. There were no substitute indicators.

### **Assessment Process**

The International Falls, MN mill procurement operations were assessed onsite in 2019. On February 19, 2019, the assessment team conducted interviews and reviewed appropriate documentation to assess policies and procedures, and tested the implementation of SFI program requirements of the Central Office at the International Falls, MN mill. The assessment team conducted supplier interviews and field assessments in the Jackson, AL mill procurement area from February 20 to 22, 2019. Eight wood suppliers were interviewed with three of the interviews conducted on harvest sites where BMP monitoring was conducted by the organization. Ten stumpage purchases were visited consisting of eight active and

two completed sites. In total, the audit team spent 1 day at the central office and 3 days on-site for field assessments.

Boise White Paper, L.L.C. has a multi-site certification for the wood fiber procurement in North America. Two wood procurement operations are associated with two paper mills located at Jackson, AL and International Falls, MN. PwC uses a rotational audit approach where the central office is audited annually, and the two facilities are sampled on a two-year rotating schedule that conforms to the International Accreditation Forum Inc.'s Mandatory Document 1. The International Falls, MN mill was sampled in 2019. The number of stumpage purchases was used to determine the number of harvest sites to visit, and the number of suppliers was used to determine the number of supplier interviews to conduct.

**Summary of Conformance, Findings, and Good Management Practices**

**FIBER SOURCING**

<b>SFI FIBER SOURCING</b>		
<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 Paper staff, suppliers and loggers and documentation reviews.</i>  <i>The Company has developed a program to promote and conserve biological diversity that includes training of personnel and distribution of materials to suppliers on biological diversity through the mail and through annual supplier visits by procurement staff.</i>
	No Nonconformities were identified related to this performance measure. One Opportunity for Improvement regarding the client's program to address FECVs in harvests of purchased stumpage was identified.	
<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 White Paper L.L.C. staff, suppliers and loggers, and documentation review.</i>  <i>The Company has implemented a program to require BMPs from delivered purchases that includes written agreements, wet weather contingencies, written fiber sourcing policies and processes 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 Paper staff and wood suppliers, documentation review and field visits of tracts selected for BMP monitoring.</i>  <i>The Company has a verifiable monitoring system that includes field bmp monitoring of random supplier/tract selections, indirect supplier audits and review of state BMP monitoring program results.</i>
No Nonconformities or Opportunities for Improvement were identified related to this performance measure.		
<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 (where available), qualified resource professionals and to apply principles of sustainable forest management to their lands.</i>	<i>Evidence: Interviews with Boise Paper staff and wood suppliers, and documentation review.</i>  <i>The Company 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 a certified logging professional program. Qualified and certified logging professional status is reviewed through MLEP and MN Master logger websites.</i>

	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: Interviews with Boise Paper staff, wood suppliers and documentation review.</i>  <i>Company staff have access to relevant laws and regulations through websites, contract language, participation in state SICs and other organizations and through legal service providers. They achieve compliance with applicable laws through communication and enforcement of company policies, contract provisions, and contract monitoring. Company Risk Assessments noted the International Falls mill procurement area to be "low risk" for acquiring material through illegal logging. Contract requirements, BMP monitoring, 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 Paper staff, wood suppliers and documentation review of company policies and written contracts.</i>  <i>The Company takes appropriate steps to comply with all applicable Canadian and US social laws.</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 Paper staff and documentation review.</i>  <i>The Company provides funding for various forest research activities such as NCASI. Available climate change data is monitored, and Boise White Paper staff have participated in training on climate change impacts on wildlife and biodiversity. The organization 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 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>	<i>Evidence: Interviews with Boise Paper staff and documentation review.</i>  <i>The Company uses information found in state forest action plans, FIA assessments, state BMP implementation and conformance monitoring data and regional landscape management plans to support their sustainable forestry programs.</i>
	No Nonconformities or Opportunities for Improvement were identified related to this performance measure.	

	<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: Interviews with Boise Paper staff and documentation review.</i></p> <p><i>Company staff is aware and understands the potential of climate change impacts on forests, wildlife and biological diversity. Available climate change data is monitored, and employees have participated in training on climate change.</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 Paper staff and documentation review.</i></p> <p><i>The Company requires appropriate training of employees and contractors to implement sustainable forestry practices. The use of qualified logging professionals is addressed in contract terms and conditions.</i></p>
	<p>No Nonconformities or Opportunities for Improvement were identified related to this performance measure.</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 Paper staff, state SIC representatives, and documentation review.</i></p> <p><i>The Company actively participates in state SICs including the support of initial training and continuing education classes for wood producers. The Company also communicates training suggestions as a result of their internal BMP monitoring results.</i></p>
	<p>No Nonconformities or Opportunities for Improvement were identified related to this performance measure.</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 White staff, wood suppliers, SIC representatives and review of documentation.</i></p> <p><i>Boise White Paper financially supports and actively participates in the MN SIC. Through SIC support and participation, the state has published a Landowner Guide that meet SFI 2015 – 2019 standard requirements. Landowner Guides are available and given to landowners who sell timber directly to the company and wood suppliers to distribute to landowners. Landowners are encouraged to participate in forest management certification programs through company communication and the landowner guide.</i></p>
	<p>No Nonconformities were identified related to this performance measure. One Opportunity for Improvement was identified related to description of required elements in the MN State SIC landowner guide.</p>	
	<p><i>Performance Measure 7.2. Program Participants shall support and promote, at the</i></p>	<p><i>Evidence: Interviews with Boise Paper staff and documentation review.</i></p>

	<i>state, provincial or other appropriate levels, mechanisms for public outreach, education and involvement related to sustainable forest management.</i>	<i>The Company participates in the state SIC and relies on it to provide education and outreach related to sustainable forest management. They also participate in local outreach related to sustainable forest management.</i>
	No Nonconformities or Opportunities for Improvement were identified related to this performance measure.	
	<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>	<i>Evidence: Interviews with Boise Paper staff, SIC representatives and review of the Minnesota Forest Resources Council website, Landowner Guides and inconsistent practices process.  The MN SIC has a process in place to receive and respond to public inquiries that appear inconsistent with the standard.</i>
	No Nonconformities or Opportunities for Improvement were identified related to this performance measure.	
<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>
	No Nonconformities or Opportunities for Improvement were identified related to this performance measure.	
<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 Paper staff and documentation review.  The Company provided a summary audit report prepared by their certification body to SFI Inc. after the completion of their 2018 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 Paper staff and documentation review.  The Company has a process for collecting information for SFI's annual Progress Report and the 2018 SFI Progress Report was sent to SFI Inc. in a timely manner. Copies of past reports are maintained 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 Paper staff and documentation review.</i>  <i>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 for 2018 was conducted 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, Biodiversity Hotspots and High-Biodiversity Wilderness Areas</b>	<i>Performance Measure 11.1. Program Participants shall ensure that their fiber sourcing programs support the principles of sustainable forestry, including efforts to promote conservation of biological diversity.</i>	N/A – The Company is not sourcing outside Canada/US.
	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>	N/A – The Company is not sourcing outside Canada/US.
	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>	N/A – The Company is not sourcing outside Canada/US.
<b>Appendix 1 – Rules for Use of SFI Certified Sourcing Label.</b>	<i>Performance Measure 14.1. The Office of Label Use and Licensing shall evaluate and approve applications for use of all SFI on-product labels, shall establish label-use rules and procedures set out in the Rules for Use of SFI On-Product Labels and Off-Product Marks a (Section 5 in the SFI Standards and Rules document), and shall maintain oversight of use of all SFI on-</i>	<i>Evidence: Interviews with Boise Paper certification program leader staff and documentation review.</i>  <i>Boise Paper has procedures to ensure Office of Label Use and Licensing maintains oversight of all SFI label use, and SFI licensing agreement is in place.</i>

	<i>product labels.</i>	
	No Nonconformities or Opportunities for Improvement were identified related to this performance measure.	

**Specific Good management practices are noted below:**

- The organization’s participation in the Minnesota Logger Education Program includes representation on the industry standards committee that educates loggers/suppliers on specific requirements of Minnesota receiving mills, and results in improved utilization.
- The organization has an internal corporate security review of procurement operations.
- The MN SIC is working on a PLT project with native American tribes to explore ways to include indigenous values into PLT lessons regarding forest stewardship.
- The MN SIC developed a pocket guide on invasive species.

**Conclusion**

The Company has maintained conformance with the requirements of the Sustainable Forestry Initiative Fiber Sourcing Standard [2015-2019]. The Certificate can be obtained by contacting Ebba Hansen of Boise White Paper, L.L.C. at (208)-559-4943. More information on Boise White Paper, L.L.C’s sustainable forestry program can be found at: <http://www.boisepaper.com>.

The next SFI Assessment will be a Maintenance Assessment in mid-2020, the registration expires on April 22, 2021.