

Wausau PAPER

Environmental Management System

ENVIRONMENTAL MANAGEMENT SYSTEM

A. Purpose

1. EMS Objectives

The purpose of the Wausau Paper Corp. Environmental Management System (EMS) is to achieve the following two objectives:

- **Achieve 100% legal and permit compliance**
- **Achieve improvements in the environmental and/or operations areas.**

The EMS will be consistent with the existing corporate environmental policy as stated below:

Wausau Paper Corp. is committed to being a good environmental citizen in all communities in which we operate. We acknowledge our responsibility to safeguard natural resources and the environment for future generations. This will be achieved by complying with the spirit as well as the letter of the law. Protecting the environment is in harmony with our business goals. We feel that high standards of environmental protection may be achieved within a framework of good business practices. We will do this by utilizing our people and equipment to the fullest extent possible. This will be accomplished by all of our business disciplines taking the initiative to work with our division environmental departments to accomplish our facility-wide environmental goals.

Wausau Paper is committed to continuous efforts to improve environmental protection. We will participate with government and others in creating responsible laws, regulations, and standards, which meet tests of practicality and feasibility to safeguard our communities, workplace and environment. We will sustainably manage our forestlands.

B. General Objectives

1. Regulation

a. Requirements

The EMS requires that Environmental staff be knowledgeable of existing and proposed federal, state and local regulations as well as other appropriate legal requirements. A list of Environmental Manager responsibilities is located in Appendix B of Chapter 1 of the Wausau Paper Environmental Policies & Procedures Manual.

b. Guidance

Suggested means of achieving this requirement includes:

- Communicate and participate with appropriate government agencies and trade associations
- Review corporate correspondence for appropriate issues
- Review local, state and federal regulations, local ordinances, permits, company contracts (where appropriate), as well as trade journals and seminar presentation notes.

2. Environmental Opportunities

a. Requirements

Processes, products, and services that impact air, water, and soil including wildlife, flora and fauna shall be identified by the Environmental Manager and rated based on their environmental and regulatory significance, impact on the community and employees, resulting liability, business significance and the ability to control. The Environmental Manager shall work with Operations, as appropriate. A list of the top environmental opportunities shall be established, reviewed and updated by March 1st of each year. The selected Environmental Opportunities shall be entered into CommTrac.

b. Guidance

In order to accomplish this requirement, each Environmental Manager, for their facility, shall establish a system that comprehensively identifies opportunities and evaluates those opportunities for environmental and regulatory significance, impact on the community and employees, resulting liability, business significance and the ability to control. Based on that evaluation, the Environmental Manager will develop a list of the top environmental opportunities that will be prioritized for action and follow-up, as well as to establish resource requirements to address those opportunities. The Environmental Manager shall work with Operations, as appropriate. The top environmental opportunities list should only include environmental improvement opportunities, rather than compliance issues, since compliance issues should be addressed quickly according to our Notice of Environmental Exceedance Procedure located in Section VI of Chapter I of the Wausau Paper Environmental Policies & Procedure Manual.

The process utilized to determine the top environmental opportunities is up to the discretion of the Environmental Manager. The Wausau Paper Environmental Opportunities Worksheet may be used to identify the opportunities and the Wausau Paper Prioritization of Opportunities Worksheet may be used to prioritize the opportunities.

Wausau Paper Environmental Opportunities Worksheet

Process Segment _____

Activity	Environmental Opportunities	Potential Impacts	Significance of Impact	Necessary Resources & Notes

WAUSAU PAPER CORP. PRIORITIZATION OF OPPORTUNITIES

<i>Issue</i>	<i>Impact</i>	<i>Likelihood</i>	<i>Magnitude</i>	<i>Environmental Significance (A x B)</i>	<i>Regulatory</i>	<i>Public</i>	<i>ROI/Liability</i>	<i>Business Significance (D + E + F)/2</i>	<i>Overall Significance (C x G)</i>	<i>Ability to Control</i>	<i>Overall Priority</i>	
			A	B	C	D	E	F	G	H	I	J

3. Specific Planning Steps

a. Requirement

Each Wausau Paper facility shall lay out their environmental improvement planning steps based on the opportunities that were identified and prioritized in Section B.2. Environmental Opportunities. A plan shall be established and implemented by the Environmental Manager to realize the environmental improvement opportunities. This plan should be entered into CommTrac. The plan should address the number of opportunities that is realistic to achieve. The plan could address as few as one opportunity or as many as three opportunities.

The Environmental Manager shall enlist the help of Operations, as appropriate. Participation and buy-in from Operations is critical to the success of the EMS. This process is on-going in order to continuously improve processes, products, and services that impact the environment. Procedures shall be in place to review and report on the environmental improvement plan on a quarterly basis.

b. Guidance

The specific issues that are incorporated into the environmental improvement plan are facility specific. The sense of urgency and priority for dealing with the opportunities should be reviewed with the Corporate Director of Environmental Affairs. The progress made toward accomplishing the environmental improvement opportunities shall be reported on in the quarterly environmental report. The Annual Environmental/Operations meeting can be used as a forum to achieve this objective.

4. Systems that Realize the Opportunities

a. Requirements

Each Wausau Paper facility shall establish and maintain systems to facilitate the EMS implementation and enable each facility to achieve the planning steps in their environmental improvement plan designed to realize their environmental improvement opportunities. Each plan developed to realize an environmental improvement opportunity shall be documented in CommTrac.

b. Guidance

Plans that realize an environmental improvement opportunity vary from very brief and simple to involved and sophisticated. The environmental improvement plan addressing the specific opportunities should be no more complicated than necessary. At a minimum, each plan shall contain the following documentation:

- The opportunity being addressed,
- The root cause of the opportunity,
- The responsible individuals,
- The timeline or key dates for realizing the planning steps for an environmental improvement opportunity,
- The priority, prioritized by item number,
- The necessary resources,
- The corrective action status.
- Review of Corrective Action for Effectiveness

CommTrac or the Wausau Paper Environmental Improvements Plan/Status Report Worksheet can be utilized to document this information. A summary of the environmental improvement plans documentation shall be included in each Quarterly Environmental Report to corporate.

C. Realizing Environmental Improvement Opportunities

1. Accountability

a. Requirements

The Environmental Manager at each facility is responsible for achieving the general objectives and mill specific environmental improvement opportunities of the EMS. Of vital importance to realizing the environmental improvement opportunities is the utilization of the facility-wide expertise and resources. The Environmental Manager shall enlist the help of Operations, as appropriate.

The Corporate Director of Environmental Affairs is responsible for providing oversight and direction to ensure the EMS reflects the company's policies and environmental priorities.

b. Guidance

The Environmental Manager shall enlist the help of Operations, as appropriate. The success of discovering and defining opportunities and developing plans to realize environmental improvement opportunities will be greatest when involving personnel with knowledge from the appropriate areas of the mill.

2. Training and Education

a. Requirements

The Environmental Manager at each facility shall direct the process and ensure that we have qualified employees in order to achieve the objectives of the EMS, thereby ensuring compliance with all federal, state and local laws. A written program shall be established and training shall be documented. Department specific training programs shall be developed for those departments with environmental permit compliance or legal requirements. The competency of trained employees shall be verified.

b. Guidance

Training shall ensure that employees are knowledgeable, kept current and qualified to perform the specific environmental tasks they are asked to perform. Training efforts shall be focused on the specific individual's job with environmental responsibilities. The competency of trained employees shall be verified. The Documentation of Training form can be utilized to document and track the environmental training.

3. Workforce Communication

a. Requirements

By April 1st of each year, the Corporate Director of Environmental Affairs shall circulate the corporate environmental policy to each facility for distribution to each employee.

b. Guidance

The Corporate Director of Environmental Affairs will send a copy of the policy statement to the Environmental Manager at each facility. The Environmental Manager will work through the facility human resources department to ensure distribution of this policy.

4. Documentation and Recordkeeping

a. Requirements

Each Wausau Paper Corp. facility shall insure that information critical to realizing the environmental improvement opportunities of the EMS is documented in a complete, up-to-date, and well-organized manner.

b. Guidance

Documentation should address information compiled from the environmental improvement work plan and also documentation required for permit compliance as well as any federal, state, and local environmental regulations.

5. Documentation and Records Review and Storage

a. Requirements

Each Wausau Paper facility Environmental Manager shall have procedures in place to insure that only approved and controlled documents are utilized in realizing the environmental improvement opportunities of this EMS. These required documents shall be reviewed and stored in a secured location.

b. Guidance

The document control system will insure that the EMS documents can be easily located and accessed, that they are reviewed for validity and timeliness, that managers have access to up-to-date versions, and that obsolete documents and information have been removed. Environmental records will be legible, identifiable, and traceable to the activity, product, process or location that they pertain to. These required records shall be stored in a manner that they are protected against damage, deterioration and loss. All required records will be maintained in accordance with the Wausau Paper Record Retention Policy located in Section VIII of Chapter 1 of the Wausau Paper Environmental Policy and Procedures Manual.

6. Permit Compliance and Legal Requirements of Manufacturing Processes

a. Requirements

The Environmental Manager shall be responsible for informing the Operations Managers about the permit compliance requirements, legal requirements, and environmental improvement opportunities for their departments. The permit compliance requirements are those compliance requirements specified in an environmental permit held by the facility. The legal requirements are those requirements that are specified in a local, state or federal statute. The Operations Managers shall be responsible for assuring the development of department specific procedures that address their department's environmental permit conditions, legal requirements and environmental improvement opportunities. These procedures will address EMS specific environmental improvement planning steps along with permit compliance and legal requirements.

The Environmental Manager will assure all affected parties are trained on the permit and legal requirements and each person's responsibility for maintaining compliance. The training shall be documented.

The Environmental Manager will also work with Operations in the evaluation of proposed projects or maintenance to determine if a permit is required.

The Environmental Manager is responsible for assuring that environmental issues are resolved in a timely fashion. The Environmental Manager is also responsible for communicating any issues or concerns regarding resolution or compliance issues with Operations and the Corporate Director of Environmental Affairs.

b. Guidance

The Environmental Permitting Internal Communication Approval Procedure located in Chapter I of the Wausau Paper Environmental Policy and Procedure Manual shall be utilized when a new, modified or renewed permit, environmental agreement or consent order is being negotiated. As per the Environmental Permitting Internal Communication Approval Procedure, the New Permit Summary Spreadsheet shall be utilized during this process. The Environmental Manager, facility VP of Operations, the affected Department Manager(s) and the Corporate Director of Environmental Affairs shall sign the final New Permit Summary Spreadsheet indicating their understanding and acceptance of the new permit conditions. This process should ensure that both the Operations and Environmental Departments have a thorough understanding of the impacts of any new permit requirements and an understanding of what needs to be done in order to ensure compliance.

Also, as per the Environmental Permitting Internal Communication Approval Procedure, the Environmental Manager will complete a Permit Summary Spreadsheet summarizing all environmental permits. The Environmental Manager, facility VP of Operations, the affected Department Manager(s) and the Corporate Director of Environmental Affairs shall sign off on the final Permit Summary Spreadsheets thereby indicating their understanding of the permit conditions. The responsibility for developing, implementing, validating and monitoring the compliance of each draft permit requirement will be assigned to an individual and noted on the Permit Summary Spreadsheet. Responsibility for keeping the records current for each permit requirement will also be assigned.

Appropriate environmental parameters, limits, and test procedures shall be in place and documented to monitor process conformance.

The Environmental Manager will also work with Operations in the evaluation of proposed projects or maintenance to determine if a permit is required. The Capital Projects Air Permitting Procedure located in Chapter 1 of the Wausau Paper Environmental Policy and Procedures Manual shall be utilized to evaluate these projects.

Maintenance programs specific to environmental equipment (predictive, preventative, or failure) as well as work order systems should be in place to ensure timely repair of equipment and proper documentation of the repair, as required by permits.

Supplier and Subcontractor Education - Procedures shall be developed and implemented to inform suppliers and subcontractors of the Wausau Paper environmental compliance objectives. This may be incorporated as part of their hazard communication training requirements, or through other appropriate measures.

7. Accidental Release Prevention and Minimization

a. Requirements

The Environmental Manager shall insure that systems are in place at each facility to minimize the risk of an accidental release to the environment. In addition, systems will be in place to minimize the extent and impact should an accidental release occur.

b. Guidance

Each Wausau Paper facility shall have procedures in place to prevent or minimize adverse impacts to human health, the environment, and company assets in the event of an accidental release.

The Hazmat Team Leader is responsible for arranging the necessary training for the facility Hazmat Team. Training should include a practice exercise, as needed. If possible and practical, training exercises should be with emergency response agencies in the area including fire departments, rescue squads, police, and HAZMAT teams. The Hazmat Team Leader shall review the results of any practice exercises with the Hazmat Team and the Environmental Manager.

The plans should be reviewed and updated on an annual basis by the Environmental Department. In addition, the plans should be reviewed immediately after any emergency situation that occurs, or after any practice exercise, to assess the effectiveness of the plans.

Facility procedures can be located in the facility Integrated Contingency Plan or facility Spill Prevention and Response Plan

D. Legal and Permit Compliance Tracking

1. Legal and Permit Required Monitoring

a. Requirements

The Environmental Manager shall assure that systems are developed and implemented to maintain and follow legal and permit required monitoring and measuring requirements. This monitoring and measuring program will maintain compliance with all applicable federal, state, and local environmental laws and regulations and environmental permits.

b. Guidance

The monitoring and measurement procedures should include performance tracking measures for realizing environmental improvement opportunities, calibration and maintenance record keeping of monitoring equipment, and periodic evaluation of compliance with all environmental laws, regulations, and environmental permit conditions. Equipment training needs and calibration requirements must be met per equipment manufacturer requirements. Reliable calibration standards must be established and maintained. The facilities will carry out inspections and testing requirements in accordance with all federal, state, and local regulations and environmental permit conditions.

The Environmental Department shall annually audit the documentation of the legal and permit required monitoring and measuring requirements in order to determine the success of systems implemented to ensure compliance with these requirements.

The Air Emissions Testing Procedure which is located in Chapter 1 of the Wausau Paper Environmental Policy and Procedures Manual shall be utilized when performing air emissions testing to document compliance.

2. Addressing Permit/Legal Non-compliance

a. Requirements

The Environmental Manager shall insure conformance with the Notice of Environmental Exceedance Procedure located in Section VI of Chapter 1 of the Wausau Paper Policies and Procedures Manual.

b. Guidance

The Notice of and Response to Environmental Exceedance, Spill, Release, or Close Call Procedure gives instructions on the steps to be taken in the event of an environmental exceedance. These same steps shall be taken in the event a situation is identified which may lead to a potential environmental exceedance.

3. Value Added Program Assessment

a. Requirements

The Corporate Director of Environmental Affairs and Environmental Manager shall be responsible for insuring that all activities associated with the EMS produce added value and are being performed in accordance with the EMS. An evaluation of the EMS will be done on an annual basis.

b. Guidance

The EMS should be reviewed to determine if it is designed to add value. The value of the EMS program can be measured in a number of ways. Each facility must set individual value added standards. An example of some measuring tools are listed below:

- EMS audits
- Compliance audits

- Existence of Notices of Noncompliance (NON), Notices of Violation (NOV), permit exceedences
- Progress toward meeting environmental improvement opportunities

The Environmental Manager shall document what is working with the EMS and what is not working. This information shall be included in the Annual EMS Progress Report and will be discussed at the Annual Environmental Managers Meeting.

4. System Review with Management

a. Requirements

The Environmental Manager shall annually organize a meeting with Operations Management to review environmental performance and opportunities as per the Environmental and Operations Annual Review Policy in Section IV in Chapter 1 of the Wausau Paper Policies and Procedure Manual. A written report will also be submitted following the meeting.

b. Guidance

The Environmental Manager shall generate a written report (Annual EMS Progress Report) on the EMS progress within 3 weeks of the meeting. The report shall be submitted to the Environmental Manager's Supervisor, the facility VP of Operations, the Sr. Division VP for that facility, The Corporate VP of Manufacturing and Technology and the Corporate Director of Environmental Affairs.