

## 2016 Public Summary Audit Report WestRock Company

### Introduction

The SFI Program of the WestRock Company fee timberlands has demonstrated conformance with the SFI 2015-2019 Standard and Rules®, Section 2 – Forest Management Standard, according to the NSF certification process.

The timberlands are located in the vicinity of Summerville, South Carolina. The scope of this certification includes land management activities on approximately 50,000 acres. The land is mostly flat, with considerable portions being poorly to somewhat poorly drained. Stands are regenerated using clearcut harvesting followed by herbicide site preparation and artificial regeneration. Mechanical site preparation is also used on the less well-drained sites. The property was acquired by WestRock when it merged with Mead/Westvaco and has been under SFI Forest Management certification for a number of years. This is a Recertification Audit to the new SFI Standard.

The audit was performed by NSF on July 6-7, 2016 by an audit team headed by Norman Boatwright, Lead Auditor. Audit team members fulfill the qualification criteria for conducting audits contained in SFI 2015-2019 Standards and Rules®, Section 9 - Procedures and Auditor Qualifications and Accreditation.

The objective of the audit was to assess conformance of the Company’s SFI Program to the requirements of the SFI 2015-2019 Standard and Rules, Section 2 – Forest Management.

The scope of the audit included forest management operations. Forest practices that were the focus of field inspections included those that have been under active management over the planning period of the past 3 years. In addition, practices conducted earlier were also reviewed as appropriate (regeneration and BMP issues, for example), SFI obligations to promote sustainable forestry practices, to seek legal compliance, and to incorporate continual improvement systems were also within the scope of the audit.

The SFI Standard was used without modifying any requirements.

Several of the SFI Section 2 requirements were outside of the scope of the Company’s SFI program and were excluded from the scope of the SFI Certification Audit as follows:

<b>Requirement Number</b>	<b>Brief Description</b>	<b>Reason</b> <i>(Note: see Matrix for full text of modified requirement)</i>
CI 1.2.2	Conversion	The Company does not convert scoped forestland.
CI 2.1.3	Plantings of exotic tree species	The Company doesn’t plant exotic tree species.
CI 2.1.4	Protection of desirable or planned advanced natural regeneration during harvest.	The Company doesn’t cut hardwood stands and all pine stands are artificially regenerated.
CI 2.1.5	Afforestation programs	Property in the scope has been managed intensely since 1975 and there are no areas to afforest.
CI 2.5.1	Program for appropriate research, testing, evaluation and deployment of improved planting stock	The Company doesn’t conduct research on planting stock.
CI 10.1.2	Research on genetically engineered trees	The Company does not conduct research.
OBJ 13	Public Land Management Responsibilities	The Company does not have public land management responsibility.

### Audit Process

NSF initiated the audit process with a planning call to confirm the scope of the audit, review the SFI Indicators and evidence to be used to assess conformance, verify that the Company was prepared to proceed to the audit, and to prepare a detailed audit plan.

NSF then conducted the audit of conformance. A report was prepared and approved by an independent certification board member assigned by NSF. Follow-up or surveillance audits are required by SFI, Section 9. The initial surveillance audit is scheduled for July 27-28, 2017.

The audit was governed by a detailed audit plan designed to enable the audit team to efficiently determine conformance with the applicable 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 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

The Company was found to be in conformance with the standard. NSF determined that there were no minor non-conformances and identified three opportunities for improvement:

- CI 1.3.1 There is an opportunity to improve the certified lands calculation.
- PM 10.3 There is an opportunity to improve the communication of climate change reports to field personnel.
- CI 11.1.5 There is an opportunity to improve the language requiring trained loggers in agreements.

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.

NSF also identified three areas where forestry practices and operations exceed the basic requirements of the standard:

- CI 3.2.3: The Company has an exemplary planning process to ensure management activities don't impact waterbodies including a very detailed pre-activity plan that addresses water quality, special areas and wildlife, aesthetics and productivity.
- CI 4.1.2: The Company's process for considering stand level habitat elements is to evaluate each tract and/or stand individually prior to and during timber harvesting and site preparation to determine which habitat elements on the site can be retained cost effectively.
- CI 12.1.3: In May 2016, the Company placed a conservation easement on approximately 50,571 acres.

## 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 Forest Management Planning

To ensure forest management plans include long-term sustainable harvest levels and measures to avoid forest conversion.

**Summary of Evidence:** *The Company has an inventory system in place. Long-term harvest plans are developed, with harvest levels adjusted each year. Separate growth and yield models are used for pine and hardwood. A GIS is in place with a layer for soil information. A land classification system is in place, termed "Ecosystem-based forestry". An examination of harvest levels indicates the company is harvesting well below its long-term plan. The company focuses more on future development opportunities, and places less emphasis on timber production.*

### Objective 2 Forest Health and Productivity

To ensure long-term forest productivity, carbon storage and conservation of forest resources through prompt reforestation, afforestation, minimized chemical use, soil conservation, and protecting forests from damaging agents.

**Summary of Evidence:** *Almost all sites are regenerated within two growing seasons. A small number of harvested tracts are regenerated beyond two growing seasons, generally due to wet weather conditions that make it difficult to complete mechanical site preparation activities. The Company has a process for determining stocking success, and has a threshold below which it will consider*

replanting. Chemical applications demonstrated minimization of chemical use. Rates were well below the maximum allowed by the label, and were generally below the rates used in similar vegetation types and soil conditions in the southeast U.S.

### **Objective 3 Protection and Maintenance of Water Resources**

To protect the water quality of rivers, streams, lakes, wetlands and other water bodies through meeting or exceeding best management practices.

**Summary of Evidence:** BMP compliance was evident on all harvest sites reviewed during the audit. SMZs are well established, and all management activities are monitored.

### **Objective 4 Conservation of Biological Diversity**

To manage the quality and distribution of wildlife habitats and contribute to the conservation of biological diversity by developing and implementing stand- and landscape-level measures that promote a diversity of types of habitat and successional stages, and the conservation of forest plants and animals, including aquatic species, as well as threatened and endangered species, Forests with Exceptional Conservation Value, old-growth forests and ecologically important sites.

**Summary of Evidence:** The Company continues to operate an excellent wildlife management program, even though its ownership has been greatly reduced. The Company has a program to identify T&E species and FECVs that could occur on its land, using information gathered from natural heritage programs. Retention of stand-level wildlife habitat elements on clearcuts continues is excellent. Both clumped and dispersed retention was observed. The Company continues to do an excellent job of avoiding spraying standing retention during herbicide applications. The Company also operates a landscape assessment and management program termed "Ecosystem Based Forestry". WestRock uses this tool to assess habitats, then sets habitat goals by landscape planning unit.

### **Objective 5 Management of Visual Quality and Recreational Benefits**

To manage the visual impact of forest operations and provide recreational opportunities for the public.

**Summary of Evidence:** The Company's timber harvest procedure contains a process for incorporating visual quality considerations during harvesting activities. Much of the land is designated for future development potential, so aesthetic considerations are an important consideration for all of its activities regardless of proximity to public view. Compliance with the company's green-up requirement was observed on all clearcuts.

### **Objective 6 Protection of Special Sites**

To manage lands that are geologically or culturally important in a manner that takes into account their unique qualities.

**Summary of Evidence:** Special sites are mapped in the GIS, and appear as a warning anytime an activity is planned in the vicinity.

### **Objective 7 Efficient Use of Fiber Resources**

To minimize waste and ensure the efficient use of fiber resources.

**Summary of Evidence:** Site visits did not identify any utilization issues.

### **Objective 8 Recognize and Respect Indigenous Peoples' Rights**

To recognize and respect Indigenous Peoples' rights and traditional knowledge.

**Summary of Evidence:** The Recognition and Respect of Indigenous Peoples' Rights document contains procedures to communicate with affected indigenous peoples. Training relative to traditional forest knowledge was provided to field staff.

### **Objective 9 Legal and Regulatory Compliance**

To comply with applicable federal, provincial, state and local laws and regulations.

**Summary of Evidence:** The Company has a shared Google site that has links to state environmental laws. BMP manuals are located in the employees work vehicles. The 2016 WRK Code of Conduct document requires employees to follow applicable laws and regulations. The employees annually sign a statement stating that they will comply with the Code of conduct.

### **Objective 10 Forestry Research, Science and Technology**

To invest in forestry research, science and technology, upon which sustainable forest management decisions are based and broaden the awareness of climate change impacts on forests, wildlife and biological diversity.

**Summary of Evidence:** *This requirement is met at the corporate level and includes significant support of NCASI, contributions to WSRI and SOFAC.*

### **Objective 11 Training and Education**

To improve the implementation of sustainable forestry practices through appropriate training and education programs.

**Summary of Evidence:** *Confirmed by review of sign-in sheets that the Company has certification training annually and the Company conducts annual training of the BMP portion of the TOP Logger module. Confirmed by review of timber sale and paperwork that all loggers are trained. Site prep and road contractors are trained as needed.*

### **Objective 12 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:** *This requirement is satisfied by the Company's support of and participation in the SC SIC. The Company also has a landowner section on its website that offers advice and links.*

### **Objective 13 Public Land Management Responsibilities**

To participate and implement sustainable forest management on public lands.

**Summary of Evidence:** *NA. The Company does not have public land management responsibilities.*

### **Objective 14 Communications and Public Reporting**

To increase transparency and to annually report progress on conformance with the SFI Forest Management Standard.

**Summary of Evidence:** *Reports filed on time with SFI Inc. provided the key evidence.*

### **Objective 15. Management Review and Continual Improvement**

To promote continual improvement in the practice of sustainable forestry by conducting a management review and monitoring performance.

**Summary of Evidence:** *Records of program reviews, agendas and notes from management review meetings, internal audits and interviews with personnel from all involved levels in the organization were assessed.*

## **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 SFI 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**

*(Applies only to the SFI 2015-2019 Fiber Sourcing Standard)*

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*

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