



**BUREAU  
VERITAS**

**Bureau Veritas Certification  
North America, Inc.  
SFI Audit Report**

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PQC Code	E07A

Contract Number:	US1509015	Certification Audit:		Re-Certification Audit:		Surveillance: (Indicate visit # or Pre-Assessment)	S2
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**Audit Summary**

**Introduction**

This report summarizes the results of the second surveillance audit conducted on WestRock’s SFI program for forest management and fiber sourcing operations. Mr. Richard Boitnott, Bureau Veritas certification Lead Auditor, conducted the document review on September 21, 2015, and field audits of the Marht Alabama fiber sourcing operations on September 23. Mr. Boitnott also conducted an audit of the Summerville South Carolina forest management operations on September 24. Mr. Gary Boyd, audit team member, conducted a field audit of the Evadale Texas fiber sourcing program on September 23. Mr. Boitnott is a certified forester, an EMS lead auditor, and has wildlife management expertise. Mr. Boyd is a certified forester and EMS lead auditor.

**Audit Scope, Objectives and Process**

The audit was conducted against the SFI 2010-2014 Standard. SFIS Objectives 1 through 10, 14, 15, 19 and 20 were covered during the audit. There was no substitution or modification of indicators. Specifically, two objectives of the SFI audit were to verify that the Program Participant’s SFI Program is in conformance with the SFI Objectives, Performance Measures, and Indicators, and any additional indicators that the Program Participant chooses, and verify whether the Program Participant has effectively implemented its SFI Standard program requirements on the ground. Standard Bureau Veritas Certification protocols and forms were applied throughout the audit as provided by the most recent version of the Bureau Veritas Certification SFI Auditor Handbook available on the auditor access website.

**Audit Plan**

The audit process began with an opening meeting at 8:00 am on September 21, 2015 in conjunction with a document review of the company’s chain of custody program. The document review of the fiber sourcing program was conducted the afternoon of September 21. Mr. Boitnott then conducted an audit of the Marht Alabama fiber sourcing operations on September 23, while Mr. Boyd conducted an audit of the Evadale Texas fiber sourcing operations the same day. Mr. Boitnott then conducted a document review of the forest management operations at Summerville South Carolina the morning of September 24. A closing meeting was held via conference call at 3:30 pm on Friday, September 25. An audit plan was developed and is maintained on file by Bureau Veritas Certification.

### **Company Information**

WestRock was formerly known as MeadWestvaco (MWV). WestRock is the entity that was formed as a merger of Rock-Tenn and MWV. The company maintains its previous certification program, anticipating a change by the beginning of 2015, at which time a new certification program for the combined company will be formed. The former MWV portion of West Rock operates a forest management and fiber sourcing program, managing land in South Carolina and operating paper mills in Covington Virginia, Evadale Texas, and Marht Alabama, and one sawmill, also located at Marht.

The company's fee land in the Charleston region is generally a loblolly pine forest with hardwood streamside management zones and wetlands. The Charleston region is mostly flat, with considerable portions being poorly to somewhat poorly drained. However, there are some portions of the forest with slightly rolling terrain with more well drained soils. 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.

Procurement for the three paper mills and the one sawmill in Alabama is a combination of open market and purchased stumpage. The company conducts random, on-site inspections of gatewood tracts to monitor BMP compliance of its wood suppliers.

### **Multi-Site Requirements**

WestRock operates a multi-site program consisting of three wood procurement regions and one forest management region. The wood procurement operations are headquartered at the company's corporate headquarters in Richmond Virginia. Forest management operations are headquartered in Summerville, South Carolina. The Charleston forest is audited every year since it is the only forest management operation in the company. The company's fiber sourcing program is centrally managed. An internal audit program is in place, managed by the corporate SFI manager. WestRock has a robust and reliable internal audit program. Individual sites are responsible for developing corrective actions for nonconformities, and reporting the actions to the SFI manager. Site selection was conducted randomly at the time of renewal.

<b>Sites</b>	<b>Sites Audited During this Event</b>
Richmond, VA (Central office)	X
Marht (Cottonton, AL)- (fiber sourcing)	X
Covington, VA (fiber sourcing)	
Evadale, TX (fiber sourcing)	X
Charleston, SC (forest management)	X

### **Audit Results**

The document review was conducted to determine if WestRock's system documentation continues to meet the requirements of the SFI 2010-2014 Standard. The central office audit also examined the company's procedures for meeting multi-site requirements. The field audit consisted of a review of three fee harvesting operations, two regeneration/site preparation tract, and one culvert replacement. On the Summerville South Carolina forest management program. The field audit of the fiber sourcing programs at Evadale and Marht consisted of a review of six gatewood tracts and eight purchased stumpage.

Objective 1-Forest Management Planning: WestRock continues to operate a robust forest inventory and management system. 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". A review of non-timber issues includes consideration for biomass harvesting. An examination of harvest levels indicates the company is harvest well below its long-term plan. The company focuses more on future development opportunities, and places less emphasis on timber production. Thus harvest levels are quite low.

**Objective 2-Forest Productivity:** Regeneration was very well done. 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. Applications were very well done, with virtually no drift into off-target areas observed.

Soil productivity was well protected. The primary threat to soil productivity on the Charleston forest is from compaction and rutting, as the flat terrain limits risk from erosion. Virtually no compaction or rutting was observed on any of the audit sites.

**Objective 3-Protection and Maintenance of Water Resources:** BMP compliance was evident on all harvest and road construction sites reviewed during the audit. SMZs are very well established, and activities are monitored to ensure there is no sediment delivery to stream courses. Harvest tracts in the Charleston region were generally flat, with little risk of erosion.

**Objective 4-Conservation of Biological Diversity including Forests with Exceptional Conservation Value:** WestRock 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. However, none are now known to occur on the remaining landbase.

Retention of stand-level wildlife habitat elements on clearcuts continues to be excellent. Both clumped and dispersed retention was observed. WestRock continues to do an excellent job of avoiding spraying standing retention during herbicide applications. The company continues to operate 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. Future harvests are then planned to ensure these goals are met.

**Objective 5-Management of Visual Quality and Recreational Benefits:** WestRock's timber harvest procedure contains a process for incorporating visual quality considerations during harvesting activities. Much of its landbase is designated for future development potential, so aesthetic considerations are an important consideration for all of its activities regardless of proximity to public view. The average clearcut size for 2014 was 49 acres. Compliance with the company's green-up requirement was observed on all clearcuts.

**Objective 6-Protection of Special Sites:** WestRock has special sites program. 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 Forest Resources:** Utilization was very good on all harvest units observed during the audit. .

**Objective 8-Landowner Outreach:** WestRock does an excellent job of providing landowner information. It uses the packets developed by the SICs, but also distributes its own information. The

company also has an excellent system for addressing FECVs in its purchased stumpage program. The program includes training to be aware of the potential species, and access to lists and point occurrences from the natural heritage programs and NatureServe. WestRock is also very involved in the American Tree Farm System, managing its own group tree farm program. The company has also publicly stated its preference for certified wood, including tree farm.

**Objective 9-Use of Qualified Resource and Qualified Logging Professionals:** Landowner information contains encouragement of the use of trained loggers. WestRock has access to trained logger lists, and encourages landowners to use loggers who have been trained.

**Objective 10-Adherence to Best Management Practices:** WestRock requires loggers delivering wood to its mills to be trained according to the requirements of the SIC. The company has a program to ensure BMP implementation on its purchased stumpage tracts. Proper implementation of BMPs was observed on all purchased stumpage tracts reviewed during the audit. This includes purchased stumpage tracts in Evadale, where a BMP violation during the previous audit resulted in the issuance of a non-conformance.

Contracts have language requiring BMP compliance. An adverse weather program is in place, consisting primarily of inventory management and the identification of both fee and purchased stumpage tracts that can be logged in wet weather. WestRock conducts monitoring of gatewood tracts to review BMP compliance. The company does an excellent job of tracking the results of its BMP monitoring program and setting goals for continual improvement. However, the summary does not find its way to top management for management review. The company was issued an opportunity for improvement to encourage it to review the goals for continual improvement at the management level.

Objectives 11 through 13 are not applicable since the company does not purchase wood outside of North America.

**Objective 14-Legal and Regulatory Compliance:** Access to relevant laws and regulations is available on the company's intranet site. WestRock's system to achieve compliance consists of contract requirements, pre-activity planning and monitoring processes, and training of employees and contractors. No adverse regulatory action has been taken. WestRock has a written policy to comply with social laws. WestRock has not received any information concerning it or its contractor's performance relative to ILO core conventions

**Objective 15-Forestry Research, Science and Technology:** West Rock provided ample evidence of contributions towards research. The company is a member of NCASI. There are no operationally planted GMOs on WestRock property. WestRock's participation in the SC SIC includes access to information on BMP compliance and distribution of biodiversity information to landowners. WestRock demonstrated it has access to information on the potential impacts of climate change on forest health and productivity, and wildlife and wildlife habitat.

**Objective 16-Training and Education:** Not audited

**Objective 17-Community Involvement in the Practice of Sustainable Forestry:** WestRock provided evidence it supports and participates in the SICs in the states in which it operates, which now includes South Carolina, which addresses a non-conformance issued during the previous audit.

**Objective 18** is not applicable since the company does not have management responsibilities on

public land.

**Objective 19-Communications and Public Reporting:** A review of the SFI, Inc. website provided evidence MWV submitted its previous audit report as required for public review. The company has procedures in place to provide for all the pieces of information needed to complete the SFI annual progress report. An e-mail transmission from SFI, Inc. provided evidence the company submitted the 2013 annual progress report in a timely manner.

**Objective 20:** WestRock has a defined management review process in place. The company has a two-tiered process, with an SFI improvement team that conducts internal audits and recommends improvements to the system, and a forest sector leadership team that approves changes to the program. Management review meeting minutes provided evidence the review is taking place at least annually as required by the SFI Standard.

## **Findings**

### **Previous non-conformances:**

Two non-conformances were issued during the previous audit. One non-conformance was issued during the previous audit due to a BMP violation on a purchased stumpage tract at Evadale. The company implemented corrective actions to address the non-conformance. No BMP violations were found on purchased stumpage tracts during this audit. Another non-conformance was issued due to lack of participation in the South Carolina SIC. Evidence was presented that WestRock is now a participating member of the SIC. Both of these non-conformances are considered closed.

### **Non-conformances:**

No non-conformances were issued during this audit event.

### **Opportunities for Improvement:**

One opportunity for improvement was identified. This should be considered in light of how it may affect conformance in the future.

1. PM 10.2, Ind. 2: WestRock has a supplier BMP monitoring program that meets the requirements of the standard, and uses this information to set goals for improvement. The BMP summary it develops combines monitoring information from purchased stumpage and gatewood. However, this information is not sent to management for management review. The company was issued an opportunity for improvement to encourage it to review the results of its monitoring program at the management level.

### **Notable Practices:**

One notable practice was identified:

1. PM. 8.1, Ind. 3: WestRock's tree farm program is an excellent program to promote sustainable forestry to private landowners. In additions, West Rock's management practices on landowners in its group tree farm program is very well done, mimicking what the company used to do on its own timberlands.

### **Logo/label use:**

The company uses the certified chain of custody label on its products, and the SFI logo on its website for promotional purposes. A review of the SFI label approval website provided evidence labels and logos are used with permission of SFI, Inc. The company does not use the Bureau Veritas Certification logo.

### **SFI reporting:**

The 2014 surveillance audit report for MWV was found on the SFI website as required for public

review.

### **Conclusions**

Based on results of the audit, the lead auditor issued a recommendation for continued certification to the SFI 2010-2014 standard.

**SEE SF61s FOR AUDIT NOTES**

<b>Summary of Audit Findings:</b>									
Audit Date(s):		From: 9/21/2015 (Richmond) 9/23/2015 (Evadale, Marht) 9/24/2015 (Summerville)				To: 9/21/2015 (Richmond) 9/23/2015 (Evadale, Marht) 9/24/2015 (Summerville)			
Number of SF02's Raised:			Major:		0		Minor:		0
Is a follow up visit required:		Yes	No	X	Date(s) of follow up visit:				
Follow-up visit remarks:									
<b>Team Leader Recommendation:</b>									
Corrective Action Plan (s) Accepted		Yes	No	N/A	X	Date:			
Proceed to/Continue Certification		Yes	X	No	N/A	Date:		9/24/2015	
All NCR's Cleared		Yes	X	No	N/A	Date:		9/21/2015	
Standard audit conducted against:									
1)	SFIS 2010-2014			3)					
2)				4)					
Team Leader (1):			Team Members (2,3,4...)						
Richard Boitnott; RF, CF, EMS(LA)			2) Gary Boyd						
			3)						
			4)						
			5)						
Scope of Supply: (scope statement must be verified and appear in the space below)									
Forest Management operations for Community Development and Land Management Group; wood procurement operations for Mahrt, Covington and Evadale mills									
Accreditation's		ANAB							
Number of Certificates		1							
Proposed Date for Next Audit Event									
Date	TBD. WestRock intends to put its SFI business out for bid for the next audit event.								
Audit Report Distribution									
WestRock : Chris Davidson-christopher.davidson@westrock.com									
BVC: Dawn Komnick-dawn.komick@us.bureauveritas.com									

Clause	Audit Report
Opening Meeting	<p>Participants: Mike Hunter, John Thurmes, Trenor Hypes, Aaron Plaughter</p> <p>Discussions:</p> <ul style="list-style-type: none"> <li>➤ Introductions</li> <li>➤ Scope of the audit</li> <li>➤ Audit schedule/plan</li> <li>➤ Nonconformance types – Major / Minor</li> <li>➤ Review of previous nonconformances - 2</li> <li>➤ Process approach to auditing and audit sampling</li> <li>➤ Confidentiality agreement</li> <li>➤ Termination of the audit</li> <li>➤ Appeals process</li> <li>➤ Closing meeting timing</li> </ul>
Closing Meeting	<p>Participants: Aaron Plaughter, Chris Davidson, John Thurmes, Ann Duff, John Quillian, Terry Long, Michael Best, Mark Trabing, Ben Smith, James Dryman, Joe Roberson</p> <p>Discussions:</p> <ul style="list-style-type: none"> <li>➤ Introductions and appreciation for selecting Bureau Veritas Certification.</li> <li>➤ Review of audit process - process approach and sampling.</li> <li>➤ Review of OFIs and System Strengths</li> <li>➤ Nonconformances – 0</li> <li>➤ Date for next audit.</li> <li>➤ Reporting protocol and timing</li> </ul>



## SF02/NA NONCONFORMITY REPORT

Company Name and Site:		<u>SF02#:</u>	
WestRock		SFI-S1-01	
Contract #:	Type of audit (e.g., initial, surveillance):	Team Leader:	
US1509015	Surveillance #1	Richard Boitnott	
Date:	Standard and Clause #:	Team Member:	
9/26/2014	SFIS PM 17.1, Ind. 1		
Major	Minor	Other Documents (if applicable):	Company Representative:
	X		Chris Davidson
<b>REQUIREMENT OF AUDITED STANDARD:</b>			
PM 17.1, Ind. 1 requires the organization support, including financially, the efforts of the SFI implementation committee.			
<b>OBSERVED NONCONFORMITY AND, for FSC only, CORRECTIVE ACTION REQUEST:</b>			
Evidence was presented that MWV has financially supported the South Carolina SIC through its membership in the SC forestry association. However, there is no evidence MWV has participated in the efforts of the SIC since the end of 2013. No one has been assigned as the company's representative on the SIC, and no meeting minutes have been obtained.			
<b>ROOT CAUSE ANALYSIS AND CORRECTIVE ACTION PLAN</b> (To be completed by the Company. Plan to be submitted in 30 days)			
Corrective Action Plan Date:	10/22/2014	Company Representative:	Aaron Plaughter
<b>Root Cause Analysis and Corrective Action</b>			
<b>Root Cause:</b> Shifts in personnel related to land sales caused the movement of our previous SIC representative to another company. Many changes were made to accommodate the new company size and structure but no individual had been appointed to support the South Carolina SIC.			
<b>Corrective Action Plan:</b> Forest Operations Manager, John Thurmes, has been appointed to support the South Carolina SIC.			
<b>ROOT CAUSE AND CORRECTIVE ACTION PLAN ACCEPTANCE REPORT</b> (To be completed by Bureau Veritas Certification – Verify effective identification of Root Cause and acceptance of Corrective Action Plan)			
Root Cause: Acceptable Corrective Action Plan: Acceptable			
Plan Accepted:	Yes	X	No
Comments:			
Auditor:	Richard Boitnott	Date:	10/28/2015
<b>CORRECTIVE ACTION IMPLEMENTATION</b>			
To be completed by Company – Provide objective evidence. Not to exceed: 90 Days SFI, PEFC <input type="checkbox"/> ; 1 year FSC <input checked="" type="checkbox"/> ; other <input type="checkbox"/> X Days			
Corrective Action Completion Date:	10/28/2014	Company Representative:	Aaron Plaughter
Corrective Action Implementation: Appointed John Thumes as the SIC representative. Method used to verify effectiveness of action taken: Review of SIC meeting minutes			
<b>CORRECTIVE ACTION IMPLEMENTATION ACCEPTANCE REPORT</b> (To be completed by Bureau Veritas Certification – Acceptance of Corrective Action taken)			
Accepted:	Yes	X	No
Nonconformance Closed:		Yes	X
Follow Up Comments:			
Auditor:	Richard Boitnott	Date:	9/21/2015



## SF02/NA NONCONFORMITY REPORT

Company Name and Site:		SF02#:	
MWV		SFI-S1-02	
Contract #:	Type of audit (e.g., initial, surveillance):	Team Leader:	
US1509015	Surveillance #1	Richard Boitnott	
Date:	Standard and Clause #:	Team Member:	
9/26/2014	SFIS PM 10.1, Ind. 2		
Major	Minor	Other Documents (if applicable):	Company Representative:
	X		Chris Davidson
<b>REQUIREMENT OF AUDITED STANDARD:</b>			
PM 10.1, Ind. 2 requires the organization to have a program to ensure harvests of purchased stumpage comply with best management practices.			
<b>OBSERVED NONCONFORMITY AND, for FSC only, CORRECTIVE ACTION REQUEST:</b>			
Of the three purchased stumpage sales reviewed during the Evadale audit, one was harvested in violation of Texas BMPs. No SMZ boundary was delineated on an intermittent stream course. The logger harvested timber up to the stream bank, in violation of Texas BMPs requirement to leave a 50' buffer with at least 50 basal area or 50% of original crown cover.			
<b>ROOT CAUSE ANALYSIS AND CORRECTIVE ACTION PLAN</b> (To be completed by the Company. Plan to be submitted in 30 days)			
Corrective Action Plan Date:	10/28/2014	Company Representative:	Aaron Plaughter
<b>Root Cause Analysis and Corrective Action</b>			
<p><b>Root Cause:</b> The organization does have a program in place to ensure harvests of purchased stumpage comply with BMPs. A failure in properly communicating the plan to employees and training employees on how to execute the plan caused the non-conformance.</p> <p><b>Corrective Action Plan:</b> Additional training on our current policies and procedures related to BMP compliance on purchased stumpage tracts was conducted in late October 2014. An internal audit will be conducted prior to the next annual audit to confirm understanding and implementation of the existing program.</p>			
<b>ROOT CAUSE AND CORRECTIVE ACTION PLAN ACCEPTANCE REPORT</b> (To be completed by Bureau Veritas Certification – Verify effective identification of Root Cause and acceptance of Corrective Action Plan)			
Root Cause: Acceptable Corrective Action Plan: Acceptable			
Plan Accepted:	Yes	X	No
Comments:			
Auditor:	Richard Boitnott		Date: 10/28/2014
<b>CORRECTIVE ACTION IMPLEMENTATION</b>			
To be completed by Company – Provide objective evidence. Not to exceed: 90 Days SFI, PEFC <input type="checkbox"/> ; 1 year FSC <input checked="" type="checkbox"/> ; other <input type="checkbox"/> X Days			
Corrective Action Completion Date:	10/28/2014	Company Representative:	Aaron Plaughter
Corrective Action Implementation: Conducted training of all employees on compliance with BMPs. Method used to verify effectiveness of action taken: Internal audits			
<b>CORRECTIVE ACTION IMPLEMENTATION ACCEPTANCE REPORT</b> (To be completed by Bureau Veritas Certification – Acceptance of Corrective Action taken)			
Accepted:	Yes	X	No
Nonconformance Closed:		Yes	X
Follow Up Comments: Verify during field audits at Evadale			
Auditor:	Richard Boitnott		Date: 9/21/2015

