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## **NSF International Forestry Program Evergreen Packaging, Inc. Public Summary Audit Report**

### **SFI Fiber Sourcing**

The SFI Program of Evergreen Packaging, Inc. of Canton, North Carolina has demonstrated conformance with the SFI 2015-2019 Standards and Rules, Section 3 – Fiber Sourcing, according to the NSF Certification Process.

Evergreen Packaging, Inc. is a forest products company with corporate headquarters located in Canton, North Carolina, that operates the Canton Mill in Canton, North Carolina and the Pine Bluff Mill in Pine Bluff, Arkansas. Fiber procured for the Canton Mill includes pine and hardwood, primary and residual wood chips purchased from indirect and open market suppliers in North Carolina, South Carolina, Georgia, Virginia, and Tennessee. Fiber procured for the Pine Bluff Mill includes pine and hardwood purchased from independent contract loggers. The procurement basin extends into parts of Arkansas, Missouri, and Oklahoma. Canton Mill makes bleached board for beverage containers, coated roll stock, uncoated paper, and paper carton. Pine Bluff Mill makes bleached board for beverage packaging and coated publication paper for magazine stock.

The audit was performed by NSF on June 1-4 and 15-16, 2015 by Tucker Watts, Lead Auditor. Audit team members fulfill the qualification criteria for conducting audits contained in SFI 2015-2019 Standards and Rules, Section 9 – Audit Procedures and Auditor Qualifications and Accreditation.

The scope of the Audit included procurement operations. Procurement operations occurring in the past 12 months were reviewed to ensure that SFI Procurement Standards were met, in addition to 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 SFI Standard was used without modifying any requirements.

Several of the SFI Section 3 requirements were outside of the scope of Evergreen Packaging, Inc.'s SFI program and were excluded from the scope of the SFI Certification Audit as follows:

- Indicator 5.1.2 - Evergreen Packaging, Inc. does not conduct research on genetically engineered trees.
- Indicator 6.2.3 - Logger certification programs do not exist in states where Evergreen Packaging, Inc. is located.
- Objective 8 - Evergreen Packaging, Inc. does not have public land management responsibilities.

### **Audit Process**

NSF initiated the audit process with a Readiness Review to confirm the scope of the audit, review the SFI Indicators and evidence to be used to assess conformance, verify that Evergreen Packaging, Inc. was prepared to proceed to the Certification Audit, and to prepare a detailed audit plan. NSF then conducted the Certification Audit of conformance to the SFI, Section 2. A report was prepared and final approval was done by an independent Certification Board member assigned by NSF. Follow-up or Surveillance Audits are required by SFI, Section 9. The Recertification Audit was conducted on June 1-4, 15-16, 2015.

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

Evergreen Packaging, Inc. was found to be in conformance with the standard. There were no previous minor non-conformances and corrective action identified.

NSF determined that there were 4 minor non-conformances:

- Written agreements for the purchase of raw material sourced directly from the forest at all locations do not include provisions requiring the use of best management practices. (Indicator 2.1.2 Transitional CAR)
- One location has not made the fiber sourcing policies available to wood producers. (Indicator 2.1.4)
- Written agreements for the use of qualified logging professionals and/or wood producers that have completed training programs and are recognized as qualified logging professionals have not been used at all locations. (Indicator 6.1.5 Transitional CAR)
- Landowner packets of education and outreach material to forest landowners at one location did not contain complete information required. (Indicator 7.1.2)

Evergreen Packaging, Inc. has developed plans to address these issues. Progress in implementing these corrective action plans will be reviewed in subsequent surveillance audits.

One opportunity for improvement was identified. There is an opportunity for improvement in using the information from the verifiable monitoring system to maintain rates of conformance to best management practices.

NSF also identified the following areas where forestry practices and operations of Evergreen Packaging, Inc. exceed the basic requirements of the SFI Standard:

- One location requests a state courtesy BMP exam following the completion of purchase stumpage tracts. (Indicator 2.2.1)
- Evergreen Packaging, Inc. has communicated their commitment to the SFI 2015-2019 Fiber Sourcing Standard to all employees via their intranet and other interested parties via the internet. (Indicator 6.1.1)
- Evergreen Forest Certification Program provides certification opportunities to forest landowners. (Indicator 7.1.5)

The next surveillance audit is scheduled for the week of June 6, 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 State 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 State 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 State Forestry Commission.*

### 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 State 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 State SIC and its development of handouts for forest landowners.*

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## **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  
NSF Forestry Program Manager  
PO Box 4021  
Florence, SC 29502  
843-229-1851  
nboatwright12@gmail.com

Daniel Freeman  
NSF Project Manager  
789 N. Dixboro Road  
Ann Arbor, MI 48105  
734-214-6228  
dfreeman@nsf.org

Ron Heatherly  
Fiber Procurement Agent  
175 Main Street  
Canton, NC 28716  
828-646-2264  
ron.heatherly@everpak.com