

## APPENDIX III



# Rock-Tenn Public SFI Surveillance Audit Report

The SFI Program of Rock-Tenn Company, LLC of Demopolis, AL has demonstrated continuing conformance with the Sustainable Forestry Initiative Standard ®, 2005-2009 Edition (SFIS), according to the NSF-ISR SFIS Certification Audit Process.

NSF-ISR initially certified Gulf States Paper Corporation to the SFIS on August 27, 2004. The Demopolis paper mill and Rooster Bridge chip mill were later sold to Rock-Tenn Company, LLC. This report describes the second annual follow-up Surveillance Audit designed to focus on changes in the standard, changes in operations, the management review system, and efforts at continuous improvement. In addition, a subset of SFI requirements were selected for detailed review.

Rock-Tenn Company, LLC operates the Demopolis paper mill and Rooster Bridge chip mill. The primary species utilized include pine and hardwood. The facility draws wood fiber from southwestern Alabama and southeastern Mississippi. SFI Program is managed by Eddie Lary.

The surveillance audit was performed by NSF-ISR on March 17-19/2008 by Norman Boatwright, Lead Auditor. Audit team members fulfill the qualification criteria for conducting SFIS Certification Audits contained in the Sustainable Forestry Initiative® Audit Procedures and Qualifications (SFI APQ). The objective of the audit was to assess continuing conformance of the firm's SFI Program to the requirements of the Sustainable Forestry Initiative® Standard, 2005-2009.

The scope of the SFIS Audit included procurement operations obtaining fiber from west Alabama and east Mississippi. A sample of procurement operations since that time were reviewed to ensure that SFI Procurement Standards were met. In addition, a subset of SFI obligations to promote sustainable forestry practices, to seek legal compliance, and to incorporate continual improvement systems were reexamined during the audit.

Several of the SFI Performance Measures were outside of the scope of the Rock-Tenn Company, LLC SFI program and were excluded from the scope of the SFI Certification Audit as follows:

- Objectives 1-7, PMs 8.5, 8.6, 12.3 and 12.4

### **SFIS Surveillance Audit Process**

The review was governed by a detailed audit protocol designed to enable the audit team to determine conformance with the applicable SFI requirements. The process included the assembly and review of audit evidence consisting of documents, interviews, and on-site inspections of ongoing or completed forest practices. Documents describing these activities were provided to the auditor in advance, and a sample of the available audit evidence was designated by the auditor for review.

The possible findings for specific SFI requirements included Full Conformance, Major Non-conformance, Minor Non-conformance, Opportunities for Improvement, and Practices that exceeded the Basic Requirements of the SFIS. Surveillance Audits generally focus on conformance issues and do not generally address exceptional practices.

### **Overview of Audit Findings**

Rock-Tenn Company, LLC SFI Program was found to be in full conformance with the SFIS Standard.

The NSF-ISR SFI Certification Audit Process determined that there were no non-conformances and a former minor non-conformance involving the consistent use of BMPs was closed.

An opportunity for improvement was also identified. This finding does not indicate a current deficiency, but served to alert Rock-Tenn Company, LLC to areas that could be strengthened or which could merit future attention.

Rock-Tenn Company, LLC also exceeded the requirements in two instances:

- System to review commitments, programs, and procedures to evaluate effectiveness.
- Annual review of progress by management and determination of changes and improvements necessary to continually improve SFI conformance.

This program is being audited under the continuous surveillance audit option. The next surveillance audit is scheduled for May 4, 2009.

### **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 with the conservation of soil, air and water quality, biological diversity, wildlife and aquatic habitat, recreation, and aesthetics.

#### **2. Responsible Practices**

To use and to promote among other forest landowners sustainable forestry practices that are both scientifically credible and economically, environmentally, and socially responsible.

#### **3. Reforestation and Productive Capacity**

To provide for regeneration after harvest and maintain the productive capacity of the forestland base.

#### **4. Forest Health and Productivity**

To protect forests from uncharacteristic and economically or environmentally undesirable wildfire, pests, diseases, and other damaging agents and thus maintain and improve long-term forest health and productivity.

#### **5. Long-Term Forest and Soil Productivity**

To protect and maintain long-term forest and soil productivity.

#### **6. Protection of Water Resources**

To protect water bodies and riparian zones.

#### **7. Protection of Special Sites and Biological Diversity**

To manage forests and lands of special significance (biologically, geologically, historically or culturally important) in a manner that takes into account their unique qualities and to promote a diversity of wildlife habitats, forest types, and ecological or natural community types.

### **8. Legal Compliance**

To comply with applicable federal, provincial, state, and local forestry and related environmental laws, statutes, and regulations.

### **9. Continual Improvement**

To continually improve the practice of forest management and also to monitor, measure and report performance in achieving the commitment to sustainable forestry.

*Source: Sustainable Forestry Initiative® (SFI) Standard, 2005–2009 Edition*

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