



Public ATFS Surveillance Audit Report

ATFS Public Audit Report

The Tree Farm Program of KapStone Charleston Kraft, LLC has achieved continued conformance with the AFF 2010-2015 Standards of Sustainability for Forest Certification, according to the NSF-ISR ATFP Certification Audit Process.

KapStone operates this program under the name KapStone Forest Management (KFM). The company provides interested landowners forest management plans and forest management support. Participants in KFM meet all of the requirements of the Tree Farm program and are enrolled as Tree Farmers, with all of the rights, responsibilities, and privileges of any Tree Farm. The program is a direct outgrowth of the MeadWestvaco CFM[®] program acquired when KapStone purchased the South Carolina operations. It began shortly after WWII and was formalized in 1956 at the Charleston, SC paper mill. The program and its foresters have won many state, regional and national awards, including the 2006 Forest Management Award from the American Forest and Paper Association. Enrolled landowners have also won many awards at local, state, regional and national levels, including 44 individuals that have won recognition through the American Tree Farm System, Tree Farmer of the Year Awards.

The audit was performed by NSF-ISR on April 13-14 by an audit team headed by Tucker Watts, Lead Auditor. Audit team members fulfill the qualification criteria for conducting ATFP Certification Audits contained in the AFF requirements. The objective of the audit was to assess conformance to the requirements of the American Forest Foundation 2010-2015 Standards of Sustainability for Forest Certification.

The scope of the ATFP Audit included all aspects of the KFM Program. Forest properties that were the focus of field inspections included those that have been under active management over the period since the prior surveillance audit in 2010. In addition forest practices conducted earlier were also reviewed as appropriate (regeneration and BMP issues, for example).

ATFS Audit Process

NSF-ISR initiated the ATFS Surveillance Audit process with an interview to prepare a detailed audit plan. Based on the Group Member List, summary of activities which have been completed in the year and the sampling stratification the Group Members to be sampled were determined. NSF then conducted the ATFS Surveillance Audit of conformance to the AFF 2010-2015 Standard. 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 *The Standard Operating Procedure (SOP-01) IMG Organizations, Group Managers and Group Members*. The next Surveillance Audit is scheduled for April, 2012.

The actual NSF-ISR ATFS Surveillance Audit was governed by a detailed Audit Plan designed to enable the audit team to determine conformance with the applicable AFF requirements. The plan included detailed provisions 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-ISR reviewed a sample of the written documentation assembled to provide objective evidence of ATFS Conformance. NSF-ISR 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-ISR ATFS-SOP. NSF-ISR also selected and interviewed stakeholders such as contract loggers, landowners, and other interested parties, and interviewed employees within the organization to confirm that the AFF Standard was understood and actively implemented.

Overview of Audit Findings

KapStone's ATFS Program was found to be in full conformance with the AFF Standard. The NSF-ISR ATFS Certification Audit Process determined that there were two minor non-conformances that are described herein:

1. Indicator 1.1.2 states, "Where present, and relevant to the property, the plan must address the following resource elements: ... special sites, invasive species, integrated pest management, and high conservation value forests". Management plans do not consistently address if special sites, invasive species, integrated pest management or high conservation forests were present and relevant to the property.
2. Indicator 4.1.1 states, "Forest owner must implement specific BMPs that are applicable to the property". On one site visited the temporary crossing had not been removed from an intermittent stream. BMPs were not fully implemented on this site.

KapStone has developed plans to address these issues. Progress in implementing the corrective action plans will be reviewed in subsequent surveillance audits.

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