

A SHARED PATH

ROCKTENN 2014 SUSTAINABILITY REPORT



WHY IS SUSTAINABILITY IMPORTANT TO ROCKTENN?

RockTenn operates manufacturing facilities throughout the United States and in Canada, Mexico and South America, and our operations impact the people, communities and environments around us. We need to run our business responsibly and ethically so that we can remain relevant, productive and profitable far into the future. Sustainability is important to our co-workers, our customers, our investors and the community, and sustainability has been and will remain an important part of our continued success.

STEVE VOORHEES
CEO, ROCKTENN

WE BELIEVE:



IN SUSTAINABILITY

As one of North America's leading manufacturers of corrugated and consumer packaging, the actions we're taking today to reach our 2020 sustainability goals will be good for people, our performance and the environment.



IN RESPECT

We respect our co-workers, our customers, the environment and the communities where we live and work. Our culture is built on trust and respect and these key behaviors are reflected in everything we do.



IN TOMORROW

As we grow, we remain focused on continuous improvement and finding new and more innovative ways to exceed customer expectations – every time. By embedding sustainability throughout our organization, we are building a better business.

Our focus on improving our environmental practices has resulted in some incredible success stories. Our mills have found ways to reduce water use substantially. We've also improved our energy efficiency by 5 percent and reduced our CO₂ emissions by 8 percent during the past five years.

Jim Porter,
President of Paper Solutions

At RockTenn, innovation and sustainability go hand-in-hand, and every RockTenn employee has the opportunity to contribute to our customers' success by thinking creatively. Our goal is to drive meaningful innovation by listening intently to our customers.

Mike Kiepura,
President of Packaging Solution

GOALS

In 2011, we established a set of sustainability goals that are intended to guide our efforts to advance our performance in six different areas by 2020. In most areas, we have had great success. We won the 2014 AF&PA Leadership in Sustainability Award for the innovative way we designed our triple chain-of-custody fiber certification program. We also have made significant progress on a number of other sustainability fronts, as you'll see below. In some areas we have had to reassess our direction based on what we have learned during the past two years. For example, we are revising our waste goal to give our facilities the opportunity to develop location-specific strategies for diverting waste from landfills. We are following the right path on our journey to Make It Better®.

FIBER SOURCING



-2014 RESULTS-	-NEW FIBER GOAL-
100% CHAIN-OF-CUSTODY CERTIFIED	20% INCREASE IN CERTIFIED FIBER PURCHASE

In 2011, RockTenn established a sustainability goal to certify all of our wholly owned North American paper mills and converting operations to globally recognized forestry chain-of-custody certification standards by 2020. We achieved this goal in 2013 and have set the bar even higher for the future.

SAFETY



-GOAL-	-2014 RESULTS-
30% IMPROVEMENT WORKING TOWARD INJURY-FREE	2% IMPROVEMENT IN OSHA INCIDENT RATE

At RockTenn, we place the highest priority on safety. We have established an aggressive goal to reduce our OSHA Recordable Incident Rate (RIR) by 30 percent by 2020 as measured from our 2012 RIR, with the ultimate objective of becoming an injury-free workplace.

ENERGY



-GOAL-	-2014 RESULTS-
10% REDUCTION IN MMBTU/TON	5% REDUCTION IN MMBTU/TON

RockTenn has established a goal to improve our energy efficiency by 10 percent from a 2009 baseline by the year 2020. By leveraging fuel flexibility, upgrading our equipment and putting more energy efficient practices in place, we are making substantial progress toward our goal.

CO₂ EMISSIONS



-GOAL-	-2014 RESULTS-
10% REDUCTION IN LBS. OF CO ₂ /TON	8% REDUCTION IN LBS. OF CO ₂ /TON

In 2011, we set out to reduce the amount of carbon dioxide, or CO₂, we emit from our largest manufacturing operations. By 2020, we aim to reduce CO₂ emissions per ton of production by 10 percent using 2009 data as our baseline.

WATER



-GOAL-	-2014 RESULTS-
12% REDUCTION IN GALLONS/TON	9% REDUCTION IN GALLONS/TON

Water conservation is a big part of what we do every day. While paper mills are intensive water users, they also are intensely focused on optimizing their use of water and exploring ways to reduce water use and increase water recycling.

WASTE AND RECYCLING



-NEW GOAL-
ESTABLISH MILL WASTE MINIMIZATION TEAMS BY THE END OF 2016

RockTenn is one of North America's largest recycling companies, and we managed and recycled over seven million tons of paperboard in 2014 alone. By the end of 2016, our goal is to increase our recycling programs and reduce landfill disposals by implementing mill-specific waste minimization strategies.

FINANCIALS

NET SALES

in billions of dollars



CREDIT AGREEMENT AGREEMENT EBITDA

in billions of dollars



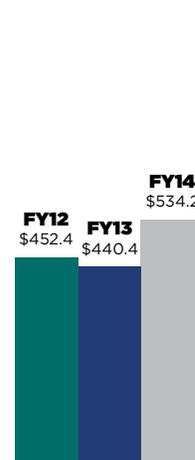
FREE CASH FLOW*

in millions of dollars



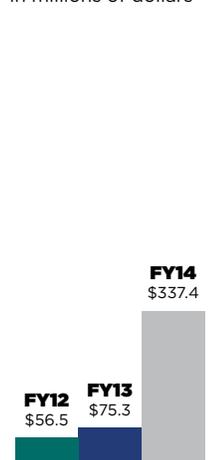
CAPITAL EXPENDITURES

in millions of dollars



DIVIDENDS/ STOCK REPURCHASES

in millions of dollars



*Free cash flow is defined as cash generated for net debt (increase) repayment, dividends, acquisitions/investments, stock repurchases, pension lump sum settlement expense and pension funding in excess of expense.

This annual report contains non-GAAP information and forward-looking statements. A reconciliation to comparable GAAP numbers and cautionary statements regarding the forward-looking statements can be found in the appendix of this annual report.

	FISCAL 2014		FISCAL 2013	
	HIGH	LOW	HIGH	LOW
FIRST QUARTER	\$55.10	\$46.06	\$38.09	\$30.63
SECOND QUARTER	\$58.20	\$47.52	\$46.47	\$35.32
THIRD QUARTER	\$54.27	\$47.04	\$54.00	\$41.70
FOURTH QUARTER	\$53.49	\$46.70	\$63.03	\$48.91

These prices are adjusted to reflect the two-for-one stock split of our Common Stock, effected as a 100% stock dividend on August 27, 2014.

STOCK PERFORMANCE GRAPH

The graph below reflects cumulative shareholder return (assuming the reinvestment of dividends) on our Common Stock compared to the return on the S&P 500 Index and our Industry Peer Group. The graph reflects the investment of \$100 on Sept. 30, 2009 in our Common Stock, the S&P 500 Index and our Industry Peer Group and the reinvestment of dividends. Our Industry Peer Group and the reinvestment of dividends. Our Industry Peer Group consists of public companies that compete directly in one or more of our product lines or are diversified, international manufacturing companies.¹

Comparison of 5-Year Cumulative Total Return²



HIGHLIGHTS

In fiscal 2014, through capital investments and continued improvements, we strengthened our focus on our customers and laid a strong foundation for tomorrow.



FROM STEAM TO SAVINGS

When it comes to making paper, thermal energy is needed to power the process. At our Florence, S.C., mill, we weren't taking full advantage of energy in the form of flash steam from our blow heat accumulator. Instead of using this steam, we were sending it to a cooling tower, evaporating valuable energy, water and money. The Florence mill formed a process optimization team to tackle this challenge. Using Six Sigma methodology, the team came up with the idea of recovering flash steam from the blow heat accumulator and reusing it as a source of heat for process water in key areas of the mill. Recycling this steam back into the process has made a big impact in three key areas of the mill. Rather than going to a cooling tower, the flash steam is now re-used to heat paper mill shower water, caustic area wash water and boiler feedwater makeup. The blow heat steam recovery project has been a great sustainability success. In addition to improving energy efficiency, the Florence mill has reduced its operating costs by over \$2.5 million per year.

UNFOLDING WASTE REDUCTION

For the past four years, the folding carton plant in Harrison, Ark., has been focused on reducing the amount of solid waste it sends to landfills. By engaging employees from every department in the plant, Harrison successfully recycles almost all of its process waste. Materials that were once discarded by the plant as trash, such as shrink-wrap and metal banding, are now separated and segregated for recycling or beneficial re-use. Broken pallets, wood and paperboard are sent to the local composting operation where the mulch is offered to the community at no charge. The results of Harrison's efforts speak for themselves. Reducing the number of dumpster hauls to landfill has resulted in a waste management cost savings of more than 70 percent. The plant also generates revenue from the sale of many recyclables. By finding ways to recycle and re-use items that would typically go to a landfill, the staff at our Harrison facility has found a great way to connect to environmental and economic improvements.



INVESTING FOR NOW & TOMORROW

Our Stevenson, Ala., mill has been able to reduce its water usage by more than 600,000 gallons per day since 2012. Using the Six Sigma process, the Stevenson team was able to target key process areas for water reductions and modify the water pressure used in various areas of the facility. These reductions in water usage have not only improved the mill's environmental footprint, we are saving more than \$500,000 per year in operating costs. Efforts to improve our management of water resources in Stevenson have not ended there. Although the mill had a good track record on wastewater compliance, RockTenn made the decision to invest approximately \$20 million in the mill's wastewater treatment system. We are constructing a new clarifier, installing equipment to improve the quality of recycling plant effluent and optimizing the volume of wastewater treatment residuals generated. Presently, solids from the Stevenson mill's wastewater treatment process are beneficially reused as nutrients for soils in company-owned fields. Hay and other crops grown on these fields are used by a local farmer as cattle feed. The objective of our targeted engineering efforts and program of investments is to ensure that our use of water and our wastewater treatment processes are environmentally and economically sustainable and support the mill's long-term strategic plans.

GROWING CERTIFICATION NUMBERS

We are helping to increase responsibly managed, certified forestlands in the U.S. The responsible procurement of wood fiber is integral to our operations and ensures that forests remain healthy and productive for future generations. We're assisting private forest landowners in certifying their lands by supporting education programs, providing information on federal and state policies, and offering on-the-ground professional assistance to landowners. Our trained American Tree Farm System (ATFS) inspecting foresters are qualified to help forest landowners become certified. In 2014, we helped to certify more than 25,000 acres of forestland and we'll be able to help landowners certify at least 150,000 more acres by 2020.

