

# **Canfor Southern Pine, Inc.**

3700 Claypond Road  
Myrtle Beach, SC 29579

SFI 2015-2019 Standards and Rules®  
Section 3: Fiber Sourcing and Appendix 1: Certified Sourcing  
Section 9 - Appendix 1: Multi-Site Organizations

Recertification Audit



**NSF International**

789 N. Dixboro Road, Ann Arbor, MI 48105 USA  
T +1 (734) 769-8010 | F +1 (734) 769-0109  
[www.nsfinternational.org](http://www.nsfinternational.org) | [sustainability@nsf.org](mailto:sustainability@nsf.org)



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## NSF Forestry Program Audit Report

### A. Program Participant Name

Canfor Southern Pine, Inc.

#### NSF Customer Number (FRS)

C0079539

#### Contact Information (Name, Title, Phone & Email)

Ron Phillips, Forest Certification Manager

Mobile: 336-214-7321

[ron.phillips@canfor.com](mailto:ron.phillips@canfor.com)

### B. Scope of Certification

**SFI FS:** The procurement organizations supplying logs to its manufacturing facilities. The scope of the SFI Program includes Objectives 1-7 and 9-10. The SFI Fiber Sourcing number is NSF-SFI-FS-C0079539.

#### Mills Sourced by Canfor Procurement Group Locations Included in the Fiber Sourcing Certification

*Camden, SC Procurement Group Sourcing:*

Canfor Southern Pine, Inc. – Camden, SC

Canfor Southern Pine, Inc. – Darlington, SC

*Conway, SC Procurement Group Sourcing:*

Canfor Southern Pine, Inc. – Conway, SC

Canfor Southern Pine, Inc. – Darlington, SC

*Graham, NC Procurement Group Sourcing:*

Canfor Southern Pine, Inc. – Graham, NC

*Mobile, AL Procurement Group Sourcing:*

Canfor Southern Pine, Inc. – Mobile, AL

Canfor Southern Pine, Inc. – Fulton, AL

Canfor Southern Pine, Inc. – Jackson, AL

*Urbana, LA Procurement Group Sourcing:*

Canfor Southern Pine, Inc. – Urbana, AR

*Thomasville, GA Procurement Group Sourcing:*

Canfor Southern Pine, Inc. – Thomasville, GA

Canfor Southern Pine, Inc. – Moultrie, GA

*Hermanville, MS Procurement Group Sourcing:*

Canfor Southern Pine, Inc. – Hermanville, MS



**SFI CS:** The manufacture of lumber and engineered wood products. The SFI Certified Sourcing number is NSF-SFI-CS-C0079539.

**Locations Included in the Certified Sourcing Certification**

- Canfor Southern Pine, Inc. – Camden, SC
- Canfor Southern Pine, Inc. – Conway, SC
- Canfor Southern Pine, Inc. – Darlington, SC
- Canfor Southern Pine, Inc. – Graham, NC
- Canfor Southern Pine, Inc. – Mobile, AL
- Canfor Southern Pine, Inc. – Fulton, AL
- Canfor Southern Pine, Inc. – Jackson, AL
- Canfor Southern Pine, Inc. – Urbana, AR
- Canfor Southern Pine, Inc. – Thomasville, GA
- Canfor Southern Pine, Inc. – Moultrie, GA
- Canfor Southern Pine, Inc. – Hermanville, MS
- Canfor Southern Pine, Inc. – El Dorado, AR gluelam
- Canfor Southern Pine, Inc. – Washington, GA gluelam

**C. Audit Team**

Norman Boatwright

**Audit Dates (The following procurement groups were audited: Camden, SC; Conway, SC and Graham, NC)**

- Camden, SC sawmill – June 17, 2019
- Darlington, SC sawmill – June 18, 2019
- Conway, SC sawmill – June 19, 2019
- Graham, NC sawmill – June 20-21, 2019

**D. Significant Changes to Operations or to the Standard(s)**

None.

**E. Audit Results**

- No nonconformities or opportunities for improvement were identified.
- There was/were \_\_\_\_ opportunity(ies) for improvement identified. Summary:  
\_\_\_\_\_
- There was/were \_\_\_\_ minor nonconformity(ies) identified. Summary:  
\_\_\_\_\_
- There was/were \_\_\_\_ major nonconformity(ies) identified. Summary:  
\_\_\_\_\_

Issues identified at previous audits reviewed for continued conformance. Summary:

None.

- Yes     No     N/A (not using)    All logos and/or labels, including ANSI, ANAB, SFI, PEFC, ATFS, etc., are utilized correctly in accordance with NSF SOP 14680 and SOP 4876. If answering “No”, a finding of nonconformity should be issued.

For Reassessment Audits:

Explain how the organization maintained and demonstrated the effectiveness and improvement of its system, including interactions between processes and locations, taking into consideration internal and external changes in order to enhance overall performance of policy and objectives.

Review the performance of the system over the period of certification (e.g., management review records, internal audit records, etc.), and the previous surveillance audit reports. Identify the records that were reviewed.

Answer: The Company has maintained and demonstrated the effectiveness of its management systems developed to implement the standard requirements by documenting progress and discussing the findings and setting goals for continual improvement during the annual management review. The Company effectively dealt with internal and external changes by maintaining the staffing levels and by continuing to maintain/improve its system for collecting, reviewing, and reporting information to management regarding progress in meeting the standard objectives.

This recertification audit included a thorough review of all applicable requirements including reviews of internal audits, annual management review meeting minutes, training records, public outreach records, BMP implementation and other records. Previous audit reports were also reviewed. Please reference the General Description of Evidence of Conformity in the Public Summary Report for a summary of the evidence reviewed for each applicable standard Objective.

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## F. Appendices

- Appendix 1: Audit Notification Letter and Audit Schedule
- Appendix 2: Public Summary Report
- Appendix 3: Audit Standard Checklists: SFI Fiber Sourcing and Multi-Site
- Appendix 4: Site Visits and Interviewees
- Appendix 5: Meeting Attendance



**Appendix 1**  
**Audit Notification Letter and Schedule**



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## Audit Notification Letter

May 31, 2019

Mr. Davis McGowen  
Canfor Southern Pine, Inc.  
1283 Hwy 501 Bus.  
Conway, SC 29526  
843-344-3393  
[Davis.mcgowen@canfor.com](mailto:Davis.mcgowen@canfor.com)

**RE: Confirmation of your 2019 SFI 2015-2019 Standards and Rules®, Section 3 – Fiber Sourcing, including Appendix 1 – Certified Sourcing Recertification Audit**

Dear Mr. McGowen,

As we discussed, I will be conducting your Recertification Audit as described in the attached itinerary. Please confirm that these dates are still appropriate for the audit of your program's continued conformance to the SFI 2015-2019 Standards and Rules®, Section 3 – Fiber Sourcing and SFI 2015-2019 Standards and Rules®, Section 3, Appendix 1 – Certified Sourcing.

### Preparing for the Audit

A key part of the audit is a review of selected evidence related to your program, which may include:

- SFI Procedures
- SFI Evidence Manual
- Internal Audit records
- Management Review records
- Training records
- Documentation for operation of complaint procedure
- List of the top 10 Wood Suppliers with contact information for each Procurement Group audited this year
- List of the Graham purchase stumpage landowners with contact information for tracts harvested in the past 12 months

Please have this information available for me **during the audit**.

Scope of Certification: SFI FS: The procurement operation supplying fiber to its sawmills. The scope includes Objectives 1-7, and 9-10. The SFI Fiber Sourcing number is NSF-SFI-SFI-FS-C0079539.

SFI CS: The production of pine lumber. The SFI Certified Sourcing number is NSF-SFI-CS-C0079539.

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### Role of SFI Inc. Office of Label Use and Licensing

As a reminder, your organization is responsible for contacting SFI, Inc. and complying with all requirements before using or changing any SFI label or logo. Your contact is:

Rachel Hamilton, Coordinator, Office of Statistics and Label Use  
Sustainable Forestry Initiative, Inc.  
343-803-0590  
[rachel.hamilton@sfiprogram.org](mailto:rachel.hamilton@sfiprogram.org)



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## Agenda for Review

Attached for your review is the tentative agenda that will guide the conduct of the audit. Please contact me via email or phone if you would like to recommend changes or have any questions regarding what is needed for the audit.

Thank you for selecting NSF to provide your audit services.

Sincerely,

*Norman Boatwright*

Norman Boatwright

Lead Auditor, NSF

843-229-1851

[nboatwright12@gmail.com](mailto:nboatwright12@gmail.com)



## Audit Agenda

### Type of Audit

- Readiness Review (Stage 1)       Registration (Stage 2)       Surveillance  
 Reassessment       Transfer       Verification  
 Other \_\_\_\_\_

### Audit Objectives

Determine if re-certification should be granted to SFI 2015-2019 Standards and Rules®, Section 3 - Fiber Sourcing.

Determine if re-certification should be granted to SFI 2015-2019 Standards and Rules®, Section 3, Appendix 1 – Certified Sourcing.

### Schedule

Day/Date	Time	Activity/Process and Location to be Audited	Auditor(s)
<b>Monday</b> June 17 <sup>th</sup>	1:00 PM	Opening Meeting/Agenda Review – 1281 Sanders Creek Road, Camden, SC Review changes to the Facility Record Sheet <ul style="list-style-type: none"> <li>• Discuss changes/improvements to the SFI Program, changes in operations, or changes in scope since the certification audit</li> <li>• Review NSF SFI Procedures</li> <li>• Discuss field site visit provisions and other logistical issues</li> <li>• Verify effective implementation of any corrective action plans from the previous NSF audit</li> <li>• Review Logo or Label use issues</li> </ul>	Boatwright
	1:30 AM	SFI Program Review (SFI 2015-2019 Fiber Sourcing Standard) Objectives 1-7 and 9-10 will be reviewed.	Boatwright
	4:30 PM	Summary of day – Discuss agenda for next day	Boatwright
	5:00 PM	Auditor Departs	
<b>Tuesday</b> June 18 <sup>th</sup>	8:00 AM	Opening Meeting – 1100 Chesterfield Lumber Road, Darlington, SC Note: The Darlington and Camden facilities are sourced by the same procurement group and same wood suppliers.	Boatwright
	8:30 AM	Supplier interviews	Boatwright
	11:30 AM	Summary of day – Discuss agenda for next day	Boatwright
	12:00 PM	Lunch and travel to Conway, SC	Boatwright
	1:00 AM	Opening Meeting – 1283 Highway 501 Business, Conway, South Carolina <ul style="list-style-type: none"> <li>• Review NSF SFI Procedures</li> </ul>	Boatwright
	1:15 AM	SFI Program Review (SFI 2015-2019 Fiber Sourcing Standard) Objectives 1-7 and 9-10 relative to the Conway Procurement Group will be reviewed.	Boatwright
	3:00 AM	Central Office Audit and finalize Graham Area site visit selections	Boatwright
	4:00 PM	Supplier interviews during drive back to Florence	Boatwright





<b>Wednesday</b> June 19 <sup>th</sup>	8:00 AM	Field Site Visits and Supplier Interviews for the Graham, NC Procurement Group	Boatwright
	12:00 PM	Lunch	
	4:30 PM	Summary of day – Discuss agenda for next day	Boatwright
	5:00 PM	Auditor Departs	Boatwright
<b>Thursday</b> June 20 <sup>th</sup>	8:00 AM	Continue field site visits	Boatwright
	8:30 AM	SFI Program Review (SFI 2015-2019 Fiber Sourcing Standard) Objectives 1-7 and 9-10 relative to the Graham Procurement Group will be reviewed.	Boatwright
	11:00 AM	Closing Meeting on the tailgate	Boatwright
	12:00 PM	Auditor Departs	Boatwright

**Appendix 2**  
**Public Summary Report**

# Canfor Southern Pine, Inc.

## 2019 SFI Fiber Sourcing Public Summary Audit Report

### Introduction

The SFI Program of Canfor Southern Pine has demonstrated conformance with the SFI 2015-2019 Standards and Rules, Section 3 – Fiber Sourcing, including Appendix 1 – Certified sourcing according to the NSF Certification Process.

Canfor Southern Pine is a forest Products Company with the US corporate headquarters located in Mobile, AL that operates eleven (11) southern yellow pine manufacturing facilities in located in Alabama, Arkansas, the Carolinas, Georgia, Louisiana and Mississippi. The company utilizes seven (7) procurement groups to source the mills.

Inputs are sourced as gatewood and purchased stumpage. The certification program is managed by Ron Phillips. The Company has a robust verifiable monitoring system to maintain rates of conformance to best management practices and to identify areas for improved performance. The system includes conducting BMP inspections on purchase stumpage tracts, reviewing state BMP data and communicating the findings annually to management.

The Recertification Audit was performed by NSF June 17-20, 2019 by Norman Boatwright, 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 Canfor Southern Pine's SFI program and were excluded from the scope of the SFI Certification Audit as follows:

- Indicator 5.1.2 - Canfor Southern Pine does not conduct research on genetically engineered trees.
- Indicator 6.2.3 – States within the basin of Canfor Southern Pine do not have certified logger programs.
- Objective 8 - Canfor Southern Pine does not have public land management responsibilities.
- Objective 11-13 - Canfor Southern Pine does not source fiber outside Canada and the US.

### Audit Process

The audit was governed by a detailed audit plan designed to enable the audit team to efficiently determine conformance with the applicable 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 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 conformance, major non-conformance, minor non-conformance, opportunities for improvement, and practices that exceeded the requirements of the standard.

### Overview of Audit Findings

Canfor Southern Pine was found to be in conformance with the standard. There were no minor non-conformances or opportunities for improvement identified.

The audit did identify two (2) areas where Canfor Southern Pine is conducting operations that exceed the Standard requirements:

CI 5.1.1 Financial or in-kind support of research to address questions of relevance in the region of operations. Examples could include, but are not limited to areas of forest productivity, water quality, biodiversity, community issues, or similar areas which build broader understanding of the benefits and impacts of forest management.

Finding: *Reviewed thank you email for research directed financial support for: Auburn University, Tall Timbers, Mississippi State, Clemson, NCSU Cooperative Tree Improvement Program, Trailblazer Resource, Conservation & Development, UGA, Hobcaw Barony and NCASI.*



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CI 5.2.1 Participation, individually and/or through cooperative efforts involving SFI Implementation Committees and/or associations at the national, state, provincial or regional level, in the development or use of some of the following.....

Finding: *Review of approved check requisition for payment to SOFAC and Forest2Market.*

The next audit is a Surveillance Audit scheduled to be conducted on the Thomasville/Moultrie, GA and Hermanville, MS Procurement Groups in June 2020.

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## 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 Company policies; stumpage files containing T & E species checks and plans. Viewed landowner pamphlets indicating State SICs promotion of biodiversity.*

### 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 has a verifiable monitoring system to maintain rates of conformance to best management practices and to identify areas for improved performance. The system includes conducting BMP inspections on purchase stumpage tracts, reviewing state BMP data and communicating the findings annually to management.*

### 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:** *Cut & Haul and Supplier Agreements require the use of trained loggers. The SFI pamphlets provided to landowners encourage the use of qualified professionals*

### 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. Reviewed documents signed by suppliers and logging contractors agreeing to legal compliance. Interviews with State forestry personnel.*

### 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:** *Viewed contribution receipts; company policies, and documentation of involvement in State SIC's.*

### 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. Training is conducted by participation and sponsorship of various forestry and logger training classes.*

### 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 Forestry Association, and distribution of brochures to landowners and presentations at various events on sustainable forestry practices*

### Objective 9 Communications and Public Reporting

To broaden the practice of sustainable forestry by documenting progress and opportunities for improvement.

**Summary of Evidence:** *Summary Audit Report witnessed on SFI, Inc. website. Review of Annual Progress Report confirms record keeping is adequate and that reports are submitted on time.*

### 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:** *Records of program reviews, agendas, and notes from management review meetings and interviews with personnel from all involved levels in the organization were assessed.*

## 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



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**For Additional Information Contact:**

Michelle Mateo	Daniel Freeman	Ron Phillips
NSF Forestry Program Manager	NSF Project Manager	Forest Certification Manager
789 N. Dixboro Road Ann Arbor, MI 48105	789 N. Dixboro Road Ann Arbor, MI 48105	1281 Sanders Creek Road Camden, SC 29020
413-265-3714	734-214-6228	336-214-7321
<a href="mailto:mmatteo@nsf.org">mmatteo@nsf.org</a>	<a href="mailto:dfreeman@nsf.org">dfreeman@nsf.org</a>	<a href="mailto:ron.phillips@canfor.com">ron.phillips@canfor.com</a>



## **Appendix 3**

### **Audit Checklists: SFI Fiber & Certified Sourcing and Multi-Site**





## SFI 2015-2019, Section 3: Fiber Sourcing Standard Audit Checklist

C0079539 - Canfor Southern Pine

Date of audit(s): Camden, SC – June 17<sup>th</sup>, Darlington and Conway, SC – June 18<sup>th</sup>, Graham – June 19-20.2019

### Multi-site Assessment

- Yes. Section 9, Appendix 1 Checklists (main and 1 sub-checklist) must be completed.
- No. Section 9, Appendix 1 Checklists are not included.

### 1.2 Additional Requirements

SFI Program Participants that own or have management authority for forestlands must also conform to the SFI 2015-2019 Forest Management Standard.

- N/A
- Conforms
- Exceeds
- O.F.I.
- Minor NC
- Major NC

Audit Notes: Canfor Southern Pine does not own or have management authority for forestlands associated with this certificate.

Use of the SFI on-product labels and claims shall follow Section 5 - Rules for Use of SFI On-Product Labels and Off-Product Marks as well as ISO 14020:2000.

- N/A
- Conforms
- Exceeds
- O.F.I.
- Minor NC
- Major NC

Audit Notes: Reviewed off-product label use approval from SFI Inc. dated 4/3/2019 for the use of the SFI trademark on the Company's new "Working in Partnership with Landowners" brochure. Review on-product labels on boards at the Darlington, Conway and Graham mills.

### Section 3, Appendix 1: Rules for Use of SFI Certified Sourcing Label – Applicability

The organization applies or intends to apply the "Certified Sourcing" label.

- Yes: Section 3, Appendix 1 checklist must be completed.
- No: Section 3, Appendix 1 checklist may be deleted.

Audit Notes: Interview confirms no Certified Sourcing logo/label use.

### Fiber sourcing within the United States and Canada (Objectives 1-10 apply)

## Objective 1 Biodiversity in Fiber Sourcing

To address the practice of *sustainable forestry* by conserving *biological diversity*.

### Performance Measure 1.1

Promotion and conservation of biological diversity.

1.1.1 *Program participant* shall address conservation of *biological diversity*, individually or collaboratively, through a *Program* which includes one or more of the following:

- a. promotion of *biological diversity* utilizing information from organizations such as World Resources Institute, The Nature Conservancy, NatureServe, Conservation International, State Wildlife Action Plans, State Forest Action Plans and assessments;
- b. conducting local and regional level *landscape* assessments;
- c. involvement with local or regional conservation efforts;
- d. use of relevant information on *biological diversity* from credible sources (such as those noted above) in approved training and education programs; and
- e. other credible approaches.

N/A       Conforms       Exceeds       O.F.I.       Minor NC       Major NC

Audit Notes: Camden/Darlington/Conway: Do not purchase stumpage. When CSP purchases wood through wood suppliers where it does not have contact with the landowner, the company sends a letter to the wood suppliers with a supply of SFI Information Packets. Confirmed by review of letter sent to wood suppliers dated 6/10/2017. The wood producers are requested to pass the SFI information on to landowners from whom they purchase wood. If the wood producer needs additional copies, they are encouraged to notify CSP and additional copies are provided. Confirmed by interview and review of the supplier lists that the supplier letter were sent out the first 2 weeks in June.

Graham: Procurement Foresters provide SFI Information Packets with brochures, fact sheets Canfor's Sustainable Forestry Policy, the landowner letter and other relevant information directly to landowners or their consultants when the timber deed is signed or approved. These packets are provided to the landowner or consultant at closing. 297 packets were distributed to landowners in 2018 for the southeastern facilities.

The company sends a letter to the wood suppliers with a supply of SFI Information Packets. Information for South Carolina includes A Landowners Guide to Forestry and for North Carolina A Landowners Guide to Forestry in North Carolina. Both contain the required guidance.

Interview with landowners/consultants confirmed they have received the landowner information.

Confirmed by review on file and interviews with procurement managers that the Company is familiar with the NC/SC/VA State Wildlife Action Plans.

1.1.2 Program to address Forests with Exceptional Conservation Value in harvests of purchased stumpage.

N/A       Conforms       Exceeds       O.F.I.       Minor NC       Major NC

Audit Notes: Camden/Darlington/Conway: Do not purchase stumpage.

Graham: Interview confirms that, on tracts that are determined to have the potential to qualify as a Forest with Exceptional Conservation Value based on forest type, the Procurement Manager accesses the NC Natural Heritage Program Conservation Planning Tool to search for known G-1 or G-2 species and communities in the area. Confirmed by review of website printout in file for sites visited.

Where the Natural Heritage Database indicates that a G-1 or G-2 species or community is known to exist in close proximity to the tract, the Procurement Manager assesses whether the species or community is actually present on the tract. This may involve accessing the forest and habitat type prior to harvesting and notifying the landowner of its presence. If it is likely that the G-1 or G-2 species or community is likely to be present, the Procurement Manager or Procurement Forester would conduct an on-site visit to look for the presence of the species or community. If the G-1 or G-2 species or community is not present, no action would be taken.

If a G-1 or G-2 species or community is present on a purchased stumpage tract, the Procurement Forester would contact the landowner and notify him/her of the location of the species or community. The landowner would be encouraged to manage the tract so as to protect and maintain habitat conditions conducive to the long-term survival of the G-1 or G-2 species or community.



**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.

**Performance Measure 2.1**

*Program Participants* shall clearly define and implement *policies* to ensure that facility inventories and *fiber sourcing* activities do not compromise adherence to the *principles of sustainable forestry*.

N/A       Conforms       Exceeds       O.F.I.       Minor NC       Major NC

Audit Notes: See Indicators below.

**2.1.1 Program to require that harvests of purchased stumpage comply with best management practices.**

N/A       Conforms       Exceeds       O.F.I.       Minor NC       Major NC

Audit Notes: Graham: The Company’s program consists of BMP and Logger Training clauses in the Contractor and Supplier Agreements and the Timber Sale Agreement document.

Graham: Witnessed contracts and Tract Inspection Reports for purchase stumpage during site visits. Requirements for BMP compliance identified in all documents. Monitoring describes on-going compliance with BMPs.

**2.1.2 Use of written agreements for the purchase of raw material sourced directly from the forest is required and must include provisions requiring the use of *best management practices*.**

N/A       Conforms       Exceeds       O.F.I.       Minor NC       Major NC

Audit Notes: Graham: Confirmed by review of Contractor Agreements for all purchase stumpage sites visited.

All: Confirmed by review of the following Supplier Agreements: Camden – Canal Wood Camden dated 12/29/2018, Myers Timber dated 12/17/2018, Keel Land & Timber dated 12/13/2018; Darlington – Canal Wood Hartsville dated 12/12/2018, Canal Wood Mullins dated 12/14/2018, Palmetto Pulpwood and Timber dated 12/11/2018; Conway – Canal Wood Kingstree dated 12/14/2018, Canal Wood Mullins dated 12/14/2018, Kingstree Forest Products dated 12/13/2018; Graham – Carolina Forest Products dated 12/7/2018, Edwards Wood Products dated 12/10/2018 and H & M Logging dated 12/7/2018.

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**2.1.3 Program to address adverse weather conditions.**

N/A       Conforms       Exceeds       O.F.I.       Minor NC       Major NC

Audit Notes: The following procedures are used to plan for and manage adverse weather conditions:

1. Follow all applicable state Best Management Practices in the harvesting of timber and construction of road, landings and skid trails;
2. Identify when soil and road conditions are not conducive to forest management and logging activities and plan such activities when conditions are more favorable;
3. Target “wet weather” jobs that can be harvested during periods of wet weather;
4. Harvest upland portions of tracts that are appropriate for wet weather conditions;
5. Use rock, gravel or other appropriate techniques to stabilize roads, minimize erosion, and improve accessibility during adverse weather;
6. Maintain a number of optional sites that can be harvested without causing excessive rutting or other environmental damage;
7. Schedule harvests to coincide with proper weather conditions and landowner requirements;
8. Access drier and more accessible sites that can be harvested during periods of inclement weather;
9. Evaluate operations that may require the use of alternative logging systems and equipment; and
10. Increase wood yard inventory levels during wet months.

Annual Inventory Plan vs. Actual is monitored on a weekly basis. Witnessed Log Inventory, January 2017 to April 2019 graphs for all facilities audited.

Camden: 7 days running at current consumption on the woodyard.

Darlington: 8 days running at current consumption on the woodyard.

Conway: 8 days running at current consumption on the woodyard.

Graham: 9 days running at current consumption on the woodyard.

Observation confirms gateway and purchase tracts are classified as wet and dry tract for planning. Witnessed Supplier Purchase Agreement – “All Weather Tract (Y/N)”,

All: Pine Stumpage Inventory for supplier and purchase stumpage tracts designates all tracts as “all weather” or “fair weather”.

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**2.1.4 Program Participants shall clearly define their *fiber sourcing policies* in writing and make them available to *wood producers*.**

N/A       Conforms       Exceeds       O.F.I.       Minor NC       Major NC

Audit Notes: The Company’s fiber sourcing policies are described in the annual letters and agreements sent to wood suppliers and contract loggers.

Fiber Sourcing Policy signed by Josh L Sandt, Jr., Vice President of Fiber Procurement & Residuals contains fiber sourcing policies.

All: Observation confirms policy and letters sent to wood supplier, contract loggers witnessed and landowners.

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**Performance Measure 2.2**

Program Participants shall monitor the use of best management practices.

Indicators:

2.2.1 A verifiable monitoring system to:

- a. monitor the use of *best management practices* by *wood producers* supplying the Program Participant; and
- b. evaluate use of best management practices across the wood and fiber supply area.

N/A     
  Conforms     
  Exceeds     
  O.F.I.     
  Minor NC     
  Major NC

**Audit Notes:** Darlington, Darlington and Conway: The Company’s procurement foresters review the monthly SC BMP Courtesy Exam Reports to monitor BMP compliance and note whether any suppliers are listed.

Graham: The Company (Will Reece at the Graham, NC facility) reviews the Quarterly NC Forest Service Forest Practices Guidelines Non-compliance and the quarterly Compliance Inspection Reports to monitor BMP compliance and note whether any suppliers are listed.

Purchase stumpage tracts have at least one BMP inspection which are documented on the Tract Inspection Worksheet. Confirmed y review of inspection reports for all sites visited.

The Company’s internal audit also conducts site visits on purchase stumpage tracts to confirm BMP implementation. Review of completed inspection forms confirm the internal audit visited 13 tracts. OFIs were issued for 3 sites.

2.2.2 Use of information from the *verifiable monitoring system* to maintain rates of conformance to *best management practices* and to identify areas for improved performance.

N/A     
  Conforms     
  Exceeds     
  O.F.I.     
  Minor NC     
  Major NC

**Audit Notes:** The 2018 Annual Summary of BMP Compliance Report summarizes the Company’s BMP inspections, and the state BMP data. The information is discussed during the annual Management Review. Areas for improved performance were identified.



**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.

**Performance Measure 3.1**

*Program Participants* shall encourage landowners to utilize the services of *qualified logging professionals, certified logging professionals (where available), qualified resource professionals* and in applying *principles* of sustainable forest management on their lands.

3.1.1 Program to promote the use of qualified logging professionals, certified logging professionals (where available), and qualified resource professionals.

N/A       Conforms       Exceeds       O.F.I.       Minor NC       Major NC

Audit Notes: Letter to wood suppliers and contractors, and contractors require all wood suppliers and contract loggers to have SFI trained personnel on-site at all times. The Company’s procurement foresters are also required to be SFI trained or registered foresters. Compliance is verified annually by the state fiber specialists.

Confirmed by review of emails that the Company sponsored the following logger training events: 5/24/2019 at Roxboro, NC, 3/22/2019 at Pittsboro, NC, 5/9/2019 at Camden, SC, 6/13/2019 at Marion, SC; 5/30/2019 at Georgetown, SC and 4/23/2019 at Conway, SC.

3.1.2 List of qualified *logging professionals, certified logging professionals* and maintained by a *Program Participant*, state or provincial agency, loggers’ association or other organization.

N/A       Conforms       Exceeds       O.F.I.       Minor NC       Major NC

Audit Notes: All: Logging training is tracked in the Company’s wood flow accounting system. Logger certification data is input by the state fiber specialists. Confirmed by review of the WTD Log Delivery Reports for each mill visited.

## Objective 4 Legal and Regulatory Compliance

To comply with applicable federal, provincial, state and local laws and regulations.

### Performance Measure 4.1

Program Participants shall comply with applicable federal, provincial, state and local *forestry* and related social and environmental laws and regulations and take steps to avoid *illegal logging*.

N/A     
  Conforms     
  Exceeds     
  O.F.I.     
  Minor NC     
  Major NC

Audit Notes: Addressed in Canfor Southern Pine SFI® Implementation Programs, Systems and Processes.

#### 4.1.1 Access to relevant laws and regulations in appropriate locations.

N/A     
  Conforms     
  Exceeds     
  O.F.I.     
  Minor NC     
  Major NC

Audit Notes: All foresters have a copy of the SFI program document with links to appropriate websites. Confirmed by interviews with foresters.

#### 4.1.2 System to achieve compliance with applicable federal, provincial, state or local laws and regulations.

N/A     
  Conforms     
  Exceeds     
  O.F.I.     
  Minor NC     
  Major NC

Audit Notes: Addressed in Canfor Southern Pine SFI® Implementation Programs, Systems and Processes document. Canfor has a security forester who checks supplier tracts for compliance.

Confirmed by review of executed contract that Company has contracted with a timber theft security firm to audit purchase stumpage tracts.

#### 4.1.3 Demonstration of commitment to legal compliance through *available regulatory action information*.

N/A     
  Conforms     
  Exceeds     
  O.F.I.     
  Minor NC     
  Major NC

Audit Notes: Addressed in Canfor Southern Pine SFI® Implementation Programs, Systems and Processes document. Canfor has a security forester who checks supplier tracts for compliance.

#### 4.1.4 Program to assess the risk that the *Program Participant's fiber sourcing* program could acquire material from *illegal logging* by considering some of the following:

- a. communications with suppliers;
- b. independent research;
- c. contract documentation; and
- d. maintain records.

N/A     
  Conforms     
  Exceeds     
  O.F.I.     
  Minor NC     
  Major NC

Audit Notes: Addressed in Canfor Southern Pine SFI® Implementation Programs, Systems and Processes document. Viewed documents for compliance.

#### 4.1.5 Program to address any significant risk identified under 4.1.4.

N/A     
  Conforms     
  Exceeds     
  O.F.I.     
  Minor NC     
  Major NC

Audit Notes: Addressed in Canfor Southern Pine SFI® Implementation Programs, Systems and Processes document. Viewed documents for compliance.



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**Performance Measure 4.2**

*Program Participants* shall take appropriate steps to comply with all applicable social laws at the federal, provincial, state and local levels in the country in which the *Program Participant* operates.

4.2.1 Written *policy* demonstrating commitment to comply with social laws, such as those covering civil rights, equal employment opportunities, anti-discrimination and anti-harassment measures, workers' compensation, *Indigenous Peoples'* rights, workers' and communities' right to know, prevailing wages, workers' right to organize, and occupational health and safety.

N/A       Conforms       Exceeds       O.F.I.       Minor NC       Major NC

Audit Notes: Viewed Canfor Employee Handbook dated July 2017 with EEOC info. Given to all employees in 2012 and new employees. Information posted in break rooms, etc. Training held every few years and have to sign anti-trust documents. Have to sign vehicle policy regarding complying with laws.

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### Objective 5 Forestry Research, Science and Technology

To invest in *forestry* research, science and technology, upon which sustainable forest management decisions are based and broaden the awareness of *climate change* impacts on forests, *wildlife* and *biological diversity*.

#### Performance Measure 5.1

*Program Participants* shall individually and/or through cooperative efforts involving *SFI Implementation Committees*, associations or other partners provide in-kind support or funding for forest research to improve *forest health, productivity*, and sustainable management of forest resources, and the environmental benefits and performance of forest products.

5.1.1 Financial or in-kind support of research to address questions of relevance in the region of operations. Examples could include, but are not limited to areas of forest *productivity*, water quality, biodiversity, community issues, or similar areas which build broader understanding of the benefits and impacts of forest management.

N/A       Conforms       Exceeds       O.F.I.       Minor NC       Major NC

Audit Notes: Reviewed thank you email for research directed financial support for: Auburn University, Tall Timbers, Mississippi State, Clemson, NCSU Cooperative Tree Improvement Program, Trailblazer Resource, Conservation & Development, UGA, Hobcaw Barony and NCASI.

5.2.2 Research on genetically engineered trees via *forest tree biotechnology* shall adhere to all applicable federal, state, and provincial regulations and international protocols ratified by the U.S. or Canada depending on jurisdiction of management.

N/A       Conforms       Exceeds       O.F.I.       Minor NC       Major NC

Audit Notes: The Company doesn't to this type of research.

#### Performance Measure 5.2

*Program Participants* shall individually and/or through cooperative efforts involving *SFI Implementation Committees*, associations or other partners develop or use state, provincial or regional analyses in support of their *sustainable forestry programs*.

5.2.1 Participation, individually and/or through cooperative efforts involving *SFI Implementation Committees* and/or associations at the national, state, provincial or regional level, in the development or use of some of the following:

- a. regeneration assessments;
- b. *growth and drain* assessments;
- c. *best management practices* implementation and conformance;
- d. *biodiversity conservation* information for family forest owners; and
- e. social, cultural or economic benefit assessments.

N/A       Conforms       Exceeds       O.F.I.       Minor NC       Major NC

Audit Notes: Review of approved check requisition for payment to SOFAC and Forest2Market.

#### Performance Measure 5.3

*Program Participants* shall individually and/or through cooperative efforts involving *SFI Implementation Committees*, associations or other partners broaden the awareness of *climate change* impacts on forests, *wildlife* and *biological diversity*.

5.3.1 Where available, monitor information generated from regional climate models on *long-term forest health, productivity* and *economic viability*.

N/A       Conforms       Exceeds       O.F.I.       Minor NC       Major NC

Audit Notes: Confirmed by review of links to various climate change studies listed in the SFI Program document.

5.3.2 *Program Participants* are knowledgeable about *climate change* impacts on *wildlife, wildlife habitats* and *conservation of biological diversity* through international, national, regional or local *programs*.

N/A       Conforms       Exceeds       O.F.I.       Minor NC       Major NC

Audit Notes: Confirmed by review of links to various climate change studies listed in the SFI Program document.

## Objective 6 Training and Education

To improve the implementation of *sustainable forestry* practices through appropriate training and education *programs*.

### Performance Measure 6.1

*Program Participants* shall require appropriate training of personnel and contractors so that they are competent to fulfill their responsibilities under the *SFI 2015-2019 Fiber Sourcing Standard*.

6.1.1 Written statement of commitment to the *SFI 2015-2019 Fiber Sourcing Standard* communicated throughout the organization, particularly to facility and woodland managers, *fiber sourcing* staff and field foresters.

N/A       Conforms       Exceeds       O.F.I.       Minor NC       Major NC

Audit Notes: Witnessed document Policy dated 5/5/19 signed by Fred Stimpson, President to Canfor Southern Pine Management.

Letter was sent with Policy to Personnel, Procurement Managers, and Foresters.

Policy discussed during Management Review. Witnessed in Agenda and Minutes.

The document was also sent to all wood suppliers, landowners and with an internal memo to employees.

6.1.2 Assignment and understanding of roles and responsibilities for achieving *SFI 2015-2019 Fiber Sourcing Standard objectives*.

N/A       Conforms       Exceeds       O.F.I.       Minor NC       Major NC

Audit Notes: Roles and assignments mentioned throughout the Canfor SFI Program document. Training Matrix indicates training requirements by position.

Interviews with procurement foresters confirm that they understand their roles and responsibilities.

6.1.3 Staff education and training sufficient to their roles and responsibilities.

N/A       Conforms       Exceeds       O.F.I.       Minor NC       Major NC

Audit Notes: All procurement foresters are required to have logger training or registered forester in their state.

Camden/Darlington: Review of roster confirms that Ron Phillips is an NC Registered Forester and review of website confirmed he is NC Prologger certified. Kyle Graves, Bubba Allen, Landon Ivie are TopLogger trained.

Conway: Review of roster confirms that Davis McGowen is an NC Registered Forester and review of website confirmed he is SC Sharp logger certified. Review of roster confirms that Brad Bailey is an SC Registered Forester and review of website confirmed he is NC TopLogger certified. Chad Lephew and Cole Parks are TopLogger trained.

Graham: Review of roster confirms that Doug Burleson is an NC Registered Forester and review of website confirmed he is NC Prologger certified, as is Mike Cheston, Mike Harris and Alec Kearns. Will Reece is SharpLogger trained.

6.1.4 Contractor education and training sufficient to their roles and responsibilities.

N/A       Conforms       Exceeds       O.F.I.       Minor NC       Major NC

Audit Notes: Interviews, review of procedures and agreements confirm that Canfor Southern Pine requires that all wood suppliers and logging contractors to be current with state logger training. Requirement is stated in letter to contractors and suppliers and in contracts.

Verified for suppliers interviewed and for sites visited. All current with state logger training requirements.

6.1.5 Program Participants shall have written agreements for the use of qualified logging professionals and/or certified logging professionals (where available) and/or wood producers that have completed training programs and are recognized as qualified logging professionals.

- N/A     
  Conforms     
  Exceeds     
  O.F.I.     
  Minor NC     
  Major NC

Audit Notes: Graham: Confirmed by review of Contractor Agreements for all purchase stumpage sites visited.  
 All: Confirmed by review of the following Supplier Agreements: Camden – Canal Wood Camden dated 12/29/2018, Myers Timber dated 12/17/2018, Keel Land & Timber dated 12/13/2018; Darlington – Canal Wood Hartsville dated 12/12/2018, Canal Wood Mullins dated 12/14/2018, Palmetto Pulpwood and Timber dated 12/11/2018; Conway – Canal Wood Kingstree dated 12/14/2018, Canal Wood Mullins dated 12/14/2018, Kingstree Forest Products dated 12/13/2018; Graham – Carolina Forest Products dated 12/7/2018, Edwards Wood Products dated 12/10/2018 and H & M Logging dated 12/7/2018.

**Performance Measure 6.2**

*Program Participants* shall work individually and/or with *SFI Implementation Committees*, logging or *forestry* associations, or appropriate agencies or others in the *forestry* community to foster improvement in the professionalism of *wood producers*.

6.2.1 Participation in or support of *SFI Implementation Committees* to establish criteria and identify delivery mechanisms for *wood producer* training courses and periodic continuing education that address:

- a. awareness of *sustainable forestry principles* and the *SFI* program;
- b. *best management practices*, including streamside management and road construction, maintenance and retirement;
- c. reforestation, invasive exotic plants and animals, forest resource conservation, aesthetics and special sites;
- d. awareness of responsibilities under the U.S. Endangered Species Act, the Canadian Species at Risk Act, and other measures to protect *wildlife habitat* (e.g., *Forests with Exceptional Conservation Value*);
- e. awareness of rare forested natural communities as identified by provincial or state agencies, or by credible organizations such as NatureServe, The Nature Conservancy, etc.
- f. logging safety;
- g. U.S. Occupational Safety and Health Administration (OSHA) and Canadian Centre for Occupational Health and Safety (CCOHS) regulations, wage and hour rules, and other provincial, state and local employment laws;
- h. transportation issues;
- i. business management;
- j. public *policy* and outreach; and
- k. awareness of emerging technologies.

- N/A     
  Conforms     
  Exceeds     
  O.F.I.     
  Minor NC     
  Major NC

Audit Notes: Confirmed by review of emails that the Company sponsored the following logger training events: 5/24/2019 at Roxboro, NC, 3/22/2019 at Pittsboro, NC, 5/9/2019 at Camden, SC, 6/13/2019 at Marion, SC; 5/30/2019 at Georgetown, SC and 4/23/2019 at Conway, SC.  
 Support of and participation in the GA, NC and SC SICs.

6.2.2 The *SIC*-approved *wood producer* training programs shall have a continuing education component with coursework that supports the current training programs, safety and the *principles of sustainable forestry*.

- N/A     
  Conforms     
  Exceeds     
  O.F.I.     
  Minor NC     
  Major NC

Audit Notes: Review of the websites confirms that the NC and SC Logger training has a continuing ed requirement.



- 6.2.3 Participation in or support of SFI Implementation Committees to establish criteria for recognition of logger certification programs, where they exist, that include:
- a. completion of *SFI Implementation Committee* recognized logger training programs and meeting continuing education requirements of the training program;
  - b. independent in-the-forest verification of conformance with the logger certification program standards;
  - c. compliance with all applicable laws and regulations including responsibilities under the U.S. Endangered Species Act, the Canadian Species at Risk Act and other measures to protect *wildlife habitat*;
  - d. use of *best management practices* to protect water quality;
  - e. logging safety;
  - f. compliance with acceptable *silviculture* and utilization standards;
  - g. aesthetic management techniques employed where applicable; and
  - h. adherence to a management or harvest plan that is site specific and agreed to by the forest landowner.

N/A       Conforms       Exceeds       O.F.I.       Minor NC       Major NC

Audit Notes: There is no logger certification in GA, NS, SC or VA.

## 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*.

### Performance Measure 7.1

*Program Participants* shall support and promote efforts by consulting foresters, state, provincial and federal agencies, state or local groups, professional societies, *conservation* organizations, *Indigenous Peoples* and governments, community groups, sporting organizations, labor, universities, extension agencies, the *American Tree Farm System*® and/or other landowner cooperative *programs* to apply *principles* of sustainable forest management.

7.1.1 Support, including financial, for efforts of *SFI Implementation Committees*.

N/A     
  Conforms     
  Exceeds     
  O.F.I.     
  Minor NC     
  Major NC

Audit Notes: NC SIC: Review of meeting minutes confirm that Will Reese attended all of the SIC meetings since the 2018 audit. Meetings. Review of an accounting spreadsheet confirms that 2019 dues were paid. Attended 08 and 11 2018.  
 SC SIC: Review of meeting minutes confirm that Landon Ivie attended all but 1 of the meetings. Review of an accounting spreadsheet confirms that 2019 dues were paid.

7.1.2 Support individually or collaboratively education and outreach to forest landowners describing the importance of and providing implementation guidance on:

- a. best management practices;
- b. reforestation and afforestation;
- c. visual quality management;
- d. conservation objectives, such as of critical wildlife habitat elements, biodiversity, threatened and endangered species, and Forests with Exceptional Conservation Value;
- e. management of harvest residue (e.g., slash, limbs, tops) considers economic, social, environmental factors (e.g., organic and nutrient value to future forests) and other utilization needs;
- f. control of invasive exotic plants and animals;
- g. characteristics of special sites; and
- h. reduction of wildfire risk.

N/A     
  Conforms     
  Exceeds     
  O.F.I.     
  Minor NC     
  Major NC

Audit Notes: All: Guidance provided in Landowner packets developed by state SICs and distributed to landowners and wood suppliers.

7.1.3 Participation in efforts to support or promote *conservation* of managed forests through voluntary market-based incentive programs such as current-use taxation programs, *Forest Legacy Program* or *conservation* easements.

N/A       Conforms       Exceeds       O.F.I.       Minor NC       Major NC

Audit Notes: Canfor Southern Pins participates in, and supports of the NC/SC Forestry Associations; which promote current use taxation. Confirmed by review of paid check requisitions. Interview confirms that Josh is on the SCFA board and Doug is on the NCFA board.

7.1.4 *Program Participants* are knowledgeable about credible regional *conservation* planning and priority-setting efforts that include a broad range of stakeholders and have a *program* to take into account the results of these efforts in planning.

N/A       Conforms       Exceeds       O.F.I.       Minor NC       Major NC

Audit Notes: Interviews confirm that staff is knowledgeable of the Wildlife and Forest Action Plans in NC and SC which address climate change, population growth and forest threats.

7.1.5 *Program Participants* with *fiber sourcing programs*, either individually or collaboratively with *SFI Implementation Committees*, encourage forest landowners to participate in forest management certification programs.

N/A       Conforms       Exceeds       O.F.I.       Minor NC       Major NC

Audit Notes: Landowner Guides include information about Tree Farm. Web page includes link to ATFS website. ATFS supported through SIC funding in NC and SC. Evidence viewed- SC SIC budget items for 2016- Tree Farm LO & Certification. NC SIC Landowner Workshop/ Annual Mtg.

**Performance Measure 7.2**

*Program Participants* shall support and promote, at the state, provincial or other appropriate levels, mechanisms for public outreach, education and involvement related to sustainable forest management.

7.2.1 Periodic educational opportunities promoting *sustainable forestry*, such as

- a. field tours, seminars, websites, webinars or workshops;
- b. educational trips;
- c. self-guided forest management trails;
- d. publication of articles, educational pamphlets or newsletters; or
- e. support for state, provincial, and local *forestry* organizations and soil and water *conservation* districts.

N/A       Conforms       Exceeds       O.F.I.       Minor NC       Major NC

Audit Notes: NC: The Company’s procurement foresters participated in the NFA Spring Forestry and Environmental Camp in Greensboro, NC, mill tour for Duke School of the Environment on March 2, 2018.

SC: Camden had a mill tour with 16 students from the Central Carolina Teck, Josh spoke about forestry at the Conway, SC Setoma Club on April 3<sup>rd</sup>, Davis heads up the SC Teachers Tour Steering Committee and the annual tour was held at the Darlington facility June 18, 2019 and the Conway procurement group participated in the Wood Magic Forest Fair 11/13-16/2018.

**Performance Measure 7.3**

*Program Participants* shall establish, at the state, provincial, or other appropriate levels, procedures to address concerns raised by loggers, consulting foresters, employees, unions, the public or other *Program Participants* regarding practices that appear inconsistent with the *SFI Standard principles* and *objectives*.

7.3.1. Support for *SFI Implementation Committees* (e.g., toll-free numbers and other efforts) to address concerns about apparent nonconforming practices.

N/A       Conforms       Exceeds       O.F.I.       Minor NC       Major NC

Audit Notes: NC SIC: Review of meeting minutes confirm that Will Reese attended all of the SIC meetings since the 2018 audit. Meetings. Review of an accounting spreadsheet confirms that 2019 dues were paid. Attended 08 and 11 2018.

SC SIC: Review of meeting minutes confirm that Landon Ivie attended all but 1 of the meetings. Review of an accounting spreadsheet confirms that 2019 dues were paid.

7.3.2. Process to receive and respond to public inquiries. *SFI Implementation Committees* shall submit data annually to *SFI Inc.* regarding concerns received and responses.

N/A       Conforms       Exceeds       O.F.I.       Minor NC       Major NC

Audit Notes: NC: Review of the SIC Annual Survey for 2018 confirms that inconsistent practices are addressed and that there’s a toll free line for call in.

SC: Review of the SIC Annual Survey for 2018 confirms that inconsistent practices are addressed and that there’s a toll free line for call in.



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**Objective 8    *Public Land Management Responsibilities***

To participate and implement sustainable forest management on *public lands*.

**Performance Measure 8.1**

*Program Participants* with forest *management responsibilities on public lands* shall participate in the development of *public land* planning and management processes.

8.1.1    Involvement in *public land* planning and management activities with appropriate governmental entities and the public.

N/A             Conforms             Exceeds             O.F.I.             Minor NC             Major NC

Audit Notes:

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8.1.2    Appropriate contact with local stakeholders over forest management issues through state, provincial, federal or independent collaboration.

N/A             Conforms             Exceeds             O.F.I.             Minor NC             Major NC

Audit Notes:

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## Objective 9 Communications and Public Reporting

To increase transparency and to annually report progress on conformance with the *SFI Fiber Sourcing Standard*.

### Performance Measure 9.1

A *Program Participant* shall provide a summary audit report, prepared by the *certification body*, to *SFI Inc.* after the successful completion of a certification, recertification or surveillance audit to the *SFI 2015-2019 Fiber Sourcing Standard*.

- 9.1.1 The summary audit report submitted by the *Program Participant* (one copy must be in English), shall include, at a minimum,
- a. a description of the audit process, *objectives* and scope;
  - b. a description of substitute *indicators*, if any, used in the audit and a rationale for each;
  - c. the name of *Program Participant* that was audited, including its *SFI* representative;
  - d. a general description of the *Program Participant's* forestland, fiber procurement and/or manufacturing operations included in the audit;
  - e. the name of the *certification body* and *lead auditor* (names of the *audit team* members, including *technical experts* may be included at the discretion of the *audit team* and *Program Participant*);
  - f. the dates the audit was conducted and completed;
  - g. a summary of the findings, including general descriptions of evidence of conformity and any nonconformities and corrective action plans to address them, opportunities for improvement, and exceptional practices; and
  - h. the certification decision.

The summary audit report will be posted on the *SFI Inc.* website ([www.sfiprogram.org](http://www.sfiprogram.org)) for public review.

N/A       Conforms       Exceeds       O.F.I.       Minor NC       Major NC

Audit Notes: Confirmed by review of the 2014 and 2018 PSRs on the SFI, Inc. website.

### Performance Measure 9.2

*Program Participants* shall report annually to *SFI Inc.* on their conformance with the *SFI Fiber Sourcing Standard*.

- 9.2.1 Prompt response to the *SFI* annual progress report survey.

N/A       Conforms       Exceeds       O.F.I.       Minor NC       Major NC

Audit Notes: APR submitted 2/19/19 – Witnessed report and confirmation from SFI, Inc.

- 9.2.2 Record keeping for all the categories of information needed for *SFI* annual progress report surveys.

N/A       Conforms       Exceeds       O.F.I.       Minor NC       Major NC

Audit Notes: Review of the 2018 APR confirms that record keeping is adequate.

- 9.2.3 Maintenance of copies of past survey reports to document progress and improvements to demonstrate conformance to the *SFI 2015-2019 Fiber Sourcing Standard*.

N/A       Conforms       Exceeds       O.F.I.       Minor NC       Major NC

Audit Notes: Witnessed 2018 APRs dating back to 2009.

## Objective 10 Management Review and Continual Improvement

To promote continual improvement in the practice of sustainable forestry by conducting a management review and monitoring performance.

### Performance Measure 10.1

*Program Participants* shall establish a management review system to examine findings and progress in implementing the *SFI 2015-2019 Fiber Sourcing Standard*, to make appropriate improvements in *programs*, and to inform their employees of changes.

10.1.1 System to review commitments, *programs* and procedures to evaluate effectiveness.

N/A       Conforms       Exceeds       O.F.I.       Minor NC       Major NC

Audit Notes: The Company has a formal system for annually collecting information about its SFI implementation, evaluating the effectiveness of the program, reporting information to management, determining whether any changes or improvements are necessary to continually improve SFI FS conformance, and communicate those changes to responsible personnel.

10.1.2 System for collecting, reviewing and reporting information to management regarding progress in achieving *SFI 2015-2019 Fiber Sourcing Standard objectives and performance measures*.

N/A       Conforms       Exceeds       O.F.I.       Minor NC       Major NC

Audit Notes: As outlined in the Program for evaluating the effectiveness of promoting reforestation and use of BMPs, the Procurement Foresters conduct monitoring using the Tract Visitation Forms and Purchase Agreements for direct purchase stumpage. The Certification Manager consolidates that information and prepares an annual summary of patterns and trends.

The Company has identified SFI Lead Foresters in each state that are responsible for attending the SIC meetings, reporting educational activities, monitoring state BMP reports and forwarding them to the Certification Manager and being the Canfor lead for logger training in their state.

The Company has an internal audit program where the facilities to be 3rd party audited undergo an internal audit annually. Review of the report confirms that the internal audit involves a full desk audit and on-site visits to purchase stumpage tracts. The audit occurred 5/14-6/5/2019 and identified an OFI regarding the SFI Lead Foresters communication to the Certification Manager and 3 OFIs from site visits to harvest areas in Graham.

Interviews confirm Information collected is reviewed during the Annual SFI Management Review.

10.1.3 Annual review of progress by management and determination of changes and improvements necessary to continually improve conformance to the *SFI 2015-2019 Fiber Sourcing Standard*.

N/A       Conforms       Exceeds       O.F.I.       Minor NC       Major NC

Audit Notes: Confirmed by review of agenda and meeting minutes that the Annual SFI Management Review occurred June 6, 2019, Topics discussed included: review of the SFI Policy, results of the internal audit and company & state BMP compliance monitoring, use of SFI trained loggers, distribution of SFI promotional material, due diligence system and opportunities to improve the SFI program.

Attendees included the state SFI Leads, Area Managers and some Procurement Managers, Certification Manager, Accounting Manager – Fiber Management and VP Fiber Procurement and Residuals.

There is no fiber sourcing outside the United States and Canada; Objectives 11-13 do not apply and have been deleted.

*(End SFI Fiber Sourcing Checklist)*



# SFI 2015-2019, Section 3, Appendix 1: Certified Sourcing Standard Audit Checklist

C0079539 - Canfor Southern Pine

Date of audit(s): Camden, SC – June 17, 2019

## Multi-site Assessment

- Yes. Section 9, Appendix 1 Checklists (main and 1 sub-checklist) must be completed.
- No. Section 9, Appendix 1 Checklists are not included.

## 1.2 Additional Requirements

SFI Program Participants that own or have management authority for forestlands must also conform to the SFI 2015-2019 Forest Management Standard.

- N/A
- Conforms
- Exceeds
- O.F.I.
- Minor NC
- Major NC

Audit Notes: Canfor does not own or have management authority for forestlands.

Use of the SFI on-product labels and claims shall follow Section 5 - Rules for Use of SFI On-Product Labels and Off-Product Marks as well as ISO 14020:2000.

- N/A
- Conforms
- Exceeds
- O.F.I.
- Minor NC
- Major NC

Audit Notes: On-product label is used on lumber at selected plants.

Describe the organization’s use of the SFI Certified Sourcing Label and/or Claim

Audit Notes: On-product label is used on lumber at selected plants.

Describe the geographic scope of the organization’s sources and operations. Sources or operations beyond the U.S. and Canada will require more detail to ensure accurate scoping and applicability of requirements.

Audit Notes: Sourcing of purchase and Gatewood within 100 miles of mills



**Part 3 Certified Sourcing Label**

**3.1 Primary producers are manufacturing units that produce forest products (wood, paper, pulp, or composite products) and source 50% or more (by weight) of their wood-based raw materials directly from primary sources. They must account for 100% of their primary sources as coming from certified sourcing.**

If a primary producer sources from company-owned or company-controlled lands enrolled in the SFI program, those lands must be third-party certified to the SFI 2015-2019 Forest Management Standard.

- Organization is a primary producer
- Organization is a secondary producer

Audit Notes: Plants are sawmills consuming delivered logs directly from the woods. 100% of the raw material input is sourced by a procurement system certified to the SFI 2015-2019 Fiber Sourcing Standard.

**3.2 Secondary producers are manufacturing units that produce forest products and source 50% or more (by weight) of their wood-based raw materials from secondary sources. They must account for at least two-thirds (2/3) (by weight) of the wood or wood fiber in the product(s) or manufacturing unit as coming from certified sourcing. The other one-third (1/3) cannot come from controversial sources.**

Organization meets above definition for a Secondary Producer:

- Yes
- No (then the organization must be a Primary Producer; if so then checklist for Section 3, Appendix 1 does not apply; do not proceed)

Audit Notes: The 2 glue-lam mills are secondary producers and 100% of the input is sourced from Company sawmills mills certified to the SFI 2015-2019 Fiber Sourcing Standard.

**3.3 Calculation of percentage for use of the Certified Sourcing Label is as follows:**

3.3.1 Primary producers shall demonstrate conformance with the requirements of 3.1 at all times, which means 100% certified sourcing for every product group.  
 If less than 5% (by weight) of a manufacturing unit’s raw material supply comes from secondary sources, these sources are considered de minimis and no certification of this portion is required if all is from U.S. or Canadian sources.

**Note:** NSF has been instructed that Primary Producers sourcing only from U.S. or Canada are not subject to 3rd-party audits.

- N/A
- Conforms
- Exceeds
- O.F.I.
- Minor NC
- Major NC

Audit Notes: 100% of the raw material input is sourced by a procurement system certified to the SFI 2015-2019 Fiber Sourcing Standard.

3.3.2 Secondary producers shall specify how they will meet the requirements of 3.2 to conform to the two-thirds rule. They may base the calculation on a product group or time period (which cannot exceed one quarter). The percentage may be calculated as:

- Rolling Average Percentage – The percentage calculated for wood fiber consumed during, for example, the previous four quarters or 12 months. The period over which the rolling average is calculated shall not exceed one year.
- Simple Percentage – The percentage calculated for wood fiber consumed in the specific product group.

- N/A
- Conforms
- Exceeds
- O.F.I.
- Minor NC
- Major NC

Audit Notes: 100% of the input is sourced from Company sawmills mills certified to the SFI 2015-2019 Fiber Sourcing Standard.

3.3.3 In all cases, the organization must demonstrate that the requirements of 3.1 and/or 3.2 are met before the label can be used in relation to a specific product group or time period.

- N/A
- Conforms
- Exceeds
- O.F.I.
- Minor NC
- Major NC

Audit Notes: See 3.3.1 & 3.3.2.



3.3.4 A secondary producer may use the Certified Sourcing Label on products from a single manufacturing unit as long as the specific supply for that product(s) or for that manufacturing unit meets all the content requirements set out in this document.

N/A  Conforms  Exceeds  O.F.I.  Minor NC  Major NC

Audit Notes: The 2 glue-lam plants don't use labels.

3.3.5 The sourcing requirement may be met either at the product line or manufacturing unit level.

N/A  Conforms  Exceeds  O.F.I.  Minor NC  Major NC

Audit Notes: Product line – lumber.

**3.4 SFI Certified Sourcing Claim: Fiber that conforms with Objectives 1-13 of Section 3, and/or from pre-consumer recycled content, and/or from post-consumer recycled content, and/or from an acceptable forest management standard.**

N/A  Conforms  Exceeds  O.F.I.  Minor NC  Major NC

Audit Notes: Fiber that conforms with Objectives 1-13 of Section 3 – 100%.

3.4.1 Certified sourcing claim verification can occur by a Primary Producer's Section 3 certificate, an invoice, bill of lading, shipping document, letter, or other forms of communications available to the customer.

N/A  Conforms  Exceeds  O.F.I.  Minor NC  Major NC

Audit Notes: Fiber that conforms with Objectives 1-13 of Section 3 – 100%.



### Part 4 Organizations Outside the United States and Canada

The organization sources from outside of the United States or Canada.

**Note:** Requirement subject to interpretation to resolve contradiction within standard.

- Yes: Part 4 below must be completed.
- No: Part 4.1 through 4.3 portions may be deleted.

Audit Notes: Confirmed through interviews and document review.

### Part 5 Certified Sourcing Definition

Certified sourcing is defined as raw material sourced from the following sources confirmed by a certification body:

**5.1 Fiber that conforms with Objectives 1-13 of Section 3 - SFI 2015-2019 Fiber Sourcing Standard's requirements.**

**5.2 Pre-Consumer Recycled Content: Material diverted from the waste stream during a manufacturing process. It does not include materials such as rework, regrind or scrap generated in a process and capable of being reclaimed within the same process.**

Any claims about pre-consumer recycled content by Program Participants or label users shall be accurate and consistent with applicable law. Program Participants and label users are encouraged to consult the U.S. Federal Trade Commission's guidelines on environmental claims in product advertising and communication and the guidelines on environmental labeling and advertising issued by the Fair Business Practices Branch of Industry Canada's Competition Bureau, as appropriate, and to seek additional information and direction from national accreditation bodies, national standards bodies and national, state and provincial consumer protection and competition laws.

**5.3 Post-consumer recycled content: Material generated by households or by commercial, industrial and institutional facilities in their role as end-users of the product, which can no longer be used for its intended purpose.**

Any claims about post-consumer recycled content by Program Participants and label users shall be accurate and consistent with applicable law. Program Participants and label users are encouraged to consult the U.S. Federal Trade Commission's guidelines on environmental claims in product advertising and communication and the guidelines on environmental labeling and advertising issued by the Fair Business Practices Branch of Industry Canada's Competition Bureau, as appropriate, and to seek additional information and direction from national accreditation bodies, national standards bodies, and national, state and provincial consumer protection and competition laws.

**5.4 Certified forest content, which includes content from specific forest tracts that are third-party certified to conform to the SFI 2015-2019 Forest Management Standard's Objectives 1-15 requirements or other acceptable forest management standards (e.g., CAN/CSA-Z809 and ATFS).**

**5.5 Non-controversial sources: The organization shall establish adequate measures to ensure that the labeled products do not come from controversial sources. See Part 6 on due diligence system to avoid controversial sources.**

The organization is using these definitions in its SFI Certified Sourcing program as it applies to labels and claims.

- N/A
- Conforms
- Exceeds
- O.F.I.
- Minor NC
- Major NC

Audit Notes: All fiber meets definition 5.1.

### Part 6 Due Diligence System to Avoid Controversial Sources

The organization is certified to SFI 2015-2019, Section 3: Fiber Sourcing Standard

**Note:** If yes, delete all questions under part 6. Otherwise, all of part 6 applies.

- Yes
- No

Audit Notes: Confirmed through database review.



### Part 7 Minimum Management System Requirements

The organization is certified to SFI 2015-2019, Section 3: Fiber Sourcing Standard, SFI 2015-2019, Section 4: Chain of Custody Standard, and/or PEFC Chain of Custody.

**Note:** If yes, delete all questions under part 7. Otherwise, all of part 7 applies.

Yes  No

Audit Notes: All sawmills are certified to SFI FS and 100% of the input material at the 2 elam mills is from Canfor sawmills.

### Part 8 Application Requirements

#### 8.1 Primary producers must annually submit to the Office of Label Use and Licensing:

8.1.1 A copy of their certificate for Section 2 - SFI 2015-2019 Forest Management Standard if a primary producer sources from company-owned or company-controlled lands enrolled in the SFI program and/or a copy of their Section 3 - SFI 2015-2019 Fiber Sourcing Standard listing the manufacturing units covered under the scope of the certificate.

8.1.2 A copy of their annual SFI 2015-2019 Forest Management Standard and/or SFI 2015-2019 Fiber Sourcing Standard audit report issued by an SFI certification body.

N/A  Conforms  Exceeds  O.F.I.  Minor NC  Major NC

Audit Notes: Witnessed SFI 2015-2019 Fiber Sourcing Standard audit report on SFI website.

#### 8.2 Secondary producers must annually submit to the Office of Label Use and Licensing:

8.2.1 A copy of their Certified Sourcing certificate issued to secondary producers certified to Section 3 – Appendix 1 -Rules for Use of SFI Certified Sourcing Label, issued by an accredited SFI certification body.

8.2.2 A list of the manufacturing unit(s) and product(s) for which the SFI Certified Sourcing Label use approval is sought.

N/A  Conforms  Exceeds  O.F.I.  Minor NC  Major NC

Audit Notes: These requirements are handled by the certification body.

#### 8.3 Primary or secondary producers outside the United States and Canada must annually submit to the Office of Label Use and Licensing:

8.3.1 A copy of their Certified Sourcing certificate to Section 3 - Appendix 1 - Rules for Use of SFI Certified Sourcing Label, issued by an accredited SFI certification body.

8.3.2 A list of the manufacturing unit(s) and product(s) for which the SFI Certified Sourcing Label use approval is sought.

N/A  Conforms  Exceeds  O.F.I.  Minor NC  Major NC

Audit Notes:

### Part 9 Office of Label Use and Licensing

#### 9.2 A label user may not use the SFI program label on any products from manufacturing unit(s) for which it has not obtained approval from the Office of Label Use and Licensing.

N/A  Conforms  Exceeds  O.F.I.  Minor NC  Major NC

Audit Notes: Reviewed off-product label use approval from SFI Inc. dated 4/3/2019 for the use of the SFI trademark on the Company's new "Working in Partnership with Landowners" brochure. Review on-product labels on boards at the Darlington, Conway and Graham mills.

(END Section 3, Appendix 1 Certified Sourcing Supplemental Checklist)



## Certified Sourcing for Label Users Requirements and Volume Summaries

*Primary producers* are manufacturing units that produce forest products (wood, paper, pulp, or composite products) and source 50% or more (by weight) of their wood-based raw materials directly from primary sources. They must account for 100% of their *primary sources* as coming from *responsible fiber sources*.

N/A       Conforms       Exceeds       O.F.I.       Minor NC       Major NC

Audit Notes: A total of 100% of the volume is through a certified procurement system to SFI 2015-2019 Fiber Sourcing Standard.

If a *primary producer* sources from company-owned or company-controlled lands enrolled in the SFI program, those lands must be third-party certified to the SFI 2015-2019 Section 2: Forest Management Standard.

N/A       Conforms       Exceeds       O.F.I.       Minor NC       Major NC

Audit Notes:

*Secondary producers* are manufacturing units that produce forest products and source 50% or more (by weight) of their wood-based raw materials from *secondary sources*. They must account for at least two-thirds ( $\frac{2}{3}$ ) (by weight) of the wood or wood fiber in the product(s) or manufacturing unit as coming from *responsible fiber sources*. The other one-third ( $\frac{1}{3}$ ) cannot come from *controversial sources*.

N/A       Conforms       Exceeds       O.F.I.       Minor NC       Major NC

Audit Notes: The 2 glue-lam mills are secondary producers and 100% of the input is sourced from Company sawmills mills certified to the SFI 2015-2019 Fiber Sourcing Standard.

Units	Note: It is not necessary to complete this table because, for the sawmills, a total of 100% of the volume is through a certified procurement system to SFI 2015-2019 Fiber Sourcing Standard and, for the glue-lam plants, 100% of the input is sourced from Company sawmills' certified to the SFI 2015-2019 Fiber Sourcing Standard.
	A. Total Wood and Fiber Consumption (F + G + H + I)
	B. Certified forest content (from specific forest tracts that are third-party certified to conform with the SFI 2015-2019 Standard or other acceptable forest management standards [e.g. CAN/CSA-Z809 and ATFS])
	B1. - Sourced from SFI Certified tracts – Not owned (if known)
	B2. - Sourced from American Tree Farm System certified tracts (if known)
	B3. - Sourced from CSA-certified tracts (if known)
	C. Sourced through a procurement system certified to conform with SFI 2015-2019.
	D. Pre-consumer recycled content (may be counted as a responsible fiber source)
	E. Post-consumer recycled content (may be counted as a responsible fiber source)
	F. Total responsible fiber sources = B + C + D + E
	G. Conversion Sources (Neutral source)
	H. Agricultural Sources (Neutral source)
	I. Other Credible Sources; those outside of U.S. or Canada (must be verified; see Section 4, "6. Sourcing From Outside the United States and Canada")
	Controversial sources (includes illegal logging and fiber sourced from areas without effective social laws). Must be zero or the product/facility cannot meet requirements.
	<b>% Responsible Fiber Sources = (F/(A -(G+H)))*100</b>

Note 1: Separate tables required for each product or product line unless the entire facility is within scope

Note 2: Agricultural Sources are not counted in calculation of the wood fiber sourcing percentages specified for use of the SFI on-product label.

Note 3: Neutral sources are subtracted from the total before calculating the percentage.





# Checklist for SFI® Section 9, Appendix 1: Audits of Multi-Site Organizations

C0079539 - Canfor Southern Pine

Date of audit(s): Camden, SC – June 17, 2019

### 3 Terms and Definitions

- 3.1 **Organization:** The term organization is used to designate any company or other organization owning a management system subject to audit and certification.
- 3.2 **Site:** A site is a permanent location where an organization carries out work or a service.
- 3.3 **Multi-Site Organization:** An organization having an identified central function (hereafter referred to as a central office – but not necessarily the headquarters of the organization) at which certain activities are planned, controlled or managed and a network of local offices or branches (sites) at which such activities are fully or partially carried out.
- 3.4 **Group Certification Organization:** A specific type of multi-site organization where forest owners, forest owners’ organizations, forest managers, forest products manufacturers or forest products distributors without a pre-existing legal or contractual link can form a group for the purposes of achieving certification and gaining eligibility for a sampling approach to certification audits.

For audits of conformance with SFI Section 4 in the SFI 2015-2019 Standards and Rules document, multi-site organizations using either IAF-MD1 or alternate approaches to sampling shall ensure that all the relevant sites (including the central function) are subject to the organization’s internal audit program and shall have been audited in accordance with that program prior to the certification body starting its assessment. (Section 9, Requirement 4.1.5 Audit Procedures)

**Note:** Communicate with NSF Project Manager to confirm.

- N/A     
 Conforms     
 Exceeds     
 O.F.I.     
 Minor NC     
 Major NC

Audit Notes: Initial assessment occurred in 2009. Review of 2019 internal audit confirms the IAF-MD-1 Requirements are met. The internal audits are conducted at the same facilities that are audited during the 3<sup>rd</sup> party audit.

### 4.1 Eligibility Criteria / Method of Sampling (choose 1)

- Eligibility criteria established in IAF-MD1: **Use Sub-Checklist 9-1-A** below.
- Alternative Approaches to sampling provided for in Section 9, Subsection 5.2 of the Audit Procedures and Auditor Qualifications and Accreditation document: **Use Sub-Checklist 9-1-B** below.



**Sub-Checklist 9-1-A: Eligibility Criteria Established in IAF-MD1**

**Applicable**       **Not Applicable**

4.1.1 Multi-site organizations using IAF-MD1 as the basis for sampling shall meet the eligibility criteria established in IAF-MD1, including, but not limited to, the following:

- a. The processes at all sites have to be substantially of the same kind and have to be operated to similar methods and procedures.

N/A       Conforms       Exceeds       O.F.I.       Minor NC       Major NC

Audit Notes: All sites are pine sawmills or elam mills using similar procurement and processing processes.

- b. The organization’s management system shall be under a centrally controlled and administered plan and be subject to central management review and all relative sites (including the central administration function) shall be subject to the organization’s internal audit program.

N/A       Conforms       Exceeds       O.F.I.       Minor NC       Major NC

Audit Notes: Each procurement area has a procurement manager and, where appropriate, procurement foresters. Each year the central office and two (three during a recert) procurement areas are sampled. Confirmed by review of internal audit report for 2019 and interview with Ron Phillips - Certification Manager.

The central office functions include generating and maintaining program policies and procedures, annual reporting requirements, internal audits and the annual management review.

- c. It shall be demonstrated that the central office of the organization has established a management system in accordance with the SFI 2015-2019 Standards and that the whole organization meets the requirements of the standard.

N/A       Conforms       Exceeds       O.F.I.       Minor NC       Major NC

Audit Notes: The central office functions include generating and maintaining program policies and procedures, annual reporting requirements, internal audits and the annual management review.

Internal audit and annual management review confirm the management system.

- d. The organization should demonstrate its ability to collect and analyze data (including, but not limited to, the items listed below) from all sites including the central office and its authority and also demonstrate its authority and ability to initiate organizational change if required:

- i. System documentation and system changes;
- ii. Management review;
- iii. Complaints;
- iv. Evaluation of corrective actions;
- v. Internal audit planning and evaluation of the results;
- vi. Changes to aspects and associated impacts for environmental management systems and
- vii. Different legal requirements.

N/A       Conforms       Exceeds       O.F.I.       Minor NC       Major NC

Audit Notes: Internal audit and annual management review confirm the ability to analyze data.

*(END Sub-Checklist 9-1-A: Eligibility Criteria Established in IAF-MD1)*

**Sub-Checklist 9-1-B: Alternative Approaches to Sampling from Section 9, 5.2**

**Applicable**       **Not Applicable**

(END Sub-Checklist 9-1-B: Alternative Approaches to Sampling from Section 9, Subsection 5.2)



**Appendix 4**  
**Site Visit Notes and Interviewees**

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## Canfor Southern Pine 2019 SFI Fiber Sourcing Recertification Audit Interviewees and Tracts Visited

### Company Personnel Interviewed

Ron Phillips – Forest Certification Manager  
Davis McGowen – Conway Procurement Manager  
Mike Harris – Procurement Forester Graham  
Mike Cheston - Procurement Forester Graham  
Doug Burlison – Procurement Manager Graham  
Will Reece – Procurement Forester Graham  
Alec Kearns - Procurement Forester Graham  
Eric Byrd - Procurement Forester Graham (intern)

### Contract Loggers Interviewed

Carl Johnson

### Landowners Interviewed

Martha Branson  
Michael Anderson

### NC FS BMP Forester Interviewed

Sam Buchanan

### Wood Suppliers Interviewed

Charles Seegars – Johnson Company Camden  
Mike Wilson – CWC Darlington  
Thomas McElveen – Conway  
Keith Greer – Carolina Forest Products

### Graham Area Tracts Visited (Camden, Darlington, Conway – gatewood only)

McCormick Farms – Active pine final harvest cut by Johnson. Haul road across field matted. No issues.

Crumpler – Pine final harvest cut by Williams. Good wet weather tract cut during the wet season. Consultant flagged SMZ with no issues.

Stewart – Pine final harvest and select cut by Jeffers. Intermittent streams crossed with mats with good debris on approaches. Some rutting on the main skid trail. Consultant flagged SMZ with no issues.

Douglas – Pine final harvest cut by Jeffers. Two intermittent streams crossed with mats with good debris on approaches and an intermittent crossed using logs with no issues.

Jeffers – Pine final harvest and thinning cut by Jeffers. 2 intermittent streams crossed with mats with good debris on approaches and no issues.

Oldham – Pine/hardwood final harvest cut by Tarheel Logging. Assignment harvest with Hood Forest Resources handling the logging. Logger moved on without notifying anyone and rutted main skid trail. Logger was fired. An intermittent stream crossing using matts was strawed with debris on approaches. No issues.

Moncure Holdings – Pine shelterwood harvest cut by Johnson. Perennial stream crossed with mats. Good SMZ flagged by Company and water bars on the roads and skid trails. No issues.

Tilghman – Pine/hardwood final harvest cut by Johnson. Perennial stream crossed with mats with no issues.

Los Tres Amigos - Pine/hardwood final harvest cut by Johnson. Good SMZ flagged by the Company.

Atwater - Pine cut by Williams. Perennial stream crossed with matts and good SMZ flagged by the Company. No issues.

Kerr – Pine/hardwood final harvest cut by Williams. Perineal stream crossing using mats with no issues.

Duncan - Pine/hardwood final harvest cut by Buchanan Tree Service. Perennial stream crossing using mats with no issues.



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**The following documents were reviewed for all stumpage tracts visited:**

- Timber sale inspections,
- Contractor and Cut & Haul agreements with BMP and trained logger clauses,
- For T/E, tract map sent to NC Dept. of Natural and Cultural Resources that do a check and respond with a letter, and
- NCFS Forest Water Quality Site Inspection & Compliance Notification.



**Appendix 5**  
**Meeting Attendees**



### NSF Audit Attendance Sheet

Company Name Canfor Southern Pine, Inc.

Location Camden, SC Opening Meeting and Graham, NC Closing Meeting

Type of Audit SFI Fiber and Certified Sourcing Recertification Audits

Opening Meeting Date June 17, 2019 Closing Meeting Date June 21, 2019

Name	Position	Attended Opening Meeting?	Attended Closing Meeting?
<del>Norman Boatwright</del>	<del>NSF LEAD AUDITOR</del>	<del>AB</del>	<del>AB</del>
Ron Phillips	Avec Mgr. - Fiber Proc.	RP	RP
Davis McGowan	Procurement Manager	TDM	TDM
Alec Kearns	Procurement Forester		AMK
<del>Davis McGowan</del>			
Eric Byrd	Fiber Procurement Intern		ETB
MIKE HARRIS	FIBER PROCUREMENT FORESTER		MH
Doug Burkson	Fiber Procurement Manager		DCB