

Canfor Southern Pine 2016 Public Summary Audit Report

SFI Fiber Sourcing

The SFI Program of Canfor Southern Pine of Myrtle Beach, SC 29579 has demonstrated conformance with the SFI 2015-2019 Standards and Rules, Section 3 – Fiber Sourcing, according to the NSF Certification Process.

Canfor Southern Pine is a forest products company with corporate headquarters located in Myrtle Beach, SC that operates four (4) southern yellow pine manufacturing facilities in located in Camden, Conway and Darlington, South Carolina and Graham, North Carolina. The company utilizes three procurement groups to source the mills. The Graham, NC group sources wood to its mill and routinely purchases stumpage tracts. The Conway procurement group sources the Conway and Darlington mills. The Camden procurement group sources the Camden and Darlington mills. The Camden and Conway procurement groups do not routinely purchase stumpage tracts. Canfor Southern Pine procures wood primarily from areas surrounding the aforementioned facilities. The facility utilizes saw logs.

The audit was performed by NSF on June 20-22, 2016 by Mona Griswold, 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.

Audit Process

NSF initiated the audit process with a readiness review to confirm the scope of the audit, review the SFI Indicators and evidence to be used to assess conformance, verify that Canfor Southern Pine was prepared to proceed to the audit, and to prepare a detailed audit plan. NSF then conducted the audit of conformance. A report was prepared and approved by an independent certification board member assigned by NSF. Follow-up or surveillance audits are required by SFI, Section 9. The next surveillance audit is scheduled for June 19-21, 2017.

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 Full Conformance, Major Non-conformance, Minor Non-conformance, Opportunities for Improvement, and Practices that exceeded the Basic Requirements of the standard.

Overview of Audit Findings

Canfor Southern Pine was found to be in conformance with the standard. NSF determined that there was 1 minor non-conformance:

Minor non-conformance to 1.2 Additional Requirements- 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.

Canfor elected to be audited to the 2010-2014 SFI Standard in 2015. They have continued to use the Certified Sourcing label on their lumber. The 2016 audit includes a registration audit for use of the Certified Sourcing label on their lumber. SFI logo meets standards and was re-approved by SFI (Rachel Dierolf) 6-16-16.

Canfor Southern Pine has developed plans to address these issues. Once they are approved to use the Certified Sourcing label they will be in compliance. The corrective action plan will be reviewed in the next surveillance audit.

1 opportunity for improvement was also identified, and included:

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

OFI- Ensure that SMZ's are in BMP compliance for the entire length of stream.

These findings do not indicate a current deficiency, but served to alert Canfor Southern Pine to areas that could be strengthened or which could merit future attention. The company has already taken steps to ensure BMP compliance including contacting the consultant in charge of the timber sale and speaking with the logging contractor.

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: Review of company policies and signed documents; field inspection of stumpage tracts and files.

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: Review of company policies, review of spreadsheets tracking logging contractor status in State logger training programs confirmed adherence.

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: Reviewed commitment signed by Company President; company policies; training records for staff and logging contractors.

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: Reviewed Agendas and minutes from two state SIC's from 2015 to present indicating Canfor personnel's involvement.

Objective 9 Communications and Public Reporting

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

Summary of Evidence: Reports filed on time with SFI Inc. Viewed evidence to support this.

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, internal audits 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

For Additional Information Contact:

Norman Boatwright	Daniel Freeman	Company Contact Information
NSF Forestry Program Manager	NSF Project Manager	Davis McGowen
PO Box 4021 Florence, SC 29502	789 N. Dixboro Road Ann Arbor, MI 48105	Canfor Southern Pine 1283 Hwy 501 Bus. Conway, SC 29526
843-229-1851	734-214-6228	843-344-3393
nboatwright12@gmail.com	dfreeman@nsf.org	Davis.mcgowen@canfor.com