Appendix 2

NSF International Forestry Program
Public Summary Audit Report

SFI Fiber Sourcing

The SFI Program of Newport Timber LLC of Riceboro, GA has demonstrated conformance with the SFI 2015-2019 Standards and Rules, Section 3 – Fiber Sourcing, according to the NSF Certification Process.

Newport Timber LLC is privately owned and operates a sawmill and linerboard manufacturing facility that utilize pine. Newport Timber LLC procures material from southeastern Georgia.

The audit was performed by NSF on February 18th & 19th, 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.

As with the initial certification, several of the SFI Performance Measures were outside of the scope of the SFI program and were excluded from the scope of the SFI Certification Audit as follows:

- Indicator 5.2.2: The Company does not conduct research on genetically engineered trees.
- Objective 8: The Company does not have Public Land Management responsibilities.
- Objectives 11-13: The Company does not procure wood outside of the U.S. and Canada

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 Newport Timber LLC 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 February 21st and 22nd 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

Newport Timber LLC was found to be in conformance with the standard. NSF determined that there was an opportunity for improvement:

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

OFI: While Newport employees gather T & E data they should follow the rest of the organizations written policy for this performance measure

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These findings do not indicate a current deficiency, but served to alert Newport Timber LLC to areas that could be strengthened or which could merit future attention.

General Description of Evidence of Conformity

NSF's audit team used a variety of evidence to determine conformance of select Objectives (Objectives 1,2,6,9, and 10). 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**: Confirmed by review of company documents, interviewing foresters, reviewing company policies and evidence in the field (including documentation contained in each tract file).*

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**: Confirmed by review of company documents, interviewing company foresters, State forestry personnel and field visits. Reviewed contracts for proper language and checked BMP inspection documents for compliance.*

Objective 6 Training and Education

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

***Summary of Evidence**: Verified by interviewing company personnel, viewing company documents sent to employees and contractors, viewing sign-in attendance sheets for training and checking logging contractors on the GA Master Timber Harvester website for compliance.*

Objective 9 Communications and Public Reporting

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

***Summary of Evidence**: Verified by reviewing 2015 document, historic records of SFI reports, SFI website and e-mail to company confirming SFI Report was sent to SFI before the deadline.*

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.

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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 landowner's *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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