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**Bureau Veritas Certification
North America, Inc.
SFI Fiber Sourcing Audit Report**
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Company Name	SOUTHEASTERN TIMBER PRODUCTS, LLC
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Phone / Fax	601-982-8728
PQC Code	E06
Contract Number	US.2883070

Certification Audit:	X	Re-Certification Audit:		Surveillance Audit:		Scope extension audit:	
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Audit Summary
<p align="center">Introduction</p> <p>This report summarizes the results of a stage 2 certification audit conducted on Southeastern Timber Products, LLC against the SFI 2015-2019 Fiber Sourcing Standard. Gary Boyd, Bureau Veritas Certification Lead Auditor, conducted the stage 1 audit on November 29, 2017 followed by this stage 2 audit on December 6, 2017. Gary Boyd is a SAF Certified Forester and is a Registered Forester in Georgia.</p> <p align="center">Audit Scope, Objectives and Process</p> <p>The scope of the audit is “Purchasing of gate wood for processing logs into lumber and residual products”. The goal is certification under the SFI 2015-2019 Certified Sourcing Standard. Two objectives of the SFI audit were to verify that the Program Participant’s SFI Program is in conformance with the SFI Objectives, Performance Measures, and Indicators and verify whether Southeastern Timber Products can effectively implement SFI program requirements on the ground.</p> <p>The opening meeting occurred on November 29, 2017. During the opening meeting the objectives for the certification audit were outlined and the audit process for collecting evidence and making audit findings was explained. The stage 1 audit findings were reviewed. Findings of non-conformance, opportunities for improvement, and appeals were also explained. Confidentiality was assured. The audit plan was discussed and agreed to, and the time and date of the closing meeting was also confirmed. There were no substitutions or edifications of SFI indicators. Standard Bureau Veritas Certification protocols and forms were applied throughout the audit as provided by the current version of the Bureau Veritas Certification SFI Auditor Handbook. Field notes and an SFI indicator checklist were completed. Jerry Young, Procurement Manager, and Jody Webb, Mill Manager, were present throughout portions of the audit.</p> <p align="center">Audit Plan</p> <p>The stage 1 audit was conducted for one day at the Ackerman, MS office on November 29, 2017. The stage 2 field audit was conducted for one and one-half days on December 5-6, 2017. A closing meeting was conducted at the end of the day on the 6th. An audit plan was developed and is on file with Bureau Veritas Certification</p> <p align="center">Company Information</p> <p>Southeastern Timber Products, LLC is headquartered in Jackson, MS with its Southern Pine Sawmill</p>

located in Ackerman, MS. The mill began operations in 1972 and has run on a continuous basis for over 40 years. The sawmill, located in Central Mississippi, has an annual production capacity of approximately 130 million board feet of lumber.

Multi-Site Requirements

Not Applicable

Audit Results

The audit consisted of document and record reviews with Jerry Young, Procurement Manager and Jody Webb, Mill Manager. Four harvesting locations were visited in the field; two of which were completed thinnings and two were completed clearcuts. This is Southeastern Timber Products initial certification; the company is also pursuing SFI chain of custody certification. Southeastern Timber Products has integrated SFI Fiber Sourcing requirements into the existing management system to prepare for the certification audit. Documentation, system controls, and management controls are well done and complete, as noted below.

Objective 1-Biodiversity in Fiber Sourcing:

Southeastern Timber Products addresses biological diversity by maintaining information and lists from the MS Natural Heritage and the US F&W Service on T&E species. The company encourages their suppliers to also address biodiversity by sending letters of their commitment of SFI. An Opportunity for Improvement was identified for the need to be more aware of assessments and conservation efforts in the company's supply area.

Objective 2-Adherence to Best Management Practices:

Southeastern Timber Products only purchases logs from gatewood suppliers. Log Purchase Agreements contain BMP compliance requirements. The company has developed and implemented a verifiable monitoring program of BMP compliance. Supplier Site Inspection Checklists were completed on the 2 thinning and 2 clearcut sites visited during the stage 2 certification audit. Observations of the tracts were consistent with comments and findings of the company's checklists.

Objective 3-Use of Qualified Resource and Qualified Logging Professionals:

Southeastern Timber Products supports the MS SIC's Professional Logging Manager Program. The company's Log Purchase Agreement requires trained loggers. They promote and encourage the use of trained logging professionals. The contractors used on the 4 harvest sites inspected were current with their logger training continuing education requirements.

Objective 4-Legal and Regulatory Compliance:

Southeastern Timber Products had access to and were knowledgeable on federal and state laws and regulations. An Opportunity for Improvement was identified as the company did not have access to various state and local laws and regulations. Log Purchase Agreements contained requirements for suppliers and loggers to meet all applicable laws and regulations.

Objective 5-Forestry Research, Science and Technology:

Southeastern Timber Products regularly supplies Mississippi State University with raw materials and lumber for various research projects on sustainability.

Objective 6-Training and Education:

Southeastern Timber Products has developed and has distributed its commitment to SFI through its Sustainable Forestry Policy. The company has a one-person procurement organization. The Procurement Manager is a MS Registered Forester and is maintaining his MS Professional Logging Manager training. Company Log Purchase Agreements requires trained loggers. The company has started attending MS SIC committee meetings. Based on the request of the MS SIC, the company

will officially join the MS SIC in January 2018.

Objective 7-Community Involvement and Landowner Outreach:

Southeastern Timber Products only purchases gatewood from suppliers and does not have regular contact with forest landowners. The company distributes its commitment to SFI through supplier letters which encourages their suppliers to provide outreach information to landowners. On occasion landowners will contact the company directly. When it occurs, the company provides SIC generated information to these interested parties. The company has started attending MS SIC committee meetings. Based on the request of the MS SIC, the company will officially join the MS SIC in January 2018.

Objective 8-Public Land Management Responsibilities:

Not Applicable

Objective 9-Communications and Public Reporting:

Not applicable for this certification audit. The company has procedures in place to meet these reporting requirements in the future.

Objective 10-Management Review:

A Management Review for the company was conducted prior to the stage 1 certification audit on September 27, 2017.

Objective 11-Promote Conservation of Biological Diversity, Biodiversity Hotspots and High-Conservation Wilderness Areas:

Not Applicable

Objective 12-Avoidance of Controversial Sources including Illegal Logging:

Not applicable

Objective 13-Avoidance of Controversial Sources including Fiber Sourced from Areas without Effective Social Laws:

Not Applicable

Findings

Previous non-conformances:

Not Applicable; This is the company's initial certification audit.

Non-conformances:

None

Opportunities for Improvement:

Two Opportunities for Improvement were identified during the certification audit. While the company had developed measures to meet these indicators, improvements can be made to insurance conformance to these indicators in the future.

1. PM 1.1, Ind. 1: The company needs to be more aware of biological assessments and conservation efforts in the company's supply area.
2. PM 4.1, Ind. 1: The company did not have access to various state and local laws and regulations.

Notable Practices:

None

Logo/label use:

Southeastern Timber Products has not yet used the SFI logo, but may do so in the future. The company has procedures in place to contact SFI to obtain approval before doing so. They do not intend to use the BVC logo.

SFI reporting:

This is Southeastern Timber Products initial audit, so no audit reports have yet been submitted.

Conclusions

The closing meeting was held on December 6, 2017. The findings related to all audited indicators were reviewed, and the confidentiality of audit results assured. In the opinion of the auditors, Southeastern Timber Products in general has developed and can implement an effective SFI program that meets the requirements of the SFI 2015-2019 Fiber Sourcing Standard. The company is recommended for immediate certification to the SFIS 2015-2019 FM Standard.

SEE SF61 FOR AUDIT NOTES

Summary of Audit Findings:					
Audit Date(s):	From: November 29, 2017			To: December 6, 2017	
Number of SF02's Raised:	Major:		0	Minor:	0
Is a follow up visit required:	Yes	No	X	Date(s) of follow up visit:	
Follow-up visit remarks:					

Team Leader Recommendation:							
Corrective Action Plan(s) Accepted	Yes		No		N/A	X	Date:
Proceed to/Continue Certification	Yes	X	No		N/A		Date: 12/6/2017
All NCR's Closed	Yes		No		N/A	X	Date:
Standard audit conducted against:							
1)	SFI 2015-2019 Fiber Sourcing	3)					
2)		4)					
Team Leader (1):		Team Members (2,3,4...)					
Gary Boyd		2)					
		3)					
Scope of Supply: (scope statement must be verified and appear in the space below)							
<i>Sawmill</i>							
Accreditation's	ANAB						
Number of Certificates	1						
Proposed Date for Next Audit Event							
Date	November 28-29, 2018						
Audit Report Distribution							
Claw Forestry Services - William J Van Devender Jr - william@claw-forestry.com							
BVC – Liliana Ramirez - liliana.ramirez@us.bureauveritas.com							

Clause	Audit Report
Opening Meeting	Participants: Jerry Young, Jody Webb, Gary Boyd Discussions: <ul style="list-style-type: none"> ➤ Introductions ➤ Scope of the audit ➤ Audit schedule/plan ➤ Nonconformance types – Major / Minor ➤ Review of previous nonconformances – N/A. ➤ Process approach to auditing and audit sampling ➤ Confidentiality agreement ➤ Termination of the audit ➤ Appeals process ➤ Closing meeting timing
Closing Meeting	Participants: Jerry Young, Jody Webb, Gary Boyd Discussions: <ul style="list-style-type: none"> ➤ Introductions and appreciation for selecting Bureau Veritas Certification. ➤ Review of audit process - process approach and sampling. ➤ Review of OFIs and System Strengths ➤ Nonconformances - 0 ➤ Date for next audit. ➤ Reporting protocol and timing