SECTION 9

SFI 2015-2019 AUDIT PROCEDURES AND AUDITOR QUALIFICATIONS AND ACCREDITATION

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SFI 2015-2019 AUDIT PROCEDURES AND AUDITOR QUALIFICATIONS AND ACCREDITATION

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SECTION 9

SFI 2015-2019 AUDIT PROCEDURES AND AUDITOR QUALIFICATIONS AND ACCREDITATION

INTRODUCTION

All certification, recertification and surveillance audits to Sections 2 and 3 in the *SFI 2015-2019 Standards and Rules* document shall be conducted by *certification bodies* accredited by the ANSI-ASQ National Accreditation Board (ANAB) or the Standards Council of Canada (SCC) to conduct *SFI certification*.

All certification, recertification and surveillance audits to Section 3 – Appendix 1: Rules for Use of *SFI Certified Sourcing* Label and Section 4 in the *SFI 2015-2019 Standards and Rules* shall be conducted by certification bodies accredited by the American National Standards Institute (ANSI) or the Standards Council of Canada to conduct *SFI certifications*.

Information related to the accreditation process can be found on the websites of ANSI-ASQ National Accreditation Board (www.anab.org), the American National Standards Institute (www.ansi.org) or the Standards Council of Canada (www.scc.ca).

Accredited *certification bodies* that provide certification services for *SFI* Sections 2 and 3 are required to maintain audit processes and conduct audits consistent with the requirements of:

- International Organization for Standardization (ISO) 17021:2011 (Conformity assessment – Requirements for bodies providing audit and certification of management systems); and
- ISO TS 17021-2 (Part 2: Competence requirements for auditing and certification of environmental management systems).

Accredited certification bodies that provide certification services for *SFI* Section 3 – Appendix 1: Rules for Use of *SFI Certified Sourcing* Label and Section 4 are required to maintain audit processes and conduct audits consistent with the requirements of ISO 17065 (Conformity assessment – Requirements for bodies certifying products, processes and services).

ISO is a worldwide federation of national standards bodies. The preparation of International Standards is conducted by ISO technical committees.

The ISO 17021:2011, ISO TS 17021-2 and ISO 17065 standards were prepared by the ISO Committee on Conformity Assessment (CASCO).

1. SCOPE

This *SFI Audit Procedures and Qualifications* document is intended to support, but not replace the audit process requirements contained in ISO 17021:2011, ISO 17021-2 and ISO 17065, by providing specific requirements to *SFI Program Participants* and *certification bodies.* It is applicable to all forest management, *fiber sourcing* organizations and chain-of-custody certificate holders when conducting *third-party certification*, recertification, or surveillance audits to the *SFI 2015-2019 Standards and Rules* Sections 2, 3 and 4.

2. NORMATIVE REFERENCE

Certification bodies and *auditors* conducting third-party audits to *SFI* Sections 2 and 3 in the *SFI 2015-2019 Standards and Rules* document must conform to the requirements of ISO 17021:2011 and ISO TS 17021-2, while those conducting third-party audits to *SFI* Section 3 – Appendix 1: Rules for Use of *SFI Certified Sourcing* Label and Section 4 must conform to the requirements of ISO 17065. In addition, all *certification bodies* and *auditors* conducting third-party audits to SFI Sections 2, 3 or 4 in the *SFI 2015-2019 Standards and Rules* document must conform to all applicable ANAB, ANSI or SCC requirements and International Accreditation Forum (IAF) Mandatory Documents (e.g., IAF MD 1, IAF MD 5, IAF MD 11).

3. TERMS AND DEFINITIONS

Definitions of terms can be found in the Section 13 of the *SFI 2015-2019 Standards and Rules* document.

4. PROCEDURES FOR IMPLEMENTING THE *PRINCIPLES* FOR *SFI* AUDITING

ISO 17021:2011 Section 4 addresses general *principles* associated with auditing, including impartiality, competence, responsibility, openness, confidentiality and responsiveness to complaints.

All information and documents, including working drafts and reports, shall be considered confidential. *Certification bodies* shall not release any information or documents without the prior written permission of the *Program Participant. Auditors* shall conduct themselves in a professional and ethical manner.

Certification bodies and *audit team* members and their employers shall not participate in an appraisal or advise a potential purchaser or broker a purchase of property audited within the prior three years without the written permission of the audited party. *Certification bodies, audit team* members, and employers shall notify the audited party of participation in such activities after the three-year period immediately upon initiation of such activities for a period of at least 10 years following the audit.

Prior to engaging in an audit and the *Program Participant's* acceptance of the *audit team*, the *certification bodies* and *audit team* members shall disclose to the party requesting the audit any prior land appraisal or assessment work or land brokerage activity or other professional services they or their employers conducted related to the property to be audited.

Certification bodies must successfully complete annual witness audits and periodic re-accreditation audits to maintain their accreditation status from ANAB or SCC.

5. *SFI* AUDIT ACTIVITIES

5.1 Initial Certification

For the initial certification audit to be completed, the auditee must be an *SFI Program Participant* or be in the process of becoming one in which case the final certification decision is conditioned on becoming a *Program Participant.* The *SFI* certificate(s), *Forest Management, Fiber Sourcing* or *Chain of Custody* cannot be issued by the *certification body* until the applicant has become an *SFI Program Participant.* It should be noted that the *SFI 2015-2019 Standards and Rules* is a publicly available document and, as such, anyone who wants to can offer their "opinion" on an organization's conformance to it. However, because "Sustainable Forestry Initiative" and "SFI" are registered service marks, an entity would infringe on this ownership in violation of the federal intellectual property laws if they were to use the service marks in a public claim about the "opinion" without becoming an *SFI Program Participant.*

5.2 Certification of Multiple Sites

ISO 17021: 2011 Clause 9.1.5 specifies that where multi-site sampling is utilized for the audit of a client's management system covering the same activity in various locations, the *certification body* shall develop a sampling program to ensure proper audit of the management system. The rationale for the sampling plan shall be documented for each client.

International Accreditation Forum Mandatory Document 1 (IAF MD 1) provides mandatory guidance for the consistent application of Clause 9.1.5 that is subject to the specific requirements of relevant standards.

Within the context of the *SFI 2015-2019 Standards and Rules Section 2 and Section 3,* and specific risks associated with certification of *forestry* operations, *Certification bodies* may apply alternative sampling approaches to IAF MD 1 in certain circumstances.

Additional information regarding multi-site certification (including the circumstances under which alternative sampling approaches to IAF MD-1 is permissible) is included in Appendix 1 of Section 9 in the *SFI 2015-2019 Standards and Rules* document.

5.3 Substitution and Modification of *SFI 2015-2019 Sections 2 and 3 Standard Indicators*

Program Participants, with consent from the *certification body*, may substitute or modify *indicators* in *SFI* 2015-2019 Sections 2 and 3 Standards to address local conditions based on a thorough analysis and adequate justification. The *certification body* is responsible for ensuring revised *indicators* are consistent with the spirit and intent of the *SFI* 2015-2019 Sections 2 and 3 Standards *performance measures*

and *indicators* and with the *principles of sustainable forestry*, and that the changes are appropriate for specific local conditions and circumstances and the *Program Participant's* scope of operation.

Additional *indicators* beyond those identified in the *SFI* 2015-2019 Sections 2 and 3 Standards, if included by the *Program Participant*, shall be audited like all other *indicators.*

5.4 Determination of Conformance

5.4.1 The *certification body* shall assess conformance to each element of the *SFI* 2015-2019 Sections 2 and 3 Standards', *objectives, performance measures* and *indicators* within the scope of the audit. SFI 2015-2019 Standards' elements are *objectives, performance measures* and *indicators*. The Introduction (Section 1) to the *SFI 2015-2019 Standards and Rules* document is informative, and as such, is not an auditable element.

Evidence shall be compiled by examining operating procedures, materials relating to *forestry* practices and on-the-ground field performance, and through meetings or correspondence with employees, contractors and other third parties (e.g., government agencies, community groups, affected *Indigenous Peoples, conservation* organizations), as appropriate, to determine conformance to the *SFI 2015-2019 Forest Management Standard* and *the SFI 2015-2019 Fiber Sourcing Standard.*

5.4.2 The *certification body* shall assess conformance to each element of the *SFI 2015-2019 Chain-of-Custody Standard* requirements within the scope of the audit. The Preface to the *SFI 2015-2019 Chain-of-Custody Standard* is informative, and as such, is not an auditable element.

5.4.3 The *certification body* shall ensure that the audit *objectives* and scope as well as the *auditor* time allocated to the audit:

- allow for accurate determination of conformance for the operating units within the scope of the audit;
- verify that the *SFI 2015-2019 Standards Sections 2 and 3 programs* conform to *SFI principles, policies, objectives, performance measures, indicators,* and any additional *indicators* that the *Program Participant* chooses; and
- verify whether the *Program Participant* has effectively implemented its *SFI 2015-2019 Standards Sections 2 and 3 program* requirements on the ground and *SFI 2015-2019 Chain-of-Custody Standard program* requirements.

If a *major nonconformity* is found, a certificate of conformance shall not be issued until the *certification body* verifies that corrective action approved by the *lead auditor* has been implemented. A revisit may be required to verify implementation of corrective actions.

If a *minor nonconformity* is found, a certificate of conformance may be issued only after the *lead auditor* approves a corrective action plan that addresses the nonconformity within an agreed-upon period, not to exceed one year. Verification that the corrective action has been effectively implemented shall occur during the next surveillance audit.

5.5 *SFI* Technical Audit Report to the *Program Participant*

The ISO document 17021:2011 at Section 9.1.10 addresses audit report contents. In addition, the *SFI* audit report to the *Program Participant* shall cover:

a. the audit plan;
b. a description of the audit process used;
c. the number of *auditor* days used to conduct the audit, including both on-site and off-site audit activities;
d. information regarding any meetings or correspondence between the *audit team* and government agencies, community groups, affected *Indigenous Peoples* and *conservation* organizations;
e. documentation of the rationale for the substitution or modification of an *indicators;*
f. a schedule for surveillance and recertification; and
g. any specific focus areas for the next audit visit.

See Section 10 in the *SFI 2015-2019 Standards and Rules* document regarding the development and release of public summary audit reports.

5.6 Recertification

5.6.1 To maintain current *SFI 2015-2019 Standard* certificates, *Program Participants* shall recertify their *SFI programs* to the *SFI 2015-2019 Sections 2 and 3 Standards* every three years.

5.6.2 To maintain a current Section 4 *SFI 2015-2019 Chain-of-Custody* certificate, *Program Participants* shall recertify their *SFI chain-of-custody program* to the Section 4 *SFI 2015-2019 Chain-of-Custody Standard* every five years.

5.7 Transferal of Certified Lands or Facilities

When one *SFI Program Participant* acquires the certified forest land or facilities of another *Program Participant*, the *certification bodies* shall work with the parties involved to review the acquisition or sale. This review will determine the significance of changes that may occur with the transfer of ownership of the forestland and/or facilities to determine the actions necessary in order to issue a new certificate to the party receiving the new assets. It is imperative that *Program Participants* notify their respective *certification body* as soon as possible when forestland and/or facilities are being purchased or sold to ensure that lapses in certification status can be eliminated or minimized. Refer to ISO/IEC 17021 for more information.

In order to *minimize* disruptions in operations due to the transfer of certified forestlands and or facilities from one certified *Program Participant* to another, the *SFI Office of Label Use and Licensing* will honor current *SFI certifications* for the forestlands and or facilities involved in the transfer for a period of 90 days for *SFI* product labeling purposes provided:

a. The parties involved request this grace period in writing prior to the transfer of the assets with documentation confirming that there will not be significant variation in the current operations, environmental management systems, personnel, etc. during the transfer.
b. The party receiving the assets must provide documentation demonstrating the timeline for obtaining their new *SFI certification* from an accredited *certification body.*
c. The party desiring to utilize the *SFI* product labels must be in full conformance with Sections 2, 3 or 4 and Section 5 of the *SFI 2015-2019 Standards and Rules.*

6. COMPETENCE AND EVALUATION OF *CERTIFICATION BODIES*

6.1 Qualifications of *Audit Teams*

Audit teams shall have the competence (knowledge and skills) to conduct an audit in accordance with the *principles* of auditing. The *certification body* shall select *audit team* members appropriate to the scope, scale and geography of the operation being audited. Additionally, at least one member of the *audit team* shall have knowledge of *forestry* operations in the region undergoing the audit, at least one member shall have knowledge of applicable laws and regulations, at least one member shall have knowledge of the socio-demographics and cultural issues in the region, and at least one member shall be a professional forester as defined by the Society of American Foresters (SAF), the Canadian Institute of Forestry, or licensed or registered by the state(s) or province(s) in which the certification is conducted. For forest management audits, the *audit team* shall have expertise that includes plant and *wildlife* ecology, *silviculture,* forest modeling, forest operations, occupational safety and health, international labor standards, and hydrology. One specialist per discipline is not required to meet any of the above requirements.

6.2 Qualifications of *Auditors*

ISO document 17021:2011 at Section 7.1 and Section 7.2 addresses general competence requirements for *certification bodies* providing audit and certification of management. This is supplemented by the environmental management system-specific competence requirements contained in ISO 17021-2.

In addition to the competence requirements contained in ISO 17021:2011 and ISO 17021-2, for certifications to the *SFI 2015-2019 Standards, audit team* members shall have the education, formal training and experience that promote competency in and comprehension of:

a. *forestry* operations as they relate to natural resource management, including *wildlife,* fisheries, recreation, ecology;
b. international and domestic *sustainable forestry* management systems and performance standards including occupational safety and health, and labor standards; and
c. certification requirements related to the *SFI* program.

Audit team members who have obtained a professional *degree* in *forestry* or a closely related field shall have a minimum of two years' relevant work experience.

6.3 Maintenance and Improvement of Competence

All *audit team* members shall pursue ongoing personal and professional development in:

a. forest management science and technology;
b. sustainable forest management systems and certification *programs* and standards;
c. understanding and interpretation of federal, state, and provincial *forestry* and environmental laws and codes of practice; and
d. certification procedures, processes and techniques, especially as these pertain to the *SFI 2015-2019 Standards.*

An *auditor* who maintains Certified Forester, Registrar Accreditation Board, or Canadian Environmental Certification Approvals Board sustainable forest management *auditor* ((EP(EMSLA)) certification, or equivalent, shall be considered to have fulfilled continuing education requirements.

7. ACCREDITATION OF *CERTIFICATION BODIES*

The *SFI* program requires *certification bodies* to be accredited in order to conduct *SFI certifications* and issue certificates.

Certification body: an independent *third party* that is accredited by:

- ANSI-ASQ National Accreditation Board (ANAB) as being competent to conduct certifications to the *SFI 2015-2019 Standards* Sections 2 and 3.
- American National Standards Institute (ANSI) as being competent to conduct certifications to the *SFI 2015-2019 Chain-of-Custody Standard* Section 4 and *SFI* Section 3 – Appendix 1: Rules for Use of *SFI Certified Sourcing* Label.
- Standards Council of Canada (SCC) as being competent to conduct certifications to the *SFI 2015-2019 Standards* Sections 2 and 3 and the *SFI 2015-2019 Chain-of-Custody Standard* Section 4 and *SFI 2015-2019 Fiber Sourcing Standard* Section 3, Appendix 1: Rules for Use of *SFI Certified Sourcing* Label.

APPENDIX 1: AUDITS OF MULTI-SITE ORGANIZATIONS

[Normative]

Introduction

Multi-site organizations may be audited on a site-by-site basis (all sites visited each year) or, in some cases, on a sample basis.

This appendix expands on Section 5.1 of the *SFI Audit Procedures and Auditor Qualifications and Accreditation* document and provides additional normative guidance for certification bodies wishing to audit multi-site organizations on a sample basis.

1. Scope

Audits of multi-site organizations applying a sampling approach to assess conformance with:

- Section 2 - *SFI 2015-2019 Forest Management Standard*
- Section 3 - *SFI 2015-2019 Fiber Sourcing Standard*
- Section 4 - *SFI 2015-2019 Chain-Of-Custody Standard*
- *Section 5* - Rules For Use Of SFI On-Product Labels and Off-Product Marks

2. References

IAF Mandatory Document for The Certification of Multiple Sites Based on Sampling Issue 1 (IAF MD1: 2007) – (Normative for S*FI 2015-2019 Standards and Rules* Section 2 and Section 3 and Informative for *SFI 2015-2019 Standards and Rules* Section 4)

IAF Mandatory Document for Duration of QMS and EMS Audits Issue 1 (IAF MD 5: 2009) – (Informative).

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.

4. Procedures for Implementing Audits

4.1 Eligibility Criteria

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.

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.

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.

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.

4.1.2 Multi-Site Organizations using alternate approaches to sampling provided for in 5.1 of the *Audit Procedures and Auditor Qualifications and Accreditation* document shall meet all of the eligibility requirements specified in 4.1.1 above. Deviation from the sampling requirements specified in IAF MD-1 is only permissible in exceptional (i.e., limited) circumstances. In addition, the following requirements must also be met:

a. The alternate sampling approach must be accompanied by a written justification demonstrating that the same level of confidence in conformity with the *SFI 2015-2019 Standards* across all of the sites included in the certification can be obtained.
b. A legal or contractual link shall exist between all sites.
c. The scope and scale of activities carried out by participating sites shall be similar.
d. The management system framework shall be consistent across all sites (allowing for site level procedures to reflect variable local factors).
e. A Central Function[1] shall be established that shall:
   i. provide a commitment on behalf of the whole multi-site organization to establish and maintain practices and procedures in accordance with the requirements of the relevant standard;
   ii. provide all the sites with information and guidance needed for effective implementation and maintenance of practices and procedures in accordance with the relevant standard;
   iii. maintain the organizational or contractual connection with all sites covered by the multi-site organization including the right of the Central Function to exclude any site from participation in the certification in case of serious nonconformities with the relevant standard;
   iv. keep a register of all the sites of the multi-site organization, including for the *SFI 2015-2019 Forest Management Standard* the forest area associated with each participating site;
   v. maintain an internal audit or monitoring *program* sufficient to ensure overall organizational conformance with the relevant standard;[2]
   vi. operate a review of the conformity of sites based on results of internal audit and/or monitoring data sufficient to assess Organizational performance as a whole rather than at the individual site level;
   vii. establish corrective and preventive measures if required and evaluate the effectiveness of corrective actions taken; and
   viii. establish procedures for inclusion of new sites within the multi-site organization including an internal assessment of conformity with the standard, implementation of corrective and relevant preventive measures and a requirement to inform the relevant *certification body* of changes in participation prior to including the sites within the scope of the certification.
f. Functions and responsibilities of individual sites shall be established for:
   i. implementing and maintaining the requirements of the relevant standard;
   ii. responding effectively to all requests from the Central Function or *certification body* for relevant data, documentation or other information whether in connection with formal audits or reviews or otherwise;
   iii. providing full co-operation and assistance in respect of the satisfactory completion of internal audits, reviews, monitoring, relevant routine inquiries or corrective actions; and
   iv. implementing relevant corrective and preventive actions established by the central office.

4.1.3 Group certification organizations formed to achieve *SFI 2015-2019 Standards* certification, in addition to meeting either 4.1.1 or 4.1.2, shall submit all the forest area under management within the catchment area for the group certification (i.e., the group certification shall be defined in geographic terms at a logical scale such as county, region, state/province but once defined must include all sites managed by the central function within that geographic area).

4.1.4 Group certification organizations formed to achieve *SFI 2015-2019 Standards* certification shall establish connections with all participants based on a written agreement that shall include the participants' commitment to comply with the *SFI 2015-2019 Forest Management Standard* and/or the *SFI 2015-2019 Fiber Sourcing Standard*. The Central Function shall provide all participants with information and guidance required for the effective implementation of the sustainable forest management standard and other applicable requirements of the forest certification scheme. The group entity shall have a written contract or other written agreement with all participants covering the right of the group entity to implement and enforce any corrective or preventive measures, and to initiate the exclusion of any participant from the scope of certification in the event of nonconformity with the sustainable forest management standard.

[1] The Central Function comprises the system of processes and procedures necessary to manage the multi-site organization and is not a physical location.
[2] Annual performance data on overall organizational conformance implies that all sites have been internally audited, or monitored, prior to the initial audit and subsequent audit.

4.1.5 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.

5. *SFI* Multi-Site Audit Activities

5.1 Sampling Approaches

5.1.1 *Certification bodies* auditing multi-site organizations using IAF -MD1 as the basis for sampling shall meet the sample selection and intensity criteria established in IAF -MD1.

5.1.2 *Certification bodies* auditing multi-site organizations using alternate approaches as the basis for sampling shall meet the following minimum sample selection and intensity criteria:

a. stratification of the sites included within the multi-site certification based on the scope and scale of activities as well as previous audit findings, complaints and monitoring data collated by the central function;[3 4]
b. a formal documented evaluation of the inherent and control risks at each of the sites participating in the multi-site certification;
c. a sample strategy designed to specifically address the identified risks;
d. consideration of the need for an element of randomness within the sampling strategy to address previously unidentified risks;
e. in cases where the multi-site organization maintains an internal audit *program* determined to be reliable the minimum sample size shall in no event be less than:
   i. √(n) for initial certification audits[5]
   ii. 0.6 √(n) for surveillance audits
   iii. 0.8 √(n) for re-certification audits
f. In cases where there the multi-site organization does not maintain an internal audit *program* determined to be reliable the minimum sample size shall in no event be less than√(n) for initial certifications, surveillance audits and re-certification audits; and
g. In addition to site audits, the central function shall be audited on an annual basis.[6]

5.2 Audit Scope

5.2.1 At a minimum the audit sampling process shall address all elements of the standards on an:

- Annual basis for surveillance audits of conformance with *SFI* Sections 2, 3 and 4 of the *SFI 2015-2019 Standards and Rules* document.
- Triennial basis for re-certification audits of conformance with the *SFI 2015-2019 Standards and Rules* Section 2 and Section 3.
- Quinquennial basis for re-certification audits of conformance with the *SFI 2015-2019 Standards and Rules* Section 4.

5.3 Audit Duration

5.3.1 In determining the overall duration of multi-site audits the underlying objective is to maintain at least the same level of confidence that would be achieved under *IAF MD1*. When calculating audit days, consideration should be given to the general principles guiding audit time calculations outlined in ISO 17021:2011 Section 9.1.4 Determining audit time, IAF -MD5 and (for audits of integrated management systems) IAF MD11.

[3] For example in a multi-site organization with three forest management operations and 15 procurement operations at a minimum, separate strata would be required for the woodlands and procurement operations. Under SFI 2015-2019 Sections 2 and 3, a range of processing facilities may be included under a single stratum to the extent that the nature and risks associated with the fiber supply are consistent across the facilities e.g., three sawmills a plywood mill and a pulp mill may be included within a single stratum if they are all using fiber with a similar risk profile (such as from a single state/province/region). If one of the sawmills imported tropical hardwoods, it would require a separate stratum.

[4] In determining the impact of previous audit findings on a sample strategy consideration shall be given to both the need to formally close out prior audit findings (which may require a site visit) and the implications of previous audit findings for ongoing conformance with the applicable standard(s) by individual sites.

[5] Where n = the number of sites within the stratum.

[6] Auditing of the central function will be primarily based on interviews, document and record review and may be conducted through any combination of off-site audit activities, additional activities carried out through electronic record access at individual sites or visits to the central office as appropriate.

5.4 Nonconformities

5.4.1 Nonconformities identified at the site or organizational level shall be addressed by the central function considering both the site level implications and the broader implications for the organization as a whole.

5.4.2 If a *major nonconformity* is found, a certificate of conformance shall not be issued until the *certification body* verifies that corrective action approved by the *lead auditor* has been implemented at both the site level and for the organization as a whole.

5.4.3 *Certification bodies* shall close out identified *minor nonconformities* at the next scheduled audit. This may require an amendment to the site sampling strategy to ensure that open site-level nonconformities are closed out at the next audit.[7]

5.5 Audit Reporting

5.5.1 At a minimum, the *certification body* shall prepare a technical audit report that addresses the multi-site organization as a whole. Individual site level reports may be developed to summarize site level findings but do not eliminate the need for an organizational level report.

6. Competence and Evaluation of *Certification Bodies*

6.1 Prior to conducting multi-site certification under the methodologies described in this appendix *certification bodies* shall have documented procedures in place to guide *audit teams* in the planning, conduct and reporting of multi-site certification audits.

7. Public Communication and Claims Regarding Multi-Site Certificates

7.1 For audits of the *SFI 2015-2019 Standards and Rules* Section 2 and Section 3 requirements, *certification bodies* shall prepare a summary audit report that, in addition to the requirements of the *SFI* Communications and Public Reporting (Section 10) in the *SFI 2015-2019 Standards and Rules* document, indicates:

a. the fact that the certification is a multi-site certification;
b. whether the multi-site organization is a group certification organization;
c. the sampling approach (strata, location, number of sites sampled and the percentage of sites sampled within each stratum); and
d. any changes in the scope of the multi-site certification since the last public summary report.

7.2 Certificates issued to multi-site organizations shall be issued to the central function and include an appendix listing the participating sites. The central function shall provide a copy of the certificate to all participating sites. The certificate shall list all participants.

8. Interpretations, Public Inquiries and Official Complaints

8.1 In assessing the validity of complaints raised in relation to a specific site within a multi-site organization, *certification bodies* shall investigate the complaint at the site level and (where relevant) at the organizational level.[8]

[7] For example, where Operation A has a *minor nonconformity* raised in 2015, it will be necessary to close this out in 2016 regardless of whether Operation A was scheduled to be one of the sites sampled in 2016. As a result, the sampling strategy will need to include a process for closing out open site-level nonconformities.

[8] For example, where a complaint has implications for the effectiveness of a process carried out by the central function (such as procedures, monitoring or internal audit) then the implications for the reliability of information from other sites within the organization shall also be considered.