

2016 SFI Public Summary Report

Timber Products Company Sustainable Forestry Initiative® (SFI) Fiber Sourcing Standard [2015-2019]

Date: October 15, 2016

Project Scope and Objectives

PricewaterhouseCoopers LLP (PwC) completed a Re-Registration and Transition Assessment on Timber Products Company's ("TPC") Wood Fiber Procurement practices for the Yreka Veneer Division, in Yreka California. The fiber sourcing activities are managed by the Central Office in Yreka California. The Lead Assessor was Dan O'Brien, EMS (LA). The audit team included James Lucas, EMS (LA), and PwC's Contract Assessor. The audit team was accompanied by TPC's SFI Representative, Chris Chase.

The primary objective of the assessment was to assess the Company's SFI management system and to evaluate the Company's implementation of the SFI Fiber Sourcing Standard in the field. TPC was previously certified to the 2010 version of the SFI Fiber Sourcing Standard and transitioned to the new 2015 – 2019 version of the SFI Fiber Sourcing Standard this year.

Indicators

All of the indicators in the SFI Fiber Sourcing Standard were within the scope of the assessment, except for Objective 8, since none of the land managed by the TPC is public land and Objectives 11, 12, 13, since TPC does not make offshore log purchases. There were no substitute indicators.

Assessment Process

On September 8 and 9, 2016, the assessment team conducted interviews and reviewed appropriate documentation to assess policies and procedures, and tested the implementation of SFI Fiber Sourcing program requirements at the Central Office in Yreka, California. On September 8, 2016, the assessment team conducted field assessments at three procurement harvesting operations, in addition to four harvesting operations on fee lands, two road projects and one silviculture project. In total, the audit team spent 1 day at the central office and 1 day on-site for field assessments. The audit report was dated October 16, 2016.

Summary of Conformance, Findings, and Good Management Practices

FIBER SOURCING

Objective	Performance Measure	Evidence of Conformity
Objective 1: Biodiversity in Fiber Sourcing	<i>Performance Measure 1.1. Promotion and conservation of biological diversity.</i>	<p><i>Evidence: Interviews with Log Buyer and Timber Manager. Reviewed procurement data/ contracts and conducted field visits to completed stumpage and gatewood timber sales</i></p> <p>Timber Products Company (TPC) has a well-developed SFI fiber sourcing system underpinned by the strict requirements of the California Forest Practice rules and a high level of corporate support.</p> <p>TPC only purchases fiber (including purchased stumpage) from properties that have a state-recognized permit, or in the case of federally controlled land, a timber sale contract, or equivalent is required. Such permits and contracts include provisions to conserve biodiversity through, at a minimum, the protection of listed plant and animal species.</p>
	No Nonconformities or Opportunities for Improvement were identified related to this performance measure.	
Objective 2: Adherence to Best Management Practices	<i>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.</i>	<p><i>Evidence: Interviews with Log Buyer and Timber Manager. Reviewed log purchase agreements and conducted field visits to completed stumpage and gatewood timber sales</i></p> <p>All sales from which the TPC accesses fiber are covered under the California Forest Practices rules or Federal regulations on US Forest Service lands. Timber Harvesting Plans for stumpage sales require compliance with BMPs and contracts include requirements for legal compliance.</p>
	No Nonconformities or Opportunities for Improvement were identified related to this performance measure.	
	<i>Performance Measure 2.2. Program Participants shall monitor the use of best management practices.</i>	<p><i>Evidence: Review of log purchase agreements and completed monitoring inspection forms</i></p> <p>In addition to the State agency monitoring of timber sales, TPC conducts periodic inspections of all stumpage sales to review operations, which are documented in inspection forms.</p>
<p>No Nonconformities were identified related to this performance measure.</p> <p>An opportunity for improvement was identified related to providing landowners and log suppliers with summary of relevant information from the Board of Forestry Monitoring Results (2009-2013) Report, which is very detailed and highlights issues with compliance across CA.</p>		
Objective 3: Use of Qualified Resource and Qualified Logging	<i>Performance Measure 3.1. Program Participants shall encourage landowners to utilize the services of</i>	<i>Evidence: TPC's Annual Letter to Landowners, Log Purchase Agreement. Confirmed certification status for a sample of stumpage contractors.</i>

Professionals	<i>qualified logging professionals, certified logging professionals (where available), qualified resource professionals and to apply principles of sustainable forest management to their lands.</i>	<p>TPC sends out an annual letter to landowners, loggers and others on their mailing list which reviews their commitment to sustainable forestry and references various websites including certified logger programs in CA & OR, promoting the use of Qualified Logging Professionals, and provides information on water quality issues and the SFI program. TPC also assists landowners with the permitting process and adherence to forest practice rules.</p> <p>TPC encourages all gatewood log suppliers to use qualified logging professionals through their gatewood log purchase agreement.</p>
	<ul style="list-style-type: none"> No Nonconformities or Opportunities for Improvement were identified related to this performance measure. 	
Objective 4: Legal and Regulatory Compliance	<i>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.</i>	<p><i>Evidence: Reviewed Log Purchase Agreements, interviews with loggers and State stumpage inspector.</i></p> <p>TPC assists landowners with the permitting process and adherence to forest practice rules.</p> <p>At the time of the audit there were no known issues of non-compliance related to fiber procurement.</p>
	<p>No Nonconformities or Opportunities for Improvement were identified related to this performance measure.</p>	
	<i>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 they Program Participant operates.</i>	<p><i>Evidence: Reviewed Log Purchase Agreements, interviews with Log Buyer and Timber Manager.</i></p> <p>TPC states that they commit to the social and environmental policies in their environmental management system (EMS) and compliance to these measures are also required by law in CA.</p> <p>TPC have posted this commitment in their woodlands office at the Yreka mill.</p> <p>Additionally, the company has clauses in their log purchase agreements requiring all contractors to comply with these policies and legal requirements.</p>
	<p>No Nonconformities or Opportunities for Improvement were identified related to this performance measure.</p>	
Objective 5. Forestry Research, Science and Technology	<i>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.</i>	<p><i>Evidence: Record of financial contributions, SFI Annual Report</i></p> <p>TPC contributes to a number of organizations which support sustainable forestry research, education and outreach, including: the California SIC, Southern Oregon Timber Industries Association, the Sierra Cascade Logging Conference, the Klamath Alliance for Resources and the Environment, the California Forestry Association, the CLFA, and the Sierra Regeneration Co-op. TPC annually reviews it’s program and commitments under the SFI Standard</p>
	<p>No Nonconformities or Opportunities for Improvement were identified related to this performance measure.</p>	

	<p><i>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.</i></p>	<p><i>Evidence: Interviews with Forester.</i></p> <p>TPC’s Lead Planning Forester is the Chair of California SIC. TPC also contributes to National Council for Air and Stream Improvement (NCASI).</p>
	No Nonconformities or Opportunities for Improvement were identified related to this performance measure.	
	<p><i>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 of forests, wildlife and biological diversity.</i></p>	<p><i>Evidence: Timber Harvesting Plants. Conference Agenda</i></p> <p>TPC supports NCASI, which provides information on climate change impacts through webinars to members.</p>
	No Nonconformities or Opportunities for Improvement were identified related to this performance measure.	
Objective 6. Training and Education	<p><i>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.</i></p>	<p><i>Evidence: Training records in annual continual improvement report to management. Contractor registration with State QLP programs.</i></p> <p>TPC personnel undertake regular training relevant to their roles and responsibilities under the Standard.</p> <p>Contractors receive regular training through State logger certification programs.</p>
	No Nonconformities or Opportunities for Improvement were identified related to this performance measure.	
	<p><i>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.</i></p>	<p><i>Evidence: Interviews with Forester.</i></p> <p>TPC’s Lead Planning Forester has been the Chair of California SIC since 2014. The California SIC has defined QLP requirements and has been lobbying Cal Fire to provide summaries of violations and inspection reports.</p> <p>California SIC definition of QLP is ProLogger (Association of California Loggers) and Certified Logger (Loggers Association of Northern California). Both accreditations include continuing education related to safety and sustainable forestry.</p>
	No Nonconformities or Opportunities for Improvement were identified related to this performance measure.	
Objective 7. Community Involvement and Landowner Outreach	<p><i>Performance Measure 7.1. Program Participants shall support and promote efforts by consulting foresters, state, provincial and federal</i></p>	<p><i>Evidence: Interviews with Forester. Record of financial contributions, SFI Annual Report. Documents and field inspection of Black Bute Conservation Easement.</i></p> <p>TPC has made significant financial contributions to a number of</p>

	<i>agencies, state or local groups, professional societies, conservation organizations, Indigenous Peoples and governments, community groups, sporting organizations, labour, universities, extension agencies, the American Tree Farm System® and/or other landowner cooperative programs to apply principles of sustainable forest management.</i>	agencies and research organizations. TPC is currently negotiating the Black Butte Working Forest Conservation Easement with Pacific Forest Trust.
	No Nonconformities or Opportunities for Improvement were identified related to this performance measure.	
	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.	<i>Evidence: Interviews with Timber Manager. Board members for California Forest Foundation.</i> Examples include support for KARE efforts, public tours, high school educational efforts etc. TPC's Timber Manager is a Board Member of California Forest Foundation (www.calforestfoundation.org)
	No Nonconformities or Opportunities for Improvement were identified related to this performance measure.	
	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 2015-2019 Fiber Sourcing Standard principles and objectives.	<i>Evidence: Review CA SIC Website.</i> The California SIC has a hotline number and email on their website. Currently any complaints are delivered to TPC's Lead Planning Forester who is the Chair of the SIC. http://www.caltreefarm.com/California-SFI-Implementation.html
	No Nonconformities or Opportunities for Improvement were identified related to this performance measure.	
Objective 8. Public Land Management Responsibilities	<i>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.</i>	Not applicable. TPC does not manage public lands.
	No Nonconformities or Opportunities for Improvement were identified related to this performance measure.	
Objective 9. Communications	<i>Performance Measure 9.1. A Program Participant shall</i>	<i>Evidence: Audit Report, SFI Public Summary Report.</i>

and Public Reporting	<i>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.</i>	PwC prepares an annual SFI audit report. The SFI Public Summary is submitted annually.
	No Nonconformities or Opportunities for Improvement were identified related to this performance measure.	
	<i>Performance Measure 9.2. Program Participants shall report annually to SFI Inc. on their conformance with the SFI 2015-2019 Fiber Sourcing Standard.</i>	<i>Evidence: 2016 Annual SFI Report and correspondence from SFI.</i> TPC has rigorous processes for summarizing required information for the annual report. TPC submits their report to SFI annually and on time.
	No Nonconformities or Opportunities for Improvement were identified related to this performance measure.	
Objective 10. Management Review and Continual Improvement	<i>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.</i>	<i>Evidence: Reviewed TPC's Annual Management Review</i> TPC completes an annual management review which is submitted to upper management. Management discusses results with TPC's personnel who implement any necessary changes for continual improvement.
	No Nonconformities or Opportunities for Improvement were identified related to this performance measure.	
Objective 11. Promote Conservation of Biological Diversity, Biodiversity Hotspots and High-Biodiversity Wilderness Areas	<i>Performance Measure 11.1. Program Participants shall ensure that their fiber sourcing programs support the principles of sustainable forestry, including efforts to promote conservation of biological diversity.</i>	<i>Evidence:</i> Not applicable as TPC does not make off shore log purchases.
	No Nonconformities or Opportunities for Improvement were identified related to this performance measure.	
Objective 12. Avoidance of Controversial Sources including Illegal Logging	<i>Performance Measure 12.1. Program Participants shall ensure that their fiber sourcing programs support the principles of sustainable forestry, including efforts to reduce the risk of illegal logging.</i>	<i>Evidence:</i> Not applicable as TPC does not make off shore log purchases.
	No Nonconformities or Opportunities for Improvement were identified related to this performance measure.	
Objective 13. Avoidance of Controversial	<i>Performance Measure 13.1. Program Participants shall avoid controversial sources</i>	<i>Evidence:</i> Not applicable as TPC does not make off shore log purchases.

Sources including Fiber Sourced from Areas without Effective Social Laws	<i>and encourage socially sound practices.</i>	
	No Nonconformities or Opportunities for Improvement were identified related to this performance measure.	
Appendix 1	Appendix 1 – Rules for Use of SFI Certified Sourcing Label.	<i>Evidence: TPC’s Website</i> TPC is incorrectly using the SFI logo on their website.
	TPC is incorrectly using the SFI logo on their website. This finding has been identified and is being addressed through the separate SFI Label Use audit of TPC’s mills and is therefore not raised as a finding in this report.	

Specific Good management practices are noted below:

- TPC continues to purchase large volumes of fire killed timber in the local area to support fire salvage activities across its neighbor’s lands.
- TPC been successful in lobbying CalFire to grant forest land owners in CA Forest Fire Prevention Thinning Exemptions and harvested 54% of the acreage cut in this program since its inception in February, 2015. Approximately 75% of these projects have been in the wildland-urban interface in the area.
- TPC have been keen advocates in supporting the continued production of “green” power from electricity plants powered by biomass in Northern California and are working with these companies to keep sending feedstock from their fee lands and stumpage sales the company has purchased.

Conclusion

Timber Products Company has maintained conformance with the requirements of the Sustainable Forestry Initiative Fiber Sourcing Standard [2015-2019]. The Certificate can be can be obtained by contacting Chris Chase of Timber Products Company (1-530-842-2310 x 1234). More information on TPC’s sustainable forestry program can be found at: www.timberproducts.com.