



2015 SFI Public Summary Report

Durgin and Crowell Lumber Co., Inc. Sustainable Forestry Initiative® (SFI) 2015-2019 Fiber Sourcing Standard (SFIFS)

Date: December 14, 2015

Project Scope and Objectives

PricewaterhouseCoopers LLP (PwC) completed a Transition / Re-registration Assessment of the wood fiber procurement system at the Durgin and Crowell Lumber Co., Inc. (“Durgin and Crowell” or “the Company”) sawmill in Springfield, New Hampshire. The Lead Assessor was Bruce Eaket, EMS (LA) and the on-site team assessor was Jim Runyan, PwC Contract Assessor.

The primary objective of the assessment was to assess the Company’s SFI fiber sourcing management system and to evaluate the Company’s implementation of the management system in the field. There have not been any changes to the certification since the last public summary and the scope of work this year included a transition assessment to the 2015-2019 SFI Fiber Sourcing Standard.

Indicators

All of the indicators in the SFI Fiber Sourcing Standard were within the scope of the assessment, except for Objectives 8 and 11-13, since the Company does not manage public lands nor source fiber outside the United States. There were no substitute indicators.

Assessment Process

On September 24 and 25, 2015, the assessment team conducted interviews and reviewed appropriate documentation to assess policies and procedures, and tested implementation of SFI program requirements. The audit report was dated December 14, 2015.

Durgin and Crowell has a single site certification for their fiber sourcing activities. PwC uses an audit approach where the office systems/records and fiber sourcing operations in the field are audited annually. The field operations are sampled from population lists provided by the Company and tested for completeness by PwC.

Fiber Sourcing Summary

Durgin and Crowell is a lumber manufacturing company located in Springfield, New Hampshire. Durgin and Crowell operates a single sawmill facility, which annually produces over 30 million board feet (30 MMBF) of kiln-dried Eastern White Pine lumber. As by-products of the milling process, Durgin and Crowell generates paper-quality mill chips, green sawdust, and bark from its sawmill. As by-products of

planing and finishing its kiln-dried lumber, the facility produces shavings and dry grindings in its planer mill. Most of the company's by-products are sold to outside markets, while sawdust and dry grindings are used on-site to generate steam heat for the facility's dry kilns. Durgin and Crowell uses SFI on-product labels on its lumber wraps and shavings bags.

Durgin and Crowell annually purchases over 30 MMBF of Eastern White Pine logs. In 2015, one hundred percent (100%) of its logs were delivered in the form of gatewood (i.e. 0% stumpage) from over two hundred (200) different suppliers. The majority of Durgin and Crowell's logs (>90%) are sourced from within a 60-mile radius, while a small percentage (5-10%) are sourced from within 60-100 miles. Most of the logs supplied to Durgin and Crowell come from relatively small (100 acres or less), privately-owned woodlots. Durgin and Crowell has a purchased stumpage program in the event that the company does purchase stumpage. In a given year, 70-80% of logs come from New Hampshire; 10-20% from Vermont; around 5% from Massachusetts; and around 5% from New York.

Durgin and Crowell has been certified to the SFI Fiber Sourcing Standard since 2009. The company has developed its own SFI Policies and Procedures to ensure conformance to the SFI Standard. Each log supplier is required to sign a Procurement Agreement, whereby the supplier agrees to follow Best Management Practices (BMPs), avoid illegal logging, and permit Durgin and Crowell procurement foresters to conduct periodic BMP inspections on their jobs. The Company uses its BMP inspections to monitor compliance of its suppliers. The inspection program also serves as an opportunity for procurement staff to learn from suppliers, and to offer feedback and advice to loggers regarding BMP implementation.

Summary of Conformance, Evidence, Findings, and Good Management Practices

Objective	Performance Measure	Evidence of Conformity
<i>Objective 1: Biodiversity in Fiber Sourcing</i>	<i>Performance Measure 1.1. Promotion and conservation of biological diversity.</i>	<p><i>Evidence: staff interviews, maps, risk assessments, documented procedures</i></p> <p>The Company does not currently purchase any stumpage as part of their fiber sourcing program. Before agreeing to purchase from a supplier they obtain the location of the property and review the National Heritage website for biodiversity information applicable to the area. The Company's check list for stream permits includes information around Exceptional Conservation Values. The Company also works with a local land trust and supports work being done at Hubbard Brook Experimental Forest.</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>	<i>Evidence: contracts, documented procedures, monitoring inspections, interviews with loggers and staff, on-site observation</i> Commitments requiring suppliers to comply with Best Management Practices are found in the Company’s log supplier procurement agreement. Additionally the Company has made public commitments to adhere to the principles of sustainable forestry through its SFI website and formal documentation of its Statement of Commitment to the SFI Program. The Company also has requirements around curtailing operations during periods of adverse weather and increased monitoring of harvest operations by Company foresters to ensure these requirements are being honored.
	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>	<i>Evidence: interviews with staff and loggers, documented procedures, monitoring inspection forms</i> The Company has a documented supplier monitoring system in place which details the requirements for the use of Best Management Practices (BMP) by their suppliers and is recorded in their BMP Field Audit Form. This periodic monitoring is summarized and compiled into an annual report for management.
No Nonconformities or Opportunities for Improvement were identified related to this performance measure.		
Objective 3: Use of Qualified Resource and Qualified Logging Professionals	<i>Performance Measure 3.1. Program Participants shall encourage landowners to utilize the services of qualified logging professionals, certified logging professionals (where available), qualified resource professionals and to apply principles of sustainable forest management to their lands.</i>	<i>Evidence: fiber sourcing policy, contracts, interviews with staff and loggers, State lists of trained loggers</i> The Company has a documented fiber sourcing policy which encourages landowners to utilize professional logging professional (PLP) certified loggers and foresters from the States of New Hampshire and Vermont, where the majority of their wood is procured from. The Company offers periodic PLP training at their mill in Springfield, New Hampshire and sponsors log supplier attendance at all PLP sessions. The company also offers support for Vermont LEAP training. Commitments to follow BMPs and apply the principles of sustainable forest management are contained in the Company’s log supplier procurement agreement. Company compliance staff review the PLP training records annually from the logger association websites for Vermont and New Hampshire to ensure the trend of increasing participation in PLP programs continues.
	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: List and review of compliance of relevant State laws and regulations, SFI Commitment Statement, log supplier procurement agreement, interviews with compliance staff and loggers, field operations observed</i></p> <p>Access to relevant laws and regulations is provided by an extension service in the State of New Hampshire. Industry associations that the Company is affiliated with in Maine and Vermont also provide updates to legislation and offer online services for ease of access. Commitments to avoid illegal logging are contained in both the Company’s Commitment to SFI Statement and in log supplier procurement agreements with wood suppliers. A staff Compliance Coordinator for the Company is responsible for ensuring that all relevant laws and regulations are being complied with and bringing non-compliances to the attention of senior management.</p>
	No Nonconformities or Opportunities for Improvement were identified related to this performance measure.	
	<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 the Program Participant operates.</i>	<p><i>Evidence: health and safety policy, discrimination and harassment policy, safety meeting minutes, interviews with compliance staff</i></p> <p>The Company’s human resources department monitors additions and changes to existing social legislation for the States in which they operate (New Hampshire and Vermont). Regular safety meetings are held at the Company’s mill. Required postings with regards to health and safety and discrimination and harassment are present at the company’s mill to allow maximum visibility for employees or visitors. A staff Compliance Coordinator for the Company is responsible for ensuring that all relevant laws and regulations are being complied with and bringing non-compliances to the attention of senior management.</p>
No Nonconformities or Opportunities for Improvement were identified related to this performance measure.		

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>	<i>Evidence: summary of research projects in collaboration with State SICs, interviews with staff</i> The Company’s support of research is primarily through the New Hampshire and Vermont SICs for the provision of internship funds as well as support for the forest technology program at the University of New Hampshire’s Thompson School of Applied Science. The Company also continues to support research at the Hubbard Brook Experimental Forest which is operated by the USDA Forest Service.
	No Nonconformities or Opportunities for Improvement were identified related to this performance measure.	
	<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>	<i>Evidence: BMP projects, memberships and staff interviews.</i> The Company relies on their support of research through the New Hampshire and Vermont SICs and the Hubbard Brook Experimental Forest to gain access to regional analyses. This approach is appropriate for the scope and scale of Durgin and Crowell’s operations. The Company was aware of and using relevant analyses in support of its sustainable forestry program.
	No Nonconformities or Opportunities for Improvement were identified related to this performance measure.	
<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>	<i>Evidence: staff interviews, wildlife researcher on staff, membership and participation with research organizations</i> Research being completed at the University of New Hampshire Woodlands and College of Life Sciences and Agriculture is monitored by Company staff with information being passed on to business partners and the public as appropriate. In addition, Company staff monitor climate change modelling research occurring at the Hubbard Brook Experimental Forest.	
No Nonconformities or Opportunities for Improvement were identified related to this performance measure.		

<p>Objective 6. Training and Education</p>	<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: sustainable forest management & environmental policies, health and safety policy, log supplier procurement agreement, staff and contractor training records, interviews with staff, operations assessed in the field</i></p> <p>The Company has a small group of staff foresters which report to the Compliance Coordinator and these individuals are familiar with the requirements of the SFI Fiber Sourcing Standard and the Company’s procedures designed to the meet the requirements. The Compliance Coordinator assigns roles and responsibilities to Company staff to achieve the SFI Fiber Sourcing Standard requirements with all staff being encouraged to continually upgrade their sustainable forest management knowledge.</p> <p>Written statements of commitment to the Standard are contained within the Company’s documented Statement of Commitment to the SFI Program as well as in their log supplier procurement agreements. Communication of this commitment takes place during Company sponsored training as well as via postings on employee bulletin boards. Communication is provided to suppliers in the form of an information package and may be further discussed in the field during pre-harvest startup meetings or via BMP monitoring inspections.</p>
<p>An opportunity for improvement was identified related to this performance measure. The Company has a site inspection process in place to monitor the BMP practices of suppliers and the Company does share the results of their BMP inspections with loggers and landowners, if appropriate. PwC and the Company observed minor water bar issues at three completed sites that were not compliance issues and the loggers thought they followed BMPs, but the water bars did not meet the expectations of the Durgin and Crowell forester. Durgin and Crowell could consider different methods of communicating their performance expectations to new suppliers.</p>		
	<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: SIC member and association records and meeting minutes, PLP and LEAP training records, interviews with staff, operations assessed in the field,</i></p> <p>The Company is a member of the SICs in New Hampshire and Vermont as well as having informal ties to the New York and Maine SICs. Each SIC addresses the requirement to foster improvement in the professionalism of wood producers in the training programs they individually provide such as the New Hampshire PLP program and the Vermont LEAP program. The Company is also a member of the New Hampshire Timber Harvesting Council through the New Hampshire Timberland Owners Association (NHTOA). Continuing education opportunities are also offered through the various State SICs where Company foresters take selected courses and wood producers are encouraged to do the same by the Company.</p>
<p>No Nonconformities or Opportunities for Improvement were identified related to this performance measure.</p>		

<p>Objective 7. Community Involvement and Landowner Outreach</p>	<p><i>Performance Measure 7.1. Program Participants shall support and promote efforts by consulting foresters, state, provincial and federal agencies, state or local groups, professional societies, conservation organizations, Indigenous Peoples and governments, community groups, sporting organizations, labor, universities, extension agencies, the American Tree Farm System® and/or other landowner cooperative programs to apply principles of sustainable forest management.</i></p>	<p><i>Evidence: SIC member and association records and meeting minutes, interviews with staff</i></p> <p>The Company supports efforts of the New Hampshire and Vermont SICs in promoting sustainable forest management practices and will also become a member of the New York SIC as they begin to expand procurement into that State. The Company has produced an SFI outreach brochure which is available to the public and additional information on SFI and the Company’s commitments to the SFI program is available on their website. The Company is also involved with outreach projects as a member of the New Hampshire Timberlands Owners Association (NHTOA).</p> <p>The Company has also worked with local government officials on a Road Manual for the transportation of products which incorporates and further develops transportation BMPs. The Company has supported and assisted in local conservation area walks to enhance public knowledge of sustainable forest management principles. The Ausbon Sargent Land Trust is also supported by the Company and they are members of the Society for the Protection of New Hampshire Forests which is involved with land conservation, education and events, advocacy, forestry and recreation initiatives. The Company also supports ‘Project Learning Tree’ for New Hampshire teachers which provides educational opportunities to enhance youth appreciation and understanding of nature.</p>
	<p>No Nonconformities or Opportunities for Improvement were identified related to this performance measure.</p>	
	<p><i>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></p>	<p><i>Evidence: SIC membership and participation, records of mill tours, records of advertising, interviews with staff</i></p> <p>The Company supports and promotes sustainable forest management primarily through their involvement with the New Hampshire and Vermont SICs. They have mechanisms for public outreach, education and involvement related to sustainable forest management. Outreach initiatives include annual mill tours for the students in the forest technology program at the University of New Hampshire’s Thompson School of Applied Science in New Hampshire as well as similar tours for local high school students. This past year the Executive Council of New Hampshire was also toured through the mill for outreach purposes. Advertising promoting SFI and the Company’s commitment to sustainable forestry was utilized for the 2015 New Hampshire Loggers Conference and the 2015 NHTOA annual meeting.</p>
<p>No Nonconformities or Opportunities for Improvement were identified related to this performance measure.</p>		

Objective 7. Community Involvement and Landowner Outreach	<i>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>	<i>Evidence: SIC membership and participation, New Hampshire SFI inconsistent practices program document, interviews with staff</i> A toll free number is utilized by the New Hampshire and Vermont SICs to receive any concerns raised by interested parties with regards to SFI Fiber Sourcing requirements. The New Hampshire program is jointly managed with the SIC. The New Hampshire/Maine SFI Inconsistent Practices Program describes the process to go through including escalation for complainants.
	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>	N/A – The Company is not involved with Public Land Management.
	No Nonconformities or Opportunities for Improvement were identified related to this performance measure.	
Objective 9. Communications and Public Reporting	<i>Performance Measure 9.1. A Program Participant shall 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>	<i>Evidence: 2014 SFI program reporting summary from website, interviews of staff</i> PwC prepared the annual public summary report in 2014.
	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: SFI website review, interviews with staff</i> The Company reports annually to SFI Inc. on their conformance to the SFI Fiber Sourcing Standard. Records are kept for all the categories of information needed for SFI annual progress report surveys. When the 2014 annual progress report was filed with SFI, there were some issues with the electronic transfer of data which led to a past due reminder being issued from SFI. The issue and has since been resolved and all required information has been received by SFI Inc.
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: Management review meeting minutes, internal audit records and report, field inspection records, corrective action plans, field inspections and staff interviews.</i> The Company has mechanisms in place to examine audit findings, make appropriate improvements and to inform their employees of changes to their certification management system. The Company takes its SFI commitments seriously and concerns are elevated by the Compliance Coordinator to senior management via scheduled formal, as well as informal, meetings.
	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>	N/A – The Company does not purchase any fiber from outside of the US or Canada.
	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>	N/A – The Company does not purchase any fiber from outside of the US or Canada.
	No Nonconformities or Opportunities for Improvement were identified related to this performance measure.	
Objective 13. Avoidance of Controversial Sources including Fiber Sourced from Areas without Effective Social Laws	<i>Performance Measure 13.1. Program Participants shall avoid controversial sources and encourage socially sound practices.</i>	N/A – The Company does not purchase any fiber from outside of the US or Canada.
	No Nonconformities or Opportunities for Improvement were identified related to this performance measure.	

Specific Good management practices are noted below:

The procurement foresters at Durgin and Crowell are included in management team meetings, sales meetings and occasionally assist in the mill. As a result, the foresters understand how their fiber sourcing activities impact all operations.

The Company's Field Audit Form includes a record of whether the results of the BMP monitoring and other information was provided to the logger and/or landowner.

Conclusion

The Company has maintained conformance with the SFI Fiber Sourcing Standard and has implemented the requirements of the 2015-2019 version of the Standard. The Certificate can be can be obtained by contacting Malcolm Milne of Durgin and Crowell Lumber Co., Inc. at (603) 763-2860 ext. 0324.