



**Bureau Veritas Certification
North America, Inc.
SFI Fiber Sourcing Audit Report**

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Company Name	REX LUMBER COMPANY, LLC
Contact Person	Stephen Parmer
Address	1820 Highway 2 Graceville, FL 32440
Phone / Fax	850-263-2056 Ext.261
PQC Code	E06
Contract Number	US.2449391

Certification Audit:		Re-Certification Audit:		Surveillance Audit:	#2	Scope extension audit:	
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Audit Summary
<p align="center">Introduction</p> <p>Rex Lumber Company, LLC was audited on October 5-6, 2016 as part of its 2nd surveillance audit. The company, headquartered in Graceville, FL, is transferring their SFI Fiber Sourcing certificate from Timber Products Inspection (TP-SFILMP-0001). The company has no open or outstanding non-conformances from previous TOI audits. Gary Boyd served as the lead auditor for this surveillance/transfer audit. Mr. Boyd is a Certified Forester and EMS Lead Auditor.</p> <p align="center">Audit Scope, Objectives and Process</p> <p>The scope of this audit is “Procurement of fiber for the Bristol, FL and Graceville, FL sawmills, and related sustainable forestry activities in Alabama, Georgia and Florida.” The surveillance audit was conducted against the SFI 2015-2019 Fiber Sourcing Standard. There was no substitution or modification of indicators. Specifically, 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 any additional indicators that the Program Participant chooses, and verify whether the Program Participant has effectively implemented its SFI Standard program requirements on the ground. Standard Bureau Veritas Certification protocols and forms were applied throughout the audit as provided by the most recent version of the Bureau Veritas Certification SFI Auditor Handbook available on the auditor access website.</p> <p align="center">Audit Plan</p> <p>The audit process began with an opening meeting at 8:00am on August 5, 2016 in Graceville, FL. Document review occurred that morning in the Graceville, FL office. The fiber sourcing operations around Graceville occurred the afternoon of August 5, 2016 – five harvest sites were visited. The field operations around Bristol, FL were visited on August 6, 2016. A total of nine stumpage and Gatewood tracts were visited. The audit concluded with a closing meeting held in the Bristol, FL office at 4:00pm on August 6, 2016. An audit plan was developed and is maintained on file by Bureau Veritas Certification.</p>

Company Information

Rex Lumber Company is a privately owned company with sawmills located in Bristol and Graceville, FL. A third sawmill, not currently SFI certified, is located in Brookhaven, MS. Rex Lumber specializes in the manufacture of pine dimension lumber for treating and construction businesses.

Multi-Site Requirements

Multi-Site	X	Group Certification	
Sites			Sites Audited During this Event
Graceville, FL	(Central Office)		X
Bristol, FL			X

Rex Lumber Company is a multi-site certificate. All wood procurement personnel work to support both sawmills. All procedures, training, and records kept are managed at the central office. Internal audits are completed annually and the results of all internal and external audits are reviewed annually. The last annual review was held on December 10, 2015 with all wood procurement personnel and the owners of the company present.

Audit Results

The document review was conducted to determine if Rex Lumber's system documentation continues to meet the requirements of the SFI 2015-2019 Fiber Sourcing Standard. The central office audit also examined the company's procedures for meeting the multi-site requirements. The field audit consisted of a review of ten clear-cut harvesting tracts and four thinning sites. Of the fourteen total tracts visited, two were stumpage tracts and twelve were gatewood tracts.

Objective 1-Biodiversity in Fiber Sourcing: Rex Lumber continues to address conservation of biodiversity through additional training. The company conducted training on biological diversity on September 20, 2016. Brian Camposano, Forest Ecologist with the FL Forest Service conducted the training. The company has procedures in place to identify and address Forests with Exceptional Conservation Value (FECV) and Federally listed threatened and endangered species on stumpage tracts. Gatewood tracts also address FECV's through their Dealer/Supplier BMP Report.

Objective 2-Adherence to Best Management Practices: Rex Lumber uses contracts that require the use of BMP's. The company has a monitoring program that assesses the compliance of BMP's on stumpage and gatewood tracts. Compliance checks reviewed for the fourteen tracts audited were correct and complete. Both sawmills are planning to install wet yards in the near future.

Objective 3-Use of Qualified Resource and Qualified Logging Professionals: Rex Lumber requires all of its suppliers and loggers who deliver wood to its facilities to be current with their state logger training requirements. Company contracts reviewed did not state these requirements and a non-conformance was issued. This non-conformance was closed on 10/28/2016. All loggers who harvested wood on the fourteen sites visited were up-to-date with their training requirements.

Objective 4-Legal and Regulatory Compliance: Rex Lumber employees have access to federal and state laws. They are aware of the key federal and state laws and know where to access further information on these laws and regulations, if needed. The company's timber sale agreements did not include the requirement of compliance with laws and regulations and a non-conformance was issued. This non-conformance was closed on 10/28/2016.

Objective 5-Forestry Research, Science and Technology: Rex Lumber provides financial support to

the Forest Products Development Center at Auburn University. Company employees demonstrated they have access to information on the potential impacts of climate change on forest health and productivity, and wildlife and wildlife habitat.

Objective 6-Training and Education: Rex Lumber employees received biodiversity training on 9/20/2016. All loggers who had been used on the fourteen harvest sites audited were current with their training.

Objective 7-Community Involvement and Landowner Outreach: Rex Lumber remains involved in landowner outreach and community involvement through the use of its Facebook page “North Florida Woodlands”. This site provides guidance to forest landowners on sustainable forestry topics. The company continues to use the FL SIC landowner packet to educate landowner about sustainable forestry practices. Company personnel are also involved in the state Tree Farm committee.

Objective 8-Public Land Management Responsibilities: Not Applicable

Objective 9-Communications and Public Reporting: A review of the SFI, Inc. website provided evidence that Rex Lumber submitted its previous audit report as required for public review. The company has procedures in place to provide for all the pieces of information needed to complete the SFI annual progress report. E-mail records provided evidence the company submitted the 2015 annual progress report in a timely manner.

Objective 10-Management Review: Records of an internal audit were reviewed and the results of this internal audit were reviewed by top management on December 15, 2015.

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:

No non-conformances were issued during the first surveillance audit in 2015 while the company was contracted with Timber Products Inspection.

Non-conformances:

Indicate the number of non-conformances and their severity (major or minor). Provide a brief listing of the requirements against which non-conformances were issued, and reference the SF02 nonconformity reports included as part of this audit report.

Two minor non-conformances were issued as a result of this 2nd surveillance audit. These non-conformances were issued to the following indicators:

1. PM 4.1, Ind. 2: System to achieve compliance with applicable federal, provincial, state, or local laws and regulations. - The timber sale agreements reviewed had no clause for compliance with laws and regulations. Closed 10/28/2016.
2. PM 6.1, Ind. 5: Program Participants shall have written agreements for the use of qualified logging professionals and/or certified logging professionals (where available) and/or wood producers that have completed training programs and are recognized as qualified logging professionals. - The timber sale agreements reviewed had no clause for requiring SFI trained loggers. Closed 10/28/2016.

Opportunities for Improvement:

None

Notable Practices:

None

Logo/label use:

The company has no plans to use SFI labels or the BVC trademark.

SFI reporting:

The 2015 surveillance audit report from Timber Products Inspection was found on the SFI website as required for public review.

Conclusions

Based on the result of this surveillance audit, the lead auditor issues a recommendation for continued certification to the SFI 2015-2019 Fiber Sourcing Standard. The two minor non-conformances were closed on 10/28/2016.

SEE SF61 FOR AUDIT NOTES

Summary of Audit Findings:									
Audit Date(s):		From: October 5, 2016				To: October 6, 2016			
Number of SF02's Raised:			Major:		0		Minor:		2
Is a follow up visit required:		Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>	Date(s) of follow up visit:			
Follow-up visit remarks:									
Team Leader Recommendation:									
Corrective Action Plan(s) Accepted		Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>	N/A	<input type="checkbox"/>	Date:	10/28/2016
Proceed to/Continue Certification		Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>	N/A	<input type="checkbox"/>	Date:	10/28/2016
All NCR's Closed		Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>	N/A	<input type="checkbox"/>	Date:	10/28/2016
Standard audit conducted against:									
1)	SFI 2015-2019 Fiber Sourcing Standard			3)					
2)				4)					
Team Leader (1):		Team Members (2,3,4...)							
Gary Boyd		2)							
		3)							
		4)							
		5)							
Scope of Supply: (scope statement must be verified and appear in the space below)									
Procurement of fiber for the Bristol, FL and Graceville, FL sawmills, and related sustainable forestry activities in Alabama, Georgia and Florida.									
Accreditation's		ANAB							
Number of Certificates		1							
Proposed Date for Next Audit Event									
Date	October 2017								
Audit Report Distribution									
Stephen Parmer - sparmer@Rex-Lumber.com									
Dawn Komnick (BVC) - Dawn.komnick@us.bureauveritas.com									

Clause	Audit Report
Opening Meeting	Participants: Stephen Parmer, Virgil Shannon, Tom Smith, 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 - 0. ➤ Process approach to auditing and audit sampling ➤ Confidentiality agreement ➤ Termination of the audit ➤ Appeals process ➤ Closing meeting timing
Closing Meeting	Participants: Stephen Parmer, Virgil Shannon, Tom Smith, 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 – 2 Minor ➤ Date for next audit. ➤ Reporting protocol and timing

		SF02/NA NONCONFORMITY REPORT							
Company Name and Site:							SF02#:		
Rex Lumber Company, LLC / Graceville, FL							2016-01		
Contract #:		Type of audit (e.g., initial, surveillance):			Team Leader:				
US.2449391		Surveillance #2			Gary Boyd				
Date:		Standard and Clause #:			Team Member:				
10/6/2016		2015-2019 SFI Fiber Sourcing / 4.1.2							
Major	Minor	Other Documents (if applicable):			Company Representative:				
	X				Stephen Parmer				
REQUIREMENT OF AUDITED STANDARD:									
4.1.2 System to achieve compliance with applicable federal, provincial, state, or local laws and regulations.									
OBSERVED NONCONFORMITY:									
The company's Timber Sale Agreement does not have a clause for compliance with applicable federal, state or local laws and regulations.									
ROOT CAUSE ANALYSIS AND CORRECTIVE ACTION PLAN (To be completed by the Company. Plan to be submitted in 30 days)									
Corrective Action Plan Date:		10-27-16		Company Representative:		Stephen Parmer			
Root Cause Analysis and Corrective Action									
Root Cause: Contracts did not contain correct clauses and language needed for SFI Standards. Corrective Action Plan: We had Legal Department correct the contracts.									
ROOT CAUSE AND CORRECTIVE ACTION PLAN ACCEPTANCE REPORT (To be completed by Bureau Veritas Certification – Verify effective identification of Root Cause and acceptance of Corrective Action Plan)									
Root Cause: Accepted Corrective Action Plan: Accepted									
Plan Accepted:		Yes	X	No	Comments:				
Auditor:		Gary Boyd			Date:		10/28/2016		
CORRECTIVE ACTION IMPLEMENTATION To be completed by Company – Provide objective evidence. Not to exceed: 90 Days <input checked="" type="checkbox"/> 1 year <input type="checkbox"/>									
Corrective Action Completion Date:		10-28-16		Company Representative:		Stephen Parmer			
Corrective Action Implementation: We had Legal Department correct the contracts. Method used to verify effectiveness of action taken: We will begin to use the corrected contracts immediately.									
CORRECTIVE ACTION IMPLEMENTATION ACCEPTANCE REPORT (To be completed by Bureau Veritas Certification – Acceptance of Corrective Action taken)									
Accepted:		Yes	X	No	Nonconformance Closed:		Yes	X	No
Follow Up Comments:		Timber Sale Agreements were reviewed and the compliance with laws and regulations clause in now included.							
Auditor:		Gary Boyd			Date:		10/28/2016		



SF02/NA NONCONFORMITY REPORT

Company Name and Site:		SF02#:	
Rex Lumber Company, LLC / Graceville, FL		2016-02	
Contract #:	Type of audit (e.g., initial, surveillance):	Team Leader:	
US.2449391	Surveillance #2	Gary Boyd	
Date:	Standard and Clause #:	Team Member:	
10/6/2016	2015-2019 SFI Fiber Sourcing / 6.1.5		
Major	Minor	Other Documents (if applicable):	Company Representative:
	X		Stephen Parmer
REQUIREMENT OF AUDITED STANDARD:			
6.1.5 Program Participants shall have written agreements for the use of qualified logging professionals and/or certified logging professionals (where available) and/or wood producers that have completed training programs and are recognized as qualified logging professionals			
OBSERVED NONCONFORMITY:			
The company's contracts except the Logging and Hauling Contract do not have clauses requiring the use of trained loggers.			
ROOT CAUSE ANALYSIS AND CORRECTIVE ACTION PLAN (To be completed by the Company. Plan to be submitted in 30 days)			
Corrective Action Plan Date:	10-27-16	Company Representative:	Stephen Parmer
Root Cause Analysis and Corrective Action			
Root Cause: Contracts did not contain correct clauses and language needed for SFI Standards. Corrective Action Plan: We had Legal Department correct the contracts.			
ROOT CAUSE AND CORRECTIVE ACTION PLAN ACCEPTANCE REPORT (To be completed by Bureau Veritas Certification – Verify effective identification of Root Cause and acceptance of Corrective Action Plan)			
Root Cause: Accepted Corrective Action Plan: Accepted			
Plan Accepted:	Yes	X	No
Comments:			
Auditor:	Gary Boyd		Date: 10/28/2016
CORRECTIVE ACTION IMPLEMENTATION			
To be completed by Company – Provide objective evidence. Not to exceed: 90 Days <input checked="" type="checkbox"/> 1 year <input type="checkbox"/>			
Corrective Action Completion Date:	10-28-16	Company Representative:	Stephen Parmer
Corrective Action Implementation: We had Legal Department correct the contracts. Method used to verify effectiveness of action taken: We will begin to use the corrected contracts immediately.			
CORRECTIVE ACTION IMPLEMENTATION ACCEPTANCE REPORT (To be completed by Bureau Veritas Certification – Acceptance of Corrective Action taken)			
Accepted:	Yes	X	No
Nonconformance Closed:		Yes	X
Follow Up Comments: Reviewed the Timber Sale Agreements and the Logging & Hauling Contract and all contracts now contain language requiring the use of SFI trained loggers.			
Auditor:	Gary Boyd		Date: 10/28/2016