

Toney Lumber Company 2016 Public Summary Audit Report

The SFI Program of the Toney Lumber Company, Inc. of Louisburg, NC has achieved conformance with the SFI 2015-2019 Standard and Rules[®], Section 3, according to the NSF audit process.

Toney Lumber Company consists of a pine sawmill situated in the east central part of North Carolina that processes southern yellow pine into lumber and other products. The facility is located in Louisburg, North Carolina. The Company's SFI program is managed by John Robertson.

The audit was performed by NSF on May 2-3, 2016 by an audit team headed by Norman Boatwright, Lead Auditor. Audit team members fulfill the qualification criteria for conducting audits contained in the SFI 2015-2019 Standards and Rules[®].

The objective of the audit was to assess conformance of the firm's SFI Program to the requirements of the SFI 2015-2019 Standards and Rules[®], Section 3.

The scope of the audit included procurement operations. Procurement operations occurring in the past 12 months were reviewed to ensure that SFI Procurement Standards were met. In addition, SFI obligations to promote sustainable forestry practices, to seek legal compliance, and to incorporate continual improvement systems were within the scope of the audit.

The 2015-2019 Sustainable Forestry Initiative Standard[®] was used without modifying any requirements. Several of the SFI Indicators were outside of the scope of the company's SFI program and were excluded from the scope of the SFI Certification Audit as follows:

- Core Indicator 4.1.5 Program to address risk
- Core Indicator 5.2 Research on genetically engineered trees
- Core Indicator 6.2.3 Logger Certification Program
- Objective 8 Public land management responsibilities

Audit Process

The review was governed by a detailed audit protocol designed to enable the audit team determine conformance with the applicable SFI requirements. The process included the assembly and review of audit evidence consisting of documents, interviews, and on-site inspections of ongoing or completed forest practices. Documents describing these activities were provided to the auditor in advance, and a sample of the available audit evidence was designated by the auditor for review.

During the audit NSF reviewed a sample of the written documentation assembled to provide objective evidence of conformance. NSF also selected field sites for inspection based upon the risk of environmental impact, likelihood of occurrence, special features, and other criteria outlined in the NSF SOP. NSF also selected and interviewed stakeholders such as contract loggers, landowners and other interested parties, and interviewed employees within the organization to confirm that the SFI Standard was understood and actively implemented.

The possible findings for specific SFI requirements included Full Conformance, Major Non-conformance, Minor Non-conformance.

Overview of Audit Findings

Toney Lumber's SFI Program was found to be in basic conformance with the SFIS Standard. The NSF SFI Certification Audit Process identified a minor non-conformance and an opportunity for improvement:

Minor NC:

CI 5.1.1 Financial or in-kind support of research to address questions of relevance in the region of operations. Examples could include, but are not limited to areas of forest productivity, water quality, biodiversity, community issues, or similar areas which build broader understanding of the benefits and impacts of forest management.

Finding: The Company was unable to provide evidence for support of research.

OFI:

CI 1.1.2 Program to address Forests with Exceptional Conservation Value in harvests of purchased stumpage.

Finding: There is an opportunity to improve communication between the SFI Program Manager and Procurement Foresters when new tracts are being considered so that the Program Manager can conduct the FECV due diligence.

NSF identified an area where the Company's procedures exceed the Standard requirements. Toney Lumber's efforts to sponsor teachers for the SFI Teachers Academy, several events for the Tar River Land Conservancy, the Hampton County Forestry Association 2016 annual event, sponsored the Women in the Woods forestry series hosted by the NC Cooperative Extension exceed the requirement.

The next Surveillance audit is scheduled for April 10-12, 2017.

General Description of Evidence of Conformity

NSF's audit team used a variety of evidence to determine conformance. A general description of this evidence is provided below, organized by SFI Objective.

Objective 1 Biodiversity in Fiber Sourcing

To address the practice of *sustainable forestry* by conserving *biological diversity*.

Summary of Evidence: Review of records, interviews with landowners and participation in the NC SIC.

Objective 2 Adherence to Best Management Practices

To broaden the practice of sustainable forestry through the use of best management practices to protect water quality.

Summary of Evidence: Field observations, review of BMP monitoring records and state BMP audits.

Objective 3 Use of Qualified Resource and Qualified Logging Professionals

To encourage forest landowners to utilize the services of *qualified logging professionals*, *certified logging professionals* (where available) and *qualified resource professionals*.

Summary of Evidence: Training records of selected personnel, records associated with harvest sites audited, and landowner interviews were the key evidence for this objective.

Objective 4 Legal and Regulatory Compliance

Compliance with applicable federal, provincial, state and local laws and regulations.

Summary of Evidence: Field reviews of ongoing and completed operations were the most critical evidence. State BMP state foresters were also contacted.

Objective 5 Forestry Research, Science, and Technology

To support forestry research, science, and technology, upon which sustainable forest management decisions are based.

Summary of Evidence: Confirmed by the Company's participation in the NC SIC.

Objective 6 Training and Education

To improve the implementation of *sustainable forestry* practices through appropriate training and education *programs*.

Summary of Evidence: Confirmed by the Company's financial and physical support of the NC SIC and its development of education and logger training programs.

Objective 7 Community Involvement and Landowner Outreach

To broaden the practice of *sustainable forestry* through public outreach, education, and involvement and to support the efforts of *SFI Implementation Committees*.

Summary of Evidence: Confirmed by the Company's financial and physical support of the NC SIC and its development of handouts for forest landowners.

Objective 9 Communications and Public Reporting

To broaden the practice of sustainable forestry by documenting progress and opportunities for improvement.

Summary of Evidence: Interviews indicate the Company is aware of the reporting requirements.

Objective 10 Management Review and Continual Improvement

To promote continual improvement in the practice of sustainable forestry, and to monitor, measure, and report performance in achieving the commitment to sustainable forestry.

Summary of Evidence: Records of program reviews, agendas and notes from management review meetings, internal audits and interviews with personnel from all involved levels in the organization were assessed.

Relevance of Forestry Certification

Third-party certification provides assurance that forests are being managed under the principles of sustainable forestry, which are described in the Sustainable Forestry Initiative Standard as:

1. Sustainable Forestry

To practice *sustainable forestry* to meet the needs of the present without compromising the ability of future generations to meet their own needs by practicing a land stewardship ethic that integrates *reforestation* and the managing, growing, nurturing and harvesting of trees for useful products and *ecosystem services* such as the *conservation* of soil, air and water quality, carbon, *biological diversity*, *wildlife* and *aquatic habitats*, recreation and aesthetics.

2. Forest Productivity and Health

To provide for regeneration after harvest and maintain the productive capacity of the forest land base, and to protect and maintain *long-term* forest and soil *productivity*. In addition, to protect forests from economically or environmentally undesirable levels of wildfire, pests, diseases, *invasive exotic plants and animals* and other damaging agents and thus maintain and improve *long-term forest health and productivity*.

3. Protection of Water Resources

To protect water bodies and *riparian areas* and to conform with forestry *best management practices* to protect water quality.

4. Protection of Biological Diversity

To manage forests in ways that protect and promote *biological diversity*, including animal and plant species, *wildlife habitats*, and ecological or natural community types.

5. Aesthetics and Recreation

To manage the visual impacts of forest operations, and to provide recreational opportunities for the public.

6. Protection of Special Sites

To manage lands that are ecologically, geologically or *culturally important* in a manner that takes into account their unique qualities.

7. Responsible Fiber Sourcing Practices in North America

To use and promote among other forest landowners *sustainable forestry* practices that are both scientifically credible and economically, environmentally and socially responsible.

8. Legal Compliance

To comply with applicable federal, provincial, state, and local *forestry* and related environmental laws, statutes, and regulations.

9. Research

To support advances in sustainable forest management through *forestry* research, science and technology.

10. Training and Education

To improve the practice of *sustainable forestry* through training and education *programs*.

11. Community Involvement and Social Responsibility

To broaden the practice of *sustainable forestry* on all lands through community involvement, socially responsible practices, and through recognition and respect of *Indigenous Peoples'* rights and *traditional forest-related knowledge*.

12. Transparency

To broaden the understanding of forest certification to the *Fiber Sourcing* Standard by documenting certification audits and making the findings publicly available.

13. Continual Improvement

To continually improve the practice of forest management, and to monitor, measure and report performance in achieving the commitment to *sustainable forestry*.

14. Avoidance of *Controversial Sources* including *Illegal Logging* in *Offshore Fiber Sourcing*

To avoid wood fiber from *illegally logged* forests when procuring fiber outside of North America, and to avoid sourcing *fiber from countries without effective social laws*.

Source: Sustainable Forestry Initiative® (SFI) Standard, 2015-2019 Edition

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