

West Fraser Inc. SFI Public Summary Audit Report

The SFI Program of West Fraser Inc. of Germantown, TN has achieved conformance with the SFI 2015-2019 Standards and Rules®, Section 3 – Fiber Sourcing and Fiber Sourcing and Label/Mark Use according to the NSF SFIS Certification Audit Process.

NSF initially certified West Fraser Inc. to the SFIS on March 10-17, 2014. This report describes the second annual follow-up Surveillance Audit designed to focus on changes in the standard, changes in operations, the management review system, and efforts at continuous improvement. In addition, a subset of SFI requirements were selected for detailed review.

West Fraser Inc. consists of fifteen (15) lumber mills that process southern yellow pine into lumber and other products. The facilities are located in Armour and Seaboard, North Carolina, Augusta Georgia, Henderson, and New Boston Texas, Huttig, Leola, Russellville, and Mansfield, Arkansas, Joyce, Louisiana, Maplesville and Opelika, Alabama, McDavid and Whitehouse, Florida and Newberry, South Carolina. The company's SFI program is managed by Don Pattee and the central office is located in Whitehouse, FL. The company utilizes procurement groups at each facility to source the mills. The Seaboard, NC group sources wood to its mill and routinely purchases stumpage tracts. The Armour, Russellville, Mansfield, New Boston, and Henderson facilities routinely purchase stumpage tracts while the other facilities are generally supplied by gateway. This audit involved the procurement groups in Augusta, Joyce and Whitehouse. The central office functions were audited in Whitehouse.

The surveillance audit was performed by NSF on March 17 and May 10-11 2016 by Norman Boatwright, Lead Auditor and on March 9, 2016 by Tucker Watts, Team Auditor. Audit team members fulfill the qualification criteria for conducting SFIS Certification Audits of the SFI 2015-2019 Standards and Rules®, Section 9.

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®, Sections 3 and 5.

The scope of the SFIS Audit included procurement operations. Procurement operations that were the focus of field inspections included those that have been conducted since the previous field audit. In addition, a subset of SFI obligations to promote sustainable forestry practices, to seek legal compliance, and to incorporate continual improvement systems were reexamined during the audit. Use of the SFI logo and the requirement to provide a public of audit reports were also reviewed.

As with the initial certification, several of the SFI Performance Measures were outside of the scope of West Fraser Inc.'s SFI program and were excluded from the scope of the SFI Certification Audit as follows:

- Core Indicator 1.1.2 and 2.1.1 The facilities audited don't purchase stumpage
- Core Indicator 6.2.3 Logger certification
- Objective 8 Public land management responsibilities
- Objectives 11 - 13 Fiber Sourcing outside Canada and the US

No indicators were modified.

Surveillance 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 SFI 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 SFI-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, Opportunities for Improvement, and Practices that exceeded the Basic Requirements of the SFI Standard. Surveillance Audits generally focus on conformance issues and do not generally address exceptional practices.

Overview of Audit Findings

West Fraser Inc.'s SFI Program was found to be in full conformance with the standard. A minor non-conformance was identified.

Section 5 Core Indicator 3.5: *Program Participants must seek approval from the SFI Office of Label Use and Licensing for use of the off-product marks.*

Finding: The Company has not obtained certification to Appendix 1 of Section 3.

The next recertification audit is scheduled for the week of February 27, 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 state SICs.

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 and records associated with harvest sites audited.

Objective 4 - Legal and Regulatory Compliance - To comply 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 invest in forestry research, science and technology, upon which sustainable forest management decisions are based and broaden the awareness of climate change impacts on forests, wildlife and biological diversity.

Summary of Evidence – Confirmed by the Company's participation in the state SICs.

Objective 6. Training and Education - To improve the implementation of *sustainable forestry* practices through appropriate training and education *programs*.

Summary of Evidence – Training records of selected personnel and stakeholder interviews were the key evidence for this objective.

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 – Mailing lists, agendas for meetings, and selected summaries of comments were sufficient to assess the requirements.

Objective 9. Communications and Public Reporting - To increase transparency and to annually report progress on conformance with the *SFI Fiber Sourcing Standard*. .

Summary of Evidence – Review of the 2015 Annual Progress Report provided sufficient evidence.

Objective 10. Management Review and Continual Improvement - To promote continual improvement in the practice of *sustainable forestry* by conducting a management review and monitoring performance.

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 zones, and to conform with 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 forests and lands of special significance (ecologically, geologically or culturally important) in a manner that protects their integrity and 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. 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.

9. Legal Compliance

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

10. Research

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

11. Training and Education

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

12. Public Involvement

To broaden the practice of sustainable forestry on public lands through community involvement.

13. Transparency

To broaden the understanding of forest certification to the SFI 2010-2014 Standard by documenting certification audits and making the findings publicly available.

14. Continual Improvement

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

Source: Sustainable Forestry Initiative® (SFI) Standard, 2010–2014 Edition

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