

Canfor Southern Pine, Inc.

3700 Claypond Road
Myrtle Beach, SC 29579

SFI 2015-2019 Standards and Rules®
Section 3: Fiber Sourcing and Appendix 1: Certified Sourcing
Section 9 - Appendix 1: Multi-Site Organizations

1st Surveillance Audit





NSF Forestry Program Audit Report

A. Certificate Holder Information

Certificate Holder	Canfor Southern Pine, Inc.
Customer Number	C0079539
Contact Information (Name, title, phone & email)	Ron Phillips, Forest Certification Manager Mobile: 336-214-7321 ron.phillips@canfor.com
Scope of Certification	SFI FS: The procurement organizations supplying logs to its manufacturing facilities. The scope of the SFI Program includes Objectives 1-7 and 9-10. SFI Fiber Sourcing code: NSF-SFI-FS-C0079539. SFI CS: The manufacture of lumber and engineered wood products. SFI Certified Sourcing code: NSF-SFI-CS-C0079539.
Scope is accurate and appropriate, and matches on certificate, FRS and audit plan.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Locations Included in the Certification Note: may be listed as plain text or included in an appendix or a separate file.	<i>Camden, SC Procurement Group Sourcing:</i> Canfor Southern Pine, Inc. – Camden, SC Canfor Southern Pine, Inc. – Darlington, SC <i>Conway, SC Procurement Group Sourcing:</i> Canfor Southern Pine, Inc. – Conway, SC Canfor Southern Pine, Inc. – Darlington, SC <i>Graham, NC Procurement Group Sourcing:</i> Canfor Southern Pine, Inc. – Graham, NC <i>Mobile, AL Procurement Group Sourcing:</i> Canfor Southern Pine, Inc. – Mobile, AL Canfor Southern Pine, Inc. – Fulton, AL Canfor Southern Pine, Inc. – Jackson, AL <i>Urbana, LA Procurement Group Sourcing:</i> Canfor Southern Pine, Inc. – Urbana, AR <i>Thomasville, GA Procurement Group Sourcing:</i> Canfor Southern Pine, Inc. – Thomasville, GA Canfor Southern Pine, Inc. – Moultrie, GA <i>Hermanville, MS Procurement Group Sourcing:</i> Canfor Southern Pine, Inc. – Hermanville, MS SFI Certified Sourcing ONLY Canfor Southern Pine, Inc. – El Dorado, AR gluelam Canfor Southern Pine, Inc. – Washington, GA gluelam
Significant Changes to Operations or to the Standard(s)	N/A

B. Audit Team

Lead Auditor	Tucker Watts
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C. Site Visits

Date and Location of Each Visit	June 30, 2020 – Moultrie, GA July 1, 2020 – Thomasville, GA July 16, 2020 – Hermanville, MS July 23, 2020 – Closing Meeting by conference call
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D. Audit Results

Auditor Recommendation	<input type="checkbox"/> Grant, maintain or renew certification <input checked="" type="checkbox"/> Grant, maintain or renew certification pending closure of CARs <input type="checkbox"/> Grant, maintain or renew certification pending follow-up assessment <input type="checkbox"/> Do not grant, maintain or renew certification (notify NSF office immediately)
Number and Summary of Findings of "Exceeds the Requirements"	<p>2</p> <p>The requirement to have a program to require that harvests of purchased stumpage comply with best management practices exceeds the Standard. BMP monitoring is conducted during harvesting operations on a weekly basis using the Tract Inspection Worksheet. The final inspection is documented on this form also. Issues are identified, and remediation is documented. In addition to documentation, pictures of the closing review are incorporated at some procurement areas. (SFI 2015-2019 Standards and Rules® Section 3: Fiber Sourcing, Indicator 2.1.1)</p> <p>The requirement to have a system to achieve compliance with applicable federal, provincial, state, or local laws and regulations is exceeded. Canfor Southern Pine has contracted with a timber theft security firm, Dendro Resource Management, Inc to audit purchase stumpage tracts. Two camera audits are conducted in every state annually. A risk assessment is conducted on loggers based on interviews, camera monitoring, and comparison of Load Sheets to camera footage. (SFI 2015-2019 Standards and Rules® Section 3: Fiber Sourcing, Indicator 4.1.2)</p>
Number and Summary of Findings of "Opportunity for Improvement"	0
Number and Summary of Findings of "Minor Nonconformity"	<p>1</p> <p>2019 SFI Annual Progress Report was submitted 4/18/20. Report was not submitted by the deadline. (SFI 2015-2019 Standards and Rules® Section 3: Fiber Sourcing, Indicator 9.2.1). Closed following the remote document review.</p>
Number and Summary of Findings of "Major Nonconformity"	0
Summary of review of nonconformities from previous audit(s)	N/A
Notes from Opening and Closing Meetings	<p>Opening Meeting was conducted on Wednesday, May 27, 2020 using Zoom. Document review was completed and the site visit for the Thomasville Procurement Group and the Hermanville Procurement Group will be conducted at June 30, July 1, and July 15. A Closing Meeting was conducted to summarize the findings of the audit.</p> <p>Opening Meeting for the Moultrie/Thomasville Procurement Group was conducted on Tuesday, June 30, 2020 at the first site visited. Process for site visits and safety precautions for Covid-19 were discussed. A Closing Meeting was conducted Wednesday, July 1, 2020 on the last site visited following its review. A summary of the finding was provided.</p> <p>Opening Meeting for the Hermanville Procurement Group was conducted on Thursday, July 16, 2020 at the first site visited. Process for site visits and safety precautions for Covid-19 were discussed. Due to rain, a Closing Meeting was conducted via Zoom on Friday, July 17, 2020. A summary of the finding was provided.</p>



	The Closing Meeting for the audit was conducted on Thursday, July 23, 2020 by conference call. A summary of the audit process and the findings was reviewed. The audit review procedure was discussed with timelines. The Closing Meeting concluded with planning for the 2021 audit. The Mobile Procurement Group, and the Urbana Procurement Group will be sampled.
All logos and/or labels, including ANSI, ANAB, SFI, PEFC, ATFS, etc. are utilized correctly in accordance with NSF policies.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No (a finding of nonconformity should be issued) <input type="checkbox"/> N/A (not using any labels or logos on any marketing materials, website, finished products, etc.)

E. Surveillance Review

Explain how the management system is capable of meeting the applicable requirements and expected outcomes of the audit	
Answer	Capability of the management system is demonstrated by the very low number of nonconformities identified during annual audits and the continued high performance during a time on changing markets and uncertainty caused by the Covid-19 Virus. The company continues to emphasis a strong commitment for the implementation of their SFI Program.

F. Recertification Review

<p>Consider the performance of the program over the cycle through a review of all audits in the previous certification cycle, internal audits, management reviews, corrective actions and continual improvement. Describe the evidence supporting:</p> <ul style="list-style-type: none"> • effective interaction between all parts of the program and its overall effectiveness, • overall effectiveness of the system in its entirety considering internal and external changes, • demonstrated commitment by top management to maintain the system and maintain continuous improvement, • program contribution to the achievement of the client’s policy and objectives, and the intended results. <p>If there were any repeat findings during the audit cycle that indicate systemic issues, explain how they were addressed.</p>	
Answer	N/A – Surveillance Audit

G. Appendices

Appendix 1	Audit Notification Letter and Audit Agenda
Appendix 2	SFI Fiber Sourcing Public Summary Report
Appendix 3	Audit Checklist(s): SFI Fiber Sourcing Standard Field Site Notes
Appendix 4	Audit Checklist(s): SFI Certified Sourcing Standard
Appendix 5	Audit Checklist(s): SFI® Section 9, Appendix 1: Audits of Multi-Site Organizations Checklist
Appendix 6	Meeting Attendance
Appendix 7	Forestry Program COVID-19 Report Appendix



Appendix 1

Audit Notification Letter

April 11, 2020

Ron Phillips, Area Manager – Fiber Procurement Camden Sawmill
Canfor Southern Pine
1281 Sanders Creek Road
Cassatt, SC 29032
T 803-424-2824 C 336-214-7321
ron.phillips@canfor.com

RE: Confirmation of SFI Standard Surveillance Remote Audit

Dear Mr. Phillips,

As we discussed, I will be conducting your Surveillance audit as described in the attached itinerary. Please confirm that these dates are still appropriate for the audit of your program's continued conformance to the SFI 2015-2019 Fiber Sourcing Standard and SFI 2015-2019 Certified Sourcing Standard.

Preparing for the Audit

A key part of the audit is a review of selected evidence related to your program, which may include:

- SFI Procedures
- SFI Evidence Manual
- Internal Audit records
- Management Review records
- Training records
- Monitoring of BMPs
- Policies regarding certification
- Documentation for operation of complaint procedure
- List of the top 10 Wood Suppliers with contact information for each Procurement Group audited this year

Please have this information available for me **during the audit**.

Scope of Certification: **SFI FS:** The procurement operation supplying fiber to its sawmills. The scope includes Objectives 1-7, and 9-10. SFI Fiber Sourcing code: NSF-SFI-SFI-FS-C0079539.

SFI CS: The production of pine lumber. SFI Certified Sourcing code: NSF-SFI-CS-C0079539.



Role of SFI Inc. Office of Label Use and Licensing

As a reminder, your organization is responsible for contacting SFI, Inc. and complying with all requirements before using or changing any SFI label or logo. Your contact is:

Rachel Hamilton, Coordinator, Office of Statistics and Label Use
Sustainable Forestry Initiative, Inc.
343-803-0590
rachel.hamilton@sfiprogram.org

Agenda for Review

Attached for your review is the tentative agenda that will guide the conduct of the audit. Please contact me via email or phone if you would like to recommend changes or have any questions regarding what is needed for the audit.

Thank you for selecting NSF to provide your audit services.

Sincerely,

Tucker Watts

Lead Auditor, NSF
601-622-6487
Jtwatts1@gmail.com



Audit Agenda

Type of Audit

- Readiness Review (Stage 1) Registration (Stage 2) Surveillance
 Reassessment Transfer Verification
 Other (CS) Fully remote audit
 Other (FS) Remote special audit with later date set for field visits.

Audit Objectives

Determine if certification should be maintained.

Schedule

Day/Date	Time	Activity/Process and Location to be Audited <i>Note: Remote audit using Zoom.</i>	Auditor(s)
To Be Determined	1 hour	Plan SFI Fiber Sourcing Program and SFI Certified Sourcing audit and test ICT connection	Tucker Watts
Wednesday May 27, 2020	8:30 AM	Opening Meeting/Agenda Review <ul style="list-style-type: none"> • Review changes to the Facility Record Sheet • Discuss changes/improvements to the SFI Program, changes in operations, or changes in scope since the previous audit • Review NSF SFI Procedures • Verify effective implementation of any corrective action plans from the previous NSF audit • Review SFI Survey forms and confirm public report is available to the public • Review minutes of Management meetings • Review Logo or Label use issues • Discuss field site visit provisions, contactor interviews, and other logistical issues 	Tucker Watts
	9:00 AM	SFI 2015-2019 Fiber Sourcing Standard Review Objectives 1 to 10 Requirements for Fiber Sourcing Standard <ul style="list-style-type: none"> 2 Adherence to Best Management Practices 3 Use of Qualified Resource and Qualified Logging Professionals 4 Legal & Regulatory Compliance 6 Training & Education 9 Communications & Public Reporting 10 Management Review & Continual Improvement 	
	12:00 PM	Lunch	
	1:00 PM	Section 9, Appendix 1: Audits of Multi-Site Organizations	
	1:45 PM	SFI 2015-2019, Section 3, Appendix 1: Certified Sourcing Standard Audit	
	2:30 PM	Closing Meeting Preparation: Auditors take time to consolidate notes and confirm evaluation findings	
	3:00 PM	Closing Meeting: Review preliminary findings (potential non-conformities and observations) and discuss next steps Review plans for site visits.	



Audit Notification Letter

June 25, 2020

Ron Phillips, Area Manager – Fiber Procurement Camden Sawmill
Canfor Southern Pine
1281 Sanders Creek Road
Cassatt, SC 29032
T 803-424-2824 C 336-214-7321
ron.phillips@canfor.com

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Preparing for the Audit

A key part of the audit is a review of selected operations and tracts related to your program, which may include:

- Documentation of Fiber Sourcing Program and evidence file
- Contracts for purchasing raw material
- Contracts for cut & haul agreements
- Supplier documentation of certification
- Documentation for monitoring operations and BMP compliance

Please have this information available for me **during the audit**.

Scope of Certification: **SFI FS:** The procurement operation supplying fiber to its sawmills. The scope includes Objectives 1-7, and 9-10. SFI Fiber Sourcing code: NSF-SFI-SFI-FS-C0079539.

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Thank you for selecting NSF to provide your audit services.

Sincerely,

Tucker Watts

Lead Auditor, NSF

601-622-6487

Jtwatts1@gmail.com



Audit Agenda

Type of Audit

- Readiness Review (Stage 1)
 Registration (Stage 2)
 Surveillance
 Reassessment
 Transfer
 Verification
 Other _____

Audit Objectives

Determine if certification should be maintained.

Schedule

Day/Date	Time	Activity/Process and Location to be Audited	Auditor(s)
Tuesday June 30, 2020	7:00 AM	Opening Meeting/Agenda Review (Meet in Hampton Inn parking lot) <ul style="list-style-type: none"> • Discuss changes/improvements to the SFI Program, changes in operations, or changes in scope since the certification audit • Review NSF SFI Procedures • Review tract selection • Review Covid-19 Safety Policy 	Tucker Watts
	7:30 AM	Begin Thomasville, GA Procurement Group (Moultrie Plant, Thomasville Plant) tract visits.	Tucker Watts
	4:30 PM	Give daily debriefing on audit day progress plans/requests	Tucker Watts
Wednesday July 1, 2020	7:00 AM	Review plan for day. Continue site visits	Tucker Watts
	2:30 PM	Review preliminary findings (potential non-conformities and observations) and discuss next steps	Tucker Watts
Thursday, July 16, 2020	7:00 AM	Opening Meeting/Agenda Review <ul style="list-style-type: none"> • Discuss changes/improvements to the SFI Program, changes in operations, or changes in scope since the certification audit • Review NSF SFI Procedures • Review tract selection • Review Covid-19 Safety Policy 	Tucker Watts
	7:30 AM	Begin Hermanville, MS Procurement Group (Hermanville Plant) tract visits.	Tucker Watts
	3:30 PM	Give daily debriefing on audit day progress plans/requests	Tucker Watts
Thursday July 23, 2020	3:00 PM	Closing Meeting: Review preliminary findings (potential non-conformities and observations) and discuss next steps	Tucker Watts



Appendix 2

Canfor Southern Pine, Inc. 2020 SFI Fiber Sourcing Public Summary Audit Report

Introduction

The SFI Program of Canfor Southern Pine has demonstrated conformance with the SFI 2015-2019 Standards and Rules, Section 3 – Fiber Sourcing, including Appendix 1 – Certified sourcing according to the NSF Certification Process.

Canfor Southern Pine is a forest Products Company with the US corporate headquarters located in Mobile, AL that operates eleven (11) southern yellow pine manufacturing facilities in located in Alabama, Arkansas, North Carolina, South Carolina, Georgia, Louisiana and Mississippi. The company utilizes seven (7) procurement groups to source the plants.

Inputs are sourced as gatewood and purchased stumpage. The certification program is managed by Ron Phillips. The Company has a robust verifiable monitoring system to maintain rates of conformance to best management practices and to identify areas for improved performance. The system includes conducting BMP inspections on purchase stumpage tracts, reviewing state BMP data, and communicating the findings annually to management.

The Surveillance Audit was performed by NSF Lead Auditor, Tucker Watts. A remote document review was conducted using ICF on May 27, 2020. Site visits were conducted on June 30, and July 1, and July 16, 2020. Audit team members fulfill the qualification criteria for conducting audits contained in SFI 2015-2019 Standards and Rules, Section 9 – Audit Procedures and Auditor Qualifications and Accreditation.

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 to 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 SFI Standard was used without modifying any requirements.

Several of the SFI Section 3 requirements were outside of the scope of Canfor Southern Pine's SFI program and were excluded from the scope of the SFI Certification Audit as follows:

- Indicator 5.1.2 - Canfor Southern Pine does not conduct research on genetically engineered trees.
- Indicator 6.2.3 – States within the basin of Canfor Southern Pine do not have certified logger programs.
- Objective 8 - Canfor Southern Pine does not have public land management responsibilities.
- Objective 11-13 - Canfor Southern Pine does not source fiber outside Canada and the US.

Audit Process

The audit was governed by a detailed audit plan designed to enable the audit team to efficiently determine conformance with the applicable requirements. The plan provided for the assembly and review of audit evidence consisting of documents, interviews, and on-site inspections of ongoing or completed forest practices.

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 protocols. NSF 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 of the audit included conformance, major non-conformance, minor non-conformance, opportunities for improvement, and practices that exceeded the requirements of the standard.

Overview of Audit Findings

Canfor Southern Pine was found to be in conformance with the standard. One minor non-conformance was identified.

The 2019 SFI Annual Progress Report was submitted 4/18/20. Report was not submitted by the deadline. (SFI 2015-2019 Standards and Rules® Section 3: Fiber Sourcing, Indicator 9.2.1). Closed following the remote document review.

No opportunities for improvement identified.



The audit did identify two (2) areas where Canfor Southern Pine is conducting operations that exceed the Standard requirements:

The requirement to have a program to require that harvests of purchased stumpage comply with best management practices exceeds the Standard. BMP monitoring is conducted during harvesting operations on a weekly basis using the Tract Inspection Worksheet. The final inspection is documented on this form also. Issues are identified, and remediation is documented. In addition to documentation, pictures of the closing review are incorporated at some procurement areas. (SFI 2015-2019 Standards and Rules® Section 3: Fiber Sourcing, Indicator 2.1.1)

The requirement to have a system to achieve compliance with applicable federal, provincial, state or local laws and regulations is exceeded. Canfor Southern Pine has contracted with a timber theft security firm, Dendro Resource Management, Inc to audit purchase stumpage tracts. Two camera audits are conducted in every state annually. A risk assessment is conducted on loggers based on interviews, camera monitoring, and comparison of Load Sheets to camera footage. (SFI 2015-2019 Standards and Rules® Section 3: Fiber Sourcing, Indicator 4.1.2)

The next audit is a Surveillance Audit scheduled to be conducted with the Mobile Procurement Group and Urbana Procurement Group during May 2021.

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: *Not reviewed during 2020 Surveillance Audit.*

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: *The Company has a verifiable monitoring system to maintain rates of conformance to best management practices and to identify areas for improved performance. The system includes conducting BMP inspections on purchase stumpage tracts, reviewing state BMP data, and communicating the findings annually to management.*

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: *Cut & Haul and Supplier Agreements require the use of trained loggers. The SFI pamphlets provided to landowners encourage the use of qualified professionals.*

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. Reviewed documents signed by suppliers and logging contractors agreeing to legal compliance. Interviews with State forestry personnel.*

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: *Not reviewed during 2020 Surveillance Audit.*

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 State SIC and its development of education and logger training programs. Training is conducted by participation and sponsorship of various forestry and logger training classes.*



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: *Not reviewed during 2020 Surveillance Audit.*

Objective 9 Communications and Public Reporting

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

Summary of Evidence: *Summary Audit Report witnessed on SFI, Inc. website. Review of Annual Progress Report confirms record keeping is adequate and that reports are submitted on time.*

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 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

For Additional Information Contact:

Michelle Mateo	Daniel Freeman	Ron Phillips
NSF Forestry Program Manager	NSF Project Manager	Forest Certification Manager
789 N. Dixboro Road Ann Arbor, MI 48105	789 N. Dixboro Road Ann Arbor, MI 48105	1281 Sanders Creek Road Camden, SC 29020
413-265-3714	734-214-6228	336-214-7321
mmatteo@nsf.org	dfreeman@nsf.org	ron.phillips@canfor.com



Appendix 3

SFI® 2015-2019, Section 3: Fiber Sourcing Standard Audit Checklist

C0079539 - Canfor Southern Pine

Date of audit(s): May 27, June 30, July 1, 16, 2020

Multi-site Assessment

- Yes. Section 9, Appendix 1 Checklists (main and 1 sub-checklist) must be completed.
 No. Section 9, Appendix 1 Checklists are not included.
-

1.2 Additional Requirements

SFI Program Participants that own or have management authority for forestlands must also conform to the SFI 2015-2019 Forest Management Standard.

- N/A Conforms Exceeds O.F.I. Minor NC Major NC

Notes: Canfor Southern Pine does not own or have management authority for forestlands associated with this certificate.

Use of the SFI on-product labels and claims shall follow Section 5 - Rules for Use of SFI On-Product Labels and Off-Product Marks as well as ISO 14020:2000.

- N/A Conforms Exceeds O.F.I. Minor NC Major NC

Notes: Reviewed off-product label use approval from SFI Inc. dated 4/3/2019 for the use of the SFI trademark on the Company's new "Working in Partnership with Landowners" brochure.

Section 3, Appendix 1: Rules for Use of SFI Certified Sourcing Label – Applicability

The organization applies or intends to apply the "Certified Sourcing" label.

- Yes: Section 3, Appendix 1 checklist must be completed.
 No: Section 3, Appendix 1 checklist may be deleted.

Notes:

Fiber sourcing within the United States and Canada (Objectives 1-10 apply)



Objective 1 Biodiversity in Fiber Sourcing

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

Performance Measure 1.1

Promotion and conservation of biological diversity.

1.1.1 *Program participant* shall address conservation of *biodiversity*, individually or collaboratively, through a *Program* which includes one or more of the following:

- a. promotion of *biological diversity* utilizing information from organizations such as World Resources Institute, The Nature Conservancy, NatureServe, Conservation International, State Wildlife Action Plans, State Forest Action Plans and assessments;
- b. conducting local and regional level *landscape* assessments;
- c. involvement with local or regional conservation efforts;
- d. use of relevant information on *biological diversity* from credible sources (such as those noted above) in approved training and education programs; and
- e. other credible approaches.

N/A Conforms Exceeds O.F.I. Minor NC Major NC

Notes: Not reviewed in 2020 Surveillance Audit.

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

N/A Conforms Exceeds O.F.I. Minor NC Major NC

Notes: Not reviewed in 2020 Surveillance Audit.



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.

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*.

N/A Conforms Exceeds O.F.I. Minor NC Major NC

Notes: See Indicators below.

2.1.1 Program to require that harvests of purchased stumpage comply with best management practices.

N/A Conforms Exceeds O.F.I. Minor NC Major NC

Notes: Moultrie, Thomasville, Hermanville

Moultrie Thomasville, and Hermanville purchase stumpage

Contracts contain BMP clauses. Witnessed Timber Cutting Agreement, Contractor Agreement, and Cut and Haul Contract for sites visited.

BMP monitoring is conducted during harvesting operations on a weekly basis using the Tract Inspection Worksheet. The final inspection is documented on this form also. Issues are identified, and remediation is documented. Witnessed for sites visited. For some sites visited pictures were incorporated into the final inspection.

2.1.2 Use of written agreements for the purchase of raw material sourced directly from the forest is required and must include provisions requiring the use of *best management practices*.

N/A Conforms Exceeds O.F.I. Minor NC Major NC

Notes: Moultrie, Thomasville, Hermanville

Witnessed BMP requirements in the following documents during document review and for sites visited:

- Timber Cutting Agreement
- Cut and Haul Contract
- Timber Purchase Agreement

2.1.3 *Program* to address adverse weather conditions.

N/A Conforms Exceeds O.F.I. Minor NC Major NC

Notes: The following procedures are used to plan for and manage adverse weather conditions:

1. Follow all applicable state Best Management Practices in the harvesting of timber and construction of road, landings and skid trails;
2. Identify when soil and road conditions are not conducive to forest management and logging activities and plan such activities when conditions are more favorable;
3. Target "wet weather" jobs that can be harvested during periods of wet weather;
4. Harvest upland portions of tracts that are appropriate for wet weather conditions;
5. Use rock, gravel or other appropriate techniques to stabilize roads, minimize erosion, and improve accessibility during adverse weather;
6. Maintain a number of optional sites that can be harvested without causing excessive rutting or other environmental damage;
7. Schedule harvests to coincide with proper weather conditions and landowner requirements;
8. Access drier and more accessible sites that can be harvested during periods of inclement weather;
9. Evaluate operations that may require the use of alternative logging systems and equipment; and
10. Increase wood yard inventory levels during wet months.

Annual Inventory Plan vs. Actual is monitored on a weekly basis. Witnessed chart for plants visited.

Daily reports are received for deliveries by supplier consumption, and beginning inventory.

Some plants have wet storage capacity. Moultrie – 10,000 tons (4 days), Hermanville – 4,000 tons (3.5 days) Urbana – 36,000 tons (17 days)



Gatewood and purchase tracts are classified as wet and dry tract for planning. Witnessed Timber Purchase Agreement and acquisition forms. Special pricing is negotiated for gatewood tracts.

Wood suppliers and contractors have special equipment – low group pressure equipment, dual tires, shovel logging on coast.

2.1.4 *Program Participants* shall clearly define their *fiber sourcing policies* in writing and make them available to *wood producers*.

N/A Conforms Exceeds O.F.I. Minor NC Major NC

Notes: The Company's fiber sourcing policies are described in an annual letter and agreements sent to wood suppliers and contract loggers. Letter sent on May 19, 2020. Attached are Fiber Sourcing Policy signed by Josh L Sandt, Vice President-Fiber Procurement & Residuals, and SFI Standard Implementation Policy signed by Fred Stimpson, President, US Southern Operations. Witnessed letter and policies.

Performance Measure 2.2

Program Participants shall monitor the use of best management practices.

Indicators:

2.2.1 A verifiable monitoring system to:

- monitor the use of *best management practices* by *wood producers* supplying the Program Participant; and
- evaluate use of best management practices across the wood and fiber supply area.

N/A Conforms Exceeds O.F.I. Minor NC Major NC

Notes: South Carolina reports monthly BMP Courtesy Exams. Reports are reviewed by Landon Ivie. Witnessed January, 2020 report. None were related to Canfor Southern Pine by Gatewood or purchase timber. Three suppliers delivering to Canfor Southern Pine were included in the sample. During September, 2019, a total 6 of 16 supplier sampled were delivering to Canfor Southern Pine. No issues were identified.

North Carolina Forestry Commission reports BMP monitoring on a quarterly basis. Witnessed report for 4th Quarter 2019. Information is reviewed by Will Reece. None were related to Canfor Southern Pine by Gatewood or purchase timber. If an issue is identified, Canfor Southern Pine will follow-up to remediate situation.

BMP information collected by the Georgia Forestry Commission is received and reviewed by Buck Booker. Witnessed reports for 1st Quarter 2020, and 4th Quarter 2019. Seventeen issues were identified. None were related to Canfor Southern Pine by Gatewood or purchase timber. If an issue is identified, Canfor Southern Pine will follow-up to remediate situation. A letter from Georgia Forestry Commission will be received for approval.

In Mississippi, BMP information is collected from the state monitoring reports.

2019 Annual Summary of BMP Compliance is compiled by mill and discussed during Management Review.

2.2.2 Use of information from the *verifiable monitoring system* to maintain rates of conformance to *best management practices* and to identify areas for improved performance.

N/A Conforms Exceeds O.F.I. Minor NC Major NC

Notes: For purchase stumpage, improvements are discussed 1-on-1 during monitoring of operation. Witnessed Tract Inspection Worksheet.

BMP issues are used for the development of state logger training modules.

BMP compliance information is discussed during the annual Management Review. Areas for improved performance are identified. Witnessed 2019 Annual Summary of BMP Compliance.



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.

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 in applying *principles* of sustainable forest management on their lands.

3.1.1 Program to promote the use of qualified logging professionals, certified logging professionals (where available), and qualified resource professionals.

N/A Conforms Exceeds O.F.I. Minor NC Major NC

Notes: Canfor Southern Pine and SIC Brochure encourage landowners to use qualified professionals and qualified logging professionals. Witnessed brochures. Brochures are provided to landowners during timber acquisition, and to wood suppliers for distribution when they are buying timber.

Letter to wood suppliers and contractors states requirement for all wood suppliers and contract loggers to have SFI trained personnel on-site at all times. The Company's procurement foresters are also required to be SFI trained or registered foresters. Compliance is verified annually. Witnessed letter. Verified Mississippi and Georgia qualified loggers for sites visited.

3.1.2 List of qualified *logging professionals, certified logging professionals* and maintained by a *Program Participant, state or provincial agency, loggers' association* or other organization.

N/A Conforms Exceeds O.F.I. Minor NC Major NC

Notes: Logging training is tracked in the Company's wood flow accounting system. Logger certification data is input by the state fiber specialists. Confirmed by review of the WTD Log Delivery Reports for each mill visited.



Objective 4 Legal and Regulatory Compliance

To comply with applicable federal, provincial, state and local laws and regulations.

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*.

N/A Conforms Exceeds O.F.I. Minor NC Major NC

Notes: Addressed in Canfor Southern Pine SFI® Implementation Programs, Systems and Processes.

4.1.1 Access to relevant laws and regulations in appropriate locations.

N/A Conforms Exceeds O.F.I. Minor NC Major NC

Notes: All foresters have a copy of the SFI program document with links to appropriate websites.

All foresters have a copy of the BMP manual or field guide for BMPs. Witnessed BMP manual in truck during field site visits.

4.1.2 System to achieve compliance with applicable federal, provincial, state or local laws and regulations.

N/A Conforms Exceeds O.F.I. Minor NC Major NC

Notes: Addressed in Canfor Southern Pine SFI® Implementation Programs, Systems and Processes document. Canfor has a security forester who checks supplier tracts for compliance.

Canfor Southern Pine has contracted with a timber theft security firm, Dendro Resource Management, Inc to audit purchase stumpage tracts. Two camera audits are conducted in every state annually. A risk assessment is conducted on loggers based on interviews, camera monitoring, and comparison of Load Sheets to camera footage.

Legislative updates are received from state Forestry Associations when state legislatures are in session.

FRA newsletters contain federal legislative updates.

4.1.3 Demonstration of commitment to legal compliance through *available regulatory action information*.

N/A Conforms Exceeds O.F.I. Minor NC Major NC

Notes: Witnessed state monitoring for South Carolina, North Carolina, and Georgia.

Interview of Mississippi BMP Forester confirms no issues identified.

4.1.4 Program to assess the risk that the *Program Participant's fiber sourcing* program could acquire material from *illegal logging* by considering some of the following:

- a. communications with suppliers;
- b. independent research;
- c. contract documentation; and
- d. maintain records.

N/A Conforms Exceeds O.F.I. Minor NC Major NC

Notes: Canfor Southern Pine's SFI® Implementation Programs, Systems and Processes document states a high level of confidence that illegal logging is not widespread across its wood supply area.

Dendor Resource Management, Inc. has been contracted to provide security for illegal logging. Risk assessment is conducted using cameras and interviews with loggers. Load Sheets are reviewed for confirmation of deliveries.

State Offices of Forestry conduct enforcement of laws. Compliance for information is provided as requested.

4.1.5 Program to address any significant risk identified under 4.1.4.

N/A Conforms Exceeds O.F.I. Minor NC Major NC

Notes: Canfor Southern Pine's SFI® Implementation Programs, Systems and Processes document states a high level of confidence that illegal logging is not widespread across its wood supply area.

If a potential issue was identified, Canfor Southern Pine would cooperate with the state agency investigating the issue.

At a minimum the deliveries from the supplier would be curtailed.



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.

4.2.1 Written *policy* demonstrating commitment to comply with social laws, such as those covering civil rights, equal employment opportunities, anti-discrimination and anti-harassment measures, workers' compensation, *Indigenous Peoples'* rights, workers' and communities' right to know, prevailing wages, workers' right to organize, and occupational health and safety.

N/A Conforms Exceeds O.F.I. Minor NC Major NC

Notes: Witnessed Employee Handbook dated July 2017 with EEOC info. Interview confirms Employee Handbook was given to all employees in 2012, and new employees since. Information posted in break rooms, etc. Training held every few years and have to sign anti-trust documents.

Fiber Policy includes commitment to comply with social laws. Witnessed Fiber Policy.



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*.

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.

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.

N/A Conforms Exceeds O.F.I. Minor NC Major NC

Notes: Not reviewed in 2020 Surveillance Audit.

5.1.2 Research on genetically engineered trees via *forest tree biotechnology* shall adhere to all applicable federal, state, and provincial regulations and international protocols ratified by the U.S. or Canada depending on jurisdiction of management.

N/A Conforms Exceeds O.F.I. Minor NC Major NC

Notes: Not reviewed in 2020 Surveillance Audit.

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*.

5.2.1 Participation, individually and/or through cooperative efforts involving *SFI Implementation Committees* and/or associations at the national, state, provincial or regional level, in the development or use of some of the following:

- a. regeneration assessments;
- b. *growth and drain* assessments;
- c. *best management practices* implementation and conformance;
- d. *biodiversity conservation* information for family forest owners; and
- e. social, cultural or economic benefit assessments.

N/A Conforms Exceeds O.F.I. Minor NC Major NC

Notes: Not reviewed in 2020 Surveillance Audit.

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 on forests, *wildlife* and *biological diversity*.

5.3.1 Where available, monitor information generated from regional climate models on *long-term forest health, productivity* and *economic viability*.

N/A Conforms Exceeds O.F.I. Minor NC Major NC

Notes: Not reviewed in 2020 Surveillance Audit.

5.3.2 *Program Participants* are knowledgeable about *climate change* impacts on *wildlife, wildlife habitats* and *conservation of biological diversity* through international, national, regional or local *programs*.

N/A Conforms Exceeds O.F.I. Minor NC Major NC

Notes: Not reviewed in 2020 Surveillance Audit.



Objective 6 Training and Education

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

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*.

6.1.1 Written statement of commitment to the *SFI 2015-2019 Fiber Sourcing Standard* communicated throughout the organization, particularly to facility and woodland managers, *fiber sourcing* staff and field foresters.

N/A Conforms Exceeds O.F.I. Minor NC Major NC

Notes: Witnessed SFI Standard Implementation Policy dated 5/5/19 signed by Fred Stimpson, President, US Southern Operations.

Letter was sent with Policy to Personnel, Procurement Managers, and Foresters on May 12, 2020 by Josh L. Sandt, Vice President – Fiber Procurement & Residuals.

Policy discussed during Management Review. Witnessed in Agenda and Minutes.

6.1.2 Assignment and understanding of roles and responsibilities for achieving *SFI 2015-2019 Fiber Sourcing Standard objectives*.

N/A Conforms Exceeds O.F.I. Minor NC Major NC

Notes: Roles and assignments mentioned throughout the Canfor SFI Program document. Training Matrix indicates training requirements by position.

Procurement foresters interviewed understand their roles and responsibilities.

6.1.3 Staff education and training sufficient to their roles and responsibilities.

N/A Conforms Exceeds O.F.I. Minor NC Major NC

Notes: All procurement foresters are required to have logger training or registered forester in their state.

Confirmed Aaron Norman, Daniel Lauderdale, and Phillip Booker are GA Registered Forester; Aaron Norman, Daniel Lauderdale, and Landon Rich are GA Master Timber Harvesters.

Sam Stagg is Mississippi Professional Logging Manager. The following classes have been conducted at the Hermanville Plant:

- 11/1/19 – Wetlands and skid trails. Water quality forecast management plan
- 2/10/20 - MS Waterbars
- 9/9/19 - Uplands skid trails and haul roads
- 4/20/20 - SMZ guidelines lakes ponds intermittent streams
- 2/11/20 - BMP implementation rate

6.1.4 Contractor education and training sufficient to their roles and responsibilities.

N/A Conforms Exceeds O.F.I. Minor NC Major NC

Notes: Canfor Southern Pine requires that all wood suppliers and logging contractors to be current with state logger training. Requirement is stated in letter to contractors and suppliers and in contracts.

Witnessed the following contacts:

- Cut and Haul Contract
- Contractor Agreement

Witnessed contracts for sites visited.

Confirmed logger training for harvesting of sites visited.



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.

N/A Conforms Exceeds O.F.I. Minor NC Major NC

Notes: Canfor Southern Pine requires that all wood suppliers and logging contractors to be current with state logger training. Requirement is stated in letter to contractors and suppliers and in contracts.

Witnessed the following contacts:

- Cut and Haul Contract
- Contractor Agreement

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.

6.2.1 Participation in or support of *SFI Implementation Committees* to establish criteria and identify delivery mechanisms for *wood producer* training courses and periodic continuing education that address:

- awareness of *sustainable forestry principles* and the *SFI* program;
- best management practices*, including streamside management and road construction, maintenance and retirement;
- reforestation, invasive exotic plants and animals, forest resource conservation, aesthetics and special sites;
- awareness of responsibilities under the U.S. Endangered Species Act, the Canadian Species at Risk Act, and other measures to protect *wildlife habitat* (e.g., *Forests with Exceptional Conservation Value*);
- awareness of rare forested natural communities as identified by provincial or state agencies, or by credible organizations such as NatureServe, The Nature Conservancy, etc.
- logging safety;
- U.S. Occupational Safety and Health Administration (OSHA) and Canadian Centre for Occupational Health and Safety (CCOHS) regulations, wage and hour rules, and other provincial, state and local employment laws;
- transportation issues;
- business management;
- public *policy* and outreach; and
- awareness of emerging technologies.

N/A Conforms Exceeds O.F.I. Minor NC Major NC

Notes: Canfor Southern Pine hosts Spring logger training classes. Due to Covid-19 these have been postponed.

Witnessed support (dues) and participation (minutes) of the GA, and MS SICs.

6.2.2 The *SIC*-approved *wood producer* training programs shall have a continuing education component with coursework that supports the current training programs, safety and the *principles* of *sustainable forestry*.

N/A Conforms Exceeds O.F.I. Minor NC Major NC

Notes: Review of the websites and interviews confirm that the GA and MS logger training has a continuing education requirement.



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- 6.2.3 Participation in or support of SFI Implementation Committees to establish criteria for recognition of logger certification *programs*, where they exist, that include:
- a. completion of *SFI Implementation Committee* recognized logger training *programs* and meeting continuing education requirements of the training *program*;
 - b. independent in-the-forest verification of conformance with the logger certification *program* standards;
 - c. compliance with all applicable laws and regulations including responsibilities under the U.S. Endangered Species Act, the Canadian Species at Risk Act and other measures to protect *wildlife habitat*;
 - d. use of *best management practices* to protect water quality;
 - e. logging safety;
 - f. compliance with acceptable *silviculture* and utilization standards;
 - g. aesthetic management techniques employed where applicable; and
 - h. adherence to a management or harvest plan that is site specific and agreed to by the forest landowner.

N/A Conforms Exceeds O.F.I. Minor NC Major NC

Notes: There is no logger certification in GA, or MS.



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*.

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.

7.1.1 Support, including financial, for efforts of *SFI Implementation Committees*.

N/A Conforms Exceeds O.F.I. Minor NC Major NC

Notes: Not reviewed in 2020 Surveillance Audit.

7.1.2 Support individually or collaboratively education and outreach to forest landowners describing the importance of and providing implementation guidance on:

- a. best management practices;
- b. reforestation and afforestation;
- c. visual quality management;
- d. conservation objectives, such as of critical wildlife habitat elements, biodiversity, threatened and endangered species, and Forests with Exceptional Conservation Value;
- e. management of harvest residue (e.g., slash, limbs, tops) considers economic, social, environmental factors (e.g., organic and nutrient value to future forests) and other utilization needs;
- f. control of invasive exotic plants and animals;
- g. characteristics of special sites; and
- h. reduction of wildfire risk.

N/A Conforms Exceeds O.F.I. Minor NC Major NC

Notes: Not reviewed in 2020 Surveillance Audit.

7.1.3 Participation in efforts to support or promote *conservation* of managed forests through voluntary market-based incentive *programs* such as current-use taxation *programs*, *Forest Legacy Program* or *conservation* easements.

N/A Conforms Exceeds O.F.I. Minor NC Major NC

Notes: Not reviewed in 2020 Surveillance Audit.

7.1.4 *Program Participants* are knowledgeable about credible regional *conservation* planning and priority-setting efforts that include a broad range of stakeholders and have a *program* to take into account the results of these efforts in planning.

N/A Conforms Exceeds O.F.I. Minor NC Major NC

Notes: Not reviewed in 2020 Surveillance Audit.

7.1.5 *Program Participants* with *fiber sourcing programs*, either individually or collaboratively with *SFI Implementation Committees*, encourage forest landowners to participate in forest management certification *programs*.

N/A Conforms Exceeds O.F.I. Minor NC Major NC

Notes: Not reviewed in 2020 Surveillance Audit.



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.

7.2.1 Periodic educational opportunities promoting *sustainable forestry*, such as

- a. field tours, seminars, websites, webinars or workshops;
- b. educational trips;
- c. self-guided forest management trails;
- d. publication of articles, educational pamphlets or newsletters; or
- e. support for state, provincial, and local *forestry* organizations and soil and water *conservation* districts.

N/A Conforms Exceeds O.F.I. Minor NC Major NC

Notes: Not reviewed in 2020 Surveillance Audit.

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 Standard principles* and *objectives*.

7.3.1 Support for *SFI Implementation Committees* (e.g., toll-free numbers and other efforts) to address concerns about apparent nonconforming practices.

N/A Conforms Exceeds O.F.I. Minor NC Major NC

Notes: Not reviewed in 2020 Surveillance Audit.

7.3.2 Process to receive and respond to public inquiries. *SFI Implementation Committees* shall submit data annually to *SFI Inc.* regarding concerns received and responses.

N/A Conforms Exceeds O.F.I. Minor NC Major NC

Notes: Not reviewed in 2020 Surveillance Audit.



Objective 8 *Public Land Management Responsibilities*

To participate and implement sustainable forest management on *public lands*.

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.

8.1.1 Involvement in *public land* planning and management activities with appropriate governmental entities and the public.

N/A Conforms Exceeds O.F.I. Minor NC Major NC

Notes:

8.1.2 Appropriate contact with local stakeholders over forest management issues through state, provincial, federal or independent collaboration.

N/A Conforms Exceeds O.F.I. Minor NC Major NC

Notes:



Objective 9 Communications and Public Reporting

To increase transparency and to annually report progress on conformance with the *SFI Fiber Sourcing Standard*.

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*.

- 9.1.1 The summary audit report submitted by the *Program Participant* (one copy must be in English), shall include, at a minimum,
- a description of the audit process, *objectives* and scope;
 - a description of substitute *indicators*, if any, used in the audit and a rationale for each;
 - the name of *Program Participant* that was audited, including its *SFI* representative;
 - a general description of the *Program Participant's* forestland, fiber procurement and/or manufacturing operations included in the audit;
 - the name of the *certification body* and *lead auditor* (names of the *audit team* members, including *technical experts* may be included at the discretion of the *audit team* and *Program Participant*);
 - the dates the audit was conducted and completed;
 - a summary of the findings, including general descriptions of evidence of conformity and any nonconformities and corrective action plans to address them, opportunities for improvement, and exceptional practices; and
 - the certification decision.

The summary audit report will be posted on the *SFI Inc.* website (www.sfiprogram.org) for public review.

N/A Conforms Exceeds O.F.I. Minor NC Major NC

Notes: Witnessed summary report of 2019 Re-Certification Audit on SFI, Inc. website.

Performance Measure 9.2

Program Participants shall report annually to *SFI Inc.* on their conformance with the *SFI Fiber Sourcing Standard*.

- 9.2.1 Prompt response to the *SFI* annual progress report survey.

N/A Conforms Exceeds O.F.I. Minor NC Major NC

Notes: 2019 SFI Annual Progress Report submitted 4/18/20. Witnessed report and emails from SFI, Inc.

- 9.2.2 Record keeping for all the categories of information needed for *SFI* annual progress report surveys.

N/A Conforms Exceeds O.F.I. Minor NC Major NC

Notes: Review of the 2018 APR confirms that record keeping is adequate.

Review of the 2019 SFI Annual Progress Report confirms record keeping system is in place for reporting.

- 9.2.3 Maintenance of copies of past survey reports to document progress and improvements to demonstrate conformance to the *SFI 2015-2019 Fiber Sourcing Standard*.

N/A Conforms Exceeds O.F.I. Minor NC Major NC

Notes: Witnessed SFI Annual Progress Reports dating back to 2009.



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.

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.

10.1.1 System to review commitments, *programs* and procedures to evaluate effectiveness.

N/A Conforms Exceeds O.F.I. Minor NC Major NC

Notes: The Company has a formal system for annually collecting information about its SFI implementation, evaluating the effectiveness of the program, reporting information to management, determining whether any changes or improvements are necessary to continually improve SFI FS conformance, and communicate those changes to responsible personnel.

10.1.2 System for collecting, reviewing and reporting information to management regarding progress in achieving *SFI 2015-2019 Fiber Sourcing Standard objectives and performance measures*.

N/A Conforms Exceeds O.F.I. Minor NC Major NC

Notes: As outlined in the Program for evaluating the effectiveness of promoting reforestation and use of BMPs, the Procurement Foresters conduct monitoring using the Tract Visitation Forms and Purchase Agreements for direct purchase stumpage. The Certification Manager consolidates that information and prepares an annual summary of patterns and trends.

The Company has identified SFI Lead Foresters in each state that are responsible for attending the SIC meetings, reporting educational activities, monitoring state BMP reports, and forwarding them to the Certification Manager and being the Canfor lead for logger training in their state.

The Company has an internal audit program where the facilities to be 3rd party audited undergo an internal audit annually. Review of the report confirms that the internal audit involves a full desk audit and on-site visits to purchase stumpage tracts. The audit of documentation has been conducted. The review of field sites will occur in July, 2020. Management Review will be conducted following the completion of the 3rd party audit.

Due to the Covid-19 changes in the operation, completion of the internal audit has been delayed. Canfor Southern Pine has a plan in place for completion of the internal audit and conducting Management Review as conditions allow.

10.1.3 Annual review of progress by management and determination of changes and improvements necessary to continually improve conformance to the *SFI 2015-2019 Fiber Sourcing Standard*.

N/A Conforms Exceeds O.F.I. Minor NC Major NC

Notes: Confirmed by review of agenda and meeting minutes that the Annual SFI Management Review occurred June 6, 2019, Topics discussed included: review of the SFI Policy, results of the internal audit and company & state BMP compliance monitoring, use of SFI trained loggers, distribution of SFI promotional material, due diligence system and opportunities to improve the SFI program.

Attendees included the state SFI Leads, Area Managers and some Procurement Managers, Certification Manager, Accounting Manager – Fiber Management and VP Fiber Procurement and Residuals.

Due to the Covid-19 changes in the operation, completion of the internal audit has been delayed. Canfor Southern Pine has a plan in place for completion of the internal audit and conducting Management Review as conditions allow.

Management Review will be conducted following the 3rd Party audit. Management Review is scheduled for June 30, 2020.

There is no fiber sourcing outside the United States and Canada; Objectives 11-13 do not apply and have been deleted.

(End SFI Fiber Sourcing Checklist)



Field Site Notes

Moultrie & Thomasville Plants

Tallokas Tract

355 Acre Marked Thinning. Quail plantation. Harvesting by Forest Resource Services. Verified logger training. Timber Cutting Contract contains BMP requirement. Cut & Haul Contract contains BMP and logger training requirements. SFI Information packet sent to landowner. Verified FECV. No issues. Deck is clean and has been planted. Trees were harvested and skidded to fire lane for skidding to deck. No issues.

Prince Farms, Inc.

141 Acre Harvest. Harvesting by Southlands Forest Products and Flint River Timber. Verified logger training. Timber Sale Agreement contains BMP requirements. Contractor Agreement, and Cut & Haul Contract contain BMP requirements. SFI Information packet sent to landowner. Verified FECV. No issues. SMZ flagged. No hardwood cut. SMZ crossings clean and stable. Deck clean and stable. Minimal rutting. Roads maintained through adjoining corn field. No issues.

Hyde Tract

47 Acre Harvest. Harvesting by Southlands Forest Products. Verified logger training. Timber Sale Agreement contains BMP requirements. Contractor Agreement, and Cut & Haul Contract contain BMP and logger training requirements. SFI Information packet sent to landowner. Verified FECV. No issues. Buffer around pond. High banks protected during harvesting. No issues. Site has been burned and machine planted. No issues.

Goover Tract

31 Acre Harvest. Harvesting by Williams Forest Products. Verified logger training. Timber Sale Agreement contains BMP requirements. Contractor Agreement, and Cut & Haul Contract contain BMP and logger training requirements. SFI Information packet sent to landowner. Verified FECV. No issues. Painted line around pond. No entrance into area. Deck clear and stabilized. Wet areas identified during harvesting. No issues. Good utilization.

Lautry & Company, LLC

39 Acre Harvest/8 Acre Thinning. Verified logger training. Harvesting by Forest Resource Services. Pay As Cut Contract contains BMP requirements. Contractor Agreement, and Cut & Haul Contract contain BMP and logger training requirements. SFI Information packet sent to landowner. Verified FECV. No issues. Tract has been burned in preparation for planting. No issues identified.

Quigg Tract

30 Acre Harvest. Harvesting by Forest Resource Services. Verified logger training. Timber Sale Agreement contains BMP requirements. Contractor Agreement, and Cut & Haul Contract contain BMP and logger training requirements. SFI Information packet sent to landowner. Verified FECV. No issues. Buffer and property line around house. SMZ well identified. Good utilization. Debris spread across tract. No issues.

Saddle Creek II

50 Acre Marked Thinning. Harvesting by Forest Resource Services. Verified logger training. Timber Sale Agreement contains BMP requirements. Contractor Agreement, and Cut & Haul Contract contain BMP and logger training requirements. SFI Information packet sent to landowner. Verified FECV. No issues. Debris scattered for stabilization. Piles burned by landowner. Matted drain not cleaned. Water flow not impacted. Pond buffered. No entrance. In drain, a tree was partially cut, but not completely severed from stump. Safety issue.

Sugar Pine

100 Acre Marked Thinning. Harvesting by Forest Resource Services. Verified logger training. Timber Sale Agreement contains BMP requirements. Contractor Agreement, and Cut & Haul Contract contain BMP and logger training requirements. SFI Information packet sent to landowner. Verified FECV. No issues. Minor skinning of residual stand. No issues.

Saddle Creek I

60 Acre Thinning. Harvesting by Forest Resource Services. Verified logger training. Timber Sale Agreement contains BMP requirements. Contractor Agreement, and Cut & Haul Contract contain BMP and logger training requirements. SFI Information packet sent to landowner. Verified FECV. No issues. Goal is quail management. SMZ protects water. No issues. Pile burned by landowner. Tract planted by landowner. No issues identified.



Pinehaven Tact

300 Acre Harvest. Harvesting by Turner Timber LLC. Verified logger training. Timber Sale Agreement contains BMP requirements. Contractor Agreement, and Cut & Haul Contract contain BMP and logger training requirements. SFI Information packet sent to landowner. Verified FECV. No issues. SMZ marked in Blue. No entrance. No issues. Crossings clean and stabilized with debris. Minimal washing on hillside. No issues.

Maime Page Tract

17 Acre Harvest. Harvesting by Triple L Timber Company. Verified logger training. Timber Sale Agreement contains BMP requirements. Contractor Agreement, and Cut & Haul Contract contain BMP and logger training requirements. SFI Information packet sent to landowner. Verified FECV. No issues. No water on site. Flat landscape. Several trees removed from yard. Debris removed from yard. Aesthetics implemented. No issues identified.

Hermanville Plant

Anderson C

62 Acre Harvest. Harvesting by Longleaf Enterprises. Verified logger training. Timber Sale & Purchase Agreement contains BMP requirements. Contractor Agreement, and Cut & Haul Contract contain BMP and logger training requirements. SFI Information packet sent to landowner. Verified FECV. No issues. Cemetery buffered. No damage. No rutting witnessed. Deck area clean. Some large jump butts as deck due to Heart Rot. Minor washing on road following heavy rain. Site was cut in February, 2019. No issues identified. Site has been planted by landowner. Closeout of harvesting includes pictures.

Anderson D

65 Acre Harvest. Harvesting by Longleaf Enterprises. Verified logger training. Timber Sale & Purchase Agreement contains BMP requirements. Contractor Agreement, and Cut & Haul Contract contain BMP and logger training requirements. SFI Information packet sent to landowner. Verified FECV. No issues. No rutting witnessed. Deck area clean. Minor washing on road following heavy rain. Site was cut in February, 2019. No issues identified. Piles have been burned at deck. Site has been planted by landowner. Closeout of harvesting includes pictures.

McMillian #2

76 Acre Harvest. Harvesting by Tim Rollins. Verified logger training. Timber Sale & Purchase Agreement contains BMP requirements. Contractor Agreement, and Cut & Haul Contract contain BMP and logger training requirements. SFI Information packet sent to landowner. Verified FECV. No issues. Great road work. Turn-outs, waterbars, and a low water crossing have been installed effectively. SMZ marked. No entrance during harvesting. Landowner wanted additional trees harvested. Trees not harvested by Canfor due to potential damage to the SMZ. Debris scattered for stabilization. Good utilization. Pond buffered and protected. Deck clean. Minor rutting in wet area. No issue. Low water area matted during harvest. No damage. No issues identified. Closeout of harvesting includes pictures.

McMillian

65 Acre Harvest. Harvesting by Tim Rollins and Spring Timber. Verified logger training. Timber Sale & Purchase Agreement contains BMP requirements. Contractor Agreement, and Cut & Haul Contract contain BMP and logger training requirements. SFI Information packet sent to landowner. Verified FECV. No issues. Aesthetic strip left around church and cemetery. Mats used to stabilize area around deck. SMZ is boundary for tract. No issues. Debris used to stabilize skid trail. Logs and mats used for crossing. Crossing has been removed and area stabilized with debris. No issues. Closeout of harvesting includes pictures.

Cavin

104 Acre Pine only Harvest. Active sale. Harvesting by Tim Rollins. Verified logger training. Interviewed Tim and Kevin Rollins. Timber Sale & Purchase Agreement contains BMP requirements. Contractor Agreement, and Cut & Haul Contract contain BMP and logger training requirements. SFI Information packet sent to landowner. Verified FECV. No issues. Crossing has been removed and area stabilized using debris. Debris has been used to stabilize skid trail. SMZ has been protected. Good utilization. No fuel issue identified around equipment. No issues identified.

Frierson #2

10 Acre Harvest. Harvesting by M & M Farms. Verified logger training. Timber Sale & Purchase Agreement contains BMP requirements. Contractor Agreement, and Cut & Haul Contract contain BMP and logger training requirements. SFI Information packet sent to landowner. Verified FECV. No issues. Ditch clean along road. Aesthetic strip by ROW. Crossing is an old road. Heavy rains following harvest have moved debris into culvert. Water was over road. This was not due to logging. Wide SMZ was left. No entrance into SMZ. Road graded, and clean. Boundary flagged. Deck clean. No issues. Closeout of harvesting includes pictures.



Sites reviewed and not visited due to lightning.

Emerson Estate

50 Acre Thinning and Harvest. Harvesting by Tim Rollins. Verified logger training. Timber Sale Contract (Pay As Cut) contains BMP requirements. Contractor Agreement, and Cut & Haul Contract contain BMP and logger training requirements. SFI Information packet sent to landowner. Verified FECV. No issues. Closeout of harvesting includes pictures.

Frierson #1

40 Acre Harvest. Harvesting by Tim Rollins. Verified logger training. Timber Sale Contract (Pay As Cut) contains BMP requirements. Contractor Agreement, and Cut & Haul Contract contain BMP and logger training requirements. SFI Information packet sent to landowner. Verified FECV. 811 Call for utilities. No issues. Closeout of harvesting includes pictures.

Johnson Tracts

29 Acre Harvest. Harvesting by M & M Farms. Verified logger training. Timber Sale Contract (Lump Sum) contains BMP requirements. Contractor Agreement, and Cut & Haul Contract contain BMP and logger training requirements. SFI Information packet sent to landowner. Verified FECV. 811 Call for utilities. No issues. Closeout of harvesting includes pictures.



Appendix 4

SFI® 2015-2019, Section 3, Appendix 1: Certified Sourcing Standard Checklist

C0079539 - Canfor Southern Pine

Date of audit(s): May 27, June 30, July 1, 16, 2020

Multi-site Assessment

- Yes. Section 9, Appendix 1 Checklists (main and 1 sub-checklist) must be completed.
- No. Section 9, Appendix 1 Checklists are not included.
-

1.2 Additional Requirements

SFI Program Participants that own or have management authority for forestlands must also conform to the SFI 2015-2019 Forest Management Standard.

- N/A Conforms Exceeds O.F.I. Minor NC Major NC

Notes: Canfor Southern Pine does not own or have management authority for forestlands associated with this certificate.

Use of the SFI on-product labels and claims shall follow Section 5 - Rules for Use of SFI On-Product Labels and Off-Product Marks as well as ISO 14020:2000.

- N/A Conforms Exceeds O.F.I. Minor NC Major NC

Notes: Reviewed off-product label use approval from SFI Inc. dated 4/3/2019 for the use of the SFI trademark on the Company's new "Working in Partnership with Landowners" brochure.

Describe the organization's use of the SFI Certified Sourcing Label and/or Claim

Notes: Off-product label is used in "Working in Partnership with Landowners" brochure. On-product label is used on lumber at selected plants.

Describe the geographic scope of the organization's sources and operations. Sources or operations beyond the U.S. and Canada will require more detail to ensure accurate scoping and applicability of requirements.

Notes: Sourcing of purchase and Gatewood within 100 miles of plants.



Part 3 Certified Sourcing Label

3.1 Primary producers are manufacturing units that produce forest products (wood, paper, pulp, or composite products) and source 50% or more (by weight) of their wood-based raw materials directly from primary sources. They must account for 100% of their primary sources as coming from certified sourcing.

If a primary producer sources from company-owned or company-controlled lands enrolled in the SFI program, those lands must be third-party certified to the SFI 2015-2019 Forest Management Standard.

Organization is a primary producer Organization is a secondary producer

Notes: Plants are sawmills consuming delivered logs directly from the woods. 100% of the raw material input is sourced by a procurement system certified to the SFI 2015-2019 Fiber Sourcing Standard.

3.2 Secondary producers are manufacturing units that produce forest products and source 50% or more (by weight) of their wood-based raw materials from secondary sources. They must account for at least two-thirds (2/3) (by weight) of the wood or wood fiber in the product(s) or manufacturing unit as coming from certified sourcing. The other one-third (1/3) cannot come from controversial sources.

Organization meets above definition for a Secondary Producer:

Yes No (the organization must be a Primary Producer; if so then checklist for Section 3, Appendix 1 does not apply; do not proceed)

Notes: The 2 glue-lam mills are secondary producers and 100% of the input is sourced from Company sawmills mills certified to the SFI 2015-2019 Fiber Sourcing Standard.

3.3 Calculation of percentage for use of the Certified Sourcing Label is as follows:

3.3.1 Primary producers shall demonstrate conformance with the requirements of 3.1 at all times, which means 100% certified sourcing for every product group.

If less than 5% (by weight) of a manufacturing unit's raw material supply comes from secondary sources, these sources are considered de minimis and no certification of this portion is required if all is from U.S. or Canadian sources.

Note: NSF has been instructed that Primary Producers sourcing only from U.S. or Canada are not subject to 3rd-party audits.

N/A Conforms Exceeds O.F.I. Minor NC Major NC

Notes: 100% of the raw material input is sourced by a procurement system certified to the SFI 2015-2019 Fiber Sourcing Standard.

3.3.2 Secondary producers shall specify how they will meet the requirements of 3.2 to conform to the two-thirds rule. They may base the calculation on a product group or time period (which cannot exceed one quarter). The percentage may be calculated as:

- Rolling Average Percentage – The percentage calculated for wood fiber consumed during, for example, the previous four quarters or 12 months. The period over which the rolling average is calculated shall not exceed one year.
- Simple Percentage – The percentage calculated for wood fiber consumed in the specific product group.

N/A Conforms Exceeds O.F.I. Minor NC Major NC

Notes: 100% of the input is sourced from Company sawmills mills certified to the SFI 2015-2019 Fiber Sourcing Standard.

3.3.3 In all cases, the organization must demonstrate that the requirements of 3.1 and/or 3.2 are met before the label can be used in relation to a specific product group or time period.

N/A Conforms Exceeds O.F.I. Minor NC Major NC

Notes: See 3.3.1 & 3.3.2.



3.3.4 A secondary producer may use the Certified Sourcing Label on products from a single manufacturing unit as long as the specific supply for that product(s) or for that manufacturing unit meets all the content requirements set out in this document.

N/A Conforms Exceeds O.F.I. Minor NC Major NC

Notes: The 2 glue-lam plants do not use labels.

3.3.5 The sourcing requirement may be met either at the product line or manufacturing unit level.

N/A Conforms Exceeds O.F.I. Minor NC Major NC

Notes: Product line – lumber.

3.4 SFI Certified Sourcing Claim: Fiber that conforms with Objectives 1-13 of Section 3, and/or from pre-consumer recycled content, and/or from post-consumer recycled content, and/or from an acceptable forest management standard.

N/A Conforms Exceeds O.F.I. Minor NC Major NC

Notes: Fiber that conforms with Objectives 1-13 of Section 3 – 100%.

3.4.1 Certified sourcing claim verification can occur by a Primary Producer's Section 3 certificate, an invoice, bill of lading, shipping document, letter, or other forms of communications available to the customer.

N/A Conforms Exceeds O.F.I. Minor NC Major NC

Notes: Fiber that conforms with Objectives 1-13 of Section 3 – 100%.



Part 4 Organizations Outside the United States and Canada

The organization sources from outside of the United States or Canada.

Note: Requirement subject to interpretation to resolve contradiction within standard.

- Yes: Part 4 below must be completed.
- No: Part 4.1 through 4.3 portions may be deleted.

Notes: Confirmed through interviews and document review.

Part 5 Certified Sourcing Definition

Certified sourcing is defined as raw material sourced from the following sources confirmed by a *certification body*:

5.1 Fiber that conforms with Objectives 1-13 of Section 3 - SFI 2015-2019 Fiber Sourcing Standard's requirements.

5.2 Pre-Consumer Recycled Content: Material diverted from the waste stream during a manufacturing process. It does not include materials such as rework, regrind or scrap generated in a process and capable of being reclaimed within the same process.

Any claims about *pre-consumer recycled content* by *Program Participants* or *label users* shall be accurate and consistent with applicable law. *Program Participants* and *label users* are encouraged to consult the U.S. Federal Trade Commission's guidelines on environmental claims in product advertising and communication and the guidelines on environmental labeling and advertising issued by the Fair Business Practices Branch of Industry Canada's Competition Bureau, as appropriate, and to seek additional information and direction from national accreditation bodies, national standards bodies and national, state and provincial consumer protection and competition laws.

5.3 Post-consumer recycled content: Material generated by households or by commercial, industrial and institutional facilities in their role as end-users of the product, which can no longer be used for its intended purpose.

Any claims about *post-consumer recycled content* by *Program Participants* and *label users* shall be accurate and consistent with applicable law. *Program Participants* and *label users* are encouraged to consult the U.S. Federal Trade Commission's guidelines on environmental claims in product advertising and communication and the guidelines on environmental labeling and advertising issued by the Fair Business Practices Branch of Industry Canada's Competition Bureau, as appropriate, and to seek additional information and direction from national accreditation bodies, national standards bodies, and national, state and provincial consumer protection and competition laws.

5.4 Certified forest content, which includes content from specific forest tracts that are third-party certified to conform to the SFI 2015-2019 Forest Management Standard's Objectives 1-15 requirements or other acceptable forest management standards (e.g., CAN/CSA-Z809 and ATFS).

5.5 Non-controversial sources: The organization shall establish adequate measures to ensure that the labeled products do not come from controversial sources. See Part 6 on due diligence system to avoid controversial sources.

The organization is using these definitions in its SFI Certified Sourcing program as it applies to labels and claims.

- N/A
- Conforms
- Exceeds
- O.F.I.
- Minor NC
- Major NC

Notes: All fiber meets definition 5.1.

Part 6 Due Diligence System to Avoid Controversial Sources

The organization is certified to SFI 2015-2019, Section 3: Fiber Sourcing Standard

Note: If yes, delete all questions under part 6. Otherwise, all of part 6 applies.

- Yes
- No

Notes: Confirmed through database review and interview.



Part 7 Minimum Management System Requirements

The organization is certified to SFI 2015-2019, Section 3: Fiber Sourcing Standard, SFI 2015-2019, Section 4: Chain of Custody Standard, and/or PEFC Chain of Custody.

Note: If yes, delete all questions under part 7. Otherwise, all of part 7 applies.

Yes No

Notes: All sawmills are certified to SFI FS and 100% of the input material at the 2 elam mills is from Canfor sawmills.

Part 8 Application Requirements

8.1 Primary producers must annually submit to the Office of Label Use and Licensing:

8.1.1 A copy of their certificate for Section 2 - SFI 2015-2019 Forest Management Standard if a primary producer sources from company-owned or company-controlled lands enrolled in the SFI program and/or a copy of their Section 3 - SFI 2015-2019 Fiber Sourcing Standard listing the manufacturing units covered under the scope of the certificate.

8.1.2 A copy of their annual SFI 2015-2019 Forest Management Standard and/or SFI 2015-2019 Fiber Sourcing Standard audit report issued by an SFI certification body.

N/A Conforms Exceeds O.F.I. Minor NC Major NC

Notes: Witnessed 2019 SFI 2015-2019 Fiber Sourcing Standard audit report on SFI website.

8.2 Secondary producers must annually submit to the Office of Label Use and Licensing:

8.2.1 A copy of their Certified Sourcing certificate issued to secondary producers certified to Section 3 – Appendix 1 -Rules for Use of SFI Certified Sourcing Label, issued by an accredited SFI certification body.

8.2.2 A list of the manufacturing unit(s) and product(s) for which the SFI Certified Sourcing Label use approval is sought.

N/A Conforms Exceeds O.F.I. Minor NC Major NC

Notes: These requirements are handled by the certification body.

8.3 Primary or secondary producers outside the United States and Canada must annually submit to the Office of Label Use and Licensing:

8.3.1 A copy of their Certified Sourcing certificate to Section 3 - Appendix 1 - Rules for Use of SFI Certified Sourcing Label, issued by an accredited SFI certification body.

8.3.2 A list of the manufacturing unit(s) and product(s) for which the SFI Certified Sourcing Label use approval is sought.

N/A Conforms Exceeds O.F.I. Minor NC Major NC

Notes:

Part 9 Office of Label Use and Licensing

9.2 A label user may not use the SFI program label on any products from manufacturing unit(s) for which it has not obtained approval from the Office of Label Use and Licensing.

N/A Conforms Exceeds O.F.I. Minor NC Major NC

Notes: Reviewed off-product label use approval from SFI Inc. dated 4/3/2019 for the use of the SFI trademark on the Company's new "Working in Partnership with Landowners" brochure.

(End SFI Certified Sourcing Checklist)



Certified Sourcing for Label Users Requirements and Volume Summaries

Primary producers are manufacturing units that produce forest products (wood, paper, pulp, or composite products) and source 50% or more (by weight) of their wood-based raw materials directly from primary sources. They must account for 100% of their *primary sources* as coming from *responsible fiber sources*.

N/A
 Conforms
 Exceeds
 O.F.I.
 Minor NC
 Major NC

Notes: A total of 100% of the volume is through a certified procurement system to SFI 2015-2019 Fiber Sourcing Standard.

If a *primary producer* sources from company-owned or company-controlled lands enrolled in the SFI program, those lands must be third-party certified to the SFI 2015-2019 Section 2: Forest Management Standard.

N/A
 Conforms
 Exceeds
 O.F.I.
 Minor NC
 Major NC

Notes:

Secondary producers are manufacturing units that produce forest products and source 50% or more (by weight) of their wood-based raw materials from *secondary sources*. They must account for at least two-thirds (⅔) (by weight) of the wood or wood fiber in the product(s) or manufacturing unit as coming from *responsible fiber sources*. The other one-third (⅓) cannot come from *controversial sources*.

N/A
 Conforms
 Exceeds
 O.F.I.
 Minor NC
 Major NC

Notes: The 2 glue-lam mills are secondary producers and 100% of the input is sourced from Company sawmills mills certified to the SFI 2015-2019 Fiber Sourcing Standard.

Units Tons	2019 Sawmill Operations
5,977,793	A. Total Wood and Fiber Consumption (F + G + H + I)
	B. Certified forest content (from specific forest tracts that are third-party certified to conform with the SFI 2015-2019 Standard or other acceptable forest management standards [e.g. CAN/CSA-Z809 and ATFS])
516,656	B1. Sourced from SFI Certified tracts – Not owned (if known)
45,718	B2. Sourced from American Tree Farm System certified tracts (if known)
	B3. Sourced from CSA-certified tracts (if known)
5,415,419	C. Sourced through a procurement system certified to conform to SFI 2015-2019.
	D. Pre-consumer recycled content (may be counted as a responsible fiber source)
	E. Post-consumer recycled content (may be counted as a responsible fiber source)
5,977,793	F. Total responsible fiber sources = B + C + D + E
	G. Conversion Sources (Neutral source)
	H. Agricultural Sources (Neutral source)
	I. Other Credible Sources; those outside of U.S. or Canada (must be verified; see Section 4, “6. Sourcing From Outside the United States and Canada”)
	Controversial sources (includes illegal logging and fiber sourced from areas without effective social laws). Must be zero or the product/facility cannot meet requirements.
100	% Responsible Fiber Sources = (F/(A -(G+H)))*100

Note 1: Separate tables required for each product or product line unless the entire facility is within scope

Note 2: Agricultural Sources are not counted in calculation of the wood fiber sourcing percentages specified for use of the SFI on-product label.

Note 3: Neutral sources are subtracted from the total before calculating the percentage.



Certified Sourcing for Label Users Requirements and Volume Summaries

Primary producers are manufacturing units that produce forest products (wood, paper, pulp, or composite products) and source 50% or more (by weight) of their wood-based raw materials directly from primary sources. They must account for 100% of their *primary sources* as coming from *responsible fiber sources*.

N/A
 Conforms
 Exceeds
 O.F.I.
 Minor NC
 Major NC

Notes: A total of 100% of the volume is through a certified procurement system to SFI 2015-2019 Fiber Sourcing Standard.

If a *primary producer* sources from company-owned or company-controlled lands enrolled in the SFI program, those lands must be third-party certified to the SFI 2015-2019 Section 2: Forest Management Standard.

N/A
 Conforms
 Exceeds
 O.F.I.
 Minor NC
 Major NC

Notes:

Secondary producers are manufacturing units that produce forest products and source 50% or more (by weight) of their wood-based raw materials from *secondary sources*. They must account for at least two-thirds (⅔) (by weight) of the wood or wood fiber in the product(s) or manufacturing unit as coming from *responsible fiber sources*. The other one-third (⅓) cannot come from *controversial sources*.

N/A
 Conforms
 Exceeds
 O.F.I.
 Minor NC
 Major NC

Notes: The 2 glue-lam mills are secondary producers and 100% of the input is sourced from Company sawmills mills certified to the SFI 2015-2019 Fiber Sourcing Standard.

Units MFBM	2019 ELAM Operations
52,707	A. Total Wood and Fiber Consumption (F + G + H + I)
	B. Certified forest content (from specific forest tracts that are third-party certified to conform with the SFI 2015-2019 Standard or other acceptable forest management standards [e.g. CAN/CSA-Z809 and ATFS])
	B1. Sourced from SFI Certified tracts – Not owned (if known)
	B2. Sourced from American Tree Farm System certified tracts (if known)
	B3. Sourced from CSA-certified tracts (if known)
52,707	C. Sourced through a procurement system certified to conform to SFI 2015-2019.
	D. Pre-consumer recycled content (may be counted as a responsible fiber source)
	E. Post-consumer recycled content (may be counted as a responsible fiber source)
52,707	F. Total responsible fiber sources = B + C + D + E
	G. Conversion Sources (Neutral source)
	H. Agricultural Sources (Neutral source)
	I. Other Credible Sources; those outside of U.S. or Canada (must be verified; see Section 4, “6. Sourcing From Outside the United States and Canada”)
	Controversial sources (includes illegal logging and fiber sourced from areas without effective social laws). Must be zero or the product/facility cannot meet requirements.
100	% Responsible Fiber Sources = (F/(A -(G+H)))*100

Note 1: Separate tables required for each product or product line unless the entire facility is within scope

Note 2: Agricultural Sources are not counted in calculation of the wood fiber sourcing percentages specified for use of the SFI on-product label.

Note 3: Neutral sources are subtracted from the total before calculating the percentage.



Appendix 5

SFI® Section 9, Appendix 1: Audits of Multi-Site Organizations Checklist

C0079539 - Canfor Southern Pine

Date of audit(s): May 27, June 30, July 1, 16, 2020

3 Terms and Definitions

- 3.1 Organization: The term organization is used to designate any company or other organization owning a management system subject to audit and certification.**
- 3.2 Site: A site is a permanent location where an organization carries out work or a service.**
- 3.3 Multi-Site Organization: An organization having an identified central function (hereafter referred to as a central office – but not necessarily the headquarters of the organization) at which certain activities are planned, controlled or managed and a network of local offices or branches (sites) at which such activities are fully or partially carried out.**
- 3.4 Group Certification Organization: A specific type of multi-site organization where forest owners, forest owners' organizations, forest managers, forest products manufacturers or forest products distributors without a pre-existing legal or contractual link can form a group for the purposes of achieving certification and gaining eligibility for a sampling approach to certification audits.**

For audits of conformance with SFI Section 4 in the SFI 2015-2019 Standards and Rules document, multi-site organizations using either IAF-MD1 or alternate approaches to sampling shall ensure that all the relevant sites (including the central function) are subject to the organization's internal audit program and shall have been audited in accordance with that program prior to the certification body starting its assessment. (Section 9, Requirement 4.1.5 Audit Procedures)

Note: Communicate with NSF Project Manager to confirm.

N/A Conforms Exceeds O.F.I. Minor NC Major NC

Notes: Initial assessment occurred in 2009. Review of 2020 internal audit confirms the IAF-MD-1 Requirements are met. The internal audits are conducted at the same facilities that are audited during the 3rd party audit.

4.1 Eligibility Criteria / Method of Sampling (choose 1)

- Eligibility criteria established in IAF-MD1: **Use Sub-Checklist 9-1-A** below.
- Alternative Approaches to sampling provided for in Section 9, Subsection 5.2 of the Audit Procedures and Auditor Qualifications and Accreditation document: **Use Sub-Checklist 9-1-B** below.



Sub-Checklist 9-1-A: Eligibility Criteria Established in IAF-MD1

Applicable **Not Applicable**

4.1.1 Multi-site organizations using IAF-MD1 as the basis for sampling shall meet the eligibility criteria established in IAF-MD1, including, but not limited to, the following:

a. The processes at all sites have to be substantially of the same kind and have to be operated to similar methods and procedures.

N/A Conforms Exceeds O.F.I. Minor NC Major NC

Notes: All sites are pine sawmills or elam mills using similar procurement and processing processes.

b. The organization's management system shall be under a centrally controlled and administered plan and be subject to central management review and all relative sites (including the central administration function) shall be subject to the organization's internal audit program.

N/A Conforms Exceeds O.F.I. Minor NC Major NC

Notes: Each procurement area has a procurement manager and, where appropriate, procurement foresters. Each year the central office and two (three during a recert) procurement areas are sampled. Confirmed by review of internal audit report for 2020 and interview with Ron Phillips - Certification Manager.

The central office functions include generating and maintaining program policies and procedures, annual reporting requirements, internal audits, and the annual management review.

c. It shall be demonstrated that the central office of the organization has established a management system in accordance with the SFI 2015-2019 Standards and that the whole organization meets the requirements of the standard.

N/A Conforms Exceeds O.F.I. Minor NC Major NC

Notes: The central office functions include generating and maintaining program policies and procedures, annual reporting requirements, internal audits, and the annual management review.

Internal audit and annual management review confirm the management system.

d. The organization should demonstrate its ability to collect and analyze data (including, but not limited to, the items listed below) from all sites including the central office and its authority and also demonstrate its authority and ability to initiate organizational change if required:

- i. System documentation and system changes;
- ii. Management review;
- iii. Complaints;
- iv. Evaluation of corrective actions;
- v. Internal audit planning and evaluation of the results;
- vi. Changes to aspects and associated impacts for environmental management systems and
- vii. Different legal requirements.

N/A Conforms Exceeds O.F.I. Minor NC Major NC

Notes: Internal audit and annual management review confirm the ability to analyze data.

(END Sub-Checklist 9-1-A: Eligibility Criteria Established in IAF-MD1)

Sub-Checklist 9-1-B: Alternative Approaches to Sampling from Section 9, 5.2

Applicable **Not Applicable**

(END Sub-Checklist 9-1-B: Alternative Approaches to Sampling from Section 9, Subsection 5.2)



Appendix 6

NSF Audit Attendance Sheet

Company Name Canfor Southern Pine, Inc.
Location Remote Audit
Type of Audit SFI Fiber Sourcing/SFI Certified Sourcing - 1st Surveillance Audit
Opening Meeting Date May 27, 2020 Closing Meeting Date May 27, 2020

Name	Position	Attended Opening Meeting?	Attended Closing Meeting?
Ron Phillips	District Manager – Fiber Procurement	X	X
Tucker Watts	Lead Auditor	X	X



NSF Audit Attendance Sheet

Company Name Canfor Southern Pine, Inc.

Location Thomasville, GA Procurement Group (Moultrie Plant, Thomasville Plant)

Type of Audit SFI Fiber Sourcing/SFI Certified Sourcing - 1st Surveillance Audit – Field Site Visits

Opening Meeting Date June 30, 2020 Closing Meeting Date July 1, 2020

Name	Position	Attended Opening Meeting?	Attended Closing Meeting?
Ron Phillips	District Manager – Fiber Procurement	X	X
Tucker Watts	Lead Auditor	X	X
Daniel Lauderdale	Area Procurement Manger	X	
Buck Booker	Forester	X	X
Landon Ritch	Procurement Forester	X	X
Aaron Norman	Forester		
Donnie Turner	Turner Logging		
Luke Howard	Forester		
Hunter Miles	Intern		



NSF Audit Attendance Sheet

Company Name Canfor Southern Pine, Inc.

Location Hermanville, MS Procurement Group (Hermanville Plant)

Type of Audit SFI Fiber Sourcing/SFI Certified Sourcing - 1st Surveillance Audit – Field Site Visits

Opening Meeting Date July 16, 2020 Closing Meeting Date July 16, 2020

Name	Position	Attended Opening Meeting?	Attended Closing Meeting?
Tucker Watts	Lead Auditor	X	X
Rusty Graves	Procurement Forester	X	X
Sam Staggs	Procurement Forester	X	X
Patrick Jernigan	Area Procurement Manger	X	X
Michael Best	District Manager – Fiber Procurement	X	X
Ron Phillips	District Manager – Fiber Procurement		X
Noah Hammond	Intern		X
Tim Rollins	Tim Rollins		
Kevin Rollins	Tim Rollins		



NSF Audit Attendance Sheet

Company Name Canfor Southern Pine, Inc.

Location Remote Closing using conference call

Type of Audit SFI Fiber Sourcing/SFI Certified Sourcing - 1st Surveillance Audit

Opening Meeting Date July 23, 2020 Closing Meeting Date July 23, 2020

Name	Position	Attended Opening Meeting?	Attended Closing Meeting?
Ron Phillips	SC Area Manager – Fiber Procurement		Yes
Doug Burleson	NC Area Manager – Fiber Procurement		Yes
Daniel Lauderdale	GA Area Manager – Fiber Procurement		Yes
Ryan Mattei	AL Area Manager – Fiber Procurement		Yes
Pat Jernigan	Hermanville, MS Procurement Manager		Yes
Michael Best	AR/MS Area Mgr. – Fiber Procurement		Yes
Joey Jones	Quality Control/Timber Security Manager		Yes
Chris Blalock	IT Manager – Fiber Procurement		Yes
Will Reese	Procurement Forester – NC SFI Rep.		Yes
Landon Ivie	Procurement Forester - SC SFI Rep.		Yes
Landon Ritch	Procurement Forester – GA SFI Rep.		Yes
Sam Staggs	Procurement Forester – MS SFI Rep.		Yes
Rusty Graves	Procurement Forester – AR SFI Rep.		Yes
Brady Adams	Procurement Forester – AL SFI Rep		Yes
Tucker Watts	NSF Lead Auditor		Yes



Appendix 7

Forestry Program COVID-19 Report Appendix

Client Name: Canfor Southern Pine, Inc.

FRS: C0079539

Is this a fully remote special audit? YES NO Justification: Field visits not permitted at this time due to pandemic.

Is a remote special audit for certificate extension needed? YES NO Justification: 1st Surveillance Audit is being conducted.

Approximate date of the future on-site special surveillance or re-evaluation audit to be completed within the allowed extension period. June 30, 2020 - Moultrie, GA July 1, 2020 - Thomasville, GA July 15, 2020 - Hermanville, MS

Was this remote audit able to be effectively completed using remote audit methods? YES NO If no, why? State reason if "no" is selected: Documentation review completed. Field sites will be conducted at a later date.

Are there specific portions of the audit that could not be effectively evaluated? YES NO Portion of the audit that could not be audited: Documentation review completed. Field sites will be conducted at a later date.

State follow-up items needed if "yes" is selected:

Are there follow-up items needed from the remote event? YES NO Does additional time need be added to the next audit based on these follow-up items? Documentation review completed. Field sites will be conducted at a later date.

State reason for and amount of additional time:

Additional time is not needed from the quote.

Remote audit methods used: Remote method/tool Used for

Zoom

Testing for connectivity Opening & closing meeting Document review

MOVEit (via NSF)

File transfer technology



Additional questions

When is it expected that the organization will be able to function normally?

At the present time this is not known. Co. is currently operating the plant with staff working from home.

Is the organization able to ship products or perform the service defined within the current scope of certification? If not, when is it expected to be able to do so?

Operations are being maintained. During the audit, finished products were observed being shipped.

Does the organization need to use alternative manufacturing and/or distribution sites? If so, are these currently covered under the current certification or will they need to be evaluated?

N/A

Will some of the processes and/or services performed or products shipped be subcontracted to other organizations? If so, how will the other organizations' activities be controlled by the certified organization?

Operations are continuing with no change. No outsourcing is planned.

To what extent has operation of the management system been affected?

Operations of the management system have not been affected.

Has the certified organization conducted an impact assessment regarding COVID-19?

Impact assessment has been conducted. Staff employees are working from home. Currently, needed raw material is available and production is continuing.

Add additional notes as needed