



Sierra Pacific Industries

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SPI Policy Statement on Controversial Sources of Raw Material

Sierra Pacific Industries maintains Chain of Custody certificates under the Sustainable Forestry Initiative (SFI), and the Programme for the Endorsement of Forest Certification schemes (PEFC). A key element of these programs is assuring the public and consumers that wood products do not originate from controversial sources. Controversial sources are defined as those originating from illegal or unauthorized harvesting of timber.

SPI is committed to the SFI and PEFC standards. Accordingly, we have devised a due diligence system to minimize the risk that certified products include material from controversial sources. SPI's due diligence system includes suppliers' self declarations, ongoing risk assessments, and management of high risk supplies. Our raw material sourcing policy regarding controversial sources includes:

- a. Sierra Pacific Industries will not knowingly use illegally-sourced wood in its products.
- b. Sierra Pacific Industries will not knowingly purchase wood from sources that have a record of violating traditional and civil rights.
- c. Sierra Pacific Industries will not knowingly include any forest based material originating from countries which are covered by UN, or applicable EU or national government sanctions relating to export/import of forest based products.
- d. Sierra Pacific Industries will strive to avoid wood sources in regions where forests are being converted to plantations or non-forest uses.
- e. Sierra Pacific Industries will strive to avoid wood produced from genetically-modified trees.

SPI has a preference for purchases of wood from suppliers that:

- Document that wood is legally harvested and that other legal requirements are met.
- Ensure the safety of forestry and manufacturing operations for employees and the environment.
- Practice sustainable forest management and continuous improvement in their own operations and in sourcing of wood, as verified by government agencies or independent parties.
- Do not obtain the wood from genetically modified tree sources.