

PUBLICLY AVAILABLE Due Diligence Summary
Sierra Pacific Industries FSC Controlled Wood Risk Assessment FSC-STD-40-005 V3-1 and
associated directives

Approving FSC Accredited Certification Body:

KPMG FCSI
 777 Dunsmuir Street
 P.O. Box 10426
 Vancouver, BC V7Y 1K3

Date of Controlled Wood Risk Assessment: November 21, 2017.

Sierra Pacific Industries:

Northeastern USA: Minnesota, Michigan, Wisconsin, New York.
Western USA: Nevada

Illegally Harvested Wood – The District of Origin may be considered low risk in relation to illegal harvesting when all the following indicators related to forest governance are present.	Findings	Resulting Level of Risk
1.1 Evidence of enforcement of logging related laws in the district.	Reviewing the “Centralized National Risk Assessment for The United States of America FSC-CNRA-USA V1-0 EN” as well as the FSC Global Forest Registry indicates that for FSC Category 1, Illegally Harvested Wood, the designation is “Low Risk.” Resources: <i>FSC-CNRA-USA V1-0 CENTRALIZED NATIONAL RISK ASSESSMENT FOR THE UNITED STATES OF AMERICA 2015</i> , https://lic.fsc.org/en/document-center/id/157 Global Forest Registry: http://www.globalforestregistry.org/map	Low Risk
1.2 There is evidence in the district demonstrating the legality of harvests and	Reviewing the “Centralized National Risk Assessment for The United States of America FSC-CNRA-USA V1-0 EN” as well as the FSC Global Forest Registry	Low Risk

<p>wood purchases that includes robust and effective systems for granting licenses and harvest permits.</p>	<p>indicates that for FSC Category 1, Illegally Harvested Wood, the designation is “Low Risk.”</p> <p>Resources: <i>FSC-CNRA-USA V1-0 CENTRALIZED NATIONAL RISK ASSESSMENT FOR THE UNITED STATES OF AMERICA 2015</i>, https://ic.fsc.org/en/document-center/id/157</p> <p>Global Forest Registry: http://www.globalforestregistry.org/map</p>	
<p>1.3 There is little or no evidence or reporting of Illegal harvesting in the district of origin.</p>	<p>Reviewing the “Centralized National Risk Assessment for The United States of America FSC-CNRA-USA V1-0 EN” as well as the FSC Global Forest Registry indicate that for FSC Category 1, Illegally Harvested Wood, the designation is “Low Risk.”</p> <p>Resources: <i>FSC-CNRA-USA V1-0 CENTRALIZED NATIONAL RISK ASSESSMENT FOR THE UNITED STATES OF AMERICA 2015</i>, https://ic.fsc.org/en/document-center/id/157</p> <p>Global Forest Registry: http://www.globalforestregistry.org/map</p>	<p>Low Risk</p>
<p>1.4 There is a low perception of corruption related to the granting or issuing of harvesting permits and other areas of law enforcement related to harvesting and wood trade.</p>	<p>Reviewing the “Centralized National Risk Assessment for The United States of America FSC-CNRA-USA V1-0 EN” as well as the FSC Global Forest Registry indicate that for FSC Category 1, Illegally Harvested Wood, the designation is “Low Risk.”</p> <p>Resources: <i>FSC-CNRA-USA V1-0 CENTRALIZED NATIONAL RISK ASSESSMENT FOR THE UNITED STATES OF AMERICA 2015</i>, https://ic.fsc.org/en/document-center/id/157</p> <p>Global Forest Registry: http://www.globalforestregistry.org/map</p>	<p>Low Risk</p>
<p>2. Wood harvested in violation of traditional or civil rights The district of origin may be considered low risk in relation to the violation of traditional, civil and</p>	<p>Findings</p>	

collective rights when all the following indicators are present:		
2.1 There is no UN Security Council ban on timber exports from the country concerned.	Not applicable	Low Risk
2.2 The country or district is not designated a source of conflict timber (E.g. USAID Type 1 conflict timber).	Not applicable	Low Risk
2.3 There is no evidence of child labor or violation of ILO Fundamental Principles and Rights at work taking place in forest areas in the district concerned.	State and Federal laws prohibit such activities http://www.ilo.org/ipec/areas/Agriculture/WCMS_172421/lang--en/index.htm	Low Risk
2.4 There are recognized and equitable processes in place to resolve conflicts of substantial magnitude pertaining to traditional rights including use rights, cultural interests or traditional cultural identity in the district concerned.	Native Americans enjoy the same legal rights as every other U.S. citizen, and others unique to their aboriginal status including: Voting Rights Act, Bill of Rights, Indian Civil Rights Act , The Indian Self-Determination and Education Assistance Act of 1975, Religious Freedom Act of 1978, Indian Child Welfare Act of 1978. Resources: <ul style="list-style-type: none"> • www.fsc.org • International Labor Organization - http://www.ilo.org/declaration/lang--en/index.htm. • www.USAID.gov • www.FindLaw.com • U.S. Forest Service – National Forest Management Act - http://www.thecre.com/fedlaw/legal14/nfma.htm • U.S. Forest Service Manual for Timber Harvesting http://www.fs.fed.us/im/directives/dughtml/fsm2000.html • U.S. Forest Service – National Environmental Policy 	Low Risk

	<p>Act - http://www.fs.fed.us/emc/nepa/index.htm http://www.encyclopedia.com/social-sciences-and-law/law/law/native-american-rights</p> <ul style="list-style-type: none"> • Goetzl et al. 2008, Assessment of Lawful Harvesting & Sustainability of US Hardwood Exports, Seneca Creek Associates, LLC. for the American Hardwood Export Council 	
<p>2.5 There is evidence of no violation of the ILO Convention 169 on Indigenous and Tribal Peoples taking place in the forest areas in the district concerned.</p>	<p>No evidence found.</p> <ul style="list-style-type: none"> o http://www.ilo.org/ipec/areas/Agriculture/WCMS_172421/lang-en/index.htm 	Low Risk
<p>3. Wood harvested from forest in which high conservation values are threatened by management activities The district of origin may be considered low risk in relation to threat to high conservation values if: a) indicator 3.1 is met; or b) indicator 3.2 eliminates (or greatly mitigates) the threat posed to the district of origin by noncompliance with 3.1.</p>	<p>Findings</p>	
<p>3.1 Forest management activities in the relevant level (eco-region, sub-eco-region, local) do not threaten ecoregionally significant high conservation values. OR</p>	<p>In Michigan, Minnesota, Wisconsin and New York there are no eco-regionally significant high conservation value forests identified. In New York State there are two Intact Forest Landscapes (IFL) identified. In Nevada there is a portion of the state along the Sierra Nevada that is within an eco-regionally significant area identified by the Centres of Plant Diversity. The CPD area in Nevada is the portion of the Sierra Nevada around Lake Tahoe. The land surrounding Lake Tahoe in Nevada are nearly all public</p>	Unspecified Risk for Michigan, Minnesota, Wisconsin, New York & Nevada

lands. The Sierra Nevada forests managed by the USFS are conducted under the Sierra Nevada Forest Plan Amendment 2004, which restricts the harvest of large trees and requires extensive surveys and mitigation for both flora and fauna potentially impacted by harvest activities. The IFL's in New York are designated as "Forever Wild" – meaning the land is protected under Article XIV of the New York State Constitution. The Forever Wild designation means that the objectives for this land are "to preserve the exceptional scenic, recreational and ecological value." However, the WWF has identified thirteen ecoregions in the supply area identified as critical/endangered by the WWF – Allegheny Highlands Forests (NA0401), Appalachian Mixed Mesophytic forests (NA0402), Central U.S. Mixed Hardwood Forests (NA0404), Eastern Great Lakes lowland forests (NA0407), New England-Acadian forests (NA0410), Northeastern Coastal Forests (NA0411), Southeastern Mixed Forests (NA0413), Southern Great Lakes Forests (NA0414), Upper Midwest Forest/Savanna Transition Zone (NA0415), Canadian Aspen forests and parklands (NA0802), Central Forest/Grassland Transition Zone (NA0804), Sierra Nevada Forests (NA0527) and Northern tall grasslands (NA0812).

Resources:

Ecoregion definition and information:

<https://www.worldwildlife.org/biomes>

WWF Global 200 Ecoregions:

<https://www.worldwildlife.org/publications/the-global-200-priority-ecoregions-for-global-conservation>

<http://www.cepf.net/resources/hotspots/North-and-Central-America/Pages/default.aspx>

IUCN High Biodiversity Wilderness Areas:

<http://www.biodiversitya-z.org/content/high-biodiversity-wilderness-areas-hbwa>

World Resources Institute Frontier Forest:

<http://pdf.wri.org/lastfrontierforests.pdf>

Global Forest Watch Risk Registry:

<http://www.globalforestregistry.org/map>

<http://www.sas.usace.army.mil/Missions/Regulatory/Jurisdictional-Determination/Wetland-Delineations/>

www.transparency.org/policy_research/surveys_indices/cpi

	<p>www.cites.org http://www.ahec-europe.org/ https://maps.usgs.gov/padus/ https://www.worldwildlife.org/science/wildfinder/ http://www.intactforests.org/ Nevada Forest Practice Regulations – http://forestry.nv.gov/forestry-resources/forest-practices/ U.S. Forest Service – National Forest Management Act - http://www.thecre.com/fedlaw/legal14/nfma.htm U.S. Forest Service Manual for Timber Harvesting - http://www.fs.fed.us/im/directives/dughtml/fsm2000.html U.S. Forest Service – National Environmental Policy Act - http://www.fs.fed.us/emc/nepa/index.htm The Minnesota Department of Natural Resources Wisconsin Department of Natural Resources Michigan Department of Natural Resources New York Department of Natural Resources</p>	
<p>3.2 A strong system of protection (effective protected areas and legislation) is in place that ensures survival of the HCVs in the ecoregion.</p>	<p>The FSC standards look at threats to Forests of High Conservation Value on an ecoregional level. The legal standards in place on federal and private land, in combination with federal and private incentives programs relating to timber harvest, show increasing volumes of forest in the supply area and the maintenance of undeveloped forests available for biodiversity and wildlife. Private and public funding for establishing conservation easements on forests of exceptional conservation value continue to grow. These privately managed forests combine with the vast areas of federal land set aside from commercial development, have led us to conclude that Criterion 3.2 is being met and that the risk of impacts to Forests of High Conservation Value is low.</p> <p>Resources: Ecoregion definition and information: https://www.worldwildlife.org/biomes WWF Global 200 Ecoregions: https://www.worldwildlife.org/publications/the-global-200-priority-ecoregions-for-global-conservation IUCN High Biodiversity Wilderness Areas: http://www.biodiversitya-z.org/content/high-biodiversity-wilderness-areas-hbwa World Resources Institute Frontier Forest:</p>	<p>Low Risk</p>

	<p>http://pdf.wri.org/lastfrontierforests.pdf</p> <p>Global Forest Watch Risk Registry: http://www.globalforestregistry.org/map http://www.intactforests.org/ http://www.cepf.net/resources/hotspots/North-and-Central-America/Pages/default.aspx http://www.ahec-europe.org/ https://maps.usgs.gov/padus/ https://www.worldwildlife.org/science/wildfinder/ http://www.sas.usace.army.mil/Missions/Regulatory/Jurisdictional-Determination/Wetland-Delineations/</p> <p>Nevada Forest Practice Regulations – http://forestry.nv.gov/forestry-resources/forest-practices/</p> <p>Wisconsin Forest Management Regulations –Chapter 26, Wis. Stats. – Protection of Forest Lands and Forest Productivity http://dnr.wi.gov/topic/ForestManagement/</p> <p>U.S. Forest Service – National Forest Management Act - https://www.fs.fed.us/emc/nfma/includes/NFMA1976.pdf</p> <p>U.S. Forest Service Manual for Timber Harvesting - http://www.fs.fed.us/im/directives/dughtml/fsm2000.html</p> <p>U.S. Forest Service – National Environmental Policy Act - http://www.fs.fed.us/emc/nepa/index.htm</p> <p>Roseburg Resources Controlled Wood Risk Assessment for California (Certificate Code: SCS-COC-000300) http://fsc.force.com/servlet/servlet.FileDownload?file=00P3300000ddQ0sEAE</p> <p>Welter Forest Products/Granite Valley Forest Products Risk Assessment - http://fsc.force.com/servlet/servlet.FileDownload?file=00P3300000kLOWmEAG</p> <p>Goetzl et al. 2008, Assessment of Lawful Harvesting & Sustainability of US Hardwood Exports, Seneca Creek Associates, LLC. for the American Hardwood Export Council http://www.wilderness.net/NWPS/chartResults?chartType=AcreageByStateMost https://www.fws.gov/refuges/profiles/ByState.cfm?state=NV</p>	
<p>4. Wood harvested from areas being converted from forests and other wooded ecosystems to plantations or non-forest uses</p> <p>The district of origin may be considered low risk in</p>	<p>Findings</p>	

<p>relation to conversion of forest to plantations or non-forest uses when the following indicator is present: [Note: the change from plantations to other land uses is not considered as conversion].</p>		
<p>4.1 There is no net loss AND no significant rate of loss (> 0.5% per year) of natural forests and other naturally wooded ecosystems such as savannahs taking place in the eco-region in question.</p>	<p>The Global Forest Watch interactive map shows stable forest conditions in Nevada and New York from 2013 to 2016, and slightly increasing forest growth in Minnesota, Michigan and Wisconsin. These findings are similar to the actual field inventory data collected by the USDA as part of their Forest Inventory Analysis program.</p> <p>Resources: https://www.fia.fs.fed.us/ http://www.globalforestwatch.org/map/</p>	<p>Low Risk</p>
<p>5. Wood from forests in which genetically modified trees are planted 5. The district of origin may be considered low risk in relation to wood from genetically modified trees when one of the following indicators is complied with:</p>	<p>Findings</p>	
<p>a) There is no commercial use of genetically modified trees of the species concerned taking place in the country or district concerned. OR</p>	<p>The “Centralized National Risk Assessment for The United States of America FSC-CNRA-USA V1-0 EN” as well as the FSC Global Forest Registry indicates that for FSC Category 5, GMOs, the designation for the US as a whole is “Low Risk.”</p> <p>Resources: <i>FSC-CNRA-USA V1-0 CENTRALIZED NATIONAL RISK ASSESSMENT FOR THE UNITED STATES OF AMERICA 2015</i>, https://ic.fsc.org/en/document-</p>	<p>Low Risk</p>

	<p>center/id/157</p> <p>Global Forest Registry: http://www.globalforestregistry.org/map</p>	
b) Licenses are required for commercial use of genetically modified trees and there are no licenses for commercial use. OR		Low Risk
c) It is forbidden to use genetically modified trees commercially in the country concerned.	<p>The “Centralized National Risk Assessment for The United States of America FSC-CNRA-USA V1-0 EN” as well as the FSC Global Forest Registry indicates that for FSC Category 5, GMOs, the designation for the US as a whole is “Low Risk.”</p> <ul style="list-style-type: none"> Resources: FSC-CNRA-USA V1-0 CENTRALIZED NATIONAL RISK ASSESSMENT FOR THE UNITED STATES OF AMERICA 2015, https://ic.fsc.org/en/document-center/id/157 <p>Global Forest Registry: http://www.globalforestregistry.org/map</p>	Low Risk
Complaint Procedures	All complaints and comments received related to the SPI’s Controlled Wood Due Diligence System will be managed consistent with the FSC CW Standard (40-005 v3-1, section 7).	
SPI will perform, as per FSC-STD-40-005 at 7.2 the following steps if a complaint occurs that relates to its DDS, (unless otherwise stated in the applicable NRA):	<p>a) Acknowledging receipt of complaints;</p> <p>b) Informing stakeholders of the complaint procedure, and providing an initial response to complainants within a time period of two (2) weeks;</p> <p>c) Forwarding complaints related to risk designations in the relevant FSC risk assessment to the responsible body (for an NRA, as indicated in the NRA, for the CNRA, FSC); NOTE: When a complaint is forwarded to a responsible body, Clauses 7.2. d) - k) do not apply.</p> <p>d) Conducting a preliminary assessment for determining whether evidence provided in a complaint is or is not</p>	

	<p>substantial, by assessing the evidence provided against the risk of using material from unacceptable sources;</p> <p>e) Dialogue with complainants that aims to solve complaints assessed as substantial before further actions are taken;</p> <p>f) Forwarding substantial complaints to the certification body and relevant FSC National Office for the supply area within two (2) weeks of receipt of the complaint. Information on the steps to be taken by the organization in order to resolve the complaint, as well as how a precautionary approach will be used shall be included with the complaint;</p> <p>g) Employing a precautionary approach towards the continued sourcing of the relevant material while a complaint is pending; NOTE: This includes a description of how the precautionary approach is employed by the organization when a complaint is active. NOTE: A complaints is pending if it has been considered to be substantial (according to Clause 7.2 d), and effective corrective action (according to Clauses 7.2 h-k) has not yet been taken.</p> <p>h) Implementing a verification process (e.g. field verification and/or desk verification) for a complaint assessed as substantial by the organization, within two (2) months of their receipt;</p> <p>i) Determining the corrective action to be taken by suppliers and the means to enforce its implementation by a supplier if a complaint has been assessed and verified as substantial. If a corrective action cannot be determined and/or enforced, the relevant material and/or suppliers shall be excluded by the organization;</p> <p>j) Verifying whether corrective action has been taken by suppliers and whether it is effective;</p> <p>k) Excluding the relevant material and suppliers if no corrective action is taken;</p> <p>l) Informing the complainant, the certification body, and the relevant FSC National Office of the results of the complaint and any actions taken towards its resolution, and for maintaining copies of relevant correspondence; and</p> <p>m) Recording and filing all complaints received and actions taken.</p>	
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Contact for Complaints	Cedric Twight P.O. Box 496014 Redding, CA 96049-6011	
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