

Sustainable Forestry Initiative® Forest Management Audit Report

Sierra Pacific Industries

Certificate # SCS-SFI/FM-000011

*SFI 2022 Standards and Rules®, Forest Management
Surveillance Audit*

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Client Contact	Ted James <u>Director of Professional Development and Forest Certification</u> tjames@spi-ind.com <u>530.378.8141</u>
Client Website	https://www.dcnr.pa.gov/StateForests/Pages/default.aspx

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Public Summary Report

SFI® Forest Management Standard

SECTION A – PUBLIC SUMMARY

Foreword

Organization of the Report

This report of the results of your audit assessment is divided into two sections. Section A provides the public summary and background information that is required by the Sustainable Forestry Initiative®. Section A is made available to the public and is intended to provide an overview of the audit process, the management programs and policies applied to the forest, and the results of the audit. Section A will be posted on the SFI website and Section B contains more detailed results and information for required SFI record-keeping or for use by the Certified Organization.

Principles of SFI Forest Management

The SFI 2022 Standards and Rules® for Forest Management promotes sustainable forestry and includes measures to *protect water quality, biodiversity, wildlife habitat, species at risk and Forests with Exceptional Conservation Value*.

The 13 *SFI Principles* for Forest Management are:

1. **Sustainable Forestry:** To practice sustainable forestry to meet the needs of the present while promoting 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, climate change mitigation, 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 species 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, to meet the needs of both human communities and ecological systems.
4. **Protection of Biological Diversity:** To manage forests in ways that protect and promote biological diversity, including animal and plant species, wildlife habitats, ecologically important species and native forest cover 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 important, geologically or culturally important in a manner that takes into account their unique qualities.
7. **Responsible Fiber Sourcing in North America:** To use and promote among other forest landowners sustainable forestry that is 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 Forest Management 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.

1. General Information

1.1 Name, Contact, and Certificate Information

Organization Name	Sierra Pacific Industries
Certification Representative	Ted James, Director of Professional Development & Forest Certification
Phone Number	Office: 530-378-8141 Mobile: 530-945-2298
Address	Sierra Pacific Industries Physical Address: 19794 Riverside Ave, Anderson, CA 96007 Mailing Address: Post Office Box 496014, Redding, CA 96049 tjames@spi-ind.com
Audit Dates	16 June 2024 through 20 June 2024 – CA, July 29 2024 through 2 August 2024 - WA
SFI Certificate Type	<input type="checkbox"/> Single <input checked="" type="checkbox"/> Multi-site. This Audit covered the requirements of the central organization and a subset of sites. These sites were selected based on proximity and length of time since previous audits. See Summary of Audit Itinerary for details of sampling.

2. Summary Description of the Management Unit(s)

Description of Ownership	<input checked="" type="checkbox"/> SFI: List of all sites/FMUs under scope of the certificate, including certified acres. Bureau of Forestry State Forest Land <input type="checkbox"/> ATFS: List of all sites/FMUs under scope of the certificate, including certified acres. If a Group certificate provide a description of the group structure NA SFI Forest Management: PRI-SFI-FM-003 ⁽¹⁾ <i>Forest Management Operations in California and Washington.</i> <i>The following Sierra Pacific Industries' Forest Management Districts are included within the scope of this registration:</i> California: Redding Lassen Burney Camino Stirling Tahoe Martell Sonora Weaverville Almanor Coast Washington: Burlington Centralia Oregon: Eugene
Total Forest Area (Acres)	2,384,523 acres as follows:

	California – 1,896,726 acres/767,578 hectares Oregon – 177,715 acres/71,909 hectares Washington – 310,082 acres/125,486 hectares														
Description of Sites and Group Membership under Scope	<input checked="" type="checkbox"/> SFI: List of all sites/FMUs under scope of the certificate, including certified acres. 2,384,523 acres														
Management Unit Maps	Provide a link to any public maps. https://www.spi-ind.com/Home/LandHoldings														
Forest Types and Key Ecological Features	<p>General description of major timber types with a general characterization of management approaches used (natural regeneration vs. planting, thinning regimes, even-aged vs. uneven-aged silvicultural).</p> <table border="1"> <thead> <tr> <th>Forest/Timber Type</th><th>Management Approaches</th></tr> </thead> <tbody> <tr> <td>Sierra Mixed Conifer</td><td>Even aged – clearcut</td></tr> <tr> <td>Ponderosa Pine</td><td>Even aged – clearcut</td></tr> <tr> <td>Douglas-fir</td><td>Even aged – clearcut</td></tr> <tr> <td>Douglas-fir/Western Redcedar, Western Hemlock/Grand Fir</td><td>Even aged – clearcut</td></tr> <tr> <td>True Fir</td><td>Even aged – clearcut</td></tr> <tr> <td>Western Hemlock</td><td>Even aged – clearcut</td></tr> </tbody> </table>	Forest/Timber Type	Management Approaches	Sierra Mixed Conifer	Even aged – clearcut	Ponderosa Pine	Even aged – clearcut	Douglas-fir	Even aged – clearcut	Douglas-fir/Western Redcedar, Western Hemlock/Grand Fir	Even aged – clearcut	True Fir	Even aged – clearcut	Western Hemlock	Even aged – clearcut
Forest/Timber Type	Management Approaches														
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Western Hemlock	Even aged – clearcut														
Forest Management Planning	<p>a. Sierra Pacific Industries (SPI) is a privately owned forest products company based in Anderson, California which owns and manages more than 2.3 million acres of private timberland in California, Oregon, and Washington. SPI has an HCP for Northern Spotted Owl and an HCP/SHA for Anadromous Salmonids, a CCAA for Pacific Fisher, and a hold harmless agreement for marbled murrelet. Sierra Pacific Industries are growing more trees than they are harvesting. Today, the average size tree at harvest on Sierra Pacific lands is approximately 18 inches in diameter. In less than one hundred years the average size tree at harvest will be in excess of 30 inches in diameter, and SPI will nearly triple the current forest volume. Put succinctly, SPI will have more large trees on our timberlands 100 years from now than are present today and almost three times the wood volume. SPI also operates 8 active carbon offset projects. There are two inactive carbon projects and 5 reforestation projects listed to become carbon offset projects. The Oregon lands were recently purchased, and SPI has 5 years to bring them in to compliance with SFI standards. They are applying for a Fisher CCAA for the Oregon lands. The WA lands operate under review by the WA DNR and the WA Forest Practice Rules. All operations must have a valid FPA. The WADNR has a Forest Practices HCP for fish and water quality and a CCAA for Fisher that SPI along with other private forest owners operate under. Wildfire awareness and the impacts of climate change are actively incorporated into active management plans on the forestlands. The Company manufactures lumber along with by-products from its sawmills which are also located in these States (eight of which also have cogeneration plants producing renewable energy). In addition to lumber, it also produces and sells other products, including millwork, door components, remanufactured products and bark (out of its California facilities) and windows, doors and window components (out of its California and Wisconsin facilities). In addition to procuring logs for its sawmills from its sustainably managed forest lands, SPI</p>														

	also has a purchase wood program (and an associated purchase wood team at each sawmill) to facilitate the procurement of logs from outside private landowners along with public lands.
Sustainable Harvest Level Assessment	SPI CA lands operate under three approved Option A's, an alternative approved by CalFire. This option includes a sustainable harvest level assessment. This is included in the Option A documentation and is reviewed and approved by CalFire. Any substantial deviation from this required the submission of an amendment to the Option A. The inventory data and sustainable harvest levels were reviewed during the audit process to confirm the presence of the assessment. The WA FPR require a monitoring program will be established to determine the rate of timber harvest so that this information will be available, in combination with other information, for examining the relationship of the rate of timber harvest to sustainability of the timber industry and protection of public resources
Monitoring Program Description	<p>SPI has an extensive monitoring program in place. Included in these are the required reports for the two HCPs, the CCAA, and the SHA's. SPI provides a link to many of their monitoring reports. These reports are provided for public access. The link is:</p> <p>https://spi-ind.com/OurForests/ResearchAndMonitoring</p> <p>The WA FPR require a monitoring program will be established to determine the rate of timber harvest so that this information will be available, in combination with other information, for examining the relationship of the rate of timber harvest to sustainability of the timber industry and protection of public resources. Monitoring for the CP is done by the WADNR.</p>

3. Audit Process

3.1 Applicable Standards and Audit Objectives

Certificate Code	SCS-SFI/FM-000011		
Audit Type	<input type="checkbox"/> Stage 1, Preliminary Review Audit		<input type="checkbox"/> Stage 2, Certification Audit
	<input type="checkbox"/> Re-Certification		<input type="checkbox"/> COVID-19 Additional Surveillance
	<input type="checkbox"/> 1 st , <input checked="" type="checkbox"/> 2 nd , <input type="checkbox"/> 3 rd or <input type="checkbox"/> 4 th Surveillance		
	<input checked="" type="checkbox"/> Transfer		<input type="checkbox"/> Expansion of Scope
	<input type="checkbox"/> Other (<i>describe</i>):		
Applicable Standards	<input checked="" type="checkbox"/> SFI: 2022 Forest Management. <i>Objectives 1-17.</i> <input checked="" type="checkbox"/> SFI: Audits of Multi-Sites		
Multiple Standards	<input checked="" type="checkbox"/> N/A, this is not a multi-standard nor a multi-CB audit.		
	<input type="checkbox"/> Combined	<input type="checkbox"/> Joint	<input type="checkbox"/> Integrated
	<i>A combined audit is when a client is being audited against the requirements of two or more</i>	<i>A joint audit is when two or more auditing organizations cooperate to audit a single client.</i>	<i>An integrated audit is when a client has integrated the application of requirements of two or more management systems standards into a single management system and is being audited against more than one standard.</i>
SFI Substitute or Modified	<input type="checkbox"/> None, <input checked="" type="checkbox"/> Yes, Substitute or Modified Indicators used and justification: As part of the		

Indicators	<p>approved HCP and CCAA, the audit is modified to confirm the retention standards required in the two approved documents.</p> <p>“In addition, the following supplemental SFI FM indicator was added in relation to Objective 4 (Conservation of Biological Diversity), Performance Measure 4.1 (Program Participants shall conserve biological diversity)</p> <p>Indicator 9: <i>Retention and recruitment of Pacific Fisher and Spotted Owl habitat elements on SPI California lands through the implementation of the following specific conservation measures established in section 7.3.4 of the “Candidate Conservation Agreement with Assurances for Fishers on the SPI ownership in the Klamath, Cascade, and Sierra Nevada Mountains” between Sierra Pacific Industries and the U.S Fish and Wildlife Service (signed agreement dated October 2016) and in section 5.2.7 of the “Habitat Conservation Plan for Northern and California Spotted Owl on the SPI ownership in the Klamath, Cascade, and Sierra Nevada Mountains between Sierra Pacific Industries and the U.S Fish and Wildlife Service” (signed plan dated September 2020):</i></p> <p><i>A. Retain where available an average of 4 Wildlife Trees (WTs) per 20 acres (i.e., rate of 1 per 5 acres) of hardwoods ≥ 22” dbh or non-merchantable live green conifers (green culls) ≥ 30” dbh (or next largest if unavailable),</i></p> <p><i>B. Retain Habitat Retention Areas (HRAs) at a rate of 2% of the total harvest area or regeneration area (for areas greater than 2.5 acres),</i></p> <p><i>C. Legacy Trees – Retain all hardwoods ≥ 36” dbh or nonmerchantable live green conifers (green culls) > 30” dbh where they exist (preferentially retained within or at the edge of HRAs),</i></p> <p><i>D. Retain Fisher den structures in HRAs wherever they exist,</i></p> <p><i>E. Retain at least 2 hardwood trees (> 22” dbh) per acre when available or next largest (if not available) in all non-regeneration harvest areas,</i></p> <p><i>F. Retain small hardwood regen (< 6” dbh) or regenerate stump sprouting hardwoods at a rate of 2 per acre where they exist,</i></p> <p><i>G. Retain non-merchantable snags and green culls (≥ 15” dbh) as feasible,</i></p> <p><i>H. Leave 2% of the area unthinned during pre-commercial and commercial thinning of plantations, and</i></p> <p><i>I. Retain additional small hardwoods (> 6” dbh) or conifers (> 10” dbh) in regeneration units at a spacing that ensures no locations on the unit exceed a distance of 150’ from a retained element or existing forest edge.</i></p>
Certificate Scope/Statement	<p>The scope of the certificate includes all land management operations on Sierra Pacific Industries Lands in California, Oregon, and Washington, and related sustainable forestry activities and includes the harvest of forest products.</p>

	<p><u>SFI Forest Management:</u> SCS=SFI/FM-700548</p> <p><i>Forest Management Operations in California, Oregon, and Washington.</i></p> <p><i>The following Sierra Pacific Industries' Forest Management Districts are included within the scope of this registration:</i></p> <p><i>California:</i></p> <p><i>Redding</i></p> <p><i>Lassen</i></p> <p><i>Burney</i></p> <p><i>Camino</i></p> <p><i>Stirling Tahoe</i></p> <p><i>Martell</i></p> <p><i>Sonora</i></p> <p><i>Weaverville</i></p> <p><i>Almanor</i></p> <p><i>Coast</i></p> <p><i>Oregon</i></p> <p><i>Eugene</i></p> <p><i>Washington:</i></p> <p><i>Burlington</i></p> <p><i>Centralia</i></p> <p><u>SFI Fiber Sourcing:</u></p> <p><i>Fiber sourcing operations in California, Oregon and Washington for the following Sierra Pacific Industries' mills:</i></p> <p><i>California:</i></p> <p><i>Anderson sawmill</i></p> <p><i>Burney sawmill</i></p> <p><i>Chinese Camp sawmill</i></p> <p><i>Lincoln sawmill</i></p> <p><i>Oroville sawmill</i></p> <p><i>Quincy sawmill</i></p> <p><i>Shasta Lake sawmill</i></p> <p><i>Sonora sawmill</i></p> <p><i>Oregon:</i></p> <p><i>Eugene sawmill</i></p> <p><i>Noti sawmill</i></p> <p><i>Washington:</i></p> <p><i>Aberdeen sawmill</i></p> <p><i>Burlington sawmill</i></p> <p><i>Centralia sawmill.</i></p> <p><i>Shelton sawmill.</i></p>
Description of Sampling Approach	Sampling protocols were applied to at the State Forest level using standard selection approaches to select SFs for on-site activities.

	<ul style="list-style-type: none"> ■ The audit team leaders pre-selected field sites at each of the districts visited, Lassen District, Camino District and Burlington District to meet sampling requirements of the Standards and have client approval prior to the audit, at least 1 week before the opening meeting. ■ For a random selection, the audit team requested all harvests (Timber Harvest Plans) over the past 12 months for the selected sample areas. Auditors randomly selected approximately 1/3 of sites to audit from harvest sites. The selected sites became mandatory sites and the remainder were selected using sampling criteria for active operations, and route efficiency. Add-on sites were requested or suggested during the field audit travel to increase sampling along planned routes. <p>Sampling criteria for selected or add-on sites include active or inactive management related activities. Active generally includes any site disturbing activities and inactive generally includes monitoring activities.</p>
Deviations from the Audit Plan	<p>Were there any significant deviations from the Audit Plan?</p> <p><input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. If yes, provide a description and explanation.</p>

3.2 Audit Team

Auditor name:	Dr. Walter Mark	Auditor role:	Lead Auditor
Qualifications:	Dr. Mark is professor emeritus of forestry at California Polytechnic State University, San Luis Obispo and former Director of Swanton Pacific Ranch, the University's formerly FSC Certified school forest. Dr. Mark specializes in forest health and silviculture. Dr. Mark has been a consultant for Scientific Certification Systems since 2003, conducting numerous FSC FM, SFI FM, and SFI FS audits in the U.S and Canada. Dr. Mark is a registered professional forester in California (RPF No. 1250) with over 50 years of forestry experience in public and private forestry and higher education sectors. He has been a member of the SAF for over 50 years and is recognized as an SAF Fellow. He has served as audit team member and leader for several certification, recertification, annual audits and scoping audits over the past number of years.		
Auditor name:	Tom Harlan	Auditor role:	Team Auditor
Qualifications:	Tom Harlan graduated from North Carolina State University in 1983 with a BS in Forestry. He has over 40 years' experience in the forestry profession including experience in timber procurement, timber sale administration, forestry consulting and TIMO land management. While working at a consulting firm, Tom conducted SFI-FM audits and was also a Lead ATFS auditor. Tom was a water quality engineer with the Virginia Department of Forestry where he worked with loggers and landowners to protect water quality and enforce the Chesapeake Bay Act provisions concerning forest operations. Tom managed land that was certified to SFI and FSC forest management standards and was audited to those standards. He was a FSC COC administrator for a small timber company on the Eastern Shore of Maryland. Tom joined SCS Global Services in October 2023 as a Technical Specialist.		
Auditor name:	Sterling Griffin	Auditor role:	Team Auditor
Qualifications:	Sterling is a California Registered Professional Forester #2805 living in Corvallis, Oregon. He is a graduate of Purdue University with a degree in Forest Management. His career began with the U.S. Forest Service where he participated in long-term ecosystem productivity research in the Pacific Northwest. He later founded a consulting firm serving private landowners managing timber, water, recreation, fire protection, and biodiversity. In 2007, he helped SCS establish its GHG verification program and later founded one of the largest		

	U.S. developers of forest carbon credits. He is currently a SCS Technical Specialist and FSC Lead Auditor.
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3.3 Total Time Spent on Audit

A. Number of days spent on-site for the Audit	5 CA/2 WA
B. Number of auditors participating in on-site audit	3 CA/2 WA
C. Number of days spent by any technical experts (in addition to amount in line A)	0
D. Additional days spent on preparation, stakeholder consultation, and follow-up	4.5
E. Total number of person days used in audit	23.5

3.4 Summary of Audit Itinerary and Site Visits

Location(s) sampled	2 CA districts, Lassen district and Camino District, 1 WA district, Burlington District, and Anderson Headquarters		
Number of field sites	34		
Summary of Cover Types visited	Ponderosa Pine, Douglas-fir, Sierra Mixed Conifer, Western Hemlock, True Fir, Douglas-fir-western redcedar, western hemlock		
Summary Description /Number of Silviculture Activities inspected	Clearcut, Commercial Thinning, Fuelbreaks		
Summary Description /Number of Harvest Areas inspected	<u>Lassen District</u> – 16 <u>Camino District</u> – 11 <u>Burlington District</u> – 7		
	Day1	Anderson Offices	
	California Agenda		
	Opening Meeting	Anderson Offices 0800 – 1700	Introductions, Review of scope of audit, Review of NC and OFI from 2023, Review of additional indicator 4.1.9, Review of Audit Plan, interviews with key corporate staff including Ted James, Director of Professional Development and Certification, Kevin Roberts, Wildlife Program Manager, Eric Sweet, Director of Wildfire and Fuels, Cedric Twight, SPI Certification Consultant, Cajun James, Director of Research, Michelle Nystrom Community Relations Manager, and Ed Murphy, Director of Forest Operations. Tour of Research Facility.
	Day 2		
	Lassen District Meeting	Anderson Offices 0800 - 1000	Introduction to Lassen District Staff, Scope of Audit, Final selection of Field Audit Stops,
	Lassen District	Field Tour 1000 – 1700	Various field tour stops of forest operations on the Lassen District
	Day 3		
	Lassen District	Field Tour 0800 – 1330	Various field tour stops of forest operations on the Lassen District
	Lunch A Debriefing	Anderson Offices 1330 - 1500	Presented preliminary findings from first 3 days.
	Travel to Camino District	1500 - 1800	

	Day 4		
	Camino District	Camino District Offices 0800 – 1000	Introduction to Lassen District Staff, Scope of Audit, Final selection of Field Audit Stops, Logistics discussions
	Camino District	Field Tour 1000 – 1700	Various Field tour stops of forest operations on the Camino District
	Day 5		
	Camino District	Field Tour 0700 – 1230	Various field tour stops of forest operations on the Camino District
	Camino District	Camino District Offices – Lunch	
	Camino District	Camino District Offices 1330 - 1400	Zoom meeting with SPI Botany Staff to discuss progress on Oregon Lands
	Camino District	Debriefing Meeting 1400 - 1500	Discuss preliminary findings and next steps
		1500	Audit Team Departs
	Washington Agenda		
	Day 1		
	Burlington District	Burlington District Offices – 0800 – 1100	Opening meeting for FM And FS Burlington portion of audit. Introductions, scope of the audit, Discussion of pervious findings, Finalize Field stops, logistics discussions
	Burlington District	Field Tour 1100 - 1700	Various field tour stops of forest operations on the Burlington District
	Day 2		
	Burlington District	Field Tour 0800 – 1700	Various FM and FS field tour stops of forest operations on the Burlington District
	Day 3		
	Burlington District	FS Field Tour 0800 1200	Various FS Field tour sites on Burlington District
	Burlington District	1200 – 1300	Lunch
	Burlington District	1300 – 1500 Burlington Offices	Closing Meeting Preparation
	Burlington District	Burlington Offices 1500 - 1700	Closing meeting for FS audit and Debriefing for FM audit
	20 August 2024	Zoom	
	Zoom Meeting	Closing Meeting	Closing Meeting for the FM and FS audits for 2024 for SPI CA and WA land, The meeting covered a summary of the past findings and disposition of those; the current audit findings including NC, OFI, and Exemplary. Next steps in the process and anticipated schedule of those. Questions from the certificate holder, and thanks from the certificate holder and the audit team.
Summary Description of	Road systems are primarily existing infrastructure, several new road constructions projects were		

Road infrastructure inspections	reviewed. Road systems were reviewed and examined throughout the audit and included reviews of road maintenance and culverts with more detailed discussion is included in the Site Notes above.
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3.5 Evaluation of Management Systems

SCS deploys teams with expertise in forestry and other relevant fields to assess the certified organization's conformance to SFI standards and policies. Audit methods include reviewing documents and records, interviewing personnel and contractors, implementing sampling strategies to visit a broad number of forest cover and harvest prescription types, observing implementation of management plans and policies in the field, and collecting and analyzing relevant stakeholder input. When there is more than one team member, each member may review parts of the standards based on their background and expertise. Applicable aspects of the Management System under evaluation, such as Management System Review and other relevant Objectives, Performance Measures, and Indicators will also inform the audit team. On the final day of an evaluation, team members convene to deliberate the findings of the audit jointly. This involves an analysis of all relevant field observations, interviews, reviewed documents and records, and relevant stakeholder input. Where consensus among team members cannot be achieved due to lack of evidence, conflicting evidence or differences of interpretation of the standards, the team is instructed to report these in the certification decision section and/or in observations.

3.6. Changes to Management System

There were no significant changes in the management and/or harvesting methods that affect the FME's conformance to the SFI standards, rules, and policies.

3.7 Confirmation of Meeting Audit Objectives

The objectives for this audit included:

- b. Determination of the conformity of the client's management system, or parts of it, with audit criteria (Selected Objectives, Performance Measures, and/or Indicators).
- c. Determination of the ability of the management system to ensure the client meets applicable statutory, regulatory and contractual requirements.
- d. Determination of the effectiveness of the management system to ensure the client can reasonably expect to achieve specified objectives.
- e. As applicable, identification of areas for potential improvement of the management system.

Audit Objectives were met	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> If no, provide an explanation:
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4. Results of Audit

4.1 Grading of Possible Findings

Once a consensus is reached by the audit team, determinations of grading are made as to the level of findings. Grading of findings may occur as follows:

- *Major CARs:* Major Corrective Action Requests (CARs) occur when one or more of the SFI 2022 Standard(s) performance measures or indicators has not been addressed or has not been implemented to the extent that a systematic failure of a Certified Organization's SFI system to meet an SFI objective, performance measure or indicator occurs.
- *Minor CARs:* An isolated lapse in SFI 2022 Standard(s) implementation which does not indicate a systematic failure to consistently meet an SFI objective, performance measure or indicator.
- *Opportunities for Improvement:* Opportunities for Improvement (OFIs) are identified by audit team members where the client is in conformance, but there is a risk to conformance in the future. Nonconformance with the standard requirements cannot be recorded as OFIs.
- *Exceeds:* Practices that exceed the basic requirements of the SFI 2022 Standards and Rules for Forest Management or Fiber Sourcing.

4.2 Table of Audit Results and History of Findings for Certificate Period

This table lists Findings to the Performance Measure and/or Indicator level for each year of the certificate period and is updated annually.

SFI Objective	Cert/Re-cert Evaluation (2022)	1 st Annual Evaluation (2023)	2 nd Annual Evaluation (2024)	3 rd Annual Evaluation (2025)	4 th Annual Evaluation (2026)
No findings	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
1					
2					
3		NC 2023-01	OFI – 2024 -01		
4		NC-2023-02 NC-2023-03 OFI-2023-01	OFI – 2024 -02		
5					
6					
7					
8					
9	NC-2022-02				
10					
11		NC-2023-05			
12					
13	NC-2022-03	OFI-2023-01	NC 2024 -01		
14					
15					
16					

17					
COC					
Trademark					
Group					
Other					

4.3 General Description of Evidence of Conformity

This section summarizes the general evidence found to verify conformity that is detailed in Appendix 5.

SFI Objective	Summary of Evidence
Objective 1. Forest Management Planning. To ensure forest management plans include long-term sustainable harvest levels and measures to avoid forest conversion or afforestation of ecologically important areas.	Not audited in 2024.
Objective 2. Forest Health and Productivity. To ensure long-term forest productivity and conservation of forest resources through prompt reforestation, afforestation, deploying integrated pest management strategies, minimized chemical use, soil conservation, and protecting forests from damaging agents.	THPs and EMs (CA); FPAs (WA); Regeneration plans including recommendations for pesticide usage; THP Completions; Regeneration and stocking survey results; SPI pesticide policy; Pesticide use records; SPI Wildfire Policies for CA, WA and OR new in 2024; and contract records at the Districts visited; Pre-operations checklists, Inspection Sheets, Avenza maps, SPI fire weather forecast system and PALS; District Fire Plans; Latest (2021) Option A growth projections and allocable cut calculations; annual SFI progress report; SPI supporting records for SFI annual progress report; Field inspections and interviews.
Objective 3. Protection and Maintenance of Water Resources. To protect the water quality and water quantity of rivers, streams, lakes, wetlands, and other water bodies.	HCP for Anadromous Salmonids, THPs and EMs (CA); FPA's and 5-Day Notices (WA); Master Timber Harvesting Operation Lake and Streambed Alteration Agreement (MATO) (CA); Water Quality Control Waivers (WQCW) (CA); Water quality monitoring reports / records re. MATO and WQCW (CA); Forest Practices HCP (WA DNR); Road Management and Abandonment Program (RMAP) (WA) Timber Harvesting and Road Construction contracts; SPI road inspection policy; Road inspection/maintenance records; GIS topographic map layers; Pre-operations checklists; Field inspections and interviews. During the review of inspection documents auditors noted that signatures and dates were not required on them. This results in the lack of a verifiable monitoring system for BMPs. SFI-OFI-2024-01
Objective 4. Conservation of Biological Diversity	Not audited in 2024 except for Objective 4.1.9 -

To maintain or advance the conservation of biological diversity at the stand- and landscape-level and across a diversity of forest and vegetation cover types and successional stages including the conservation of forest plants and animals, aquatic species, threatened and endangered species, Forests with Exceptional Conservation Value, old-growth forests and ecologically important sites.	the following supplemental SFI FM indicator was added in relation to Objective 4 (Conservation of Biological Diversity), Performance Measure 4.1 (Program Participants shall conserve biological diversity), Retention on clearcuts of individual trees and HRAs, annual report for the HCP and CCAA. Use of mapping of the individual trees and HRAs was audited on all districts audited in 2024. No examples of non-conformance with required retention were observed during the field visits during the 2024 audit. SFI-OFI 2024-02
Objective 5. Management of Visual Quality and Recreational Benefits. To manage the visual impact of forest operations and provide recreational opportunities for the public.	Not audited in 2024
Objective 6. Protection of Special Sites. To manage lands that are geologically or culturally important in a manner that takes into account their unique qualities.	Not audited in 2024
Objective 7. Efficient Use of Fiber Resources. To minimize waste and ensure the efficient use of fiber resources.	Not audited in 2024
Objective 8. Recognize and Respect Indigenous Peoples' Rights. To recognize and respect Indigenous Peoples' rights and traditional knowledge.	Not audited in 2024.
Objective 9: Climate Smart Forestry To ensure forest management activities address climate change adaptation and mitigation measures.	Not audited in 2024. New publication on SPI Website on Climate Change and the role for sustainable forestry. https://www.spi-ind.com/document_library/Tackle_Climate_Change.pdf
Objective 10. Fire Resilience and Awareness To limit susceptibility of forests to undesirable impacts of wildfire and to raise community awareness of fire benefits, risks, and minimization measures.	Extensive efforts in CA to install shaded fuel breaks to provide for suppression efforts as well as along roads for ingress and egress safety. Several examples of shared and cooperative efforts with communities and groups with grant funding. Newly adopted and published as internal documents 2024 Wildfire Policy California Operations, Wildfire Policy Oregon Operations, and Wildfire Policy Washington Operations. Policies apply to most operations on forest lands. Maintenance of over 100 weather stations to collect and produce PALS information for daily use during logging season. The wildfire policy is incorporated into all contracts. Section 3 of the policy document includes compliance requirements for contractors and employees as well as required procedures.

	Other lines of evidence: Fire Resilience and Awareness THPs and EMs (CA) and FPAs (WA); Forest Fuels Reduction and Species Conservation in California MOU; District-level strategic fuel break maps; Completed Inspection Sheets including fire requirements; Incident Action Plan, Patrol Logs, etc.); SPI fire weather forecast system; PALS daily release for contractors during fire season; District training records; and interviews with management and staff.
Objective 11. Legal and Regulatory Compliance To comply with all applicable laws and regulations including, international, federal, provincial, state, and local.	Not Audited in 2024 All operations audited in CA and WA were in total compliance with legal and regulatory requirements. All operations in CA were done under a THP, EM, MATO or other regulatory document. All operations in WA were done under an FPA or 5-day Notice of operations. One citation was recorded in California on one district. The violation has been mitigated and was reviewed during the field audit.
Objective 12. Forestry Research, Science and Technology. To invest in research, science, and technology, upon which sustainable forest management decisions are based.	Interviewed Head of Research at Anderson Offices concerning company funded research that covered items directly involved with forest operations including: Water quality monitoring, weather stations, post fire erosion control, FIA plots located on company lands, and management operations affecting water quality. Reviewed SPI Climate Adaptation Plan 2022 that addresses climate actions and fire readiness. Extensive research has been conducted in conjunction with the NSO HCP. These include NSO, CASPO, and barred owls. The dietary preferences of barred owls has been researched through stomach content research. The use of habitat by NSO have been researched through the use of newly developed and implemented gps tracking tags. SPI personnel give seminars and presentations at forestry events, the SPI website has links to information on climate change, carbon sequestration, biomass, HCP Monitoring, and other topics. Active participation in a number of owl related research on genetics, distribution, and diet. Experimental translocation of Fisher into the Sterling District.
Objective 13. Training and Education. To improve the implementation of sustainable forestry through appropriate training and education programs.	Not audited in 2024 Several examples of missing safety, fire, and environmental required items and some cases of lack of use of PPE by logging personnel were observed during the field audit resulting in an opportunity for improvement. SFI-NC-2024-01

Objective 14. 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.	Not audited in 2024
Objective 15. Public Land Management Responsibilities. To participate and implement sustainable forest management on public lands.	Not applicable, not public land management.
Objective 16. Communications and Public Reporting To increase transparency and to annually report progress on conformance with the SFI Forest Management Standard.	Not audited, although SPI website includes extensive public reporting which is available on the SPI website. https://www.spi-ind.com/
Objective 17. Management Review and Continual Improvement: To promote continual improvement in the practice of sustainable forestry by conducting a management review and monitoring performance.	Corporate wide and district wide review and performance evaluations take place. Meeting itineraries at both the corporate and district level were reviewed and showed a wide variety of variable topics that were discussed and presented. The annual report from the SFI-FM audit was reviewed with management and a letter from the President of Lumber was reviewed.

4.4 Existing Corrective Action Requests, OFIs, and Exceeds

Finding Number: SPI-NC-2023-01	
Finding and Deadline	<input type="checkbox"/> Major: Pre-condition to certification <input type="checkbox"/> Major: 3 months from Closing Meeting <input checked="" type="checkbox"/> Minor: Next audit (surveillance or re-evaluation) or 12 months from closing <input type="checkbox"/> OFI: no deadline <input type="checkbox"/> Exceeds: no deadline <input type="checkbox"/> Other deadline (specify):
SFI Indicator:	SFI/FM 3.1.1
<input checked="" type="checkbox"/> Non-Conformity <input type="checkbox"/> Background/ Justification in the case of OFI or Exceeds The SFI FM standard at indicator 3.1.1 requires the SFI-certified organization to have programs to implement federal, state or provincial best management practices during all phases of management activities. SPI has established a Road Maintenance Policy which was found to have not been fully implemented at the Tahoe District – i.e., 1 high and 15 medium road maintenance items have not been addressed and some road maintenance activities have not been inspected for many years (in some cases going back to 2017).	
Action Plan and Root Cause Analysis (to be prepared by Organization)	Root Cause Analysis: The review of the road maintenance xls tracking worksheet has not been reviewed in a systematic manner that will adequately evaluate and addressed the road erosion issues that had previously been identified in a timely manner. Some erosion sites lacked a priority assigned to them, which makes scheduling the appropriate timing for the corrective work difficult. Erosion sites not attended to in more than a years' time need to have a date certain assigned

	<p>to them for the corrective work to be completed and a rationale for the continued delay in completing the work added to a comment section of the road maintenance xls tracking worksheet that explains why the delay is acceptable. The SFI internal audit did not identify this shortfall in the Tahoe maintenance program.</p> <p>Divisional Correction(s): District Manager will review the road maintenance xls tracking worksheet at least three times annually in a systematic fashion.</p> <p>Divisional Corrective Action Plan(s) The systematic review will ensure: 1) next years road maintenance survey covers the district sufficiently, 2) the needed repair work schedule sufficiently addresses the priority ratings for the outstanding erosion issues, 3) the rationale for not scheduling corrective work for more than one-year is explained in the comment section of the road maintenance xls worksheet.</p> <p>Corporate Correction(s): The Forestry Regional Managers will review the road maintenance xls more systematically as part of their oversight of the Forestry Districts.</p> <p>Corporate Corrective Action Plan(s) The internal auditor will review the road maintenance program with the District Manager during the Districts' internal SFI audit.</p>	
SCS Review of Action Plan	<input checked="" type="checkbox"/> Accepted	<input type="checkbox"/> Rejected (<i>explain</i>):
	KPMG representative: CMR	Date: 2023/11/20
Evidence and Actions Implemented by Organization	<p>Divisional corrections and corrective action plans accepted / approved. Implementation of corrections and corrective actions, along with confirmation that the issues that gave rise to this NC have been addressed and there are no recurrences of them, will be verified during the next scheduled KPMG audit in 2024.</p> <p>Corporate corrections and corrective action plans accepted / approved. Implementation of corrections and corrective actions, along with confirmation that the issues that gave rise to this NC have been addressed and there are no recurrences of them, will be verified during the next scheduled audit in 2024.</p>	
SCS Review of Implemented Actions	<p>Road maintenance and road projects under the SPI Road Maintenance Plan were reviewed extensively during the 2024 audit . No recurrences of such issues were found in any of the three districts audited. WA lands are covered under a DNR approved RMAP. FPA documents for WA non-SPI Fee lands cover any road included in the harvest activities. CA roads associated with THP's are covered under the THP. In addition to harvest associated roads road maintenance projects were visited during the field audit. As a result of finding no issues with road maintenance or adherence to the Road Maintenance Plan, NC 2023-01 is closed</p>	
Status of Finding:	<input checked="" type="checkbox"/> Closed <input type="checkbox"/> Upgraded to Major <input type="checkbox"/> Other decision (<i>refer to description above</i>)	

Finding Number: SPI-NC-2023-02

Finding and Deadline	<input type="checkbox"/> Major: Pre-condition to certification <input type="checkbox"/> Major: 3 months from Closing Meeting <input checked="" type="checkbox"/> Minor: Next audit (surveillance or re-evaluation) or 12 months from closing <input type="checkbox"/> OFI: no deadline <input type="checkbox"/> Exceeds: no deadline <input type="checkbox"/> Other deadline (specify):
SFI Indicator:	SFI/FM 4.1.3
<input checked="" type="checkbox"/> Non-Conformity <input type="checkbox"/> Background/ Justification in the case of OFI or Exceeds <p>The SFI FM standard at indicator 4.1.3 requires the SFI-certified organization to have a program in place (individually and/or through cooperative efforts such as <i>SFI Implementation Committees</i>) to support diversity of native forest cover types and age or size classes that enhance biological diversity, by incorporating the results of analysis of documented diversity at landscape and ownership/tenure levels, to ensure the contribution of the managed area to the diversity of conditions that promote biodiversity. Correspondingly, the SFI FM standard at indicator 4.2.3 requires Certified Organizations to support and participate in plans or programs for the conservation of old-growth forests in the region of ownership or forest tenure. SFI Section 7 (Guidance to SFI 2022 Standards and Rules) provides guidance on addressing these requirements by specifying the need to use the best scientific information to determine landscape-level priorities, facilitate assessments and maximize the potential of managed areas to contribute to the conservation of biodiversity at multiple scales (including at the landscape level) within the context of management objectives. The guidelines go onto indicate the following: <i>To achieve the intended goal of contributing to biodiversity conservation at landscape scale, managers will need to evaluate the required “documentation of biodiversity at landscape and ownership/tenure levels” in the context of their own management strategies and objectives, to determine whether there may be opportunities to fill gaps in their biodiversity outcomes, or to provide certain forest composition, age-classes, or conditions that may be lacking on the landscape.</i></p> <p>While elements of landscape level biodiversity and old-growth assessments are in place on SPI’s Eugene forest lands, a comprehensive evaluation of biodiversity at landscape and ownership/tenure levels has not been undertaken to assess if there are gaps that need to be filled / enhanced in SPI’s existing biodiversity outcomes respecting current landscape level conditions on its ownership and across the landscape (respecting forest composition and seral stages, including the adequacy of existing old growth levels by forest type).</p>	
Action Plan and Root Cause Analysis (to be prepared by Organization)	<p>Root Cause Analysis: The Eugene District is a relatively new acquisition and the integration of SPI’s management objectives within the Eugene Districts harvest schedule was completed in 2023. The Eugene Districts’ forest stands tree inventory, harvest schedule, and geo-spatial relationship within the greater landscape are now integrated into the SPI Geographic Information System (GIS). However, the analysis of these forest stands respective contribution to species habitat over time, in the context of SPI’s management objectives and the larger landscape has not been completed for the Eugene ownership.</p> <p>Divisional Correction(s): Eugene District Manager will work with the GIS staff to collaborate with corporate staff to model the tree inventory as wildlife habitat forms over time.</p> <p>Divisional Corrective Action Plan(s): Eugene GIS staff will work with corporate staff to transform the modeled tree inventory on a decadal basis to habitat forms. Biology staff at corporate will analyze and report how that flux of habitat overtime supports the various extant wildlife populations and thus contributes to biological diversity.</p>

	<p>Corporate Correction(s): Corporate staff will support the Eugene Districts analysis of the districts' stands as a habitat flux over time (decadal) will contribute to biodiversity.</p> <p>Corporate Corrective Action Plan(s): Corporate biological staff will report the modeled abundance of the various habitat forms over time on the Eugene District. If feasible the habitat form analysis will include adjacent ownerships within the watershed or other reasonable scale of analysis. The report will include a spreadsheet that lists the extant wildlife genera and/or species that those habitat forms supports. Where species habitat needs are not going to be met on SPI land using the prescribed silvicultural practices, management actions to better support those wildlife species will be considered and where feasible adjustments in the silvicultural practices will be implemented.</p>	
SCS Review of Action Plan	<input checked="" type="checkbox"/> Accepted	<input type="checkbox"/> Rejected (<i>explain</i>):
	KPMG representative: CMR	Date: 2023/11/20
Evidence and Actions Implemented by Organization	<p><i>Divisional corrections and corrective action plans accepted / approved. Implementation of corrections and corrective actions, along with confirmation that the issues that gave rise to this NC have been addressed and there are no recurrences of them, will be verified during the next scheduled KPMG audit in 2024.</i></p> <p><i>Corporate corrections and corrective action plans accepted / approved. Implementation of corrections and corrective actions, along with confirmation that the issues that gave rise to this NC have been addressed and there are no recurrences of them, will be verified during the next scheduled audit in 2024.</i></p>	
SCS Review of Implemented Actions	<p>The GIS system now includes the data for the Oregon Lands. The inventory data has been used to provide data for habitat typing on the district lands and this has been done. The crosswalk to wildlife species is ongoing currently. Existing databases were utilized to predict and verify the presence of species of interest. Existing management strategies on SPI lands have been demonstrated to better support many wildlife species will be considered and where feasible adjustments in the silvicultural practices will be implemented.</p>	
Status of Finding:	<input checked="" type="checkbox"/> Closed <input type="checkbox"/> Upgraded to Major <input type="checkbox"/> Other decision (<i>refer to description above</i>)	

Finding Number: SPI-NC-2023-03	
Finding and Deadline	<input type="checkbox"/> Major: Pre-condition to certification <input type="checkbox"/> Major: 3 months from Closing Meeting <input checked="" type="checkbox"/> Minor: Next audit (surveillance or re-evaluation) or 12 months from closing <input type="checkbox"/> OFI: no deadline <input type="checkbox"/> Exceeds: no deadline <input type="checkbox"/> Other deadline (specify):
SFI Indicator:	SFI/FM 9.2.2
<input type="checkbox"/> Non-Conformity <input checked="" type="checkbox"/> Background/ Justification in the case of OFI or Exceeds The SFI FM standard at indicator 9.2.2 requires the SFI-certified organization to have a program in place	

<p>to locate and protect known sites of flora and fauna associated with viable occurrences of critically imperiled (G1) and imperiled (G2) species and communities also known as Forests with Exceptional Conservation Value. Plans for protection may be developed independently and/or through cooperative efforts involving SFI Implementation Committees and may include Certified Organization managers of SFI-certified organizations, cooperation with other stakeholders, or use of easements, conservation land sales, exchanges, or other conservation strategies.</p> <p>While significant progress has been made in gaining available information on known locations of G1 and G2 species and communities from database searches (such as State and BLM) along with initial fieldwork on SPI's Oregon property, there is still work to be done to fully identify potential occurrences of G1 and G2 species and ecological communities on SPI's Oregon property based on the fulsome application of this data and associated additional survey work.</p>		
Action Plan and Root Cause Analysis (to be prepared by Organization)	<p>Root Cause Analysis: The work to fully understand the contribution of Eugene District forests to species habitats is ongoing (see SPI-NC-2023-02). The work to identify potential locations of G1 and G2 species is ongoing.</p> <p>Divisional Correction(s): Eugene District Manager will work with corporate staff to integrate pre-operational surveys for likely G1 and G2 species that might occur in future harvest units.</p> <p>Divisional Corrective Action Plan(s): Based on the habitat form analysis for supporting wildlife species including G1 and G2 species, appropriate surveys for likely species presence will be conducted by qualified individuals and mitigation measures implemented where G1 or G2 species are identified.</p> <p>Corporate Correction(s): Corporate staff will continue to support the identification of G1 and G2 species on the Eugene District.</p> <p>Corporate Corrective Action Plan(s): Based on further habitat form analysis corporate staff will help train staff to be qualified to identify likely G1 and G2 species and make recommendations for where and when surveys should be conducted or modifications to the silvicultural practices implemented. Divisional corrections and corrective action plans accepted / approved. Implementation of corrections and corrective actions, along with confirmation that the issues that gave rise to this NC have been addressed and there are no recurrences of them, will be verified during the next scheduled audit in 2024</p>	
SCS Review of Action Plan	<input checked="" type="checkbox"/> Accepted	<input type="checkbox"/> Rejected (<i>explain</i>):
	KPMG representative:	Date: 2023/11/20
Evidence and Actions Implemented by Organization	<p>The Botany Staff of SPI have reviewed the databases from the USFS and the BLM as well as herbaria collections from Oregon sources for presence or likelihood of G1 and G2 plants. From this effort One record of 2 special status species on the lands. These were located and confirmed on the ground. Processes long in place on CA lands will be utilized going forward with the district staff heading up the efforts. G1 and G2 species information is posted at the SPI website and included in all vendors letters. https://www.spi-ind.com/pdf_sfi/Oregon%20G1%20G2%20biodiversity%20factsheets.pdf</p> <p>The SPI policies on FECV will be applied on the Oregon lands in the same way it is on CA lands,</p>	
SCS Review of Implemented Actions	<p>As a result of the actions followed as outlined in the approved action plan. This NC, SPI-NC-2023-03 is closed.</p>	

Status of Finding:	<input checked="" type="checkbox"/> Closed <input type="checkbox"/> Upgraded to Major <input type="checkbox"/> <i>Other decision (refer to description above)</i>
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Finding Number: SPI-NC-2023-04	
Finding and Deadline	<input type="checkbox"/> Major: Pre-condition to certification <input type="checkbox"/> Major: 3 months from Closing Meeting <input checked="" type="checkbox"/> Minor: Next audit (surveillance or re-evaluation) or 12 months from closing <input type="checkbox"/> OFI: no deadline <input type="checkbox"/> Exceeds: no deadline <input type="checkbox"/> Other deadline (specify):
SFI Indicator:	SFI/FM 11.1.2
<input checked="" type="checkbox"/> Non-Conformity <input checked="" type="checkbox"/> Background/ Justification in the case of OFI or Exceeds <p>The SFI FM standard at indicator 11.1.2 requires the SFI-certified organization to achieve compliance with applicable federal, provincial, state or local laws and regulations and at indicator 11.1.3 to demonstrate its commitment to legal compliance through available regulatory action information. In order to demonstrate due diligence in these areas (including the demonstration of LTO's meeting of contractual agreements) it is imperative that organizations maintain documented information demonstrating its compliance and commitment, including in relation to what specifically is being communicated to contractors at operational startup, what issues are being identified during inspections and what corrective actions are being taken in relation to any identified issues (nonconformities and incidents) being uncovered during inspections or via other avenues. While some divisions have established formal pre-work / pre-operations meeting checklists to go over with contractors the key prescription elements and resource issues on blocks and roads to be developed and are maintaining these records as documented evidence, this is not universally the case across all divisions. In addition, nonconformities and incidents (such as identified BMP implementation deviations, whether it is a non-compliance with the forest practice rules or not) are not being routinely formally documented along with the corrective action plans established and implemented to address them (with documented evidence of implementation and closure of the nonconformity or incident being maintained as a due diligence record).</p>	
Action Plan and Root Cause Analysis (to be prepared by Organization)	<p>Root Cause Analysis: The frequency and procedures for the administration of harvest operations has been at the discretion of the District Manager. All harvest operations are administered to the extent necessary to maintain their compliance with the state forest practice rules. Typically, the demonstration of SPI's commitment to the legal compliance with state regulations relied on in person inspections and communications.</p> <p>In person communications and inspections are difficult to audit because they do not provide tangible evidence that issues (BMPs) are being evaluated, whether issues are discovered, or how corrective actions are being implemented. The lack of a record of due diligence undermines the credibility of the due diligence being completed by foresters as part of their responsibilities to meet the forest practice regulations that are the BMPs that satisfy the SFI standards relating to water quality, fire safety, wood utilization, wildlife protection, and training.</p> <p>Divisional Correction(s): District will develop an administrative inspection sheet that can be used for harvest operation inspections.</p>

	<p>Divisional Corrective Action Plan(s): Inspections will be documented using the district inspection sheets. Inspection sheets will be maintained in the harvest records and be used for follow-up visits to ensure compliance with the harvest plan and state regulations generally. Where non-conformities are identified the inspection sheet will describe the necessary correct action. A copy of the inspection sheet should be emailed to the QLP for the job for their records.</p> <p>Corporate Correction(s): Regional Managers will instruct DMs to develop harvest inspection sheets.</p> <p>Corporate Corrective Action Plan(s): Regional Managers will review the use of inspection sheet to evaluate the performance of loggers meeting the harvest plan requirements</p>	
SCS Review of Action Plan	<input checked="" type="checkbox"/> Accepted	<input type="checkbox"/> Rejected (<i>explain</i>):
	KPMG representative:	Date:
Evidence and Actions Implemented by Organization	<i>SPI has implemented pre-operations checklists on forest operations. There have also been inspection sheets developed for use on forest operations.</i>	
SCS Review of Implemented Actions	<p>The use of pre-operations checklists and inspections sheets was audited during the field audit in 2024. The audit team found these checklists and inspection sheets to be part of the THP and FPA packages that were reviewed for forest operations. However, the divisional developed checklists and sheets were not uniform and only some of them required signatures of SPI Staff and contractors and some did not include the date of the pre-operations checklist review or the Inspection sheet. While the action plan items have been implemented and were observed to be in use in the 2024 audit, they still do not provide a verifiable monitoring system for BMPs. As a result of the actions taken, SFI-NC-2023-04 is closed. See SPI-OFI-2024-01</p>	
Status of Finding:	<input checked="" type="checkbox"/> Closed <input type="checkbox"/> Upgraded to Major <input checked="" type="checkbox"/> Other decision (<i>refer to description above</i>)	

Finding Number: SPI-NC-2023-05	
Finding and Deadline	<input type="checkbox"/> Major: Pre-condition to certification <input type="checkbox"/> Major: 3 months from Closing Meeting <input checked="" type="checkbox"/> Minor: Next audit (surveillance or re-evaluation) or 12 months from closing <input type="checkbox"/> OFI: no deadline <input type="checkbox"/> Exceeds: no deadline <input type="checkbox"/> Other deadline (specify):
SFI Indicator:	SFI/FM
<input checked="" type="checkbox"/> Non-Conformity <input type="checkbox"/> Background/ Justification in the case of OFI or Exceeds <p>The SFI FM standard at indicator 11.1.2 requires the SFI-certified organization to have a system to achieve compliance with applicable federal, provincial, state, or local laws, and regulations. In relation to this, the audit found that one truck driver in the Tahoe District did not have a fire shovel, as legally required by the Forest Practices Rules. Additionally, the driver did not have a fire extinguisher on the vehicle as required under Federal regulations; however, it was found that this is not specifically required to be monitored by SPI.</p>	

Action Plan and Root Cause Analysis <i>(to be prepared by Organization)</i>	<p>Root Cause Analysis: While the federal regulation and SPI Fire Policy clearly require that contract log trucks are required to have a fire extinguisher on their tractor the contract log truckers need reminding of those responsibilities.</p> <p>Divisional Correction(s): Have District or Regional Managers reach out to loggers to remind them of the fire extinguisher requirements on all log truck tractors.</p> <p>Divisional Corrective Action Plan(s) Add this item for review during the annual district logger meetings that are held to convey the years performance expectations.</p> <p>Corporate Correction(s): The internal auditor will follow up with the Regional Managers to confirm this action plan has been implemented</p> <p>Corporate Corrective Action Plan(s) The internal auditor will review the fire inspection program with the District Manager during the Districts' internal SFI audit.</p>	
SCS Review of Action Plan	<input checked="" type="checkbox"/> Accepted	<input type="checkbox"/> Rejected <i>(explain):</i>
	KPMG representative: CMR	Date: 2023/22/20
Evidence and Actions Implemented by Organization	Divisional corrections and corrective action plans accepted / approved. Implementation of corrections and corrective actions, along with confirmation that the issues that gave rise to this NC have been addressed and there are no recurrences of them, will be verified during the next scheduled audit in 2024. Corporate corrections and corrective action plans accepted / approved. Implementation of corrections and corrective actions, along with confirmation that the issues that gave rise to this NC have been addressed and there are no recurrences of them, will be verified during the next scheduled audit in 2024.	
SCS Review of Implemented Actions	No recurrences of the lack of a shovel or fire extinguisher on trucks were observed during the 2024 audit. All truckers interviewed during the audit were aware of the requirement. The Fire inspection sheets included confirmation of this. As a result of this, SFI-FM-2023-05 is closed. See also SPI-NC-2024-03	
Status of Finding:	<input type="checkbox"/> Closed <input type="checkbox"/> Upgraded to Major <input type="checkbox"/> Other decision <i>(refer to description above)</i>	

Finding Number: SPI-NC-2023-06	
Finding and Deadline	<input type="checkbox"/> Major: Pre-condition to certification <input type="checkbox"/> Major: 3 months from Closing Meeting <input checked="" type="checkbox"/> Minor: Next audit (surveillance or re-evaluation) or 12 months from closing <input type="checkbox"/> OFI: no deadline <input type="checkbox"/> Exceeds: no deadline <input type="checkbox"/> Other deadline (specify):
SFI Indicator:	SFI/FM – 1.2
<input checked="" type="checkbox"/> Non-Conformity <input type="checkbox"/> Background/ Justification in the case of OFI or Exceeds The SFI FS standard at performance measure 1.2 requires the SFI-certified organization to promote and conserve Forests with Exceptional Conservation Value (FECV). While G1 and G2 species habitat management guidelines have been established for all of the ecoregions in CA, OR and WA and posted on the respective State SIC websites, the existing SPI wood producer outreach materials provides no	

clear and direct linkage to the FECV materials posted on these websites to enable its wood suppliers to gain ready and direct access to this information.		
Action Plan and Root Cause Analysis <i>(to be prepared by Organization)</i>	<p>Root Cause Analysis: The expansion of the outreach materials relating to G1 and G2 species to all vendors was an oversight.</p> <p>Corporate Correction(s): The certification compliance manager will add a link to the biodiversity fact sheets at the informational website found at: http://www.spi-ind.com/OurForests/SFI_TimberContractorSupplierInformation</p> <p>An explanation about the fact sheets as additional informational for promoting biodiversity will be added to the "SPI SFI Log Information" letter.</p> <p>Corporate Corrective Action Plan(s). The certification compliance manager will edit the SPI SFI Log Information letter and provide that letter and a link to the biodiversity fact sheets to the SPI IT team.</p>	
SCS Review of Action Plan	<input checked="" type="checkbox"/> Accepted	<input type="checkbox"/> Rejected <i>(explain):</i>
	KPMG representative:	Date: 2023/11/20
Evidence and Actions Implemented by Organization	Corporate corrections and corrective action plans accepted / approved. Implementation of corrections and corrective actions, along with confirmation that the issues that gave rise to this NC have been addressed and there are no recurrences of them, will be verified during the next scheduled audit in 2024.	
SCS Review of Implemented Actions	<p>The vendor letter and the corporate website have been modified as outlined in the action plan. Both the letter and the website actions were verified during the 2024 audit. http://www.spi-ind.com/OurForests/SFI_TimberContractorSupplierInformation</p> <p>As a result SPI-NC-2023-06 is closed.</p>	
Status of Finding:	<input checked="" type="checkbox"/> Closed <input type="checkbox"/> Upgraded to Major <input type="checkbox"/> Other decision <i>(refer to description above)</i>	

Finding Number: SPI-OFI-2023-01 Tahoe District	
Finding and Deadline	<input type="checkbox"/> Major: Pre-condition to certification <input type="checkbox"/> Major: 3 months from Closing Meeting <input checked="" type="checkbox"/> Minor: Next audit (surveillance or re-evaluation) or 12 months from closing <input type="checkbox"/> OFI: no deadline <input type="checkbox"/> Exceeds: no deadline <input type="checkbox"/> Other deadline (specify):
SFI Indicator:	SFI/FM
<input checked="" type="checkbox"/> Non-Conformity <input type="checkbox"/> Background/ Justification in the case of OFI or Exceeds <p>An interview with the Faller during the field audit of an active harvest block determined that they had little understanding of wildlife and threatened and endangered species. A discussion with the QLP for the organization confirmed that the QLP was aware of endangered species, however they had not shared this information and knowledge with the crew; this is a missed opportunity to expand the knowledge base amongst a broader crew to facilitate more eyes on the ground respecting the identification of wildlife and threatened and endangered species</p>	

Action Plan and Root Cause Analysis <i>(to be prepared by Organization)</i>	Add a discussion regarding the presence/absence of T&E species in the THP area and the SPI “big bird stop” policy regarding raptors to the Logger pre-operations meeting checklist. Include the fallers at the pre-operational meeting.	
SCS Review of Action Plan	<input checked="" type="checkbox"/> Accepted	<input type="checkbox"/> Rejected <i>(explain)</i> :
	KPMG representative:	Date: 2023/11/20
Evidence and Actions Implemented by Organization	Proposed corrective action appears reasonable and will be followed up on during the next scheduled audit in 2024, along with the status of the issues that gave rise to this OFI.	
SCS Review of Implemented Actions	This policy the “Big Bird Stop” was discussed with district staff during the field audit. They have been working with contractors and staff to implement this and it has successfully found additional raptor and owl sites on the property	
Status of Finding:	<input checked="" type="checkbox"/> Closed <input type="checkbox"/> Upgraded to Major <input type="checkbox"/> Other decision <i>(refer to description above)</i>	

4.5 New Corrective Action Requests, OFIs, and Exceeds

Finding Number: SFI-NC-2024-01	
Finding and Deadline	<input type="checkbox"/> Major: Pre-condition to certification <input type="checkbox"/> Major: 3 months from Closing Meeting <input checked="" type="checkbox"/> Minor: Next audit (surveillance or re-evaluation) or 12 months from closing <input type="checkbox"/> OFI: no deadline <input type="checkbox"/> Exceeds: no deadline <input type="checkbox"/> Other deadline (specify):
SFI Indicator:	SFI/FM 13.1.4
<input checked="" type="checkbox"/> Non-Conformity <input type="checkbox"/> Background/ Justification in the case of OFI or Exceeds Several examples of missing or inappropriate use of required safety, fire, and environmental equipment and PPE were observed during the field audit. This was not considered to be a systemic problem, and as a result, this finding is rated as an NC. Certified organizations shall require appropriate training of personnel and contractors so that they are competent to fulfill their responsibilities under the <i>SSFI 2022 Forest Management Standard</i> . Specifically, contractor education and training sufficient to their roles and responsibilities. See similarities with SPI-NC-2023-05	
Action Plan and Root Cause Analysis <i>(to be prepared by Organization)</i>	<p>Root Cause Analysis: Districts are not stressing compliance with the BMPs relating to safety (PPE use), fire, and environmental equipment (spill kits) on SPI Ownership during active operations.</p> <p>Divisional Correction(s): District Manager will revise the Districts’ pre-operational meeting and harvest administration checklists and ensure those include BMPs relating to safety, fire, and environmental equipment. These checklists will include space for recording the date, forester, and persons presented the information.</p> <p>Divisional Corrective Action Plan(s) Following the necessary checklist edits the District Manager will review those tools with their staff to clarify expectations regarding the use of those checklists at operations start up (Pre-Operational meeting checklist) and harvest administration visits (Harvest Operations checklist). The District Manager will stress the</p>

	<p>need to record the date of the visit, person conducting the training/inspection and the signature of the responsible crew member that was conveyed the information.</p> <p>Corporate Correction(s): The Forestry Regional Managers will review each Districts' pre-operational and harvest administration checklists to ensure they include BMPs relating to safety, fire, environmental equipment, and space for recording the date, forester, and persons presented the information.</p> <p>Corporate Corrective Action Plan(s) The internal auditor will review the Districts' pre-operational and harvest administration checklists use and completeness during the Districts' internal SFI audit.</p>	
SCS Review of Action Plan	<input checked="" type="checkbox"/> Accepted	<input type="checkbox"/> Rejected (<i>explain</i>):
	SCS representative: Walter Mark	Date:
Evidence and Actions Implemented by Organization		
SCS Review of Implemented Actions		
Status of Finding:	<input type="checkbox"/> Closed <input type="checkbox"/> Upgraded to Major <input type="checkbox"/> <i>Other decision (refer to description above)</i>	

Finding Number: SFI-OFI-2024-01	
Finding and Deadline	<input type="checkbox"/> Major: Pre-condition to certification <input type="checkbox"/> Major: 3 months from Closing Meeting <input type="checkbox"/> Minor: Next audit (surveillance or re-evaluation) or 12 months from closing <input checked="" type="checkbox"/> OFI: no deadline <input type="checkbox"/> Exceeds: no deadline <input type="checkbox"/> Other deadline (specify):
SFI Indicator:	SFI-FM 3.1.3
<input type="checkbox"/> Non-Conformity <input checked="" type="checkbox"/> Background/ Justification in the case of OFI or Exceeds <p>The finding is rated as an OFI, since no instances where the certified organization did not meet or exceed all applicable federal, state, and local water quality laws were observed during the field audit, in fact the practices were generally exemplary.</p> <p>During the review of pre-operations checklist, contracts, and periodic inspection documents auditors noted that signatures and dates were not consistently required on them. Some districts require signatures and dates, while others do not This results in the lack of a verifiable monitoring system for BMPs.</p>	
Action Plan and Root Cause	Root Cause Analysis:

Analysis (to be prepared by Organization)	<p>Recording auditable verification system for BMP implementation has not been implemented.</p> <p>Corporate Correction(s): The Forestry Regional Managers will work with each District to develop a satisfactory pre-operational and harvest administration checklist, and ensure they include BMPs relating to safety, fire, environmental equipment, date, forester, and logging crew members that were presented the information.</p> <p>Corporate Corrective Action Plan(s): Regional Forestry Managers will review the Districts' completed checklists to see that they are being utilized correctly.</p>
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Finding Number: SFI-OFI-2024-02	
Finding and Deadline	<input type="checkbox"/> Major: Pre-condition to certification <input type="checkbox"/> Major: 3 months from Closing Meeting <input type="checkbox"/> Minor: Next audit (surveillance or re-evaluation) or 12 months from closing <input checked="" type="checkbox"/> OFI: no deadline <input type="checkbox"/> Exceeds: no deadline <input type="checkbox"/> Other deadline (specify):
SFI Indicator:	SFI-FM 4.1.9 (additional indicator)
<input type="checkbox"/> Non-Conformity <input checked="" type="checkbox"/> Background/ Justification in the case of OFI or Exceeds	
<p>The following supplemental SFI FM indicator was added in relation to Objective 4 (Conservation of Biological Diversity), Performance Measure 4.1 (Program Participants shall conserve biological diversity)</p> <p>Indicator 9: <i>“Retention and recruitment of Pacific Fisher and Spotted Owl habitat elements on SPI California lands through the implementation of the following specific conservation measures established in section 7.3.4 of the “Candidate Conservation Agreement with Assurances for Fishers on the SPI ownership in the Klamath, Cascade, and Sierra Nevada Mountains” between Sierra Pacific Industries and the U.S Fish and Wildlife Service (signed agreement dated October 2016) and in section 5.2.7 of the “Habitat Conservation Plan for Northern and California Spotted Owl on the SPI ownership in the Klamath, Cascade, and Sierra Nevada Mountains between Sierra Pacific Industries and the U.S Fish and Wildlife Service” (signed plan dated September 2020):”</i></p> <p>This finding is rated as an OFI, since At all sites visited during the field audit and in all discussions with staff, SPI was for to be in complete conformance with Indicator 4.1.9. In fact numerous cases of retention exceeding the indicators minimum standards were observed. The retention efforts were considered exemplary by the audit team. However, the sample size of an audit is extremely small in the overall ownership of SPI. This makes the presence of a verifiable monitoring system important in making the assertion for SPI's CA lands that the indicator has been met for all SPI CA lands. The audit team noted inconsistencies in the recording of the required tree retention, legacy tree retention, den habitat, den site retention and HRAs between districts. A uniform policy that results in a verifiable monitoring system would enable audit team substantiating this requirement more valid.</p>	
Action Plan and Root Cause Analysis (to be prepared by Organization)	<p>Root Cause Analysis: Consistency relating the collection of field data relating to the implementation of the CCAA & HCP Conservation Measures is not being done in a manner that reflects a verifiable monitoring system.</p>

	<p>Corporate Correction(s): California Regional Forestry Managers will work with the Ecosystem Services Manager to develop a consistent method of collecting the field data that demonstrates the implementation of the HCP and CCAA Conservation Measures.</p> <p>Corporate Corrective Action Plan(s): California Regional Forestry managers will have the California Forestry Divisions consistently use the field data collection methodology that can be used as a verifiable monitoring system for HCP and CCAA Conservation Measure implementation compliance.</p>
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5. Certification Decision

The certificate holder has demonstrated continued overall conformance to the applicable Sustainable Forestry Initiative standards. The SCS annual audit team recommends that the certificate be sustained, subject to subsequent annual audits and the Certified Organization's response to any open CARs.	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
<p>Comments: SPI does exemplary performance in doing large scale corporate sustainable forestry. The attention to detail and proactive research efforts along with the use of HCP's, CCAA's and SHA's keep their management of wildlife and habitat resources at levels unmatched in the industry. Several outstanding observations were made by the audit team including: Outstanding quality of overall SPI staff; Research & Monitoring Program focused on improvement of practices and BMP's; Roads and Watercourse Resources Protection efforts were very extensive and clearly make a difference in water quality; Innovative efforts and fabrication such as the box culvert crossing design; The Summer Internship Program yield of professionals in their careers; Extra efforts to do the best job possible such as the County Road Recovery (Realignment & Improvements); and the extensive fuels reduction and fire awareness, including the fuelbreak network</p>	