

Sustainable Forestry Initiative® Forest Management Audit Report

Sierra Pacific Industries

Certificate # SCS-SFI/FM-000011

SFI 2022 Standards and Rules®, Forest Management

2025 Surveillance Audit

| | |
|----------------|--|
| Client Address | 19794 Riverside Ave <u>Anderson, CA 96007</u> |
| Client Contact | <u>Kevin Tuers</u> Sustainability Manager ktuers@spi-ind.com 530.378.8130 |
| Client Website | www.spi-ind.com |

SCS Contact:

Maggie Schwartz

Managing Director, Forestry

Natural Resources Division

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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 17 *SFI Principles* for Forest Management are:

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.

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.

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.

Objective 4. Conservation of Biological Diversity
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.

Objective 5. Management of Visual Quality and Recreational Benefits. To manage the visual impact of forest operations and provide recreational opportunities for the public.

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.

Objective 7. Efficient Use of Fiber Resources. To minimize waste and ensure the efficient use of fiber resources.

Objective 8. Recognize and Respect Indigenous Peoples' Rights. To recognize and respect Indigenous Peoples' rights and traditional knowledge.

Objective 9: Climate Smart Forestry

To ensure forest management activities address climate change adaptation and mitigation measures.

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.

Objective 11. Legal and Regulatory Compliance

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

Objective 12. Forestry Research, Science and Technology. To invest in research, science, and technology, upon which sustainable forest management decisions are based.

Objective 13. Training and Education. To improve the implementation of sustainable forestry through appropriate training and education programs.

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.

Objective 15. Public Land Management Responsibilities. To participate and implement sustainable forest management on public lands.

Objective 16. Communications and Public Reporting

To increase transparency and to annually report progress on conformance with the SFI Forest Management Standard.

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.

1. General Information

1.1 Name, Contact, and Certificate Information

| | |
|------------------------------|--|
| Organization Name | Sierra Pacific Industries |
| Certification Representative | Kevin Tuers, Sustainability Manager |
| Phone Number | 530.378.8130 |
| Address | 19794 Riverside Ave, Anderson, CA 96007 |
| Audit Dates | June 16 – 20, 2025 |
| 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. 2,411,997.87 acres SFI Forest Management: PRI-SFI-FM-003 ⁽¹⁾ <i>Forest Management Operations in California, Oregon, 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) | 2,411,997.87 acres |
| Description of Sites and Group Membership under | <input checked="" type="checkbox"/> SFI: List of all sites/FMUs under scope of the certificate, including certified acres. 2,411,997.87 |

| <p>Scope</p> | <p>The following Sierra Pacific Industries' Forest Management Districts are included within the scope of this registration:</p> <p>California: Redding Lassen Burney Camino Stirling Tahoe Martell Sonora Weaverville Almanor Coast</p> <p>Washington: Burlington Centralia</p> <p>Oregon: Eugene</p> | | | | | | | | | | | | | | |
|---|--|--------------------|-----------------------|----------------------|----------------------|----------------|----------------------|-------------|----------------------|---|----------------------|----------|----------------------|-----------------|----------------------|
| <p>Management Unit Maps</p> | <p>Provide a link to any public maps. Provide a link to any public maps. https://www.spi-ind.com/Home/LandHoldings</p> | | | | | | | | | | | | | | |
| <p>Forest Types and Key Ecological Features</p> | <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" data-bbox="526 1121 1523 1451"> <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 | | | | | | | | | | | | | | |
| 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 | | | | | | | | | | | | | | |
| <p>Forest Management Planning</p> | <p>The management plan outlining forest management policies and objectives: 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</p> | | | | | | | | | | | | | | |

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| | <p>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 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.</p> |
| <p>Sustainable Harvest Level Assessment</p> | <p>Public Summary of how long-term harvest levels are determined, maintained, and monitored. <i>Note: Details supporting this description are provided with evidence under Performance Measure 1.1, when evaluated.</i></p> <p>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</p> |
| <p>Monitoring Program Description</p> | <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 type="checkbox"/> 2 nd , <input checked="" type="checkbox"/> 3 rd or <input type="checkbox"/> 4 th Surveillance | | |
| | <input 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. Exclusions, if applicable:</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 Indicators | <input type="checkbox"/> None, <input checked="" type="checkbox"/> Yes, Substitute or Modified Indicators used and justification: Additional indicator requested by SPI The following supplemental SFI FM indicator was added in relation to Objective 4 (Conservation of Biological Diversity), Performance Measure 4.1: Indicator 9: Auditors shall spot check the retention standards required in the approved HCP and CCAA. The Audit team shall evaluate conformance with retention standards in areas selected for the annual subsample of SPI's on the ground activities. The HCP, HCP/SHA and CCAA provide for 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"(SO HCP) (signed plan dated September 2020): | | |

| | |
|--|---|
| | <p>A. Retain where available an average of 4 Wildlife Trees (WTs) per 20 acres (i.e., rate of 1 per 5 acres) of hardwoods $\geq 22''$ dbh or non-merchantable live green conifers (green culls) $\geq 30''$ dbh (or next largest if unavailable) (known fisher den trees and spotted owl nest trees can count as Wildlife Trees),</p> <p>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), (HRA's are encouraged to be designed around the other retained elements, e.g. Wildlife Trees, Legacy Trees, fisher Den Trees, spotted owl Nest Trees,</p> <p>C. Legacy Trees – Retain all hardwoods $\geq 36''$ dbh or nonmerchantable live green conifers (green culls) $> 30''$ dbh where they exist (preferentially retained within or at the edge of HRAs), (exception provided for removals in roads and landings and to prevent safety hazards)</p> <p>D. Retain known Fisher den structures (preferably in HRAs) wherever they exist,</p> <p>E. When available retain at least 2 hardwood trees ($> 22''$ dbh) per acre or next largest (if $> 22''$ dbh are not available) in all non-regeneration harvest areas,</p> <p>F. Retain small hardwood regen ($< 6''$ dbh) or regenerate stump sprouting hardwoods at a rate of 2 per acre where they exist,</p> <p>G. Retain non-merchantable snags and green culls ($\geq 15''$ dbh) as feasible,</p> <p>H. Leave 2% of the area unthinned during pre-commercial and commercial thinning of plantations, and</p> <p>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 approximately 150' from a retained element or existing forest edge (one per every two acres).</p> |
| <p>Certificate Scope/ Statement</p> | <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. <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>California:</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>Oregon</p> <p><i>Eugene</i></p> <p>Washington:</p> |

| | |
|---|--|
| | <i>Burlington Centralia</i> |
| Description of Sampling Approach | <p>Sampling protocols were applied to at the Ownership level using standard selection approaches to select Districts for on-site activities.</p> <ul style="list-style-type: none"> ■ The audit team leaders pre-selected field sites at each of the districts visited 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: | Sterling Griffin, RPF | Auditor role: | Lead Auditor |
| Qualifications: | <p>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, FSC Lead Auditor and SFI Lead Auditor.</p> | | |
| Auditor name: | Dr. Walter Mark, RPF | Auditor role: | Team Auditor |
| Qualifications: | <p>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.</p> | | |

3.3 Total Time Spent on Audit

| | |
|---|---|
| A. Number of days spent on-site for the Audit | 5 |
|---|---|

| | |
|--|-----------|
| B. Number of auditors participating in on-site audit | 2 |
| 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 | 3 |
| E. Total number of person days used in audit | 13 |

3.4 Summary of Audit Itinerary and Site Visits

| | |
|--|--|
| Location(s) sampled | Redding District, Coastal District, Almanor District |
| Number of field sites | 14 |
| Summary of Cover Types visited | Sierra Mixed Conifer Ponderosa Pine Douglas-fir Douglas-fir/Western Redcedar, Western Hemlock/Grand Fir True Fir Western Hemlock |
| Summary Description /Number of Silviculture Activities inspected | 8 sites |
| Summary Description /Number of Harvest Areas inspected | 7 THPs |
| Summary Description of Road infrastructure inspections | Road systems are primarily existing infrastructure, several new road constructions projects were reviewed. Road systems were reviewed and examined throughout the audit and included reviews of road maintenance and culverts. |

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:

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

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 | OFI 2025-1 (3.1.3) | |
| 4 | | NC-2023-02 NC-2023-03 OFI-2023-01 | OFI – 2024 -02 | | |
| 5 | | | | | |
| 6 | | | | | |
| 7 | | | | | |
| 8 | | | | | |
| 9 | NC-2022-02 | | | | |
| 10 | | | | OFI 2025-2 (10.1.2) | |
| 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. | Sustained Yield Plans (California) Long-Term Harvest Plan (Washington); Timber Harvest Plans (THPs - CA), Notice of Emergency Timber Operations (Emergency Notices – EMs – CA) and Forest Practices Applications (FPAs -WA); Inventory data; Growth Yield model results; Annual harvest summary |
| 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. | Not evaluated in 2025 (NE) |
| 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. |
| Objective 4. Conservation of Biological Diversity 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. | NE |
| Objective 5. Management of Visual Quality and Recreational Benefits. To manage the visual impact of forest operations and provide recreational opportunities for the public. | NE |
| 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. | THPs and EMs (CA) and FPAs (WA) and related archeological and historical scoping, survey and planning records; State natural heritage databases; GIS topographic map layers; SPI policy for special sites and forests of exceptional conservation value; Staff training records; Field inspections and interviews. |
| Objective 7. Efficient Use of Fiber Resources. To minimize waste and ensure the efficient use of fiber resources. | NE |
| Objective 8. Recognize and Respect Indigenous Peoples' Rights. To recognize and respect Indigenous Peoples' rights and traditional knowledge. | SPI Policy Re. "Objective 8 – "Recognize and Respect Indigenous Peoples Rights"; THPs and EMs (CA) and FPAs (WA) and related archeological scoping, survey and planning records; State natural heritage databases; SPI referral, consultation and communication records respecting indigenous peoples; Field inspections and interviews. |
| Objective 9: Climate Smart Forestry To ensure forest management activities address climate change adaptation and mitigation measures. | THPs and EMs (CA) and FPAs (WA); Forest Fuels Reduction and Species Conservation in California MOU; Silviculture (planting) records; SPI fire prevention policy and sample of associated records at the Districts visited; SPI fire weather forecast system; District Fire Plans; District training records; Field inspections and interviews. |
| Objective 10. Fire Resilience and Awareness | NE |

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| To limit susceptibility of forests to undesirable impacts of wildfire and to raise community awareness of fire benefits, risks, and minimization measures. | |
| Objective 11. Legal and Regulatory Compliance To comply with all applicable laws and regulations including, international, federal, provincial, state, and local. | 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, 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 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. | NE |
| Objective 13. Training and Education. To improve the implementation of sustainable forestry through appropriate training and education programs. | SPI policy statement of commitment to SFI; SPI training records for staff and contractors; SPI staff and contractor logger training materials; SPI public website; SIC meeting minutes; State forestry / contractor association websites; BMP field inspections; Employee and contractor interviews. |
| 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. | |
| Objective 15. Public Land Management Responsibilities. To participate and implement sustainable forest management on public lands. | |
| Objective 16. Communications and Public Reporting To increase transparency and to annually report progress on conformance with the SFI Forest Management Standard. | 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. |

4.4 Existing Corrective Action Requests, OFIs, and Exceeds

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| Finding Number: SFI-NC-2024-01 |
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| 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 (to be prepared by Organization) | <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 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 | New THP Checklist and Inspection Forms have been posted on the SPI Intranet for use in the next cycle. District Managers and Foresters send email notification of the new forms posted on the SFI Intranet site and required use. ntserv07 - /SPIntranet/Forestry/SFI_Certification/ | |

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| 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> | |
| SCS Review of Action Plan | <input checked="" type="checkbox"/> Accepted | <input type="checkbox"/> Rejected (<i>explain</i>): |
| | SCS representative: Walter Mark | Date: |

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| Evidence and Actions Implemented by Organization | <i>A revised indicator has been submitted to SCS for annual evaluation.</i> |
| SCS Review of Implemented Actions | The revised indicator was accepted and evaluated during the 2025 audit. Site visits confirmed conformance with retention standards in areas selected for the annual subsample of SPI's on the ground activities. |
| 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> |

4.5 New Corrective Action Requests, OFIs, and Exceeds

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| Finding Number: SFI-OFI-2025-01 | | |
| 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: | 3.1.3 | |
| <input type="checkbox"/> Non-Conformity <input checked="" type="checkbox"/> Background/ Justification in the case of OFI or Exceeds During the course of the 2025 annual audit several drafting sites were visited. In one case there was a well-prepared drafting site, and it was not utilized. The alternative site had the potential to deliver liquids from the site as well as to put sediment into the water. Other sites visited during the audit had potential to deliver liquids from the drafting site to the watercourse. In no case was there evidence of sediment or liquid delivery from the drafting site to the stream, as a result this is an OFI. | | |
| Action Plan and Root Cause Analysis (to be prepared by Organization) | | |
| SCS Review of Action Plan | <input type="checkbox"/> Accepted | <input type="checkbox"/> Rejected (<i>explain</i>): |
| | SCS representative: | Date: |
| Evidence and Actions Implemented by Organization | | |
| SCS Review of Implemented Actions | | |

5. Certification Decision

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| 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"/> |
| Comments: | |