



2020 SFI Public Summary Report

Durgin and Crowell Lumber Co., Inc. Sustainable Forestry Initiative® (SFI) Fiber Sourcing Standard [2015-2019]

Date: December 11, 2020

Project Scope and Objectives

PricewaterhouseCoopers LLP (PwC) completed a Re-Registration Assessment on Durgin and Crowell Lumber Co., Inc.'s ("Durgin and Crowell" or "the Company") Wood Fiber Procurement system at their sawmill and head office in Springfield, New Hampshire. The Lead Assessor was Sean Pledger EMS (LA), with Khoi Mai as an assessor in training. The audit team was accompanied by Malcolm Milne (Durgin and Crowell's SFI Representative) and Brooks Weathers (Durgin and Crowell's Procurement Forester).

The primary objective of the assessment was to assess the Company's SFI management system and to evaluate the Company's implementation of the SFI Standard in the field.

Client Profile

Durgin and Crowell is a lumber manufacturing company located in Springfield, New Hampshire. They operate a single sawmill facility, which typically produces over 30 million board feet (30 MMBF) of kiln-dried Eastern White Pine lumber per year. As by-products of the milling process, Durgin and Crowell generates paper-quality mill chips, play-ground wood chips, green sawdust, and bark from its sawmill. As by-products of planing and finishing its kiln-dried lumber, the facility produces shavings and dry grindings in its planer mill. Most of the company's by-products are sold to outside markets, while sawdust and dry grindings are used on-site to generate steam heat for the facility's dry kilns.

In 2019, Durgin and Crowell purchased approximately 24 MMBF of Eastern White Pine logs. One hundred percent (100%) of its logs were delivered in the form of gatewood (i.e. 0% stumpage) from over 160 different suppliers. The majority of Durgin and Crowell's logs (65%) are sourced from New Hampshire with the remainder coming from Vermont (32%) and New York/Massachusetts (3%). A total of 73% of logs purchased by Durgin and Crowell come from certified loggers. Most of the logs supplied come from relatively small (100 acres or less), privately-owned woodlots.

The Durgin and Crowell procurement group has been certified to the SFI Fiber Sourcing Standard since 2009 and supplies all of the fiber utilized by the facility. The company has developed its own SFI Policies and Procedures to ensure conformance to the SFI Standard. Each log supplier is required to sign a Procurement Agreement, whereby the supplier agrees to follow Best Management Practices ("BMPs"), avoid illegal logging, and permit Durgin and Crowell procurement foresters to conduct periodic BMP

inspections on their jobs. The Company uses its BMP inspections to monitor compliance of its suppliers. The inspection program also serves as an opportunity for procurement staff to learn from suppliers, and to offer feedback and advice to loggers regarding BMP implementation.

Indicators

All of the indicators in the SFI Fiber Sourcing Standard were within the scope of the assessment, except for performance measure 8.2 within Objective 8 and Objective 13, since none of the land managed by the Company is public land. There were no substitute indicators.

Assessment Process

On October 29, 2020, the assessment team conducted interviews and reviewed appropriate documentation to assess policies and procedures and tested the implementation of SFI program requirements at the Central Office in Springfield, New Hampshire. In total, the audit team spent 1 day conducting a virtual audit of the Durgin and Crowell’s compliance with the SFI Fiber Sourcing Standard.

In light of the Covid-19 global pandemic, this assessment was completed virtually. Prior to the assessment PwC conducted an Information and Communication Technology risk assessment and it was determined that the audit objectives could be achieved remotely for this Re-registration Assessment.

Summary of Conformance, Findings, and Good Management Practices

FIBER SOURCING

Objective	Performance Measure	Evidence of Conformity
Objective 1: Biodiversity in Fiber Sourcing	<i>Performance Measure 1.1. Promotion and conservation of biological diversity.</i>	<i>Evidence: staff interviews, maps, risk assessments, documented procedures</i> The Company does not currently purchase any stumpage as part of their fiber sourcing program. Before agreeing to purchase from a supplier they obtain the location of the property and review the National Heritage website for biodiversity information applicable to the area. The Company’s check list for stream permits includes information around Exceptional Conservation Values. The Company also works with a local land trust and supports work being done at Hubbard Brook Experimental Forest.
	No Nonconformities or Opportunities for Improvement were identified related to this performance measure.	
Objective 2: Adherence to Best Management Practices	<i>Performance Measure 2.1. Program Participants shall clearly define and implement policies to ensure that facility inventories and fiber sourcing activities do not compromise adherence to the principles of sustainable forestry.</i>	<i>Evidence: contracts, documented procedures, interviews staff</i> Commitments requiring suppliers to comply with Best Management Practices are found in the Company’s log supplier procurement agreement. Additionally, the Company has made public commitments to adhere to the principles of sustainable forestry through its SFI website and formal documentation of its Statement of Commitment to the SFI Program. The Company also has requirements around curtailing operations during periods of adverse weather (mud season) and increased monitoring of harvest operations by Company foresters to ensure these requirements are being honored.
	No Nonconformities or Opportunities for Improvement were identified related to this performance measure.	
	<i>Performance Measure 2.2. Program Participants shall</i>	<i>Evidence: interviews with staff and loggers, documented procedures, monitoring inspection forms</i>

	<i>monitor the use of best management practices.</i>	The Company has a documented supplier monitoring system in place which details the requirements for the use of Best Management Practices (“BMP”) by their suppliers and is recorded in their BMP Field Audit Form. Durgin and Crowell conducts approximately 40 inspections annually. This periodic monitoring is summarized and compiled into an annual report for management.
	No Nonconformities or Opportunities for Improvement were identified related to this performance measure.	
Objective 3: Use of Qualified Resource and Qualified Logging Professionals	<i>Performance Measure 3.1. Program Participants shall encourage landowners to utilize the services of qualified logging professionals, certified logging professionals (where available), qualified resource professionals and to apply principles of sustainable forest management to their lands.</i>	<p><i>Evidence: fiber sourcing policy, contracts, interviews with staff and loggers, State lists of trained loggers</i></p> <p>The Company has a documented Fiber Sourcing Policy which encourages landowners to utilize certified loggers in the New Hampshire Professional Logger Program (PLP), and foresters from the States of New Hampshire and Vermont, where the majority of their wood is procured from. The Company offers periodic PLP training at their mill in Springfield, New Hampshire and sponsors log supplier attendance at all PLP sessions. The company also offers support for Vermont LEAP training and is involved in their current program review.</p> <p>Commitments to follow BMPs and apply the principles of sustainable forest management are contained in the Company’s log supplier procurement agreement. Company compliance staff review the PLP training records annually from the logger association websites for Vermont and New Hampshire to ensure the trend of increasing participation in PLP programs continues. In total, 73% of all gatewood purchased in 2019 came from certified loggers.</p>
	No Nonconformities or Opportunities for Improvement were identified related to this performance measure.	
Objective 4: Legal and Regulatory Compliance	<i>Performance Measure 4.1. Program Participants shall comply with applicable federal, provincial, state and local forestry and related social and environmental laws and regulations and take steps to avoid illegal logging.</i>	<p><i>Evidence: List and review of compliance of relevant State laws and regulations, SFI Commitment Statement, log supplier procurement agreement</i></p> <p>Access to relevant laws and regulations is provided by an extension service in the State of New Hampshire. Industry associations that the Company is affiliated with in Maine and Vermont also provide updates to legislation and offer online services for ease of access. The Company also consults with State regulators to review trends in compliance issues across the region they procure fiber from.</p> <p>Commitments to avoid illegal logging are contained in both the Company’s Commitment to SFI Statement and in log supplier procurement agreements with wood suppliers. A staff Compliance Coordinator for the Company is responsible for ensuring that all relevant laws and regulations are being complied with and bringing non-compliances to the attention of senior management.</p>
	No Nonconformities or Opportunities for Improvement were identified related to this performance measure.	
	<i>Performance Measure 4.2. Program Participants shall take appropriate steps to comply with all applicable social laws at the federal, provincial, state and local</i>	<p><i>Evidence: Health and safety policy, discrimination and harassment policy, safety meeting minutes</i></p> <p>The Company’s Human Resources Department monitors additions and changes to existing social legislation for the States in which they operate (New Hampshire and Vermont). Regular safety meetings are</p>

	<i>levels in the country in which they Program Participant operates.</i>	held at the Company's mill. Required postings with regards to health and safety and discrimination and harassment are present at the company's mill to allow maximum visibility for employees or visitors. A staff Compliance Coordinator for the Company is responsible for ensuring that all relevant laws and regulations are being complied with and bringing non-compliances to the attention of senior management.
	No Nonconformities or Opportunities for Improvement were identified related to this performance measure.	
Objective 5. Forestry Research, Science and Technology	<i>Performance Measure 5.1. Program Participants shall – individually and/or through cooperative efforts involving SFI Implementation Committees, associations or other partners – provide in-kind support or funding for forest research to improve forest health, productivity, and sustainable management of forest resources, and the environmental benefits and performance of forest products.</i>	<i>Evidence: Summary of research projects in collaboration with State SICs, interviews with staff</i> The Company's support of research is primarily through the New Hampshire and Vermont SIC's for the provision of internship funds as well as support for the forest technology program at the University of New Hampshire's Thompson School of Applied Science. The Company also continues to support research at the Hubbard Brook Experimental Forest which is operated by the USDA Forest Service.
	No Nonconformities or Opportunities for Improvement were identified related to this performance measure.	
	<i>Performance Measure 5.2. Program Participants shall individually and/or through cooperative efforts involving SFI Implementation Committees, associations or other partners develop or use state, provincial or regional analyses in support of their sustainable forestry programs.</i>	<i>Evidence: BMP projects, memberships and staff interviews.</i> The Company relies on their support of research through the New Hampshire and Vermont SIC's and the Hubbard Brook Experimental Forest to gain access to regional analyses. This approach is appropriate for the scope and scale of Durgin and Crowell's operations. The Company was aware of and using relevant analyses in support of its sustainable forestry program.
	No Nonconformities or Opportunities for Improvement were identified related to this performance measure.	
	<i>Performance Measure 5.3. Program Participants shall individually and/or through cooperative efforts involving SFI Implementation Committees, associations or other partners broaden the awareness of climate change impacts of forests, wildlife and biological diversity.</i>	<i>Evidence: staff interviews, membership and participation with research organizations</i> Research being completed at the University of New Hampshire Woodlands and College of Life Sciences and Agriculture is monitored by Company staff with information being passed on to business partners and the public as appropriate. In addition, Company staff monitor climate change modelling research occurring at the Hubbard Brook Experimental Forest.
	No Nonconformities or Opportunities for Improvement were identified related to this performance measure.	
Objective 6. Training and Education	<i>Performance Measure 6.1 Program Participants shall require appropriate training of personnel and contractors so that they are competent to fulfill their responsibilities under the SFI 2015-2019 Fiber Sourcing Standard.</i>	<i>Evidence: Sustainable forest management & environmental policies, health and safety policy, log supplier procurement agreement, staff and contractor training records, interviews with staff</i> The Company has a small group of staff foresters which report to the Compliance Coordinator and these individuals are familiar with the requirements of the SFI Fiber Sourcing Standard and the Company's procedures designed to the meet the requirements. The Compliance Coordinator assigns roles and responsibilities to Company staff to

		<p>achieve the SFI Fiber Sourcing Standard requirements with all staff being encouraged to continually upgrade their sustainable forest management knowledge.</p> <p>Written statements of commitment to the Standard are contained within the Company’s documented Statement of Commitment to the SFI Program as well as in their log supplier procurement agreements. Communication of this commitment takes place during Company sponsored training. Communication is provided to suppliers in the form of an information package and may be further discussed in the field during pre-harvest startup meetings or via BMP monitoring inspections.</p>
	No Nonconformities or Opportunities for Improvement were identified related to this performance measure.	
	<p><i>Performance Measure 6.2 Program Participants shall work – individually and/or with SFI Implementation Committees, logging or forestry associations, or appropriate agencies or others in the forestry community – to foster improvement in the professionalism of wood producers.</i></p>	<p><i>Evidence: SIC member and association records and meeting minutes, PLP and LEAP training records, interviews with staff</i></p> <p>The Company is an active member of the SIC in New Hampshire and Vermont as well as non-participatory member of the New York and Massachusetts SIC’s. Each SIC addresses the requirement to foster improvement in the professionalism of wood producers in the training programs they individually provide, such as the New Hampshire PLP program and the Vermont LEAP program. The Company is also a member of the New Hampshire Timber Harvesting Council through the New Hampshire Timberland Owners Association (NHTOA). Continuing education opportunities are also offered through the various State SICs where Company foresters take selected courses and wood producers are encouraged to do the same by the Company.</p>
	No Nonconformities or Opportunities for Improvement were identified related to this performance measure.	
Objective 7. Community Involvement and Landowner Outreach	<p><i>Performance Measure 7.1. Program Participants shall support and promote efforts by consulting foresters, state, provincial and federal agencies, state or local groups, professional societies, conservation organizations, Indigenous Peoples and governments, community groups, sporting organizations, labour, universities, extension agencies, the American Tree Farm System® and/or other landowner cooperative programs to apply principles of sustainable forest management.</i></p>	<p><i>Evidence: SIC member and association records and meeting minutes, interviews with staff</i></p> <p>The Company supports efforts of the New Hampshire and Vermont SIC’s in promoting sustainable forest management practices. The Company has produced an SFI outreach brochure which is available to the public and additional information on SFI and the Company’s commitments to the SFI program is available on their website. The Company is also involved with outreach projects as a member of NHTOA.</p> <p>The Company has also worked with local government officials on a Road Manual for the transportation of products which incorporates and further develops transportation BMPs.</p>
	No Nonconformities or Opportunities for Improvement were identified related to this performance measure.	
	<p><i>Performance Measure 7.2. Program Participants shall support and promote, at the state, provincial or other appropriate levels, mechanisms for public outreach, education</i></p>	<p><i>Evidence: SIC membership and participation, records of advertising, interviews with staff</i></p> <p>The Company supports and promotes sustainable forest management primarily through their involvement with the New Hampshire and Vermont SICs. They have mechanisms for public outreach, education</p>

	<i>and involvement related to sustainable forest management.</i>	and involvement related to sustainable forest management. Outreach initiatives include annual mill tours for the students in the forest technology program at the University of New Hampshire's Thompson School of Applied Science in New Hampshire as well as similar tours for local high school students. Durgin and Crowell foresters are both Tree Farm inspectors within the American Tree Farm System.
	No Nonconformities or Opportunities for Improvement were identified related to this performance measure.	
	<i>Performance Measure 7.3. Program Participants shall establish, at the state, provincial, or other appropriate levels, procedures to address concerns raised by loggers, consulting foresters, employees, unions, the public or other Program Participants regarding practices that appear inconsistent with the SFI 2015-2019 Fiber Sourcing Standard principles and objectives.</i>	<i>Evidence: SIC membership and participation, New Hampshire SFI inconsistent practices program document, interviews with staff</i> A toll-free number is utilized by the New Hampshire and Vermont SIC's to receive any concerns raised by interested parties with regards to SFI Fiber Sourcing requirements. The New Hampshire SFI Inconsistent Practices Program describes the process to go through including escalation for complainants.
	No Nonconformities or Opportunities for Improvement were identified related to this performance measure.	
Objective 8. Public Land Management Responsibilities	<i>Performance Measure 8.1. Program Participants with forest management responsibilities on public lands shall participate in the development of public land planning and management processes.</i>	N/A – The Company is not involved with Public Land Management.
	No Nonconformities or Opportunities for Improvement were identified related to this performance measure.	
Objective 9. Communications and Public Reporting	<i>Performance Measure 9.1. A Program Participant shall provide a summary audit report, prepared by the certification body, to SFI Inc. after the successful completion of a certification, recertification or surveillance audit to the SFI 2015-2019 Fiber Sourcing Standard.</i>	<i>Evidence: 2019 SFI public summary report from website, interviews with D&C staff.</i> PwC prepared the annual public summary report in 2019 and supplied it to SFI.
	No Nonconformities or Opportunities for Improvement were identified related to this performance measure.	
	<i>Performance Measure 9.2. Program Participants shall report annually to SFI Inc. on their conformance with the SFI 2015-2019 Fiber Sourcing Standard.</i>	<i>Evidence: SFI website review, interviews with staff</i> The Company reports annually to SFI Inc. on their conformance to the SFI Fiber Sourcing Standard. Records are kept for all the categories of information needed for SFI annual progress report surveys. The 2019 annual progress report was filed with SFI in a timely manner.
	No Nonconformities or Opportunities for Improvement were identified related to this performance measure.	

<p>Objective 10. Management Review and Continual Improvement</p>	<p><i>Performance Measure 10.1. Program Participants shall establish a management review system to examine findings and progress in implementing the SFI 2015-2019 Fiber Sourcing Standard, to make appropriate improvements in programs, and to inform their employees of changes.</i></p>	<p><i>Evidence: Management review meeting minutes, internal audit records and report, field inspection records, corrective action plans, field inspections and staff interviews.</i></p> <p>The Company has mechanisms in place to examine audit findings, make appropriate improvements, and to inform their employees of changes to their certification management system. The Company takes its SFI commitments seriously and concerns are elevated by the Compliance Coordinator to senior management via scheduled formal meetings and ad hoc informal meetings.</p>
	<p>No Nonconformities were identified related to this performance measure.</p> <p>One Opportunity for Improvement was identified. Durgin and Crowell holds annual SFI meetings to review their Fiber Sourcing program. A standing agenda is used to ensure all aspects of the program are discussed. Durgin and Crowell may wish to consider including a section on this agenda to document any required follow up activities, and the individuals responsible.</p>	
<p>Objective 11. Promote Conservation of Biological Diversity, Biodiversity Hotspots and High-Biodiversity Wilderness Areas</p>	<p><i>Performance Measure 11.1. Program Participants shall ensure that their fiber sourcing programs support the principles of sustainable forestry, including efforts to promote conservation of biological diversity.</i></p>	<p>N/A – The Company is not sourcing outside Canada/US.</p>
	<p>No Nonconformities or Opportunities for Improvement were identified related to this performance measure.</p>	
<p>Objective 12. Avoidance of Controversial Sources including Illegal Logging</p>	<p><i>Performance Measure 12.1. Program Participants shall ensure that their fiber sourcing programs support the principles of sustainable forestry, including efforts to reduce the risk of illegal logging.</i></p>	<p>N/A – The Company is not sourcing outside Canada/US.</p>
	<p>No Nonconformities or Opportunities for Improvement were identified related to this performance measure.</p>	
<p>Objective 13. Avoidance of Controversial Sources including Fiber Sourced from Areas without Effective Social Laws</p>	<p><i>Performance Measure 13.1. Program Participants shall avoid controversial sources and encourage socially sound practices.</i></p>	<p>N/A – The Company is not sourcing outside Canada/US.</p>
	<p>No Nonconformities or Opportunities for Improvement were identified related to this performance measure.</p>	

Specific Good Management Practices are noted below:

- Durgin and Crowell continues to support qualified logger programs by offering funding to their gatewood suppliers to participate in continuing education classes.
- Durgin and Crowell's SFI Implementation Committee representative has participated and led efforts to improve and accredit logger training programs.

Conclusion

The Company has maintained conformance with the requirements of the Sustainable Forestry Initiative Fiber Sourcing Standard [2015-2019]. The Certificate can be obtained by contacting Malcolm Milne of Durgin and Crowell Lumber Co., Inc. at (603) 763-2860 ext. 0324. More information on Durgin and Crowell's sustainable forestry program can be found at: <http://www.durginandcrowell.com/our-sfi-program/>

The next SFI Assessment will be a Maintenance Assessment in fall of 2021, the registration expires December 10, 2025.