



2022 SFI Public Summary Report

Durgin and Crowell Lumber Co., Inc. Sustainable Forestry Initiative® (SFI) Fiber Sourcing Standard [2022]

Date: January 27, 2022

Project Scope and Objectives

PricewaterhouseCoopers LLP (PwC) completed a single site Maintenance A2 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 Nick Beals EMS (LA). The audit team was accompanied by Malcolm Milne (Durgin and Crowell's Certification Manager) 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 (34-35 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. Durgin and Crowell also operates a wood pellet plant onsite, producing bagged wood pellets for home heating. Sawmill chips are used as feedstock for the pellet plant.

The Durgin and Crowell procurement group has been certified to the SFI Fiber Sourcing Standard since 2009 and supplies all 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 the indicators in the SFI Fiber Sourcing Standard were within the scope of the assessment, except for Objective 8, since none of the land managed by the Company is public land. There were no substitute indicators.

Assessment Process

On September 22, 2022, 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. An onsite assessment will be conducted the following year.

Summary of Conformance

A description of evidence used to assess conformity to the SFI 2022 Fiber Sourcing Standard is presented in the following table.

SFI Fiber Sourcing Objective	Evidence of Conformity
<p><i>Objective 1. Biodiversity in Fiber Sourcing</i> To address the practice of sustainable forestry by conserving biological diversity.</p>	<p><i>Evidence:</i> <i>staff interviews, maps, risk assessments, documented procedures</i></p> <p><i>Summary:</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.</p>
<p>No Nonconformities or Opportunities for Improvement were identified related to this Objective.</p>	
<p><i>Objective 2. Adherence to Best Management Practices</i> To broaden the practice of sustainable forestry through the use of best management practices to protect water quality.</p>	<p><i>Evidence:</i> <i>interviews with staff and loggers, supplier agreement contract records, State BMPs, wet weather procedures, track inspection procedure & records</i></p> <p><i>Summary:</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.</p> <p>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 numerous inspections annually.</p>

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	This periodic monitoring is summarized and compiled into an annual report for management.
No Nonconformities or Opportunities for Improvement were identified related to this Objective.	
<p>Objective 3. Use of Qualified Resource and Qualified Logging Professionals</p> <p>To encourage forest landowners to utilize the services of qualified logging professionals, certified logging professionals (where available) and qualified logging professionals.</p>	<p>Evidence: <i>fiber sourcing policy, contracts, interviews with staff and loggers, State lists of trained loggers</i></p> <p>Summary: 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.</p>
No Nonconformities or Opportunities for Improvement were identified related to this Objective.	
<p>Objective 4. Legal and Regulatory Compliance</p> <p>To comply with applicable federal, provincial, state and local laws and regulations.</p>	<p>Evidence: <i>List and review of compliance of relevant State laws and regulations, SFI Commitment Statement, log supplier procurement agreement, Health and safety policy, discrimination and harassment policy, safety meeting minutes</i></p> <p>Summary: 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> <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 held at the Company’s mill. Required postings with regards to health</p>

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	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 Objective.	
<p>Objective 5. Forestry Research, Science and Technology To invest in forestry research, science and technology, upon which sustainable forest management decisions are based and broaden the awareness of climate change impacts on forests, wildlife and biological diversity.</p>	<p>Evidence: <i>Summary of research projects in collaboration with State SICs, interviews with staff</i></p> <p>Summary: 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.</p> <p>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.</p> <p>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.</p>
<p>One Nonconformity and no Opportunities for Improvement were identified related to this Objective.</p> <ul style="list-style-type: none"> The nonconformity involves incorporating more training of climate change as it affects wildlife, wildlife habitats and conservation of biological diversity. 	
<p>Objective 6. Training and Education To improve the implementation of sustainable forestry practices through appropriate training and education programs.</p>	<p>Evidence: <i>Sustainable Forest management & environmental policies, health and safety policy, log supplier procurement agreement, staff and contractor training records, interviews with staff, SIC member and association records and meeting minutes, PLP and LEAP training records</i></p> <p>Summary: 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 achieve the SFI Fiber Sourcing Standard requirements with all staff being encouraged to</p>

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	<p>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> <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>
<p>No Nonconformities or Opportunities for Improvement were identified related to this Objective.</p>	
<p>Objective 7. Community Involvement and Landowner Outreach</p> <p>To broaden the practice of sustainable forestry through public outreach, education, and involvement and to support the efforts of SFI Implementation Committees.</p>	<p>Evidence: SIC member and association records and meeting minutes, interviews with staff.</p> <p>Summary: 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> <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 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</p>

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	<p>foresters are both Tree Farm inspectors within the American Tree Farm System.</p> <p>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.</p>
<p>No Nonconformities and one Opportunity for Improvement was identified related to this Objective.</p> <ul style="list-style-type: none"> The OFI is related to being more proactive with landowners to participate in certification programs. 	
<p>Objective 8. Public Land Management Responsibilities To participate and implement sustainable forest management on public lands.</p>	<p>Evidence: N/A</p> <p>Summary: N/A – The Company is not involved with Public Land Management</p>
<p>Objective 9. Communication and Public Reporting To increase the transparency and to annually report progress on conformance with the SFI 2015-2019 Fiber Sourcing Standard.</p>	<p>Evidence: 2021 SFI public summary report from SFI website, interviews with D&C staff</p> <p>Summary: PwC prepared the annual public summary report and supplied it to SFI. 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.</p> <p>Summary audit report for 2021 is posted on SFI website.</p> <p>Annual Progress report submitted in July 2022.</p>
<p>No Nonconformities or Opportunities for Improvement were identified related to this Objective.</p>	
<p>Objective 10. Management Review and Continual Improvement To promote continual improvement in the practice of sustainable forestry by conducting a management review and monitoring performance.</p>	<p>Evidence: Management review meeting minutes, internal audit records and report, field inspection records, corrective action plans, field inspections and staff interviews.</p> <p>Summary: 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 and one Opportunity for Improvement was identified related to this Objective.</p> <ul style="list-style-type: none"> The OFI is related to better formalizing an annual meeting to review their SFI program. 	

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<p>Objective 11. Avoid Controversial Sources To manage the risk of sourcing fiber from controversial sources.</p>	<p>Evidence: N/A</p> <p><i>Summary:</i> For Objective 11, Durgin and Crowell have made some progress to comply with the new performance measures, but not all of new indicators had a well-developed response. It could be beneficial to document how the company complies to each of these new indicators in their cross walk document.</p> <p>The objective is new with the 2022 FS standard and is an OFI until December 31, 2022. This will be reviewed for conformity during the next assessment.</p>
<p>No Nonconformities and one Opportunity for Improvement was identified related to this Objective.</p> <ul style="list-style-type: none"> The OFI is related to updating their procedures document to the new 2022 standard for this objective. It is expected to be updated by December 31, 2022 and will be reviewed during the next scheduled assessment in 2023. 	

Specific good management practices are noted below:

- The organization has a well-developed approach to their procedures document providing context and changes made throughout their certification history on how they continuously seek conformance with the fiber sourcing standard.

Conclusion

The Company has maintained conformance with the requirements of the Sustainable Forestry Initiative Fiber Sourcing Standard 2022. 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 the Fall of 2023, the registration expires December 10, 2025.