

Public Notification Letter

FSC® Chain of Custody Controlled Wood Stakeholder Consultation

To: Interested Parties

From: SCS Global Services

Consultation period: 09/13/21 – 10/25/21

Re: Notification of intent to audit Dansons USA, Inc. against FSC Chain of Custody
Controlled Wood standard FSC-STD-40-005 V3-1

The Forest Stewardship Council® (FSC) requires that a certification body conducting an audit of a certified organization or applicant must consult stakeholders whenever the audit includes intent to source and use uncertified material in an FSC Chain of Custody (CoC) program according to the requirements in FSC-STD-40-005 V3-1 “Requirements for Sourcing FSC Controlled Wood”. Therefore, SCS Global Services (SCS) is seeking input from interested and directly affected stakeholders regarding the relevance, effectiveness, and/or adequacy of Dansons USA, Inc. Due Diligence System (DDS).

An explanation of ‘FSC Controlled Wood’, as well as a copy of FSC-STD-40-005 V3-1, is available here: <https://ic.fsc.org/en/certification/types-of-certification/controlled-wood-02> ; a copy of this standard is also available from SCS upon request.

Due Diligence Systems are required for certified organizations in order to avoid the sourcing and use of material originating from unacceptable sources in their FSC CoC program.

Directly affected stakeholders include any person, group of persons, or entity that is, with high probability, subject to the effects of the activities related to an organization’s controlled wood sourcing program, including the activities of their suppliers and sub-suppliers, as well as those who influence risk identified through the organization’s Due Diligence System.

This letter serves as SCS’ invitation to directly affected stakeholders to participate in our consultation process. This letter also serves as SCS’ public notification for any interested stakeholders, who are also invited to participate in the consultation process. Participation in this stakeholder consultation process is voluntary; stakeholders are not required to submit comments.

Scope of audit and audit details:

The audit will assess the conformity of the organization’s controlled wood program – including Risk Assessment(s) and DDS – according to the certification requirements as per FSC-STD-40-005 V3-1.

The company’s DDS Public Summary and Risk Assessment (excluding confidential information), as well as any other information or documents deemed relevant for the purpose of this stakeholder consultation, are included as appendices to this letter—see below. For a list of the information that is required to be publically available for stakeholder consultation by SCS, see FSC-STD-40-005 V3-1, Section 6.

Additional certificate holder information:**Options for participation and provision of comments:**

Please submit written comments and evidence (where appropriate) by mail, FAX or email to SCS:

SCS Global Services
Att'n: Joseph Kochanski, Chain of Custody Certification Services
2000 Powell Street, Suite 600
Emeryville, CA 94608

Fax: 510-452-6882

Email: CWStakeholder@SCSGlobalServices.com

A summary of the stakeholder consultation and comments received will be made publically available on the FSC certificate database, as per FSC-STD-20-011 V4-1. Verbatim comments will only be published with prior consent from the stakeholder and will not be associated with stakeholder names.

Note that, while SCS is required to evaluate all information and comments objectively, SCS certification decisions are affected by stakeholder comments only insofar as the comments provide evidence of conformity or nonconformity to the applicable requirements.

Within 30 days of making our certification decision, SCS will respond to all stakeholders who provided comments to explain how their comments were taken into account.

More information about FSC and SCS can be found on our respective websites: www.fsc.org and www.scsglobalservices.com.

Publically Available Information for FSC Controlled Wood Certificate Holders

INSTRUCTIONS

FSC® requires that organizations track their controlled material and publish specific findings. This form helps you meet the requirements in Section 6 of FSC-STD-40-005 V3-0 "Publically Available Information".¹

Organization Name	Dansons, Inc.
FSC COC Certificate Number	

Name of Authorized Representative (Contact information for person or position responsible for addressing complaints)	Jamie Barrett Dansons, Inc. 3411 N 5th Ave Suite 500 Phoenix, AZ 85013 jamie.barnett@dansons.com
Procedure for filing complaints <i>Note: for further details on complaints procedure, see section 7 in FSC-STD-40-005 V3-0</i>	The Fiber Procurement Manager addresses complaints using the following mechanisms (unless otherwise stated in the applicable NRA): a) enters the complaint on DAN-DOC-007 FSC Controlled Wood Complaint Report and PPW-DOC-008 FSC Controlled Wood Complaints Log if, and when, a complaint is received; b) informs stakeholder of the complaint procedure and provides an initial response to complainant(s) within a time period of two (2) weeks; c) forwards complaints related to risk designations in the relevant FSC risk assessment to the responsible body; d) conducts a preliminary assessment to determine whether evidence provided in a complaint is or is not substantial, by assessing the evidence provided against the risk of using material from unacceptable sources;

¹ This document is meant as guidance only, utilization of templates and guidance documents is no guarantee of conformity with FSC requirements. It is your organization's responsibility to conform to relevant FSC requirements.

- e) communicates with complainants that aims to solve complaints assessed as substantial before further actions are taken;
- f) forwards substantial complaints to the certification body and relevant FSC National Office for the supply area within two (2) weeks of receipt of the complaint. Information on the steps to be taken by the organization in order to resolve the complaint, as well as how a precautionary approach will be used, shall be included with the complaint;
- g) employs a precautionary approach towards the continued sourcing of the relevant material while a complaint is pending. This includes a description of how the precautionary approach is employed by the organization when a complaint is active.
- h) implements a process (e.g., field verification and/or desk verification) to verify a complaint assessed as substantial by the organization, within two (2) months of its receipt;
- i) determines the corrective action to be taken by suppliers and the means to enforce its implementation by a supplier if a complaint has been assessed and verified as substantial. If a corrective action cannot be determined and/or enforced, the relevant material and/or suppliers shall be excluded by the organization;
- j) verifies whether corrective action has been taken by suppliers and whether it is effective;
- k) excludes the relevant material and suppliers from the organization's supply chain if no corrective action is taken;
- l) informs the complainant, the certification body, and the relevant FSC National Office of the results of the complaint and any actions taken towards its resolution, and for maintaining copies of relevant correspondence; and records and files all complaints received, and actions taken on DAN-DOC-007 FSC Controlled Wood Complaint Report and DAN-DOC-008 FSC Controlled Wood Complaints Log.



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In the case that there are multiple risk assessments, copy and paste this table below for each assessment.

Submit applicable risk assessment (excluding confidential information) in a separate document

For any category not rated as "Low" please fill in control measures by risk assessment indicator

In order to select a checkbox, “double-click” on the box, and select default value as “checked”.

Overall Risk Designation for the Supply Area

☐ Unspecified (see below for unspecified risk designations)
☒ Low

m) Illegally harvested wood

Overall Risk Designation: ☐ Unspecified ☒ Low
Control Measures per indicator (if applicable)

- | | | |
|-----|--------------------------------------|---|
| 1.1 | <input type="checkbox"/> Unspecified | <input checked="" type="checkbox"/> Low |
| 1.2 | <input type="checkbox"/> Unspecified | <input checked="" type="checkbox"/> Low |
| 1.3 | <input type="checkbox"/> Unspecified | <input checked="" type="checkbox"/> Low |
| 1.4 | <input type="checkbox"/> Unspecified | <input checked="" type="checkbox"/> Low |

n) **Wood harvested in violation of traditional and human rights**

Overall Risk Designation: ☐ Unspecified ☒ Low
Control Measures per indicator (if applicable)

- | | | |
|-----|--------------------------------------|---|
| 2.1 | <input type="checkbox"/> Unspecified | <input checked="" type="checkbox"/> Low |
| 2.2 | <input type="checkbox"/> Unspecified | <input checked="" type="checkbox"/> Low |
| 2.3 | <input type="checkbox"/> Unspecified | <input checked="" type="checkbox"/> Low |
| 2.4 | <input type="checkbox"/> Unspecified | <input checked="" type="checkbox"/> Low |
| 2.5 | <input type="checkbox"/> Unspecified | <input checked="" type="checkbox"/> Low |

o) Wood harvested from forests in which high conservation values are threatened by management activities

Overall Risk Designation: ☒ Specified ☐ Low
Control Measures per indicator (if applicable)

HCV1 - Central Appalachian Critical Biodiversity Area (CBA); HCV1 - Dusky Gopher Frog; HCV1 - Houston Toad; HCV3 - Late Successional Bottomland Hardwoods; HCV3 - Mesophytic Cove Sites; HCV3 - Native Longleaf Pine Systems are the areas of specified risk.

Mitigation measures include outreach and awareness for the company, its suppliers, and the suppliers' loggers and

- 3.1 ☒ Specified ☐ Low
- 3.2 ☒ Specified ☐ Low

<p>landowners. Educational materials are provided to raise the awareness of the specified risk issues, their potential threats & opportunities for conservation.</p>	
<p>p) Wood harvested from areas being converted from forests and other wooded ecosystems to plantations or non-forest uses</p> <p>Control Measures (if applicable)</p> <p>Mitigation measures include outreach and awareness for the company, its suppliers, and the suppliers' loggers and landowners. Educational materials are provided to ensure the suppliers who source wood fiber from these counties are knowledgeable of the identified threats of forestland conversion and understand the various measures that should be implemented to minimize the risk.</p>	<p>4.1 <input checked="" type="checkbox"/> Specified <input type="checkbox"/> Low</p>
<p>q) Wood harvested from forests in which genetically modified trees are planted</p> <p>Control Measures (if applicable)</p>	<p>5 <input type="checkbox"/> Unspecified <input checked="" type="checkbox"/> Low</p>

Stakeholder Consultation Summary

☒ N/A No stakeholder consultations conducted

**Summary of the consultation
process(es) performed according to
Annex B of FSC-STD-40-005 V3**

Expert Engagement Summary

☒ N/A No expert engagement conducted

Information on the engagement of one or more experts in the development of control measures in accordance with Annex C of FSC-STD-40-005 V3

Note: For individual experts this includes the names of the experts, their qualifications, their license/registration number (if applicable), and the scope of their services. For publically available expertise, the specific sources of information shall be cited.

Summary of Field Verification

(undertaken as a control measure)

☒ N/A No field verifications conducted as control measures

A summary of the organization's findings from field verification undertaken as a control measure, and steps taken by the organization to address identified non conformities where they occurred, unless confidential. The organization shall provide a justification for the exclusion of confidential information.

Note: The confidential nature of the information may be determined by the legislation that the organization must be in compliance with. Commercially sensitive information, and the names of individual landholders may be treated as confidential.

Due Diligence System Form

FSC® requires that organizations track their controlled material in a Due Diligence System (DDS) format. Your organization is welcome to report this information to SCS in any way you like; this form¹ helps you collect the data required in clause Part 1 Due Diligence System Section 1 through 4 and Part 2 Quality Management System Section 6 of FSC-STD-40-005 V3. Feel free to contact SCS with any questions you might have.

A review of the Due Diligence System (DDS) is required at least annually and whenever changes occur that affect the relevance, effectiveness, or adequacy of the DDS. The review of the DDS includes, at least, a review of any changes in the risk assessment and a review of the organization's control measures.

Summary of this form:

- Information on *internal audits*
- Information on *suppliers and origin of the material*
- Information on *Risk assessments*
- *Risk mitigation* is required to be completed **if specified or unspecified risk is found during the risk assessment.**

Organization Name	Dansons, Inc.
FSC CoC Certificate Number	
Date of most recent DDS Review	1 September 2021

¹ This document is meant as guidance only, utilization of templates and guidance documents is no guarantee of conformity with FSC requirements. It is your organization's responsibility to conform to relevant FSC requirements.

Internal Audit Results

FSC-STD-40-005 V3, section 1.7-1.9

Scope of internal audit	Confirm that suppliers are providing fiber from the identified supply area that meets the requirements of the FSC Controlled Wood standard.
Date(s) of internal audit	1 September 2021
Staff involved	Jamie Barrett, Fiber Procurement Manager Gary Boyd, Consultant
Cases of DDS failure	None

Supplier information

FSC-STD-40-005 V3, section 2.1, 2.4

If the below information is compiled in a separate document or excel spreadsheet, please attach it to your DDS.

Supplier #1

In the case that there are multiple suppliers, copy and paste this table below for each supplier.

Supplier Name	SEE ATTACHED LIST
Address	
Description of material supplied	
Quantity of material purchased (volume or weight)	

Species (common and scientific name) <i>Where required by applicable timber legality legislation.</i> <i>Note: a list of possible species is acceptable for material used in paper, composite board, and other products that usually contain many species.</i>	Black cherry (<i>Prunus serotina</i>) Blackjack oak (<i>Quercus marilandica</i>) Chestnut oak (<i>Quercus montana</i>) Live oak (<i>Quercus virginiana</i>) Mesquite (<i>Prosopis glandulosa</i>) Mockernut hickory (<i>Carya tomentosa</i>) Overcup oak (<i>Quercus lyrata</i>) Pecan (<i>Carya illinoensis</i>) Pignut hickory (<i>Carya glabra</i>) Pin oak (<i>Quercus palustris</i>) Red maple (<i>Acer rubrum</i>) Red oak (<i>Quercus rubra</i>) Sawtooth oak (<i>Quercus acutissima</i>) Shagbark hickory (<i>Carya ovata</i>) Shellbark hickory (<i>Carya laciniosa</i>) Silver maple (<i>Acer saccharinum</i>) Southern red oak (<i>Quercus falcata</i>) Sugar maple (<i>Acer saccharum</i>) Turkey oak (<i>Quercus laevis</i>) Water oak (<i>Quercus nigra</i>) White oak (<i>Quercus alba</i>)
Purchase documentation <i>Note: Provide description of purchase records and process for maintenance of documentation.</i>	Scale ticket; Supplier bill of lading
Applicable Risk Assessment for supply area	NATIONAL RISK ASSESSMENT FOR THE CONTERMINOUS UNITED STATES OF AMERICA (FSC- NRA-USA V1-0); DAN-DOC-006 FSC Controlled Wood Risk Assessment
Country of Harvest	USA
Evidence of origin² <i>Note: Provide description of evidence of origin and process for maintenance/access to documentation</i>	Secondary suppliers are audited annually to verify their district of origin and evaluating legal compliance as recorded on DAN-DOC-009 Secondary Supplier Audit Checklists.
Process for enforcement of supplier notification of changes that may affect risk	

² Legally required transport documents and proof of purchase from the supply unit of origin, relevant invoicing system used in the area(s) of origin. A declaration from a supplier shall only be used as part of the body of evidence for demonstrating the origin. A supplier declaration alone, even if covered by a contractual agreement, is not considered sufficient proof of origin.

<p>designation or the risk mitigation measure(s).</p> <p><i>Note: such as changes in species, origin and supply chain</i></p>	
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Risk Assessment

There are templates for the simplified risk assessment provided by SCS and for the extended risk assessment provided by FSC. Centralized National Risk Assessments and National Risk Assessments are available on the Global Forest Registry (<http://www.globalforestregistry.org/map>) for download.

Please remember to attach the applicable risk assessment to your DDS.

Whenever specified or unspecified risk related to origin and/or risk related to mixing with non-eligible inputs in the supply chain is determined, the organization shall implement the requirements of Section 4 before material can be used as controlled material or sold with the FSC Controlled Wood claim.

Note 1: there must be **no risk** of mixing with non-eligible inputs in the supply chains to use material as controlled material and/or sell it with the FSC Controlled Wood claim.

Note 2: material that previously carried the claim of FSC 100% or FSC Controlled Wood Claims (but was supplied without an FSC Claim), and with evidence that **no mixing** has taken place in the non FSC certified supplied chain can be used as controlled material and/or be sold with the FSC Controlled Wood claim.

Risk Assessments at the origin level

FSC-STD-40-005 V3, section 2.3, 3.1-3.3

In the case that there are multiple risk assessments, copy and paste the table below for each assessment.

Description of Supply Area	The supply area for Dansons, Inc. includes 772 counties /parishes in 19 states, including AR (63), IN (43), KY (120), LA (30), MD (13), MI (30), MN (5), MO (11), MS (41), NC (19), NY (13), OH (73), OK (14), PA (51), TN (5), TX (99), VA (69), WI (18), & WV (55).
Reference to the applicable Risk Assessment	NATIONAL RISK ASSESSMENT FOR THE CONTERMINOUS UNITED STATES OF AMERICA (FSC-NRA-USA V1-0)
If a simplified or extended risk assessment is used, please insert below or attach in a separate document	

Risk Designations Summary

1. Illegally harvested wood

Overall Risk Designation: ☐ Unspecified ☒ Low

2. Wood harvested in violation of traditional and human rights

Overall Risk Designation: ☐ Unspecified ☒ Low

3. Wood harvested from forests in which high conservation values are threatened by management activities

Overall Risk Designation: ☒ Specified ☐ Low

4. Wood harvested from areas being converted from forests and other wooded ecosystems to plantations or non-forest uses

Overall Risk Designation: ☒ Specified ☐ Low

5. Wood harvested from forests in which genetically modified trees are planted

Overall Risk Designation: ☐ Unspecified ☒ Low

Risk Assessment at the supply chain level

FSC-STD-40-005 V3, section 2.3, 3.4

Description of supply chain, including the assessment of risk of mixing material with non-eligible inputs in the supply chain during transport, processing or storage

Note: If a supply chain risk assessment is maintained as a separate document, please insert below or attach in a separate document

Dansons, Inc. purchases fiber from suppliers within its defined supply area as either non-certified or certified with a FSC claim. Contracts provide requirements of Dansons, Inc. for suppliers that deliver wood to Dansons, Inc.

Risk related to mixing with non-eligible inputs in the supply chain

Note: For example, N/A (zero risk of mixing) or description of the level of risk identified and where it occurs in the supply chain

NA; All wood is purchased within Dansons, Inc.'s defined supply area which is validated through ongoing supplier audits.

Risk Mitigation

☐ N/A, all indicators Low Risk

For examples on control measures see Box 4, Annex E, development guidance and examples of control measures (informative) from FSC-STD-40-005 V3. The client guidance document also include examples.

At the origin level, any designation other than low risk merits the implementation of control measures. At the supply chain level, any risk at all merits the implementation of control measures. Refer to FSC-PRO-60-002b List of FSC Approved Controlled Wood Documents when establishing control measures.

In the case that unspecified risk is designated for CW categories 2 **and** 3, the organization shall conduct stakeholder consultation as one of the control measures. Also, it is required to use the opinion of as least one expert to justify the adequacy of control measures, unless the control measures are mandated by the relevant NRA, or are implemented to avoid material harvested in specified risk areas (see FSC-STD-40-005 V3, Annex C for minimum requirements).

Risk Mitigation Measures

FSC-STD-40-005 V3, section 2.3c, 4

In the case that there are multiple mitigation measures necessary, copy and paste this table below for each relevant control measure

Note: If risk mitigation documentation is maintained separately, please insert below or attach in a separate document

Description of: The specified or unspecified risk related to origin, including an indication of which controlled wood category the risk relates to <u>OR</u> The risk related to mixing with non-eligible inputs in the supply chain	HCV1 - Central Appalachian Critical Biodiversity Area (CBA); HCV1 - Dusky Gopher Frog; HCV1 - Houston Toad; HCV3 - Late Successional Bottomland Hardwoods; HCV3 – Mesophytic Cove Sites & HCV3 – Native Longleaf Pine Systems along with forestland conversion are the areas of specified risk.
Control measure identified to mitigate risk	Mitigation measures include outreach and awareness for the company, its suppliers, and the suppliers' loggers and landowners. Educational materials are provided to raise the awareness of the specified risk issues, their potential threats & opportunities for conservation.
Desired outcome of the control measure	The desired outcome of these mitigation measures is good communications to suppliers, landowners, foresters and loggers in conservation of specified risk areas within the company's supply area.
Description of the implementation and final outcomes of the control measure	NA
If applicable fill out the relevant boxes below	

Findings from field verification undertaken and steps taken to address nonconformities where they occurred. If confidential, justification for the exclusion of confidential information.	NA
Summary of stakeholder consultation process	NA
Information on engagement of experts in development of control measures and experts consulted (name, qualification, license/registration number, scope of services) If publically available documents used list specific sources of information	<p>DAN has contracted with Greener Options Inc., a sustainable consulting company that specializes in sustainable forestry certification. Gary Boyd, owner of Greener Options, Inc. is a Society of American Foresters (SAF) Certified Forester, a Georgia Registered Forester and an ISO 14001 Environmental Management Lead Auditor. He has 35+ years of work experience in the forest products industry including forest management, fiber procurement, wildlife & biodiversity management and environmental management systems. Boyd working in the forest products industry helped develop and implement corporate sustainable forestry certification systems starting in the mid-1990's. He also represented his company in a number of industry-led committees in developing the Sustainable Forestry Initiative® (SFI®) and providing comment and feedback to the FSC. In addition to consulting, Boyd is an accredited ISO 14001 Lead Auditor where he conducts forest management, fiber procurement, and chain of custody audits to the various recognized sustainable forestry standards. He has conducted over 550 audits to date.</p> <p>Documents:</p> <p>FSC US Controlled Wood Regional Meeting Report APPALACHIAN REGION: Asheville, NC – July 19, 2018</p> <p>FSC US Controlled Wood Regional Meeting Report SOUTHEAST & MISSISSIPPI ALLUVIAL VALLEY REGIONS: Atlanta, GA – July 31, 2018</p>