



**BUREAU
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**Bureau Veritas Certification
North America, Inc.
SFI Forest Management Audit Report**

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PQC Code	E01E
Contract Number	US1477156

Certification Audit:		Re-Certification Audit:		Surveillance Audit:	#2	Scope extension audit:	
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Audit Summary
<p align="center">Introduction</p> <p>This report summarizes the results of the second surveillance audit conducted on American Forest Management – Pacific Northwest Group; headquartered in Kirkland, WA. Jim Colla, Bureau Veritas Certification Lead Auditor conducted the audit from May 11-13, 2015.</p> <p align="center">Audit Scope, Objectives and Process</p> <p>The scope of the group certificate is “Management of Forest Lands”. This includes nine group members totaling approximately 77,568 acres. The audit goal was to verify conformance to the SFI 2015-2019 Standard, objectives 1-15 (less 6, 10, 12, and 13) were audited. Specifically, two objectives of the SFI audit were to verify that the Program Participant’s SFI Program is in conformance with the SFI objectives, performance measures, and indicators; and verify whether the Program Participant has effectively implemented its SFI Standard program requirements on the ground. Standard Bureau Veritas Certification protocols and forms were applied throughout the audit as provided by the current version of the Bureau Veritas Certification Auditor Handbook and supplemental SFI Handbook. Field notes and an SFI indicator checklist were completed and contain specific information and audit notes.</p> <p>The audit began in Maple Valley, WA near the WACF Green River unit on May 11, 2015 with an opening meeting. The objectives for the surveillance audit were outlined and the audit process for collecting evidence and making audit findings was explained. Process determination findings of non-conformance, opportunities for improvement, and notable practices were explained. Confidentiality was assured. The audit plan was discussed and agreed to, and the time and date of the closing meeting was confirmed for May 13, 2015 at the AFM headquarters in Kirkland, WA. There were no substitutions or modifications of SFI indicators.</p> <p align="center">Audit Plan</p> <p>The surveillance audit was conducted over a total of three days from May 11-13, 2015. The detailed daily audit plan is on file with Bureau Veritas Certification.</p> <p align="center">Company Information</p> <p>AFM is headquartered in Charlotte, NC and has been providing varied forestry services for over 40 years. AFM acquired International Forestry Consultants headquartered in Kirkland, WA in 2012. AFM is a full service forestry consulting firm. They offer a comprehensive range of professional forestry, mapping and arboricultural services and assists clients concerned with the management,</p>

acquisition and protection of forest resources. The AFM PNW Group presently contains eight members. AFM manages these lands by growing trees, harvesting and selling logs, reforestation, and maintaining and protecting the forest's health, while protecting and enhancing fish and wildlife habitat, soils, air and water quality and providing dispersed recreational opportunities.

Multi-Site Requirements

The company qualifies for group certification since the management system is controlled and directed by AFM staff working on behalf of group members under contractual agreements. The number of audited sites is based upon standard selection protocols, where the square root of the number of sites is rounded up to the next whole number. With nine sites including headquarters, this means at least three, including HQ, must be visited annually. Since the last audit, the Naselle property has left the group, with WACF Green River being added.

Sites	Sites Audited During this Event
Kirkland, WA (HQ)	X
PB Lumber	
North Cascades Timberlands	X
WACF Toppenish	
WACF TWR Timberlands	
Penguin Forests	
Seefeld Corporation	X
Sirios Timber Partners	
WACF – Green River	X

Audit Results

The audit consisted of document and record reviews and interviews. In addition 12 field sites, two of which were actively being harvested, were visited that represented a broad spectrum of activities AFM undertakes.

Objective 1-Forest Management Planning: Forest Management Plans are developed for individual properties, including the most recently added Green River property. Management plans are developed to be flexible allowing resource managers the ability to adapt to fluctuating markets and to utilize new technologies and science to promote the sustainable use of the forest resource. Strategic harvest levels are based upon forest inventory, growth and yield calculations, regulatory constraints (RMZs, T & E species, etc.), aesthetics, and other non-timber constraints. The GIS system is complete and mature and includes fish & wildlife, water resources, soil, land classification, stand attributes, roads and numerous other attributes. Harvest does not exceed growth. AFM does not convert forest cover types. As the harvest trends are not documented in some of the management plans, an OFI has been issued.

Objective 2-Forest Health and Productivity: AFM designates reforestation of harvest units by planting or natural methods on state forest practice permits (FPA). Uneven-aged harvest techniques not requiring reforestation are identified on FPAs as regeneration not required. For harvest units with planned artificial reforestation (planting), seedlings will be contract grown at reputable industry nurseries 1-2 years prior to planting according to the long range harvest plan. Artificial reforestation of harvested sites will occur during the next possible planting season after site preparation when practical, but no later than two planting seasons after harvest. Each unit is formally surveyed for survival at three and six months, with follow up surveys on a regular basis. No exotic species observed on any sites visited in the field. AFM's policy is to use the minimum amount of chemical necessary to accomplish control objectives. Two observed units were sprayed, application was ground based. Spray work is conducted by contractors under the supervision of AFM foresters. All chemicals applied are registered and labeled for use in the State of WA. Contractor and AFM spray records and reports provide evidence application was done in compliance with label and legal requirements. No overspray observed. AFM is continually seeking to implement IPM strategies Multiple erosion control methods used including timing of operations (use restrictions), location of roads and trails, rocking roads, cross-drainage, and filter strips. AFM strives to reuse existing roads, trails and landings in stable locations out of RMAs and minimize new construction. Contractors are well versed in erosion control measures, no

evidence of accelerated erosion observed. Excellent protection of residual trees noted throughout. AFM strives to maintain healthy forest by active management; insect and diseases are at endemic levels.

Objective 3-Protection and Maintenance of Water Resources: AFM follows and exceeds mandatory requirements of the WA FPA; a comprehensive set of standards (BMPs) designed to protect soil, air, water and wildlife resources. These have been incorporated into the company contracts and operating procedures. Contractors interviewed had excellent BMP knowledge. Sites are monitored at least weekly to ensure compliance. No evidence observed of any BMP infraction or excess sediment delivery to streams. Water resource protection is accomplished by identification in the map layer, flagging on the ground, and pre and post-harvest assessments. Three RMAP sites inspected, excellent installation of fish crossing structures.

Objective 4-Conservation of Biological Diversity: AFM management practices consider the retention of habitat in compliance with current forest practice regulations. Best efforts will be made to protect unique habitats not specifically protected by rule and preserve or manage to enhance micro sites in favor of wildlife. Prior to unit layout every unit is assessed for T&E and sensitive species, snags, down wood, residual trees, cultural features, and aquatic features. These features are mapped in the GIS. Noxious weed control is an integral component of the land management program. No FECV have been designated, no old-growth or T&E species are present on any of the properties visited. AFM recognizes their manual needs updating to more specifically address biological diversity indicators.

Objective 5-Management of Visual Quality and Recreational Benefits: AFM follows requirements within the WA FPA's. While state designated highway are the primary threshold for implementing aesthetics mitigation measures, field foresters qualitatively assess each unit for aesthetic impacts and make adjustments to cutting prescriptions, by leaving trees or adjusting unit boundaries, to mitigate for visual impacts. In 2014 average clearcut size was well under 120 acres; with the largest being 98 acres on North Cascades and 55 acres on Seefeld; harvest has yet to occur on Green River under AFM stewardship. Riparian corridors, group retention patches, and individual tree retention for wildlife were present throughout. Green up requirements have been met throughout. AFM provides passive recreation on all properties under management so long as it does not conflict with wildlife management in the region. AFM properties are gated and signed to inform users of restrictions on the property.

Objective 6-Protection of Special Sites: Not audited

Objective 7-Efficient Use of Fiber Resources: A number of sorts may be produced on each job. Utilization is an inspected item on each job at regular intervals. AFM has a robust system to monitor and track the removal of forest products. Biomass markets do not exist.

Objective 8: Recognize and Respect Indigenous People's Rights: The WA FPA process provides Tribes the opportunity to comment or provide input on AFM activities. The Tribes have and will reach out directly to AFM on other matters not directly associated with an activity. AFM has responded appropriately and long respected the rights of local Tribes and responded to any query. A formalized written policy to address PM 8.1 is in draft form and has yet to be finalized; it is being developed in conjunction with other AFM units.

Objective 9-Legal and Regulatory Compliance: A logging or silvicultural contract cannot be issued without an established FPA permit. AFM utilizes site visits and documented inspection reports to ensure compliance. An internal feedback and corrective action program is in place. Furthermore, State FPFs monitor for regulatory compliance. The system is understood by all AFM foresters and contractors interviewed. There have been no non-compliances i.e. Stop Work Orders or non-compliances issued by WDNR in the last year. AFM has a formal H&S program designed to ensure applicable federal and state H&S requirements are met. H&S requirements are posted in the Kirkland office as prescribed by law.

Objective 10-Forestry Research, Science and Technology: Not audited

Objective 11-Training and Education: The commitment statement has been updated to reflect the 2015:2019 standard and posted in the manual and made available to the public upon request. AFM personnel are provided a SFI Binder including AFM's SFI Manual. Roles and responsibilities are covered at monthly SFI meetings. Staff compliance and promotion of the standard is incorporated into the employee review process. AFM requires that contractors be professionally trained; the WCLA program is the SFI recognized training standards for contractors. AFM will be addressing the need to ensure adequate site presence of a trained logging professional.

Objective 12-Community Involvement and Landowner Outreach: Not Audited

Objective 13: Public Land Management Responsibilities: Not applicable

Objective 14-Communications and Public Reporting: The 2014 AFM Audit Report is posted on the SFI Website. All records necessary for reporting to SFI are maintained electronically and were reviewed as part of this audit. The 2014 SFI Annual Progress Report was submitted to SFI, Inc. in a timely manner.

Objective 15-Management Review: AFM conducts annual reviews to evaluate effectiveness of SFI procedures and programs. AFM Management conducts internal monitoring of contract files and management activities to ensure policies and standards are covered. AFM management utilizes the internal review process to identify areas for improvement. Results are documented in an annual monitoring report. The most recently completed management review resulted AFM opting to be audited to the 2015:2019 standard. The internal audit and management review system is mature, fully functioning and effective.

Findings

Previous non-conformances: Section 5 Rules for Use of SFI Off-Product Trademarks. The minor NC issued last surveillance was closed May 27, 2014. Effective conformance recovery has been maintained.

Non-conformances: None issued.

Opportunities for Improvement: All of the below OFIs have been issued against new/revised indicators in the 2015:2019 standard.

Objective 1, PM 1.1 (2): Long term sustainable harvest levels have been determined; however, the harvest trends are not documented in some of the management plans.

Objective 4, PM 4.1 (3-5): AFM recognizes their manual needs updating to more specifically address biological diversity indicators under the 2015:2019 Standard.

Objective 8, PM 8.1 (1): AFM has long respected the rights of local Tribes and responded to any query. A formalized written policy to address this indicator is in draft form and has yet to be finalized; it is being developed in conjunction with other AFM offices in other parts of the county.

Objective 11, PM 11.1 (5): While the contracting company on one active job inspected is WCLA certified, the on-site operator; while well experienced; is not currently certified. AFM will be addressing the need to ensure adequate site presence of a trained logging professional.

Notable Practices: No NP identified this audit.

Logo/label use:

AFM uses the correct off product work marks, with proper SFI trademarks, on their website. The company does not use the BVC logo.

SFI reporting:

The auditor verified the previous audit report (2014) was submitted and posted on the SFI website.

Conclusions

In the opinion of the auditor, results of this surveillance audit conclude that American Forest Management – PNW Group has generally transitioned to the SFI 2015:2019 standard; their forest land management program is robust, effective and mature. Continued certification is recommended to the 2015:2019 Standard

SEE SF61 FOR AUDIT NOTES

Summary of Audit Findings:									
Audit Date(s):		From: May 11, 2015				To: May 13, 2015			
Number of SF02's Raised:			Major:		0		Minor:		0
Is a follow up visit required:		Yes	No	X	Date(s) of follow up visit:				
Follow-up visit remarks:									
Team Leader Recommendation:									
Corrective Action Plan(s) Accepted		Yes	No	N/A	X	Date:			
Proceed to/Continue Certification		Yes	X	No	N/A	Date:		May 13, 2015	
All NCR's Closed		Yes	No	N/A	X	Date:			
Standard audit conducted against:									
1)	SFI 2015:2019 FM			3)					
2)				4)					
Team Leader (1):			Team Members (2,3,4...)						
Jim Colla			2)						
			3)						
Scope of Supply: (scope statement must be verified and appear in the space below)									
Management of Forest Lands									
Accreditation's		ANAB							
Number of Certificates		1							
Proposed Date for Next Audit Event									
Date	May 2016								
Audit Report Distribution									
AFM: Dan Thomas; dan.thomas@amforem.biz									
Bureau Veritas Certification: melissa.marchese@us.bureauveritas.com									

Opening Meeting	<p>Participants: Dan Thomas, SFI Coordinator; Rich Runyon, Senior Forester; and Jim Colla,</p> <p>Discussions: Lead Auditor</p> <ul style="list-style-type: none"> ➤ Introductions ➤ Scope of the audit ➤ Audit schedule/plan ➤ Nonconformance types – Major / Minor ➤ Review of previous non-conformances - 1 ➤ Process approach to auditing and audit sampling ➤ Confidentiality agreement ➤ Termination of the audit ➤ Appeals process ➤ Closing meeting timing
Closing Meeting	<p>Participants: Dennis Dart, Region Manager; Tom Hanson, Client Relations; Dan Thomas,</p> <p>Discussions: SFI Coordinator; and Jim Colla, Lead Auditor</p> <ul style="list-style-type: none"> ➤ Introductions and appreciation for selecting Bureau Veritas Certification. ➤ Review of audit process - process approach and sampling. ➤ Review of OFIs (4) and System Strengths (0) ➤ Non-conformances - 0 ➤ Date for next audit. ➤ Reporting protocol and timing