



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

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PQC Code	E01E
Contract Number	US2182362

Certification Audit:		Re-Certification Audit:	X	Surveillance Audit:		Scope extension audit:	
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Audit Summary
Introduction
<p>This report summarizes the results of a recertification 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 23-25, 2016. Mr. Colla is a career forester with over 35 years of experience and an EMS/RABQSA certified lead auditor.</p>
Audit Scope, Objectives and Process
<p>The scope of the group certificate is “Management of Forest Lands”. This includes six group members totaling approximately 49,864 acres. The audit goal was to verify conformance to the SFI 2015-2019 Standard; objectives 1-15 (as applicable) 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 Chehalis, WA near the PB Lumber Tree Farm on May 23, 2016 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 25, 2016 at the AFM headquarters in Kirkland, WA. There were no substitutions or modifications of SFI indicators.</p>
Audit Plan
<p>The recertification audit was conducted over a total of 2.5 days from May 23-25, 2016. The detailed daily audit plan is on file with Bureau Veritas Certification.</p>
Company Information
<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 six members. AFM manages these lands by growing trees, harvesting timber and marketing 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 seven sites including headquarters, this means at least three, including HQ, must be visited annually.

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

Audit Results

The audit consisted of document and record reviews and interviews. Eight field sites, including the only active job at the time of the audit, were visited that represented a broad spectrum of activities AFM undertakes. Several other stops were made during field portions to review activities not associated with a specific operation; e.g. road maintenance, stream crossings, fish & wildlife habitat elements; access control; and recreational use. During the term of the expiring certificate; one minor non-conformity regarding trademark use and five opportunities for improvement were noted; four of which were issued last audit in relationship to changes in the revised standard. All of these were addressed in a timely manner; the management system has been maintained and implemented throughout.

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. Annual allowable cut calculations do not include restricted operating sites. Harvest trends are well documented for all properties, thereby addressing a 2015 OFI.

Objective 2-Forest Health and Productivity: AFM designates reforestation of harvest units by planting or natural methods on Washington Department of Natural Resources forest practice permits (FPA). 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. Three observed units were sprayed; application was by back-pack spray. 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 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. The one contractor 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. While AFM has not designated any FECV or special sites; the entire Green River property is within the City of Tacoma public watershed supply and managed accordingly. No old-growth or T&E species are knowingly present on any of the properties visited. AFM has signed onto the Pacific Fisher Candidate Conservation Agreement. AFM revised their manual to more specifically address biological diversity indicators.

Objective 5-Management of Visual Quality and Recreational Benefits: AFM follows requirements within the FPA. 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 2015 average clear-cut size was 29 acres; with a range from 14-52 acres. Riparian corridors, group retention patches, and individual tree retention for wildlife were present throughout. Green up requirements have been met throughout. AFM properties are gated and signed to inform users of restrictions on the property. AFM provides passive recreation on all properties except Green River. AFM properties are gated and signed to inform users of restrictions on the property. Additionally, AFM participates in fee based recreation management programs on some (equestrian trail on Penguin) properties under management.

Objective 6-Protection of Special Sites: Areas with unique characteristics, including cultural, biological or geologic features will be protected to ensure the integrity of the sites. Those protections will, at a minimum comply with state and federal regulations. AFM utilizes the WA Department of Archeological and Historic Preservation databases to identify potential sites preparing forest management activities. Should a site be determined to have cultural or historical significance during the planning stage, AFM staff will contact the appropriate agencies or tribal representatives to determine the best protection measures.

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: AFM has long respected the rights of local Tribes and responded to any query generated through the FPA process. A formalized written policy to address applicable indicators has been included in the revised manual, thus satisfying the 2015 OFI. The 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.

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. No record was provided for Farm Labor Certificates for certain contractors providing silvicultural services. A minor NC was issued and subsequently closed in a timely manner.

Objective 10-Forestry Research, Science and Technology: AFM participates and provides funding for and through a number of organizations to advance forestry research. These include UW Stand Management Coop, Forest Biometrics Research Institute, WA Forest Protection Association, and Cooperative Monitoring Evaluation and Research (CMER). AFM provides funding for and participates in the SIC.

Objective 11-Training and Education: The commitment statement reflects 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 policies and the logging contract address the need to ensure adequate site presence of a trained logging professional. Interviews and site inspections confirm employees and contractors are well trained.

Objective 12-Community Involvement and Landowner Outreach: Through the SIC and individually, AFM participates in the development of educational newsletters for small forest landowners and consulting foresters. AFM staff directly supports the WA Farm Forestry Association. In addition, AFM has dedicated staff to work directly with NIPF owners and communities for urban forestry. The WA SIC has a process for reporting inconsistent practices. No notices of inconsistent practices were received from the SIC in 2015. AFM has not identified or reported any inconsistent practices to the SIC in 2015.

Objective 13: Public Land Management Responsibilities: Not applicable

Objective 14-Communications and Public Reporting: The 2015 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 internal audit and management review system is mature, well documented, fully functioning and effective. The process will be reviewed in the coming months in anticipation of adding significant lands to the certificate.

Findings

Previous non-conformances: None issued last surveillance.

Non-conformances:

Minor NC01 - Objective 9, PM 9.1 (2): Tree planting, spray and PCT contracts include compliance provisions with applicable laws. However, no record of Farm Labor Certificates for certain contractors providing silvicultural services was on file at the time of the audit. This NC was quickly closed.

Opportunities for Improvement:

Objective 15, PM 15.1 (2): While the management review process is robust and report well detailed, supported by audited records; most of the focus is on operational elements with only cursory acknowledgement of objectives 10-12.

Notable Practices: None 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 (2015) was submitted and posted on the SFI website. All required information for annual SFI reporting has been supplied to SFI as required.

Conclusions

In the opinion of the auditor, results of this recertification audit conclude that American Forest Management – PNW Group has successfully transitioned to the SFI 2015:2019 standard; their forest land management program is robust, effective and mature. The one minor non-conformity has been closed. Renewed certification is recommended to the SFI 2015:2019 Section 2 Standard

SEE SF61 FOR AUDIT NOTES

Summary of Audit Findings:									
Audit Date(s):		From: May 23, 2016				To: May 25, 2016			
Number of SF02's Raised:			Major:		0		Minor:		1
Is a follow up visit required:		Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>	Date(s) of follow up visit:			
Follow-up visit remarks:									
Team Leader Recommendation:									
Corrective Action Plan(s) Accepted			Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>	N/A	Date:	May 25, 2016
Proceed to/Continue Certification			Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>	N/A	Date:	May 27, 2016
All NCR's Closed			Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>	N/A	Date:	May 27, 2016
Standard audit conducted against:									
1)	SFI 2015:2019 Section 2			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 2017								
Audit Report Distribution									
AFM: Dan Thomas; dan.thomas@amforest.com									
Bureau Veritas Certification: dawn.komnick@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 - 0 ➤ Process approach to auditing and audit sampling ➤ Confidentiality agreement ➤ Termination of the audit ➤ Appeals process ➤ Closing meeting timing
Closing Meeting	<p>Participants: Tom Hanson, Client Relations; Dan Thomas, SFI Coordinator; and Jim Colla,</p> <p>Discussions: 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 (1) and System Strengths (0) ➤ Non-conformances - 1 ➤ Date for next audit. ➤ Reporting protocol and timing