



**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	US1926424

Certification Audit:		Re-Certification Audit:	X	Surveillance Audit:		Scope extension audit:	
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Audit Summary
<p align="center">Introduction</p> <p>This report summarizes the results of the renewal audit conducted on Campbell Global Southwest Region’s SFI program for forest and land management. Richard Boitnott, Bureau Veritas Certification Lead Auditor conducted the document review on April 24, 2015, and the field audit May 19-22.</p> <p align="center">Audit Scope, Objectives and Process</p> <p>The scope of the audit is “Management of Forest Lands”. The audit was conducted against the SFI 2015-2019 Standard Forest Management Edition. Objectives 1-12, 14 and 15 were covered during the audit. There was no substitution or modification of indicators. 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 any additional indicators that the Program Participant chooses, 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 most recent version of the Bureau Veritas Certification SFI Auditor Handbook available on the auditor access website.</p> <p align="center">Audit Plan</p> <p>The audit consisted of a one-day review of documentation and planning of the field audit in the Diboll central office on April 24, 2015. A field audit of the South Texas tree farm was conducted May 19-20, and of the North Texas tree farm May 21-22. A closing meeting was held at 11:30 am on the 22nd. An audit plan was developed and is maintained on file by Bureau Veritas Certification.</p> <p align="center">Company Information</p> <p>Campbell Global is a timberland investment organization, managing land for investors throughout the United States. The company is divided into a number of regions. This certification is limited to the property it manages in its southwest region, consisting of lands in Texas and Louisiana. The property consists primarily of loblolly pine plantations, with mixed pine/hardwood bottomlands and streamside management zones. However, there are some slash pine plantations in more southerly portions of the landbase, and a number of acres are maintained in longleaf pine. Topography is relatively gentle in most of the region, although there are a few areas with hilly terrain and highly</p>

erodible soils. The landbase is managed intensively. Stands are regenerated through clearcutting, followed normally by chemical site preparation, then artificial regeneration. Mechanical site preparation is also required, generally in low-lying areas.

Multi-Site Requirements

The company maintains a multi-site certification consisting of four tree farms. Headquarters of the management system is in Diboll Texas. The company qualifies as a multi-site certification since the management system is controlled and directed by the central office. There is one set of procedures that applies to the entire system, and the SFI manager is the sole person responsible for maintaining the procedures. Individual sites are responsible for conforming to the company’s SFI program, and for providing corrective actions to the SFI manager when necessary. The company has a rigorous internal audit process that covers all tree farms on an annual basis. Two of the tree farms are audited during each audit event.

Multi-Site	X	Group Certification	
Sites		Sites Audited During this Event	
Diboll, TX		X	
North Texas Tree Farm		X	
Central Texas Tree Farm			
South Texas Tree Farm		X	
Louisiana Tree Farm			

Audit Results

The document review was conducted to determine if Campbell Global is operating a management system that meets the requirements of the SFI 2015-2019 Forest Management Standard. Campbell did an excellent job modifying its system procedures to address the updated requirements of the revised standard.

The field audit consisted of a review of eight harvest tracts (six clearcuts and two thinnings) and 11 regeneration/site preparation tracts.

Objective 1-Forest Management Planning: Campbell has an information management system in place. This system features a proprietary growth and yield model, soils mapping, and a land classification system. A long-term harvest schedule has been developed. The inventory is updated and harvest levels recalculated annually. There have been no substantial changes in the inventory and management system since Campbell first purchased the property from Temple Inland. The company’s landscape classification system provides for an analysis of biodiversity at landscape scales. A review of non-timber issues includes the development of conservation easements on ecologically significant properties.

Campbell had previously developed a program to consider the ecological consequences of species conversions in response to an interpretation issued for the 2010-2014 SFI Standard. The program has been modified slightly to meet the requirements of performance measure 1.2. Campbell is prepared to notify its receiving mills if any timber is harvested from a tract that the company knows is being converted to non-forest use.

Data was provided showing projected sustainable harvest levels versus budgeted and actual harvest volumes for 2008 through 2014 historical data, and 2015-2037 forecast. A comparison of harvest levels versus growth demonstrates sustainable harvest over time. Harvest levels were above growth

in 2010 through 2012, even with growth in 2013, above growth in 2014-2015, and then projected to be well below growth from 2016 to 2029. Total inventory is at its low point in 2016, building until 2030.

Objective 2-Forest Health and Productivity: Artificial regeneration is generally completed within two growing seasons following harvest. In the past two years, 2,834 acres were regenerated more than two years after harvest. However, a regeneration exception report shows almost all of these were due to replanting or inter-planting of failed plantations. Approx. 200 acres were due to wet conditions preventing planting at the prescribed time.

Herbicide applications demonstrated minimization of chemical use. Prescriptions are below the maximum rates allowed by the label, and are typical for rates in similar vegetative conditions in the region of ownership. Campbell continues to do an excellent job of varying prescriptions based on vegetative conditions on each site. Only one herbicide application tract observed during the audit demonstrated drift into off-target areas, but it was a minor occurrence. All other tracts had virtually no drift. Campbell continues to monitor the results of its herbicide applications, and uses this information to make improvements in its chemical application process.

Soils are mapped and included in the GIS. Soil maps are included in harvest packages, and provide information on operability and erodibility. Only a minor amount of rutting was observed on all harvest operations; notable given the heavy rainfall the region has experienced the past several months.

Objective 3-Protection and Maintenance of Water Resources: Compliance with Texas BMPs was observed on all harvesting and site preparation operations. SMZ width and basal area retention was well done. Stream crossings are minimized, but when necessary, were cleaned out and well stabilized. All roads and skid trails were also adequately stabilized.

Objective 4-Conservation of Biological Diversity: Campbell continues to operate a robust wildlife management program. The company has an excellent method to identify and protect occurrences of T&E species and FECVs. Species occurrences are mapped in the GIS, and are identified as a stratification layer on harvest maps during the planning process. Stratifications require consultation with a wildlife biologist to determine management options. Campbell's process for identifying sensitive species includes those of significant concern that may be ranked below G1/G2.

The company has a landscape management system that is used by foresters in the harvest planning process. Personnel interviewed during the audit were aware of the potential invasive species that could occur in their area of operations. The most invasive species known in the area is Chinese tallow.

Campbell is well aware of conservation planning and priority setting efforts in the region of its ownership. The company has been quite active in the development of easements to address conservation priorities, having completed three Forest Legacy easements.

Clearcuts reviewed during the audit demonstrated an excellent effort to retain stand-level wildlife habitat elements. This is an area showing considerable improvement since the company's initial audit. The implementation of stand-level retention is not accidental. It is the result of a conscious effort by the wildlife staff, harvest planners, and harvest managers. Campbell's efforts in this area warranted the issuance of a notable practice.

Objective 5-Management of Visual Quality and Recreational Benefits: Average clearcut size during 2013 was 80 acres. The company has an aesthetic management program, but most sites observed

during the audit were located well away from public view. Compliance with the company's green-up policy was observed on all clearcuts.

Objective 6-Protection of Special Sites: The company continues to operate an excellent special sites program, with management plans in place for the most significant.

Objective 7-Efficient Use of Fiber Resources: Acceptable utilization was observed on all harvest sites.

Objective 8: Recognize and Respect Indigenous People's Rights: Campbell has a policy statement to recognize and respect the rights of indigenous peoples. There are no areas of cultural significance known to occur on Campbell land. Campbell has a process for responding to inquiries from indigenous peoples.

Objective 9-Legal and Regulatory Compliance: Access to applicable legal requirements is in place. The company has procedures in place to ensure regulatory compliance. Contractors and employees are trained, and language in contracts requires compliance. Pre-activity planning processes and inspections are also designed to ensure compliance. No adverse regulatory action information is evident. The company has received no information from interested parties relative to its or any of its contractor's conformance with ILO core conventions.

Objective 10-Forestry Research, Science and Technology: Campbell continues to be involved in and contribute towards a number of research efforts. The company is a member of NCASI, providing support for a variety of research topics. Campbell is also quite involved in a number of wildlife research projects specific to its operation in the southwest region, particularly wildlife and biodiversity research in cooperation with Texas Parks and Wildlife.

The company's participation in SICs includes the development of biodiversity conservation information for family forest landowners. The company also has access to BMP assessments conducted by Texas and Louisiana. Campbell demonstrated it has access to information on the potential impacts of climate change on forest productivity and wildlife habitat.

Objective 11-Training and Education: Employee training requirements are specified. Records verified all training has occurred as required. Campbell requires all harvesting contractors to be qualified according to the requirements of the Texas and Louisiana SICs. The logging contract has a requirement for each logging job to have at least one person who is qualified according to the SIC definition of a trained logger. All contractors harvesting tracts reviewed during the audit were properly trained. The company is a member of the Louisiana and Texas SICs, which includes participation in the development and delivery of logger training.

Objective 12-Community Involvement and Landowner Outreach: Campbell is a member of the Texas and Louisiana SICs. Its participation includes the development and distribution of information on the conservation of biological diversity to family forest landowners. The company is involved in the Texas and Louisiana forestry associations, which lobby for favorable taxation policies for family forest landowners.

Campbell continues to excel in its public education efforts through its "Grow the Good" program, which has been recognized in the past as a notable effort on the part of the entire organization. Campbell's involvement in SICs includes support for inconsistent practices procedures. The company has a procedure for receiving and responding to public inquiries. No reports of inconsistent practice or complaints have been received by the company.

Objective 13: Public Land Management Responsibilities: N/A-Campbell does not have public land management responsibilities.

Objective 14-Communications and Public Reporting: The company had posted its 2014 surveillance audit report on the SFI, Inc. website as required for public review. The SFI annual progress report had been submitted prior to the deadline.

Objective 15-Management Review: Campbell continues to operate a robust management review process. An internal audit process is in place to review SFI performance. Management review minutes verified the meeting is held annually as required by the SFI Standard.

Findings

Previous non-conformances:

No non-conformances were issued during the previous audit.

Non-conformances:

No non-conformances were issued during this audit event.

Opportunities for Improvement:

No opportunities for improvement were issued.

Notable Practices:

One notable practice was observed.

1. PM 4.1, Ind. 2: Campbell has done an excellent job of making a concerted effort to retain stand-level wildlife habitat elements on clearcuts. The company is not relying on happenstance to implement stand-level retention. Instead, the level of both dispersed and clumped retention observed on clearcuts is a result of focus and planning.

Logo/label use: Campbell does not use the SFI or Bureau Veritas Certification logos.

SFI reporting: The 2014 surveillance audit report was found on the SFI, Inc. website as required for public review.

Conclusions

Results of the audit indicate Campbell Global has implemented an effective management system that meets the requirements of the SFI 2015-2019 Standard Forest Management edition. The company is recommended for renewed certification.

SEE SF61 FOR AUDIT NOTES

Summary of Audit Findings:										
Audit Date(s):		From: 4/24/2015 (doc review) 5/19/2015 (field audit)				To: 4/24/2015 (doc review) 5/22/2015 (field audit)				
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:	5/22/2015	
All NCR's Closed		Yes		No		N/A	X	Date:		
Standard audit conducted against:										
1)	SFIS 2015-2019 FM Edition			3)						
2)				4)						
Team Leader (1):			Team Members (2,3,4...)							
Richard Boitnott; CF, EMS(LA)			2)							
			3)							
			4)							
			5)							
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	First surveillance should start prior to May 22, 2016									
Audit Report Distribution										
Bureau Veritas Certification: Melani Potts-melani.potts@us.bureauveritas.com										
Campbell Global: Brian Gowin-bgowin@campbellglobal.com										

Clause	Audit Report
Opening Meeting	<p>Participants: Brian Gowin, Don Dietz, Hayden Evans, Brian Gill, Brenden Gill, Rob Hughes</p> <p>Discussions:</p> <ul style="list-style-type: none"> ➤ Introductions ➤ Scope of the audit ➤ Audit schedule/plan ➤ Nonconformance types – Major / Minor ➤ Review of previous nonconformances - 0. ➤ Process approach to auditing and audit sampling ➤ Confidentiality agreement ➤ Termination of the audit ➤ Appeals process ➤ Closing meeting timing
Closing Meeting	<p>Participants: Brian Gowin, Don Dietz, Hayden Evans, Brian Gill, Rob Hughes, Matt Thumes, Stephen Levesque, Terry Barrow, Gary Brock, Boyd Turner, Steve Killion</p> <p>Discussions:</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 and System Strengths ➤ Nonconformances - 0 ➤ Date for next audit. ➤ Reporting protocol and timing