



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

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Contract Number	US1926424

Certification Audit:		Re-Certification Audit:		Surveillance Audit:	S1	Scope extension audit:	
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Audit Summary

Introduction

This report summarizes the results of the first surveillance 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 May 9, 2016, and the field audit June 8-10. Mr. Boitnott is a certified forester, a Texas accredited forester, an EMS lead auditor, and has wildlife management expertise.

Audit Scope, Objectives and Process

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.

Audit Plan

The audit consisted of a one-day review of documentation and planning of the field audit in the Diboll central office on May 9, 2016. A field audit of the Louisiana tree farm was conducted June 8 and of the Central Texas tree farm June 9-10. A closing meeting was held at the close of business on the 10th. An audit plan was developed and is maintained on file by Bureau Veritas Certification.

Company Information

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 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			
Central Texas Tree Farm		X	
South Texas Tree Farm			
Louisiana Tree Farm			
		X	

Audit Results

The document review was conducted to determine if Campbell Global continues to operate a management system that meets the requirements of the SFI 2015-2019 Forest Management Standard. The field audit consisted of a review of 12 harvest tracts 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 growth and yield model is “trued-up” with the first inventory cruise at age 10-11, and using cut-out analysis. The inventory is updated and harvest levels recalculated annually. 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 has a program to consider the ecological consequences of species conversions. 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 2015 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, level in 2013, above growth in 2014-2015, and then well below growth from 2016 to 2029. Total inventory is at its low point in 2016, then builds to 2030.

Objective 2-Forest Health and Productivity: In the past two years, 362 out of 16,306 acres were regenerated more than two years after harvest. However, the regeneration exception report shows

almost all of these were due to replanting or interplanting of failed plantations.

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. All tracts had virtually no drift into off-target areas. 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 so far this year.

Objective 3-Protection and Maintenance of Water Resources: Compliance with Texas and Louisiana 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. Campbell continues to do an excellent job managing its populations of the red-cockaded woodpecker, a federally listed endangered species. 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. The company's efforts in this area warranted the issuance of a notable practice. 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 last year, and the company was provided another notable practice in this area this year, given the excellent results shown by the Central Texas tree farm.

Objective 5-Management of Visual Quality and Recreational Benefits: Average opening size during 2015 was 76 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 outreach 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 2015 renewal 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:

Two notable practices were observed:

1. PM 4.1, Ind. 2: Campbell continues to do an excellent job of retaining stand-level wildlife habitat elements. It does not just happen by accident; the company puts an emphasis on it with its logging contractors, and does its best not to spray retention trees during aerial site prep applications. Campbell was recognized for this last year, but this tree farm was not included in last year's audit, so the lead auditor decided to recognize the efforts of the Central Texas tree farm.
2. PM 4.1, Ind. 3: Campbell has done an excellent job of developing a landscape classification program. Landscape-level habitat diversity maps have been developed, and are used by planning personnel to plan future harvests. Area managers verified maps have been used to adjust harvest areas, preventing one particular area from having a preponderance of one age class. The company also produces reports showing the distribution of age classes, forest types, G1-G3 species, T&E species, and special sites. These reports are produced each year to track the company's distribution of habitat types across its ownership. The company's efforts are above what many other companies have produced in this area.

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

SFI reporting: The 2015 renewal 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 continues to meet the requirements of the SFI 2015-2019 Standard Forest Management edition. The company is recommended for continued certification.

SEE SF61 FOR AUDIT NOTES

Summary of Audit Findings:									
Audit Date(s):		From: 5/9/2016 (doc review) 6/8/2016 (field audit)				To: 5/9/2016 (doc review) 6/10/2016 (field audit)			
Number of SF02's Raised:					Major:		0	Minor:	0
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 type="checkbox"/>	No	<input type="checkbox"/>	N/A	<input checked="" type="checkbox"/>	Date:	
Proceed to/Continue Certification		Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>	N/A	<input type="checkbox"/>	Date:	6/10/2016
All NCR's Closed		Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	N/A	<input checked="" type="checkbox"/>	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, AF, 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	The second surveillance audit should begin April 21, 2017 with the document review. The field audit should be scheduled for May 16-18								
Audit Report Distribution									
Bureau Veritas Certification: Dawn Komnick-dawn.kominick@us.bureauveritas.com									
Campbell Global: Brian Gowin-bgowin@campbellglobal.com									

Clause	Audit Report
Opening Meeting	<p>Participants: Brian Gowin, Don Dietz, William Moncrief, John Hamilton, Ashton Depree, Matt Thumes, 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, William Moncrief, John Hamilton, Matt Thumes, Stephen Levesque, Keith Williams, Hayden Evans, Anthony Folsom, Luke Corum, Cody McBride, Keith Sorrells, Ashton Dupree, Brian Gill, Brice Bloodworth, Richard Nichols</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