



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

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PQC Code	E01E
Contract Number	US2357486

Certification Audit:		Re-Certification Audit:	X	Surveillance Audit:	#	Scope extension audit:	
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**Audit Summary**

**Introduction**

This report summarizes the results of the renewal audit of Conservation Forestry, LLC’s SFI program for forest management operations. Richard Boitnott, Bureau Veritas Certification Lead Auditor conducted the audit 11/2/2016 through 11/3/2016. Mr. Boitnott is a certified forester and a Texas accredited forester, and has wildlife management expertise.

**Audit Scope, Objectives and Process**

The scope of the audit was “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 1/2 day review of system documentation at the Richmond Virginia the morning of November 2, followed by a ½ day field audit in the afternoon, and the entirety of the day on the 3<sup>rd</sup>. A closing meeting was held at the end of the day on the 3<sup>rd</sup>.

**Company Information**

Conservation Forestry, LLC owns approximately 46,000 acres of land in Virginia and North Carolina. Management activities on CF land is conducted by American Forest Management (AFM), a forestry consulting firm with an office in Richmond Virginia. The property consists primarily of loblolly pine plantations with mixed hardwood/pine streamside zones. Pine stands are regenerated through clearcutting, chemical site preparation, followed by planting. The property has a long history of ownership by a number of forest management companies. As such, tracts containing T&E species, FECVs, and special sites were usually sold or donated to conservation interests under previous ownerships. The properties currently owned by Conservation Forestry are generally lacking

any occurrences of special features.

## **Multi-Site Requirements**

N/A

### **Audit Results**

The document review was conducted to determine if Conservation Forestry's system documentation meets the requirements of the SFI 2015-2019 Standard. The field audit consisted of a review of seven harvest operations, five chemical site preparation/regeneration tracts, and one road maintenance activity.

#### **Objective 1-Forest Management Planning:**

AFM operates a forest management planning program for the CF property. Stands were initially cruised inventoried when the property was purchased. Stands are then re-cruised periodically. Stands are grown based on site index, TPA at time of establishment, and cultural inputs. AFM uses the FMRC/VPI/Fastlob for pine plantation growth and yield. Recommended harvest levels have been determined and are adjusted annually. Stands are classed according to forest type and age. A GIS is in place, and includes soil mapping. A review of non-timber issues consists primarily of leasing the property for hunting leases and the development of bioenergy markets. Biodiversity at landscape scales is accomplished by mapping of cover types. Budgeted vs. actual harvest levels report verified CF is still below their budgeted pine volume, and only slightly over their budgeted hardwood volume. Hardwood is not a significant factor compared to pine.

A procedure has been developed to consider the ecological consequences of conversion of forest cover type, although it is not generally done. The decision to convert considers the presence of T&E species and FECVs. Conservation Forestry generally does not convert to a non-forest use, but if it does so, it has procedures in place to notify its receiving mills.

#### **Objective 2-Forest Health and Productivity:**

Plantations reviewed during the audit were adequately stocked. Harvest sites are regenerated within two growing seasons following harvest. Herbicide applications are guided by a chemical application procedure that is very well developed. Prescribed herbicide rates are below label maximum, and are typical for rates and mixes used in similar vegetation types. The company does not use any herbicides listed by the WHO as type 1A or 1B, or by the Stockholm Convention on prohibited chemicals. All herbicide applications reviewed during the audit were well done, with virtually no drift into off-target areas.

Soils are mapped in the GIS and included in harvest plans. Soil productivity was well protected, with virtually no adverse impacts to soils observed on any of the sites reviewed during the audit.

#### **Objective 3-Protection and Maintenance of Water Resources:**

Harvest activities demonstrated compliance with Virginia BMPs with the exception of two instances. In one instance, slash was deposited directly into a stream course during a road construction project. This was not observed by the inspector, but was obvious, and should have been noted and dealt with. The other instance was a small amount of slash deposited to a stream from water bar establishment on the approaches. This was also not noted by the inspector, but was not as obvious as the first instance. The lead auditor questioned why he could identify these issues in a matter of a few minutes, yet they were not observed by the company, and issued a non-conformance. Besides these two issues, SMZs were very well established. Stream crossings are limited, but where necessary, were properly stabilized when removed. All crossings were done with skidder bridges, which greatly reduces the

environmental footprint compared to using logs and logging slash to cross stream.

Loggers operating on Conservation Forestry land are required to complete Virginia's SHARP or North Carolina's Pro-Logger training programs.

#### Objective 4-Conservation of Biological Diversity:

AFM has gathered information on potential T&E species and FECVs that could occur on Conservation Forestry land. No known locations have been identified on CF land. All harvest activities reviewed during the audit demonstrated implementation of a program for retention of stand-level wildlife habitat elements. Many sites are lump sum, meaning the buyer is inclined to harvest everything on the tract. However, there were instances where snags were retained. In addition, the company's generous establishment of SMZs results in much stand-level retention.

AFM has a system for analyzing forest cover types across its ownership, and examines the data to determine how its wildlife habitat is distributed. CF has sold a number of easements and made a number of conservation sales on surrounding properties. Transfer of these properties to conservation interests will eventually result in providing some old-growth characteristics. Employees are aware of invasive species that could occur in their area of operations.

#### Objective 5-Management of Visual Quality and Recreational Benefits:

A procedure is in place to address aesthetics. However, most of the property is located in rural areas away from view of the general public. Average clearcut size for 2015 was 68 acres. All clearcuts reviewed during the audit demonstrated compliance with the green-up requirement.

#### Objective 6-Protection of Special Sites:

A special sites procedure is in place. No special sites are known to exist on CF property within the scope of this audit.

#### Objective 7-Efficient Use of Fiber Resources:

Utilization was acceptable on all harvest tracts reviewed during the audit.

#### Objective 8: Recognize and Respect Indigenous People's Rights:

CF has a written policy to recognize and respect the rights of indigenous peoples. CF's written policy contains a provision for being aware of traditional forestry related knowledge, and to respond to inquiries from indigenous peoples if it receives any. Only one federally recognized tribe is located in Virginia.

#### Objective 9-Legal and Regulatory Compliance:

CF has access to applicable laws and regulations. System to ensure regulatory compliance consists of employee and contractor training, pre-harvest planning to identify regulatory issues, and inspection processes to ensure compliance. No adverse regulatory action has been taken against the company. AFM has a written policy to comply with all social laws. Neither CF or AFM have received any complaints from interested parties as to it or its contractor's performance relative to ILO core conventions.

#### Objective 10-Forestry Research, Science and Technology:

AFM contributes to the NC State Forest Productivity Cooperative. This contribution covers CF's operations. AFM's membership in the Virginia SIC includes support for growth and drain assessments and regeneration assessments, and includes the support of biodiversity conservation information for landowners. BMP implementation information has been gathered. The company demonstrated it has access to information on the potential impacts of climate change on forest health and productivity, and wildlife and wildlife habitat.

#### Objective 11-Training and Education:

Roles and responsibilities are outlined in the training and education procedure. Records verified training has occurred as required by the procedure. The training procedure also specifies contractors are to be qualified loggers. Timber cutting agreements contain a clause requiring loggers to be trained.

#### Objective 12-Community Involvement and Landowner Outreach:

AFM's is a member of and financially supports the Virginia SIC. AFM's support of the Virginia SIC includes the development and distribution of landowner information that includes information on the conservation of biological conservation. AFM provided evidence of involvement in public educational efforts. The company has a communication procedure to handle complaints and feedback. It has not received any such communications relative to its certification program.

#### Objective 13: Public Land Management Responsibilities: N/A

#### Objective 14-Communications and Public Reporting:

The 2015 surveillance audit report for Conservation Forestry was found on the SFI, Inc. website as required for public review. The company submitted its 2015 SFI annual progress report in a timely manner.

#### Objective 15-Management Review:

AFM and Conservation Forestry have a management review process in place. Management review minutes verified the meeting is held annually as required by the SFI Standard. This year's management review has not occurred yet. It is now set to occur just after the external audit.

### **Findings**

#### **Previous non-conformances:**

No non-conformances were issued during the previous audit

#### **Non-conformances:**

One minor non-conformance was issued during this audit against PM 3.1, Indicators 1 and 3. The SF02 nonconformity report is shown below.

#### **Opportunities for Improvement:**

None were issued.

#### **Notable Practices:**

None were issued

**Logo/label use:**

Neither AFM nor Conservation Forestry is using the SFI or Bureau Veritas Certification logos.

**SFI reporting:**

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

**Conclusions**

The lead auditor issued a recommendation for continued certification to the SFI 2015-2019 Standard Forest Management Edition pending the development of a corrective action plan for the minor non-conformance. Corrective actions are due to dawn.komnick@us.bureauveritas.com within 30 days of the closing meeting.

**SEE SF61 FOR AUDIT NOTES**

<b>Summary of Audit Findings:</b>										
Audit Date(s):			From: Nov. 2, 2016				To: Nov. 3, 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:										
<b>Team Leader Recommendation:</b>										
Corrective Action Plan(s) Accepted			Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>	N/A	<input type="checkbox"/>	Date:	
Proceed to/Continue Certification			Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>	N/A	<input type="checkbox"/>	Date:	
All NCR's Closed			Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	N/A	<input checked="" type="checkbox"/>	Date:	
Standard audit conducted against:										
1)	SFI 2015-2019 FM Edition			3)						
2)				4)						
Team Leader (1):			Team Members (2,3,4...)							
Richard Boitnott; CF, TX AF			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	October 25-26, 2017				
Audit Report Distribution					
Dawn Komnick: dawn.komnick@us.bureauveritas.com					
Rick Larkin: rick.larkin@afmforest.com					

Clause	Audit Report
Opening Meeting	Participants: Rick Larkin Discussions: <ul style="list-style-type: none"> <li>➤ Introductions</li> <li>➤ Scope of the audit</li> <li>➤ Audit schedule/plan</li> <li>➤ Nonconformance types – Major / Minor</li> <li>➤ Review of previous nonconformances - 0.</li> <li>➤ Process approach to auditing and audit sampling</li> <li>➤ Confidentiality agreement</li> <li>➤ Termination of the audit</li> <li>➤ Appeals process</li> <li>➤ Closing meeting timing</li> </ul>
Closing Meeting	Participants: Rick Larkin, Kyle Parshall Discussions: <ul style="list-style-type: none"> <li>➤ Introductions and appreciation for selecting Bureau Veritas Certification.</li> <li>➤ Review of audit process - process approach and sampling.</li> <li>➤ Review of OFIs and System Strengths</li> <li>➤ Nonconformances - 1</li> <li>➤ Date for next audit.</li> <li>➤ Reporting protocol and timing</li> </ul>



## SF02/NA NONCONFORMITY REPORT

<b>Company Name and Site:</b>		<b>SF02#:</b>	
Conservation Forestry		SF02-01	
Contract #:	Type of audit (e.g., initial, surveillance):	Team Leader:	
US2357486	Renewal	Richard Boitnott	
Date:	Standard and Clause #:	Team Member:	
11/3/2016	SFIS FM PM 3.1, Ind 1 and 3		
Major	Minor	Other Documents (if applicable):	Company Representative:
	X		Rick Larkin
<b>REQUIREMENT OF AUDITED STANDARD:</b>			
PM 3.1, Ind. 1 requires the company to have a program to implement BMPs in all its management activities, while Ind. 3 requires the company to monitor BMP compliance.			
<b>OBSERVED NONCONFORMITY:</b>			
Two instances were found where debris was shoved into a stream course, One while establishing waterbars on an approach to a stream, and the other during road construction activities. Neither instance was identified by the inspector. While the first instance was relatively minor, the second should have been identified by the inspector.			
<b>ROOT CAUSE ANALYSIS AND CORRECTIVE ACTION PLAN</b> (To be completed by the Company. Plan to be submitted in 30 days)			
Corrective Action Plan Date:		Company Representative:	
Root Cause Analysis and Corrective Action			
Root Cause:			
Corrective Action Plan:			
<b>ROOT CAUSE AND CORRECTIVE ACTION PLAN ACCEPTANCE REPORT</b> (To be completed by Bureau Veritas Certification – Verify effective identification of Root Cause and acceptance of Corrective Action Plan)			
Root Cause:			
Corrective Action Plan:			
Plan Accepted:	Yes	No	Comments:
Auditor:			Date:
<b>CORRECTIVE ACTION IMPLEMENTATION</b>			
To be completed by Company – Provide objective evidence. Not to exceed: 90 Days <input type="checkbox"/> 1 Year <input checked="" type="checkbox"/>			
Corrective Action Completion Date:		Company Representative:	
Corrective Action Implementation:			
Method used to verify effectiveness of action taken:			
<b>CORRECTIVE ACTION IMPLEMENTATION ACCEPTANCE REPORT</b> (To be completed by Bureau Veritas Certification – Acceptance of Corrective Action taken)			
Accepted:	Yes	No	Nonconformance Closed: Yes No
Follow Up Comments:			
			Date:
Auditor:			