



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

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Company Name	St. Charles Community, LLC
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PQC Code	St. Charles Community, LLC
Contract Number	US2037243

Certification Audit:		Re-Certification Audit:	X	Surveillance Audit:	#	Scope extension audit:	
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Audit Summary
<p align="center"><b>Introduction</b></p> <p>This report summarizes the results of the renewal audit of St. Charles Community, LLC’s SFI program for forest management operations. Richard Boitnott, Bureau Veritas Certification Lead Auditor conducted the audit on October 27/2015.</p> <p align="center"><b>Audit Scope, Objectives and Process</b></p> <p>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.</p> <p align="center"><b>Audit Plan</b></p> <p>The audit consisted of a ½ day review of system documentation at the St. Charles Community office in Waldorf Maryland the morning of October 27, followed by a ½ day field audit in the afternoon. A closing meeting was held at the end of the day on the 27<sup>th</sup>.</p> <p align="center"><b>Company Information</b></p> <p>St. Charles Community LLC is a property development company, which is developing the community of St. Charles Maryland, and owns the land being certified. Approximately 3000 acres are included in the scope of its certification. The forest is primarily mixed hardwood, with scattered Virginia pine. Topography is rolling. Through its “Green Initiative” the Company is implementing environmentally sensitive community planning, building to the LEED standard and managing their forests to the SFI standard. Forest management activities and management of the SFI program are conducted by American Forest Management (AFM), a forestry consulting firm based out of Charlotte North Carolina, with a local office in Virginia.</p>

## **Multi-Site Requirements**

N/A

### **Audit Results**

The document review was conducted to determine if St. Charles' system documentation meets the requirements of the SFI 2015-2019 Standard. The field audit consisted of a review of one partial harvest, a special site, and one regeneration site.

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

St. Charles has an inventory system in place. The property was cruised in 2009, and is cruised every 5 years afterwards. A new allowable cut was established following the current cruise. The company uses FVS to grow the timber between cruises. Allowable cut is set to be no more than growth. A GIS is in place. Web Soil Survey provides soil mapping. Land classification is done using land form. Biodiversity at landscape scales is accomplished by mapping of cover types.

St. Charles does not convert any forest cover types. St. Charles is prepared to inform its customers if it converts land to a non-forest use.

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

St. Charles does not practice artificial regeneration, and does not use chemicals. The one clearcut conducted since 2009 is still being monitored for successful natural regeneration. The site was reviewed during the audit. Regeneration is spotty, and will need to be reviewed again next year to determine if corrective actions are needed. All other harvests have been partial cuts, with the goal of improving stand quality for future growth. The harvest operation observed during the audit provided evidence of protection of soil productivity. Virtually no erosion or compaction was observed.

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

The one harvest operation observed during the audit demonstrated compliance with Maryland BMPs and implementation of plans to protect water quality. SMZs were very well established. No stream crossings were observed. Loggers operating on St. Charles land are properly trained. Logging contracts contain a requirement to comply with BMPs.

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

AFM has conducted a county-level review of potential FECVs that could occur on the property. No T&E species or FECVs are known to occur. St. Charles has retained a small stand of older timber that provides some measure of old-growth characteristics. This stand was visited during the audit. AFM is aware of the potential invasive species that could occur on the property. One observed the most during the audit was Japanese stiltgrass, a species for which there is no reasonable method of control.

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

St. Charles is very concerned with visual quality, so aesthetics are considered during every forest was reported, and no green-up issues observed.

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

St Charles has identified one special site on the property; a small stand of yellow poplar that provides some old-growth characteristics.

Objective 7-Efficient Use of Fiber Resources:

The one partial harvest reviewed during the audit demonstrated effective utilization.

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

St. Charles has a written policy to recognize and respect the rights of indigenous peoples. St. Charles'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. No federally recognized tribes are known to occur in Maryland

Objective 9-Legal and Regulatory Compliance:

St. Charles has access to laws and regulations relevant to operations in the state of Maryland. The company's system for achieving regulatory compliance consists of employee and contractor training, pre-harvest planning to identify regulatory issues, and inspection processes to ensure compliance. No adverse regulatory actions have been taken against any of St. Charles' activities. St. Charles has a policy to comply with social laws, and has not 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 Virginia Forest Productivity Cooperative. AFM's contribution covers St. Charles' operations. AFM's contribution to the Maryland/Delaware SIC includes access to BMP implementation data and provides biodiversity conservation information to family forest landowners. AFM demonstrated 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. The only contract in place was written in 2014, so it does not yet contain language requiring the use of qualified loggers.

Objective 12-Community Involvement and Landowner Outreach:

AFM's is a member of and financially supports the Maryland/Delaware SIC. AFM's support of the Maryland SIC includes the development and distribution of landowner information. The Maryland/Delaware SIC has developed a brochure that includes information on the conservation of biological conservation. St. Charles 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:

St. Charles had posted its 2014 surveillance audit report on the SFI, Inc. website as required for

public review. The company produced evidence it submitted the 2014 SFI annual progress report in a timely manner.

**Objective 15-Management Review:**

AFM and St. Charles have a management review process in place. Management review minutes verified the meeting is held annually as required by the SFI Standard.

**Findings**

**Previous non-conformances:**

One non-conformance was issued during the previous audit due to a deficiency in the company's training program. This deficiency has been resolved, and the non-conformance has been closed.

**Non-conformances:**

No non-conformances were issued during this audit.

**Opportunities for Improvement:**

No opportunities for improvement were issued.

**Notable Practices:**

No notable practices were issued.

**Logo/label use:**

St. Charles has applied the logo on its timber sale permit document. The company has evidence it obtained approval for the SFI logo use.

**SFI reporting:**

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

**Conclusions**

Since no non-conformances were issued, the lead auditor issued a recommendation for immediate certification to the SFI 2015-2019 Standard Forest Management Edition.

**SEE SF61 FOR AUDIT NOTES**

Summary of Audit Findings:									
Audit Date(s):		From: Oct. 27, 2015				To: Oct. 27, 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:		10/27/2015	
All NCR's Closed		Yes	X	No	N/A	Date:		10/27/2015	
Standard audit conducted against:									
1)	SFI 2015-2019 Standard FM			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	Oct. 25, 2016								
Audit Report Distribution									
Fred Schatzki : fred.schatzki@afmforest.com									
Rick Larkin: rick.larkin@afmforest.com									
Dawn Komnick: dawn.komnick@us.bureauveritas.com									

Clause	Audit Report
Opening Meeting	<p>Participants: Rick Barnas (St. Charles Community) Fred Schatzki (AFM), Rick Larkin (AFM)</p> <p>Discussions:</p> <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 - 1.</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	<p>Participants: Fred Schatzki, Rick Larkin</p> <p>Discussions: Introductions and appreciation for selecting Bureau Veritas Certification.</p> <ul style="list-style-type: none"> <li>➤ Review of audit process - process approach and sampling.</li> <li>➤ Review of OFIs and System Strengths</li> <li>➤ Nonconformances - 0</li> <li>➤ Date for next audit.</li> <li>➤ Reporting protocol and timing</li> </ul>



## SF02/NA NONCONFORMITY REPORT

Company Name and Site:		<u>SF02#:</u>	
St. Charles Community, LLC		S2-01	
Contract #:	Type of audit (e.g., initial, surveillance):	Team Leader:	
US.1284273	Surveillance	Richard Boitnott	
Date:	Standard and Clause #:	Team Member:	
12/2/2014	SFIS PM 16.1 Ind. 3		
Major	Minor	Other Documents (if applicable):	Company Representative:
	X		Rick Larkin
<b>REQUIREMENT OF AUDITED STANDARD:</b>			
PM 16.1 Ind. 3 requires staff education and training sufficient to their roles and responsibilities			
<b>OBSERVED NONCONFORMITY:</b>			
Training table contained in the procedure specifies sustainable forestry policy training is to be conducted annually. However, there is no evidence such training has occurred. In addition, the table only specifies BMP training is to be taken only once. This does not account for changes in a state's BMP guidelines, or ensure additional training is received if a forester is moved to a different state or region with different BMP guidelines.			
<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:	December 23, 2014	Company Representative:	Rick Larkin
<b>Root Cause Analysis and Corrective Action</b>			
Root Cause: The EMS requires that when an employee attends training, he report the training to the EMS manager. Employees did not report training to the EMS manager and the EMS manager did not check with employees to see if they had attended training classes.			
Corrective Action Plan: The required training table will be updated to more accurately represent training requirements. Employees will be reminded to report all training to the EMS manager. Additionally, the EMS manager will periodically check with employees to ensure that all training attended by employees is recorded.			
<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: Acceptable Corrective Action Plan: Acceptable			
Plan Accepted:	Yes	X	No
Comments:			
Auditor:	Richard Boitnott		Date: 10/23/2014
<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:	4/16/2015	Company Representative:	Rick Larkin
Corrective Action Implementation: Modified training requirements to more accurately reflect what needs to be done. In addition, the EMS manager is recording training records Method used to verify effectiveness of action taken: Review of training records.			
<b>CORRECTIVE ACTION IMPLEMENTATION ACCEPTANCE REPORT</b> (To be completed by Bureau Veritas Certification – Acceptance of Corrective Action taken)			
Accepted:	Yes	X	No
Nonconformance Closed:	Yes	X	No
Follow Up Comments:			

Auditor:	Richard Boitnott	Date:	10/27/2015
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