



2014 SFI Public Summary Report

Timberland Investment Resources, LLC Sustainable Forestry Initiative® (SFI) Standard [2010-2014]

Project Scope and Objectives

PricewaterhouseCoopers LLP (PwC) completed a SFI Registration Assessment of forestry lands managed by Timberland Investment Resources LLC (“TIR” or “the Company”). The Lead Assessor was Joann Cox, EMS (LA).

The primary objective of the assessment was to assess TIR’s SFI management system and to evaluate the implementation of the SFI Standard in the field.

Indicators

All of the indicators in the SFI Standard were within the scope of the assessment, except for Objectives 8-13, since TIR does not procure fiber, and Objective 18, since none of the land managed by TIR is public land. There were no substitute indicators.

Assessment Process

The assessment team conducted interviews and reviewed appropriate documentation to assess policies and procedures, and tested implementation of SFI program requirements. The report was dated March 12, 2014.

Summary of Conformance and Good Management Practices

TIR manages timberland investments in the states of Alabama, Arkansas, Florida, Georgia, Louisiana, Mississippi, New York, North Carolina, South Carolina, Tennessee, Texas, Virginia and Wisconsin totaling approximately 607,300 acres. TIR manages its SFI program through a centralized management structure that is further divided into geographical Regions. The centralized management structure provides a consistent approach towards forest management throughout the organization. Part of the centralized management operations is an Investment Analysis group that supports forest management modelling and planning that is driven by forest inventory data and managed through their GIS.

Prompt reforestation is achieved by either natural regeneration or planting of harvest units. Planting stock selection is determined by site specific factors. TIR foresters assess potential ecological impacts in the event a different species or species mix is contemplated from what was originally on the site. Adequate regeneration is evaluated using a set of clear criteria during planting operations, including stocking rates for natural and planted regeneration.

Timber utilization specifications are included in contracts and detailed harvest plans. Harvesting operations are reviewed through the course of operations and documented in the inspection

report. TIR requires employees and direct contractors conducting logging operations to be appropriately trained. TIR encourages wood producers operating on its land base to employ the services of qualified logging professionals.

TIR is a SIC member in any state where it manages at least 50,000 acres or where at least 10% of the lands enrolled in the SFI program are located, whichever is smaller. Through the SIC and other activities, TIR foresters are involved with public outreach and education activities related to sustainable forest management. TIR participates in research through membership in several research cooperatives and forestry organizations that support forestry research, science and technology.

Specific Good management practices are noted below:

- TIR is using a customized application using photos to help Forest Service Providers (FSPs) and loggers identify Threatened and Endangered species during harvest operations.
- TIR has developed a comprehensive Quality Assurance program during silviculture activities (e.g. spacing/thinning operations) to monitor progress and correct any issues to ensure desired results are achieved and corrective actions can be implemented before the activity is completed.
- TIR has developed a map book for resource protection that it shares with FSPs and state agencies to ensure that they know where TIR properties are and who to contact in the event of an issue (e.g. fires).
- TIR acted quickly to initiate salvage operations on severely damaged stands impacted by recent a state-wide ice storm event in South Carolina. They also developed a systematic casualty loss process to assess financial loss where appropriate and document future forest health risks.

Summary of Findings

There was one minor non-conformity identified during the assessment:

- TIR has begun, but not yet fully developed, a program to locate and protect known Forests with Exceptional Conservation Value (FECV) and to incorporate results into forest management planning. An action plan has been developed to address this finding, which has been accepted by PwC.

Opportunities for improvement were identified in the following areas:

- Including an internal audit test to assess the qualification of loggers that are operating on lands managed by TIR.
- Add checks for PPE, fire suppression equipment and spill kits to the monitoring forms for harvest activities.

Conclusion

The Group has met the requirements of the SFI Standard. The Certificate can be can be obtained by contacting Steve Smith of TIR at (404) 848-2000 or on <http://www.tirllc.com>.