



**BUREAU  
VERITAS**

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

390 Benmar Drive, Suite 100  
Houston, TX 77060  
Phone (281) 986-1300: Toll Free (800) 937-9311

|                 |   |
|-----------------|---|
| Company Name    | South Carolina Forestry Commission        |
| Contact Person  | Mike Shealy                               |
| Address         | 5500 Broad River Road, Columbia, SC 29212 |
| Phone / Fax     | (803) 896-8800                            |
| PQC Code        | E01E                                      |
| Contract Number | US.1518980                                |

|                      |  |                         |  |                     |    |                        |  |
|----------------------|--|-------------------------|--|---------------------|----|------------------------|--|
| Certification Audit: |  | Re-Certification Audit: |  | Surveillance Audit: | #2 | Scope extension audit: |  |
|----------------------|--|-------------------------|--|---------------------|----|------------------------|--|

| Audit Summary  |
|--|
| <p align="center"><b>Introduction</b></p> <p>This report summarizes the results of the 2nd surveillance audit conducted on the South Carolina Forestry Commission’s (SCFC) SFI program for forest and land management. Gary Boyd, Bureau Veritas Certification Lead Auditor conducted the audit on July 15-17, 2015.</p> <p align="center"><b>Audit Scope, Objectives and Process</b></p> <p>The scope is “forest management”. The audit was conducted against the SFI 2015-2019 Forest Management Standard. Specifically, two objectives of the 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>An opening meeting was conducted at the Poe Creek State Forest Headquarters office the afternoon of July 15, 2015. The audit moved to the Sand Hills State Forest the next day, July 16, 2015. The SCFC Headquarters Office was visited the next morning, July 17, 2015 with a closing meeting at 11 am that same day. An audit plan was developed and is maintained on file by Bureau Veritas Certification.</p> <p align="center"><b>Company Information</b></p> <p>The South Carolina Forestry Commission (SCFC) manages approximately 84,700 acres of state owned forestland across the state of South Carolina. The land is managed to provide revenue, education, research, and demonstration. Timber is managed and harvested to produce income and provide educational opportunities. The state forests contain natural pine and hardwood stands along with plantations of primarily longleaf and loblolly pine. A small amount of slash pine is present on some state forests, but these sites are being converted back to native species. Each state forest has slightly different management objectives as indicated in their respective forest management plans. Forest management activities are not highly intensive. The property is open to the public for</p> |

recreational activities, although access is controlled in certain circumstances.

### Multi-Site Requirements

This certificate covers the five state forests managed by the South Carolina Forestry Commission located throughout the state of South Carolina. The central office is the SCFC headquarters located in Columbia, SC. The five state forests are listed below.

|            |   |                     |  |
|------------|---|---------------------|--|
| Multi-Site | X | Group Certification |  |
|------------|---|---------------------|--|

| Sites  | Sites Audited During Initial Audit |
|--|------------------------------------|
| SCFC Headquarters, Columbia, SC (Central Office) | X                                  |
| Wee Tee State Forest                             |                                    |
| Manchester State Forest                          |                                    |
| Sand Hills State Forest                          | X                                  |
| Poe Creek State Forest                           | X                                  |
| Harbison State Forest                            |                                    |

### Audit Results

The 2<sup>nd</sup> surveillance audit was conducted to determine if SCFC's system documentation continues to meet the requirements of the SFI 2015-2019 Forest Management Standard. Two minor non-conformances and three opportunities for improvement were issued during the surveillance audit.

The field audit visited seven sites which consisted of a review of one clearcut and one thinning harvests, one regeneration tracts, one chemical application tract (one pine straw enhancement) and one road maintenance site. Field reviews indicate the organization is doing an excellent job of managing its forest.

Results of the surveillance #2 audit by objective are outlined below.

**Objective 1-Forest Management Planning:** SCFC has inventory and resource management processes in place for the Sand Hills SF. An annual allowable cut is determined for all state forests except for the two state forests (includes Poe Creek SF) that contain about 2,000 acres each. Harvest rates are relatively low, and growth exceeds harvest. Soils are mapped, and a land classification is in place.

**Objective 2-Forest Health and Productivity:** Regeneration activities were well done. SCFC uses both natural and artificial regeneration methods emphasizing longleaf pine re-establishment on pine sites. Herbicide applications are conducted occasionally, primarily for pine straw enhancement and are low risk. Soils were well protected on the harvest sites observed during the audit. Virtually no rutting or erosion was observed. Activities are being documented using the Management Activity Inspection Record.

**Objective 3-Protection and Maintenance of Water Resources:** Compliance with South Carolina BMPs was observed on harvest sites. SMZ widths exceeded state BMP guidelines. No temporary stream crossings were observed. On-the-ground results were good. Contracts reviewed contained clauses requiring BMP compliance.

**Objective 4-Conservation of Biological Diversity:** SCFC has natural heritage information from the SC Natural Heritage Program. This information is managed by the headquarters within the GIS

system and state forest personnel are notified of potential areas during budget planning. Field audits revealed SCFC was providing a good amount of stand-level wildlife habitat in its forest management activities. The land classification system is used to intersperse harvests across the property, providing for landscape diversity. One FECV special site was visited on the Poe Creek SF.

**Objective 5-Management of Visual Quality and Recreational Benefits:** No clearcut harvests were completed since the last audit of state forests. Harvesting has only been completed through thinnings.

**Objective 6-Protection of Special Sites:** SCFC has identified and mapped a number of special sites based on ecological, historical, or cultural uniqueness. These sites are part of a layer within the GIS system.

**Objective 7-Efficient Use of Fiber Resources:** Utilization was acceptable on the harvest sites reviewed during the audit.

**Objective 8: Recognize and Respect Indigenous People's Rights:** No recognized tribes are located on or near state forest lands. There has been no correspondence with indigenous people.

**Objective 9-Legal and Regulatory Compliance:** SCFC has access to applicable legal requirements. The agency has developed and implemented an Activity Flow Chart and the Management Activity Inspection Record to ensure regulatory compliance and the organization's own requirements are being followed. All contracts reviewed, but one, contained requirements for compliance with laws. A harvest contract used on Sand Hills State Forest did not contain language requiring purchaser to comply with applicable laws and regulations resulting in a minor non-conformance. No adverse regulatory action information was 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:** One of the main focuses of the property is research, so there was ample evidence of a wide variety of research activities. Employees interviewed demonstrated knowledge of climate change impact on forest health and productivity, or wildlife and wildlife habitat.

**Objective 11-Training and Education:** Roles, responsibilities, and training requirements are better defined. Contractors used during the previous year met the requirements of the South Carolina SIC (TOP logger) or had Commercial Applicators licenses. The agency is a full voting member of the South Carolina SIC, which includes participation in the development and delivery of logger training.

**Objective 12-Community Involvement and Landowner Outreach:** The SCFC is a full voting member of the South Carolina SIC. Financial support of the SIC is being paid by the agency. The SIC has developed an excellent landowner brochure that contains information on a number of topics, including the conservation of biological diversity and protection of special sites. The network of state forests exists as demonstration areas, providing information to landowners encouraging their continued management of forestland. There was ample evidence of educational efforts, given it is one of the primary uses of the forest.

**Objective 13: Public Land Management Responsibilities:** SCFC provides many opportunities for public and stakeholder input. This input is considered when the agency develops plans and conducts activities.

**Objective 14-Communications and Public Reporting:** The 2014 surveillance audit report is posted on the SFI website. The agency's 2014 SFI Annual Progress Report which was submitted prior to

March 15, 2015 was reviewed during the audit. SCFC has the reporting capabilities to provide information for the annual report.

Objective 15-Management Review: Management of the state forest's certification program is managed by the Manager – State Lands. The Manager reports to Director – Forest Management. The organization is relatively flat, and informal reviews occur on an regular basis.

### **Findings**

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

There was one minor non-conformance issued during the 1<sup>st</sup> surveillance audit. This non-conformance was closed 7/8/2014.

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

Two minor non-conformances were issued as a result of this 2<sup>nd</sup> surveillance audit. These non-conformances were issued to the following objectives, performance measures and indicators:

1. Objective 9, PM 1, Indicator 2: Legal and Regulatory Compliance;
2. Appendix 1; Audits of Multi-site Organizations: Documenting internal audits.

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

Three Opportunities for Improvement (OFI) were also issued during this 2<sup>nd</sup> surveillance audit. They were issued against the following indicators:

1. Objective 1, PM 1, Indicator 1;
2. Objective 1, PM 1, Indicator 2;
1. Objective 3, PM 1, Indicator 3.

#### **Notable Practices:**

None

#### **Logo/label use:**

No logo or label use was observed. SCFC does not intend to use the Bureau Veritas Certification logo.

#### **SFI reporting:**

The 2<sup>st</sup> surveillance audit report is located on the SFI website. SCFC submitted their 2014 SFI Progress Report in a timely manner this spring.

### **Conclusions**

Results of the audit indicate South Carolina Forestry Commission's SFI program meets the requirements of the 2010-2014 SFI Standard. Continued certification is recommended.

**SEE SF61 FOR AUDIT NOTES**

| Summary of Audit Findings:  |  |                         |                          |                          |                          |                                     |                             |       |               |
|---|--|-------------------------|--------------------------|--------------------------|--------------------------|-------------------------------------|-----------------------------|-------|---------------|
| Audit Date(s):  |  | From: July 15, 2015     |                          |                          |                          | To: July 17, 2015                   |                             |       |               |
| Number of SF02's Raised:  |  |                         | Major:                   |                          | 0                        |                                     | Minor:                      |       | 2             |
| 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 type="checkbox"/>    | Date: |               |
| Proceed to/Continue Certification   |  | Yes                     | <input type="checkbox"/> | No                       | <input type="checkbox"/> | N/A                                 | <input type="checkbox"/>    | Date: | July 17, 2015 |
| All NCR's Closed  |  | Yes                     | <input type="checkbox"/> | No                       | <input type="checkbox"/> | N/A                                 | <input type="checkbox"/>    | Date: |               |
| Standard audit conducted against:   |  |                         |                          |                          |                          |                                     |                             |       |               |
| 1)  | SFI 2015-2019 Forest Management Standard |                         |                          |                          | 3)                       |                                     |                             |       |               |
| 2)  |  |                         |                          |                          | 4)                       |                                     |                             |       |               |
| Team Leader (1):  |  | Team Members (2,3,4...) |                          |                          |                          |                                     |                             |       |               |
| Gary Boyd   |  | 2)                      |                          |                          |                          |                                     |                             |       |               |
|   |  | 3)                      |                          |                          |                          |                                     |                             |       |               |
|   |  | 4)                      |                          |                          |                          |                                     |                             |       |               |
|   |  | 5)                      |                          |                          |                          |                                     |                             |       |               |
| Scope of Supply: (scope statement must be verified and appear in the space below)     |  |                         |                          |                          |                          |                                     |                             |       |               |
| Forest Management   |  |                         |                          |                          |                          |                                     |                             |       |               |
| Accreditation's   |  | ANAB                    |                          |                          |                          |                                     |                             |       |               |
| Number of Certificates  |  | 1                       |                          |                          |                          |                                     |                             |       |               |
| Proposed Date for Next Audit Event  |  |                         |                          |                          |                          |                                     |                             |       |               |
| Date  | July 2016                                |                         |                          |                          |                          |                                     |                             |       |               |
| Audit Report Distribution   |  |                         |                          |                          |                          |                                     |                             |       |               |
|   |  |                         |                          |                          |                          |                                     |                             |       |               |
| Bureau Veritas Certification: Dawn Komnick-Ehmann - dawn.komnick@us.bureauveritas.com |  |                         |                          |                          |                          |                                     |                             |       |               |
| SCFC: Mike Shealy - mshealy@forestry.state.sc.us                                      |  |                         |                          |                          |                          |                                     |                             |       |               |

| Clause          | Audit Report   |
|-----------------|--|
| Opening Meeting | Participants: Mike Shealy, Paul Blessing, Gary Boyd<br>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 – 1 Minor.</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: Mike Shealy, Gary Boyd<br>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 – 2 Minor</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>                    |                               |
| South Carolina Forestry Commission / Sand Hills State Forest   |   | 2015-01                          |                               |
| Contract #:  | Type of audit (e.g., initial, surveillance):                      | Team Leader:                     |                               |
| US.1518980   | Surveillance #2   | Gary Boyd                        |                               |
| Date:  | Standard and Clause #:  | Team Member:                     |                               |
| July 16, 2015  | SFI 2015-2019 Forest Management Standard /<br>Obj 9, PM 1, Ind. 2 |                                  |                               |
| Major  | Minor   | Other Documents (if applicable): |                               |
|  | X   |                                  |                               |
| Company Representative:  |   |                                  |                               |
| Mike Shealy  |   |                                  |                               |
| <b>REQUIREMENT OF AUDITED STANDARD:</b>  |   |                                  |                               |
| System to achieve compliance with applicable federal, provincial, state, or local laws and regulations.  |   |                                  |                               |
| <b>OBSERVED NONCONFORMITY:</b>   |   |                                  |                               |
| Harvest contract used on Sand Hills State Forest did not contain language requiring purchaser to comply with applicable laws and regulations.  |   |                                  |                               |
| <b>ROOT CAUSE ANALYSIS AND CORRECTIVE ACTION PLAN</b><br>(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><br>(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 checked="" type="checkbox"/> 1 year <input type="checkbox"/>  |   |                                  |                               |
| Corrective Action Completion Date:   |   | Company Representative:          |                               |
| Corrective Action Implementation:<br>Method used to verify effectiveness of action taken:  |   |                                  |                               |
|  |   |                                  |                               |
| <b>CORRECTIVE ACTION IMPLEMENTATION ACCEPTANCE REPORT</b><br>(To be completed by Bureau Veritas Certification – Acceptance of Corrective Action taken)   |   |                                  |                               |
| Accepted:  | Yes   | No                               | Nonconformance Closed: Yes No |
|  |   |                                  |                               |
| Follow Up Comments:  |   |                                  |                               |
|  |   |                                  |                               |
| Auditor:   |   |                                  | Date:                         |
|  |   |                                  |                               |



### SF02/NA NONCONFORMITY REPORT

|   |   |                                  |
|---|---|----------------------------------|
| Company Name and Site:                            |   | SF02#:                           |
| South Carolina Forestry Commission / Columbia, SC |   | 2015-02                          |
| Contract #:                                       | Type of audit (e.g., initial, surveillance):  | Team Leader:                     |
| US.1518980  | Surveillance #2   | Gary Boyd                        |
| Date:   | Standard and Clause #:  | Team Member:                     |
| July 17, 2015                                     | SFI 2015-2019 Forest Management Standard / Appendix 1: Audits of Multi-site Organizations (d) |                                  |
| Major   | Minor   | Other Documents (if applicable): |
|   | X   | Company Representative:          |
|   |   | Mike Shealy                      |

#### REQUIREMENT OF AUDITED STANDARD:

The organization should demonstrate its ability to collect and analyze data (including, but not limited to, the items listed below) from all sites including the central office and its authority and also demonstrate its authority and ability to initiate organizational change if required:

- System documentation and system changes;
- Management review;
- Complaints;
- Evaluation of corrective actions;
- Internal audit planning and evaluation of the results;
- Changes to aspects and associated impacts for environmental management systems and
- Different legal requirements.

#### OBSERVED NONCONFORMITY:

Internal audits are conducted informally and are recorded as internal audit records. The documentation of complaints is not recorded.

#### ROOT CAUSE ANALYSIS AND CORRECTIVE ACTION PLAN

(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: |  |

#### ROOT CAUSE AND CORRECTIVE ACTION PLAN ACCEPTANCE REPORT

(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: |  |
|----------|--|-------|--|

#### CORRECTIVE ACTION IMPLEMENTATION

To be completed by Company – Provide objective evidence. Not to exceed: 90 Days  1 year

|                                    |  |                         |  |
|------------------------------------|--|-------------------------|--|
| Corrective Action Completion Date: |  | Company Representative: |  |
|------------------------------------|--|-------------------------|--|

Corrective Action Implementation:  
Method used to verify effectiveness of action taken:

#### CORRECTIVE ACTION IMPLEMENTATION ACCEPTANCE REPORT

(To be completed by Bureau Veritas Certification – Acceptance of Corrective Action taken)

|           |     |    |                        |     |    |
|-----------|-----|----|------------------------|-----|----|
| Accepted: | Yes | No | Nonconformance Closed: | Yes | No |
|-----------|-----|----|------------------------|-----|----|

|                     |  |
|---------------------|--|
| Follow Up Comments: |  |
|---------------------|--|

|          |  |       |  |
|----------|--|-------|--|
| Auditor: |  | Date: |  |
|----------|--|-------|--|

