



**BUREAU  
VERITAS**

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

390 Benmar Drive, Suite 100  
Houston, TX 77060

Phone (281) 986-1300: Toll Free (800) 937-9311

Company Name	Molpus Timberlands Management, LLC
Contact Person	Ruth Cook
Address	178 Bonhomie Rd.; Hattisburg, MS 39401
Phone / Fax	Phone: 601-545-3062 xt. 126
PQC Code	E01E

Contract Number:	US0906458	Certification Audit:		Re-Certification Audit:		Surveillance: (Indicate visit # or Pre-Assessment)	SE
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**Audit Summary**

**Introduction**

This report summarizes the results of the scope extension audit conducted on Molpus Timberlands Management, LLC's multi-site SFI program for forest management operations. The audit was conducted on February 27, 2014 by Richard Boitnott, Bureau Veritas Certification Lead Auditor.

**Audit Scope, Objectives and Process**

The audit was conducted against the SFI 2010-2014 standard. The scope extension covered applicable indicators in Objectives 1, 2, 3, 4, and 6. There was no substitution or modification of indicators. The audit was conducted 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. Specifically, the audit was conducted to determine if Molpus has gathered sufficient data on its newly purchased property in New York to be included in the scope of its SFI certification. 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 was performed for ½ day the morning of February 27, 2014. An audit plan was developed and is maintained on file by Bureau Veritas Certification.

**Company Information**

Molpus is a timberland investment management organization, managing land in Texas, Louisiana, Oklahoma, Arkansas, Mississippi, Alabama, Florida, Tennessee, Kentucky, Michigan, New York, Pennsylvania, and Idaho. Molpus purchased approximately 130,000 acres in New York from Rayonier in December 2013. This land was previously certified to the SFI 2010-2014 Standard as part of Rayonier's multi-site SFI program. Both the Molpus and Rayonier properties had undergone a field audit by Bureau Veritas Certification in June of 2013.

Molpus had originally managed approximately 34,000 acres in New York and Pennsylvania. This land is located outside of the Adirondack Park in an area known as Tug Hill. However, there is a conservation easement on the Tug Hill property that results in restrictions similar to that found in the park. The land purchased from Rayonier is almost all in the park, and is subject to Adirondack Park

Association regulations. Most of the Rayonier property is covered under five different conservation easements which transferred to Molpus as part of the purchase.

The addition of 130,000 acres to this office represented a substantial increase in size, necessitating a scope extension audit to ensure Molpus has incorporated this land into its existing management system. However, the purchased land does not entail the addition of a new site as defined by SFI, Inc. Molpus is covering the land from its existing office in New York using the same employee who was managing the original landbase, although plans are to hire two more employees to assist with the increase in acreage.

### **Multi-Site Requirements**

The company maintains a multi-site certification consisting of 13 offices. The scope extension was conducted include additional land in an existing office in New York.

Headquarters of the management system is located at the company’s operational headquarters in Hattiesburg Mississippi. 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 global 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 the lead auditor considers to be reliable.

<b>Sites</b>	<b>Sites Audited During this Event</b>
Hattisburg, Mississippi (central office)	X
Antlers Oklahoma	
El Dorado Arkansas	
Hoover Alabama	
Bay Minette Alabama	
Philadelphia Mississippi	
Houghton Michigan	
Richmond Kentucky	
Saranac Lake New York	X (covered)
Wilmington North Carolina	
Bossier City Louisiana	
International Falls Minnesota	
Deridder, Louisiana	
Couer d’Alene, Idaho	

### **Audit Results**

The document review focused on the process used and data gathered by Molpus to incorporate the newly acquired property in New York into its existing management system. The results are shown below by the SFI objectives covered during the audit.

Objective 1: Molpus operates an excellent forest management system. The company received plot-level inventory data from the previous owner. In addition, Molpus has plot data from its own cruise conducted as part of the acquisition. Molpus plans to put in more plots to ensure inventory data meets its specifications. Volumes are grown using TWIGS. A harvest schedule was developed as part of the acquisition model. This schedule will be updated as additional cruise data is received.

The long-term harvest schedule provided evidence of sustainability, with year-end inventory levels projected to increase slightly over the long-term.

Objective 2: Molpus has gathered what NRCS soils data is available for New York. There are portions of New York that do not have soils data, but the company has gathered what is available. Local knowledge is used to for areas without soils data. The land management forester has been working in New York for many years, and is quite familiar with soil conditions.

Objective 3: Molpus has hydrological data for the newly acquired property. Streams and non-forested wetlands are identified in the GIS. A scenic stream layer has also been gathered, and the stream and associated buffer are mapped.

Objective 4: Molpus is working with a contractor to retrieve heritage data from each state in which it owns land. This data has already been obtained for the newly acquired property. No known occurrences of T&E species or FECVs are known to occur on the property. This was verified by reviewing past audit results for the Rayonier property. A number of species of concern were identified and are mapped in the GIS.

Objective 6: Molpus has a special sites program to protect sites on its property with cultural, historical, geological, or ecological uniqueness. Molpus did not receive information on special sites from the previous owner, and is in the process of building this database as it becomes more familiar with the property. Previous audit reports for Rayonier indicate special sites to be a rare occurrence on this property.

## **Findings**

### **Previous non-conformances**

No non-conformances were issued during the previous audit.

### **Non-conformances:**

No non-conformances were issued during this scope extension.

### **Opportunities for Improvement:**

No opportunities for improvement were issued.

### **Notable Practices:**

No notable practices were issued.

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

Molpus is not using the SFI or Bureau Veritas Certification logos.

### **SFI reporting:**

Not reviewed during this audit event.

## **Conclusions**

Evidence indicates Molpus has effectively incorporated the recently acquired lands in the New York area into its SFI program. The lead auditor recommended these lands be included in Molpus' existing SFI 2010-2014 certificate effective immediately.

## **Surveillance Audit Schedule**

The next event will be a renewal audit, which will begin in April 2014.

**SEE SF61 FOR AUDIT NOTES**

<b>Summary of Audit Findings:</b>						
Audit Date(s):	From: 2/27/2014			To: 2/27/2014		
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:						
<b>Team Leader Recommendation:</b>						
Corrective Action Plan (s) Accepted	Yes	No		Date:	N/A	
Proceed to/Continue Certification	Yes	X	No	Date:	2/27/2014	
All NCR's Cleared	Yes	No		Date:	N/A	
Standard audit conducted against:						
1)	SFI 2010-2014	3)				
2)		4)				
Team Leader (1):		Team Members (2,3,4...)				
Richard Boitnott; CF, RF, EMS(LA)		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	The next event will be a renewal audit, which will begin in April 2014.					
Audit Report Distribution						
Bureau Veritas Certification: Melani Potts-melani.potts@us.bureauveritas.com						
Molpus: Ruth Cook-rcook@molpus.com						

Clause	Audit Report
Opening Meeting	Participants: Ruth Cook, Claire Bain, Tim Burpo, Bryce Young, Shane Lee 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: Ruth Cook, Claire Bain, Tim Burpo, Bryce Young, Shane Lee 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 - 0</li> <li>➤ Date for next audit.</li> <li>➤ Reporting protocol and timing</li> </ul>