



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

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PQC Code	E01E

Contract Number:	US1301134	Certification Audit:	X	Re-Certification Audit:		Surveillance: (Indicate visit # or Pre-Assessment)	
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Audit Summary
<p align="center"><b>Introduction</b></p> <p>This report summarizes the results of the initial audit conducted on St. Joe Timberland Company's (SJTC) SFI program for forest management. The audit was conducted by Brian Callaghan, Richard Boitnott, Matt Tormohlen, and Carey Potter on November 11-15, 2013 in conjunction with an initial audit to the FSC U.S. forest management standard. Mr. Callaghan served as lead auditor.</p> <p align="center"><b>Audit Scope, Objectives and Process</b></p> <p>The scope of the audit is "management of forest lands". The audit was conducted against the SFI 2010-2014 Standard. SFIS Objectives 1 through 7, 14 through 17, 19 and 20 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>Company Information</b></p> <p>St. Joe Timberlands Company owns and manages approximately 520,000 acres within the scope of this audit in the panhandle of Florida. The land is located in the vicinity of Panama City. The forest consists primarily of pine plantations with hardwood wetlands and stream management zones. Topography is generally very flat, although some rolling topography is found in the more northern portions of the ownership. Soils vary from poorly-drained to very well-drained. Regeneration is accomplished through clearcutting, followed by chemical site preparation. Mechanical site preparation (bedding) is used on wetter soils. Slash pine is planted in the more poorly-drained areas, with loblolly in better drained sites with more clay content. Very well drained sites of sandy soil are planted in either longleaf or sand pine.</p> <p align="center"><b>Audit Plan</b></p> <p>A stage 1 audit was conducted on November 11, 2013. Stage 2 began November 12, 2013, and consisted of field visits on November 12-14. Follow-up documentation was conducted on November 15, with a closing meeting held at the end of the day. The audit was conducted in conjunction with</p>

an audit to the FSC U.S. forest management standard.

## **Multi-Site Requirements**

N/A

### **Audit Results**

Stage 1 was conducted to determine if SJTC's system documentation meets the requirements of the SFI 2010-2014 Standard. The stage 2 audit consisted of a review of 10 harvest sites, eight regeneration/site preparation tracts, one bridge installation, and three special sites.

Objective 1: SJTC has a detailed inventory system which samples 20% of the forest annually to update records and develop stand and stock tables. Woodstock is run every 4 years and includes constraints on growing stock to provide an even flow of volume. Stanley provides spatial and temporal constraints. A land classification system is in place and soils are mapped. SJTC has developed a number of conservation easements, demonstrating consideration of non-timber values of its forest.

Objective 2: SJTC does an excellent job of regenerating its harvested stands. However, the company frequently exceeds the two-year time frame between harvesting and regeneration. This delay is generally necessary due to the amount of site preparation required on flatwood sites. While normally warranted, the justification for this delay is not well documented. SJTC was issued an opportunity for improvement to provide better documentation for the justification of delaying regeneration beyond two years after harvesting was completed.

Herbicide applications are guided by a chemical application procedure. Herbicide application tracts reviewed during the audit demonstrated minimization of chemical use. Rates and mixes are within label limits, and are typical for vegetation types in the lower coastal plain, which includes difficult-to-control waxy species.

Soils are mapped in the GIS and color coded by management series. The company has developed an excellent soil classification system that matches soil conditions to tree species, a program for which it received a notable practice. Soil productivity was well protected, with virtually no adverse impacts to soils observed on any of the sites reviewed during the audit. This was particularly notable given the wet soil conditions present throughout most of the past year.

Objective 3: Compliance with Florida BMPs was observed on all harvest and site preparation tracts reviewed during the audit, with the exception of a minor amount of logging debris left in stream courses. These minor instances would not normally rise to the level of a BMP noncompliance. However, the presence of the debris was not identified on harvest inspection forms, providing evidence of a deficiency in the company's BMP monitoring program. A non-conformance was issued to address this deficiency.

Streamside management zones were well established, meeting or exceeding state BMPs. Stream crossings are almost nonexistent, limited risk for sediment delivery into stream courses. The region has experienced excessive rainfall events during 2013, resulting in considerable erosion on the road system. The company has been making considerable efforts to take corrective actions to its road system to reduce the potential for sediment delivery from roads.

Objective 4: SJTC has a program to provide for the conservation of biological diversity. It has identified T&E species and FECVs that could occur on its land. The company's search has included G1-3 and S1-3 species. Conservation plans are developed for the most significant occurrences that could impact management activities, and are very well done. SJTC is involved in a number of

conservation easements, is restoring longleaf pine to suitable sites, and managing gopher tortoise populations. The company is also managing active populations of the red-cockaded woodpecker.

Landscape-level efforts are in place. However, stand-level wildlife habitat elements were generally lacking on many clearcuts, resulting in the issuance of a non-conformance.

SJTC employees are aware of the potential non-native invasive species that could occur in their area. The primary invasive of concern is cogon grass, which is treated aggressively with herbicides. The company generally does use prescribed fire except in instances where it is needed to manage longleaf pine or red-cockaded woodpecker sites. High conservation value forests have been identified and protected, and provide a measure of old-growth forest characteristics.

Objective 5: SJTC has a program to provide for visual quality considerations. Most harvest sites are located in rural areas outside of view of the general public. However, aesthetic considerations are incorporated into harvest sites within the vicinity of Panama City. Average clearcut size for 2013 to date is 73 acres. All harvest sites reviewed during the audit met green-up requirements.

Objective 6: SJTC has a special sites program to protect sites on its property with cultural, historical, geological, or ecological uniqueness. Management plans are in place for the most significant. These sites are identified on the GIS, which is used during the planning process to determine if any of these sites are located within activity unit boundaries.

Objective 7: Utilization was acceptable on all harvest units observed during the audit.

Objective 14: SJTC has pre-activity planning, monitoring, and training programs in place to ensure regulatory compliance. No adverse regulatory actions are in evidence. Interviews with harvesting and planting contractors conducted during the audit indicated inconsistent understanding of spill reporting requirements and of St. Joe's requirements to have a spill response plan. In addition, interviews indicate company employees do not generally inspect contractor equipment to ensure spill kits are available as required. A non-conformance was written to address a deficiency in the company's program to ensure regulatory compliance regarding petroleum spills.

Objective 15: SJTC is directly involved in a number of research activities, particularly associated with its conservation easements and high conservation value forests. The company has access to information on the potential impacts of climate change on forest health and productivity, and wildlife and wildlife habitat.

Objective 16: Training requirements for employees and contractors are specified in the company's sustainable forestry plan document. Records verified training has occurred as required by its training policies, except that a requirement to use SIC-trained loggers is not well documented, and there was inconsistent evidence the company checks to ensure loggers have received SIC-approved training. An opportunity for improvement was issued to ensure the company better documents and checks this requirement.

Objective 17: SJTC provided evidence it financially supports and participates in the Florida SIC. The company is quite involved in regional conservation planning efforts, as evidenced by its involvement in a number of conservation easements in the Panama City area. The company provided evidence of participation in a number of education efforts. SJTC has a communication procedure in place to ensure it responds to public inquiries.

Objective 19: STJC only recently became an SFI Program Participant, so no SFI annual progress reports have been completed. The company has procedures in place to provide for all the pieces of

information needed to complete the SFI annual progress report. No audit reports have been submitted to SFI, Inc. since this is an initial audit.

Objective 20: SJTC has a management review process in place. Procedures are in place to provide for the information that is presented to management to evaluate the company's commitment to the SFI Standard. One of the procedures used to evaluate commitments is an internal audit program. The results of internal audits are examined at the annual management review meeting.

## **Findings**

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

This was an initial audit, so no previous non-conformances have been issued.

### **Non-conformances:**

Three minor non-conformances were issued during this audit. The SF02 nonconformity reports are shown below.

### **Opportunities for Improvement:**

Two opportunities for improvement were issued.

1. PM 2.1 Ind. 2: Consider developing better documentation of the reasons for delaying regeneration beyond two planting seasons.
2. PM 16.1 Ind. 5: Consider a more consistent program for the use of certified logging professionals and/or qualified logging professionals.

### **Notable Practices:**

One notable practice was issued:

1. PM 2.3 Ind. 1: SJTC's soil classification system is an excellent method of matching pine species (longleaf, slash, loblolly, or sand) to appropriate soils to optimize productivity, forest health, and ecological integrity.

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

SJTC intends to use the SFI logo for promotional purposes, but does not yet since it is not certified. It does not intend to use the Bureau Veritas Certification logo.

### **SFI reporting:**

There have been no previous reports since this was an initial audit.

## **Conclusions**

Results of the audit indicate St. Joe Timberlands Company has developed and implemented an effective SFI program that meets the requirements of the SFI 2010-2014 Standard, with the exception of three minor non-conformances. The lead auditor issued a recommendation for certification pending closure of the non-conformances. Corrective actions are due to Cornelia Holmes at [cornelia.holmes@us.bureauveritas.com](mailto:cornelia.holmes@us.bureauveritas.com) within 30 days of the closing meeting. Evidence of implementation of corrective actions is due within 90 days.

## **Surveillance Audit Schedule**

The first surveillance audit should be conducted prior to November 15, 2014.

**SEE SF61s FOR AUDIT NOTES**

<b>Summary of Audit Findings:</b>						
Audit Date(s):	From: 11/11/2013			To: 11/15/2013		
Number of SF02's Raised:	Major:		0	Minor:		3
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	X	No	Date:	12/15/2013	
Proceed to/Continue Certification	Yes	X	No	Date:	1/13/2014	
All NCR's Cleared	Yes	X	No	Date:	1/13/2014	
Standard audit conducted against:						
1)	SFIS 2010-2014	3)				
2)		4)				
Team Leader (1):	Team Members (2,3,4...)					
Brian Callaghan	2) Richard Boitnott					
	3) Carey Potter					
	4) Matt Tormohlen					
	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	Prior to November 15, 2014					
Audit Report Distribution						
SJTC: David Harrelson-dave.harrelson@joe.com						
SJTC: Tim Stuhr-tim.stuhr@joe.com						
Bureau Veritas Certification: Cornelia Holmes-cornelia.holmes@us.bureauveritas.com						

Clause	Audit Report
Opening Meeting	<p>Participants: Jeffrey Furr, Mike Lamonica, Fred Haines, David Harrelson, Steve Rutherford, Jeff Allan, Kim Powell, Barry Jackson, Penny Ford, Shane Fuller, Chris Lynch, Thomas Beitzel, Shawn Cook, Jim Moyers, Ben Brunson, Tim Stuhr, Steve Kelly</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 - 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	<p>Participants: Jeffrey Furr, Mike Lamonica, Fred Haines, David Harrelson, Steve Rutherford, Jeff Allan, Kim Powell, Barry Jackson, Penny Ford, Shane Fuller, Chris Lynch, Thomas Beitzel, Shawn Cook, Jim Moyers, Ben Brunson, Tim Stuhr, Steve Kelly, Barry Jackson, Dawn Marie Beene, Terry Lewis, Christine Reese, Tom Moore</p> <p>Discussions:</p> <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 - 3</li> <li>➤ Date for next audit.</li> <li>➤ Reporting protocol and timing</li> </ul>