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

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PQC Code	E01E
Contract Number	US1850186

Certification Audit:		Re-Certification Audit:		Surveillance Audit:	#1	Scope extension audit:	
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Audit Summary

This report summarizes the results of the first surveillance audit conducted on Catchmark Timber Trust’s SFI program for forest management operations. Richard Boitnott, Bureau Veritas Certification Lead Auditor, conducted the audit March 28 through March 30, 2016 at the Lumpkin Georgia central office and the South central management unit, and March 31 through April 1 in the Southwest management unit.

Audit Scope, Objectives and Process

The scope of the audit is “management of forest lands”. The audit was conducted against the SFI 2015-2019 standard forest management edition. All applicable indicators within the forest management edition 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.

Audit Plan

The audit consisted of a review of program documentation at the Lumpkin Georgia office the afternoon of Monday, March 28. Field sites in the south central management unit were reviewed Tuesday and Wednesday March 29 and 30 in the South central management unit. Field sites were reviewed in the southwest management unit on March 31 and the morning of April 1. A closing meeting was held in the field at 11:30 am April 1. An audit plan was developed and is maintained on file by Bureau Veritas Certification.

Company Information

Catchmark owns or manages approximately 390,000 acres of land in Georgia, Alabama, Florida, Texas and Louisiana. On-the-ground management is conducted by Forest Resource Consultants, Inc. (FRC) in Georgia, Alabama, and Florida, and by Universal Timber Services (UTS) in Texas and Louisiana. The company has expanded its ownership in the past year, moving into Florida, Texas

and Louisiana, where it previously had no presence.

The properties consist primarily of loblolly pine uplands, with mixed pine-hardwood streamside management zones. Some true bottomland hardwood sites are also included in the ownership, and there are a few occurrences of longleaf pine on suitable sites. The upland sites are regenerated artificially, using chemical site preparation and planting. Hardwood types are regenerated naturally.

Multi-Site Requirements

Catchmark operates a multi-site certification program consisting of the three sites as shown below. All sites conduct the same activity; forest management. Catchmark operates a centrally-controlled management system, with one person responsible for oversight of the SFI program. An internal audit program is in place to ensure conformance of each site with the company's SFI procedures.

Multi-Site	X	Group Certification	
Sites		Sites Audited During this Event	
South Central management unit		X	
Coastal management unit			
Southwest management unit		X	

Audit Results

The document review was conducted to determine if Catchmark's SFI program still meets the requirements of the SFI 2015-2019 Forest Management Standard. The field audit consisted of a review of 11 harvest tracts and eight regeneration/chemical site preparation tracts.

Objective 1-Forest Management Planning:

Catchmark continues to operate a forest management planning system that contains all the requirements of Objective 1. A stand-level inventory system remains in place. Volume is grown using a growth and yield model. 20% of all stands are cruised each year to validate the growth and yield model. A harvest schedule is run annually, taking into account removals, growth, and updated inventory information. A GIS is in place, which includes soil mapping. Biodiversity at landscape scales is documented through the company's landscape assessment program found in Objective 4. Catchmark also tracks percentage of its ownership in various cover types and age classes. Consideration of non-timber issues has consisted of the inclusion of 135,000 acres of land in Georgia into a 15 year conservation agreement. A review of actual harvest levels versus projected from 2008 through 2015 indicates the company's harvest rates are consistent with its long-term plan. The company has undercut its projected pine volume by 2% and hardwood by 15%. A summary of projected growth provides evidence the long-term plan is sustainable. According to the plan, total inventory is projected to increase over the next 10 year period.

Catchmark practices conversion on a very limited basis. It has developed a review process for the conversion it does conduct that meets the requirements of the standard.

Objective 2-Forest Health and Productivity:

Planting summaries provided evidence Catchmark is conducting artificial regeneration within two growing seasons after harvest, and natural regeneration within five.

Chemical applications were well done. Rates were well below label maximums, and the rates and types of chemicals used were typical for the types of competing vegetation in the region. Catchmark continues to do a very good job of keeping herbicide applications within the target area, with

virtually no drift into off-target areas observed during the audit. The Southwest management unit applies an approximately 30' buffer on sensitive areas (SMZs, neighbors) using hand spray application, then aeriually treats the remained of the tract. This allows for environmental protection and good neighbor relations, while ensuring maximum regeneration productivity across the entire site.

Soil maps are available. Soil productivity was very well protected, with virtually no rutting or compaction observed during the audit.

Objective 3-Protection and Maintenance of Water Resources:

Compliance with Georgia, Alabama and Louisiana BMPs was observed on all harvest and regeneration sites observed during the audit. Streamside management zones were well established, and road and skid trail construction and stabilization ensured protection of soil productivity and water quality. Stream crossings were removed and approaches stabilized.

Objective 4-Conservation of Biological Diversity:

Catchmark has identified potential T&E species and FECVs that could occur across its ownership. The company has identified two significant species of concern that could be impacted by its operations in Georgia, and developed management guidelines to protect these species where they are known to occur.

The company continues to do a very good job of providing both dispersed and clumped retention in its clearcut areas. This continues to be particularly notable in the southwest management unit. Catchmark continues to utilize its landscape assessment program to monitor forest cover type and age classes on larger blocks of property. The Texas and Louisiana properties are highly fragmented, but the landscape assessment program was applied to one larger tract. The assessment was used to balance scheduled harvest units to prevent a large portion of the tract from consisting only of early successional habitat.

Objective 5-Management of Visual Quality and Recreational Benefits:

The company's reported average clearcut size for 2014 was 70 acres. There was little need for specific aesthetic considerations on harvest sites reviewed during the audit, as all were in relatively remote areas, offering little exposure to the public. Compliance with the company's green-up policy was observed on all clearcuts.

Objective 6-Protection of Special Sites:

Special sites have been identified on Catchmark property. Management plans are in place for all designated special sites.

Objective 7-Efficient Use of Fiber Resources:

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

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

Catchmark has a documented policy to respect the rights of indigenous peoples. There are no known rights or claims of any indigenous peoples on Catchmark property. The company has a process to respond to public inquiries, including those that may come from any concerns expressed by

indigenous peoples.

Objective 9-Legal and Regulatory Compliance:

Catchmark has access to applicable regulatory requirements. Its system to achieve compliance consists of a pre-harvest prescription process that identifies water quality requirements, and possible locations of T&E species. Contract language is in place to require compliance. Monitoring is conducted to further ensure compliance. No adverse regulatory actions are in evidence. One BMP inspection reports in Alabama has been conducted in the past year, both providing evidence Catchmark is complying with regulatory requirements.

Objective 10-Forestry Research, Science and Technology:

The company demonstrated evidence it is involved in research efforts applicable to its landbase. Contributions are documented in management review meeting minutes. Its membership in the SICs in Georgia, Alabama, Texas and Louisiana includes the development of biodiversity conservation information for family forest landowners. The company also gathers information on BMP implementation in the states in which it operates. Catchmark has access to information on the potential impacts of climate change on forest health and wildlife habitat.

Objective 11-Training and Education:

Catchmark has a training program in place. Training records verified employees have received training as required. Catchmark requires all contractors to have at least one person on-site who has completed SIC sponsored logger training. This requirement is a part of the logging contract. The logger training programs in Texas, Louisiana, Florida, Georgia and Alabama have continuing education requirements.

Objective 12-Community Involvement and Landowner Outreach:

Catchmark is a member of the SICs in Georgia, Alabama, Texas and Louisiana. The company is not a member of the Florida SIC since its ownership in that state is quite small. Membership in the SICs includes the distribution of landowner education materials, which contains information on the conservation of biological diversity. Catchmark demonstrated involvement in a number of public educational activities. It has a process to respond to public inquiries or complaints. The company has received no reports of inconsistent practices.

Objective 13: Public Land Management Responsibilities: N/A-Catchmark does not have public land management responsibilities.

Objective 14-Communications and Public Reporting:

The company had posted its 2015 surveillance audit report on the SFI, Inc. website as required for public review. The 2015 SFI annual progress report had been submitted in a timely manner.

Objective 15-Management Review: Catchmark has a management review process in place. The company has historically done a good job of recording meeting minutes. Management review minutes verified the meeting is held annually as required by the SFI Standard.

Findings

Previous non-conformances:

One minor non-conformance was issued during the previous audit. Catchmark demonstrated it implemented effective corrective actions. The non-conformance was closed on April 1, 2016.

Non-conformances:

No conformances were issued during this audit event.

Opportunities for Improvement:

No opportunities for improvement were issued.

Notable Practices:

One notable practice was identified.

PM 2.2, Ind. 8: The southwest management unit buffers approximately 30 feet along sensitive areas (SMZ, neighbors) with hand herbicide application, then aerially applies herbicides to the rest of the tract. This allows for environmental protection and good neighbor relations, while ensuring maximum regeneration productivity across the entire site.

Logo/label use:

Catchmark uses the SFI logo on its website for promotional purposes. Approval is documented. The company does not use the BVC logo.

SFI reporting:

The 2015 surveillance audit report was found on the SFI website as required for public review.

Conclusions

Results of the audit indicate Catchmark has developed a program that continues to meet the requirements of the SFIS 2015-2019 Forest Management Edition, and is continuing to effectively implement its SFI program. The lead auditor issued a recommendation for continued certification to the SFI 2015-2019 Forest Management standard at the closing meeting.

SEE SF61s FOR AUDIT NOTES

Summary of Audit Findings:									
Audit Date(s):		From: March 28, 2016				To: April 1, 2016			
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:		4/1/2016	
All NCR's Closed		Yes	X	No	N/A	Date:		4/1/2016	
Standard audit conducted against:									
1)	SFI 2015-2019 FM Standard			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	Week of March 27, 2017								
Audit Report Distribution									
Bureau Veritas Certification: Dawn Komnick-dawnkomnick@us.bureauveritas.com									
Catchmark: Don Warden-don.warden@catchmark.com									

Clause	Audit Report
Opening Meeting	Participants: Don Warden, Tim Gahl, Dusty Warren Discussions: <ul style="list-style-type: none"> ➤ Introductions ➤ Scope of the audit ➤ Audit schedule/plan ➤ Nonconformance types – Major / Minor ➤ Review of previous nonconformances - 1. ➤ Process approach to auditing and audit sampling ➤ Confidentiality agreement ➤ Termination of the audit ➤ Appeals process ➤ Closing meeting timing
Closing Meeting	Participants: Don Warden, Paul Frederick, John Rasor Discussions: <ul style="list-style-type: none"> ➤ Introductions and appreciation for selecting Bureau Veritas Certification. ➤ Review of audit process - process approach and sampling. ➤ Review of OFIs and System Strengths ➤ Nonconformances - 0 ➤ Date for next audit. ➤ Reporting protocol and timing



SF02/NA NONCONFORMITY REPORT

Company Name and Site:			<u>SF02#:</u>
Catchmark Timber Trust			01
Contract #:	Type of audit (e.g., initial, surveillance):	Team Leader:	
US1850186	Renewal	Richard Boitnott	
Date:	Standard and Clause #:	Team Member:	
3/19/2015	SFIS 2015-2019 PM 3.1 Ind. 1		
Major	Minor	Other Documents (if applicable):	Company Representative:
	X		Don Warden

REQUIREMENT OF AUDITED STANDARD:

PM 3.1 Ind. 1 requires the organization to have a program to implement federal, state or provincial best management practices during all phases of management activities.

OBSERVED NONCONFORMITY:

Road work had recently been conducted on one harvest tract reviewed during the audit. Two turnouts were placed directly into an SMZ on an ephemeral drain. Sediment was deposited directly into water flowing in the ephemeral stream.

ROOT CAUSE ANALYSIS AND CORRECTIVE ACTION PLAN

(To be completed by the Company. Plan to be submitted in 30 days)

Corrective Action Plan Date:	3/23/2015	Company Representative:	Tim Gahl
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Root Cause Analysis and Corrective Action

Root Cause: Road is located in the wrong place, and then equipment operator had a lapse of judgement. This road has been in place for over 25 years. Road bed is lower than surrounding ground, so water pools in road with nowhere for it to go. Equipment operator doing after harvest road work pushed 2 turn outs into ephemeral area that was dry at the time, which is a violation of BMP's. Operator had been working with contractor for 4 years and knew better. He had a lapse of judgement and chose the easiest path to get water off the road. Equipment operator told Foreman job was complete. Contractor was spread thin on man power due to planting operations in another state, so Foreman never checked the job; he just told FRC forester that job was complete. FRC forester took the Foreman's word and did not check, so no one went back to actually check the site.

Corrective Action Plan: Turn outs were closed and stabilized the next day after finding them. Contractor and foreman have been trained by Georgia Soil & Water Conservation Commission, but he will be sending his equipment operators to next available class which is April 20th. GFC Water Quality Forester will also provide a one day session, (date to be determined), to review BMP's for roads and the 15Clean Water Act Provisions. FRC and Road Contractor will attend. We will also modify our road construction/maintenance compliance form to specifically mention a provision that turnouts do not tie into perennial and intermittent streams or ephemeral areas. This form will be given to contractors to use when doing road maintenance. Completed form will be turned in with invoice. Forester will visit site and then sign off on inspection. We will also be evaluating the cost and feasibility of moving the road to higher ground.

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: Acceptable
Corrective Action Plan: Acceptable

Plan Accepted:	Yes	X	No		Comments:	
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Auditor:	Richard Boitnott	Date:	3/23/2015
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CORRECTIVE ACTION IMPLEMENTATION

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

Corrective Action Completion Date:	4/20/2016	Company Representative:	Tim Gahl
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Corrective Action Implementation: Conducted training for employees and road contractors. Road construction/maintenance compliance forms have been modified to address the need to ensure turnouts do not direct sediment into streams. Foresters visit sites and signs off on inspections
 Method used to verify effectiveness of action taken: Internal audits

CORRECTIVE ACTION IMPLEMENTATION ACCEPTANCE REPORT

(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:	4/1/2016			