



**BUREAU  
VERITAS**

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

16800 Greenspoint Park Dr., Suite 300 S  
Houston, TX 77060  
Phone (281) 986-1300: Toll Free (800) 937-9311

Company Name	Manulife Investment Management Forest Management Inc
Contact Person	Natasha Wise
Address	8570 Business Park Dr., Suite 200, Shreveport, LA
Phone / Fax	Phone: 509-680-1619 E-mail: nlwise@manulife.com
PQC Code	E01E
Contract Number	10655637

Certification Audit:		Re-Certification Audit:		Surveillance Audit:	#3	Scope extension audit:	
-------------------------	--	----------------------------	--	------------------------	----	---------------------------	--

C

**Audit Summary**

**Introduction**

This report represents the findings of the third surveillance audit completed on Manulife Investment Management Forest Management Inc's (MFM) SFI program in the Southern Division. Matt Tormohlen, Bureau Veritas Certification Lead Auditor, conducted the on-site audit October 7-8, 2024 (SE GA/FL )and November 5, 2024 (Maine). An additional remote audit day was utilized on September 20<sup>th</sup> to review headquarters documentation and complete remote interviews with various planning and management team members. Mr. Tormohlen is a forestry professional, with 16 years of experience in industrial forest management and forest certification.

**Audit Scope, Objectives and Process**

The scope of the audit is "Management of forest lands". The audit was conducted against the SFI 2022 FM Standard, with emphasis on the new indicators. 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 to 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 portal.

**Audit Plan**

An audit schedule has been developed and sent to the client prior to the audit. Additionally, a copy of the audit plan is maintained at the BV central office in Houston, TX. The audit included a review of the company's procedures, policies and principles as well as interviews with staff that held direct responsibilities for the certification program. A field verification program was completed, which involved a sample of a variety of forest operations. The audit was completed over a one day period in Maine with one auditor and a 2-day period in the SE GA/FL. Additionally, an off-site remote audit day was utilized to review headquarters documentation. The field portion of the SE GA/FL was originally scheduled for 3 days (10.7-9.2024), however the schedule was modified during the audit to accommodate evacuation orders and subsequent travel/safety issues due to Hurricane Milton's impending landfall on the last day of the audit.

A list of staff interviewed is included in the audit checklist.

Throughout the audit, Mrs. Natasha Wise was available to provide any necessary information/answers for the auditor.

### **Company Information**

MFM is the property manager for investors in the United States, Canada, Australia, New Zealand, Brazil, and Chile. The scope of this certification is limited to its Southern Division, consisting of approximately 2,064,195 acres of land in 11 southern states, Wisconsin, Michigan, Pennsylvania, New York, and Maine

This audit was conducted in SE GA/FL and Maine. These areas are managed out of field offices throughout the region. Maine properties are managed by an on-site forester with oversight and assistance from MFM staff located in Wisconsin and Michigan.

The Southern Division ownership is representative of southern pine plantation management. Pine plantations are thinned and/or identified for final rotation harvest and artificial regeneration. The primary species is loblolly pine, with lowland and SMZ areas comprised of mixed hardwood. Longleaf pine exists on drier sites. Topography is mostly flat to rolling.

The Maine ownership consists of a species mix associated with northern hardwood stand compositions. Primary species include maple, oak, spruce, birch, ash, basswood and other minor deciduous species. Natural stands are managed on un-even and even-aged models. All regeneration is natural via advanced regeneration and natural seed source.

Both areas use ground based harvesting systems. Harvesting systems are selected on an individual, site specific basis dependent on slope and soil characteristics.

### **Multi-Site Requirements**

MFM maintains a multi-site certification consisting of a central office, 12 regions and six offices. Headquarters of the management system is at the Shreveport, LA office. The company qualifies for multi-site sampling since the management system is controlled and directed by the Manager of Environmental Certification. Each Divisions have specific procedures applicable to their operations, with oversight by the Manager of Environmental Certification. MFM has an internal auditing and monitoring program. On-site audits are conducted on a sample of regions each year. MFM also has an excellent compliance monitoring program that is used by management staff to monitor all regions on an on-going basis. Regions are responsible for developing corrective actions and reporting to the central office. The company's auditing and monitoring system is robust.

Sites covered during the audit were selected based on a randomized schedule developed by Bureau

Veritas Certification at the time of renewal.

Multi-Site	X	Group Certification	
Sites		Sites Audited During this Event	
Shreveport, LA (central office)		X (remote)	
Allegheny /Maine (Boston, MA)		X	
Virginia/SC/NC (Charlotte, NC)			
SE GA / Florida (Charlotte, NC)		X	
E. AL/W. GA (Harpersville, AL)			
Central, AL (Harpersville, AL)			
South AL/South MS (Harpersville, AL)			
West A/North MS (Harpersville, AL)			
Antlers, OK (Nacogdoches, TX)			
W. LA (Mansfield, LA)			
Nacogdoches, TX			
Silsbee, TX			
Lake States (Boston, MA)			

### Audit Results

The central office audit also examined the company's procedures for meeting multi-site requirements and general conformance to the SFI 2022 Forest Management Standard. During this audit, eight harvest sites (including review and interview of contractors at three active sites), three planting sites (SE GA/FL only), three herbicide site applications, two recent water pipe/road construction sites and two special sites (mitigation bank and proposed special site along Penobscot Lake). Interviews with contractors present on active harvest sites included review of safety requirements, fire response plans, invasive species, spill reporting requirements, Threatened and Endangered species and knowledge of relevant BMPs.

#### Objective 1-Forest Management Planning:

The organization utilizes a Lidar inventory model in the Southern Ownerships, with regular and re-occurring flight plans. Northern ownerships (i.e., Lake States, Allegheny, Maine) continue to utilize field plots and FVS to model tree growth.

Woodstock and Stanley will continue to be utilized for harvest scheduling. This data is then utilized to update a 50-year cash flow model for the property. Updates to the harvest schedule do occur within the 3-year time frame to account for environmental, market and contractor capacity considerations. Review of harvest summaries for each property determine harvesting levels align with harvest schedules. Yearly harvest level fluctuations do occur by ownership, however harvesting over time is at or below the allowable cut calculation.

The organization utilizes a robust version of GIS, which includes soils information, T&E species elemental occurrences, archeological data and various other special areas/sites. This information is regularly reviewed and a process is in place for updating information as guided by field evidence.

The organization completes a Sustainable Responsible Investment toolkit at the acquisition of each new property. This toolkit reviews a multitude of different possible impacts associated with each

property, including risks/concerns/opportunities associated with each.

The organization has maintained a process-based system for the case-by-case justification and implementation of conversion, including afforestation. Conversion happens minimally in the Southern Division and is very narrow in objective. In the previous audit period, the organization has completed approximately 353 acres of conversion across the division. Site impact assessments were completed prior to any activity. Primary goal of conversions was to restore under-represented native forest-types (ie conversion to long-leaf on appropriate sites).

#### Objective 2-Forest Health and Productivity:

The organization generally designates all harvest for artificial regeneration in the Southern Division and natural regeneration in the Lake States/Allegheny/Maine region. All harvest areas in the South were regenerated within one growing season. A total of 39,923 acres was planted and a *diminimus* amount was planted beyond one growing season. A sample cruise process is completed during the planting process to ensure quality and TPA accuracy. Semi-permanent plots are established at this time for future review of regeneration success prior to stands being designated as free to grow. The organization has defined % stocking and quality minimums prior to corrective actions being implemented.

Northern region properties are designated for natural regeneration with surveys occurring prior to five years to ensure adequate regeneration is present.

The organization maintains a diversified seedling profile, both of genetic stock and seedling provider. This is done to prevent over-exposure to any potential seed year issue and to maintain a naturalized seedling stock. All plantings in the Southern Division are native species, with primary planted species being loblolly pine.

The organization utilizes an Integrated Pest Management system which is multi-faceted. Herbicide applications are tailored to individual stand characteristics. Herbicide rates are trialed by starting with most narrow and least concentration. Herbicide applicators and supervising foresters are required to be licensed and contracts for operation on company lands include provisions for spill response and spill kits.

#### Objective 3-Protection and Maintenance of Water Resources:

Water quality protection is regulated by BMP guidelines. All harvest and road construction activities reviewed during the audit met or exceeded state BMP requirements and industry standards. Riparian zones were well established, exceeding minimum distances in almost all cases. All activities are monitored for compliance with regulations and MFM procedures, with results recorded on an inspection form.

The organization has calculated water quantity affect via a total watershed assessment. Net cut-over acreage is compared to total watershed acreage with variances reviewed on an annual basis.

#### Objective 4-Conservation of Biological Diversity:

The organization continues to utilize NatureServe Biodiversity Reports (via the Database License Agreement) and Recognized Biodiversity Value Maps for occurrence and potential occurrence data by cover-type. The associated maps are overlaid with MFM client properties and associated forest types/age classes to summarize for actual trends of biodiversity. This data is used not only to

establish a baseline for resiliency and biodiversity, but also to appropriately align species conservation on client property and identify opportunities for additional stewardship efforts.

Any occurrence is validated and covered during the harvest planning process. Company wildlife biologists are responsible for reviewing this information to determine if species other than G1/G2 need management considerations. The company treats many G3 occurrences the same as FECVs. Management plans are developed for the most significant.

A notable practice was issued within this indicator:

*In both the SE GA/FL and Maine properties, MFM property managers have exhibited an excellent ability to not only identify and conserve sites of native biological diversity, but also collaborate with outside entities in the accurate surveying and enhancement of these areas.*

#### Objective 5-Management of Visual Quality and Recreational Benefits:

All harvest units observed during the audit demonstrated an appropriate level of consideration for visual quality. Minimal topography is present throughout the Southern Division and aesthetic management plans are generally developed on an individual site basis, where appropriate.

Average clear-cut size for 2022 was approximately 80 acres for the Southern Division. All harvest sites reviewed during the audit met the company's green-up requirements. The organization has utilized a defined process for the justification of opening sizes greater than 240ac on a case by case basis. Forest health concerns (ie ips beetle) is the primary justification. Several harvest areas larger than 240 acres were observed during this audit. Each harvest plan included justification and approval from the regional manager and evidence remained on-site of previous beetle damage within the harvested stand (ie standing snags.)

#### Objective 6-Protection of Special Sites:

The organization has a sensitive lands program and process in place for Inadvertent Discoveries. The organization has an excellent communication process for relevant discussions with affected indigenous peoples and has provided ample evidence to support the efficacy of this process.

#### Objective 7-Efficient Use of Fiber Resources:

Harvesting foresters monitor cut-out and delivery reports to monitor utilization. Mechanized logging operations visited are running processors which provide highly calibrated and accurate product measurement.

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

MFM has developed a conformant policy regarding their commitment to recognize and respect indigenous rights. The organization has a strong history of working with indigenous neighbors and affected stakeholders and has provided ample evidence of provision of relevant communication opportunities and inclusion of indigenous peoples in the conservation of identified special sites on client property.

#### Objective 9-Climate Smart Forestry:

MFM has identified primary risks associated with climate change, specifically increasing frequency and intensity of hurricanes in the southern division and drought in the NE.

The organization is a signatory and/or member of multiple partnerships and global initiatives. The organization has committed to a 40% GHG reduction by 2035 and MIMTA is currently Net Zero (due to carbon removals from company forests and farmlands outweighing emissions). Additionally, MFM has progressed with projects identified within the Timber Decarbonization Working Group.

#### Objective 10-Fire Resilience and Awareness:

Through prompt and accurate inventory practices and use of this information to develop accurate harvest models, MFM maintains a healthy and vigorous forest. The organization has contract requirements in place with Emergency Response Cards/Plans available to contractors operating on client properties. Emergency Response Cards are up to date and available to all contractors in multiple languages, if needed.

#### Objective 11-Legal and Regulatory Compliance:

MFM has access to applicable regulatory requirements and a system to achieve regulatory compliance. MFM also has a procedure for handling circumstances where a possible non-compliance is identified.

A written policy to comply with social laws is in place. The organization completes a Sustainability Tool Kit review of each property, identifying an associated risk score, to determine specific affected parties. The organization has a Diversity Inclusion Process documented on the company website.

#### Objective 12-Forestry Research, Science and Technology

MFM is a valid and dues paying member of NCASI, which contributes to a host of research projects, benefiting industrial forest operations. The organization regularly provides education opportunities for the public, describing and exhibiting the benefits of sustainable forestry and has employees in attendance and/or in leadership roles on a multitude of different working groups, including relevant Standard Implementation Committees, throughout the operating region. MFM's SIC participation includes efforts to provide biodiversity conservation information for family forest landowners.

#### Objective 13-Training and Education:

All staff have initial training upon hiring, which includes a definition of assigned duties and involvement in the certification program. A robust continuing education system is in place, with completion evidence maintained by region.

The organization requires QLP certification for contractors operating on company lands. This requirement is present in the Master Wood and Field Service agreements with continuing education requirements validated annually by the organization.

#### Objective 14-Community Involvement and Landowner Outreach:

The organization maintains an active recreational leasing program on company lands, with an overwhelming majority of company lands in the Southern Division leased to the public. MFM provides educational opportunities for all ages and is highly engaged within the communities it operates.

#### Objective 15: Public Land Management Responsibilities: N/A

## Objective 16-Communications and Public Reporting:

The organization has submitted the 2023 surveillance report in a timely fashion. The report contained all the requirements of the previous standard and was viewed on the SFI, Inc. website. The company has the accounting and GIS capabilities to complete the progress report and has a strong history of accurate and timely responses.

## Objective 17-Management Review and Continual Improvement:

The organization has a robust management review process for the maintenance and continual improvement of its forest operations. The organization completes annual internal audits, including document review and field evaluations of recent harvest and other forest operations. Review of these findings at a management level are completed with evidence of this review provided.

### Findings

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

No non-conformances were issued during the previous audit.

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

No non-conformances were issued during this audit.

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

No opportunities for Improvement were issued during this audit.

#### **Notable Practices:**

One notable practice was issued.

1. PM 4.1; Ind. 1: In both the SE GA/FL and the NE properties, MFM property managers have exhibited an excellent ability to not only identify and conserve sites of native biological diversity, but also collaborate with outside entities in the accurate surveying and enhancement of these areas.

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

MFM is using the SFI logo on the website with approval from SFI, Inc. The company does not use the BVC logo.

#### **SFI reporting:**

A review of the SFI website provided evidence MFM submitted its 2023 surveillance audit report as required for public review.

#### **Review of Previous Audit Cycle**

N/A

### Conclusions

Results of the audit indicate MFM has implemented a management system that meets the requirements of the SFI 2022 FM Standard. The company is recommended for continued certification and upgrade to the SFI 2022, Section 2 Forest Management Standard.

**SEE SF61(s) FOR AUDIT NOTES**



Summary of Audit Findings:									
Audit Date(s):		From: Sept. 20, 2024 (HQ – Remote) Oct. 7, 2024 (SE Georgia) Oct. 8, 2024 (Florida) Nov. 5, 2024 (Maine)				To: Sept. 20, 2024 (HQ – Remote) Oct. 7, 2024 (SE Georgia) Oct. 8, 2024 (Florida) Nov. 5, 2024 (Maine)			
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:	11.5.2024
All NCR's Closed		Yes		No		N/A	X	Date:	
Standard audit conducted against:									
1)	SFI 2022, Section 2		3)						
2)			4)						
Team Leader (1):			Team Members (2,3,4...)						
Matt Tormohlen			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		TBD, 2025							
Audit Report Distribution									
MFM: Natasha Wise-nlwise@manulife.com									
BVC: Lorisa Love-lorisa.love@us.bureauveritas.com									

Clause	Audit Report
Opening Meeting	<p>Participants: See attached list</p> <p>Introductions</p> <ul style="list-style-type: none"> <li>➤ Scope of the audit</li> <li>➤ Audit schedule/plan</li> <li>➤ Nonconformance types – Major / Minor</li> <li>➤ Review of previous nonconformances - 0.</li> </ul> <p>Discussions:</p> <ul style="list-style-type: none"> <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: See attached list</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 (One Notable Practice issued)</li> <li>➤ Nonconformances - 0</li> <li>➤ Date for next audit.</li> </ul> <p>Discussions:</p> <ul style="list-style-type: none"> <li>➤ Reporting protocol and timing</li> </ul>