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**Bureau Veritas Certification  
North America, Inc.  
SFI 2005:2009 Audit Report**

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PQC Code	E01E - Forestry, logging related

Contract Number:	US.562923	Certification Audit:		Re-Certification Audit:	X	Surveillance: (Indicate visit # or Pre-Assessment)	
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**Audit Summary**

This report summarizes the results of the re-certification audit conducted on Rayonier’s Southeast Wood Products (SEWP) SFI program for wood procurement. Jack Ward, Bureau Veritas Certification Lead Auditor conducted the audit on April 21 through April 23, 2009. Mr. Ward is a certified forester and EMS Lead Auditor.

The audit was conducted against the SFIS 2005-2009 standard. Objectives 8 through 13 applicable to a wood procurement operation were reviewed during this audit. Specifically, two objectives of the SFI audit were to:

1. 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
2. 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 2008 version of the Bureau Veritas Certification SFI Auditor Handbook. Rayonier’s SFI Operating Guidelines were used for documentation of the management system. Rayonier’s audit scope (see “Supply of Scope”) was reviewed and confirmed.

Rayonier SEWP procures wood for two pulpmills, three sawmills, and six chipmills in Georgia, Florida and Virginia. A headquarters review was completed at the Baxley Sawmill office and the field portions of the audit were conducted on the wood procurement operations for the Barnsville and Eastman Fiber Facilities and the Eatonon Sawmill.. Rayonier will return to a surveillance audit schedule, with all facilities and applicable indicators covered within SFI Objectives 8-13 audited within a five-year period.

The audit began in the Baxley Georgia office on 4/21/2009 at 8:00 A.M. with an opening meeting. The objectives for the surveillance audit were outlined and the audit process for collecting evidence and making audit findings was explained. Findings of non-conformance and opportunities for improvement were also explained. The audit plan was discussed and agreed to, and time and date of the closing meeting was confirmed. There was no substitution or modifications of SFI indicators.

The audit consisted of: document reviews and interviews regarding headquarters SEWP SFI Operating Guidelines, version-2/6/07 and centrally controlled procurement data; and field review of nine gatewood tracts for which a BMP inspection report had been completed by Rayonier personnel or their suppliers. Either the

supplier or logging contractor was present on each of the sites. All demonstrated knowledge of Georgia BMPs, and were committed to meeting Rayonier's SFI requirements for delivering wood to their facilities. Rayonier personnel interviewed during the audit are identified on the SF61 evidence compliance matrix maintained on file by Bureau Veritas Certification. Through interview I was told that SEWP sent their 2008 audit report to SFI for posting on their website but in reviewing the site the only report posted is for 2006. The organization does not use the Bureau Veritas Certification logo.

There were no non-conformances or opportunities for improvement issued during the previous audit.

The findings made by Bureau Veritas Certification are listed below:

**Non-conformances:** There were no non-conformances issued during this audit.

**Opportunities for Improvement:** One opportunity for improvement was identified. The opportunity for improvement should be considered in light of how it may affect conformance during future audits.

Objective 8.3, Indicator 1- *Program to promote the use of qualified resource professionals and qualified logging professionals* - Consider requiring MTH logger to be **on site** in Wood Fiber Procurement Agreement and include a verification check on Rayonier BMP inspection Report & Updating SFI Guidelines to reflect the same.

Note: This is a repeat OFI that was also identified in 2007. Through a limited sample of interviews of suppliers (including "dealers" with multiple loggers or crews) there was little evidence that the above situation is a serious problem as most logging companies have only one crew and the owner and possibly another crew member are MTH certified and on the site most of the time. It was verified that both foreman of one "dealer" interviewed that has two separate in-house crews were MTH certified. Further verification however, should be pursued.

**Notable Practices:** In addition, one notable practice was identified:

The corrective action measures taken by SEWP on the Clegg Estate Tract relative to violations of BMP is commendable.

Results of the audit indicate Rayonier continues to implement its SFI program during its wood procurement activities.


The closing meeting was held at the Baxley Fiber Facility office on 4/23/2009. The opportunity for improvement and notable practice were discussed. The Lead Auditor issued a recommendation for continued certification to the SFIS 2005-2009 edition.

PLEASE SEE SF61 FOR AUDIT NOTES

<b>Summary of Audit Findings:</b>						
Audit Date(s):	From: April 21, 2009			To: April 23, 2009		
Number of SF02's Raised:	Major:		None	Minor:	None	
Is a follow up visit required:	Yes	No	X	Date(s) of follow up visit:	N/A	
<b>Team Leader Recommendation:</b>						
Continue Certification	Yes	X	No	Date:	April 23, 2009	
Standard audit conducted against:						
1)	SFI 2005-2009 Procurement					
Team Leader						
Jack Ward, CF, EMSLA						
<b>Scope of Supply</b>						
Wood procurement activities including purchased stumpage, roundwood, and chips by Rayonier SEWP associated with the following facilities in Georgia, Virginia and Florida: Jesup performance fibers, Offerman fiber facility, Collins fiber facility, Eastman fiber facility, Barnesville fiber facility, Jarratt fiber facility, Fernandina performance fibers, Fernandina fiber facility, Baxley sawmill, Swainsboro sawmill and Eatonton sawmill.						
Accreditation's	ANAB					
Number of Certificates	12					
Proposed Date for Next Audit Event						
Date	May 4 & 5, 2010					
Audit Report Distribution						
Matt Jones- matt.jones@rayonier.com						
Kim Woodruff- kim.woodruff@us.bureauveritas.com						

Clause	Audit Report
Opening Meeting	<p>Participants: Jack Ward, Matt Jones, Van Weir &amp; Steve Worthington</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: Jack Ward, Matt Jones &amp; David Clepper</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 - 0</li> <li>➤ Date for next audit.</li> <li>➤ Reporting protocol and timing</li> </ul>

**ATTACHMENT – 2010 Surveillance Plan**

 <b>BUREAU VERITAS</b>		<b>2010 SURVEILLANCE PLAN - PROCUREMENT</b>					
Company	Rayonier SEWP	A	B	C	D	E	F
Site(s)	GA, FL, VA	Registration Renewal 2009	Surveillance 1 2010	Surveillance 2 2011	Surveillance 3 2012	Surveillance 4 2013	
Contract Number	US.562923						
Procurement Only – Objectives 8-13							
<b>OBJECTIVE 8</b>							
Performance Measure 8.1		X	X				
Indicator 1 (a-d)		X	X				
Performance Measure 8.2		X	X				
Indicators 1-2		X	X				
Performance Measure 8.3		X	X				
Indicators 1-3		X	X				
Performance Measure 8.4		X	X				
Indicators 1 (a-c) – 2		X	X				
Performance Measure 8.5		X	X				
Indicators 1-5		X	X				
Performance Measure 8.6		X	X				
Indicators 1 (a-f) - 2		X	X				
<b>OBJECTIVE 9</b>							
Performance Measure 9.1		X					
Indicator 1 (a-f)		X					
Performance Measure 9.2		X					
Indicator 1 (a-d)		X					
<b>OBJECTIVE 10</b>		X					
Performance Measure 10.1		X	X				
Indicators 1-4		X	X				
Performance Measure 10.2		X	X				
Indicator 1 (a-l)		X	X				
<b>OBJECTIVE 11</b>		X					
Performance Measure 11.1		X	X				
Indicators 1-4		X	X				
Performance Measure 11.2		X					
Indicator 1		X					



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## SURVEILLANCE PLAN - PROCUREMENT

Company	Rayonier SEWP	A	B	C	D	E	F
Site(s)	GA, FL, VA	Registration Renewal 2009	Surveillance 1 2010	Surveillance 2 2011	Surveillance 3 2012	Surveillance 4 2013	
Contract Number	US.562923						
Procurement Only – Objectives 8-13							
<b>OBJECTIVE 12</b>		X					
Performance Measure 12.1		X	X				
Indicators 1-5		X	X				
Performance Measure 12.2		X					
Indicators 1-4		X					
Performance Measure 12.3		X					
Indicators 1-2		X					
Performance Measure 12.4		X					
Indicator 1 (a-c)		X					
Performance Measure 12.5		X					
Indicators 1-2		X					
Performance Measure 12.6		X	X				
Indicators 1-3		X	X				
<b>OBJECTIVE 13</b>		X					
Performance Measure 13.1		X	X				
Indicators 1-3		X	X				