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

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Contract Number:	US.0534323	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 Western Forest Resources, L.P. (WFR) SFI program for forest management operations. Jack Ward, Bureau Veritas Certification Lead Auditor, conducted the audit on May 5 through May 8, 2009. Mr. Ward is a certified forester and EMS Lead Auditor. Mr. Jim Rochelle PhD, a wildlife expert, reviewed wildlife related documentation and field sites on May 6th.

The audit was conducted against the SFIS 2005-2009 standard. Objectives 1-7 and 9-13 applicable to a forest management 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 2009 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 WFR manages approximately 426,000 acres in forest areas identified as Grays River, Pacific, Grays Harbor and Clallam. The audit began at the WFR headquarters office in Hoquiam, WA on May 5th, 2009 with an opening meeting. The objectives for the re-certification 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 the 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 WFR SFI Evidence Files, version-5/5/09 and centrally controlled forest management data. Eleven (11) field sites were visited during the Re-certification audit. WFR provided maps of all forest management activities that occurred since the last surveillance audit in May of 2008. The lead auditor chose the units to be reviewed and the 11 field sites

visited were: Grays River Blocks 11N06W125, 11N06W101, 11N08W005, 12N08W004, 11N08W015; Pacific Blocks 13N10W154, 13.256, 12.118, 13.322, 13.270; and Grays Harbor Block 19.126/19.127. The sites included the following forest management activities: planting; chemical application; road construction; harvesting (timber falling and both shovel ground and cable yarding); slash salvage for bio-fuel, road maintenance; T&E species protection; and unstable slope protection. Rayonier and contractor personnel interviewed during the audit are identified on the SF61 evidence compliance matrix maintained on file by Bureau Veritas Certification. The organization does not use either the SFI or Bureau Veritas Certification logos. During the audit it was verified that the 2008 Report for Public Disclosure was forwarded to SFI and is posted on the SFI website.

Findings:

Non-Conformances Issued: No non-conformances were issued during the surveillance audit.

Opportunities for Improvement: Three (3) opportunities for improvement were identified during this audit. These need to be considered in light of how they may affect conformance during future audits.

- PM 1.1, Indicator 3- A forest inventory system and a method to calculate growth:* Consider completion of a formal review and comparison of inventory volumes with actual removals.
- PM 2.2, Indicator 6- Use of best management practices (BMP's) appropriate to the situation:* Consider requiring verification of chemical application equipment calibration prior to commencement of each spray project.
- PM 3.1, Indicator 4- Monitoring of overall BMP implementation:* Consider formatting compliance checklists to encourage random checks of harvest and road construction environmental compliance as well as verification that an accredited logger is on site.

Notable Practices: Two (2) notable practices were identified during this audit. These represent SFI program strengths that Bureau Veritas found to be exemplary practices.

- Rayonier's practice of field reviewing the effectiveness of previous owner approved FPA conditions prior to harvest and making any necessary adjustments to further protect public resources is commendable.
- The post-harvest "closed out" condition of roads, ditches, culverts, etc is commendable.

Results of the audit indicate Rayonier Western Forest Resources continues to adequately implement its SFI program during its forest management activities.

The closing meeting was held at the Hoquiam headquarters office on at 3:30 PM On 5/8/2009. The opportunities for improvement and notable practices were discussed. The Lead Auditor issued a recommendation for successful re-certification to the SFIS 2005-2009 edition.

PLEASE SEE SF61 FOR AUDIT NOTES

Summary of Audit Findings:						
Audit Date(s):	From: May 5, 2009			To: May 8, 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	
Team Leader Recommendation:						
Proceed to/Continue Certification	Yes	X	No	Date:	May 8, 2009	
Standard audit conducted against:						
1)	SFI 2005-2009 Forestry					
Team Leader:	Team Members					
Jack Ward, CF, EMSLA	Wildlife Expert: Jim Rochelle, PhD					
Scope of Supply:						
Timber and non-timber forest management activities in the State of Washington as managed by Rayonier, Western Forest Resources						
Accreditation's	ANAB					
Number of Certificates	2					
Proposed Date for Next Audit Event						
Date	May 4, 2010					
Audit Report Distribution						
Candace Cahill- candace.cahill@rayonier.com						
Kim Woodruff- kim.woodruff@us.bureauveritas.com						

Clause	Audit Report
Opening Meeting	Participants: Eric Fanelli- Director, Pacific Forest Resources Eduardo Hernandez- Manager, Business Development Jessica Josephs- Forestry Manager Dave Kuchenbecker- Harvest Planning Manager Kevin Leep- Controller, WFR Robert Meier- Manager, Forest Land & Policy Aaron Perry- Mgr. Technical Services Neris Biciunas- Timber Harvest Supervisor George Brulotte- Timberlands Acquisition Analyst Candace Cahill- Silviculturist (SFI coordinator) Sandie Carmen- GIS Information Coordinator Kevin Hall- Information Technology Jeff Lehrkind- Silviculture Supervisor Sue Leicht- Administrative Supervisor Brad Marlow- Silvicultural/Operations Forester Greg Nescoda- Land Use & Safety Supervisor Doug Rollins- Silviculture Supervisor

	<p>Ian Thompson- Contract Logging Supervisor Meghan Tuttle- Road Maintenance/Plan Supervisor Jack Ward- Lead Auditor-Bureau Veritas</p> <p>Discussions:</p> <ul style="list-style-type: none"> ➤ Introductions ➤ Scope of the audit ➤ Audit schedule/plan ➤ Nonconformance types – Major / Minor ➤ Review of previous nonconformances - 0. ➤ Process approach to auditing and audit sampling ➤ Confidentiality agreement ➤ Termination of the audit ➤ Appeals process ➤ Closing meeting timing
Closing Meeting	<p>Participants:</p> <p>Eric Fanelli- Director, Pacific Forest Resources Mike Breidenbach- Production & Marketing Manager Rob Fancher- Engineering Manager Bryan Flake- Manager, Human Resources Eduardo Hernandez- Manager, Business Development Jessica Josephs- Forestry Manager Dave Kuchenbecker- Harvest Planning Manager Robert Meier- Manager, Forest Land & Policy Aaron Perry- Mgr. Technical Services Neris Biciunas- Timber Harvest Supervisor Candace Cahill- Silviculturist (SFI coordinator) Sandie Carmen- GIS Information Coordinator Julie Dieu- Geomorphologist Damian Houseknecht- GIS Analyst Zachory Jones- Forest Systems Supervisor Jeff Lehrkind- Silviculture Supervisor Sue Leicht- Administrative Supervisor Ian Thompson- Contract Logging Supervisor Meghan Tuttle- Road Maintenance/Plan Supervisor Kyle Williams- Area Field Engineer Jack Ward- Lead Auditor-Bureau Veritas</p> <p>Discussions:</p> <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. – May, 2010 ➤ Reporting protocol and timing



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2010 SURVEILLANCE PLAN - FORESTRY

Company	Rayonier WFR	2005	2006	2007	2008	2009	2010
2010 Sites	Headquarters- HQT; Lewis & Clallam Forest Areas	Registration Renewal Completed	SFI 02-04 SFI 2005-09 Surveillance 1- Scope Extension to	Surveillance 2 Document Review	Surveillance 3 Document Review	Re-Certification	Surveillance 1- Scope Extension to SFI 2010-2013
Contract Number	US.0534323						
Forestry Only – Objectives 1-7 and 9-13							
OBJECTIVE 1							
Performance Measure 1.1		X	X	X	X	X	X
Indicators 1-5		X	X	X	X	X	X
OBJECTIVE 2							
Performance Measure 2.1		X	X		X	X	
Indicators 1-5		X	X	X	X	X	
Performance Measure 2.2		X	X		X	X	X
Indicators 1-6		X	X		X	X	X
Performance Measure 2.3		X	X		X	X	X
Indicators 1-7		X	X		X	X	X
Performance Measure 2.4		X		X		X	
Indicators 1-3		X		X		X	
Performance Measure 2.5		X	X		X	X	
Indicator 1		X	X		X	X	
OBJECTIVE 3							
Performance Measure 3.1		X		X		X	
Indicators 1-4		X	X	X	X	X	
Performance Measure 3.2		X	X	X		X	X
Indicators 1-5		X	X	X		X	X
OBJECTIVE 4							
Performance Measure 4.1		X	X		X	X	
Indicators 1-8		X	X		X	X	
Performance Measure 4.2		X	X		X	X	
Indicators 1-2		X	X		X	X	
OBJECTIVE 5							
Performance Measure 5.1 & 5.2		X		X		X	X
Indicators 1-2		X	X	X	X	X	X
Performance Measure 5.3		X		X		X	X
Indicators 1-3		X		X		X	X
OBJECTIVE 6							
Performance Measure 6.1		X	X		X	X	
Indicators 1-2		X	X		X	X	
OBJECTIVE 7							
Performance Measure 7.1 Indicator 1 (a-h)		X	X	X	X	X	X



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2010 SURVEILLANCE PLAN – FORESTRY

Company	Rayonier WFR	2005	2006	2007	2008	2009	2010
2010- Sites	Headquarters- HQT; Lewis & Clallam Forest Areas	SFI 05-09 Registration Renewal Completed	Surveillance 1-Scope Extension to SFI 2005-09	Surveillance 2 Document Review	Surveillance 3 Document Review	Re-Certification	Surveillance 1- Scope Extension to SFI 2010-2013
Contract Number	US.0534323						
Forestry Only – Objectives 1-7 and 9-13							
OBJECTIVE 9							
Performance Measure 9.1		X		X		X	
Indicator 1 (a-f)		X		X		X	
Performance Measure 9.2		X		X		X	
Indicator 1 (a-d)		X	X	X		X	
OBJECTIVE 10							
Performance Measure 10.1		X	X		X	X	X
Indicators 1-4		X	X	X	X	X	X
Performance Measure 10.2		X		X		X	X
Indicator 1 (a-l)		X		X		X	X
OBJECTIVE 11							
Performance Measure 11.1		X	X		X	X	X
Indicators 1-4		X	X	X	X	X	X
Performance Measure 11.2		X	X		X	X	X
Indicator 1		X	X		X	X	X
OBJECTIVE 12							
Performance Measure 12.1		X		X	X	X	
Indicators 1-5		X		X	X	X	
Performance Measure 12.2		X		X	X	X	
Indicators 1-3		X		X	X	X	
Performance Measure 12.5		X	X		X	X	
Indicators 1-2		X	X		X	X	
Performance Measure 12.6		X		X		X	
Indicators 1-3		X		X		X	
OBJECTIVE 13							
Performance Measure 13.1		X	X	X	X	X	X
Indicators 1-3		X	X	X	X	X	X