



**BUREAU
VERITAS**

Audit Summary for Public Disclosure Sustainable Forestry Initiative® Standard

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Executive Summary

This report summarizes the results of the third surveillance audit conducted on Rayonier's Western Forest Resources, LP (WFR) SFI program for forest management operations. Jack Ward, Bureau Veritas Certification Lead Auditor, conducted the audit on 5/7/2008 through 5/9/2008.

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.

No non-conformances were issued during the audit. Three opportunities for improvement and three notable practices were issued.

With this report, the two SFI audit objectives were attained. Since no non-conformances were issued against WFR's SFI program, the lead auditor recommended continued certification to the SFIS 2005-2009 edition.

The contents of this report are strictly confidential and the property of Rayonier Western Forest Resources, LP. Bureau Veritas Certification will not distribute this information without written permission from WFR.



Audit Scope Summary

Contract Number: HQ 12934

Audit Team: Jack Ward: CF, EMS (LA)

Country: U.S.

States: Forest Management in Washington

Total Land Base: 426,150 acres

Facilities: No manufacturing facilities

Audit Dates: May 7-9, 2008

Audit Recommendation: Continued certification to the SFIS 2005-2009

Date of Completion of Corrective Actions: N/A



SECTION 1.0

AUDIT BACKGROUND

This report summarizes the results of the third surveillance audit conducted on Rayonier's Western Forest Resources, LP (WFR) SFI program for forest management operations. Jack Ward, Bureau Veritas Certification Lead Auditor, conducted the audit on 5/7/2008 through 5/9/2008.

The SFI Surveillance Audit (S-#3) was conducted for WFR at its Grays Harbor and Clallam Region forest operations and the Hoquiam, WA headquarters office.

The scope of the audit was to review selected SFI indicators as they relate to WFR's Washington State forest management operations. The audit process implemented was to review documentation and sample field operations in the Grays Harbor and Clallam Regions to assess conformance of WFR's SFI program against applicable indicators of Objectives 1-7 and 9-13 of the SFI 2005-2009 Standard. 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.

The current version of WFR's corporate and SFI policy and procedure manuals (Evidence Files) were used for documentation of the management system. Standard Bureau Veritas Certification protocols and forms were applied throughout the audit as provided by the most recent SFI Auditor Handbook.

The audit began in the Hoquiam headquarters office on 5/7/2008 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 the time and date of the closing meeting was also confirmed. There was no substitution or modifications of SFI indicators. The field portions of the audit continued in Clallam, Grays Harbor and Pacific Counties. Dr. Dan Varland, Wildlife Biologist and WFR's SFI Representative was present throughout the audit.

The closing meeting was held in the Hoquiam headquarters office on 5/9/2008. The findings of two opportunities for improvement and two notable practices were discussed. Since there were no non-conformances issued during the audit, the Lead Auditor issued a recommendation for continued certification to the SFIS 2005-2009 edition.



Both the opening and closing meetings were attended by BV auditor Jack Ward, WFR SFI representative Dr. Dan Varland and several Rayonier personnel. Opening and closing meeting attendance records are on file and a copy of each was provided to the company.

SECTION 2.0

AUDIT RESULTS

2.1 General Findings

Twelve (12) field sites were visited during the Surveillance audit. WFR provided maps of all forest management activities that occurred since the last surveillance audit in June of 07. The lead auditor chose the units to be reviewed and the 12 field sites visited were: Grays Harbor County Blocks 19.316, 19.304, 21.342; Clallam County Blocks 27.226, 28.284, 28.279, 28.285, 26.205; and Pacific County Blocks 14.064, 14.065, 14.066, and 14N09W450. The sites included the following forest management activities: planting; chemical application; road construction; harvesting (timber falling and both shovel ground and cable yarding); road maintenance; T&E – G1/G2 species protection; and unstable slope protection.

It was the auditor's opinion, based on the sample of tracts reviewed during the audit, that WFR is effectively implementing its SFI program in the way it conducts its forest management activities.

2.2 Non-conformances Issued

There were no non-conformances issued during the audit.

2.3 Opportunities for Improvement

Two (2) opportunities for improvement were identified during this audit. These need to be considered in light of how they may affect conformance during future audits.

- Objective 2; PM 2.3; Indicator 6- *Criteria that address harvesting and site preparation to protect soil productivity*: Consider further clarification regarding specifications for the protection of soil productivity i.e. soil disturbance/compaction tolerances.
- Objective 10; PM 10.1; Indicator 4- *Contractor education and training sufficient to their roles and responsibilities*: Consider further refining WFR policies regarding the requirement of having a WCLA/AOL accredited "Master Logger" on site during harvesting and road building operations.



2.4 Notable Practices

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

- The extensive use of TFM as the database for compliance audit notes at the Clallam Region
- The Development and use of text messaging for wide distribution to control operations during sensitive environmental situations

SECTION 3.0

CONCLUSION

With this report, the two SFI audit objectives were attained. The findings and conclusions of this surveillance audit are the results of a constructive and cooperative effort between Rayonier Western Forest Resources, LP and Bureau Veritas Certification

The closing meeting was conducted on 5/9/2008. Since no non-conformances were issued against WFR's SFI program, the lead auditor recommended continued certification to the SFIS 2005-2009 edition.