



Audit Summary for Public Disclosure Sustainable Forestry Initiative® Standard

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Executive Summary

This report summarizes the results of the surveillance audit conducted on Rayonier Forest Resources, L.P. – Southeast Forest Resources SFI program. Steve Ruddell, Bureau Veritas Certification SFI Lead Auditor, conducted the audit 6/5/2006 through 6/9/2006.

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

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

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



Audit Scope Summary

Contract Number: HQ 12933

Audit Team: Steve Ruddell

Country: U.S.

**States: Florida
Georgia
Alabama**

Total Land Base: 399,334

Facilities: None

Audit Dates: June 5-9, 2006

Audit Recommendation: Certification to the SFIS 2005-2009

**Date of Completion of
Corrective Actions: N/A**

Duration of Certificate: Five (5) years



SECTION 1.0

AUDIT BACKGROUND

This report summarizes the results of the surveillance audit conducted on Rayonier Forest Resources, L.P. – Southeast Forest Resources (SEFR) SFI program. Steve Ruddell, Bureau Veritas Certification SFI Lead Auditor, conducted the audit 6/5/2006 through 6/9/2006.

The geographic scope of this audit included the Alabama South District and its Covington and Brewton Forests. The objectives of this audit were to: 1) Establish conformance of Rayonier's SFI program against the SFI 2005-2009 standard, and, 2) Establish whether Rayonier's SFI program management system and on-the-ground activities conform to the SFI standard. Standard Bureau Veritas Certification protocols and forms were applied throughout the audit as provided by the Bureau Veritas Certification SFI Auditor Handbook. Forest management activities included timber and non-timber activities initiated and managed by Rayonier during the timeframe between May 2005 and May 2006.

The SFI Objectives, Performance Measures, and Indicators that were included in this surveillance audit included:

- Objective 1, PM 1.1, Indicators 1-5
- Objective 2, PM 2.1, Indicators 1-5
- Objective 2, PM 2.2, Indicators 1-6
- Objective 2, PM 2.3, Indicators 1-7
- Objective 2, PM 2.4, Indicators 1-3
- Objective 2, PM 2.5, Indicators 1
- Objective 3, PM 3.1, Indicators 1-4
- Objective 4, PM 4.2, Indicators 1-2
- Objective 6, PM 6.1, Indicators 1-2
- Objective 9, PM 9.2, Indicators 1 (a-d)
- Objective 10, PM 10.1, Indicators 1-4
- Objective 10, PM 10.2, Indicators 1 (a-i)
- Objective 11, PM 11.1, Indicators 1-4
- Objective 12, PM 12.5, Indicators 1-2
- Objective 13, PM 13.1, Indicators 1-3

An opening meeting was held from the Greenville, AL office on June 5, 2006. The opening meeting included: Larry Davis, Director of SEFR, Paul D. Meilike, Alabama Regional Superintendent, Debi Barrett, Manager, Sustainable Forestry, Wayne Foley, Brewton Forest Supervisor, Brent Waters, Covington Forest Supervisor, Jeffery Hunt, Alabama South District Technical Forester, Shane Reeves, Alabama South District Forester, Ed Baker, Alabama Timber Sale Forester and Galen Grider, Alabama North District Manager. Bureau Veritas Certification's audit approach and audit scope and objectives



were discussed, and the second stage field audit plan was reviewed. A closing meeting was held on June 9 to communicate the audit findings. Confidentiality was ensured.

SECTION 2.0

AUDIT RESULTS

2.1 General Findings

Seven harvests, three chemical site preparation, one mechanical site preparation, two fertilization, three planted sites, two road maintenance, and four special management sites were visited during this audit.

2.2 Non-conformances Issued

There were no non-conformances issued during the audit.

2.3 Opportunities for Improvement

Seven (7) opportunities for improvement were issued relative to the organization's SFI program. These should be considered in light of how they may affect conformance during future audits.

1. SFI Objective 2, Performance Measure 2.2, Indicator 5: Rayonier has made a commitment within its "SEFR Focus on Minimizing Pesticides/Chemical Usage in Forestry Operations, dated 3-27-06" that requires all foresters who are active in herbicide decisions to have a pesticide license. It is apparent that this was intended only for research foresters.
2. SFI Objective 2, Performance Measure 2.2, Indicator 6: In its memo dated March 28, 2003, "2003 Herbicide Weed Control", Rayonier requires that chemical application and restricted entry interval information be posted at forest offices. Ensure that all required instructions are followed across Rayonier SEFR.
3. SFI Objective 10, Performance Measure 10.1, Indicator 4: Several policy commitments and procedures are external to the Silvicultural Practices Manual, Roads Manual, and other policy and procedure guides. Some of these have not been adequately communicated throughout the Rayonier SEFR organization. Some policies and procedures, e.g. reforestation, are found in multiple places, such as the L and O parts of Rayonier's policy and procedures guide.
4. SFI Objective 10, Performance Measure 10.1, Indicator 4: Rayonier requires that one logging crew person be PLM trained. Consider using the "contact person" on the compliance check as a means for verifying this requirement.
5. SFI Objective 11, Performance Measure 11.1, Indicator 1: Identify the relevant forestry and environmental laws and regulations and how Rayonier provides access to them.



6. SFI Objective 11, Performance Measure 11.1, Indicator 2: Rayonier has many components to its system for ensuring regulatory compliance, however this system is not defined.
7. SFI Objective 13, Performance Measure 13.1, Indicator 1: Consider defining the components of the management review system along with records that are created by this system.

2.4 Notable Practices

In addition, six (6) notable practices were observed. These represented SFI program strengths Bureau Veritas Certification found to be exemplary practices.

1. SFI Objective 1, Performance Measure 1.1, Indicator 2: Rayonier uses its Post-completion Harvest Audit effectively to evaluate the accuracy of inventory, the accuracy of pre-harvest cruise, wood security program, and FORMIS harvest modeling to ensure that its sustainable forest harvest plan matches closely with its harvest levels. For 2005, Rayonier harvested within 1.2 percent of its modeled allowable cut across all regions.
2. SFI Objective 2, Performance Measure 2.4, Indicator 1: Observed strong support by research to adjust its hazard maps. Rayonier's applied research program continues to be the strongest in our industry.
3. SFI Objective 3, Performance Measure 3.1, Indicator 3: Rayonier effectively implements its wet weather policy by working with the buyer and logger to move on and off sites multiple times to minimize soil disturbance.
4. SFI Objective 4, Performance Measure 4.2, Indicator 1: Pondberry is a very rare species that had not been sited in Alabama since the 1840's. Rayonier is protecting this species through its Special Management Areas program.
5. SFI Objective 12, Performance Measure 12.5, Indicator 2: Rayonier Alabama Region has published ads in plat books to communicate its commitment to SFI and providing the public a means of contacting Rayonier.
6. SFI Objective 13, Performance Measure 13.1, Indicator 1: Rayonier has established and maintained an effective internal audit program. This program is one of the few in industry for SFI certified companies.



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 Forest Resources, L.P.-Southeast Forest Resources and Bureau Veritas Certification

The closing meeting was conducted on 6/9/2006. Since no non-conformances were issued against SEFR's SFI program, the lead auditor recommended certification to the SFIS 2005-2009 edition.

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