



2014 SFI Public Summary Report

**Hampton Resources, Inc.
Sustainable Forestry Initiative® (SFI) Standard [2010-2014]**

Project Scope and Objectives

PricewaterhouseCoopers LLP (PwC) completed a SFI Surveillance Assessment of Babine Forest Products forest management operations on public 'Crown' lands in the area around Burns Lake in northern British Columbia as part of a multi-site SFI Certification that includes procurement for sites in Tillamook, Willamina and Warrenton in Oregon; Morton, Randle and Darrington in Washington State; and at Decker Lake in British Columbia; as well as fee land management in Oregon and Washington State on lands owned or managed by Hampton Resources Inc. ("Hampton" or the "Company"). Babine Forest Products is wholly owned by Hampton. The Lead Assessor was Dan O'Brien, MSc, RPBio, EMS (LA).

The primary objective of the assessment was to assess Hampton's SFI management system and to evaluate Hampton's implementation of the SFI Standard in the field.

Description of Forest Lands and Manufacturing Operations

Oregon

Hampton's Big Creek fee lands are comprised of approximately 30,000 acres of managed timberlands located in Eastern Clatsop County near Astoria, Oregon. The lands are situated mostly within the Big Creek watershed which is tributary to the Columbia River and are a mix of Douglas fir and western hemlock species.

The 50,000 acres of fee lands managed out of Salem are primarily second growth Douglas-fir forests. The lands are located mostly in the Willamina area with one block of 12,000 acres in the coast range between Highway 22 and 6, surrounded by forest lands owned by the State of Oregon. This block includes some western hemlock, noble and silver fir.

The Willamina sawmill produces long dimension green and kiln dried Douglas-fir lumber and metric lumber for export to Asia. The Tillamook facility produces long dimension hem-fir dried dimension and export lumber. The Warrenton sawmill produces Douglas-fir and hem-fir kiln dried dimension lumber. Annual production for all three facilities is approximately 900 million board feet annually when operating at normal capacity.

Washington State

Hampton owns 12,700 acres located in the southwest corner of the State of Washington. The timberlands are highly productive with a mix of Douglas-fir and western hemlock species.

The Morton, Randle and Darrington facilities are dimensional sawmills which produce kiln dried hem-fir and Douglas fir framing lumber and studs. Annual production for all three facilities is approximately 800 million board feet annually.

British Columbia

Hampton's Babine Forest Products operation manages Crown forest land within the area encompassed by the Nadina Forest District, and other nearby Forest Districts. Babine Forest Products manages Crown forest tenures for the Babine Forest Products and Decker Lake sawmills including two replaceable forest licenses, 3 non-replaceable forest licenses and 1 non-replaceable forest license which is managed for the Lake Babine First Nation. Babine Forest Products' current timber harvest land base is approximately 155,000 hectares. Forest Types are approximately 76% Lodgepole pine, 20% Spruce/balsam and 4% Douglas fir. Total annual harvest on the Babine Forest Products and Decker Lake forest licenses is approximately 450,000 m³ and short term volume from the non-replaceable licenses is approximately 200,000 m³.

The Decker Lake sawmill is a specialty sawmill that produces SPF decking, poles and export products with normal annual production capacity of 60 million board feet. The Babine Forest Products sawmill was rebuilt in 2013 and will be fully commissioned in early 2014. The new sawmill will produce domestic and export kiln dried dimension SPF lumber with normal annual capacity of 200 million board feet annually.

Indicators

All of the indicators in the SFI Standard were within the scope of the assessment, except for Objectives 11-13, since Hampton does not procure fiber from outside the United States or Canada. Objective 18 is applicable to the Hampton operations in British Columbia since Babine Forest Products operates on public land in the Province. There were no substitute indicators.

Assessment Process

The assessment team conducted interviews and reviewed appropriate documentation to assess policies and procedures, and tested implementation of SFI program requirements. The report was dated May 23, 2014.

Summary of Conformance and Good Management Practices

Hampton operates in Oregon State, Washington State and the Province of British Columbia which have rigorous forestry legislation, and where most forest management systems and practices align well with the SFI requirements. Hampton has a wide variety of monitoring and reporting measures in place as well as training materials to ensure log quality objectives are met. Hampton continues to support and participate in the SFI State and Provincial Implementation Committees and actively communicates sustainable forestry information to landowners and loggers.

Specific good management practices identified during the assessment include:

- A high degree of effort and consultation was put into the visual design of a large mountain pine beetle salvage block located near a community.
- Babine Forest Products is working with government to revise stocking standards to account for projected changes in site conditions as a result of climate change.

- Babine Forest Products has implemented a contractor incentive program linked to third party inspections which helps ensure BMP compliance.

Summary of Findings

No Nonconformities were identified during this assessment.

Opportunities for improvement were identified in the following areas:

- Babine Forest Products may wish to include a clearcut adjacency check in their harvest planning checklist;
- Babine Forest Products could consider revising harvest inspection forms to be more consistent with harvest inspection procedures; and,
- Prior to spring break-up, Babine Forest Products could consider monitoring stream crossings to determine if drainage structures are required to avoid surface water flow from entering streams.

Conclusion

Hampton has maintained conformance with the requirements of the SFI Standard and continues to be certified. The Certificate can be can be obtained by contacting Dennis Creel of Hampton Resources Inc. at 503-365-8400 or on www.hamptonaffiliates.com.