



**BUREAU
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**Bureau Veritas Certification
North America, Inc.
SFI Forest Management Audit Report**

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PQC Code	E01E
Contract Number	US1688603

Certification Audit:		Re-Certification Audit:		Surveillance Audit:	S1	Scope extension audit:	
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Audit Summary

Introduction

This report summarizes the results of the first surveillance audit conducted on Rayonier’s SFI program for forest management operations. Richard Boitnott, Bureau Veritas Certification lead auditor, conducted the audit April 14 through the 21st. Mr. Boitnott is a certified forester, a Texas accredited forester, an EMS lead auditor, and has wildlife management expertise.

Audit Scope, Objectives and Process

The scope of the audit is “timber and non-timber forest management activities”. The audit was conducted against the SFI 2015-2019 Forest Management Standard. All SFI indicators were covered during the audit. There was no substitution or modification of indicators. Specifically, two objectives of the SFI audit were to 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 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 most recent version of the Bureau Veritas Certification SFI Auditor Handbook available on the auditor access website.

Audit Plan

Mr. Boitnott began the audit with an opening meeting in the Coastal Resource Unit office at 8:00 Thursday morning April 14. Field sites were reviewed in the Coastal RU on Thursday and Friday the 15th. A document review of the company’s management system was conducted the morning of Monday April 18, followed by a field audit of the Greater Georgia RU the remainder of the day on the 18th. Field audits were also conducted on the Greater Georgia RU on the 19th, 20th, and the morning of the 21st. A closing meeting was held at 11:30 am on Thursday the 21st. An audit plan was developed and is on file at the Bureau Veritas Certification office.

Company Information

Rayonier is a forest management company, managing timberlands throughout the United States. It has holdings in the Pacific Northwest and throughout the southeast. The company has been certified to the SFI standard since 2001. The Coastal resource unit consists of approximately 310,000 acres in

Florida and southeast Georgia. The resource unit is headquartered in Yulee Florida. The Greater Georgia RU consists of approximately 266,000 acres in Georgia, and is headquartered in Dublin Georgia.

Rayonier’s ownership in Florida and southeast Georgia is characterized primarily by loblolly pine flatwoods, with hardwood in lowland areas, termed “ponds”, although there is also a considerable amount of slash pine. The company regenerates its stands using chemical and mechanical site preparation, followed by planting. The company’s ownership in central Georgia is more rolling in topography, but still consists mostly of loblolly pine with mixed hardwood streamside management zones. Regeneration is accomplished in the same manner as Florida and southeast Georgia, although mechanical site preparation is not used to the same extent.

Multi-Site Requirements

The company maintains a multi-site certification consisting of six regions, termed “resource units” as shown below. Headquarters of the management system is in Fernandina Beach, Florida. The company qualifies as a multi-site certification since the management system is controlled and directed by the central office. There is one set of procedures that applies to the entire system, and the SFI manager is the sole person responsible for maintaining the procedures. Resource units are allowed to develop site-specific procedures and forms, but they are reviewed and approved by the corporate SFI manager. The company has an internal auditing and monitoring program that has historically been quite robust. It is one upon which Bureau Veritas Certification can rely. Resource units covered during the audit were selected based on a randomized schedule developed by Bureau Veritas Certification at the time of renewal.

Sites	Sites Audited During this Event
Fernandina Beach, FL	X
Florida RU	
Coastal RU	X
Greater Georgia RU	X
Alabama RU	
Southwest RU	
Pacific RU	

Audit Results

The document review was conducted to ensure Rayonier’s SFI program continues to meet the requirements of the 2015-2019 Forest Management Standard. The field audit consisted of a review of 16 harvest sites (six thinning and 10 clearcuts), 15 regeneration/site preparation tracts, three mid-rotation release sites, and four herbaceous weed control sites.

Objective 1-Forest Management Planning:

Rayonier still maintains a stand level inventory system, with stands cruised at several intervals throughout the life of the stand. Non-plantable stands (hardwood) are inventoried on a strata level. A proprietary growth and yield model is in place that has been vetted by outside experts. Rayonier also compares age 17 inventory against what the growth and yield model projected. Long-term harvest schedules have been developed separately for the Pacific resource units and all southern resource units. Rayonier has a defined process for assessing the landbase for non-timber issues. Land is classified according to land type and sub-types.

2014 and 2015 harvest volumes in the Pacific Northwest were well below projected. Harvest

volumes in the south are more difficult to discern, as there have been a number of acreage increases over the 2006-2015 time period, and an increase in thinning volumes. If you take acreage increases and thinning volumes out, harvest levels are consistent with the long-term plan.

Rayonier has a program to ensure any conversion of forest type considers the ecological consequence of doing so. In general, the company converts very little land to a different forest cover type.

Objective 2-Forest Health and Productivity:

Artificial regeneration is generally completed within two growing seasons following harvest. A minor percentage of plantations exceed two growing seasons since harvest, Only 220 acres out of nearly 44,000 acres planted exceeded two years, mostly due to environmental conditions. The company has an excellent system for evaluating planted stands for successful regeneration. An age-1 inventory is taken and then maps are created showing specific locations of both understocked and overstocked areas. Additional planting or pre-commercial thinning are then undertaken on the locations identified on the map. This represented a unique method of analyzing and displaying regeneration success, and resulted in the issuance of a notable practice.

Soil productivity was well protected. No adverse soil impacts were observed in either resource unit. Chemical applications were very well done. Rates were well below label maximums in both resource units, and the rates and types of chemicals used were typical for the types of competing vegetation in both regions. Aerial applications were very well done, with virtually no drift into off-target areas observed during the audit. The company has experienced some drift into off-target areas in past years, but has implemented corrective actions. This was evident in the results of this audit.

Objective 3-Protection and Maintenance of Water Resources:

BMP compliance was evident on all harvest sites reviewed during the audit in both resource units. Much of the land in both resource units is flat, with few streams and little risk of erosion. Those portions of the landbase that did have more topography had well established streamside management zones. Very few crossings were observed during the audit, but those that were established had all material removed and approaches stabilized. The company' contracts for logging and other services contain requirements for meeting BMPs.

The Greater Georgia RU uses a unique mapping system that highlights sensitive areas (e.g.crossings, gopher tortious locations) using bubbles placed on the maps. Doing so allows the logger to easily identify areas in which to be cautious.

Objective 4-Conservation of Biological Diversity:

Rayonier has identified potential T&E and FECVs that could occur on its land, using information gleaned from NatureServe. The company is using state natural heritage data for its source of potential occurrences of FECVs. The company has developed management plans for species known to occur on its land. The company has also identified the gopher tortious as a species of concern that it attempts to protect. No significant changes have occurred in the species known to exist on the company's landbase.

Both resource units are doing a much better job of retaining stand-level wildlife habitat elements. Both dispersed and clumped retention was observed on most sites where it was available. This was most evident on sites that had ground-based herbicide application, as the retention could be avoided more easily. However, even on aerial applications, it was evident an attempt was made to leave some retention unsprayed.

Rayonier has implemented a landscape assessment tool that is being applied to the entire landbase. The assessment is highly credible and scientifically defensible. The assessment tool provides a diversity index for each landscape planning unit. The company is monitoring this data to determine how future harvest regimes affect the diversity index.

Objective 5-Management of Visual Quality and Recreational Benefits:

Rayonier has a program to address the visual impacts of its management activities. Average clearcut size for the company was 84.7 acres for the south and 72.76 for the Pacific Northwest. There was little need for specific aesthetic considerations on most harvest sites reviewed during the audit in the either RU, as all were in relatively remote areas, offering little exposure to the public. No violations of the company's green-up requirements were observed during the audit.

Objective 6-Protection of Special Sites:

Special sites have been identified on Rayonier property. They are mapped, and management plans are in place for designated special sites. One special site, an old cattle dipping vat, was observed during the audit, although the company is probably going to add an approximately 200 acre tract that is to be converted to longleaf pine.

Objective 7-Efficient Use of Fiber Resources:

Utilization was acceptable on all harvest units observed during the audit.

Objective 8: Recognize and Respect Indigenous People's Rights:

Rayonier has a policy to recognize and respect the rights of indigenous peoples. The company is aware of traditional forest-related knowledge, although there are no known tribes within either RU that have expressed any interest in company land. Rayonier has a program to respond to inquiries should it receive any.

Objective 9-Legal and Regulatory Compliance:

Rayonier has developed an environmental compliance management system to provide access to relevant laws and regulations. The company's program to ensure regulatory compliance consists of pre-activity reviews and inspection processes, training, and contract language. Observed evidence of Rayonier's commitment to regulatory compliance. The Pacific Northwest RU provides a summary of regulatory actions, most of which are informal conference notes, although two notices to comply were issued. No NOV's were issued. Rayonier has a policy to comply with social laws. The company has received no communications relative to it or its contractor's compliance with the ILO core conventions.

Objective 10-Forestry Research, Science and Technology:

Rayonier produced ample evidence of contribution towards and participation in a variety of forestry-related research activities. The company's participation in SICs includes the development of biodiversity conservation information for family forest landowners. The company also has access to BMP assessments conducted by the states. Rayonier demonstrated it has access to information on the potential impacts of climate change on forest productivity and wildlife habitat.

Objective 11-Training and Education:

Rayonier has a staff matrix that describes the roles and responsibilities for implementing the SFI program. Training records verified training has occurred as required by the company's matrix. Contractor agreements have language requiring the use of trained loggers. Rayonier is a member of the SICs in the states in which it operates. SIC meeting minutes provided evidence the company's participation includes the development of logger training programs.

Objective 12-Community Involvement and Landowner Outreach:

Rayonier provided evidence it financially supports and participates in the SICs in the states in which it operates. Its participation includes the development and distribution of landowner education materials, which includes information on the conservation of biological diversity. The company is involved in state forestry associations and the National Alliance of Forest Owners, all of which lobby for policies that encourage forestland to be maintained as working forests. The company produced evidence of its involvement in educational activities in all the areas in which it operates.

Objective 13: Public Land Management Responsibilities: N/A

Objective 14-Communications and Public Reporting:

The company had posted its 2015 renewal audit report on the SFI, Inc. website as required for public review. The 2015 SFI annual progress report had been submitted on the March 31 deadline.

Objective 15-Management Review:

Rayonier has a management review process in place. The company continues to operate a robust internal audit program, consisting of field visits and periodic examinations of documentation. The results of internal audits are reviewed during the management review process. Management review minutes verified the meeting is held annually as required by the SFI Standard.

Findings

Previous non-conformances:

No non-conformances were issued during the previous audit.

Non-conformances:

No non-conformances were issued during this audit.

Opportunities for Improvement:

No opportunities for improvement were issued.

Notable Practices:

One notable practices were issued.

1. PM 2.1, Ind. 1: The company has an excellent system for evaluating planted stands for successful regeneration. An age-1 inventory is taken and then maps are created showing specific locations of both understocked and overstocked areas. Additional planting or pre-commercial thinning are then undertaken on the locations identified on the map. This represented a unique method of analyzing and displaying regeneration success.

Logo/label use:

Rayonier does not use either the SFI or BVC logos.

SFI reporting:

The April 2014 surveillance audit report and a special surveillance audit report are both on the SFI, Inc. website as required for public posting.

Conclusions

Results of the audit indicate Rayonier is effectively implementing its SFI program that continues to meet the requirements of the SFI 2015-2019 Forest Management Standard. A recommendation for continued certification to the SFI 2015-2019 Forest Management Standard was issued.

SEE SF61 FOR AUDIT NOTES

Summary of Audit Findings:									
Audit Date(s):		From: April 14, 2016 (Coastal RU) April 18, 2016 (HQ) April 18, 2016(Gtr. GA RU)				To: April 15 (Coastal RU) April 18, 2016 (HQ) April 21, 2016(Gtr. GA RU)			
Number of SF02's Raised:			Major:		0		Minor:		0
Is a follow up visit required:			Yes	No	X	Date(s) of follow up visit:			
Follow-up visit remarks:									
Team Leader Recommendation:									
Corrective Action Plan(s) Accepted		Yes	No	N/A	X	Date:			
Proceed to/Continue Certification		Yes	X	No	N/A	Date:		4/21/2016	
All NCR's Closed		Yes	No	N/A	X	Date:			
Standard audit conducted against:									
1)	SFIS FM 2015-2019			3)					
2)				4)					
Team Leader (1):			Team Members (2,3,4...)						
Richard Boitnott; CF, AF EMS(LA)			2)						
			3)						
			4)						
			5)						
Scope of Supply: (scope statement must be verified and appear in the space below)									
Timber and non-timber forest management activities									
Accreditation's		ANAB							
Number of Certificates		1							
Proposed Date for Next Audit Event									
Date	Alabama: Week of April 10 Southwest: Week of April 17								
Audit Report Distribution									
Bureau Veritas Certification: Dawn Komnick-dawn.komnick@us.bureauveritas.com									
Rayonier: Ben Cazell-ben.cazell@rayonier.com									

Clause	Audit Report
Opening Meeting	<p>Participants: Mark Hebert, Ed Carter, Jim Jent, Ben Cazell, Morris Bradford, Chad Lamb, Brian Shaker, Phillip Allen, Randall McCrady, Justin Wesson, Don Webb, Sandy Gorse, Rob Fancher, Matt Gelston, John Bryant, Josh Sherrill, Kirk McKachern, Boz Boswell, Doug Long</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: Mark Hebert, Ed Carter, Jim Jent, Ben Cazell, Morris Bradford, Chad Lamb, Brian Shaker, Phillip Allen, Justin Wesson, Don Webb, Janet Price, Jon Spink, Jimmy Waldon, Andres Mezzano, Phillip Smith, Bill Monahan, Doug Long</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. ➤ Reporting protocol and timing