



**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:		Scope extension audit:	X
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Audit Summary
<p align="center">Introduction</p> <p>This report summarizes the results of the scope extension conducted on Rayonier’s SFI program for forest management operations, conducted by Mr. Richard Boitnott, Bureau Veritas Certification lead auditor. Mr. Boitnott is a certified forester, a Texas accredited forester, an EMS lead auditor, and has wildlife management expertise.</p> <p align="center">Audit Scope, Objectives and Process</p> <p>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. The audit was conducted to scope in approximately 60,000 acres purchased near Coos Bay Oregon. Since this constituted a new office location, a scope extension was required. Objectives 1-7, 9, 11, 12, and 15 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.</p> <p align="center">Audit Plan</p> <p>The audit began with a document review in the Fernandina Beach Florida central office for on-half day on August 25th. The field audit was conducted for 1 day in Coos Bay, Oregon on October 3. A closing meeting was held at the end of business on the 3rd. An audit plan was developed and is on file at the Bureau Veritas Certification office.</p> <p align="center">Company Information</p> <p>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. This audit was conducted to scope in approximately 60,000 acres purchased near Coos Bay, Oregon. The newly acquired property consists primarily of Douglas fir</p>

and western hemlock, with lesser amounts of western red cedar, Sitka spruce, and red alder. Topography is generally steep, with about 50% of the tracts logged using cable systems. Regeneration is accomplished through herbicide site preparation and planting. The primary species replanted is Douglas fir, although western hemlock and western red cedar is also mixed in, duplicating the mix of species that was naturally on the site.

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	
Greater Georgia RU	
Alabama RU	
Southwest RU	
Pacific RU	X

Audit Results

The document review was conducted to ensure Rayonier’s has gathered sufficient information to incorporate the newly acquired properties into its management system. The field audit consisted of a review of four harvest sites, two of which had been recently chemically site prepared.

Objective 1-Forest Management Planning:

Rayonier gathered inventory information from two sources for the acquisition of the Coos Bay property; the seller’s inventory verification and an independent 3rd party verification. The verification was done at a strata level, but inventory was extrapolated into stand-level used by Rayonier. All data has been rolled into the company’s LMS. Sustainable harvest levels have been developed based on the inventory data.

Rayonier has a program to ensure any conversion of forest type considers the ecological consequence of doing so. In general, the company does not convert much land to a different forest cover type.

Objective 2-Forest Health and Productivity:

No regeneration has yet been conducted under Rayonier’s ownership, but procedures are already in place to ensure clearcuts are regenerated as quickly as possible. Criteria are in place to evaluate successful regeneration.

Soil productivity was well protected. No adverse soil impacts were observed on any harvest units.

Chemical applications were very well done. Rates were well below label maximums, and are typical for this region of the country. There was no drift into off-target areas observed during the audit.

Objective 3-Protection and Maintenance of Water Resources:

BMP compliance was evident on all harvest sites reviewed during the audit. Riparian management areas were established according to the Oregon FPA. The company's contracts for logging and other services contain requirements for meeting BMPs.

Objective 4-Conservation of Biological Diversity:

Rayonier has gathered information from OFRI on the potential occurrences of FECVS that could occur on its property. This information is now included as a layer in LMS that appears whenever activities are planned in an area. All harvesting sites reviewed during the audit demonstrated retention of stand-level habitat elements that more than met the OF FPA retention requirements. Rayonier is doing an excellent job of leaving scattered wildlife trees across its harvest unit. The company is in the process of developing its landscape assessment for the newly acquired properties. No old-growth is known to occur on the property. Foresters are well trained in the invasive species that could occur in their area of operations.

Objective 5-Management of Visual Quality and Recreational Benefits:

Rayonier has a program to address the visual impacts of its management activities. Harvest sites reviewed during the audit had appropriate visual quality considerations. All were located well out of the view of the general public. Average clearcut size was not reviewed during this audit. No violations of the Oregon FPA's green-up requirements were observed during the audit.

Objective 6-Protection of Special Sites:

No special sites locations were provided by the seller, although native prairies were purchased by Rayonier and were considered special sites by the previous owner.

Objective 7-Efficient Use of Fiber Resources:

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

Objective 8: Not audited during this audit

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. The company only recently acquired the property, so no regulatory action information is in evidence. 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-Not audited during this audit

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 has joined the Oregon SIC. 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 Oregon SIC. 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-Not audited during this audit

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:

Logo/label use:

Rayonier does not use either the SFI or BVC logos.

SFI reporting:

The April 2015 surveillance audit report was found on the SFI, Inc. website as required for public posting.

Conclusions

Results of the audit indicate Rayonier is effectively incorporated its newly acquired landbase in Coos

Bay Oregon into its existing management system. The lead auditor issued a recommendation that the Coos Bay site be included into its certificate for the SFI 2015-2019 Forest Management Standard.

SEE SF61 FOR AUDIT NOTES

Summary of Audit Findings:									
Audit Date(s):		From: August 25, 2016 (HQ) October 3, 2016 (field)				To: August 25, 2016(HQ) October 3, 2016 (field)			
Number of SF02's Raised:			Major:		0		Minor:		0
Is a follow up visit required:		Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>	Date(s) of follow up visit:			
Follow-up visit remarks:									
Team Leader Recommendation:									
Corrective Action Plan(s) Accepted		Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	N/A	<input checked="" type="checkbox"/>	Date:	
Proceed to/Continue Certification		Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>	N/A	<input type="checkbox"/>	Date:	10/3/2016
All NCR's Closed		Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	N/A	<input checked="" type="checkbox"/>	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: Ben Cazell, John Bryant, Boz Boswell, Doug Long, Scott Katzer, Mike Oppenheimer</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: Ben Cazell, Ron Ray, Mark Hoye, Bill Monihan, Dan Stransky, Ian Thompson, Mark Smalley, Mark Olsen, Neris Biciunas, Scott Griggs</p> <p>Discussions: Introductions and appreciation for selecting Bureau Veritas Certification.</p> <ul style="list-style-type: none"> ➤ Review of audit process - process approach and sampling. ➤ Review of OFIs and System Strengths ➤ Nonconformances - 0 ➤ Date for next audit. ➤ Reporting protocol and timing