



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

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PQC Code	E01E
Contract Number	US 3272975

Certification Audit:		Re-Certification Audit:		Surveillance Audit:	#3	Scope extension audit:	
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Audit Summary
<p align="center"><b>Introduction</b></p> <p>This report summarizes the results of the third surveillance audit on Port Blakely Tree Farms (PBTF) SFI program for forest management operations in Washington and Oregon. Richard Boitnott, Bureau Veritas Certification Lead Auditor, conducted the audit April 30<sup>th</sup> through May 2<sup>nd</sup>, 2024. Mr. Boitnott is an SAF certified forester and has wildlife management expertise. He worked for forest industry for 22 years in a variety of forestry and wildlife management positions before beginning his consulting career over 23 years ago.</p> <p align="center"><b>Audit Scope, Objectives and Process</b></p> <p>The scope of the audit is “Forest Management operations in Washington and Oregon”. The audit was conducted against the SFI 2022 Forest Management Standard. Objectives 1-14, 16 and 17 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"><b>Audit Plan</b></p> <p>The surveillance audit was conducted over a total of 2.5 days; with ½ day of document review the morning of April 30<sup>th</sup>, 2024, followed by field audits the afternoon of the 30<sup>th</sup>, and the entirety of May 1<sup>st</sup>. Follow-up document review was conducted the morning of the 2<sup>nd</sup>. A closing meeting was held at noon on the 2<sup>nd</sup>. An audit plan was developed and is maintained on file by Bureau Veritas Certification.</p> <p align="center"><b>Company Information</b></p> <p>Port Blakely Tree Farms is a family-held, multi-generational forestland owner in the states of Washington and Oregon, in operation since 1864. They have been certified to the SFI Forest Management Standard since 2002. They manage three tree farms from their central office in</p>

Tumwater, Washington: Central Washington, Southwest Washington and Northwest Oregon. Their forests are located on the west side of the Cascade Range with the predominant species being Douglas-fir, Western hemlock and Western red cedar. Regeneration is accomplished through clearcutting, followed by chemical site preparation and planting, typically of Douglas-fir although Noble fir, Western red cedar, and occasionally Western Hemlock are also planted. PBTF has a multiple species Habitat Conservation Plans(HCP) in place in Washington and Oregon, a stewardship agreement in Oregon, and a safe harbor on other properties in Washington. Forest practices acts (FPAs) are in place in both states where the company operates. These FPAs prescribe many activities that support the company's SFI program. Riparian protection is heavily regulated and monitored by state agencies. Wildlife management practices are also regulated, with the amount of standing retention and downed woody debris also controlled by the Oregon and Washington FPAs. However, the HCPs and stewardship agreement proscribes many activities that go above and beyond the Oregon and Washington FPAs. This audit was focused on the ownership in Washington.

### **Multi-Site Requirements**

N/A

#### **Audit Results**

The document review was conducted to determine if PBTF continues to operate a management system that meets the requirements of the SFI 2022 Forest Management Standard. The field audit consisted of a review of four harvest sites, one of which had already been "green-planted", and three herbicide application/regeneration tracts. One harvest site was active at the time of the audit. The contractor was interviewed to determine petroleum spill response, fire response, training, and soil, wildlife and RMZ protection.

#### **Objective 1-Forest Management Planning:**

The inventory system has not changed in the past several years. It is still at the stand level. Inventory is housed in Cengea. Stands are monitored for regeneration success, then inventoried at age 12 and 20, and then re-inventoried every 5-7 years after age 30. Plots on 12-year-old stands are a combination of on-site and satellite imagery. Woodstock is still used for harvest scheduling. The objective is to have a non-declining yield. Organon is still used as the growth and yield model. Cut-out analysis from 2008 through 2023 shows harvest levels within 3% of projected, indicating the growth and yield is fairly accurate in predicting future inventory levels. The long-term plan shows very little change in inventory over the next 100 years, indicating the long-term model is sustainable. A GIS is in place containing all the layers needed to manage the forest, including soils, hydrology, unstable slopes, T&E species and FECVs, although no FECVs are known to occur any PBTF properties. Lands are classified according to species composition, riparian areas, unstable slopes, non-forest area, and special sites. The company has enrolled about 10,000 acres in a carbon off-set program. The company also has an HCP and a safe harbor agreement in Washington, and a stewardship agreement and HCP in Oregon. The company used published data to determine the social and economic effects of its forest management plan. Port Blakely has a number of efforts in place, including the above-mentioned initiatives that address environmental impacts of its forest management plan.

Forest cover type conversions generally do not occur, but if the company should do so, it has developed a defined process to analyze the environmental impacts of such a conversion. The company is also aware of the requirement to notify receiving mills that wood coming from conversions to non-forest uses is not to be counted as SFI certified, although this never happens.

**Objective 2-Forest Health and Productivity:** All regeneration is conducted artificially. All harvested stands are planted well within two years. Regeneration sites are surveyed for survival during the fall of the year it was planted. Stands are required to have a 70% survival rate, or they are re-planted or

inter-planted. No exotic tree species are planted.

PBTF's policy is to use the minimum amount of chemical necessary to control the vegetation present on each site. It practices integrated pest management in its regeneration activities by making site specific prescriptions on each site that may include no chemical site prep, particularly in higher elevation with little competing vegetation. One of the regeneration tracts reviewed during the audit had been "green-planted", having received no herbicide site preparation. However, this unit will be release sprayed. The company is also looking at biological controls for invasive species instead of applying herbicides, although some invasives require chemical treatment. Herbicide applications were very well done. Hand spraying was done in proximity to houses or other high-risk areas. No drift into off-target areas was observed. All applications are conducted by licensed applicators, and personnel responsible for making herbicide prescriptions also carry a pesticide applicators license. All chemicals applied are registered and labeled for forestry use in the states of Oregon and Washington. No WHO type 1A or 1B pesticides are used, nor are any banned by the Stockholm Convention.

Soil productivity was well protected on all harvest sites reviewed during the audit. Soils are mapped, including the presence of deep-seated landslides. Erosion control methods were in place, mostly through the use of water bars.

**Objective 3-Protection and Maintenance of Water Resources:** All harvest sites reviewed during the audit met or exceeded the Washington FPA riparian buffer requirements. Sites are a combination of ground and cable skidding. No damage to riparian areas was observed. . The company has an environmental review process whereby every proposed harvest is reviewed by a wildlife biologist. This review includes an examination of stream characteristics, including fish presence. Contracts contain requirements to meet state FPAs.

The company's compliance with state FPAs requirements for BMP compliance helps assure the maintenance of water quantity. Port Blakely also identifies wetlands and other water storage features. Installation of large woody debris on small and medium streams stores water flow. Also, installation of beaver dam analogs helps distribute water flow. Water Resource Inventory Areas have been being conducted in both states to quantify the impacts of the company's harvesting activities on water quantity. This data is analyzed on a periodic basis to determine the long-term impacts of the company's forest management activities on water quantity. In reality, the data shows the company's landbase provides minimal impacts to each watershed due to the relatively scattered nature of its ownership.

**Objective 4-Conservation of Biological Diversity:** The primary T&E species the company encounters are the northern spotted owl, marbled murrelet, and anadromous fish species. No spotted owls or marbled murrelets are known to occur on PBTF property, but they are located on adjacent public land. The company has addressed the potential occurrence of these species with a multi-species HCP in place on the Brooklyn tree farm in Washington and on most of its ownership in Oregon. The company also has a stewardship in Oregon. A safe harbor agreement is also in place on 45,000 acres in Washington.

Implementation of the HCP and safe harbor agreement in Washington was very well done. The company does an outstanding job of incorporating measures to enhance biodiversity when planning harvest units. More than ample dispersed and clumped retention was evident on all harvest sites. It exceeded both the FPA requirements in Washington as well as the company's HCP and safe harbor. Field foresters and wildlife biologists go out of their way to identify any potential wet areas and make sure they are buffered. In addition to water quality and fish presence, all potential harvest units are reviewed by a wildlife biologist prior to harvesting for any potential T&E species and FECVs.

The permitting process in Washington and notification process in Oregon includes a review of species of concern by state agencies that goes well beyond G1/G2. The harvest can proceed once habitat requirements for any identified species are addressed by the company. However, PBTF does not solely depend on this review by the states. It gathers this information from each state so it knows what species need to be addressed before the permit or notification is submitted.

The company does not have true old growth stands on its property. However, the retention of riparian zones and set-aside areas will produce old-growth characteristics in the future. The silviculture forester was well aware of the potential invasive species that could occur on company property. The most prevalent is scotch broom, tansy ragwort, and Japanese knotweed, but there are a number of other species.

The company has wildlife biologists on staff who are quite involved in both gathering biodiversity-related research information and conducting studies on their own. PBTF has done an excellent job of using and conducting research to improve its operations, not just arrive at a predetermined conclusion. The company implemented a pre-commercial thinning (PCT) operation to establish gaps in PCT units to create pockets of early successional habitat. Data from this study is still being analyzed. The company is implementing information from a retained structures study by NCASI by retaining upland patches, going beyond FPA requirements for standing retention.

**Objective 5-Management of Visual Quality and Recreational Benefits:** The company has a process to evaluate the visual quality of a sale. However, PBTF does not have land in proximity to scenic highways, although it will take measures to address aesthetics even outside of scenic highways. The average clear-cut size for 2023 was 52 acres. The process for calculating clear-cut size is defined. The company simply divides the total acreage clear-cut in a year by the number of units, regardless of the presence of a buffer or riparian area wide enough to separate the unit according to FPA requirements. This is a very conservative method of calculating average clear-cut size. PBTF utilizes the legal requirements of both state's FPAs as the method for determining green-up. All harvest units reviewed during the audit were in compliance with the Washington FPA green-up requirement. Recreational access is allowed, although most roads are gated and access is limited to walk-in only, or it may be restricted during high fire danger.

**Objective 6-Protection of Special Sites:** There are not a lot of special sites other than ecological on PBTF property. A few cultural sites are known to occur, but these are not mapped at the request of the local tribes. Some other cultural sites, like old homesteads, are mapped.

**Objective 7-Efficient Use of Fiber Resources:** Utilization was acceptable on all harvest units observed during the audit. Each state's FPA specifies the number of standing retention trees and downed woody debris that must be retained on each harvest site. The HCP and safe harbor agreement in Washington specify more standing retention than Washington FPA requirements. These requirements were more than met on each harvest unit reviewed during the audit.

**Objective 8: Recognize and Respect Indigenous People's Rights:** PBTF has a written policy to respect the rights of indigenous peoples that meets the requirements in PM 8.1, Ind, 1. Local tribes can provide input through the permitting process in Washington and notification process in Oregon. This input is generally focused on stream mapping or other water projects. However, the company goes far beyond regulatory requirements. It has granted access to PBTF land to identify culturally modified trees, conduct cedar bark peeling, and look for other artifacts the tribes consider important. The company has provided tribes with written permission to hunt on company land in Washington, something not allowed by the state without written permission. The company continues to do an outstanding job of interacting with indigenous peoples, going out of its way to interact with tribes. This has been written as a notable practice in the past, but an interview with a local tribe leader

provided further evidence of the strong relationship between PBTF and indigenous peoples. The lead auditor decided to write another notable practice.

**Objective 9-Climate Smart Forestry:** PBTF identified the risks to its forest operations from the impact of climate change using published data and its own observations. Risks include increased wildfire and the impacts of increased temperature and drought on seedling survival. Climate models predict an increase in winter precipitation, resulting in threats to culverts and other water control structures. A portion of the adaptation plan is being implemented, consisting of conducting a pilot project to transfer Douglas fir seedlings from drier ground in south Oregon to its ownership in northwest Oregon, anticipating the need to adapt Douglas fir to a drier climate. The company is planting more plugs and applying herbicides to drier sites to give seedlings a better chance for survival. The company is also upsizing culverts to account for increased water flow in the winter.

The company has access to the Pacific Northwest adaptation strategies. The assisted migration work is part of this regional strategy. PBTF's control of invasive species and its hydrology work is also in agreement with this strategy. The company promptly reforests, well within two years to provide climate enhancement, and has fire plans in place to limit the occurrence of wildfire and the subsequent emission of greenhouse gases.

Port Blakely has developed a program to identify and address greenhouse gas emissions.

**Objective 10-Fire Resilience and Awareness:** Historically the risk of wildfire is not great on the west side of the Cascades, although this was somewhat disproven by the Riverside and Beechie Creek fires that impacted almost 10,000 acres of the company's land in Oregon. The company is also adjacent to much public land, which could increase its risk. The risk could also rise as a result of climate change. PBTF manages stand density to reduce the risk of catastrophic wildfire. The company also abides with state fire restrictions, implementing shutdowns and requiring fire equipment on logging jobs. The company also has five fire engines itself, and personnel trained to operate them. A fire plan is developed each year.

PBTF cooperates with state agencies in fire detection, prevention and suppression. The company also provides monetary contributions to local fire agencies. PBTF participates in the SICs in Washington and Oregon that provide information to the public on the impacts of wildfire. A PBTF employee is on the board of Oregon Green, which among other things provides information on the detrimental impacts of wildfire and ways to prevent said fires. Another PBTF employee is the director of the Clackamas Marion Forest protection association, which helps with protection measures from ODF. The company also hosted a program to promote protection of the forest from wildfires.

**Objective 11-Legal and Regulatory Compliance:** Relevant regulations in the form of each state FPAs are available on the company's Sharepoint site. The permitting process in Washington and notification process in Oregon are in place to ensure regulatory compliance. An internal environmental review process is also in place to ensure compliance. Employee and contractor training, pre-harvest planning and inspection processes are also in place to help ensure compliance. There have been no adverse regulatory actions taken against PBTF operations in the past. The company has a written policy to comply with social laws. It has included policies addressing diversity inclusion and gender equality. However, PBTF goes beyond just having a policy. Even given its relatively small size, the company has taken a leadership position in this area. Along with many other areas of its environmental and social performance, PBTF's efforts exceed what would be expected of a company of its size. Its efforts warranted the issuance of a notable practice.

Objective 12-Forestry Research, Science and Technology: PBTF is a member of NCASI. Its membership includes contributions towards a variety of research topics. The company is also directly involved in research as well as being a member of a number of coops. PBTF continues to do an excellent job of conducting research and using the results to improve its operations, not just arrive at a predetermined conclusion to justify its actions.

The company does not conduct research on genetically engineered trees. PBTF's participation in the Washington and Oregon SICs includes access to biodiversity conservation information distributed by the SICs. In addition, the company cooperates with bio-annual compliance monitoring conducted by the state agencies.

Objective 13-Training and Education: The president of U.S operations sends an annual letter to all employees documenting the company's commitment to the SFI standard. Training records verified more than ample training takes place each year for all forestry employees. Contractors are required to have at least one person on each job who has been trained according to the requirements of each SIC. The logging contract also contains this requirement. Both states have a continuing education component.

Objective 14-Community Involvement and Landowner Outreach: PBTF financially supports the SICs in both states. The company is quite engaged in the development of HCPs, safe harbor agreements, and conservation agreements that contain conservation objectives while providing for a working forest.

PBTF continues to operate an environmental education program that is way beyond the size of the company. Currently two employees are dedicated to providing public outreach, down from three due to a retirement. However, the company intends to add another person. The focus of this program is for school children. The program has reached over 100, 000 students in the two states since its inception. PBTF contributes a significant portion of gross revenue to charitable contributions. The company continues to conduct environmental education at a level far beyond the size of the company.

Objective 15: Public Land Management Responsibilities: PBTF does not have responsibilities on public land.

Objective 16-Communications and Public Reporting: The 2023 surveillance audit report was posted to the SFI website. All records necessary for reporting to SFI are maintained electronically and were reviewed as part of this audit. Submission of the 2023 SFI annual progress report was submitted by the delayed deadline established last year by SFI, Inc.

Objective 15-Management Review and Continual Improvement: PBTF has a defined management review process which outlines the information to be presented to management to determine the company's performance relative to the SFI Standard. The company is relatively small, so there is much interaction within management on a daily basis, including items covering SFI.

## **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:**

Two notable practices were issued:

1. PM 8.3, Ind. 1: The company's willingness to engage and the level of engagement with local indigenous peoples is considered a commendable practice, particularly given the relatively small size of the company. This was verified through a call with a member of the Squaxin tribe who indicated the relationship with PB is outstanding, particularly when compared to other companies in the region. While this has been written as a notable practice in the past, the input from the tribal member provided further evidence of an outstanding commitment to reaching out to and working with indigenous peoples.
2. PM 11.2, Ind. 1: PBTF initiated a webinar open to the public to determine pathways to recruit a more diverse workplace throughout the industry. This is a commendable effort by a relatively small company to spur others in the industry to consider conducting outreach to those who are under-represented in the forestry and natural resource pool and figure out ways to recruit from this demographic.

**Logo/label use:**

PBTF uses the SFI logo on its website with approval. PBTF also uses the BV logo on their website with approval.

**SFI reporting:**

The 2023 surveillance audit report was found on the SFI website as required for public review.

**Review of Previous Audit Cycle**

N/A

**Conclusions**

Results of the audit indicate Port Blakley Tree Farms continues to implement a management system that conforms to the SFI 2022 Forest Management Standard. Since no non-conformances were issued, the company is recommended for continued certification to the 2022 standard.

**SEE SF61 FOR AUDIT NOTES**

<b>Summary of Audit Findings:</b>									
Audit Date(s):		From: April 30, 2024				To: May 2, 2024			
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:									
<b>Team Leader Recommendation:</b>									
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:	5/2/2024
All NCR's Closed		Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	N/A	<input checked="" type="checkbox"/>	Date:	
Standard audit conducted against:									
1)	SFI FM 2022			3)					
2)				4)					
Team Leader (1):			Team Members (2,3,4...)						
Richard Boitnott; CF			2)						
			3)						
			4)						
			5)						
Scope of Supply: (scope statement must be verified and appear in the space below)									
Forest Management operations in Washington and Oregon									
Accreditation's		ANAB							
Number of Certificates		1							
Proposed Date for Next Audit Event									
Date	First week of May, 2025								
Audit Report Distribution									
PBTF: Devon powell-dpowell@portblakely.com									
BVC: Lorisa Love-lorisa.love@us.bureauveritas.com									



Clause	Audit Report
Opening Meeting	<p>Participants: See attached attendee list</p> <ul style="list-style-type: none"> <li>➤ Introductions</li> <li>➤ Scope of the audit</li> <li>➤ Audit schedule/plan</li> </ul> <p>Discussions:</p> <ul style="list-style-type: none"> <li>➤ Nonconformance types – Major / Minor</li> <li>➤ Review of previous nonconformances - 0.</li> <li>➤ Process approach to auditing and audit sampling</li> <li>➤ Confidentiality agreement</li> <li>➤ Termination of the audit</li> <li>➤ Appeals process</li> <li>➤ Closing meeting timing</li> </ul>
Closing Meeting	<p>Participants: See attached attendee list</p> <ul style="list-style-type: none"> <li>➤ Introductions and appreciation for selecting Bureau Veritas Certification.</li> <li>➤ Review of audit process - process approach and sampling.</li> <li>➤ Review of OFIs and System Strengths</li> </ul> <p>Discussions:</p> <ul style="list-style-type: none"> <li>➤ Nonconformances - 0</li> <li>➤ Date for next audit.</li> <li>➤ Reporting protocol and timing</li> </ul>