



**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	US.2159001

Certification Audit:		Re-Certification Audit:		Surveillance Audit:	1	Scope extension audit:	
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Audit Summary

Introduction

This report summarizes the results of Port Blakely’s 12-month Surveillance audit conducted at their headquarters office in Tumwater, Washington and their Northwest Oregon tree farm. Julie Stangell, Bureau Veritas Certification Lead Auditor conducted the audit from March 14-16, 2017. Ms. Stangell is a professional forester with over 30 years of field experience and is an EMS/RABQSA certified lead auditor.

Audit Scope, Objectives and Process

The scope of the audit was Port Blakely’s US Forestry division’s forest management operations in Washington and Oregon on approximately 140,000 acres. The audit goal was to verify conformance to the SFI 2015-2019 Standard with Objectives 1-15 audited, excluding Objective 13. Specifically, the objective of the SFI audit was to 1) verify that the Program Participant’s SFI Program is in conformance with the SFI objectives, performance measures, and indicators and to 2) verify whether the Program Participant has effectively implemented its SFI Standard program requirements. Standard Bureau Veritas protocols and forms were applied throughout the audit as provided by the current version of the Bureau Veritas Certification Auditor Handbook and supplemental SFI Handbook. Field notes and an SFI indicator checklist were completed and contain specific information and audit notes.

Audit Plan

The recertification audit was conducted over a total of three days from March 14-16, 2017. The detailed daily audit plan is on file with Bureau Veritas Certification.

Company Information

PB 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. PB is in the business of growing trees, harvesting and selling logs, reforestation, managing reforestation to a “free-to-grow” status, and maintaining and protecting the forest’s health, while protecting and enhancing fish and wildlife habitat, soils, air and water quality. They manage three tree farms from their central office in Tumwater, Washington: Central Washington, Southwest

Washington and Northwest Oregon. Each of the tree farms is located on the west side of the Cascade range with the predominant species Douglas-fir, western hemlock and western redcedar. PB has a multiple species Habitat Conservation Plan and a Safe Harbor Agreement, both with the United States Fish and Wildlife Service. PB also has a very engaged and mature outreach and education program that targets local school districts in both Washington and Oregon. PB is considered a single site organization.

Audit Results

The audit consisted of document, record review and interviews of key employees. In addition, 8 field sites were visited representing a broad spectrum of activities undertaken by PB. Within the 8 field sites, two were being actively harvested and several completed harvest units were visited. New road construction, road reconstruction, road deactivation and abandonment and fish passage upgrades were viewed. Silviculture activities reviewed were completed site prep spray, planting and control of invasive species. In addition, a collaborative stream enhancement project to remove invasive species and replace with native vegetation and the learning center where classrooms of children experience a riparian zone, upland area and wildlife habitat from a wooded trail were visited.

Objective 1 -- Forest Management Planning: PB continues to use Assisi as the cruise/inventory complier, which can generate stand tables for growth modeling in Organon; and finally Woodstock to model the forest estate and determine annual cut levels with depletion updated twice per year. The GIS system is complete and mature and includes fish & wildlife, water resources, soil, land classification, stand attributes, roads and numerous other attributes. Past records and future harvest trend graphs clearly demonstrate sustainable harvest levels will be maintained. Increased productivity through enhanced silvicultural treatments such as fertilization are used to increase the annual allowable cut with actual gains measured through inventory. PB is striving to maintain an even flow, even age class distribution, long-term non-declining harvest regime. PB does not convert forest cover types.

Objective 2 -- Forest Health and Productivity: All units are designated for planting with genetically improved stock with trees generally ordered two years in advance. All units observed on field visits were planted within 12 months of harvesting. Each unit is formally surveyed at the time of planting and for survival at within one year. Follow-up surveys are conducted annually for the next 4 growing seasons for a total of 5 years. No exotic species were observed on any sites visited in the field. PB's policy is to use the minimum amount of chemical necessary to accomplish control objectives with more than one third of the acres treated applied by hand application. Herbaceous control work is conducted by contractors under the supervision of PB foresters; both employees and contractors have pesticide applicator licenses that were verified. All chemicals applied are registered and labeled for use in the states of Oregon and Washington. Contractor and PB spray records and reports provide evidence that application was done in compliance with label and legal requirements. No overspray was observed. No chemicals banned by the World Health Organization or Stockholm Convention on Persistent Organic Pollutants were used.

PB is continually seeking to implement integrated pest management strategies. Examples include planting alternate species (red alder) in root rot problem areas or hand slashing in lieu of chemical application in select areas. Bear damage is being addressed by investing in research to understand the problem and research the options for reducing damage to trees. Multiple erosion control methods are used including timing of operations such as wet-weather restrictions, properly locating roads and trails, rocking roads and cross-drainage and removing or decommissioning roads where needed and appropriate. PB strives to reuse existing roads, trails and landings in stable locations outside of RMAs. New road construction is typically planned and completed one to two years in advance with adequate surface rock applied making most roads appropriate for all-weather haul. Non-system roads and those located near streams are often decommissioned immediately following harvest and poorly

located legacy roads removed where feasible. Contractors are well versed in erosion control measures and no evidence of accelerated erosion was observed.

Objective 3 -- Protection and Maintenance of Water Resources: PB follows and exceeds mandatory requirements of the Washington and Oregon Forest Practices Acts. Legal requirements have been incorporated into the company BMP and operational guides and contracts. Contractors interviewed had excellent BMP knowledge. Sites are monitored at least weekly to ensure compliance. No evidence observed of any BMP infraction or any sediment delivery to streams even though the weather had been extremely wet. The wildlife staff field verifies locations of all non-forested wetlands, regardless of size and the foresters either meet the rule requirements or protect beyond what is required. Protection is done by identification in the map layer, flagging on the ground, and pre and post-harvest assessments. Wildlife biologists utilizing standardized protocol also type streams.

Objective 4 -- Conservation of Biological Diversity: PB has two long-term landscape-level agreements in place with the US Fish & Wildlife Service, a Habitat Conservation Plan (HCP) and a Safe Harbor Agreement (SHA). Prior to unit layout, every unit is assessed for T&E and sensitive species, snags, down wood, residual trees, cultural features, and aquatic features by internal and external database searches and site visits. Noxious weed control is an integral component of the land management program. Harvest unit review includes the assessment of invasive species. PB has developed a fire policy that addresses natural regimes and the role of prescribed fire. While no FECV have been designated, within the SHA five distinct areas have been set aside permanently for the development of old growth. PB has a signed Candidate Conservation Agreement with Assurance (CCAA) for the fisher in Washington and anticipates a signed CCAA for their Oregon lands.

Objective 5 -- Management of Visual Quality and Recreational Benefits: Not audited this audit.

Objective 6 -- Protection of Special Sites: Not audited this surveillance audit.

Objective 7 -- Efficient Use of Fiber Resources: Multiple sorts may be produced on each job with utilization inspected on each job at regular intervals. Landing piles may be burned, however operations are moving toward scattering residual debris as wildlife habitat, nutrient cycling and to minimize the need to burn piles.

Objective 8 -- Recognize and Respect Indigenous People's Rights: The Oregon and Washington FPA processes provide Tribes the opportunity to comment or provide input on PB activities. The Tribes have and will reach out directly to PBTF on other matters not directly associated with an activity and PB responds appropriately. PB has long respected the rights of local Tribes and responded to any query as formalized in written policy that is readily accessible.

Objective 9 -- Legal and Regulatory Compliance: Not audited this surveillance audit.

Objective 10 -- Forestry Research, Science and Technology: Not audited this surveillance audit

Objective 11 -- Training and Education: PB has monthly discussions led by executive management that includes each department informing staff of policy or procedure changes during the previous month. Existing staff and new employees have been trained on the SFI 2015:2019 standard. PB requires a signed contract for all harvest and silviculture activities. Each Logging Contract designates "an on-site representative who will be in charge of the logging operations and available at the logging site at all times during the logging Operations." PB requires these designated individuals be trained to the Washington Contract Logger Association and Associated Oregon Logger programs that are the SFI recognized training standards for contractors in these two states.

Objective 12 -- Community Involvement and Landowner Outreach: PB has an outstanding education outreach program with two people employed to assist in this effort. Educators go into classroom for 1 hour to do stations then takes classes to the forest to a set tour route for hands-on activities. In Washington about 3,700 students and in Oregon about 1,750 students went through program in 2016. PB pays for busses with help from the Oregon Forest Resource Institute in Oregon. They also provide a Teacher Appreciation Dinner in Washington and Oregon, focusing on each state every other year. There is an increasing trend in the number of students who visit their forest education centers with more students every year than the year before. PB also has an extensive list of community outreach projects where employees participate on boards and local events in their local communities. PB's US Forestry division has a volunteer program where every employee can spend up to 8 hours of paid work time volunteering in the community and a matching program for donations.

Objective 13 -- Public Land Management Responsibilities: Not applicable

Objective 14 -- Communications and Public Reporting: The April 2016 PB Audit Report is posted on the SFI Website. All records necessary for reporting to SFI are maintained electronically and were reviewed as part of this audit. The 2016 SFI Annual Progress Report is in draft form and is being prepared for submission to SFI, Inc. prior to the March 31, 2017 deadline.

Objective 15 -- Management Review: PB uses a multi-tiered management review process. SFI is on the agenda of each monthly management meetings as necessary and there are SFI program reviews during departmental and management meetings that occur several times during the year. Management systems are in place to share information at both an operational and policy level among staff to provide up and down feedback. The results of the third-party audit are reviewed with the Board of Directors on an annual basis.

Findings

Previous non-conformances:

No nonconformities were identified during the previous audit.

Non-conformances:

No nonconformities were identified.

Opportunities for Improvement:

Two opportunities for improvement were identified:

- 1) PM 2.2, Indicator 8: Signs are posted following herbicide application per legal requirements however the company may wish to consider including a statement concerning when it is safe to re-enter the unit.
- 2) PM 2.2, Indicator 8: The company may wish to make an appropriate spill kit available in the area where chemicals are stored.

Notable Practices:

During the course of the audit two notable practices were identified:

- 1) PM 2.3, Indicator 7: The company has voluntarily and proactively implemented a culvert re-sizing and replacement program in Oregon to improve road stability during high flow events and to remove barriers to fish passage.
- 2) PM 3.1, Indicator 3: A water monitoring program has been initiated to test for herbicides following spray application on perennial streams. Testing is currently being done below perennial initiation points (PIPs).

Logo/label use:

The correct use of the SFI logo on the PB (portblakely.com/port-blakely/stewardship) website was verified including use of registration marks and a link to the SFI website. SFI approval for logo use within the last year was also confirmed. PB does not use the BV logo.

SFI reporting:

Verification of the SFI website was completed to ensure that the audit report from the previous audit cycle (2016) had been submitted to SFI, Inc. and posted to their website.

Conclusions

A closing meeting was held on March 16, 2017 at the Port Blakely office in Molalla, Oregon with the head office and other employees joining via conference call. The results of the audit were summarized and findings presented. In the opinion of the auditor and based on the evidence presented, results of this 12-month surveillance audit conclude that Port Blakely has successfully met the requirements of the SFI 2015-2019 Standard, therefore continued certification is recommended.

SEE SF61 FOR AUDIT NOTES

Summary of Audit Findings:										
Audit Date(s):		From: March 14, 2017				To: March 16, 2017				
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:		N/A		
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:	Mar 16, 2017	
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 2014-2019 Section 2 FM			3)						
2)				4)						
Team Leader (1):			Team Members (2,3,4...)							
Julie Stangell			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 on approximately 140,000 acres										
Accreditation's		ANAB								
Number of Certificates		1								
Proposed Date for Next Audit Event										
Date	March 13-15, 2018									
Audit Report Distribution										
PB: Claudine Reynolds; creynolds@portblakely.com										
BV: Missy Valdez; missy.valdez@us.bureauveritas.com										

Clause	Audit Report
Opening Meeting	<p>Participants: Claudine Reynolds (Manager Wildlife & Fisheries/ Certification Manager), Jerry Bailey (District Forester), Lance Christensen (District Forester), Eric Cohen (Forest Database Manager, Lori Dolan (Accounting Manager), Jeff Geer (Area Forester), Shank Genevieve (Wildlife Technician), Chris Lacy (GIS Manager), Kim Laymon (Senior Log Accountant), Teresa Loo (Director of Communication), Chris Lunde (Harvest Manager), Jeff Morgan (Controller), Orv Mowry (District Forester), Dennis Muller (Special Products Forester), Rob Nagel (Wildlife Biologist), Ryan Parker (Inventory Forester), Devon Powell, (Area Forester), Sara Rise (GIS Forester), Dave Roberts (Forest Engineer), Terri Rodriguez (Executive Assistant), Court Stanley (President), Mike Warjone (Director – Forestry), Jessica Weigel (Operations Admin), Chris Whitson (Silviculture Manager), Eric Wiese (Contracts Administrator)</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 non-conformances - 0. ➤ Process approach to auditing and audit sampling ➤ Confidentiality agreement ➤ Termination of the audit ➤ Appeals process ➤ Closing meeting timing
Closing Meeting	<p>Participants: Claudine Reynolds (Manager Wildlife & Fisheries/ Certification Manager), Jerry Bailey (District Forester), Michelle Buenzli (Communication Manager), Lance Christensen (District Forester), Duane Evans (VP US Forestry Ops), Jeff Geer (Area Forester), Bonny Glendenning (Enviro Ed Educator), Chris Lacy (GIS Manager), Teresa Loo (Director of Communication), Chris Lunde (Harvest Manager), Orv Mowry (District Forester), Dennis Muller (Special Products Forester), Rob Nagel (Wildlife Biologist), Ryan Parker (Inventory Forester), Devon Powell, (Area Forester), Dave Roberts (Forest Engineer), Terri Rodriguez (Executive Assistant), Court Stanley (President), Jake Sullivan (Silviculture Forester), Leslie Wait (Inventory Resource Forester), Denny Wallman (Area Forester), Mike Warjone (Director – Forestry), Gareth Waugh (Director Acquisitions & Planning), Cathrin Weis (Manager, Contracts & Property Transactions), Chris Whitson (Silviculture Manager), Eric Wiese (Contracts Administrator), Jeremy Zook (Field Forester – NW OR)</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 (2) and System Strengths (2) ➤ Non-conformances - 0 ➤ Date for next audit ➤ Reporting protocol and timing