



2015 SFI Public Summary Report

Hampton Resources Inc. Sustainable Forestry Initiative® (SFI) Standard [2015-2019]

Project Scope and Objectives

PricewaterhouseCoopers LLP (PwC) completed a SFI Re-registration Assessment of Hampton Resources Inc.'s ("Hampton") forest management and fiber procurement systems at Hampton's head office in Salem, Oregon, which is 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 in Burns Lake in British Columbia; as well as fee land management in Oregon and Washington, and public land management in British Columbia.

The forestry activities of the Group are managed by Hampton from its corporate office in Salem, Oregon. The Lead Assessor was Dan O'Brien, 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. There have not been any changes in the scope of the multi-site certification since the last public summary.

Indicators

All of the indicators in the SFI Standard were within the scope of the assessment. Section 2, Objective 13 and Section 3, Objective 8 are only applicable to the Hampton operations in British Columbia since Hampton operates on public land in the Province. There were no substitute indicators.

Assessment Process

On June 29 to July 1, 2015, 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 August 14, 2015.

For multi-site certifications, PwC uses a rotational audit approach where the central office is audited annually and the sites are sampled on a rotating schedule that conforms to the International Accreditation Forum Inc.'s Mandatory Document 1.

Summary of Conformance and Good Management Practices

Hampton operates in various jurisdictions 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 uses short and longer term harvest plans with annual review and growth modeling analysis. All their lands are appraised by third parties, including inventory and sustainable

harvest levels. Hampton re-inventories approximately 10% of its lands annually and site index and soils data are known for all management polygons. All properties are stored in the GIS and the properties generally have ortho-photos that contain good resolution to facilitate operational planning. Hampton identifies Special Management Areas (SMA's) which capture geological features (e.g., unstable slopes, talus slopes etc.), cultural features (e.g., indigenous people's sites, cemeteries etc.), T&E species or G1/G2 species, domestic water users, monuments and scenic values (including State designations of some highway corridors).

In Oregon, State regulations govern clear cut size (up to 120 acres, with up to 240 acres allowed for forest health considerations) as well as prescribe riparian protection requirements, green up and reforestation requirements and other resource protection measures. Hampton foresters are well trained and qualified. They follow Oregon State Forest Practices legislation and almost exclusively use sub-contractors certified by the Association of Oregon Loggers, Inc. (AOL). High standards for riparian protection, roads and water management, visual quality standards, silviculture requirements and protection of T&E and other species are met during operations.

Loggers and road builders have pre-work conferences to review issues, and inspections are conducted frequently by Hampton foresters. All Hampton forests are open to the public except when fire hazard is high. Hampton is part of a tree improvement co-op in Oregon. Seed from their tree farms is used in a seed orchard yielding improved seed. Staff attends seminars on chemical usage. Prior to the use of chemicals, written notification is provided to neighbours as well as occasional face to face meetings.

Hampton procures logs for its mills from gatewood and stumpage sources (primarily State and Federal Bureau of Indian Affairs). Hampton encourages the use of AOL trained loggers and uses State monitoring information to guide development of materials to promote sustainable forestry for landowners. Hampton financially supports and participates in SFI State Implementation Committees in Oregon, Washington and British Columbia and supports a variety of organizations conducting research and public education focused on forestry.

Specific Good management practices are noted below:

- Hampton's foresters exhibit a high degree of pride in the stewardship of the company's forest lands.
- Hampton exceeds state stocking levels in their reforestation.
- Hampton's road surfaces are well maintained to avoid erosion and introduction of sediments into streams.
- Hampton provides public access to its ownership for hunting as a form of integrated pest management.

Summary of Findings

There were three minor non-conformities identified during the assessment relating to:

- Aligning the SFI management systems, policies and procedures between the U.S. and Canadian operations;
- Increasing knowledge of climate change impacts on wildlife, wildlife habitats and conservation of biological diversity; and
- Improving contractors' awareness of roles and responsibilities for achieving SFI objectives, including requirements for spill kits on equipment.

Opportunities for improvement were identified with regards to:

- implementing a process to ensure Special Management Area sites identified throughout the year are included in the annual inventory update;
- defining a timeline and/or specific criteria for when the landscape-level biodiversity analysis is updated or revised;
- delineating reserve areas adjacent to harvest units within the larger harvest area plan to demonstrate retention targets are being achieved; and
- documenting approvals for amendments to harvesting plans on State sales.

Conclusion

Hampton has maintained conformance with the requirements of the SFI Standard. The Certificate can be can be obtained by contacting Mark Vroman of Hampton Resources Inc. at 503-365-8400 or on www.hamptonaffiliates.com.