

*At Potlatch Corporation, a strong commitment to forestry stewardship, environmental compliance, and workplace safety is and has long been an integral part of our business philosophy. Our relationships with shareholders, employees, customers, and suppliers depend upon our effective implementation of the commitments summarized below:*

### **Corporate Statement on Forestry Stewardship**

Potlatch Corporation is a leader in forestry stewardship and sustainability, as evidenced by our commitment to obtain third party auditing and certification of our practices under the strict standards of the Forest Stewardship Council (FSC). That means we manage our timber resources mindful of the long-term impacts on the forest and on the communities nearby. Sustainable practices are central to our business model. Practices that protect air, soil, water and wildlife help ensure that we can keep harvesting trees well into the future.

Our business philosophy is grounded in sustainably managing the resources we own. We believe forestry stewardship is not only the right thing to do, but is also crucial to secure the future of our industry and our leadership position within it.

Forestry stewardship at Potlatch is implemented by a professional team of foresters, scientists, and operators responsible for sustainable activities on the land we own. We partner with government agencies, universities and non-profit groups to study and protect a variety of wildlife and plant species that inhabit our forests.

### **Corporate Statement on Environmental Compliance**

At Potlatch we are also mindful of our responsibility to protect the environment, not only in our forests, but from the impacts associated with our manufacturing facilities. We strive to comply continuously with Federal, State and local regulations governing air emissions, wastewater discharges, and waste disposal.

Environmental compliance is actively managed at our manufacturing facilities by an experienced professional team charged with implementation of best practices and management systems to ensure compliance. We have implemented compliance programs at each of our mills that include education and training for our employees on their environmental responsibilities. Prompt reporting and prompt correction of any deviation and auditing our compliance are essential elements of these compliance programs. Our efforts have resulted in strong working relationships with governmental regulatory agencies and non-governmental environmental organizations.

### **Corporate Statement on Climate Change**

In today's growing global community, our forest stewardship and environmental management practices are closely linked with energy use and energy efficiency practices. Together these practices decrease our impact on climate change. In our forests, healthy trees provide a natural means for carbon sequestration. And in our mills, we are committed to reducing the use of non-renewable fossil fuel and purchased electricity through energy reduction programs and the use of

self-generated biomass fuels. For example, like other mills in our industry, our boilers combust biomass fuel (bark, wood chips, and sawdust). Unlike fossil fuel, biomass fuel is considered to have a neutral effect on climate change.

### **Corporate Statement on Workplace Safety**

Potlatch continuously implements best practices to create a safe workplace that achieves compliance with safety requirements applicable in our forests and in our manufacturing facilities. Workplace safety is actively managed by an experienced professional team charged with ensuring that each employee returns home safely each day. Our manufacturing facilities participate in the Voluntary Protection Programs sponsored by the Federal Occupational Safety & Health Administration or delegated state programs.

### **Compliance Commitment**

Our Compliance Commitment is to achieve zero deviations from applicable forestry, environmental, and safety requirements. Our Compliance Commitment is manifest in the implementation of management systems that provide the framework for planning, executing, evaluating, and improving our land management activities and our manufacturing operations. In addition, Potlatch implements a regulatory compliance program that tracks applicable requirements, routinely reassesses compliance status, and identifies areas for continuous improvement.

Managers are responsible and accountable for implementation of effective systems, procedures, and training to achieve this Compliance Commitment. Our professional teams routinely perform internal audits of our compliance status, and from time to time we retain external reviewers to perform multi-media environmental audits of our compliance status.

Our Compliance Commitment also includes the responsibility to detect, correct, and prevent any deviation from applicable requirements. Prompt reporting of deviations is essential to enable swift correction and effective prevention. Communication, consistency, and collaboration among the mills are essential tools for success.

### **Employee Responsibility**

Our employees enable the company to achieve our Compliance Commitment. Each employee is aware of his or her responsibility for environmental and safety compliance. Employees are required to report properly and to correct promptly any deviation from an applicable environment or safety requirement. This inherently includes an expectation that employees can self-police, detect, and disclose any deviation without fear of retribution. Potlatch operates a twenty-four (24) hour hotline (1-800-841-3093) for employees to report anonymously any deviation. Our environmental and safety teams provide resources that support and train each employee, enabling our workforce to fulfill this role. When appropriate, an employee may be disciplined, up to and including termination, for actions or inactions that result in non-compliance with applicable environmental or safety requirements.

## **Continuous Improvement**

Potlatch is dedicated to continuous improvement in our daily business and that includes continuously improving our performance on forestry stewardship, environmental compliance, energy use, and safety compliance. Our managers and employees integrate methods for continuous improvement of forestry, environmental, and safety performance into their daily work. Our presence in the regulated community drives cooperation with governmental bodies to work on regulatory development, to collaborate with interested parties on technical and policy development, and to communicate with stakeholders about our business practices. As new business strategies and new regulations emerge our team continuously reevaluates the impacts of these changes on our ability to achieve our Compliance Commitment.

Dated: June 2009