



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

390 Benmar Drive, Suite 100
Houston, TX 77060
Phone (281) 986-1300: Toll Free (800) 937-9311

Company Name	Bennett Lumber Products, Inc.
Contact Person	Halli Hemingway
Address	3759 Highway 6, Princeton, ID 83857-0130
Phone / Fax	208-875-1121/ Fax 208-875-0191
PQC Code	01E
Contract Number	US.2215951

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

A renewal audit of the forest management program at Bennett Lumber Products (BLP) was conducted on July 11-13, 2016. The audit was conducted by Gregory Bassler, Lead Auditor. Mr. Bassler is a consulting forester/partner in a forestry consulting firm with over 30 years' experience in the private industrial and non-industrial forest sector.

Audit Scope, Objectives and Process

The scope of the surveillance audit was "Forestry operations on 64,694 acres in the States of Idaho and Washington. The objective was to verify the effectiveness of the Bennett Lumber Products SFI Forest Management program and conformance to the Requirements of the 2015-2019 SFI Forest Management Standard (Section 2), Rules for use of On-product Labels and Off-product Marks (Section 5), Communications and Public Reporting (Section 10) and Public Inquiries and Official Complaints (Section 11). All objectives and performance measures were audited as part of the multisite renewal audit.

Audit Plan

The opening meeting of the audit was held at the Guy Bennett Lumber office in Clarkston, WA on Monday, July 11, 2016. Halli Hemingway, Forestry/GIS Analyst; Dave Fritts, Forester; Dan Smith, Forester; and Tom Biltonen, Forestry Resource Manager were in attendance. The Lead Auditor, Gregory Bassler, introduced himself and reviewed the scope, objectives and audit plan. Non-conformances and the requirements for clearing them, opportunities for improvement, and notable practices were also discussed at the opening meeting. The closing meeting time was confirmed and was to be held at the Bennett Lumber Products Princeton, ID office on Wednesday, July 13, 2016 at 11:30 AM.

The logistics of the audit plan were discussed and the sites confirmed for the field portion of the audit to be conducted the following day. The document review portion of the audit was conducted the first day immediately following the opening meeting. The audit plan is included in this report and is maintained on file by Bureau Veritas Certification.

Field files for each site were reviewed and used to determine effectiveness of the Bennett Lumber Products forest management system and process. The Objectives, Performance Measures and Indicators were all verified through a review of documents and field verification of sites to meet the intent of the SFI 2015-2019 Standard. A debriefing was conducted at the end of each day by the Lead Auditor.

The renewal audit was conducted under environmental auditing methodologies identified in the 2015-2019 Verification/Certifications Principles and Procedures document (SFI-V/PPP) and standard Bureau Veritas

Certification protocols and forms were applied throughout the verification. Prior to the audit, the auditor selected sites in the Clarkston, WA and Princeton, ID mill forest management areas to be sampled based on management activities conducted over the previous 12 months.

Company Information

Bennett Lumber Products, Inc. (BLP) owns two sawmill processing facilities: Bennett Lumber Products, Inc. in Princeton, ID and Guy Bennett Lumber Company in Clarkston, WA. Bennett Lumber Products produces quality dimension and board lumber. Logs are procured from fee lands, open market (gatewood) and purchased stumpage sales. The headquarters and corporate officers are located at the Princeton, ID facility.

Multi-Site Requirements

Bennett Lumber Products is a multi-site organization and has a central office or headquarters (Princeton, ID) at which certain activities are planned, controlled or managed. The Princeton, ID central office provides both sawmill facilities with information and guidance on activities. The scope and scale of activities are similar at both sites. Each facility operates under a common forest management system, policies and set of procedures that is managed and administered by the central office.

For multi-site certifications, a site sampling method is generally used. The number of sites to be audited is equal to the square of the number of sites x 0.8 for surveillance audits. A site sampling method was used and both sites plus headquarters are to be audited on an annual basis. Bennett Lumber Products continues to be in conformance with all multi-site requirements.

Multi-Site	X	Group Certification	
Sites		Sites Audited During this Event	
Princeton, ID (Central Office)		X	
Clarkston, WA		X	

Audit Results

A total of 5 Fee land sites were visited during the field portion of the audit. One active operation was field inspected. The individual site harvest prescriptions varied and consisted of seed tree/shelterwood and clear cut. Management activities included planting, spot herbicide application, stream protection, road maintenance and completed harvest operations.

Objective 1-Forest Management Planning:

Bennett Lumber Company has a stand based forest inventory system covering its Idaho and Washington operations. Data is maintained at the stand level for inventory, growth and yield modeling. Bennett Lumber Products uses the Forest Projection System (FPS) to calculate growth and yield estimates for its stands. The inventory is updated annually based on adjustments for harvest treatments, new acquisitions, disposals, growth and desired changes in stand boundaries. Bennett Lumber has a goal of inventorying 10% of the fee land per year. To date, they are at 86% of their inventory goal. The annual sustainable harvest level was calculated at 21,486 MBF for 2016-2024 for fee land (65,251 acres). The long-term annual sustainable harvest level averages 21,486 MBF. The planned or projected harvest from fee land in 2015 was 6.4 MMBF and the actual was 2.8 MMBF. Current harvest trends are well below long-term sustainable harvest levels. The company has a GIS system with a land classification system based on species, size and stocking levels. They also have a very good soil inventory base map with soil depth layers and a seedling mortality layer. The GIS system is complete and contains multiple layers of information including but not limited to topography, soils, roads, stream, wetlands, cover type, forest stand inventory, ownership, digital ortho-photography and digital elevation models and other data. Bennett Lumber Products currently does not convert one forest cover type to another forest cover type. Native species are being regenerated through artificial and natural methods.

Objective 2-Forest Health and Productivity:

All units are designated for either natural regeneration or planting in the Site Activity Plan/Report. All field observed planted units were planted within 24 months of harvesting and generally within 12 months. Each unit is surveyed for survival in year one, three and five. Understocked areas are inspected and then replanted. No

exotic species were observed on any field sites visited. Bennett Lumber uses the minimum amount of chemical necessary to accomplish control objectives of target species. Spot herbicide application is conducted by licensed applicators. All chemicals applied are registered and labeled for use in the States of WA and ID. Spray records and reports provide evidence application was done in compliance with all label and legal requirements. Multiple erosion control methods used including timing of operations (use restrictions), location of roads and trails, rocking roads, cross-drainage, and filter strips. Where possible, existing roads, trails and landings in stable locations are used to minimize new road construction. Contractors are well versed in erosion control measures, no evidence of accelerated erosion or delivery observed.

Objective 3-Protection and Maintenance of Water Resources:

Bennett Lumber Products has a program in place to adhere to all Best Management Practices (BMP'S) for all activities. All contractors and foresters have BMP training. The company monitors Idaho Department of Lands (IDL) compliance reports for all sales. All landowners and contractors must sign a Log Purchase Agreement which states that the seller will comply with BMP guidelines. Bennett Lumber Products has a wet weather policy and monitors log deliveries. Bennett Lumber's GIS layer has all Class I and II streams identified. Foresters identify wetlands and marshes on the ground. If there is any question regarding roads and harvesting in or around stream protection zones, Bennett Lumber utilizes IDL and WA DNR Forest Practices Advisors to identify appropriate protection measures and conduct a pre-harvest inspection.

Objective 4-Conservation of Biological Diversity:

Prior to unit layout, every unit is assessed for T&E and sensitive species, snags, down wood, residual trees, cultural features, and aquatic features. Harvesting activities are planned and executed on a stand level, varying in size and shape due to terrain or pattern of ownership. Much of Bennett Lumber timberland is comprised of small parcels intermingled with private, non-industrial forestlands. Scattered ownership limits opportunities for landscape scale management. Annually, Bennett Lumber reviews the threatened and endangered species listing provided by the Idaho Conservation Data Center, U.S. Fish and Wildlife and NatureServe. Bennett Lumber developed their own T&E booklet and provides it to all contractors and staff. There are no known sites with T&E species on company fee lands. Bennett Lumber promotes diversity of forest cover across the landscape by deploying a wide range of silvicultural treatments that result in differing species composition and growth stage levels. Bennett Lumber tracks harvest types on fee lands over time. Noxious weed control is an integral component of the land management program. Harvest unit review includes the assessment of invasive species.

Objective 5, Management of Visual Quality:

BLP does not have a formal program or policy however; in highly sensitive areas they use irregular shaped boundaries to help screen edges and roads. Foresters are trained in the principles of visual management. They use training and computer mapping tools to plan harvest units and locations. Within visually sensitive areas, harvest boundaries will be irregular in shape and roads placed in locations away from public view. Visual sensitive areas (VSA's) have been identified on fee lands and considered when developing the Site Activity Plan/Report. Average size of units is small and clearcut harvest units average 16 acres. Partial cutting (commercial thinning, overstory removal, seed tree, selection) are the main harvest types.

Objective 6, Protection of Special Sites:

Bennett Lumber uses natural heritage data provided by the Idaho Conservation Data Center (CDC), both the Idaho State and Washington State Historical Preservation Office (SHPO) and the Washington Natural Heritage Program to identify potential sites for protection. No special sites have been identified on Bennett Lumber's ownership however; there are a few sites adjacent to Bennett Lumber property identified as needing special protection. Bennett Lumber has consulted with the Idaho Parks and Recreation, The Nature Conservancy and local Tribes and others on matters related to potential special sites.

Objective 7, Efficient Use of Forest Resources:

A number of sorts may be produced on each job. Utilization is an inspected item on each job at regular intervals. Bennett Lumber promotes efficient utilization by strictly adhering to narrow merchantability standards, merchandizing of all by-products as economic conditions allow. Beginning in 2008, some logging debris has been utilized for hog fuel.

Objective 8: Recognize and Respect Indigenous People's Rights:

Bennett Lumber Products has a written policy acknowledging commitment to respecting rights of Indigenous Peoples. BLP has a good working relationship and communicates with both the Nez Perce and Coeur d'Alene

Tribes. BLP acknowledges that fish, wildlife and flora are important and seeks to improve and enhance the forest habitat. BLP has a Memorandum of Understanding (MOU) with the Coeur d'Alene Tribe to protect and enhance westslope cutthroat and redband trout on BLP land within the reservation boundaries. Bennett Lumber responds to any inquiries or concerns brought up by any of the Tribes. Communication is ongoing as they work on fish habitat improvement projects.

Objective 9, Legal Compliance:

The Site Activity Plan/Report provides a defined system to address specific requirements to meet all applicable laws and regulations. Bennett Lumber utilizes site visits and follows BMP Procedures to ensure compliance. These visits and checklists note compliance with all laws and regulations. IDL regulatory staff monitor for regulatory compliance. No Forest Practices Notice of Violations was issued by the IDL against any of Bennett Lumber operations last year. Bennett Lumber commits to compliance with social laws as outlined in its employee handbook. No complaints were issued in 2015 against Bennett Lumber by its employees or subcontractors regarding the three ILO core conventions. The Employee handbook has policies on EEO and Harassment. The National Labor Relations Act (NLRA) covers most private-sector employers. All applicable policies were posted in the Bennett Lumber office and building entrance. Health and Safety requirements are met and requirements are posted in various locations as prescribed by law.

Objective 10, Forestry Research, Science and Technology:

Bennett Lumber Products is either involved with or provides financial support to various agencies for research. It is very active in a number of ventures being monitored by the Intermountain Forest Tree Coop, USDA Forest Service and University of Idaho. This may involve collecting data, baseline direct funding, direct technical support covering research related to tree improvement, nutrient effect on future forest activities, and response to thinning – site type effects on stocking and density management. Bennett Lumber personnel are knowledgeable about climate change impacts on wildlife, wildlife habitats and conservation of biological diversity through national, regional or local programs. Bennett Lumber is monitoring and gathering information on climate models from the Climate Impacts Group. They provided data for a study that was released on the effects of forest management operations on forest carbon levels in the Moscow Mountain area.

Objective 11, Training and Education:

Bennett Lumber has a written statement of Commitment on their website and in their 2016 Sustainable Forestry pamphlet. Staff is trained on their roles in the SFI program and several foresters are Pro-Logger trained. All are current on their first aid and safety training. Contractor representatives with frontline responsibilities are required to have qualified logging training. The Idaho Pro-Logger Program is the Idaho SIC qualified logger training for contractors and the Washington Contract Logger Association (WCLA) is the WA SIC qualified logger training for Washington.

Objective 12, Community Involvement and Landowner Outreach:

Bennett Lumber supports the Idaho SIC to inform the public on sustainable forestry. It also annual provides financial support for the Sustainable Forestry Teachers Tour. Bennett Lumber supports the Idaho Forest Products Commission which promotes the education program “Project Learning Tree”. It also provides and supports a variety of brochures and “Ask an Idaho Forester” which covers topics on wildlife, water, soil, forest products, trees and conservation. Bennett Lumber conducts numerous mill tours of both facilities for school kids. It is a member of the Idaho SIC which has a website where non-conforming practices can be reported and emailed to the SIC Chair. Bennett Lumber has a secretary receives any concerns or inquiries from the general public. No notices of inconsistent practices were received from any party in 2015.

Objective 13: Public Land Management Responsibilities: N/A

Objective 14, Communications and Public reporting:

The 2015 BVC 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 annual SFI Progress Report was submitted for 2015.

Objective 15, Management Review and Continuous Improvement:

The Princeton, ID central office conducts and maintains an internal audit program to review and monitor conformance of each facility. BLP conducts an internal SFI Performance Measures review and management review annually. Bennett Lumber Products has a good, reliable internal audit program and monitoring system carried out at headquarters to determine conformance at each facility and to implement corrective actions

when appropriate. There is good coordination and communication between the central office and each facility. BLP collects information on FPA compliance for all sales and summarizes the information. BLP staff review the SFI program annually and report findings to management.

Bennett Lumber Products did not have any substitution or modifications to any of the Indicators. A review of previous audits was conducted to verify the effectiveness of previous audit findings and to evaluate Bennett Lumber Product's past performance. There were no previous non-conformances and opportunities for improvement found in the surveillance audit conducted last year. There were no trends in the SFI implementation of the field audit or document review that would indicate that any particular area needs special attention. An SF 61 has been completed and contains specific information and audit notes.

Findings

Previous non-conformances:

No previous non-conformances were identified during the 2015 surveillance audit.

Non-conformances:

No non-conformances were uncovered during the renewal audit.

Opportunities for Improvement:

An opportunity for improvement is a process/activity/document that, while currently conforming, could be improved. No opportunities for improvement were issued during the renewal audit.

Notable Practices:

No notable practices were observed during the renewal audit.

Logo/label use:

Bennett Lumber Products uses the SFI logo on their website, sign and lumber wrap. All logo/label use is approved and in conformance with label/logo use requirements. Bennett Lumber Products, Inc. does not use the Bureau Veritas Certification logo.

SFI reporting:

A review of the SFI, Inc. website provided evidence that the previous audit of Bennett Lumber Products, Inc. SFI forest management and procurement program was submitted and posted as required for public notification.

Conclusions

The Closing Meeting of the renewal audit was held Wednesday morning, July 13, 2016. Halli Hemingway, Forestry/GIS Analyst; Dave Fritts, Forester; Tim Schaffer, Forester and Tom Biltonen, Forestry Resource Manager were in attendance. Lead Auditor Gregory Bassler presented and reviewed the audit findings. Confidentiality of the audit results was assured. Bennett Lumber Products, Inc. continues to meet the SFI requirements and has effectively implemented the 2015-2019 SFI Standard in their forest management operations. Bureau Veritas recommends continued certification.

SEE SF61 FOR AUDIT NOTES

Renewal Audit Schedule

Date: Monday, July 11, 2016

Site: Clarkston, WA

Time	Activity	Bureau Veritas Repr.	Company Repr.
07:45 AM	Arrive on Site	Bassler	
08:00 AM	Opening Meeting	Bassler	Halli Hemingway and staff
08:30 AM	Begin field audit of selected sites for the Clarkston site	Bassler	All
12:00 PM	Lunch		
01:00 PM	Resume field audit of selected sites	Bassler	Halli Hemingway/All
04:30 PM	Daily Debrief	Bassler	Halli Hemingway/All
05:00 PM	Depart from Site		

Date: Tuesday, July 12, 2016

Site: Princeton, ID

Time	Activity	Bureau Veritas Repr.	Company Repr.
07:45 AM	Arrive on Site	Bassler	
08:00 AM	Begin field audit of selected sites for the Princeton site	Bassler	Halli Hemingway/All
12:00 AM	Lunch		
01:00 PM	Resume field audit of selected sites	Bassler	All
04:30 PM	Daily Debriefing	Bassler	All
5:00 PM	Depart from site	Bassler	

Date: Wednesday, July 13, 2016

Site: Princeton, ID

Time		Activity	Bureau Veritas Repr.	Company Repr.
07:45	AM	Arrive on Site	Bassler	
08:00	AM	Begin document review for the SFI 2015-2019 Forest Management and Fiber Sourcing Standards.	Bassler	Halli Hemingway
11:30	AM	Prepare for closing meeting.	Bassler	
11:45	AM	Closing Meeting	Bassler	All
12:00	AM	Depart Site	Bassler	

Summary of Audit Findings:									
Audit Date(s):		From: July 11, 2016				To: July 13, 2016			
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:	July 13, 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)	SFI FM 2015_2019			3)					
2)				4)					
Team Leader (1):			Team Members (2, 3, 4...)						
Gregory Bassler, RAB EMS-LA			2)						
			3)						
			4)						
			5)						
Scope of Supply: (scope statement must be verified and appear in the space below)									
Forestry operations on 64,694 acres in the States of Idaho and Washington.									
Accreditation's		ANAB							
Number of Certificates		2							
Proposed Date for Next Audit Event									
Date	July 2017								
Audit Report Distribution									
Client: Bennett Lumber Products, Inc.-Halli Hemingway, GIS/Forestry Analyst, halli@blpi.com									
BVC- Dawn Komnick-Ehmann, Customer Service Representative, Dawn.komnick@us.bureauveritas.com .									

Clause	Audit Report
Opening Meeting	<p>Participants: Halli Hemingway, Forestry/GIS Analyst; Dave Fritts, Forester; Dan Smith, Forester and Tom Biltonen, Forestry Resource Manager were in attendance.</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: ➤ Halli Hemingway, Forestry/GIS Analyst; Tim Schaffer, Forester; Dave Fritts, Forester and Tom Biltonen, Forestry Resource Manager were in attendance.</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 and System Strengths ➤ Non-conformances - 0 ➤ Date for next audit. ➤ Reporting protocol and timing



SF02/NA NONCONFORMITY REPORT

Company Name and Site:		<u>SF02#:</u>	
Contract #:	Type of audit (e.g., initial, surveillance):	Team Leader:	
Date:	Standard and Clause #:	Team Member:	
Major	Minor	Other Documents (if applicable):	Company Representative:
REQUIREMENT OF AUDITED STANDARD:			
OBSERVED NONCONFORMITY:			
ROOT CAUSE ANALYSIS AND CORRECTIVE ACTION PLAN (To be completed by the Company. Plan to be submitted in 30 days)			
Corrective Action Plan Date:		Company Representative:	
Root Cause Analysis and Corrective Action			
Root Cause:			
Corrective Action Plan:			
ROOT CAUSE AND CORRECTIVE ACTION PLAN ACCEPTANCE REPORT (To be completed by Bureau Veritas Certification – Verify effective identification of Root Cause and acceptance of Corrective Action Plan)			
Root Cause:			
Corrective Action Plan:			
Plan Accepted:	Yes	No	Comments:
Auditor:			Date:
CORRECTIVE ACTION IMPLEMENTATION To be completed by Company – Provide objective evidence. Not to exceed: 90 Days <input type="checkbox"/> 1 Year <input type="checkbox"/>			
Corrective Action Completion Date:		Company Representative:	
Corrective Action Implementation:			
Method used to verify effectiveness of action taken:			
CORRECTIVE ACTION IMPLEMENTATION ACCEPTANCE REPORT (To be completed by Bureau Veritas Certification – Acceptance of Corrective Action taken)			
Accepted:	Yes	No	Nonconformance Closed: Yes No
Follow Up Comments:			
Auditor:			Date: