



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

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

Company Name	Clearwater Paper Corporation – Idaho Pulp & Paper Company
Contact Person	Chad Farrell
Address	803 Mill Road, Lewiston, ID 83501
Phone / Fax	208.799.1247 / 208.528.1969
PQC Code	E07A

Contract Number:	US 1629005	Certification Audit:		Re-Certification Audit:	X	Surveillance: (Indicate visit # or Pre-Assessment)	
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Audit Summary

Introduction

This report summarizes the results of a re-certification audit conducted on Clearwater Paper Corporation - Idaho Pulp & Paper Company (IPP); Sustainable Forestry Initiative (SFI) Chain of Custody program. Jim Colla, Bureau Veritas Certification Lead Auditor, conducted the chain of custody portion of the audit on June 9, 2014.

Audit Scope, Objectives and Process

The scope is “Manufacture of Pulp and Paper”. The audit was conducted against the SFI Chain of Custody standard. Standard Bureau Veritas Certification 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. The objective of the audit was to assess the company’s conformance to the SFI Chain of Custody standard and the associated ISO Guide 65 requirements. An opening and closing meeting was held in Lewiston, ID with Chad Farrell, Procurement and Certification Manager, present. Facility tours, document review and interviews with key personnel were also part of the audit. IFG was also audited to SFI 2010-2014 certified sourcing objectives 8-20 and FSC Chain of Custody standards.

Audit Plan

The company’s operations from receiving through production, shipping and systems management were audited:

Time	Activity	BVC Rep.	Company Rep.
8:00 AM	Opening Meeting - CoC	J. Colla	C. Farrell
9:00 AM	Tour of facilities and interviews	J. Colla	C. Farrell
11:00 PM	Review CoC System and documented procedures. Review records: log volumes bought and sold, supplier invoices and shipping documents, label use approvals, sales invoices and shipping documents, outsourced activities, internal audits, customer feedback		
2:30 Pm	Finalize audit findings		
3:30 PM	Closing meeting	J. Colla	C. Farrell
4:00 PM	Depart site	J. Colla	

Company Information

Clearwater Paper Corporation (CPC) is a publicly traded company. The corporate structure consists of a President/COO and a Vice President responsible for Idaho Pulp and Paper. A mill manager is responsible for all pulp manufacturing operations. CPC owns and operates several mills in the US; as only the Idaho Pulp & Paper Lewiston, ID mill is certified by BV, this is considered a single site certificate. Idaho Pulp and Paper purchases

wood chips, sawdust and pulpwood (chipped at a nearby facility) for manufacturing bleached market pulp and paperboard. The mill is in operation 24 hours per day, seven days per week and employs just over 800 people.

Multi-Site Requirements

Not applicable, single site.

Audit Results

Clearwater Paper Corporation - Idaho Pulp & Paper Company has a well written and organized handbook that documents evidence of conformance for each objective. The handbook contains an evidence matrix which references evidence found in the handbook by objectives and indicators. Adequate documents and records were found for all objectives and indicators audited. The audit consisted of a document review and tour of the facility. The accounting system used to track all certified and non-certified material purchased and received is very good. The SFI percent content is being calculated correctly on a monthly basis and is posted on their product website. Staff interviewed was very knowledgeable of the chain of custody system and accounting requirements. The company conforms to all requirements of the SFI chain of custody standard. The company has a robust health and safety program which include monthly health and safety training sessions. The company can assure traceability of certified material through all their manufacturing and trade processes. All interviewed understood their roles.

Findings

Previous non-conformances: None issued.

Non-conformances: None issued.

Opportunities for Improvements: 4.3 Documented Procedures. While required elements are in place, there are places that cite dated language (e.g., annex 2) of the SFI standards. IPP intends to update once the 2015 standard is released.

Notable Practices: None issued.

Internal Audit Program:

Clearwater Paper Corporation - Idaho Pulp & Paper Company is committed to conducting an annual internal audit and review of their chain of custody program as noted in their procedures. The organization employs a very rigorous internal audit program and management review process to ensure that all aspects of the chain of custody program are being correctly implemented and maintained. An internal audit was conducted on February 14, 2014. Results of the internal audit were shared with the Management Team at the Management Review Meeting on May 13, 2014. No findings related to SFI were noted. The results can be considered reliable as an internal audit program.

Logo/label use:

Clearwater Paper Corporation - Idaho Pulp & Paper Company does not use the SFI logo on or off product at the present time. The CoC manager has the responsibility to obtain use approvals.

Customer Feedback System:

If a customer has a complaint, they can go to the complaint tracker, an application based system to fill out a form which goes directly to the Customer Service Group for review. Customers can also go to the new customer complaint page on their website to submit a complaint. In either case, the customer service group maintains communication with the customer. The complaint is reviewed and routed to the appropriate mill department for review, root cause analysis and corrective action if required or appropriate. The customer service group works with customer and is responsible for resolution of the complaint or issue. IPP reports no complaints over the last year related to chain of custody or product certification.

Conclusions

The results of this audit conclude that Clearwater Paper Corporation - Idaho Pulp & Paper Company has maintained an excellent system for tracking Chain of Custody material throughout all their processes; employees are well versed in program components, and their procedures continue to conform to the SFI Chain of Custody

management system requirements. Re-certification is recommended.

Surveillance Audit Schedule

Surveillance audits should be scheduled for June over the next two years, 2015-2016; with a re-certification audit scheduled for 2017. The company desires to have their chain of custody certifications expire on the same three year cycle as the SFI Certified Sourcing certificate.

SEE SF71 FOR AUDIT NOTES

Summary of Audit Findings:						
Audit Date(s):		From: June 9, 2014			To: June 9, 2014	
Number of SF02's Raised:			Major:		0	Minor: 0
Is a follow up visit required:		Yes	No	X	Date(s) of follow up visit: NA	
Follow-up visit remarks:						
Team Leader Recommendation:						
Corrective Action Plan (s) Accepted		Yes	No	Date: NA		
Proceed to/continue Certification		Yes	X	No	Date: June 9, 2014	
All NCR's Cleared		Yes	No	Date: NA		
Standard audit conducted against:						
1)	SFI CoC	3)				
2)		4)				
Team Leader (1):		Team Members (2, 3, 4...)				
Jim Colla		2)				
		3)				
Scope of Supply: (scope statement must be verified and appear in the space below)						
Manufacturer of Pulp & Paper						
Accreditation's		ANSI				
Number of Certificates		1				
Proposed Date for Next Audit Event						
Date	June 2015					
Audit Report Distribution						
Client: Clearwater Paper Corporation - Idaho Pulp & Paper Company, Chad Farrell chad.farrell@clearwaterpaper.com						
BVNA: CSR – Melissa Marchese, melissa.marchese@us.bureauveritas.com						

Clause	Audit Report
Opening Meeting	<p>Participants: Chad Farrell, Procurement and Certification Manager; and Jim Colla, lead auditor.</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: eChad Farrell, Procurement and Certification Manager; and Jim Colla, lead auditor.</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:		SF02#:	
CPC – Idaho Pulp & Paper		01	
Contract #:	Type of audit (e.g., initial, surveillance):	Team Leader:	
US1629005	Recertification	Jim Colla	
Date:	Standard and Clause #:	Team Member:	
6 June 2014	SFI 2010-2014; Section 5: 1.3		
Major	Minor	Other Documents (if applicable):	Company Representative:
	X		Chad Farrell
REQUIREMENT OF AUDITED STANDARD:			
1.3. The ® only needs to be included the first time “Sustainable Forestry Initiative” or “SFI” word marks appears in a document, whether it is in a title or in text. If both word marks are used, the correct format is: Sustainable Forestry Initiative® (SFI®) program.			
OBSERVED NONCONFORMITY:			
The trademark symbol ® does not accompany ‘Sustainable Forestry Initiative’ or SFI on the company website.			
ROOT CAUSE ANALYSIS AND CORRECTIVE ACTION PLAN (To be completed by the Company. Plan to be submitted in 30 days)			
Corrective Action Plan Date:	6 June 2014	Company Representative:	Chad Farrell
Root Cause Analysis and Corrective Action			
Root Cause: Misunderstood the requirements for the website, never pointed out in prior audits. Corrective Action Plan: Website to be corrected and approval & link provided to auditor			
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: Acceptable Corrective Action Plan: Acceptable			
Plan Accepted:	Yes	X	No
Comments:			
Auditor:	<i>[Signature]</i>	Date:	6 June 2014
CORRECTIVE ACTION IMPLEMENTATION			
To be completed by Company – Provide objective evidence. Not to exceed: 90 Days SFI, PEFC <input checked="" type="checkbox"/> ; 1 year FSC <input type="checkbox"/> ; other <input type="checkbox"/> Days			
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:	