



**BUREAU
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**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	Idaho Forest Group
Contact Person	Jeff Berend
Address	4447 E. Chilco Rd , Athol, ID 83801
Phone / Fax	Grangeville: 208-983-0012; Athol: 208-661-4239
PQC Code	E01E

Contract Number:	US 1514416	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 the first re-certification audit of the SFI Certified Sourcing program conducted on Idaho Forest Group (IFG). IFG is a multi-site organization. Jim Colla, Bureau Veritas Certification Lead Auditor conducted the audit from October 9-11, 2013. IFG also holds SFI, PEFC and FSC chain of custody certification.

Audit Scope, Objectives and Process

The scope of the audit is “wood procurement” for the Idaho Forest Group (IFG) sourcing area. The goal is continued certification to the SFI 2010-2014 Standard, Objectives 8-20. Two objectives of the SFI audit were to verify that the Program Participant’s SFI Program is in conformance with the SFI Objectives, Performance Measures, and Indicators, and any additional indicators that the Program Participant chooses, and verify whether the Program Participant has effectively implemented its SFI Standard program requirements on the ground. Standard Bureau Veritas Certification protocols and forms were applied throughout the audit as provided by the July 2012 version of the Bureau Veritas Certification SFI Auditor Handbook. Field notes and an SFI indicator checklist were completed and contain specific information and audit notes.

The audit began at the IFG headquarters office in Chilco, ID on October 9, 2013 with an opening meeting. The objectives for the recertification audit were outlined and the audit process for collecting evidence and making audit findings was explained. Process determination findings of non-conformance, opportunities for improvement, and notable practices were explained. Confidentiality was assured. The audit plan was discussed and agreed to, and the time and date of the closing meeting was confirmed for October 11. There were no substitutions or modifications of SFI indicators.

Audit Plan

After discussing the goals and objectives of the audit, the audit plan and logistics was reviewed and the sites confirmed to conduct the field portion of the audit in a timely manner. Sourcing sites covered during the recertification audit were selected based on a rotating schedule developed by Bureau Veritas Certification at the time of certification. A total of nine operating locations were visited.

Audit Schedule

Date: Wednesday, October 9 (Chilco office)

Time	Activity	BVC Repr.	Company Repr.
8:00 AM	Opening Meeting	J. Colla	Jeff Berend & designated IFG staff
8:30 AM	Office review and documentation of all indicators in Objectives 8-20; staff interviews (working lunch on-site)	J. Colla	same
4:00 PM	Review day's findings & final decision on site visits	J. Colla	same

Date: Thursday, October 10, 2013 (Moyie Springs and Laclede Sourcing area)

Time	Activity	BVC Repr.	Company Repr.
7:30 AM	Commence field audits, field level indicators, lunch in the field	J. Colla	Jeff Berend & designated IFG staff
3:30 PM	Management debrief	J. Colla	same
4:00 PM	Depart site		

Date: Friday, October 11, (Chilco and Laclede sourcing area)

Time	Activity	BVC Repr.	Company Repr.
7:30 AM	Commence field audits, field level indicators, lunch in the field	J. Colla	Jeff Berend & designated IFG staff
2:00 PM	Summarize audit findings	J. Colla	
3:30 PM	Closing meeting	J Colla	same
4:00 PM	Depart site		

Company Information

Idaho Forest Group is a privately held sawmilling business. IFG maintains a multi-site organization of five manufacturing facilities in Idaho located in Athol, Grangeville, Laclede, Lewiston and Moyie Springs. All facilities are similar in that they produce dimension and board lumber, saw dust, planar shavings, chips, and hog fuel. IFG does not have its own land base so suppliers are primarily private landowners in the region, IFG also purchases federal, state and tribal agency wood via competitive contract. IFG maintains a very active outreach program and interacts well with their wood suppliers. There is one set of procedures that applies to the entire system, and the SFI manager is the sole person responsible for maintaining the procedures. Individual mill procurement foresters are responsible for conforming to the company's SFI program for on the ground activities and for providing corrective actions to the SFI manager when necessary.

Multi-Site Requirements

The company qualifies for multi-site certification since the management system is controlled and directed by the headquarters staff. Management information systems, invoicing, internal audit program and management

control are all carried out at headquarters. All manufacturing sites operate under a common set of Certified Sourcing, Chain of Custody, accounting and business procedures. The number of audited sites is based upon standard selection protocols, where the square root of the number of sites is rounded up to the next whole number. The headquarters site is audited annually.

Sites	Sites Audited During this Event
Grangeville, ID	
Chilco, ID (Athol HQ)	X
Laclede, ID	X
Moyie Springs, ID	X
Lewiston, ID	

Audit Results

The audit consisted of document and record reviews and interviews. In addition nine field sites, five of which were actively being harvested, were visited that represent the spectrum of sourcing activities IFG undertakes. Objectives 1-7, 11-13 and 18 are not applicable.

Objective 8, Landowner Outreach: The auditor was impressed with the extensive focused effort IFG staff puts into landowner outreach, logger education and the American Tree Farm System. See notable practices.

Objective 9, Use of qualified resource and qualified logging professionals: IFG continues to maintain, support and implement a program to promote trained professionals. IFG tracks the volume of wood provided by trained professionals. Procurement policies address logger training goals and objectives. IFG will sponsor contractors not currently certified to attend the pro-logger classes. IFG only uses trained logging professionals on purchase contracts and they strongly encourage use of the same on gate wood. Procurement objectives address logger training goals and objectives. The contractors interviewed, but one on a gate wood sale, are ALC certified. All contractors had required safety equipment and emergency and spill response plans. Contractors and landowners were well versed in sustainable forestry principles.

Objective 10, Adherence to Best Management Practices: IFG Procurement and BMP Monitoring Procedures, Adverse Weather Condition Program, Log Purchase Agreements and General Contracts contain policies, programs and requirements for compliance with BMP/SMZ practices. IFG BMP inspection policies, priorities and sampling intensities are well defined. IFG works very closely with ID, WA and MT state forestry agencies, constantly monitoring state inspections and reports. IFG has an internal inspection/inconsistent practices program that are used supplemental to the state inspection program. All sites visited had purchase agreements in place requiring use of BMPs.

Objective 14, Legal Compliance: A log purchase contract cannot be issued without an established FPA notification. IFG utilize sites visits and inspection forms per Fiber Sourcing and BMP Procedures to document compliance and follow up on non-conformances. Furthermore, State forestry agencies monitor BMP compliance and IFG actively monitors state reports. IFG monitors information from the SIC, Procurement Policies address inconsistent practices. IFG maintains and implements a Program to Address Fuel, Oil Spills and Hazardous Waste issues and ensure compliance with State, Federal and Local laws. The system is understood by all IFG foresters on inspected sites. H&S requirements are addressed in training and posted in various mill locations as prescribed by law. No compliance issues or state issued citations on any of the sites visited. The auditor found that the documentation was consistent between the mills.

Objective 15, Forestry Research: IFG cooperates with the University of Idaho, the cooperative extension service and other entities to facilitate regional research by providing access to company facilities and providing financial resources. IFG participated in and supports a pilot study, dubbed Central Dispatch; that encompassed the northern operating areas with several other cooperators. The study, the first of its kind in the PNW and perhaps nationally, intends to improve trucking efficiencies and miles under load. The study is complete and data is undergoing analysis.

Objective 16, Training and Education: The commitment statement is reviewed annually, noted on the website

and made available to the public upon request. IFG cooperates through the SIC/ALC to ensure contractor training programs are consistent with the goals and needs of the SFI program. IFG hosts a contractor meeting in the spring that covers a number of topics. IFG maintains detailed training records on the continuing education and training accomplishments of its staff. Staff is well trained and experienced, the one new forester hire since the last audit has been trained

Objective 17, Community Involvement: IFG maintains records on how it supports development and distribution of educational materials specific to practical application of management activities addressing these topics for forest landowners. IFG also continues to support educational programs by participation in such programs as the Teachers ATFS and Cooperative Extension Family Forests programs. In addition, IFG provides personnel and financial support to the Intermountain Logging Conference and to the Idaho Forest Products Commission for the annual teachers' tour. Foresters at all locations are continually involved in the distribution of educational materials and related training with landowners and to the public.

Objective 19, Communications and Public reporting: The 2012 IFG 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.

Objective 20, Management Review and Continuous Improvement: Management systems are in place to share information at both an operational and policy level among staff to provide interactive feedback. See opportunities for improvement.

Findings

Previous non-conformances: None issued.

Non-conformances issued: None issued.

Opportunities for Improvements:

- *PM 20.1, Indicator 3- Management Review.* The IFG Management Review Process includes a method for annual review and determination of necessary changes for continual improvement and continued conformance with the standard. The primary focus of management review has been on regulatory and BMP compliance; IFG may benefit from expanding the management review to include a more formal and detailed assessment of the effectiveness of other SFIS principles.

Notable Practices: NP's are practices and actions that are exemplary and indicate an exceptionally strong commitment to SFI principles. One notable practice was identified during the audit:

- *PM 8.1, Indicator 1 & 3- Landowner Outreach.* IFG has updated and distributed topical information concerning Idaho BMP's for water quality and SMZ rules to landowners and contractors. IFG continues to do regular mailing to landowners covering a multitude of sustainable forestry topics. They directly support and lead the way in contractor and landowner educational opportunities on BMP/SMZ and a wide array of other sustainable forestry topics. IFG's website has links for landowners and contractors to view topics for additional information and guidance. IFG staff remains active with landowner advocacy groups and individuals. The landowner packet provides information on and encourages the Tree Farm certification program. IFG foresters serve on the ID Tree farm Committee and work as inspectors. They are far and away the most active ATFS support organization in the Northern Rockies. IFG is now offering a cash/MBF premium for ATFS logs, a first in the western states.

Logo/label use:

IFG has not and does not intend to use the on product label, but has used the logo for promotional purposes on promotional documents and the website. Use approvals have been obtained from SFI.

SFI reporting:

The 2012 surveillance audit report for IFG is on the SFI website as required.

Conclusions

In the opinion of the auditor, Idaho Forest Group continues to implement an effective SFI program that meets the requirements of the SFI 2010-2014 standard. Recertification is recommended.

Surveillance Audit Schedule

Surveillance audits should be schedule for September or early October for 2014-2015; with a recertiofcation audit in 2016.

SEE SF61 FOR AUDIT NOTES

Summary of Audit Findings:						
Audit Date(s):	From: October 9, 2013			To: October 11, 2013		
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"/>	Date:	N/A		
Proceed to/Continue Certification	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	Date:	October 11, 2013		
All NCR's Cleared	Yes <input type="checkbox"/>	No <input type="checkbox"/>	Date:	N/A		
Standard audit conducted against:						
1) SFIS 2010-2014	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)						
Wood Procurement						
Accreditation's	ANAB					
Number of Certificates	1					
Proposed Date for Next Audit Event						
Date	October 2014					
Audit Report Distribution						
Bureau Veritas Certification: Cornelia Holmes-cornelia.holmes@us.bureauveritas.com						
IFG: , Jeff Berend, - jberend@idahoforestgroup.com						

Clause	Audit Report
Opening Meeting	Participants: Jeff Berend (procurement forester/ SFI Manager), Kyle Wetmore Discussions: (procurement forester); and Jim Colla, Lead Auditor. <ul style="list-style-type: none"> ➢ Introductions ➢ Scope of the audit ➢ Audit schedule/plan ➢ Nonconformance types – Major / Minor ➢ Review of previous nonconformances - 0. ➢ Process approach to auditing and audit sampling ➢ Confidentiality agreement

	<ul style="list-style-type: none"> ➤ Termination of the audit ➤ Appeals process ➤ Closing meeting timing
Closing Meeting	<p>Participants: Jeff Berend (Procurement/SFI 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 ➤ Nonconformance's - 0 ➤ Date for next audit. ➤ Reporting protocol and timing