



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

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PQC Code	E07A
Contract Number	US1629005

Certification Audit:		Re-Certification Audit:		Surveillance Audit:	#2	Scope extension audit:	
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Audit Summary	
<b>Introduction</b>	
<p>This report summarizes the results of a surveillance audit conducted on Clearwater Paper Corporation - Idaho Pulp &amp; Paper Company (IPP); Sustainable Forestry Initiative (SFI) Fiber Sourcing program. Jim Colla, Bureau Veritas Certification Lead Auditor, conducted the certified sourcing portion of the audit on June 9-10, 2016. Mr. Colla is a career forester with over 35 years of experience and an EMS/RABQSA certified lead auditor.</p>	
<b>Audit Scope, Objectives and Process</b>	
<p>The scope of the audit is “Wood Procurement for the Manufacture of Pulp and Paper”. The goal is continued certification to the SFI 2015-2019 Fiber Sourcing Standard. 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 current 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.</p> <p>The audit began at the Swan Lake Fiber office in St. Maries, ID with an opening meeting. The objectives for the surveillance 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. There were no substitutions or modifications of SFI indicators.</p>	
<b>Audit Plan</b>	
<p>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. The company’s procurement program supporting their Lewiston, ID complex was audited on June 9-10, 2016. A total of three harvesting sites and outsource log yard/chipping facility were visited. The formal audit plan itself is maintained on file by Bureau Veritas Certification.</p>	
<b>Company Information</b>	
<p>Clearwater Paper Corporation (CPC) is a publicly traded company. The corporate structure consists of a</p>	

Board of Directors, 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. The company does not own any forest land; pulp log suppliers include private landowners in the region; and federal, state and Tribal owners.

### **Audit Results**

The audit consisted of document and record reviews and interviews. In addition four field sites, two of which were actively being harvested, were visited that represent the spectrum of sourcing activities IPP undertakes.

**Objective 1-Biodiversity in Fiber Sourcing:** The SFI Landowner Packet and Procedures contain information and guidance on the general subject of biodiversity. The OFI issued 2015 where detail lacked specificity to each indicator has been addressed. The ID SIC worked to address this indicator.

**Objective 2-Adherence to Best Management Practices:** Idaho Pulp & Paper Procurement and BMP monitoring procedures, adverse weather condition program, and log purchase agreements assure policies, programs and requirements for compliance with BMP/SMZ practices are met or exceeded. BMP inspection policies, priorities and sampling intensities are well defined. IPP conducts internal reviews of BMP and regulatory compliance. IPP continues to work very closely with Idaho Department of Lands (IDL), constantly monitoring IDL inspections and reports. Any deficiencies are directly addressed with the supplier.

**Objective 3-Use of Qualified Resource and Qualified Logging Professionals:** Idaho Pulp & Paper continues to maintain, support and implement a program to promote trained professionals. Procurement policies address logger training goals and objectives. Idaho Pulp & Paper only uses trained logging professionals on purchase contracts and they strongly encourage use of the same on gate wood. The contractors interviewed are ID Associated Logging Contractors (ALC) certified. All contractors had required safety equipment, emergency and spill response plans and fire caches. Contractors interviewed were well versed in sustainable forestry principles.

**Objective 4-Legal and Regulatory Compliance:** A log purchase agreement cannot be issued without an established FPA notification. Idaho Pulp & Paper utilizes sites visits and inspection forms to document and follow up with non-compliance issues. These visits and forms record compliance levels with laws and regulations. Furthermore, IDL monitors inspects for FPA compliance. Idaho Pulp & Paper will monitor information from SIC and address inconsistent practices via established policies. Idaho Pulp & Paper maintains and implements a Program to Address Fuel, Oil Spills and Hazardous Waste issues to ensure compliance with State and Federal laws. No conformance issues noted by state or federal regulators.

**Objective 5-Forestry Research, Science and Technology:** CPC is a long standing supporter of the ID-SIC; AF&PA and the IFPC and contributes financially as well as materially. Clearwater Paper monitors FIA resource assessments and IDL and IDEQ monitoring records. They materially participate with the SIC/Idaho. This year marked to start of GNA stemming from the 2014 Farm Bill, IPP is working with other SIC members on a pilot project to improve stewardship on USFS lands.

**Objective 6-Training and Education:** Not Audited

**Objective 7-Community Involvement and Landowner Outreach:** Idaho Pulp & Paper continues to provide financial support to a number groups that address PM 7.1.2 indicators and to the SIC for development of educational materials in the SFI Information packet. FPA and Fire Hazard Reduction Agreements are required on all purchase logs. IPP will chip slash piles at no cost to provide hog fuel for their facility and reduce risks form unburned piles.

**Objective 8-Public Land Management Responsibilities:** Not applicable

**Objective 9-Communications and Public Reporting:** The 2015 Idaho Pulp & Paper 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 10-Management Review:** Management systems are in place to share information at both an operational and policy level among staff to provide interactive feedback. Reviews are conducted annually and are robust. IPP is ISO9001:2008 certified.

**Objective 11-Promote Conservation of Biological Diversity, Biodiversity Hotspots and High-Conservation Wilderness Areas:** Not Applicable

**Objective 12-Avoidance of Controversial Sources including Illegal Logging:** Not Applicable

**Objective 13-Avoidance of Controversial Sources including Fiber Sourced from Areas without Effective Social Laws:** Not Applicable

## **Findings**

**Previous non-conformances:** None issued

**Non-conformances:** None issued

**Opportunities for Improvement:** None issued

**Notable Practices:** None issued

### **Logo/label use:**

IPP has not and does not intend to use the on product label. Proper use of the SFI trademark is present on the website and a new promotional brochure. IPP does not use the BVC logo.

### **SFI reporting:**

The 2015 audit report for Idaho Pulp & Paper is on the SFI website as required. IPP has submitted 2015 annual report data to SFI as requested.

## **Conclusions**

The closing meeting was held on June 10, 2016. The findings related to this audit and the chain of custody audits conducted concurrently were reviewed, and the confidentiality of audit results assured. In the opinion of the auditor, Clearwater Paper Corporation - Idaho Pulp & Paper continues to implement an effective SFI program that meets the requirements of the SFI 2015-2019 Fiber Sourcing Standard. Continued certification is recommended.

**SEE SF61 FOR AUDIT NOTES**

Summary of Audit Findings:									
Audit Date(s):		From: June 9, 2016				To: June 10, 2016			
Number of SF02's Raised:			Major:		0		Minor:		0
Is a follow up visit required:			Yes	No	Date(s) of follow up visit:				
Follow-up visit remarks:									
Team Leader Recommendation:									
Corrective Action Plan(s) Accepted		Yes	No	N/A	X	Date:			
Proceed to/Continue Certification		Yes	X	No	N/A	Date:		June 10, 2016	
All NCR's Closed		Yes	No	N/A	X	Date:			
Standard audit conducted against:									
1)	SFI 2015-2019 Fiber Sourcing			3)					
2)				4)					
Team Leader (1):			Team Members (2,3,4...)						
Jim Colla			2)						
Scope of Supply: (scope statement must be verified and appear in the space below)									
Wood Procurement for the Manufacture of Pulp and Paper									
Accreditation's		ANAB							
Number of Certificates									
Proposed Date for Next Audit Event									
Date	June 2017								
Audit Report Distribution									
Client: Clearwater Paper - Idaho Pulp & Paper, Chad Farrell <a href="mailto:chad.farrell@clearwaterpaper.com">chad.farrell@clearwaterpaper.com</a>									
BVNA: CAC – Dawn Komnick, dawn.komnick@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"> <li>➤ Introductions</li> <li>➤ Scope of the audit</li> <li>➤ Audit schedule/plan</li> <li>➤ Nonconformance types – Major / Minor</li> <li>➤ Review of previous nonconformances - 0</li> <li>➤ Process approach to auditing and audit sampling</li> <li>➤ Confidentiality agreement</li> <li>➤ Termination of the audit</li> <li>➤ Appeals process</li> <li>➤ Closing meeting timing</li> </ul>
Closing Meeting	<p>Participants: Chad Farrell, Procurement and Certification Manager; and Jim Colla, lead auditor.</p> <p>Discussions:</p> <ul style="list-style-type: none"> <li>➤ Introductions and appreciation for selecting Bureau Veritas Certification.</li> <li>➤ Review of audit process - process approach and sampling.</li> <li>➤ Review of OFIs and System Strengths</li> <li>➤ Nonconformance's - 0</li> <li>➤ Date for next audit.</li> <li>➤ Reporting protocol and timing</li> </ul>