



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

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PQC Code	E01E – Forestry, Logging
Contract Number	US.1933971

Certification Audit:		Re-Certification Audit:	<b>X</b>	Surveillance Audit:	#	Scope extension audit:	
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**Audit Summary**

**Introduction**

A renewal of the fiber sourcing program at Idaho Timber (IT) was conducted on August 13 and 14, 2015. The audit was conducted by Gregory Bassler, Lead Auditor.

**Audit Scope, Objectives and Process**

The scope of the renewal audit was Idaho Timber’s procurement of gatewood, stumpage and other wood fiber for the Troy, Boise and Weiser facilities in Idaho. The objective of the audit was re-certification to the SFI 2015-2019 Standard. The renewal audit is to verify the ongoing effectiveness of Idaho Timber’s SFI fiber sourcing (procurement) program and to demonstrate conformance to the policies and procedures.

**Audit Plan**

The opening meeting of the audit was held at the Idaho Timber’s office in Meridian, ID on Thursday, August 13, 2015. David Taugher, SFI Manager and V.P. Human Resources; Byron Cannon, SFI Coordinator and General Manager - Idaho Cedar Sales and Dennis Badesheim, Sales and Purchasing 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 Idaho Cedar Sales office at 4:30 PM on Friday, August 14.

The two day audit consisted of a half day document review at the corporate headquarters in Meridian, a half day audit at their Boise, ID facility and a one day field audit at their Troy, ID facility. The audit plan is included in this report and is maintained on file by Bureau Veritas Certification. The renewal audit was conducted under environmental auditing methodologies identified in the SFI 2015-2019 Audit Procedures and Auditor Qualifications and Accreditation (Section 9 of the Requirements for the SFI 2015-2019 Program) and standard Bureau Veritas Certification protocols and forms were applied throughout the verification. The audit plan identified all objectives, performance measures and indicators of the SFI 2015-2019 Standard were to be audited.

**Company Information**

Idaho Timber owns two secondary remanufacturing facilities in Idaho: one located in Weiser (Idaho Timber of Idaho, LLC) and the other located in Boise (Idaho Timber of Boise, LLC). Idaho Timber has a primary sawmill facility located in Troy, ID (Idaho Cedar Sales) which utilizes western red cedar to produce post and rail fencing products. The headquarters and corporate officers of Idaho Timber are located in Meridian, ID.

Idaho Timber provides an extensive range of quality wood products and markets across the United States and

Canada. Started in 1979, Idaho Timber successfully combined business and resource management with productive manufacturing to ensure service and quality.

### **Multi-Site Requirements**

Idaho Timber is a multi-site organization and has a central office or headquarters (Meridian, ID) at which certain activities are planned, controlled or managed. The Meridian, ID central office provides each facility with information and guidance on activities. The scope and scale of activities are similar at all sites. Each facility operates under a common fiber sourcing 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. A site sampling method was used and two sites are to be audited annually. The Boise and Troy sites were selected to be audited this year. The Troy site, Idaho Cedar Sales, is a primary manufacturing facility but does not purchase stumpage and a large percentage of the supplier harvest sites are inspected or monitored by the Idaho Department of Lands, State Forest Practices Advisors. Idaho Timber maintains an internal monitoring program of all sites and is in conformance with all multi-site requirements.

<b>Sites</b>	<b>Sites Audited During this Event</b>
Meridian, ID (Central Office)	X
Idaho Timber of Boise, LLC. Boise, ID	X
Idaho Timber of Idaho, LLC. Weiser, ID	
Idaho Cedar Sales, LLC. Troy, ID	X

### **Audit Results**

#### **Objective 1-Biodiversity in Fiber Sourcing:**

Idaho Timber promotes conservation of biodiversity through a variety of ways including statements in their Environmental Policy, participation in the Idaho SIC, funding for the Sustainable Forest Teachers Tour and other public outreach. The promote diversity through their association and involvement with the American Wood Council. Idaho Cedar Sales does not purchase stumpage. The Idaho Cedar Sales supplier letter contains information on requirements to protect FECV's through management.

#### **Objective 2-Adherence to Best Management Practices:**

Approximately 97% of the net volume delivered to Idaho Timber in 2014 was from Pro-Loggers. All sellers/contractors are required to comply with BMP's in their Log Purchase Agreements. Idaho Cedar Sales monitors the State of Idaho's NOV list and all IDL Forest Practices inspection reports for sales they purchase wood from. The Idaho Department of Lands (IDL) inspects many of the forest practices notifications that are taken out annually. Monitoring by the IDL is considered very robust and is relied upon for evaluation of BMP's throughout the State. There were no unsatisfactory practices issued on any of the procurement sales. The IDL publishes an annual monitoring report that is used by Idaho Timber to identify potential areas of improvement. A total of five field sites were visited. All were private, non-industrial sales and non were certified. No sites were active and all used trained loggers. All sites were in compliance with Forest Practices Regulation and Best Management Practices.

#### **Objective 3-Use of Qualified Resource and Qualified Logging Professionals:**

Idaho Timber encourages all landowners to use loggers accredited by the States Pro-Logger program. Idaho Timber states their support for using qualified logging and resource professionals in their supplier letter. The Idaho Pro-Logger list can be found on the Associated Contract Loggers (ACL) website and Idaho Timber maintains a list of Idaho Pro-Loggers on file.

#### **Objective 4-Legal and Regulatory Compliance:**

Idaho Timber has a copy of all the pertinent rules and regulations pertaining to operations at each facility. To maintain compliance with all laws and regulations, Idaho Timber requires that all suppliers comply with all rules and regulations as stated in their Procurement Policy, Supplier letter and Log Purchase Agreement. IDL

regulatory staff monitor for regulatory compliance. A large percentage of the suppliers for the ICS mill (88%) are SFI certified. Idaho Timber commits to compliance with social laws as outlined in its employee handbook. No complaints were issued in 2014 against Idaho Timber 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 Idaho Timber office break room and each facility. Health and Safety requirements are met and requirements are posted in various locations as prescribed by law.

**Objective 5-Forestry Research, Science and Technology:**

Idaho Timber provides financial support to various agencies for research. This includes softwood lumber research, Idaho forest products, and educational materials development. Idaho Timber procurement staff is knowledgeable about climate change impacts on wildlife, wildlife habitats and conservation of biological diversity through national, regional or local programs. Idaho Timber is monitoring and gathering information on climate models from various sources and conferences.

**Objective 6-Training and Education:**

Idaho Timber has a written statement of Commitment in their revised supplier letter and has provided it to all suppliers. Staff is trained on their roles in the SFI program and several procurement staff is Pro-Logger trained. Idaho Timber policies and supplier letter document requirements for use of certified or qualified logging professionals. The Idaho SIC acknowledges the Associated Logging Contractors ownership of the Idaho Pro-Logger Program and it recognizes that it meets the requirements of the Idaho SFI program. The Idaho SIC provides funding for the Pro-Logger program. Log Purchase agreements contain language that requires all Sellers to use qualified logging professionals and certified logging professionals as those terms are defined by SFI. The SIC approved logger training program (Idaho Pro-logger) has a continuing education component which requires 16 credits of CE per year. Idaho Timber staff have met there CE requirements for 2015.

**Objective 7-Community Involvement and Landowner Outreach:**

Idaho Timber supports the Idaho SIC to inform the public on sustainable forestry. Idaho Timber is an active participant in the Idaho SIC. The SIC has typically been involved with establishing criteria for logger training, worked with IDL on BMP's, worked on public outreach, FECV, invasive species, endangered and threatened species and more recently, biodiversity. It also annually provides financial support for the Sustainable Forestry Teachers Tour. Idaho Timber supports the Idaho Forest Products Commission which promotes the education program "Project Learning Tree". Idaho Timber conducts numerous mill tours of the Idaho Cedar Sales facilities for school kids. Idaho Timber is a member of the Idaho SIC which has a website where non-conforming practices can be reported and emailed to the SIC Chair. Idaho Timber also has a toll free number that the general public can report any concerns or inquiries. No notices of inconsistent practices were received from any party in 2014.

**Objective 8-Public Land Management Responsibilities: N/A**

**Objective 9-Communications and Public Reporting:**

Last year's 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 2014.

**Objective 10-Management Review:**

The Boise, ID central office conducts and maintains an internal audit program to review and monitor conformance of each facility. Idaho Timber conducts an SFI meeting (management review) annually. There is good coordination and communication between the central office and each facility. Idaho Timber review information on FPA compliance for all sales and summarizes the information. Idaho Timber staff review the SFI program at their annual SFI Meeting which was held on April 30, 2015.

Idaho Timber did not have any substitution or modifications to any of the Indicators. The review of previous

audits was conducted to verify the results of previous audit findings and to evaluate Idaho Timber's past performance. Idaho Timber addressed all past opportunities for improvements with documentation and actions to improve the weaknesses and have successfully implemented changes. There were no significant trends in the SFI implementation that would indicate that any particular area needs special attention. An SF 61 has been completed and contains specific information and audit notes.

**Objective 11-Promote Conservation of Biological Diversity, Biodiversity Hotspots and High-Conservation Wilderness Areas:**

Wood suppliers receive the supplier letter and are encouraged to practice sustainable forestry. Idaho Timber currently only purchases finished lumber products from certified suppliers outside of the United States and Canada. Idaho Timber encourages certification through their supplier letter. Idaho Timber is aware of all direct supplier certifications and has copies on file.

**Objective 12-Avoidance of Controversial Sources including Illegal Logging:**

Idaho Timber currently only purchases finished lumber products from certified suppliers outside of United States and Canada. Identified high risk areas are avoided. Wood suppliers receive the supplier letter and are encouraged to practice sustainable forestry. IT is aware of all direct supplier certifications.

**Objective 13-Avoidance of Controversial Sources including Fiber Sourced from Areas without Effective Social Laws:**

Idaho Timber purchases only certified lumber from foreign suppliers. Requirements are stated in the log purchase agreement. Supplier certificates and risk assessments are on file.

**Findings**

**Previous non-conformances:**

No non-conformances were identified in the 2014 surveillance audit.

**Non-conformances:**

No non-conformances were uncovered during the renewal audit.

**Opportunities for Improvement:**

OPI's are weaknesses in the program that may lead to a non-conformance in the future if activities are not monitored for effectiveness. No Opportunities for Improvement were identified during the renewal audit.

**Notable Practices:**

NP's are practices and actions that are exemplary and indicate a strong commitment to the SFI intent and to continual improvement of their program. No Notable Practices were identified during the renewal audit.

**Logo/label use:**

Idaho Timber does not use the SFI label or logo. Idaho Timber does not use the Bureau Veritas Certification logo on any promotional material or products.

**SFI reporting:**

A review of the SFI, Inc. website provided evidence that the previous summary audit report of the Idaho Timber SFI fiber sourcing program was posted.

**Conclusions**

The Closing Meeting for the renewal audit was held at the Idaho Timber's Troy office on Friday, August 14, 2015. David Taugher, SFI Manager and V.P. Human Resources and Dennis Badesheim, Sales and Purchasing attended via conference call and Byron Cannon, SFI Coordinator and General Manager Idaho Cedar was present. Lead Auditor Gregory Bassler presented and reviewed the audit findings. Confidentiality of the audit results was assured. Idaho Timber meets the SFI 2015-2019 requirements and has effectively implemented their fiber sourcing program. Bureau Veritas recommends re- certification.

## Renewal Audit Schedule

**Date: Thursday, August 13, 2015      Meridian, ID**

Time	Activity	BVC Repr.	Company Repr.
08:00 AM	Opening Meeting at Headquarters	Gregory Bassler	Dave Taugher and Byron Cannon
8:30 AM	Document Review – Objectives 1-13	Bassler	Taugher/ Cannon
12:00	Lunch		

**Date: Thursday, August 13, 2015      Meridian, ID**

Time	Activity	BVC Repr.	Company Repr.
1:00 PM	Site visit of Boise, ID remanufacturing facility	Bassler	Taugher/ Cannon
4:00 PM	Summarize findings, prepare for closing meeting	Bassler	
04:30 PM	Debriefing	Bassler	Taugher/ Cannon
05:00 PM	Depart site		

**Date: Friday, August 14, 2015      Troy, ID**

Time	Activity	BVC Repr.	Company Repr.
08:00 AM	Opening Meeting at Troy facility	Gregory Bassler	Byron Cannon
8:30 AM	Field site visits	Bassler	Cannon
12:00	Lunch		
1:00 PM	Continue site visits	Bassler	Cannon
4:00 PM	Summarize findings, prepare for closing meeting	Bassler	
04:30 PM	Closing Meeting	Bassler	Cannon
05:00 PM	Depart site		

**SEE SF61 FOR AUDIT NOTES**

<b>Summary of Audit Findings:</b>										
Audit Date(s):			From: August 13, 2015				To: August 14, 2015			
Number of SF02's Raised:					Major:		0	Minor:	0	
Is a follow up visit required:			Yes		No	X	Date(s) of follow up visit:			
Follow-up visit remarks:										
<b>Team Leader Recommendation:</b>										
Corrective Action Plan(s) Accepted			Yes		No		N/A	X	Date:	
Proceed to/Continue Certification			Yes	X	No		N/A		Date:	August 14, 2015
All NCR's Closed			Yes		No		N/A	X	Date:	
Standard audit conducted against:										
1)	SFI 2015-2019			3)						
2)				4)						
Team Leader (1):			Team Members (2,3,4...)							
Gregory Bassler, EMS-LA			2)							
			3)							
			4)							
			5)							
Scope of Supply: (scope statement must be verified and appear in the space below)										
Procurement of gatewood, stumpage and other wood fiber for the Troy, Boise and Weiser facilities in Idaho.										
Accreditation's			ANAB							
Number of Certificates			2							
Proposed Date for Next Audit Event										
Date		August 2016								
Audit Report Distribution										
Client: Idaho Timber, David Taugher, <a href="mailto:dtaugher@idahotimber.com">dtaugher@idahotimber.com</a>										
BVC – Customer Service Representative – Dawn Komnick-Ehmann, <a href="mailto:dawn.komnick@us.bureauveritas.com">dawn.komnick@us.bureauveritas.com</a> .										

Clause	Audit Report
Opening Meeting	<p>Participants: David Taugher, SFI Manager and V.P. Human Resources, Byron Cannon, SFI Coordinator and General Manager Idaho Cedar Sales and Dennis Badesheim, Sales and Purchasing were in attendance.</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 non-conformances - 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: David Taugher, SFI Manager and V.P. Human Resources, Byron Cannon, SFI Coordinator and General Manager Idaho Cedar Sales and Dennis Badesheim, Sales and Purchasing were in attendance.</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>➤ Non-conformances - 0</li> <li>➤ Date for next audit.</li> <li>➤ Reporting protocol and timing</li> </ul>



**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:			
<p align="center"><b>ROOT CAUSE ANALYSIS AND CORRECTIVE ACTION PLAN</b> (To be completed by the Company. Plan to be submitted in 30 days)</p>			
Corrective Action Plan Date:		Company Representative:	
Root Cause Analysis and Corrective Action			
Root Cause:			
Corrective Action Plan:			
<p align="center"><b>ROOT CAUSE AND CORRECTIVE ACTION PLAN ACCEPTANCE REPORT</b> (To be completed by Bureau Veritas Certification – Verify effective identification of Root Cause and acceptance of Corrective Action Plan)</p>			
Root Cause:			
Corrective Action Plan:			
Plan Accepted:	Yes	No	Comments:
Auditor:		Date:	
<p align="center"><b>CORRECTIVE ACTION IMPLEMENTATION</b></p>			
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:			
<p align="center"><b>CORRECTIVE ACTION IMPLEMENTATION ACCEPTANCE REPORT</b> (To be completed by Bureau Veritas Certification – Acceptance of Corrective Action taken)</p>			
Accepted:	Yes	No	Nonconformance Closed: Yes No
Follow Up Comments:			
Auditor:		Date:	