

2016 SFI Public Summary Report

BOISE CASCADE COMPANY Sustainable Forestry Initiative® (SFI) 2015-2019 Fiber Sourcing Standard

Date: April 23, 2016

Project Scope and Objectives

PricewaterhouseCoopers LLP (PwC) completed a multi-site Recertification Assessment of Boise Cascade Company's ("the Company" or "Boise") Wood Fiber Sourcing operations in North America, which includes operations in Alabama, Georgia, Idaho, Louisiana, Montana, North Carolina, Oregon, South Carolina, Texas, Virginia, and Washington. The fiber sourcing activities are managed by the Central Office in Boise, Idaho. The Lead Assessor was Karen Boyd, EMS (LA). The audit team members were Joann Cox, EMS (LA), and James Lucas, EMS (LA), PwC Contract Assessors. The audit team was accompanied by Brad Holt, and Tom Rhodes, Boise's SFI Representatives,

The primary objective of the assessment was to assess the Company's SFI fiber procurement management system and to evaluate the Company's implementation of the SFI Fiber Sourcing Standard in the field.

Indicators

All of the indicators in the SFI Fiber Sourcing Standard were within the scope of the assessment, except for Objectives 8, and 11 – 13 since none of the land managed by the Company is public land and no fiber is procured outside of the United States or Canada. There were no substitute indicators.

Assessment Process

The sample for the 2016 assessment was the Louisiana Timberlands Region which includes the states of Louisiana and Texas. The Company's fiber sourcing program in the Louisiana Timberlands Region is carried out by Louisiana Timber Procurement LLC (LTP), an entity which provides raw material to Boise Cascade Company's solid wood product manufacturing facilities in Louisiana. On February 23, 2016, the assessment team conducted interviews and reviewed appropriate documentation to assess policies and procedures, and tested the implementation of SFI program requirements at their office in DeRidder, Louisiana. On February 24 and 25, 2016, the assessment team conducted field assessments in Louisiana. In total, the audit team spent 1 day at the central office and 2 days on-site for field assessments. The audit report was dated April 23, 2016.

Boise Cascade Company has a multi-site certification that is divided into three geographical fiber sourcing regions: Eastern, West (Western Oregon, Inland, and Northeast Washington), and Louisiana Timberlands. PwC uses a rotational audit approach where the central office is audited annually and three geographical areas are sampled on a 3 year rotating schedule that conforms to the International Accreditation Forum Inc.'s Mandatory Document 1.



Summary of Conformance, Findings, and Good Management Practices

Objective	Performance Measure	Evidence of Conformity
Objective 1: Biodiversity in Fiber Sourcing	<i>Performance Measure 1.1. Promotion and conservation of biological diversity.</i>	<i>Evidence: Interviews with Boise staff, suppliers and loggers and documentation review confirm Boise has developed a comprehensive program to promote and conserve biological diversity. The program promotes and conserves biological diversity through involvement with the Louisiana (LA) and Texas (TX) SICs and their biodiversity programs, the development and soon to be released state specific (LA) biodiversity flyer pending review by the LA SIC, and training programs. NatureServe Explorer online database tool, pre-harvest forms and pre-harvest meetings are all part of their program to address Forests with Exceptional Conservation Value (FECV) in the harvest of purchased stumpage.</i>
	No Nonconformities or Opportunities for Improvement were identified related to this performance measure.	
Objective 2: Adherence to Best Management Practices	<i>Performance Measure 2.1. Program Participants shall clearly define and implement policies to ensure that facility inventories and fiber sourcing activities do not compromise adherence to the principles of sustainable forestry.</i>	<i>Evidence: Interviews with Boise staff, suppliers and loggers, and documentation review confirm Boise has a program to require BMPs for both purchased stumpage tracts and delivered purchases that include written agreements, wet weather contingencies, written fiber sourcing policies and process for making the policies available to their wood suppliers.</i>
	One minor Nonconformity and three Opportunities for Improvement were identified related to this performance measure. The Minor Nonconformity regarded the absence of interim BMPs after harvest was suspended due to weather conditions. The Opportunities for Improvement include: 1) consideration of the review of process and form and used to document overall quality of harvest operations; 2) stabilization of a stream crossing; and 3) consideration given to the listing of special contract conditions in pre-harvest documentation.	
	Review of Evidence of the action plan implemented was provided for the Minor Nonconformity, and it is closed. The Opportunities for Improvement are open pending a response from Boise.	
	<i>Performance Measure 2.2. Program Participants shall monitor the use of best management practices.</i>	<i>Evidence: Interviews with Boise staff, suppliers and loggers, documentation review and on-site assessment confirm Boise has a verifiable monitoring system that includes the monitoring of purchased stumpage, random monitoring of delivered purchases, and review and follow-up of state BMP monitoring programs.</i>
	Two Opportunities for Improvement were identified related to this performance measure. The Opportunity for Improvements observed include: 1) consistent interpretation on the use of tract inspections forms; 2) timing of internal monitoring inspections and 2) consideration for including BMP monitoring results to state SICs. The Opportunities for Improvement are open pending a response from the Company.	
Objective 3: Use of	<i>Performance Measure 3.1. Program Participants</i>	<i>Evidence: Interviews with Boise staff, suppliers and loggers and documentation review confirm Boise</i>



Qualified Resource and Qualified Logging Professionals	<i>shall encourage landowners to utilize the services of qualified logging professionals, certified logging professionals (where available), qualified resource professionals and to apply principles of sustainable forest management to their lands.</i>	<i>promotes the use of qualified logging professionals and qualified resource professionals to forest landowners through their contracts, contract terms and conditions, procurement policy and SFI implementation policy. State lists of qualified logging professionals are reviewed to verify training credentials. The Company strives for 100% use of qualified logging professionals and reviews progress as part of their annual Management Review.</i>
	No Nonconformities or Opportunities for Improvement were identified related to this performance measure.	
Objective 4: Legal and Regulatory Compliance	<i>Performance Measure 4.1. Program Participants shall comply with applicable federal, provincial, state and local forestry and related social and environmental laws and regulations and take steps to avoid illegal logging.</i>	<i>Evidence: Interview with Boise staff and documentation review of Risk Assessments demonstrated that Boise has determined the Louisiana Timberlands Region procurement area to be "low risk" for acquiring material through illegal logging. Contract requirements, verification of the source of delivered purchases, and monitoring of BMPs both from state and internal processes and ongoing communications with suppliers also confirm "low risk". Processes are in place to address significant risk in the raw material supply if found.</i>
	One Opportunity for Improvement was identified related to this performance measure. The Opportunity for Improvement involves consideration for requiring contractors to provide permit numbers prior to commencing operations as a due diligence effort.	
	<i>Performance Measure 4.2. Program Participants shall take appropriate steps to comply with all applicable social laws at the federal, provincial, state and local levels in the country in which they Program Participant operates.</i>	<i>Evidence: Interviews with Boise staff, suppliers and documentation review of written contracts confirm Boise employees have access to relevant laws and regulations through websites, contract language, state SIC participation and legal service providers. They achieve compliance with applicable laws through communication and enforcement of company policies, contract provisions, and contract monitoring.</i>
	No Nonconformities or Opportunities for Improvement were identified related to this performance measure.	
Objective 5. Forestry Research, Science and Technology	<i>Performance Measure 5.1. Program Participants shall – individually and/or through cooperative efforts involving SFI Implementation Committees, associations or other partners – provide in-kind support or funding for forest research to improve forest health, productivity, and sustainable management</i>	<i>Evidence: Interview with Boise staff and outside stakeholders, and documentation review confirm Boise, individually and through active state SIC participation, provides funding for various forest research activities such as NCASI. They also utilize state forest action plans, FIA assessments, other research as well as state BMP implementation and conformance monitoring data to support their sustainable forestry programs. Available climate change data is monitored, and employees have participated in training on climate change impacts on wildlife and biodiversity. Boise Cascade Company does not engage in forest tree biotechnology research.</i>



	<i>of forest resources, and the environmental benefits and performance of forest products.</i>	
	No Nonconformities or Opportunities for Improvement were identified related to this performance measure.	
	<i>Performance Measure 5.2. Program Participants shall individually and/or through cooperative efforts involving SFI Implementation Committees, associations or other partners develop or use state, provincial or regional analyses in support of their sustainable forestry programs.</i>	<i>Evidence: See comments in 5.1.</i>
	No Nonconformities or Opportunities for Improvement were identified related to this performance measure.	
	<i>Performance Measure 5.3. Program Participants shall individually and/or through cooperative efforts involving SFI Implementation Committees, associations or other partners broaden the awareness of climate change impacts of forests, wildlife and biological diversity.</i>	<i>Evidence: See comments in 5.1</i>
	No Nonconformities or Opportunities for Improvement were identified related to this performance measure.	
Objective 6. Training and Education	<i>Performance Measure 6.1. Program Participants shall require appropriate training of personnel and contractors so that they are competent to fulfill their responsibilities under the SFI 2015-2019 Fiber Sourcing Standard.</i>	<i>Evidence: Interviews with Boise staff and documentation review confirm the organization requires appropriate training of employees and contractors in order to implement sustainable forestry practices. The use of qualified logging professionals is required per written contract terms and conditions for purchased stumpage tracts and delivered purchases of raw material.</i>
	Two Opportunities for Improvement were identified related to this performance measure. Training requirements could be further clarified for staff and the Company's BMP contractor training could be reviewed.	
	<i>Performance Measure 6.2. Program Participants shall work individually and/or with SFI Implementation Committees, logging or forestry associations, or appropriate agencies or</i>	<i>Evidence: Interviews with Boise staff and outside stakeholders confirms active participation in state SICs include support of initial training and continuing education classes for wood producers. The use of qualified logging professionals is required per written contract terms and conditions for purchased stumpage tracts and delivered purchases of raw material.</i>



	<p>others in the forestry community to foster improvement in the professionalism of wood producers.</p>	
	<p>No Nonconformities or Opportunities for Improvement were identified related to this performance measure.</p>	
<p>Objective 7. Community Involvement and Landowner Outreach</p>	<p><i>Performance Measure 7.1. Program Participants shall support and promote efforts by consulting foresters, state, provincial and federal agencies, state or local groups, professional societies, conservation organizations, Indigenous Peoples and governments, community groups, sporting organizations, labour, universities, extension agencies, the American Tree Farm System® and/or other landowner cooperative programs to apply principles of sustainable forest management.</i></p>	<p><i>Evidence: Interviews with Boise staff and outside stakeholders confirm Boise financially supports and actively participates in Louisiana and Texas state SICs. Through SIC support and participation, LA has published an updated Landowner Guide that meets SFI 2015 – 2019 standard requirements and TX’s updated guide is in draft form. The organization also developed a biodiversity flyer for LA that is in draft form. Both LA and TX Landowner Guides are available online. LTP sends a letter to landowners of purchased stumpage tracts that includes website links to the Landowner Guides. The letter also encourages landowners to participate in forest management certification programs and practice sustainable forestry. The website links are also provided to wood suppliers and contractors. Organization foresters participate individually in various conservation efforts.</i></p>
	<p>Two Opportunities for Improvement were identified related to this performance measure. Texas’ current Landowner Guide does not clearly address management of harvest residue or wildfire risk and this could be an addition to the next version. Consideration could be given to encourage landowners to seek ATFS certification in addition to other certifications found in the USA.</p>	
	<p><i>Performance Measure 7.2. Program Participants shall support and promote, at the state, provincial or other appropriate levels, mechanisms for public outreach, education and involvement related to sustainable forest management.</i></p>	<p><i>Evidence: Interviews with Boise staff and outside stakeholders and documentation review confirm Boise employees actively engage with the public in numerous outreach activities, and Boise is noted for their exemplary involvement in their respective home communities.</i></p>
	<p>No Nonconformities or Opportunities for Improvement were identified related to this performance measure.</p>	
	<p><i>Performance Measure 7.3. Program Participants shall establish, at the state, provincial, or other appropriate levels, procedures to address concerns raised by loggers, consulting foresters, employees,</i></p>	<p><i>Evidence: Interviews with Boise staff and review of state SICs website confirm the respective state SICs have processes in place to receive and respond to public inquiries that appear inconsistent with this standard.</i></p>



	unions, the public or other Program Participants regarding practices that appear inconsistent with the SFI 2015-2019 Fiber Sourcing Standard principles and objectives.	
	No Nonconformities or Opportunities for Improvement were identified related to this performance measure.	
Objective 8. Public Land Management Responsibilities	<i>Performance Measure 8.1. Program Participants with forest management responsibilities on public lands shall participate in the development of public land planning and management processes.</i>	<i>This Objective is not applicable. The Company does not have forest management responsibilities on public lands.</i>
	No Nonconformities or Opportunities for Improvement were identified related to this performance measure.	
Objective 9. Communications and Public Reporting	<i>Performance Measure 9.1. A Program Participant shall provide a summary audit report, prepared by the certification body, to SFI Inc. after the successful completion of a certification, recertification or surveillance audit to the SFI 2015-2019 Fiber Sourcing Standard.</i>	<i>Evidence: Interviews with Boise staff and documentation review confirm the organization provided a summary audit report prepared by their certification body to SFI Inc. after the completion of their 2015 surveillance audit.</i>
	No Nonconformities or Opportunities for Improvement were identified related to this performance measure.	
	<i>Performance Measure 9.2. Program Participants shall report annually to SFI Inc. on their conformance with the SFI 2015-2019 Fiber Sourcing Standard.</i>	<i>Evidence: Interviews with Boise staff and documentation review confirm the organization has a process for collecting information for SFI's annual Progress Report and the 2015 SFI Progress Report was sent to SFI Inc. in a timely manner. Copies of past reports are maintained by the organization to document progress and improvements and demonstrate conformance to the standard.</i>
	No Nonconformities or Opportunities for Improvement were identified related to this performance measure.	
Objective 10. Management Review and Continual Improvement	<i>Performance Measure 10.1. Program Participants shall establish a management review system to examine findings and progress in implementing the SFI 2015-2019 Fiber Sourcing Standard, to make appropriate improvements in programs, and to inform</i>	<i>Evidence: Interviews with Boise staff and documentation review confirm the Company has a management review system that includes commitments, programs and procedures to evaluate effectiveness of implementation of the SFI 2015 – 2019 Fiber Sourcing Standard. Processes are in place to collect, review and report information to management regarding effectiveness in achieving standard objectives and performance measures. The Senior Management Review was conducted in 2015 per standard requirements.</i>



	<i>their employees of changes.</i>	
	No Nonconformities or Opportunities for Improvement were identified related to this performance measure.	
Objective 11. Promote Conservation of Biological Diversity, Biodiversity Hotspots and High-Biodiversity Wilderness Areas	<i>Performance Measure 11.1. Program Participants shall ensure that their fiber sourcing programs support the principles of sustainable forestry, including efforts to promote conservation of biological diversity.</i>	<i>Evidence: Interviews with Boise staff confirm the Louisiana Timberlands Region raw material is sourced from the USA only. Process and procedures are in place in the event that raw material is purchased from sources outside the USA and Canada.</i>
	No Nonconformities or Opportunities for Improvement were identified related to this performance measure.	
Objective 12. Avoidance of Controversial Sources including Illegal Logging	<i>Performance Measure 12.1. Program Participants shall ensure that their fiber sourcing programs support the principles of sustainable forestry, including efforts to reduce the risk of illegal logging.</i>	<i>Evidence: Interviews with Boise staff confirm the Louisiana Timberlands Region raw material is sourced from the USA only. Process and procedures are in place in the event that raw material is purchased from sources outside the USA and Canada.</i>
	No Nonconformities or Opportunities for Improvement were identified related to this performance measure.	
Objective 13. Avoidance of Controversial Sources including Fiber Sourced from Areas without Effective Social Laws	<i>Performance Measure 13.1. Program Participants shall avoid controversial sources and encourage socially sound practices.</i>	<i>Evidence: Interviews with Boise staff confirm the Louisiana Timberlands Region raw material is sourced from the USA only. Process and procedures are in place in the event that raw material is purchased from sources outside the USA and Canada.</i>
	No Nonconformities or Opportunities for Improvement were identified related to this performance measure.	

Good management practices are noted in the following areas:

- Meeting and exceeding BMPs and efforts to enhance biodiversity:
 - Wider than required SMZs were observed on a purchased stumpage tract.
 - A ‘mat’ logging technique was used to effectively harvest sensitive soils/slopes to protect and maintain soil productivity and integrity.
 - Strong efforts were made by the Company to stabilize roads associated with one harvest unit, including addition of rock and logging mats to maintain a firm road base.
 - Excellent timber utilization was observed on several tracts visited.
- Innovative approach to tracking of logger training was observed.
- On one site, the Company forester took extra effort in securing an off-site staging area to reduce safety road hazard and minimize road damage.
- One harvest contractor interviewed demonstrated a high level of knowledge of the SFI program and the overall preparation and knowledge of BMPs and safety was noted.

Conclusion

The Company has implemented the requirements of the SFI 2015 – 2019 Fiber Sourcing Standard. The Certificate can be obtained by contacting Brad Holt, Forest Certification Manager of Boise Cascade Company at 208-805-1296. More information on Boise Cascade Company's sustainable forestry program can be found at: <http://www.bc.com/sustainability>