



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

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Company Name	Expera Specialty Solutions LLC
Contact Person	Kent Mikkelson
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PQC Code	E01E

Contract Number:	US.1276853	Certification Audit:		Re-Certification Audit:		Surveillance: (Indicate visit # or Pre-Assessment)	#2
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Audit Summary
Introduction
A surveillance audit of the fiber sourcing program at Expera Specialty Solutions, LLC was conducted on August 11, 2014. The audit was conducted by Gregory Bassler, Lead Auditor.
Audit Scope, Objectives and Process
The scope of the one day surveillance audit was “Wood procurement”. The objective was to verify the effectiveness of Expera Specialty Solutions, LLC’s SFI fiber sourcing program and conformance to the Requirements of the SFI 2010-2014 Standard. All Objectives, Performance Measures and Indicators pertinent to fiber sourcing were reviewed.
Audit Plan
The opening meeting of the Fiber Sourcing (Procurement) audit for Expera Specialty Solutions, LLC was held at the Kaukauna, WI office on Monday, August 11, 2014. Kent Mikkelson, Senior Procurement Forester was 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 Expera Specialty Solutions, LLC office 4:30 PM later that day.
The surveillance audit consisted of a document review of policies, procedures, records and interviews. No field audit was required as both the States of Wisconsin and Michigan routinely perform BMP implementation monitoring inspections/surveys.
The Expera Specialty Solutions LLC SFI Procurement Program Handbook, Document #SFI-01 (v. August 2014) and SFI documents and records were used to verify conformance. The surveillance audit was conducted under environmental auditing methodologies identified in the SFI 2010-2014 Audit Procedures and Auditor Qualifications and Accreditation (Section 9 of the Requirements for the SFI 2010-2014 Program) and standard Bureau Veritas Certification protocols and forms were applied throughout the verification. A copy of the audit plan is maintained on file by Bureau Veritas Certification.
Company Information
Expera Specialty Solutions LLC is a manufacturer of specialty paper products serving the Packaging, Pressure Sensitive and Industrial and Technical markets. With over 125 years of paper making experience, Expera Specialty Solutions, LLC leads the industry in building solutions for customers. Expera Specialty Solutions LLC operates four facilities located in Wisconsin: Kaukauna, DePere, Mosinee and Rhinelander. Expera Specialty Solutions, LLC currently uses conifer chips (74%) and hardwood chips (26%) in manufacturing of various grades of paper products. Fiber is procured through gatewood (84%) and market pulp (16%). The

majority of the gatewood is purchased as roundwood (68%) and the remaining is residual chips. Fiber is primarily sourced from the United States and Canada.

Multi-Site Requirements

Expera Specialty Solutions, LLC is a multi-site organization and has a central office or headquarters at which certain activities are planned, controlled or managed. The Kaukauna, WI central office provides both pulp mill facilities with information and guidance on fiber sourcing activities. The scope and scale of activities are similar at both sites. Each facility operates under a common fiber sourcing 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. The number of sites to be audited is equal to the square of the number of sites x 0.8 for surveillance audits. A site sampling method was used and the Kaukauna site and headquarters were to be audited Expera Specialty Solutions, LLC continues to be in conformance with all multi-site requirements.

Sites	Sites Audited During this Event
Kaukauna, WI (Central Office)	X
Mosinee, WI	

Audit Results

Expera Specialty Solutions LLC has a well written and organized handbook that documents evidence of conformance for each objective. The handbook references additional evidence found in the main SFI files which are arranged by objectives and indicators. Adequate documents and records were found for all objectives and indicators.

Objective 8, Landowner Outreach: The Expera supplier letter contains all the information for landowner listed in the standard. The supplier letter was sent to 97 Kaukauna suppliers and 101 Mosinee suppliers. The WI SIC has produced a highly informative booklet that is going to print in one week. The Wisconsin's Forests – The Private Landowner's Handbook will be distributed to suppliers when Expera Specialty Solutions obtains copies of the handbook in a few weeks.

Objective 9, Use of Qualified Resource and Qualified Logging Professionals: Expera requires all contractors to complete FISTA logging training (Wisconsin) in order to be a supplier. The FISTA website is used to valid training of all suppliers. The SFI training report is updated twice per year. Training records for Michigan contractors can also be reviewed on the FIST website or the Michigan Forest website.

Objective 10, Adherence to Best Management Practices: Expera requires all contractors to complete FISTA logging training (Wisconsin) or Michigan SFI training in order to be an Expera supplier. Requirement is stated in Exhibit B, Fiber Supply policy in the Master wood Purchase and Service Agreement. Expera has an Adverse Weather Policy stated in their handbook. Inventories are managed and monitored to avoid logging in adverse weather conditions. Expera monitors Wisconsin and Michigan State BMP monitoring reports to assess BMP compliance. The Wisconsin DNR conducts periodic state-wide monitoring of BMP implementation. The BMP monitoring programs in Michigan and Wisconsin address all key regions of the states and accurately characterize BMP implementation. It also identifies areas for improvement. The system is robust and no additional BMP monitoring is required. In the future, if Expera decides the reports aren't reliable, the company will conduct targeted BMP monitoring on selected wood producer tracts. Kent Mikkelson, Senior Procurement Forester participated on the 2013 BMP monitoring team in Wisconsin.

Objective 14, Legal Compliance: The handbook contains links to all relevant laws and regulations. The handbook states Expera's system to achieve regulatory compliance. It is accomplished through policies, training, monitoring, internal audits, corrective measures and management review. Expera Specialty Solutions LLC commits to compliance with social laws as outlined in its management guide and Code of Business Conduct and Ethics. No complaints were issued last year against Expera Specialty Solutions LLC by its

employees or subcontractors regarding the three ILO core conventions. Health and Safety requirements are met and requirements are posted in various locations at both sites as prescribed by law.

Objective 15, Forestry Research: Expera Specialty Solutions LLC provides financial support for research being conducted by NCASI. It also is a member of the Wisconsin Paper Council, Wood Supply Research Institute and Forest Resources Association. This may involve baseline direct funding for research related to tree improvement, soil productivity, air quality, water quality, road maintenance, fish, wildlife and forest management. Expera Specialty Solutions, LLC personnel are knowledgeable about climate change impacts on wildlife, wildlife habitats and conservation of biological diversity through international, national, regional or local programs.

Objective 16, Training and Education: Expera Specialty Solutions LLC has a statement of commitment that has been widely communicated throughout the organization. All staff are trained on fiber sourcing policies and procedures and are members of the Society of American Foresters. The FISTA logging training is the Wisconsin SIC qualified logger training for contractors.

Objective 17, Community Involvement: Expera Specialty Solutions is a member in good standing of the Wisconsin and Michigan SIC's and provides funding. Kent Mikkelson is chair of the Private Non-Industrial Forest and Public Outreach subcommittee. The Wisconsin SIC has just developed a private landowner's handbook that addresses special sites and biodiversity. The Wisconsin Paper Council promotes voluntary incentives and current use tax programs. The Forest Resources Association is also very active in these areas. Expera Specialty Solutions also supports the Tree Farm Program and the Trees for Tomorrow which promote long-term sustainable forestry. Trees for Tomorrow are a school for groups of kids to spend a week and learn about forestry. Great Lakes Timber Professionals is a lobbying group for local loggers. Expera is helping support Kretz Lumber for the Forestry Field Day. The Wisconsin SIC has a process and toll free number for reporting inconsistent practices. The protocol for responding to complaints is in the process of being revised. No notices of inconsistent practices were received from any party in 2014.

Objective 19, Communications and Public Reporting: The 2013 Expera Specialty Solutions, LLC 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: Expera Specialty Solutions LLC reviews and consolidates State of Wisconsin and Michigan BMP Implementation Surveys to identify any patterns and trends as part of preparation for the annual management review meeting. The Senior Procurement Forester coordinates the SFI Program monitoring using the SFI Auditing checklist. The Senior Procurement Forester also reviews the SFI Indicators and Evidence manual to make sure evidence is in the files. The management review was conducted on June 19, 2014. BMP monitoring results were discussed at length. There was also a discussion on having another auditor further removed from forestry operations conduct the internal audit. Expera's continual improvement goal for this year is to research and identify possible internal auditors that could be trained to conduct the SFI internal fiber sourcing audit. Expera Specialty Solutions has a good, reliable internal audit/monitoring system carried out at headquarters to determine conformance at each facility and to implement corrective actions when appropriate. There is good coordination and communication between the central office and each facility.

Expera Specialty Solutions LLC did not have any substitution or modifications to any of the Indicators. A review of previous audits was conducted to verify the effectiveness of previous audit findings and to evaluate past performance. There were no previous non-conformances and opportunities for improvement found in the surveillance audit conducted last year. There were no trends in the SFI implementation of the field audit or document review that would indicate that any particular area needs special attention. An SF 61 has been completed and contains specific information and audit notes.

Findings

Previous non-conformances:

Expera Specialty Solutions LLC had no previous non-conformances.

Non-conformances:

One minor non-conformance was issued during the surveillance audit.

1. *Appendix 1 (d):* An internal audit was conducted at the Kaukauna site however; an internal audit was not conducted at the Mosinee site.

Opportunities for Improvement:

No opportunities for improvement were uncovered during the surveillance 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 surveillance audit.

Logo/label use:

Expera Specialty Solutions LLC uses the SFI logo on their website and use is in conformance with logo use requirements. Expera Specialty Solutions LLC does not use the BVC logo.

SFI reporting:

The SFI website was reviewed and verified the previous audit report was submitted and posted.

Conclusions

The Closing Meeting for the surveillance audit was held at the Kaukauna, WI office on Monday, August 11, 2014. Kent Mikkelson, Senior Procurement Forester was in attendance. The audit findings were presented and discussed at the closing meeting. Confidentiality of the audit results was also assured. Bureau Veritas Certification recommends continued certification for Expera Specialty Solutions LLC.

Surveillance Audit Schedule

Date: Monday, August 11, 2014

Time	Activity	Bureau Veritas Repr.	Company Repr.
06:45 AM	Arrive on Site	Bassler	
07:00 AM	Opening Meeting	Bassler	Mikkelson
07:15 AM	Conduct field audit of selected wood procurement sites.	Bassler	Mikkelson
12:00 PM	Lunch –in the field		
02:00 PM	Conduct document review, Objectives 8 - 20 of the SFI 2010-2014 Standard. Review Handbook and Evidence.	Bassler	Mikkelson
04:30 PM	Review findings	Bassler	Mikkelson
05:00 PM	Closing Meeting		

SEE SF61/SF71 FOR AUDIT NOTES

Summary of Audit Findings:						
Audit Date(s):	From: August 11, 2014			To: August 11, 2014		
Number of SF02's Raised:			Major:			Minor: 1
Is a follow up visit required:	Yes		No	X	Date(s) of follow up visit:	
Follow-up visit remarks:						
Team Leader Recommendation:						
Corrective Action Plan (s) Accepted	Yes		No		Date:	
Proceed to/Continue Certification	Yes	X	No		Date:	August 11, 2014
All NCR's Cleared	Yes		No		Date:	
Standard audit conducted against:						
1)	SFI 2010:2014	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)						
<i>"Wood Procurement"</i>						
Accreditation's	ANAB					
Number of Certificates	4					
Proposed Date for Next Audit Event						
Date	August 2015					
Audit Report Distribution						
Client: Expera Specialty Solutions LLC- Kent Mikkelson Senior Procurement Forester, kent.mikkelson@experaspecialty.com						
BVC – Customer Service Representative – Melissa Marchese, melissa.marchese@us.bureauveritas.com						

Clause	Audit Report
Opening Meeting	<p>Participants: Kent Mikkelson, Senior Procurement Forester and Gregory Bassler, Lead Auditor was in attendance.</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: Kent Mikkelson, Senior Procurement Forester and Gregory Bassler, Lead Auditor was in attendance.</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#:	
Expera Specialty Solutions, LLC – Central Office at Kaukauna, WI		01	
Contract #:	Type of audit (e.g., initial, surveillance):	Team Leader:	
US.1276853	Surveillance	Gregory Bassler	
Date:	Standard and Clause #:	Team Member:	
08/11/2014	SFI 2010:2014, Appendix 1(d)		
Major	Minor	Other Documents (if applicable):	Company Representative:
	X	Expera Specialty Solutions Document EXP-SFI-03	Kent Mikkelson
REQUIREMENT OF AUDITED STANDARD:			
Maintain an internal audit or monitoring program sufficient to provide annual performance data on overall organizational conformance with the relevant standard. Expera Specialty Solutions Sustainable Forestry program procedures state the SFI Auditing checklist will be reviewed and filled out with each procurement manager.			
OBSERVED NONCONFORMITY:			
An internal audit was conducted at the Kaukauna site however; an internal audit was not conducted at the Mosinee site.			
ROOT CAUSE ANALYSIS AND CORRECTIVE ACTION PLAN (To be completed by the Company. Plan to be submitted in 30 days)			
Corrective Action Plan Date:		Company Representative:	
Root Cause Analysis and Corrective Action			
Root Cause:			
Corrective Action Plan:			
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:			
Corrective Action Plan:			
Plan Accepted:	Yes	No	Comments:
Auditor:		Date:	
CORRECTIVE ACTION IMPLEMENTATION			
To be completed by Company – Provide objective evidence. Not to exceed: 90 Days SFI, PEFC <input type="checkbox"/> ; 1 year FSC <input type="checkbox"/> ; other <input checked="" 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:	