



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

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PQC Code	E06

Contract Number:	US1271299	Certification Audit:		Re-Certification Audit:		Surveillance: (Indicate visit # or Pre-Assessment)	S2
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Audit Summary

Introduction

This report summarizes the results of the second surveillance audit conducted on WD Chips' SFI fiber sourcing program. Richard Boitnott conducted the audit November 18 through the 19th, 2014.

Audit Scope, Objectives and Process

The scope of the audit is "hardwood procurement". The audit was conducted against the SFI 2010-2014 standard. All indicators in SFIS Objectives 8 through 10, 14, 17, 19, and 20 were covered during the audit. There was no substitution or modification of indicators. Specifically, 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 most recent version of the Bureau Veritas Certification SFI Auditor Handbook available on the auditor access website.

Audit Plan

The audit began with an opening meeting at 1:00 pm Tuesday November 18 in conjunction with an opening meeting of an audit of the company's chain of custody program. A document review was conducted the afternoon of the 18th, with field sites reviewed on the 19th. A closing meeting was held at the end of business on October 20th in conjunction with the company's chain of custody audit. An audit plan was developed and is maintained on file by Bureau Veritas Certification.

Company Information

WD Chips is a wood chipping facility located near Leesville, Louisiana. The company produces wood chips from hardwood roundwood. The chips are shipped to one primary customer for paper production. WD Chips operates a gatewood procurement system, and does not purchase any stumpage. The procurement system is operated by one forester.

Audit Results

The document review was conducted to determine if WD Chip's system documentation continues to meet the requirements of the SFI 2010-2014 Standard. The field audit consisted of a review of five gatewood inspections.

Objective 8-Landowner Information: The Louisiana SIC provides landowner information on its website (www.laforestry.com/site/SustainableForestry/LandownerGuide.aspx). WD Chips does not purchase stumpage, so it does not directly provide information to landowners. However, it provides this web link to its suppliers for their use. The SIC website contains information encouraging landowners to consider certification to the American Tree Farm System.

Objective 9-Use of Qualified Resource and Qualified Logging Professionals: WD Chips maintains a list of trained loggers, and has access to the Louisiana Forestry Association trained logger database. The company encourages landowners to use trained loggers identified in the database.

Objective 10-Adherence to Best Management Practices: WD Chips requires all loggers to be trained to deliver wood to its facility. Training is verified for all loggers prior to a supplier receiving a contract. The logger is identified on all trip tickets, so the company can confirm training status. The percent of wood delivered by trained loggers has been 100%.

WD Chips has a BMP monitoring program in place. The company randomly selects 12 gatewood tracts (3 per quarter) annually. The lead auditor considered this sampling intensity to be sufficient given the large percentage of wood the company receives from SFI and FSC certified forests. WD also checks all gatewood tracts after logging is complete. This provides the most accurate assessment of BMP implementation. A review of audits conducted on 5 gatewood tracts indicates the company is conducting its monitoring effectively. One tract reviewed during the audit had multiple violations of BMPs and standard logging practices. A stream course was inadequately protected, logging debris left in the stream, and skid trails inadequately stabilized. In addition, multiple hydraulic oil buckets were left on the site, as well as oil filters. All of these infractions were noted on the inspection form, and a letter sent to the supplier notifying them of the non-compliances found on the tract. WD's procedure is a totally random selection of tracts to review for BMP compliance. While WD monitored the site accurately, the lead auditor issued an opportunity for improvement to consider biasing its sampling process to select additional tracts delivered by a logger who has been found to be out of compliance with BMPs.

Objective 11-13: Not applicable

Objective 14-Legal and Regulatory Compliance: WD Chips system for ensuring regulatory compliance consists primarily of contract requirements. The company does not purchase stumpage, and therefore does not have direct responsibility for on-the-ground activities. Louisiana has a law requiring every load of wood to be accompanied by a bill of lading that identifies the landowner from whom the wood was purchased. WD is subject to audit by the state department of forestry for compliance with this law. No regulatory non-compliances against the company have been reported.

Objective 15-Forestry Research, Science and Technology: Not audited

Objective 16-Training and Education: Not audited.

Objective 17-Community Involvement in the Practice of Sustainable Forestry: WD Chips financially supports and is an active member of the Louisiana SIC. Minutes of SIC meetings during 2014 provided evidence the company's involvement in the SIC includes support for landowner information materials, including information on the conservation of biological diversity. WD Chips supports the Louisiana and Texas Forestry Associations, both of which lobby for favorable taxation for forest landowners. The company is aware of the Longleaf Alliance and Black Bear Conservation Coalition, examples of eco-regional planning and priority setting efforts. WD is monitoring these efforts, and will incorporate these efforts into its management planning if appropriate.

WD Chips provided evidence of its support of and involvement in public educational efforts. The Louisiana SIC has an inconsistent practices policy. Reports of inconsistent practice are reviewed at each SIC meeting. WD has a procedure for responding to complaints or reports of inconsistent practice. No such reports have been received.

Objective 18: Not applicable

Objective 19-Communications and Public Reporting: A review of the SFI, Inc. website provided evidence WD Chips submitted its previous audit report as required for public review. The company has procedures in place to provide for all the pieces of information needed to complete the SFI annual progress report. WD Chips submitted its 2013 SFI annual progress report prior to the March 15 deadline.

Objective 20-Management Review and Continual Improvement: WD Chips has a management review process in place. Management review meeting minutes verified the review is occurring annually as required.

Findings

Previous non-conformances:

No non-conformances were issued during the previous audit.

Non-conformances:

No non-conformances were issued during this audit.

Opportunities for Improvement:

One opportunity for improvement was issued. This should be considered in light of how it may affect conformance in the future.

1. PM 10.1, Ind. 1: W.D. Chips has a monitoring program that meets the requirements of 10.1.1. The program randomly selects tracts to audit, and each tract is reviewed when it is complete to judge full implementation of BMPs. However, in cases where BMP violations are found, W.D. may want to consider biasing its sample to select more of the noncompliant contractor's tracts.

Notable Practices:

No notable practices were issued.

Logo/label use:

WD Chips does not use the SFI on-product label. It may use the SFI logo for promotional purposes, but has not yet done so. It does not use the Bureau Veritas Certification logo.

SFI reporting:

The 2013 surveillance audit report was found on the SFI, Inc. website as required for public posting.

Conclusions

Since no non-conformances were issued, the lead auditor made a recommendation for continued certification to the SFI 2010-2014 Standard.

SEE SF61 FOR AUDIT NOTES

Summary of Audit Findings:									
Audit Date(s):		From: 11/18/2014				To: 11/19/2014			
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:									
Team Leader Recommendation:									
Corrective Action Plan(s) Accepted		Yes		No		N/A	X	Date:	
Proceed to/Continue Certification		Yes	X	No		N/A		Date:	11/19/2014
All NCR's Closed		Yes		No		N/A	X	Date:	
Standard audit conducted against:									
1)	SFIS 2010-2014			3)					
2)				4)					
Team Leader (1):		Team Members (2,3,4...)							
Richard Boitnott; CF, RF, EMS(LA)		2)							
		3)							
		4)							
		5)							
Scope of Supply: (scope statement must be verified and appear in the space below)									
Hardwood procurement									
Accreditation's		ANAB							
Number of Certificates		1							
Proposed Date for Next Audit Event									
Date	Late October, 2015								
Audit Report Distribution									
WD Chips : Dustin Robison-dustin@walshtimbercompany.com									
Bureau Veritas Certification: Melissa Marchese-melissa.marchese@us.bureauveritas.com									

Clause	Audit Report
Opening Meeting	Participants: Dustin Robinson, Steve Taylor Discussions: <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 ➤ Termination of the audit ➤ Appeals process ➤ Closing meeting timing
Closing Meeting	Participants: Dustin Robinson, Steve Taylor Discussions: <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 ➤ Nonconformances - 0 ➤ Date for next audit. ➤ Reporting protocol and timing