



**BUREAU  
VERITAS**

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

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PQC Code	E06
Contract Number	US.2028853

Certification Audit:		Re-Certification Audit:	X	Surveillance Audit:		Scope extension audit:	
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**Audit Summary**

**Introduction**

A renewal audit of WD Chip's SFI program for fiber sourcing was conducted by Mr. Matt Tormohlen (BVNA Lead auditor) on 5 November, 2015 for the purposes of recommendation for continued certification.

**Audit Scope, Objectives and Process**

The scope of the audit is "Fiber sourcing activities through an open market program". The audit was conducted against the SFI 2015-2019 Standard for Fiber Sourcing. All applicable objectives and indicators were reviewed. 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 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 consisted of 1/4 day review of documented policies and research and training involvement at WD Chips office in Leesville, LA. The remainder of the day was spent reviewing field activities. An additional day was spent off-site compiling field notes and finalizing this report.

Activities evaluated included field sites of various harvest types throughout the organizations procurement area and reviewing mill specific documentation as it pertains to the scope of this certification. A closing meeting was held at the Leesville, LA location to discuss audit results and "next steps" for continued certification.

### Company Information

WD Chips is single location hardwood clean-chip processing facility. Hardwood volume is delivered to the address listed in this report in whole tree form, received into inventory and maintained under a water saturation system for varying time periods until it is processed into clean chips. Once the material is processed, it is shipped to a single primary supplier. The organization procures material via an open market system and does not purchase any stumpage.

### Multi-Site Requirements

N/A

### Audit Results

A total of six field sites were visited throughout the procurement basin of the processing facility. Applicable BMPs and standard silvicultural practices were evaluated at each site. In general, field site evaluation determined adequate conformance in harvest practices and application of BMPs. Below is a brief description of number and type of field sites evaluated:

Field sites visited
1. Rotation harvest of natural loblolly/hardwood stand. LA BMPs adequately applied where applicable. Artificial regeneration planned.
2. Rotation harvest of natural loblolly/hardwood stand. LA BMPs adequately applied where applicable. Artificial regeneration planned.
3. Rotation harvest of natural loblolly/hardwood stand. LA BMPs adequately applied where applicable. Artificial regeneration planned.
4. Rotation harvest of natural loblolly/hardwood stand. LA BMPs adequately applied where applicable. Artificial regeneration planned.
5. Rotation harvest of natural loblolly/hardwood stand. LA BMPs adequately applied where applicable. Artificial regeneration planned.
6. Rotation harvest of natural hardwood stand. LA BMPs adequately applied where applicable. Natural regeneration planned.

### Objective 1-Biodiversity in Fiber Sourcing:

The organization is a member of the SFI SIC's in both LA and TX and is a member of the Louisiana Forestry Association (LFA). Both entities review, discuss and support current issues in Forestry, including biodiversity. The organization has also funded the Black Bear Conservation Coalition since the inception of their SFI certificate. See Minor NC in regards to added emphasis on addressing conservation of biodiversity.

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

Open market wood purchase agreements specify the requirement to conform to applicable state BMPs. In addition, portions of SIC dues subsidize BMP research and compliance data in the states where WD Chips operates. The organization follows standard procurement practices by working to increase wood yard inventory volume during cold/dry periods so that in-woods harvesting activity can be reduced during wet/adverse weather conditions.

WD Chips completes 12 tract inspections of suppliers throughout the year. Tracts to be inspected are selected based off presence of sensitive elements such as SMZs, stream crossing, steep slope, etc. In addition, tracts are also selected that are not already 3<sup>rd</sup> party certified (ie state, county and federally owned/managed timberlands) so that inspections evaluate the areas of highest, unmonitored risk.

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

The use of qualified logging professionals is mandated in WD Chips open market contracts. Each states logger program maintains a query-able list of certified loggers and all producers are validated as being current on respective state lists during annual contract renewal or prior to initial contract issuance. All QLP programs in the states which WD Chips operates require continued education to maintain certification.

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

WD Chips maintains access to applicable laws and regulations and maintains a list of applicable laws within its DCS. Compliance evaluated through general business practices. Very low incident of illegal logging in the states which WD Chips operates. The organization requires location data for all harvest sites and contracts also state Verso's sustainable sourcing policy which includes the prevention of illegal logging. In addition, the organization has completed an official risk assessment of its procurement basins as part of Due Diligence System for a separate verification scheme. This risk assessment addressed the occurrence of illegal logging, violation of traditional human rights and other controversial sources. All results determined negligible risk for all procurement basins.

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

WD Chips has contributed adequately to the SICs in the states where it operates and a Verso employee is present on the SIC in each state which Verso operates in. The organization is also a dues paying member of the Louisiana Forestry Association (LFA) and the Black Bear Conservation Coalition (BBCC).

**Objective 6-Training and Education:**

All logging contractors required to maintain logger certifications per the specific state professional logger programs where they operate. Contractor status with the specific state program is validated on an annual basis prior to re-issuance/issuance of contracts, which include the requirement to maintain logger certifications.

WD Chips employees involved in the procurement program are trained at the point of hire. Additional training occurs annually for all employees involved in the procurement program. All interviewed employees demonstrated adequate knowledge of the procurement program and its requirements as it pertains to their specific job duties/responsibilities.

IA sizable portion of WD Chips SIC contributions are dedicated to the establishment, development and maintenance of wood producer training.

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

The organization supports the SICs in the states which it operates. A WD Chips employee is present on the SIC in each state that the company procures wood in. Wildfire risk is addressed via LFA correspondence. The organization is involved in conservation of managed forest through its involvement in the SICs. The SIC landowner outreach information addresses managed forest legacy.

**Objective 8-Public Land Management Responsibilities:**

N/A

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

The public report was submitted by WD Chips within the allotted time and is available online. Last year's audit was to the 2010-2014 standard.

The organization has a strong history of effectively completing and submitting the SFI annual progress report in a timely manner. Past reports are maintained on file at the HQ site for reference.

**Objective 10-Management Review:**

Annual management review meetings occur which involve representatives of the management and field staff. Action items and management decisions relating to the action items are documented in these meeting minutes. See issued OFI in regards to monitoring of QLP presence on active harvests.

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

N/A

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

N/A

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

N/A

## Findings

**Previous non-conformances:**

N/A

**Non-conformances:**

See attached SF02

**Opportunities for Improvement:**

The organization was issued one OFI during last year's surveillance audit in regards to further monitoring of contractors with re-occurring BMP. The organization has stated that if issues are found with a certain contractor, then additional monitoring will take place. No re-occurring issues noted by WD Chips or this Lead Auditor during tract inspections.

**Notable Practices:**

N/A

**Logo/label use:**

The organization does not utilize the SFI on-product and promotional logo. The organization does not, at this time, intend on using the Bureau Veritas logo.

**SFI reporting:**

Audit reports for the most recent audit were appropriately submitted and posted to the SFI website.

**Conclusions**

WD Chips continues to implement and manage an SFI procurement program which meets the requirements of the SFI 2015-2019 standard for Fiber Sourcing. A recommendation for immediate continued certification with no conditions was issued at the closing meeting.

***Follow up***

*The organization has effectively developed and implemented root cause analysis and corrective action plans. WD Chips is cleared for continued certification as of November 24, 2015.*

**SEE SF61 FOR AUDIT NOTES**

<b>Summary of Audit Findings:</b>										
Audit Date(s):		From: 5 November, 2015				To: 5 November, 2015				
Number of SF02's Raised:				Major:		0		Minor:		1
Is a follow up visit required:		Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>	Date(s) of follow up visit:				
Follow-up visit remarks:										
<b>Team Leader Recommendation:</b>										
Corrective Action Plan(s) Accepted			Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>	N/A	<input type="checkbox"/>	Date:	24 November, 2015
Proceed to/Continue Certification			Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>	N/A	<input type="checkbox"/>	Date:	24 November, 2015
All NCR's Closed			Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>	N/A	<input type="checkbox"/>	Date:	24 November, 2015
Standard audit conducted against:										
1)	SFI Standard for Fiber Sourcing, 2015-2019			3)						
2)				4)						
Team Leader (1):			Team Members (2,3,4...)							
Matt Tormohlen (BVCNA, Contract Lead Auditor)			2) N/A							
			3)							
			4)							
			5)							
Scope of Supply: (scope statement must be verified and appear in the space below)										
Fiber sourcing activities through an open market program										
Accreditation's		ANSI		ANAB						
Number of Certificates		1		1						
Proposed Date for Next Audit Event										
Date	Oct./Nov., 2016									
Audit Report Distribution										
Dustin Robison (dustin@walshtimbercompany.com)										
Dawn Komnick (dawn.komnick@us.bureauveritas.com)										

Clause	Audit Report	
Opening Meeting	Participants:  Discussions:	Matt Tormohlen, Mr. Dustin Robison, Mr. Steve Taylor  <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 (one OFI).</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	Participants:  Discussions:	Matt Tormohlen, Mr. Dustin Robison, Mr. Steve Taylor  <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 - 0</li> <li>➤ Nonconformances - 1</li> <li>➤ Date for next audit – Oct./Nov., 2016</li> <li>➤ Reporting protocol and timing</li> </ul>

<b>SF02/NA NONCONFORMITY REPORT</b>					
Company Name and Site:					SF02#:
WD Chips					01
Contract #:		Type of audit (e.g., initial,		Team Leader:	
		SFI Renewal		Matt Tormohlen	
Date:		Standard and Clause #:		Team Member:	
5 Nov., 2015		SFI 2015-2019 Fiber Sourcing, 1.1.1		N/A	
Major	Minor	Other Documents (if applicable):		Company Representative:	
	X	N/A		Dustin Robison	
REQUIREMENT OF AUDITED STANDARD:					
<p>1) Program participant shall address conservation of biodiversity, individually or collaboratively, through a Program which includes one or more of the following:</p> <ul style="list-style-type: none"> <li>a. promotion of biological diversity utilizing information from organizations such as World Resources Institute, The Nature Conservancy, NatureServe, Conservation International, State Wildlife Action Plans, State Forest Action Plans and assessments;</li> <li>b. conducting local and regional level landscape assessments;</li> <li>c. involvement with local or regional conservation efforts;</li> <li>d. use of relevant information on biological diversity from credible sources (such as those noted above) in approved training and education programs; and</li> <li>e. other credible approaches.</li> </ul>					
OBSERVED NONCONFORMITY :					
The organization has not increased its participation and/or support of topics and research of biodiversity since the inception of the program.					
ROOT CAUSE ANALYSIS AND CORRECTIVE ACTION PLAN					
(To be completed by the Company. Plan to be submitted in 30 days)					
Corrective Action Plan Date:		11/23/15	Company Representative:		Dustin Robison
Root Cause Analysis and Corrective Action					
Root Cause: The need to expand our support of the organizations that foster biodiversity has not been addressed because we assumed what we had been doing continued to meet the standard.					
Corrective Action Plan: W.D. Chips will join the National Wild Turkey Federation as a sponsor and review information from this federation.					
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: Adequate					
Corrective Action Plan: Accepted					
Plan Accepted:	Ye s	X	No	Comment s:	
Auditor:				Date:	11/23/2015
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 type="checkbox"/> <input checked="" type="checkbox"/> Days											
Corrective Action Completion Date:			11/23/15		Company Representative:			Dustin Robison			
Corrective Action Implementation: Joined National Wild Turkey Federation and reviewed website applications.											
Method used to verify effectiveness of action taken: Will keep ourselves aware of the programs of NWTF.											
<b>CORRECTIVE ACTION IMPLEMENTATION ACCEPTANCE REPORT</b> (To be completed by Bureau Veritas Certification – Acceptance of Corrective Action taken)											
Accepted:			Yes	X	No	Nonconformance Closed:			Yes	X	No
Follow Up Comments:											
Auditor:						Date:		11/24/2015			