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## RESPONSIBLY SOURCED – ASTM D7612-10<sup>1</sup> PUBLIC AUDIT REPORT

Company	Roseburg Forest Products 3660 Gateway Street, Springfield, OR 97477
Mill Location	Dillard, OR
Products	Lumber
Company Representative	Nadine Oroczo (541) 679-2536 <a href="mailto:NadineO@rfpco.com">NadineO@rfpco.com</a>
Audit Date	August 2, 2018
Report Date	September 14, 2018
Audit Scope	Implementation, Stage 2
PLIB Audit Team	PLIB: Glen Walton, Hannah Petersen, Jeff Fantozzi
Observer(s)	Rob Brooks, RBA

<sup>1</sup> Conducted in accordance with the Oregon Department of Forestry ‘Traceability Requirements for Responsible Sources’ standard and ASTM Standard D7612-10 ‘Standard Practice for Categorizing Wood and Wood-Based Products According to Their Fiber Sources’.

## Audit Objectives

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This stage 2 implementation audit of Roseburg Lumber operations at Dillard, OR was conducted for the initial certification of a chain of custody system in accordance with the Oregon Department of Forestry 'Traceability Requirements for Responsible Sources' standard and ASTM Standard D7612-10 'Standard Practice for Categorizing Wood and Wood-Based Products According to Their Fiber Sources'. *The audit emphasis is to protect against illegal sourcing and to ensure that the Responsible Source claim and Chain of Custody procedures are accurate and effective, respectively.*

Completion of this stage 2 audit and resolution of any non-conformances identified in the stage 1 or 2 audits must be satisfied prior to PLIB authorizing Roseburg Forest Products to make a claim of "Responsibly Sourced" and begin product labeling.

## Stage 2 Audit Findings: Observations, Interviews, Documentation

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### Documentation review:

The Roseburg Responsibly Sourced ASTM D7612 Management System for Chain of Custody System Document was reviewed. Editorial changes identified in the stage 1 audit were satisfactorily addressed.

A random sampling of Purchase Orders with corresponding scale or log tickets were reviewed. For logs identified as responsibly sourced, the scale and log tickets were matched to the corresponding purchase orders. The FERNS notification numbers identifying the source of the logs and the chain of custody were verified and matched to the purchase orders. A sampling of log tickets and purchase orders from federally sourced and out of state sources were compared and verified.

The spreadsheet calculating the percentage of responsibly sourced was tested and verified using the amount of footage that could be tracked with a FERNS notification number as returned by the Roseburg database. It was determined that the proper sorting criteria is being used and the percentages are being calculated correctly. It was noted that the calculation for Responsibly Sourced excluded logs coming from out of state, federal forests or other legal non-certified sources.

Roseburg is initially seeking to make a claim of 100% Legal Sources, 80% Responsible Sources. A review of historical volumes and sourcing information was conducted, and it was found that the percentage of responsibly sourced volumes consistently exceeded the 80% claim.

**Interviews:**

Primary interview and review of documents was done with Nadine Orozco, Compliance and Sustainability Manager. Interviews were also conducted with Roseburg personnel directly involved in log procurement, log receiving and processing of resource data. These included product management, resources controller and log shed personnel.

During the interview process, Roseburg personnel explained:

- the training that staff received for the Responsibly Sourced program,
- the procedures used to process and match log tickets to purchase orders,
- the process of verifying the FERNS number,
- the methodology for calculating the percentage of Responsibly Sourced volumes using the information collected in the database,
- the procedures used to receive logs and verify log tickets upon delivery,
- the procedure followed when logs arrive without a proper ticket or documentation.

**Observations:**

Staff in the log shed demonstrated a policy of not accepting logs that could not be verified by log ticket, limiting any risk of illegal sourcing.

**Good Management Practices**

Roseburg procurement practices demonstrate a commitment to follow the requirements of the Lacey Act and to ensure that there is adequate traceability to the notification numbers issued by the designated forest agency.

PLIB staff can say with reasonable confidence that based on the evidence presented and the interviews conducted, the risk of illegal sourcing is minimal.

## Nonconformities & Opportunities for Improvement (OI)

### Previously Identified Nonconformities

During the Stage 1 audit, two major and one minor nonconformities were identified.

Type: <input checked="" type="checkbox"/> Major <input type="checkbox"/> Minor <input type="checkbox"/> OI	Source: ODF TTR Section 4.1.1.d.
Sorting criteria for internal reporting on log volumes based on the notification number is not fully developed. Two sorting criteria are needed; notification numbers and source designation (legal, responsible, certified). Oregon private lands are designated as responsible (unless certified). Oregon public lands are legal (unless certified). Non-Oregon lands are legal (unless certified).	
Corrective Action Taken	Results
Internal report developed that properly identifies log volumes based upon notification numbers and source designation (legal, responsible, certified).	Satisfied and closed

Type: <input checked="" type="checkbox"/> Major <input type="checkbox"/> Minor <input type="checkbox"/> OI	Source: ODF TTR 4.2.1
Spreadsheet used to calculate the percentage claim needs to match sorting criteria in the expected correction of nonconformity #1.	
Corrective Action Taken	Results
Spreadsheet revised with correct sorting criteria and volumes.	Satisfied and closed

Type: <input type="checkbox"/> Major <input checked="" type="checkbox"/> Minor <input type="checkbox"/> OI	Source: PLIB procedures, Appendix A
Roseburg Sawmill Responsibly Sourced Plan was identified to have further edits required to address PLIB procedures in Appendix A, Sections 1.3d, 1.4e, 1.4f, 1.5.3, and 1.5.4.	
Corrective Action Taken	Results
Plan edited to incorporate items identified.	Satisfied and closed

All nonconformities identified in the Stage 1 audit were deemed to be satisfactorily corrected as of the Stage 2 audit.

**Nonconformities Identified During the Current Audit**

During the Stage 2 audit, two minor nonconformities and two opportunities for improvement (OI) were identified.

Type: <input type="checkbox"/> Major <input checked="" type="checkbox"/> Minor <input type="checkbox"/> OI	Source:
As of the date of the audit, an upper level management review had not been conducted, however Roseburg plans to schedule one once the audit is complete.	
Corrective Action Requested	Completion Deadline
Conduct Management Review.	December 31, 2018

Type: <input type="checkbox"/> Major <input checked="" type="checkbox"/> Minor <input type="checkbox"/> OI	Source: ODF TTR 6.1.2.d. ASTM D7612
Labelling language intended to be used on invoices needs to be revised to comply with identification number and ASTM D7612 standards.	
Corrective Action Requested	Completion Deadline
Revise language on invoices to state: "PLIB-RS-0001 Responsibly Sourced – ASTM D7612 – 100% Legal, 80% Responsible Sources. Applicable to all Lumber products."	Prior to start of invoice labelling. This was resolved between the audit date and the date of this report and has been satisfied and closed.

Type: <input type="checkbox"/> Major <input type="checkbox"/> Minor <input checked="" type="checkbox"/> OI	Source: ODF TTR 1.6
Ongoing training will be required to educate all stakeholders in the Roseburg procurement team to successfully implement chain of custody for Responsible Sourcing.	
Corrective Action Requested	Completion Deadline

Type: <input type="checkbox"/> Major <input type="checkbox"/> Minor <input checked="" type="checkbox"/> OI	Source:
It was noted that while Roseburg is requiring a FERNS number or Certification number on every purchase of logs in Oregon, that number does not always appear on every purchase order when successive purchase orders concern the same harvest location and are within the date range on the harvest certificate. However, the FERNS number is available when requested. Roseburg is bolstering internal enforcement to ensure the FERNS number is easier to identify.	
Corrective Action Requested	Completion Deadline



## Summary of Audit Results

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Roseburg demonstrated significant experience and knowledge of chain of custody systems and audit expectations. There was successful demonstration during the audit that the Roseburg Responsible Source management system meets the criteria for making a claim of “Responsibly Sourced” in accordance with the Oregon Department of Forestry ‘Traceability Requirements for Responsible Sources’ standard and ASTM Standard D7612-10 ‘Standard Practice for Categorizing Wood and Wood-Based Products According to Their Fiber Sources’, and the PLIB Audit Policy and Procedures of Responsible Sourcing.

Roseburg has an effective Responsible Sourcing chain of custody management system as determined from interviews, review of documentation and on-site observations by PLIB personnel. The management system has been found to be in substantial conformance and has fulfilled the audit objectives. A claim of 100% legal sources, 80% responsible sources is supported by the evidence reviewed. The claimed percentages may change over time depending on the resource.

PLIB staff can say with reasonable confidence that based on the evidence presented and the interviews conducted, the risk of illegal sourcing is minimal.

## Auditors’ Recommendations

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Roseburg Forest Products, Dillard, OR lumber manufacturing facility is recommended for certification under the Oregon Department of Forestry ‘Traceability Requirements for Responsible Sources’ standard. The audit results support an initial claim of 100% legal sources, 80% responsible sources.

## Contacts for Additional Information

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