

SCS Global Services Evaluation of Westervelt Pellets I Compliance with the SBP Framework: Public Summary Report

Fourth Surveillance Audit

www.sbp-cert.org



Completed in accordance with the CB Public Summary Report Template Version 1.4

*For further information on the SBP Framework and to view the full set of documentation see
www.sbp-cert.org*

Document history

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1 Overview

CB Name and contact: SCS Global Services, 2000 Powell St. Ste 600 Emeryville, CA 94608

Primary contact for SBP: Sarah Harris, SHarris@scsglobalservices.com

Current report completion date: 27/Jun/2019

Report authors: Tucker Watts and David White

Name of the Company: Westervelt Renewable Energy, LLC; 1400 Jack Warner Pkwy, N.E.
Tuscaloosa, AL 35404

Company contact for SBP: Joe Aquino - Joseph.Aquino@pinnaclepellet.com

Certified Supply Base: Alabama, Mississippi, Arkansas, Georgia, Louisiana, Mississippi, North Carolina, South Carolina and Tennessee and select counties from Missouri, Texas, and Florida.

SBP Certificate Code: SBP-04-13

Date of certificate issue: 12/Nov/2015

Date of certificate expiry: 20/Sep/2020

This report relates to the Fourth Surveillance Audit

2 Scope of the evaluation and SBP certificate

This certificate covers the manufacture, transport to the port of Mobile, AL and trading of wood pellets. It also includes a supply base evaluation for sourcing of primary feedstock from Alabama and Mississippi and secondary feedstock from Alabama, Arkansas, Georgia, Louisiana, Mississippi, North Carolina, South Carolina and Tennessee and select counties from Missouri, Texas, and Florida.

3 Specific objective

The specific objective of this surveillance audit was to confirm that Westervelt Renewable Energy, LLC's management system is capable of ensuring that all requirements of specified SBP Standards are implemented across the entire scope of certification.

The following critical control points were identified and audited:

- Supply base evaluation
- Feedstock procurement
- Receiving of feedstock
- Documentation of transactions

4 SBP Standards utilised

4.1 SBP Standards utilised

Please select all SBP Standards used during this evaluation. All Standards can be accessed and downloaded from <https://sbp-cert.org/documents/standards-documents/standards>

- SBP Framework Standard 1: Feedstock Compliance Standard (Version 1.0, 26 March 2015)
- SBP Framework Standard 2: Verification of SBP-compliant Feedstock (Version 1.0, 26 March 2015)
- SBP Framework Standard 4: Chain of Custody (Version 1.0, 26 March 2015)
- SBP Framework Standard 5: Collection and Communication of Data (Version 1.0, 26 March 2015)

4.2 SBP-endorsed Regional Risk Assessment

Not applicable

5 Description of Company, Supply Base and Forest Management

5.1 Description of Company

Westervelt Pellets 1 LLC is a joint venture between The Westervelt Company and Pinnacle Renewable Energy for the manufacture of wood pellets. The pellet facility is located in Aliceville, AL on the Tombigbee waterway and pellets are loaded onto barges, shipped down to Mobile and loaded onto bulk cargo ships.

The supply base area for secondary feedstock includes Alabama, Mississippi, Georgia, South Carolina, North Carolina, Tennessee, Arkansas, and Louisiana in addition to certain counties in Florida, Texas, and Missouri. Primary softwood feedstock originates in Alabama and Mississippi mainly due to haul distance constraints. The majority of feedstock is generated within approximately 150 miles of the plant; however, the supply base area includes the supply basins for sub-suppliers.

The company purchases secondary residuals from the company's sawmill and from third-party generators of residual materials. Primary feedstock is sourced directly from company owned or managed sources, private (family & institutional) landowners, and a de minimis amount from state lands. A gradual increase in the availability of residual material is underway throughout the region and coincides with increased housing starts.

The company's raw material sourcing activity for pellet production is similar to other industries in the region, although on a smaller scale. The most notable changes include new and/or expanded capacity sawmills in the Southeast U.S. and the expansion of existing wood processing facilities, all of which result in increased secondary residual supply. The company provides an outlet for feedstocks that would otherwise be difficult to utilize in the supply base area.

The company utilizes secondary residues from softwood and hardwood species in addition to round wood softwood. Secondary residues include sawmill shavings, sawdust, and chips while round wood includes tops, limbs, non-merchantable wood from final harvest tracts, and forest thinnings. Although the primary input is secondary residues, the plant has the ability to utilize round wood. The facility does not utilize saw logs nor do we use any construction, demolition, treated, or post-consumer derived feedstock. When round wood is sourced, residue bark generated on-site is utilized as furnace fuel for the dryer and is supplemented by external bark purchases as needed. External bark is sourced from sawmills and chip mills from hardwood and softwood species.

5.2 Description of Company's Supply Base

The supply base area for secondary feedstock includes Alabama, Mississippi, Georgia, South Carolina, North Carolina, Tennessee, Arkansas, and Louisiana in addition to certain counties in Florida, Texas, and Missouri. Primary softwood feedstock originates in Alabama and Mississippi mainly due to haul distance constraints. The majority of feedstock is generated within approximately 150 miles of the plant; however, the supply base area includes the supply basins for sub-suppliers.

The company purchases secondary residuals from the company's sawmill and from third-party generators of residual materials. Primary feedstock is sourced directly from company owned or managed sources, private (family & institutional) landowners, and a de minimis amount from state lands. A gradual increase in the availability of residual material is underway throughout the region and coincides with increased housing starts.

The company's raw material sourcing activity for pellet production is similar to other industries in the region, although on a smaller scale. The most notable changes include new and/or expanded capacity sawmills in the Southeast U.S. and the expansion of existing wood processing facilities, all of which result in increased secondary residual supply. The company provides an outlet for feedstocks that would otherwise be difficult to utilize in the supply base area.

The company utilizes secondary residues from softwood and hardwood species in addition to round wood softwood. Secondary residues include sawmill shavings, sawdust, and chips while round wood includes tops, limbs, non-merchantable wood from final harvest tracts, and forest thinnings. Although the primary input is secondary residues, the plant has the ability to utilize round wood. The facility does not utilize saw logs nor do we use any construction, demolition, treated, or post-consumer derived feedstock. When round wood is sourced, residue bark generated on-site is utilized as furnace fuel for the dryer and is supplemented by external bark purchases as needed. External bark is sourced from sawmills and chip mills from a variety of wood species.

Protected Species: The company does not utilize feedstock from any Convention on International Trade in Endangered Species of Wild Flora and Fauna ("CITES") listed species. The International Union for Conservation of Nature™ ("IUCN") identifies Longleaf Pine (*Pinus palustris*) as endangered and WAPM notes the presence of this species in our supply area. The company is not opposed to the use of Longleaf pine provided the land from which the fiber originates is ultimately returned to Longleaf or the species which was present prior to the planting of Longleaf, and supports the mission of the Longleaf Alliance in encouraging markets for the sustainable consumption of this species in order to perpetuate its existence. For further information please refer to Westervelt Pellets 1 LLC Statement on Longleaf Pine dated March 1, 2018.

Harvest & Delivery: For primary wood the company utilizes contract logging crews, many of which work exclusively for The Westervelt Company (a partner of "the company"). These crews are responsible for harvesting and transportation of raw material to the facility, all of which is delivered by truck. Secondary residuals are delivered by truck by the suppliers of those materials.

A copy of the company's SBR is found at <https://sbp-cert.org/accreditations-and-certifications/certificate-holders/westervelt-renewable-energy-llc>

5.3 Detailed description of Supply Base

- f. Total volume of feedstock: 0-200,000 green metric tons
- g. Volume of primary feedstock: 0-200,000 green metric tons
- h. List percentage of primary feedstock (g), by the following categories.
Subdivide by SBP-approved Forest Management Schemes.
 - Large forest holdings certified to an SBP-approved Forest Management Schemes: 0%-19%
 - Large forest holdings not certified to an SBP-approved Forest Management Schemes: 80%-100%
 - Small forest holdings certified to an SBP-approved Forest Management Schemes: 0%-19%
 - Small forest holdings not certified to an SBP-approved Forest Management Schemes: 00%-19%
- i. List all species in primary feedstock, including scientific name:
 - Loblolly Pine (Pinus taeda)
 - Shortleaf Pine (Pinus echinata)
 - Slash Pine (Pinus elliotti)
 - Virginia Pine (Pinus Virginiana)
 - Longleaf Pine (Pinus palustris)
- j. Volume of primary feedstock from primary forest: None
- k. List percentage of primary feedstock from primary forest (i), by the following categories.
Subdivide by SBP-approved Forest Management Schemes.
 - *Primary feedstock* from primary forest certified to an SBP-approved Forest Management Schemes: 0%-19%
 - Primary feedstock from primary forest not certified to an SBP-approved Forest Management Schemes: 0%-19%
- l. Volume of secondary feedstock: 80%-100% residues
- m. Volume of tertiary feedstock: 0%-19%

5.4 Chain of Custody system

The Company is SFI/PEFC/FSC Chain of Custody certified and utilizes the systems already in place to track SBP certified biomass. Pellets are stored on-site, loaded onto barges and barged down the Tombigbee Waterway to the port of Mobile, AL where they remain on the barges until loaded on a ship. Title transfers when the pellets are loaded on the ship.

6 Evaluation process

6.1 Timing of evaluation activities

Date – Activity – People involved – location – Approximate time

April 22 – Opening meeting – SCS Global Services: Tucker Watts, Westervelt: Mike Williams, Jonathan Lowery, Aprille Cook, Clint Woods – 30 minutes

April 23 - Standard 4 – SCS Global Services: Tucker Watts, Westervelt: Mike Williams, Clint Woods, Pinnacle Renewable Energy: Joe Aquino– 4 hours

- Site Visits – SCS Global Service: David White, Westervelt: Ross Singleton, Tim Watson – 8 hours

April 24 - GHG analysis/Standard 5/Facility Tour – SCS Global Services: Tucker Watts, Westervelt: Mike Williams, Clint Woods, Pinnacle Renewable Energy: Joe Aquino – 8 hours

- Site Visits – SCS Global Service: David White, Westervelt: April Cook, Bruce Dehaan, Larry Ford, Sean Heaton – 8 hours

April 25 – SBE/SBR review/ Standard 1 & 2 – SCS Global Services: Tucker Watts, David White, Westervelt: Mike Williams, Clint Woods, Aprille Cook, Jonathan Lowery, Pinnacle Renewable Energy: Joe Aquino – 8 hours

April 26 – Closing meeting – SCS Global Services: Tucker Watts, David White, Westervelt: Mike Williams, Clint Woods, Aprille Cook, Jonathan Lowery, Pinnacle Renewable Energy: Joe Aquino – 1 hour

6.2 Description of evaluation activities

SCS Global Services initiated the SBP audit process with a planning call to confirm the scope of the audit, determine whether any changes had occurred in the Company's policies and procedures and set the audit dates. SCS Global Services then prepared a detailed audit plan and conducted the SBP Surveillance Audit of conformance to the SBP Standards with focus on the SBE/SBR and chain of custody requirements.

The audit was governed by a detailed audit plan designed to enable the audit team to efficiently determine conformance with the applicable SBP requirements. The plan provided for the assembly and review of audit evidence consisting of documents, interviews, and on-site inspections of ongoing or completed forest practices and management systems.

During the audit samples of the written documentation assembled to provide objective evidence of SBP Conformance were reviewed. SCS Global Services also selected field sites for inspection based upon the risk of environmental impact, likelihood of occurrence, special features, and other criteria.

The possible findings of the audit included Full Conformance, Major Non-conformance, Minor Non-conformance and Opportunities for Improvement.

6.3 Process for consultation with stakeholders

SCS Conducted Stakeholder Consultation:

Geographical area(s): The geographical area for the stakeholder consultation is the same as the supply areas identified in the company's Supply Base. This stakeholder consultation included Alabama, Mississippi, Arkansas, Georgia, Louisiana, Mississippi, North Carolina, South Carolina and Tennessee and select counties from Missouri, Texas, and Florida.

List of Stakeholders invited: SCS relies on its Master Stakeholder List, which contains stakeholders that are identified by type, e.g. ENGO, Government/regulatory, Educational/Academic, Industry, Indigenous/Aboriginal/Tribal. This list is categorized by country and state/province at the very least, and for this consultation was filtered to omit any stakeholders that were not geographically relevant to the certificate-holder/applicant's supply area(s). Relevant FSC Network Partners were also included in the invitation process.

SCS launched their stakeholder consultation for the Evaluation audit of the Westervelt Renewable Energy facility on November 27, 2017 from SCS's Emeryville office to stakeholders. Stakeholders had the opportunity to present their points of view to the auditor(s) in confidence.

SCS received two comments regarding Westervelt's procurement operations / supply. Both were positive in nature. SCS Global Services acknowledged receipt and thanked the stakeholders for their responses. No other action was necessary.

Attached is the actual notification for Westervelt. They were selected to geographical relevance to Westervelt's supply base:

“This email is being sent to you because SCS Global Services (SCS) has identified you as a potential stakeholder able to provide relevant comments regarding The Westervelt Company's fiber sourcing program as a Biomass Producer (BP) within the Sustainable Biomass Program (SBP) framework.

Background – About SBP

SBP was formed in 2013 by European utilities that are using biomass, mostly in the form of wood pellets or chips, in large thermal generating plants. Biomass-fired power and heat generation is seen as an important technology for achieving the EU's 2020 renewable energy targets and EU member states are adopting their own national approaches to ensuring that the biomass used is legally and sustainably sourced.

SBP's objective is to develop the tools necessary to demonstrate that, as a minimum, solid biomass used for energy production meets these national requirements. The SBP Framework is designed as a clear statement of principles, standards and processes necessary to demonstrate such compliance. Wherever possible, the Framework takes into account and builds on existing regulatory mechanisms and on voluntary certification standards already applied to other forest product streams or to other biomass sources.

The SBP Framework provides a means to collect data describing the nature of the feedstock as well as data to be employed in the regulatory calculations of greenhouse gas (GHG) savings from its use. It also provides a means to demonstrate that risks to forest carbon stocks are managed and that forests' carbon sequestration capability is maintained.

Collectively, the six SBP Standards represent a certification framework, or scheme, against which organizations can be assessed for compliance by independent third-party Certification Bodies (CBs) such as SCS. An organization that satisfactorily demonstrates compliance receives a certificate and is entitled to make SBP claims in relation to its biomass.

For more information, and/or to obtain copies of the six SBP standards, please visit: <http://www.sustainablebiomasspartnership.org/>

Notification

SBP does not require that certification bodies such as SCS consult stakeholders during the annual surveillance audits of BP's. However, this BP is expanding their supply base, so the upcoming audit represents SCS' first chance to engage with stakeholders in a specific geographic region in order to verify that the BP's management systems are working effectively and consistently across their entire supply base.

Attached is their Supply Base Evaluation (SBE) for your consideration.

Consultation

With this email, SCS encourages interested stakeholders to submit relevant information and/or comments regarding the BP's forest management and fiber sourcing/procurement operations, in order to evaluate the BP's compliance with SBP requirements. SCS will:

- review and record all submissions
- evaluate relevant submissions
- document actions taken in relation to relevant submissions, and
- document its conclusions regarding compliance of the BP with the Standards.

If you have any questions/concerns regarding this notification, please email us back and we will follow up with you accordingly.

If you are not interested in participating or providing any comments for this organization, then you do not need to do anything at all in response to this email.

If you would like to be permanently removed from our stakeholder list (and thus not receive any future notifications in regards to this, or any other company), please reply with 'remove'.

Best regards,"

7 Results

7.1 Main strengths and weaknesses

Westervelt Renewable Energy was well organized and has a good system for maintaining its certification. For details on weaknesses please refer to the nonconformity section.

7.2 Rigour of Supply Base Evaluation

The Westervelt Company has a rigorous evaluation process for their SBE. The evaluation consists of information collected by company foresters, supplier's foresters, and various state, federal, and private agencies. SBE by The Westervelt Company focuses on analysis of the SBE requirements for 3 potential supplier groups: Fee and purchased stumpage with harvesting controlled by The Westervelt Company; Stumpage harvested by wood suppliers and purchased by The Westervelt Company upon delivery; Bi-products delivered to The Westervelt Company from manufacturing facilities. Supply base information and harvest monitoring data is collected on all fee and purchase stumpage. Supply base information is collected on all stumpage harvested by wood suppliers.

Harvest monitoring is conducted on a 10% sample of these tracts. Summary information is collected on the origin and harvesting of stumpage by the bi-product suppliers. Information collected is directly from the supplier, and from interviews with local stakeholders. Additional information is collected from state, federal, and various other websites.

7.3 Collection and Communication of Data

The company was well-informed on what information needed to be collected and communicated and had thought through many of the potential hurdles to the process, offering the auditor answers before the question even arose.

7.4 Competency of involved personnel

The company was well-informed on what information needed to be collected and communicated and had thought through many of the potential hurdles to the process, offering the auditor answers before the question even arose.

7.5 Stakeholder feedback

Two stakeholder comments were received during the past audit cycle. They were both positive in nature. SCS thanked the stakeholders for their comments and no further action was necessary.

7.6 Preconditions

Not applicable – surveillance audit

8 Review of Company’s Risk Assessments

Describe how the Certification Body assessed risk for the Indicators. Summarise the CB’s final risk ratings in Table 1, together with the Company’s final risk ratings. Default for each indicator is ‘Low’, click on the rating to change. Note: this summary should show the risk ratings before AND after the SVP has been performed and after any mitigation measures have been implemented.

Table 1. Final risk ratings of Indicators as determined BEFORE the SVP and any mitigation measures.

Indicator	Risk rating (Low or Specified)	
	Producer	CB
1.1.1	Low	Low
1.1.2	Low	Low
1.1.3	Low	Low
1.2.1	Low	Low
1.3.1	Low	Low
1.4.1	Low	Low
1.5.1	Low	Low
1.6.1	Low	Low
2.1.1	Low	Low
2.1.2	Low	Low
2.1.3	Low	Low
2.2.1	Low	Low
2.2.2	Low	Low
2.2.3	Low	Low
2.2.4	Low	Low
2.2.5	Low	Low
2.2.6	Low	Low
2.2.7	Low	Low
2.2.8	Low	Low
2.2.9	Low	Low
2.3.1	Low	Low
2.3.2	Low	Low

Indicator	Risk rating (Low or Specified)	
	Producer	CB
2.3.3	Low	Low
2.4.1	Low	Low
2.4.2	Low	Low
2.4.3	Low	Low
2.5.1	Low	Low
2.5.2	Low	Low
2.6.1	Low	Low
2.7.1	Low	Low
2.7.2	Low	Low
2.7.3	Low	Low
2.7.4	Low	Low
2.7.5	Low	Low
2.8.1	Low	Low
2.9.1	Low	Low
2.9.2	Low	Low
2.10.1	Low	Low

Table 2. Final risk ratings of Indicators as determined AFTER the SVP and any mitigation measures.

Indicator	Risk rating (Low or Specified)	
	Producer	CB
1.1.1	Low	Low
1.1.2	Low	Low
1.1.3	Low	Low
1.2.1	Low	Low
1.3.1	Low	Low
1.4.1	Low	Low
1.5.1	Low	Low
1.6.1	Low	Low
2.1.1	Low	Low
2.1.2	Low	Low
2.1.3	Low	Low
2.2.1	Low	Low
2.2.2	Low	Low
2.2.3	Low	Low
2.2.4	Low	Low
2.2.5	Low	Low
2.2.6	Low	Low
2.2.7	Low	Low
2.2.8	Low	Low
2.2.9	Low	Low
2.3.1	Low	Low
2.3.2	Low	Low

Indicator	Risk rating (Low or Specified)	
	Producer	CB
2.3.3	Low	Low
2.4.1	Low	Low
2.4.2	Low	Low
2.4.3	Low	Low
2.5.1	Low	Low
2.5.2	Low	Low
2.6.1	Low	Low
2.7.1	Low	Low
2.7.2	Low	Low
2.7.3	Low	Low
2.7.4	Low	Low
2.7.5	Low	Low
2.8.1	Low	Low
2.9.1	Low	Low
2.9.2	Low	Low
2.10.1	Low	Low

9 Review of Company's mitigation measures

The measures and monitoring responses below represent actions taken by the BP or on behalf of the BP by BP-affiliate (Westervelt).

Indicator 2.1.2

The Biomass Producer has implemented appropriate control systems and procedures to identify and address potential threats to forests and other areas with high conservation values from forest management activities.

Risk Designation: "Specified Risk"

In the absence of measures implemented by the BP, this indicator is considered Specified Risk based on FSC (FSC US Controlled Wood National Risk Assessment V1-0 D3-0) risk designations within the supply area. Specifically, high conservation values are threatened by management activities (Category 3) in some areas, and wood from forests is being converted to plantations or non-forest use in some areas (Category 4).

Mitigation Measures:

We utilize legally binding contracts to identify expectations and requirements. Contracts provide for logger education, logger certification where appropriate, adherence to BMP requirements, and awareness of high conservation value and risk areas. We provide HCV training packets to primary and secondary suppliers, which combined with the state BMP's provide a thorough overview of HCV areas in the supply base. We identify the supply chain, determine the risk profile within the supply base, review supplier records, conduct announced and unannounced audits, review third party assessments, and conduct site audits where appropriate. For primary sources, appropriate measures are implemented at the forest unit and for secondary sources they are implemented at the saw mill. Furthermore, we have a functional Environmental Management System, Environmental Policy, Fiber Supply Policy, and conduct internal and third party audits to ensure compliance. In addition, we employ registered foresters, forest rangers, certified wildlife biologists, and forest biometricians in support of our processes. We also sponsor public research and promote sustainable management of forest through participation in SFI State Implementation Committees.

Monitoring:

- Annual supplier questionnaires to primary and secondary suppliers, which details the counties where wood is sourced from.
- Conduct annual sawmill audits of a sample of secondary suppliers to confirm that information provided in the questionnaire is accurate and verifiable.
- Conduct BMP audits on a sample of primary and secondary feedstock suppliers to ensure BMP compliance.
- Require signed contracts with suppliers ensuring HCV's are appropriately managed.
- Conduct field inspections on a sample of primary feedstock tracts to monitor HCV and other land values.
- Map all known HCV sites and ensures all procured feedstock areas do not overlap with HCV areas.

The monitoring efforts provide assurance that feedstock suppliers adhere to the requirements of the standard and demonstrate the BP's commitment to ensuring compliance.

Conclusion:

Based on the mitigation measures described herein (including the contents of Annex I – Exhibit E Risk Mitigation, this indicator can be considered “Low Risk”.

Indicator 2.1.3

The Biomass Producer has implemented appropriate control systems and procedures for verifying that feedstock is not sourced from forests converted to production plantation forest or non-forest lands after January 2008.

Risk Designation: “Specified Risk”

In the absence of measures implemented by the BP, this indicator is considered Specified Risk based on FSC (FSC US Controlled Wood National Risk Assessment V1-0 D3-0) risk designations within the supply area. Specifically, wood from forests is being converted to plantations or non-forest use in some areas (Category 4).

Mitigation Measures:

We do not source from forests converted to production plantation forest or non-forest lands after January 2008, nor do we allow our suppliers to source from these areas under the terms of legally binding contracts. Our FSC and PEFC Chain of Custody Procedures (WF-DP-01) identify the process by which conversion of forests to non-forest land uses can be documented and avoided. We, along with our suppliers, are legally obligated to adhere to all state and federal environmental protection programs which can apply when conversion occurs. We utilize a number of resources such as Global Forest Watch, National Land Cover Dataset, etc. to check for conversion.

Monitoring:

- Annual supplier questionnaires to primary and secondary suppliers, which details the counties where wood is sourced from.
- Conduct annual sawmill audits of a sample of secondary suppliers to confirm that information provided in the questionnaire is accurate and verifiable.
- Conduct BMP audits on a sample of primary and secondary feedstock suppliers to ensure BMP compliance.
- Require signed contracts with suppliers ensuring land conversion is not done.
- Conduct field inspections on a sample of primary feedstock tracts to monitor silviculture practices
- Map all known HCV sites and ensures all procured feedstock areas do not overlap with HCV areas.

The monitoring efforts provide assurance that feedstock suppliers adhere to the requirements of the standard and demonstrate the BP’s commitment to ensuring compliance.

Conclusion:

Based on the mitigation measures described herein (including the contents of Annex I – Exhibit E Risk Mitigation, this indicator can be considered “Low Risk”.

Indicator 2.2.1

The Biomass Producer has implemented appropriate control systems and procedures to verify that feedstock is sourced from forests where there is appropriate assessment of impacts, and planning, implementation and monitoring to minimise them.

Risk Designation: “Specified Risk”

This indicator was listed as low risk in the FSC controlled wood risk assessment (FSC US Controlled Wood National Risk Assessment V1-0 D3-0). It was identified during last surveillance audit there was insufficient publicly available evidence to consider this indicator low risk, particularly in relation to secondary feedstock. As a result, the BP has included additional control measures to ensure the risk designation can be considered low risk after the implementation of mitigation measures.

Mitigation Measures:

We utilize legally binding contracts to identify expectations and requirements. Contracts provide for logger education, logger certification where appropriate, adherence to BMP requirements, and awareness of high conservation value and risk areas. We identify the supply chain, determine the risk profile within the supply base, review supplier records, conduct announced and unannounced audits, review third party assessments, and conduct site audits where appropriate. For primary sources, appropriate measures are implemented at the forest unit and for secondary sources they are implemented at the saw mill. Furthermore, we have a functional Environmental Management System, Environmental Policy, Fiber Supply Policy, and conduct internal and third party audits to ensure compliance. In addition, we employ registered foresters, forest rangers, certified wildlife biologists, and forest biometricians in support of our processes. We also sponsor public research and promote sustainable management of forest through participation in SFI State Implementation Committees.

Monitoring:

- Annual supplier questionnaires to primary and secondary suppliers, which details the counties where wood is sourced from.
- Conduct annual sawmill audits of a sample of secondary suppliers to confirm that information provided in the questionnaire is accurate and verifiable.
- Conduct BMP audits on a sample of primary and secondary feedstock suppliers to ensure BMP compliance.
- Require signed contracts with suppliers ensuring HCV's are appropriately managed.
- Conduct field inspections on a sample of primary feedstock tracts to monitor HCV and other land values.
- Map all known HCV sites and ensures all procured feedstock areas do not overlap with HCV areas.

The monitoring efforts provide assurance that feedstock suppliers adhere to the requirements of the standard and demonstrate the BP's commitment to ensuring compliance.

Conclusion:

Based on the mitigation measures described herein (including the contents of Annex I – Exhibit E Risk Mitigation, this indicator can be considered “Low Risk”.

Indicator 2.2.3

The Biomass Producer has implemented appropriate control systems and procedures to ensure that key ecosystems and habitats are conserved or set aside in their natural state (CPET S8b).

Risk Designation: “Specified Risk”

In the absence of measures implemented by the BP, this indicator is considered Specified Risk based on FSC (FSC US Controlled Wood National Risk Assessment V1-0 D3-0) risk designations within the supply area. Specifically, high conservation values are threatened by management activities (Category 3) in some areas, and wood from forests is being converted to plantations or non-forest use in some areas (Category 4).

Mitigation Measures:

We utilize legally binding contracts to identify expectations and requirements. Contracts provide for logger education, logger certification where appropriate, adherence to BMP requirements, and awareness of high conservation value and risk areas. We identify the supply chain, determine the risk profile within the supply base, review supplier records, conduct announced and unannounced audits, review third party assessments, and conduct site audits where appropriate. For primary sources, appropriate measures are implemented at the forest unit and for secondary sources they are implemented at the saw mill. Furthermore, we have a functional Environmental Management System, Environmental Policy, Fiber Supply Policy, and conduct internal and third party audits to ensure compliance. In addition, we employ registered foresters, forest rangers, certified wildlife biologists, and forest biometricians in support of our processes. We also sponsor public research and promote sustainable management of forest through participation in SFI State Implementation Committees.

Monitoring:

- Annual supplier questionnaires to primary and secondary suppliers, which details the counties where wood is sourced from.
- Conduct annual sawmill audits of a sample of secondary suppliers to confirm that information provided in the questionnaire is accurate and verifiable.
- Conduct BMP audits on a sample of primary and secondary feedstock suppliers to ensure BMP compliance.
- Require signed contracts with suppliers ensuring HCV's are appropriately managed.
- Conduct field inspections on a sample of primary feedstock tracts to monitor HCV and other land values.
- Map all known HCV sites and ensures all procured feedstock areas do not overlap with HCV areas.

The monitoring efforts provide assurance that feedstock suppliers adhere to the requirements of the standard and demonstrate the BP's commitment to ensuring compliance.

Conclusion:

Based on the mitigation measures described herein (including the contents of Annex I – Exhibit E Risk Mitigation, this indicator can be considered “Low Risk”.

Indicator 2.2.4

The Biomass Producer has implemented appropriate control systems and procedures to ensure that biodiversity is protected (CPET S5b)

Risk Designation: “Specified Risk”

In the absence of measures implemented by the BP, this indicator is considered Specified Risk based on FSC (FSC US Controlled Wood National Risk Assessment V1-0 D3-0) risk designations within the supply area. Specifically, high conservation values are threatened by management activities (Category 3) in some areas, and wood from forests is being converted to plantations or non-forest use in some areas (Category 4).

Mitigation Measures:

We utilize legally binding contracts to identify expectations and requirements. Contracts provide for logger education, logger certification where appropriate, adherence to BMP requirements, and awareness of high conservation value and risk areas. We identify the supply chain, determine the risk profile within the supply base, review supplier records, conduct announced and unannounced audits, review third party assessments, and conduct site audits where appropriate. For primary sources, appropriate measures are implemented at the forest unit and for secondary sources they are implemented at the saw mill. Furthermore, we have a functional Environmental Management System, Environmental Policy, Fiber Supply Policy, and conduct

internal and third party audits to ensure compliance. In addition, we employ registered foresters, forest rangers, certified wildlife biologists, and forest biometricians in support of our processes. We also sponsor public research and promote sustainable management of forest through participation in SFI State Implementation Committees.

Monitoring:

- Annual supplier questionnaires to primary and secondary suppliers, which details the counties where wood is sourced from.
- Conduct annual sawmill audits of a sample of secondary suppliers to confirm that information provided in the questionnaire is accurate and verifiable.
- Conduct BMP audits on a sample of primary and secondary feedstock suppliers to ensure BMP compliance.
- Require signed contracts with suppliers ensuring HCV's are appropriately managed.
- Conduct field inspections on a sample of primary feedstock tracts to monitor HCV and other land values.
- Map all known HCV sites and ensures all procured feedstock areas do not overlap with HCV areas.

The monitoring efforts provide assurance that feedstock suppliers adhere to the requirements of the standard and demonstrate the BP's commitment to ensuring compliance.

Conclusion:

Based on the mitigation measures described herein (including the contents of Annex I – Exhibit E Risk Mitigation, the risk associated with [TBD] can be considered “Low Risk”.

Indicator 2.4.1

The Biomass Producer has implemented appropriate control systems and procedures for verifying that the health, vitality and other services provided by forest ecosystems are maintained or improved (CPET S7a).

Risk Designation: “Specified Risk”

In the absence of measures implemented by the BP, this indicator is considered Specified Risk based on FSC (FSC US Controlled Wood National Risk Assessment V1-0 D3-0) risk designations within the supply area. Specifically, high conservation values are threatened by management activities (Category 3) in some areas, and wood from forests is being converted to plantations or non-forest use in some areas (Category 4).

Mitigation Measures:

We utilize legally binding contracts to identify expectations and requirements. Contracts provide for logger education, logger certification where appropriate, adherence to BMP requirements, and awareness of high conservation value and risk areas. We identify the supply chain, determine the risk profile within the supply base, review supplier records, conduct announced and unannounced audits, review third party assessments, and conduct site audits where appropriate. For primary sources, appropriate measures are implemented at the forest unit and for secondary sources they are implemented at the saw mill. Furthermore, we have a functional Environmental Management System, Environmental Policy, Fiber Supply Policy, and conduct internal and third party audits to ensure compliance. In addition, we employ registered foresters, forest rangers, certified wildlife biologists, and forest biometricians in support of our processes. We also sponsor public research and promote sustainable management of forest through participation in SFI State Implementation Committees.

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- Map all known HCV sites and ensures all procured feedstock areas do not overlap with HCV areas.

The monitoring efforts provide assurance that feedstock suppliers adhere to the requirements of the standard and demonstrate the BP's commitment to ensuring compliance.

Conclusion:

Based on the mitigation measures described herein (including the contents of Annex I – Exhibit E Risk Mitigation, this indicator can be considered “Low Risk”.

10 Non-conformities and observations

Identify all non-conformities and observations raised/closed during the evaluation (a tabular format below may be used here). Please use as many copies of the table as needed. For each, give details to include at least the following:

- applicable requirement(s)
- grading of the non-conformity (major or minor) or observation with supporting rationale
- timeframe for resolution of the non-conformity
- a statement as to whether the non-conformity is likely to impact upon the integrity of the affected SBP-certified products and the credibility of the SBP trademarks.

NC number <i>Enter number</i>	NC Grading: <i>Choose grading.</i>
Standard & Requirement:	<i>Click to enter SBP standard and requirement reference</i>
Description of Non-conformance and Related Evidence:	
<i>Click or tap here to enter NC description.</i>	
Timeline for Conformance:	<i>Choose NC timeline.</i>
Evidence Provided by Company to close NC:	<i>Click or tap here to enter description provided by Company to close the NC.</i>
Findings for Evaluation of Evidence:	<i>Click or tap here to enter findings for evaluation of evidence by the auditor.</i>
NC Status:	<i>Choose status.</i>

11 Certification decision

Based on the auditor’s recommendation and the Certification Body’s quality review, the following certification decision is taken:	
Certification decision:	Certification approved
Certification decision by (name of the person):	Theodore Brauer
Date of decision:	23/Jul/2019
Other comments:	<i>Click or tap here to enter text.</i>