

SBP

Sustainable Biomass Program

SCS Global Services Evaluation of Curran Renewable Energy Compliance with the SBP Framework: Public Summary Report

Main (Initial) Audit

www.sbp-cert.org



Completed in accordance with the CB Public Summary Report Template Version 1.3

*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: 04/Apr/2018

Report authors: Ellen Kincaid and Tucker Watts

Name of the Company: Curran Renewable Energy

Company contact for SBP: Kelli Curran Ramsey; kelli@curranpellets.com

Certified Supply Base: Supply Base encompasses NY state (USA) and Quebec and Ontario province (Canada)

SBP Certificate Code: SBP-04-24

Date of certificate issue: 12/Nov/2018

Date of certificate expiry: 11/Nov/2023

This report relates to the Main (Initial) Audit

2 Scope of the evaluation and SBP certificate

This certificate covers the production of wood pellets for use in energy production at Massena and transportation to the ports of Ogdensburg, Quebec, Montreal and Valleyfield. It also covers a Supply Base Evaluation for the sourcing of feedstock from New York, USA and Ontario and Quebec, Canada.

3 Specific objective

The primary objectives of the assessment were to confirm that the Biomass Producer's management system is capable of ensuring that all requirements of the SBP Standards are implemented across the entire scope of certification by:

- Collecting assessment information through documents, interviews and on-site observations with Curran Renewable staff and suppliers
- Confirming that information and comparing it to the Sustainable Biomass Partnership (SBP) Standards 1,2,4,5, (V1.0) (the "Standards"), the Client's documented processes and public documents, and SCS's requirements (the "Requirements")
- Generating assessment findings
- Preparing the Assessment report and SBP Public Summary

The following SBP critical control points were audited and are described here and in the report:

*Feedstock procurement: Material is sourced entirely from the sister company, Seaway Lumber and is chipped in-woods.

*Storage, processing and volume accounting: Material comes via truck and is stored according to hardwood vs softwood. Volume is controlled via a software program called Peachtree and tracked in an FSC credit account. Chips are dried using hogfuel and natural gas as energy source and then chips are hammered and then pressed into pellets.

*Outgoing transactions: Invoices are issued and all outgoing transactions of SBP-certified biomass will be recorded in the DTS

*Energy data collection and reporting: The organization developed and maintains databases to record data values and calculate energy data as required by Standard 5 and keeps records that substantiate the data.

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

Curran Renewable Energy operates one wood pellet manufacturing plant in Massena, NY USA. Curran Renewable Energy holds a multi-site certification to the FSC Chain of Custody (CoC) Standard. The plant procures feedstock from primary fiber that is chipped in-wood primarily from New York State, however they have developed a Supply Base Evaluation to include Quebec, Canada, should they want to source from there as well. Pellets will either be trucked or railed to either the Ports of Ogdensburg, Quebec, Montreal or Valleyfield.

5.2 Description of Company's Supply Base

All wood is supplied from New York State and Quebec, Canada. Wood is harvested through a whole tree harvesting operation and chipped in-woods. Most operations in this area are similar to this type with most of them producing energy quality chips, pulpwood and sawlogs. Land in this area is owned by private individuals, corporations, State of New York and Province of Quebec. The forests are comprised of hardwood, spruce-fir and pine species.

No species will be used if known to be on the CITES list. A yearly check will be performed to check the CITES list of any new species that would be of concern to Curran Renewable Energy, LLC.

All feedstock will be supplied as SBP-compliant Primary Feedstock. On occasion some of this material might be FSC Certified 100% otherwise it will be FSC Controlled Wood. The only supplier of this material is Seaway Timber Harvesting, Inc. Approximately 80% of the material is mixed hardwoods and approximately 20% is mixed softwood.

A link to the company's Supply Base Evaluation will be supplied after the certificate has been issued.

5.3 Detailed description of Supply Base

- Total Supply Base area (ha): 8,136,720.17 ha
- Tenure by type (ha): 5,695,704.12 ha privately owned and 2,441,016.05 ha public
- Forest by type (ha): 8,136,720.17 ha boreal
- Forest by management type (ha): approximately 4,068,360.09 ha managed natural and 4,068,360.09 ha natural
- Certified forest by scheme (ha): approximately 2,034,180.04 ha FSC

Feedstock

- Total volume of Feedstock: 300,000 tonnes
- Volume of primary feedstock: 300,000 tonnes
- Certified to SBP-approved Forest Management Scheme 30,000 tonnes
- Not certified to SBP-approved Forest Management Scheme 270,000 tonnes
- Volume of primary feedstock from primary forest - 300,000 tonnes
- Primary feedstock from primary forest certified to an SBP-approved Forest Management Scheme 10%
- Primary feedstock from primary forest not certified to an SBP-approved Forest Management Scheme 90%
- No secondary feedstock
- No tertiary feedstock

A quantitative description of the Supply Base can be found in the Biomass Producer's Public Summary Report.

5.4 Chain of Custody system

Curran Renewable Pellets has implemented the requirements of the FSC CoC Standard. A database is used to gather and control feedstock information such as supplier name, scale tickets, fiber type, certification, and district of origin. Curran Renewable Energy has appropriate control mechanisms to calculate output volumes, claims and trademark/logo approval.

Curran Renewable Energy has completed a Supply Base Evaluation (SBE). The SBE determined that all wood fiber in the supply base area met the definitions, criterion and indicators in SBP Standards 1 & 2 and are considered "low risk". The BP also has completed an Audit Report of Energy and GHG Data (SAR) and a Sustainable Biomass Profiling Data Sheet, accounting for all energy uses at the site.

Curran Renewable Energy has a management system and documented procedures that are capable of determining feedstock compliance. All wood fiber is tracked through the process from the district of origin through production to the final bill of sale. As all material is covered by the Supply Base Evaluation, no segregation of material is required. Finished pellets are trucked or railed from Curran Renewable Energy to the Ports of Quebec, Ogdensburg, Montreal or Valleyfield where they are stored and then loaded onto vessels.

6 Evaluation process

6.1 Timing of evaluation activities

Evaluation activity	Date / Location	Persons Involved	Approx. duration
Document review	January 29, 2018 onsite	SCS Global Services: Ellen Kincaid and Tucker Watts Curran Renewable Energy:	8 hours
Initial Assessment	January 29 - 31, 2018; onsite	Tricia Terry – office manager Kelli Curran – Marketing Manager Pat Curran – Owner of Curran Renewable	16 hours
Supplier Assessment/ Field visits	January 29 - 31, 2018; onsite	Mary Lou Babock– Administrative assistant	8 hours
Audit closure and Certification decision	January 31, 2018; onsite	Judy Converse – Office manager Dan Measheaw – Plant manager Ken Ashley - CFO Pascal Bergerol – Mechanical Manager (Port of Quebec, QSL) Ivan Boileau – Vice President, Special Projects (Port of Quebec, QSL) Adam Johnson – Marketing and logistics officer QSL Ogdensburg) Steve Lawrence – Director of operations (Ogdensburg Port, QSL) John Rische – Director of commercial and industrial development (Ogdensburg Port, QSL) Raphael Charland – Senior Marketing Representative (Port of Quebec, QSL)	1 hour

6.2 Description of evaluation activities

SCS completed the initial SBP assessment in four phases, with the most significant phase being the on-site assessment.

SCS Stakeholder Consultation:

Discussed below in Section 6.3 of this public summary. There were no comments received from the stakeholders contacted.

Document Review:

The purpose of the document review was to evaluate if the requirements of the Standards had been met, in particular those requirements that must be documented. Curran Renewable Energy is certified to FSC CoC Standard. Time during this phase of the assessment was focused on reviewing the SBP requirements that are unique from the other standards, such as energy data and collection and SBE.

Initial Assessment:

SCS conducted the Initial Assessment on-site at Curran Renewable Energy pellet plant through observations, reviewing records and conducting interviews with staff and management. A thorough review of the CoC processes, GHG data and collection, and fiber input and output were conducted. Critical control points such as the weigh station, quality testing lab, control room, and truck loadout were included in the Assessment. SCS also interviewed a sample of tracts from the one primary supplier for verifying the location of the fiber and their sustainable forest management practices.

A thorough review of the CoC processes, GHG data and collection, and storage and handling of the pellets was conducted.

Audit Closure and SCS Certification Decision:

SCS provided the draft non-conformities to Curran Renewable Energy at the closing meeting of the Initial Assessment. Curran Renewable Energy responded with their root cause/action plans and if appropriate, provided SCS with revised management system procedures and templates, forms, etc. Once the lead auditor accepted Curran Renewable Energy's changes and closed the majority of audit findings, the lead auditor's working papers including protocols/checklists and evidence of conformance was reviewed by a Technical Associate.

6.3 Process for consultation with stakeholders

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 21. December 2017 from SCS's Emeryville office to stakeholders. Stakeholders had the opportunity to present their points of view to the auditor(s) in confidence. All stakeholders were contacted via an email which included the Supply Base Report, companies policies, stakeholder letter itself explaining the course of action, and a map detailing the controlled wood area. No comments were received. The comments received by the BP during their stakeholder consultation were reviewed by SCS during the audit.

7 Results

7.1 Main strengths and weaknesses

The company is a long-running organization and has organically grown into a well function system capable of managing SBP standards. For weaknesses, please review of the nonconformance section.

7.2 Rigour of Supply Base Evaluation

The scope of the SBE is sufficient as adopted by the Biomass Producer. A lot of the planning and process for the Supply Base Evaluation was based on a form that tracks many of the indicators in STD 1. Although the form has not yet been implemented at the time of the closing meeting which led to a nonconformity, it was implemented later in order to close the corresponding corrective action request. See preconditional section for more detail. Overall the current definition of the scope was adequate for the specific characteristics of the Supply Base and management systems in place.

7.3 Collection and Communication of Data

The company has good record retention and has the capability of compiling the required data on Greenhouse Gas emissions.

7.4 Competency of involved personnel

The BP is part of an umbrella logging company that supplies all the material. The individuals involved in the SBP process are aware of forestry issues in their region. In addition, the BP worked with an FSC consultant named Kristin Ballou who they have worked with for several years on FSC Controlled Wood.

7.5 Stakeholder feedback

N/A – no stakeholder comments received by SCS. SHC received by the BP during their SHC and the BP's response were reviewed during the audit. One positive comment has been received. No follow-up action was deemed necessary by SCS.

7.6 Preconditions

Several major nonconformities have been identified which need to be closed before initial certification can be approved. Please refer to section 10 for a list of all nonconformities and their status.

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.

The auditors have reviewed the risk specification for the risk assessment via conducting field visits, interviews with staff and supplier representatives, review of the SBE and SBR and agreements and contracts with supplier as well as the stumpage sale contracts.

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

N/A – no mitigation measure required.

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 1	NC Grading: Major
Standard & Requirement:	SBP ST 5 ID 5C, 4.1.1
Description of Non-conformance and Related Evidence:	
The Static Biomass Profiling Data sheet (SBPD) only has information on the sourcing from the United States. Although sourcing from Canada is unlikely, it is necessary to create an additional Static Biomass Profiling Data sheet to include this information.	
Timeline for Conformance:	Prior to (re)certification
Evidence Provided by Company to close NC:	Revised SBPD
Findings for Evaluation of Evidence:	Review of second SBPD on Canada. CAR is closed.
NC Status:	Closed

NC number 2	NC Grading: Minor
Standard & Requirement:	ID 5C, 4.3.1, 4.3.2
Description of Non-conformance and Related Evidence:	
As per interview, many trees are harvested for pellet production that are older than 40 years. However, the Static Biomass Profiling Data sheet states that all trees are under 40 years old.	
Timeline for Conformance:	By the next surveillance audit, but no later than 12 months from report finalisation date

Evidence Provided by Company to close NC:	Updated Static Biomass Profiling Datasheet (SBPD)
Findings for Evaluation of Evidence:	Revisions of SBPD sufficient to address CAR
NC Status:	Closed

NC number 3	NC Grading: Observation
Standard & Requirement:	SBP ST4 IN 4B, 1.1-2
Description of Non-conformance and Related Evidence:	
Trademark License Agreement not yet signed.	
Timeline for Conformance:	Other Response is optional
Evidence Provided by Company to close NC:	Signed TMLA
Findings for Evaluation of Evidence:	Actions taken sufficient to close CAR.
NC Status:	Closed

NC number 4	NC Grading: Major
Standard & Requirement:	SBP ST 2, 19.2
Description of Non-conformance and Related Evidence:	
The SBR has not yet been signed off by senior management	
Timeline for Conformance:	Prior to (re)certification
Evidence Provided by Company to close NC:	Revised SBR
Findings for Evaluation of Evidence:	The SBR has been updated and signed by senior management. CAR is closed.
NC Status:	Closed

NC number 5	NC Grading: Minor
Standard & Requirement:	SBP ST 5, 5.1
Description of Non-conformance and Related Evidence:	
<p>A significant update to all SAR is necessary: • A reporting period from Jan 1 2016 to Dec 31 2016 was used which ends more than a year ago. More updated information is required. • The CH has not yet decided on an end scope for their product. There are six different potential end points that Curran may use:1. Legal ownership may end prior to pellet entry to port of Ogsdenburg, Quebec, Montreal or Valleyfield.2. Legal ownership may end at loading of vessel at port of Ogsdenburg, Quebec, Montreal or Valleyfield. Until the scope end point has been decided, an SAR cannot be completely filled out and GHG data cannot be accurately stated. In addition: As the scope endpoint has not yet been negotiated with their buyer, it cannot be ascertained whether the appropriate number of SDIs have been issued. •</p>	

The SAR has one input group, however some feedstock is diverted for use as hog fuel- interview and walkthrough. • The overall pellet production overview is not readily available at the audit. Inputs are calculable from scale tickets. Remaining issues for all SARs (Update 1/31/18): • Information is being updated. The SAR states that there are 4 meters being read for electricity, however bills have 7 active meters being read. • No adjustment of electricity bill done to make the bill exactly match the Reporting period of Jan 1 – Dec 31, 2017: updated and reviewed with staff. • SAR has been updated to include feedstock diverted for hog fuel, however the percentage of material diverted has not been included. • The Natural Gas is updated and correct. • Diesel needs to be updated • Propane is used for forklifts and sweeper, however this is not included in the SAR • The moisture of feedstock at the dryer outlet, is recorded in the SAR, however it is not measured at the dryer outlet. If this information is entered into the SAR, where the 10% comes from needs to be recorded. • Justifications have not been filled out in the SAR. • Need an overview of the pellet production for year.

Timeline for Conformance:	Other Before submission to SBP approval
Evidence Provided by Company to close NC:	Company provided updated SAR which addressed most, but not all findings.
Findings for Evaluation of Evidence:	
NC Status:	Open

NC number 6	NC Grading: Minor
Standard & Requirement:	SBP ST 2 section 15.1-7, 8.5
Description of Non-conformance and Related Evidence:	
There are no SBP procedures to cover the following: SBP ST 5A, 5B, and 5C: To ensure that data is recorded consistently compliant with SBP ST ID 5A, ID 5B, and ID 5C. SBP ST 2 section 15 on a management system: including complaints process and maintaining records for five years.	
Timeline for Conformance:	By the next surveillance audit, but no later than 12 months from report finalisation date
Evidence Provided by Company to close NC:	SBP procedures have been created that meet the requirements of standard 5. However, there is nothing on maintaining records for 5 years nor on implementing a management review system which has the authority to make appropriate improvements to the management system.
Findings for Evaluation of Evidence:	CAR remains open.
NC Status:	Open

NC number 7	NC Grading: Observation
Standard & Requirement:	SBP ST 1, 2.3.2
Description of Non-conformance and Related Evidence:	

In the SBP procedures created there is no clear delineation between what is planned to occur and what has actually been implemented. This is particularly clear in the training program.	
Timeline for Conformance:	Other Response is optional
Evidence Provided by Company to close NC:	
Findings for Evaluation of Evidence:	
NC Status:	Choose status.

NC number 8	NC Grading: Observation
Standard & Requirement:	ID 5C, 3.1.3, ID 5B, 3.1.3
Description of Non-conformance and Related Evidence:	
Evaluation audit – discussed the necessity of getting the SAR and SBPD documents approved prior to use during audit. Will need to be verified at first surveillance audit. Evaluation audit – the CH needs to submit their SBR to the SBP secretariat and upload it to the CH’s website within 90 days of the audit closing meeting.	
Timeline for Conformance:	Other Response is optional
Evidence Provided by Company to close NC:	
Findings for Evaluation of Evidence:	
NC Status:	Open

NC number 9	NC Grading: Observation
Standard & Requirement:	SBP ST 2, 7.1, 7.2, IN-2C 3.1
Description of Non-conformance and Related Evidence:	
As an evaluation audit the Supply Base Report has not yet been uploaded onto the BP website and submitted to the SBP. Verification that both of these have happened will be reviewed at the first surveillance audit.	
Timeline for Conformance:	Other
Evidence Provided by Company to close NC:	
Findings for Evaluation of Evidence:	
NC Status:	Open

NC number 10	NC Grading: Major
Standard & Requirement:	SBP ST 1 IN-1A, 6.1

Description of Non-conformance and Related Evidence:	
The BP has not identified and included as annexes to the Standard:a) A list of the national and local forest laws and administrative requirements, which apply to the country or region in which the Standard applies;b) A list of multilateral environmental agreements and ILO Conventions that the country has ratified, relevant to the Standard; andc) A list of, or reference to official lists of, endangered species in the country or region in which the Standard is to be used.	
Timeline for Conformance:	Prior to (re)certification
Evidence Provided by Company to close NC:	List of forest laws and administrative requirements, multilateral environmental agreements and ILO Conventions, and endangered species for New York and Canada has been developed.
Findings for Evaluation of Evidence:	List of forest laws and administrative requirements, multilateral environmental agreements and ILO Conventions, and endangered species for New York and Canada has been developed.
NC Status:	Closed

NC number 11	NC Grading: Observation
Standard & Requirement:	SBP ST 2, 20.2
Description of Non-conformance and Related Evidence:	
Complaint procedure does not include requirement for the BP to inform SBP of any substantiated complaints within 30 days of the completion of the BP’s analysis of the complaint. There have been no complaints received.	
Timeline for Conformance:	Other Response is optional
Evidence Provided by Company to close NC:	
Findings for Evaluation of Evidence:	
NC Status:	Open

NC number 12	NC Grading: Minor
Standard & Requirement:	SBP ST 1, 2.7
Description of Non-conformance and Related Evidence:	
Control systems and procedures are not defined for verifying that there is controlled and appropriate use of chemicals, and that Integrated pest management (IPM) is implemented wherever possible in forest management activities.	
Timeline for Conformance:	By the next surveillance audit, but no later than 12 months from report finalisation date
Evidence Provided by Company to close NC:	

Findings for Evaluation of Evidence:	
NC Status:	Open

NC number 13	NC Grading: Minor
Standard & Requirement:	SBP ST 1, 2.3.12.7

Description of Non-conformance and Related Evidence:

For some criteria, the BP provides substantial evidence but misses a few elements of appropriate evidence. For criteria 2.2.1 it is not described how this form will ensure that there is appropriate assessment of impacts, and planning, implementation and monitoring to minimize them. It is not clear which procedures govern the use of this form. For criteria 2.2.3 – 2.2.9 & 2.4.1 the supplier to the organization is responsible for implementing a Pre-Harvest Environmental/Social Assessment Policy and completing and associated form. However, it is not described how the BP ensures that the supplier implements these control systems and procedures, as there is no mention of e.g. contracts or agreements that govern this procedure. 2.3.1: Analysis has not been conducted to show that feedstock harvesting does not exceed the long-term production capacity of the forest, avoids significant negative impacts on forest productivity and ensures long-term economic viability. Harvest levels are justified by inventory and growth data. 2.4.2: It is not clear how it is ensure that Seaway Timber Harvesting, Inc. field personnel will report any unusual insect or disease infestation or forest fire to the owners of the property and related experts to monitor and develop a response if necessary: It has not been described what the procedures are for verifying that natural processes, such as fires, pests and diseases are managed appropriately. The organization cites Insect, Disease & Invasive Species Management and Strategies as procedural evidence, but it is not entirely described how they relate to the finding. For 2.4.3 it is not clear how it is ensured that there is adequate protection from illegal or unauthorized activities. It is unclear whose responsibility it is to report such activities and how this is governed in the procedures. 2.7.1: Interviews are not enough evidence to show that procedures and control measures have been implemented to verify that Freedom of Association and the effective recognition of the right to collective bargaining are respected. Applicable evidence such as HR procedures, employee contracts, applicable labor laws etc. are not cited. However, interviews during the audit indicate that freedom of association is ensured. 2.7.5: The evidence presented is not applicable to the criterion: Instead of evidence and findings for this criterion, findings, evidence and means of verification seem to relate only to child labor.

Timeline for Conformance:	By the next surveillance audit, but no later than 12 months from report finalisation date
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Evidence Provided by Company to close NC:	
Findings for Evaluation of Evidence:	
NC Status:	Open

NC number 14	NC Grading: Observation
Standard & Requirement:	SBP ST 1, 2.7

Description of Non-conformance and Related Evidence:	
Analysis of feedstock harvesting and biomass productions contribution to the local economy does not include financial contribution.	
Timeline for Conformance:	Other Response is optional
Evidence Provided by Company to close NC:	
Findings for Evaluation of Evidence:	
NC Status:	Open

NC number 15	NC Grading: Major
Standard & Requirement:	SBP ST 1, 2.7
Description of Non-conformance and Related Evidence:	
<p>For several criteria the risk assessment in the SBE is missing evidence that demonstrates compliance to the requirements set forth in the criteria.2.1.1 and 2.1.2: Two Global 200 ecoregions with status “Critical/Endangered” are present in the supply base: NA 0407 in New York and Ontario and NA0410 in Quebec and New York, but are not mentioned in the risk assessment. Furthermore, an assessment of intact forest landscapes has not been conducted yet for Quebec and Ontario. It is also not evident from the risk assessment what the control systems and procedures are to reach and maintain conformance to the criteria. No procedures or similar are mentioned as evidence or means of verification in the SBE.2.9.1: it is not clear how it is ensure that the BP does not source from areas that had high carbon stocks in January 20018 and no longer have these. No procedural evidence is given, and it cannot be concluded how this is actively prevented. Information is given about the forest’s function as carbon sink, but this is not necessarily related to protecting high carbon areas, such as wetlands. Furthermore, the FSC Pre-Activity Environmental/Social Assessment Form has not been implemented to assess the potential short and long-term impacts of planned management activities.</p>	
Timeline for Conformance:	Prior to (re)certification
Evidence Provided by Company to close NC:	Revised SBE
Findings for Evaluation of Evidence:	The organization revised the section to the above mentioned indicators clearly stating appropriate evidence by citing relevant internal procedures and third party public information. CAR is closed
NC Status:	Closed

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):	Sebastian Häfele
Date of decision:	24/Aug/2018
Other comments:	Certification granted after closure of conditional nonconformances