

# SBP

Sustainable Biomass Program

# SCS Global Services Evaluation of Enviva Pellets Ahoskie, LLC Compliance with the SBP Framework: Public Summary Report

Second Surveillance Audit

[www.sbp-cert.org](http://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](http://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](mailto:sharris@scsglobalservices.com)

Current report completion date: 16/Nov/2017

Report authors: Ellen Kincaid, Robert Hrubes, Tucker Watts

Name of the Company: Enviva Pellets Ahoskie, LLC

Company contact for SBP: Don Grant, [don.grant@envivabiomass.com](mailto:don.grant@envivabiomass.com)

Certified Supply Base: Mid-Atlantic (North Carolina, South Carolina, Virginia)

SBP Certificate Code: SBP-04-09

Date of certificate issue: 17/Feb/2017

Date of certificate expiry: 16/Feb/2022

This report relates to the Second Surveillance Audit

## 2 Scope of the evaluation and SBP certificate

Certification scope: This certificate covers the production of wood pellets, for use in energy production, at Enviva Pellets Ahoskie and transport to the Port of Chesapeake for storage, aggregation, vessel loading and shipping. It also covers a Supply Base Evaluation for the sourcing of feedstock from North Carolina, South Carolina, and Virginia.

The scope of this surveillance audit included a review of procedures, documentation, records and databases to ensure the organization's management system is appropriate to ensuring conformance to SBP Standards 1, 2, 4, and 5. Other audit methods used were field audits, site walkthrough of pellet mill and port and interviews with relevant staff. The evaluation included a review of documentation such as the supply base report including the risk assessment, FSC and PEFC DDS, supplier contracts, SAR and SBPD, among others.

### 3 Specific objective

The object of this surveillance audit was to confirm:

- The Biomass Producer's management system is implemented across the entire scope of certification (SBP ST 1, 2, 4, & 5).
- Collection assessment information
- Generating assessment findings

## 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

Enviva Holdings, LP (“Enviva”) Ahoskie is under the umbrella of Enviva Holdings LP, which encompasses six pellet mills in south eastern and eastern United States. Enviva produces approximately 2.3 million metric tons of wood pellets annually. Pellets are primarily delivered to power plants in the United Kingdom and Europe.

The Enviva Pellets Ahoskie pellet mill is located near Ahoskie, NC in Hertford County. The pellet mill changed its feedstock in mid-2016 and now only takes chips. It produced approximately 189,662 metric tonnes of pellets since July 2016. The production capacity of the pellet mill is 363,783 metric tonnes of pellets per year. Pellets are transported by truck to the Port of Chesapeake for export to European utilities



## 5.2 Description of Company's Supply Base

Enviva, Holdings LP (Enviva) operates 3 mills in its mid-Atlantic region: Enviva Pellets Southampton, VA, Enviva Pellets Northampton, NC and Enviva Pellets Ahoskie, NC. Enviva treats the supply regions for each mill as one large supply area, with the potential for each mill to obtain wood from any portion of the area. The mid-Atlantic regional supply base includes portions of the states of North Carolina Virginia and, portions of South Carolina. Hardwoods are the pre-dominant species group making up 70% of the forested hectares. The land ownership patterns in the Mid-Atlantic are typical for the southern United States: approximately ninety-three percent of the timberland is privately held (approximately 5 million hectares). In North Carolina, about 60% of the private landownership is non-industrial; and in Virginia 66% is also non-industrial. An estimated 54% of the Mid-Atlantic region is forested, 22% is in agriculture, 10% is developed and 8% is wetlands. These four categories comprise 94% of the land cover.

Ahoskie procures all of their feedstock from primary and secondary sources in the mid-Atlantic supply base area. Their internal fiber procurement group is responsible for the implementing the voluntary standards including the Sustainable Forestry Initiative® (SFI) Fiber Sourcing and Chain of Custody (CoC) Standards, the Programme for the Endorsement of Forest Certification (PEFCTM) CoC Standards, the Forest Stewardship Council™ (FSC) CoC and Controlled Wood Standards and the SBP Standards. Feedstock is sourced primarily direct from the forest in the form of roundwood or wood chips from primary suppliers, all of whom are vetted and qualified prior to delivering. Fiber cannot be delivered to the mill until a contract is signed with the supplier. The contract requires suppliers to use trained loggers during harvest, follow Best Management Practices (BMP's) for water quality, and to avoid controversial sources of fiber, such as illegal logging, wood harvested in violation of traditional and civil rights, wood harvested in forests where high conservation values are threatened by management activities, wood harvest in forests being converted to plantations or non-forest use, and wood from forests in which genetically modified trees are planted. Enviva foresters confirm trained logger status and ensures that loggers delivering fiber maintain their continuing education as required. Enviva uses forest residues, such as tree tops, limbs, deformed trees and any other wood produced during harvested that is otherwise unacceptable to other wood users in the area. Enviva does not use sawlogs in the production of pellets, nor does the plant use any construction debris, treated wood, or post-consumer material. Enviva also sources secondary feedstock from a variety of sawmill and wood industry suppliers. Sawmills source high-quality logs from the forest and mill them into products like two-by-fours. Wood industry suppliers use the products created by sawmills to produce products such as furniture or other assembled wood products. These feedstocks are most commonly in the form of sawdust or shavings and may be green or kiln-dried.

## 5.3 Detailed description of Supply Base

- The total Supply Base area for the entire Mid-Atlantic region is 14.4 million hectares of forestland. Hardwoods comprise 73% of the forested hectares and the remaining 27% of forests are softwood.
- The total annual volume of primary feedstock procured by Ahoskie is approximately 600,000-- 800,000 metric tonnes. Approximately 88.6% of the primary feedstock is not certified to a SBP-approved Forest Management Scheme and the remaining 11.4% is certified to the PEFC Standard.
- The total annual volume of secondary feedstock procured by Ahoskie is approximately 23.9% of the total sourced delivered as chips and dust or pine chips, dust or shavings.
- The total annual volume of tertiary feedstock is 0% of the total.

A quantitative description of the Supply Base can be found in Enviva's Supply Base Report.

## 5.4 Chain of Custody system

Enviva Pellets Ahoskie is a member of Enviva LP's PEFC multisite certificate, which it uses to track SBP compliant feedstock. Its management system and documented procedures are fully capable of determining feedstock compliance. All wood fiber is tracked from the district of origin through the mill and finally to the final bill of sale.

Enviva uses a database to gather and control information related to the feedstock such as supplier name, scale tickets, fibre type, certification, and district of origin. Enviva has appropriate control mechanisms to calculate output volumes, claims and trademark/logo approval. Additionally, Enviva conducts an annual Management Review of the commitments, programs and procedures to evaluate the overall effectiveness of the SBP management system.

## 6 Evaluation process

### 6.1 Timing of evaluation activities

Audit Activity	Date and Location	Persons Involved	Approx. Duration
SCS Voluntary Stakeholder Consultation	Wednesday August 30, 2017, email	Julian Eldridge and identified stakeholder	2 hours
Opening Meeting	September 7, 2017, off-site	Ellen Kincaid, Tucker Watts, Robert Hrubes, Don Grant, Kim Cesafsky	1 hour
Supplier (sawmill) audits	September 8 & 15, 2017	Don Grant, Tucker Watts, and suppliers	24 hours
Forest Tract visits	September 19 – 21, 2017	<p><b>SCS</b> Robert Hrubes</p> <ul style="list-style-type: none"> <li>• <b>Enviva</b> Don Grant, Sustainability Manager</li> <li>• Lauren Killian, Conservation Forester</li> <li>• Laura Hedrick, Conservation Forester</li> <li>• Elizabeth Smith, Commodity Manager (Procurement Forester)</li> <li>• Ray Graham, Commodity Manager (Procurement Forester)</li> <li>• Kyle Pendergast, Commodity Manager (Procurement Forester)</li> <li>• Lee Jackson, Commodity Manager (Procurement Forester)</li> <li>• Earl Dail, Commodity Manager (Procurement Forester)</li> </ul>	24 hours
On-site audits	September 20 – 22, 2017 Enviva Pellets Ahoskie, Enviva Pellets Northampton, Enviva Pellets Southampton, and Port of Chesapeake	<p><b>SCS</b> Ellen Kincaid</p> <p><b>Enviva Ahoskie</b> Kim Cesafsky – Manager of Sustainability Don Grant – Manager of Sustainability Standards Aaron Boyd – Fiber Supply Manager Steve Bazemore – Scale house operator Billy Wallace – control room operator Homor Lugo – Quality manger Dan Artis – Operator manager Mark Vick – EHS Manager</p>	24 hours
Audit closure	Sept. 22, 2017	<p><b>SCS</b> Robert Hrubes (technical expert &amp; forester) Tucker Watts (technical expert &amp; forester) Ellen Kincaid (lead auditor)</p>	1 hour

	<p><b>Enviva Ahoskie</b>                  Don Grant – Manager of Sustainability Standards                  Lauren -</p>	
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## 6.2 Description of evaluation activities

The onsite Surveillance Audit was conducted over the course of several weeks and included an audit of the Supply Base Evaluation, Documented Management System, Collection and Communication of Greenhouse Gas data, site tour, and procurement sites.

Audit methods consisted of review of documentation, studies, assessments, surveys, websites, and staff interviews. The site tour and visits were evaluated by review of documentation, monitoring results, observations, and interviews. Most time was spent on the Supply Base Evaluation. Equal time was spent on the Documented Management System and Greenhouse Gases.

The following critical control points were identified and audited:

- Procurement of primary fiber and documentation of origin, receiving
- Procurement of secondary fiber and documentation of origin, receiving
- Feedstock storage and processing: walkthrough of mill and port
- Volume accounting and invoicing: review of credit account and DTS
- Biomass storage, handling and trans-shipment: review of databases, DTS and walkthrough facilities
- Energy and GHG data collection: review of databases, SAR, SBPD and DTS

## 6.3 Process for consultation with stakeholders

Enviva conducted a stakeholder consultation from May 6 to June 5, 2017. The stakeholder list included 54 stakeholders with a mix of post-secondary education institutions, 1 consultant, 23 ENGOs, 11 government agencies, 4 industry organizations, 3 landowners, 1 landowner association, 4 loggers, 2 trade associations, and 5 suppliers. The area of stakeholder consultation was identified from the supply base area of Virginia, North Carolina, and South Carolina. Enviva sent a stakeholder consultation email out to 130 local and potentially interested stakeholders. Enviva reported that they had received no feedback during their stakeholder consultation period for the Wilmington Supply Base Evaluation

## 7 Results

### 7.1 Main strengths and weaknesses

The strength of Enviva's SBP program is their integration of the SBP requirements with their existing fiber procurement management system and procedures designed to meet the requirements of applicable laws and regulations in the supply base and the requirements of voluntary standards including SFI/PEFC/FSC CoC, FSC Controlled Wood and SFI Fiber Sourcing. As a result of operating in a region that has a well-established forest products industry and existing laws and regulations that align with the majority of the SBP requirements and the commitment to other voluntary standards, Enviva and their staff have developed a strong knowledge of local forestry industry practices conducted through the supply base and have a good awareness of the suppliers operating in the region. The rigor of the Greenhouse Gas data collection and communication are a strength for Enviva Ahoskie, Northampton, and Southampton. The information is detailed and laid out in an easily understood manner. Additionally, the transparency of the Track and Trace program is impressive.

For weaknesses, please review the Surveillance audit update section where new nonconformities are listed

### 7.2 Rigour of Supply Base Evaluation

Enviva has developed a detailed SBE including a clear description of their Supply Base Area. The geographical scope of the SBE is the states of North Carolina, South Carolina and Virginia to ensure that fiber is not received from outside the SBE scope area. The SBE was developed internally by qualified personnel using credible third-party data sources and their existing management and monitoring systems implemented to meet other voluntary standards and designed to ensure compliance with applicable laws and regulations. Risk was designated low for all core Indicators.

### 7.3 Collection and Communication of Data

Enviva Pellets Ahoskie, Northampton, and Southampton have a sophisticated excel database where all Greenhouse Gas data is compiled. All compilation is conducted by the Manager of Sustainability and Sustainability Analyst. They appropriately keep the data for each pellet mill under the Enviva umbrella separate from the other pellet mills. For Enviva Pellets Ahoskie, Enviva Pellets Northampton, and Enviva Pellets Southampton, most energy use is invoiced by the month and requires no adjustment to match the reporting period. The mill Enviva Pellets Ahoskie changed the feedstock accepted at the mill in 2016. By July 2016 the mill was no longer accepting roundwood and runs completely off of woodchips. This resulted in a reduced Reporting Period for the time of July 1, 2016 to December 31, 2016. The other two mills have a 12-month Reporting Period from January 1, 2016 to December 31, 2016.

### 7.4 Competency of involved personnel

The SBE was completed by Enviva's in-house fiber procurement group who has local forestry experience and knowledge of ecological and social values associated with the supply base, applicable laws and regulations,

business management practices, operation of suppliers, and the local forest resource. Enviva engaged a qualified third-party auditor, Scott Berg, President, R.S. Berg & Associates, Inc. to review the SBE. Scott Berg has many years of experience in auditing forestry certification programs and in the creation of supply base evaluations/risk assessments for chain of custody systems. Enviva assigned management with appropriate skills and competency to implement and execute the management and control systems relating to SBP compliance. Staff interviewed during the assessment were found to be knowledgeable of the SBP requirements.

## 7.5 Stakeholder feedback

### **For the certificate transfer of Enviva Ahoskie, Northampton, and Southampton, SCS Global Services conducted a 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 South Carolina, North Carolina, and Virginia in the USA.

**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 Ahoskie, Northampton, and Southampton facilities on August 30, 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 Enviva Ahoskie, Northampton, and Southampton procurement operations / supply. Attached is the actual notification. They were selected to geographical relevance to the three mills' shared 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 Enviva LP'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 transferring their SBP certificate to SCS, so the upcoming audit represents SCS' first chance to engage with stakeholders in order to verify that the BP's management systems are working effectively and consistently across their entire supply base.*

*Attached are 3 Supply Base Reports (SBR) and 1 Supply Base Evaluation (SBE) for your consideration. For purposes of obtaining comments, here is the information particular to Enviva's operations & procurement:*

- *Enviva's application for certification covers its pellet mills in **Ahoskie, Southampton, and Northampton**.*
- *Inputs (feedstock) for this biomass production facility are procured from **North Carolina, Maryland, Pennsylvania, South Carolina, Virginia, and West Virginia**.*

### **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,*

**There were two responses to SCS Global Service's stakeholder consultation, which were responded to. No action was necessary from the comments.**

## 7.6 Preconditions

*None identified.*

## 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 initial risk assessment determined that all indicators are low risk for all areas from which the BP procures biomass. The risk ratings were determined by reviewing the SBE along with supporting evidence such as the company policy requires, COC procedures, PEFC Due Diligence Risk Assessment, supplier agreements and verification through field visits to the forest. There are no sub-scopes. Compared to the last supply base evaluation, 4 indicators previously identified as specified risk have been classified as low risk: 2.1.1, 2.1.2, 2.2.3 and 2.2.4.

To conclude low risk for formerly “specified risk”, Enviva implemented a corrective action to lower the risk and is still implementing the corrective action which brings their procedures up to standard. SCS’ review during the audit of the actions listed below agree that these measures are still being implemented, thus SCS agrees with Enviva’s rating of low risk for the aforementioned indicators.

In addition, Enviva has incorporated several changes in its forest-level DDS (its Track & Trace Program) since the 2016 certification evaluation, all designed to enhance the efficacy of “Ongoing” and “Post” harvest internal audits that form a key element of their compliance/assurance process. Examples of changes that have been incorporated since 2016 are:

- Requirement that harvests maps are submitted to the relevant Enviva Commodity Manager by the supplier for every harvest area from which Enviva is acquiring fiber
- More standardized use of the USF&WS Wetlands Mapper software as part of the evaluation of all harvest tracts
- Stronger bottomland protections (supplier requirements)
- Annual targets for number of Ongoing- and Post-harvest audits to be conducted by each Enviva forester
- Formalization of Level 1 and Level 2 triggers for more intensive examination of harvest tracts
- Ongoing enhancements of the Enviva Information System (EIS).

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

Indicator	Risk rating (Low or Specified)		Indicator	Risk rating (Low or Specified)	
	Producer	CB		Producer	CB
1.1.1	Low	Low	2.3.3	Low	Low
1.1.2	Low	Low	2.4.1	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

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

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

2.2.1	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

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

Not applicable

## 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.

<b>NC number 1</b>	<b>NC Grading:</b> Observation
<b>Standard &amp; Requirement:</b>	SBP ST 1, Criterion 2.2
<b>Description of Non-conformance and Related Evidence:</b>	
Through ongoing training and improved documentation, there is an opportunity for conservation and procurement foresters to achieve greater consistency in the assignment of numerical audit conformance scores which comprise the key element of Ongoing and Post audits in the Track & Trace program.	
<b>Timeline for Conformance:</b>	<i>Choose NC timeline.</i>  Response is optional
<b>Evidence Provided by Company to close NC:</b>	<i>Click or tap here to enter description provided by Company to close the NC.</i>
<b>Findings for Evaluation of Evidence:</b>	<i>Click or tap here to enter findings for evaluation of evidence by the auditor.</i>
<b>NC Status:</b>	<i>Choose status.</i>

<b>NC number 2</b>	<b>NC Grading:</b> Observation
<b>Standard &amp; Requirement:</b>	SBP ST 1, Criterion 2.2
<b>Description of Non-conformance and Related Evidence:</b>	
Two Track & Trace audit criteria, as written, deal with overlapping topics and there is some inconsistency in how different conservation and procurement foresters interpret these criteria: “BMP Compliance: Stream Crossings” and “Water Quality Compliance: Streams Clear of Tops and Debris.” Through ongoing	

training and improved audit form guidance, there is an opportunity to enhance consistency in how each forester conducting O and P audits addresses and documents stream-related issues.	
<b>Timeline for Conformance:</b>	<i>Choose NC timeline.</i> Response is optional
<b>Evidence Provided by Company to close NC:</b>	new "Track and track field audit form"
<b>Findings for Evaluation of Evidence:</b>	OBS addressed adequately.
<b>NC Status:</b>	Closed

<b>NC number 3</b>	<b>NC Grading:</b> Observation
<b>Standard &amp; Requirement:</b>	SBP ST 1, Criterion 2.2
<b>Description of Non-conformance and Related Evidence:</b>	
<p>While each conservation and procurement forester is given an annual target for the number of Track &amp; Trace audits to complete, the selection of which tracts that will be audited is left to each forester and it is presently a rather ad hoc process. Some tracts may receive as many as three audits (e.g., two O audits and one P audit) due more to happenstance or logistics than design, while roughly three-quarters of the approximately 1,350 harvested tracts in 2016 received no audit. There is an opportunity to improve the efficacy and robustness of the sample-based Track &amp; Trace audit process by establishing guidance/procedures for the tract selection process so that the diversity of harvest types, forest cover types, suppliers/operators, and legal jurisdictions is better covered in the annual budget of audits.</p>	
<b>Timeline for Conformance:</b>	<i>Choose NC timeline.</i> Response is optional
<b>Evidence Provided by Company to close NC:</b>	Hired staff to improve sampling methodology
<b>Findings for Evaluation of Evidence:</b>	OBS addressed adequately
<b>NC Status:</b>	Closed

<b>NC number 4</b>	<b>NC Grading:</b> Minor
<b>Standard &amp; Requirement:</b>	SBP ST 2, 7.5
<b>Description of Non-conformance and Related Evidence:</b>	

<p>Updates to the SBR Section 5 (page 19) of the SBR (Ahoskie, Northampton, and Southampton) does not refer to the updated Supply Base, and notably miss New Jersey and Delaware. Additionally, Section 9 (page 29) states that indicator 2.1.1 is being closely monitored as 2.1.2, 2.2.3, and 2.2.4 are. The other indicators are identified as specified risk, however there is no mention of 2.1.1 as specified and no mitigation measures implemented.</p>	
<b>Timeline for Conformance:</b>	By the next surveillance audit, but no later than 12 months from report finalisation date
<b>Evidence Provided by Company to close NC:</b>	Updated SBR
<b>Findings for Evaluation of Evidence:</b>	Review of updated SBR section 5 shows the missing two states.
<b>NC Status:</b>	Closed

<b>NC number 5</b>	<b>NC Grading: Major</b>
<b>Standard &amp; Requirement:</b>	SBP ID 5B, 5.4.1
<b>Description of Non-conformance and Related Evidence:</b>	
Ahoskie – Calculation for Biofuel 1 is incorrectly updated. Caught during audit and updated.	
<b>Timeline for Conformance:</b>	3 months from the report finalisation
<b>Evidence Provided by Company to close NC:</b>	Updated SAR
<b>Findings for Evaluation of Evidence:</b>	Calculations are correct.
<b>NC Status:</b>	Closed

<b>NC number 6</b>	<b>NC Grading: Major</b>
<b>Standard &amp; Requirement:</b>	SBP ST5 ID 5C 4.2.1
<b>Description of Non-conformance and Related Evidence:</b>	
<p>Although the country of origin for all feedstock has been listed as USA, which is correct based on interview with Don (via email), Kim, review of invoices, SBR, and SAR, the states listed in the Static Biomass Profiling Data Sheet do not match the SBR in Ahoskie, Northampton, nor Southampton and only state NC and VA. Interview with Kim and Don say Ahoskie only truly takes from NC and VA.</p>	

<b>Timeline for Conformance:</b>	3 months from the report finalisation
<b>Evidence Provided by Company to close NC:</b>	Updated Static Biomass Profiling Data sheet that includes all states from entire supply base.
<b>Findings for Evaluation of Evidence:</b>	Received updated Static Biomass Profiling Data sheet that includes all states from entire supply base. CAR is closed.
<b>NC Status:</b>	Closed

<b>NC number 7</b>	<b>NC Grading: Minor</b>
<b>Standard &amp; Requirement:</b>	SBP ST 1, 2.7
<b>Description of Non-conformance and Related Evidence:</b>	
<p>There is insufficient evidence that the organization has implemented appropriate control systems and procedure to ensure compliance with several criteria. For criteria 2.1.2, 2.2.2, 2.2.3, 2.2.4, 2.2.5, 2.2.6, 2.2.9, the organization cites BMP as means of verification and/or evidence, however does not state evidence of rates of BMP implementation in the supply base. For criterion 2.2.5, not enough evidence is presented for the implementation of appropriate control systems to ensure the criteria are met for secondary supply which constitutes 27%, 20% and 5% for ANO, NOR and SOU respectively For criteria 2.1.1, 2.2.7, 2.2.9, 2.5.1, 2.5.2, 2.6.1, 2.8.1 no evidence such as the WGI Rule of Law indicator is given to substantiate that forest related law is enforced in the supply base. For criterion 2.8.1 there is not enough evidence how the organization ensures that there are appropriate safeguards in place to protect health and safety of forest workers, but merely focuses on employees working at the mill.</p>	
<b>Timeline for Conformance:</b>	By the next surveillance audit, but no later than 12 months from report finalisation date
<b>Evidence Provided by Company to close NC:</b>	<i>Click or tap here to enter description provided by Company to close the NC.</i>
<b>Findings for Evaluation of Evidence:</b>	<i>Click or tap here to enter findings for evaluation of evidence by the auditor.</i>
<b>NC Status:</b>	Open

<b>NC number 8</b>	<b>NC Grading: Minor</b>
<b>Standard &amp; Requirement:</b>	SBP ST 1, 2.7
<b>Description of Non-conformance and Related Evidence:</b>	

While for primary feedstock the organizations SBE shows appropriate control systems and procedures that ensure that HCV are identified, and mitigation measures are implemented, incl. field visits, track-and-trace program an contractual requirement of BMP usage, this is not described sufficiently for secondary feedstock in the supply base evaluation. There is insufficient evidence that appropriate control systems exist that biodiversity is protected in areas of procurement of secondary feedstock. However, evidence is given in the SBR and thus this CAR is graded as Minor. Furthermore, the following HCWF Nature Conservancy (TNC) eco-regions have been identified in the SBR, but not listed in the organizations SBE: Central Appalachian Forests, Chesapeake Bay Lowlands, Cumberland and Southern Ridge and Valley, Lower New England / Lower Piedmont, Mid-Atlantic Coastal Plains, North Atlantic Coast, Piedmont, South Atlantic Coastal Plain and the Southern Blue Ridge

<b>Timeline for Conformance:</b>	By the next surveillance audit, but no later than 12 months from report finalisation date
<b>Evidence Provided by Company to close NC:</b>	<i>Click or tap here to enter description provided by Company to close the NC.</i>
<b>Findings for Evaluation of Evidence:</b>	<i>Click or tap here to enter findings for evaluation of evidence by the auditor.</i>
<b>NC Status:</b>	Open



## 11 Certification decision

**Based on the auditor's recommendation and the Certification Body's quality review, the following certification decision is taken:**

<b>Certification decision:</b>	Certification approved
<b>Certification decision by (name of the person):</b>	Sebastian Häfele
<b>Date of decision:</b>	12/Feb/2018
<b>Other comments:</b>	<i>Click or tap here to enter text.</i>