

Control Union
Certifications B.V.
Evaluation of Pacific
BioEnergy Prince George
Limited Partnership
Compliance with the SBP
Framework: Public
Summary Report

First 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: | Control Union Certifications; Meeuwenlaan 4-6; P.O.Box 161, 8000AD Zwolle, Netherlands. |
| Primary contact for SBP: | Andrea Ferrazzo |
| Current report completion date: | 14/Dec/2019 |
| Report authors: | Mr. Lennart Holm (Lead Auditor) and Mr. Hubert Jurczynszyn (Certifier) |
| Name of the Company: | Pacific BioEnergy Prince George Limited Partnership |
| Company contact for SBP: | Tammy Lukoni |
| Certified Supply Base: | Quesnel TSA/TFL#52, Williams Lake TSA, Prince George TSA/TFL#30 and #52, Mackenzie TSA, Dawson Creek TSA/TFL#48 and Robson Valley TSA in the Northern Interior and Southern Interior Forest Regions of British Columbia, and West Central Alberta/FMA #8800025. |
| SBP Certificate Code: | SBP-06-23 |
| Date of certificate issue: | 11/Feb/2019 |
| Date of certificate expiry: | 10/Feb/2024 |

This report relates to the First Surveillance Audit

2 Scope of the evaluation and SBP certificate

This certificate covers production and distribution of wood pellets, for use in energy production, at Pacific BioEnergy's pellet plant on Willow Cale Forest Road, Prince George, BC, Canada and rail transport to Fiberco Export Inc. for storage, aggregation, vessel loading and shipping of pellets. The Organisation has been audited against PEFC Chain of Custody certificate, the certificate was issued on February 18, 2015. Feedstock used in the biomass production originates from British Columbia and Alberta, Canada. A Supply Base Evaluation is not included in the scope of the evaluation. The scope includes communication of Dynamic Batch Sustainability Data

The following SBP standards are applicable and form the scope of the evaluation and thus, the SBP certificate: Standard 2, Standard 4 and Standard 5.

SBP certificate: SBP-06-23

3 Specific objective

The specific objective of this evaluation was to confirm that the Biomass Producer's management system is capable of ensuring that all requirements of the specified SBP Standards are implemented across the entire scope of certification. The scope of the evaluation covered:

- Review of the BP's management procedures;
- Review of the production processes, production site visit;
- Review of SBP system control points and an analysis of the existing PEFC CoC system;
- Interviews with responsible staff;
- Review of the records, calculations and conversion coefficients; and
- GHG data collection analysis - Instruction Document 5D: Dynamic Batch Sustainability Data v1.1 evaluation

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

Pacific BioEnergy Corporation (“PBEC”), 9988 Willow Cale Forest rd, Prince George BC V2N 7A8.

Pacific BioEnergy Prince George Limited Partnership “PBEC-PGLP” is a pellet production plant designed to produce approx. 380 000 per year with 10 presses. They produced 282599 mt of pellets in 2018 from 422337 mt of fiber. Sawmill sawdust (2018: 196639 mt) and shavings (2018: 64907 mt) Tops and limbs from primary wood grinding operation (2018: 160791 mt) and are now also receiving pulp grade round wood onsite. Fiber is burned in the heater to produce heat for the dryer (approx 11%). PBEC is PEFC certified and 100% of their material is controlled. Approximately 91% of the incoming material is coming from certified Forests.

Pacific BioEnergy has been a leader in the development of the wood pellet industry in British Columbia since its start in 1994. Their vision was simple and strategic: Take residual fibre from sawmills that was once disposed of in beehive burners and turn that material into a carbon neutral, renewable fuel to replace coal and fossil fuels. Pellets produced at this plant are transported by rail to the Fibreco terminal in North Vancouver, BC for export to European utilities. The pellet mill is positioned on a major rail line and has been designed for efficient operations, shipping and handling. Pacific BioEnergy utilizes approximately 40% primary feedstock and 60% secondary feedstock from lumber production or remanufacturing facilities. All sawmill residues are sourced from certified companies (SFI Forest Management and PEFC CoC). All suppliers sign purchase wood agreements with a statement that the fiber originates from non-controversial sources. Certified suppliers provide claims attached to invoices and the credits are transferred to the organization. Pacific BioEnergy has a PEFC credit system to manage their Chain of Custody.

5.2 Description of Company’s Supply Base

PBLP's feedstock all originates from within the province of British Columbia within the Northern Interior and South Interior Forest Regions as defined by the MFLNRO & RD and a select area within West Central Alberta. Specifically, feedstock is supplied from the following areas – 1) Northwest 2) Omineca 3) Skeena 4) Cariboo 5) Kootenay/Boundary 6) Thompson/Okanagan and, more recently, from West Central Alberta and specifically from West Fraser Mills Ltd.’s Hinton Wood Products FMA #8800025. PBLP utilizes feedstock derived from other forestry firms sawmill waste, logging waste piles and more recently, from biomass log harvests. In 2019 the feedstock percentages changed due to less sawmill residuals being available however the total volume remains approximately the same at 350,000 ODT of feedstock delivered from three supply types:

- a. 1⁰ feedstock; post-harvest forest residuals (i.e. tops and limbs from logging slash piles)
- b. 1⁰ feedstock; biomass logs
- c. 2⁰ feedstock; sawmill residuals

The majority of forest management and harvesting within the Supply Base Area is conducted on Crown lands owned and controlled by the province of British Columbia and the province of Alberta. Harvesting of the Crown lands in the supply base is either conducted through the province of British Columbia’s BC Timber Sales (BCTS) Program or by companies holding tenures issued by the provinces. In Alberta harvesting is conducted by companies holding tenure issued by that province. Timber harvesting licences are area based

licences or volume based licences with the management and rate of harvest controlled by the provinces through their environmental regulatory frameworks.

PBLP commenced harvesting activities for biomass logs due to a decreasing volume of fibre available from sawmills in British Columbia and Alberta as well as limited, economically viable post logging waste. Harvesting by PBLP occurs on their non-replaceable forest licences in the Quesnel (NRFL A76553, A88189 & A91936) and Prince George (NRFL A93518) Timber Supply Areas (TSA's). In addition, PBLP will purchase logs from private land owners as well as from British Columbia Timber Sales (BCTS) forest management certified, auctioned timber sales.

PBLP also purchases some of their whole log and sawmill residuals through another of PBEC's subsidiary, Pacific Bio Timber Corp. (PBTC). PBTC will procure both logs and sawmill residuals through contracts and sell these products, via contract, to PGLP for use in the Prince George facility. PBTC owns and operates a portable chipper and is contracted to custom chip whole logs for the PGLP facility in Prince George. All sources of biomass (logs & sawmill residuals) originate from within the Supply Base.

PBLP uses SPF residuals (spruce/pine/balsam fir) in conjunction with other coniferous species (black spruce/hemlock/Douglas-fir) and hardwoods (cottonwood/aspens/birch). No softwood or hardwood species native to British Columbia or Alberta are listed in CITES.

PBLP's feedstock both certified & controlled as the residuals are transferred as certified under each supplier's PEFC™ Chain of Custody certificate with a PEFC certified claim and any portion of the residuals transfer that is not PEFC™ certified is PEFC™ controlled and has been screened through PBLP's PEFC™ due diligence system^[1]. The licensees who provide the sawmill residuals harvest timber from their certified forestlands and purchase some amount of logs from others certified or uncertified forestlands.

PBLP does not procure any feedstock that is not considered SBP-compliant or SBP-controlled.

Regulatory frameworks differ in BC and Alberta however both regulatory constructs provide direction for tenure holders for their operations.

British Columbia

BC's Forest Range and Practices Act (FRPA) and pursuant regulations requires that eleven resource values be identified and mapped in a site plan before the commencement of authorized timber harvesting on Crown land (<https://www2.gov.bc.ca/gov/content/industry/forestry/managing-our-forest-resources/integrated-resource-monitoring/forest-range-evaluation-program>). Under FRPA forest managers are accountable for the results of resource protection through a rigorous government compliance and enforcement regime. Ingredients of results-based forest management include: (a) professional reliance, (b) stakeholder consultation, (c) healthy forest industry, and (d) a credible third-party auditor, the Forest Practices Board, which ensures the environment is protected. Forest companies harvesting on Crown land must submit a Forest Stewardship Plan consistent with objectives of local land use plans, species at risk, old growth, streams, cutblock size, retention of coarse woody debris and wildlife trees. Results are monitored by forest professionals responsible for implementation of the plans as well as officials from Compliance and Enforcement, the law enforcement arm of the MoFLNRO & RD. C&E's purposes is to make sure that resource management laws are being followed and to take action where there is non-compliance (<https://www2.gov.bc.ca/gov/content/environment/natural-resource-stewardship/natural-resource-law-enforcement/natural-resource-officers>). BC's Ministry of Environment ensures conservation of Species at Risk (www.env.gov.bc.ca/wld/frpa/species.html) and Canada is a member of the Convention on International Trade in Endangered Species (www.cites.org/eng/disc/parties/chronolo.php).

^[1] Consistent with the Normative Interpretations Document August 17, 2018 section #5, page #4.

Alberta

Alberta Agriculture and Forestry (AAF) is charged with implementing the regulatory construct that provides direction for tenure holders and include the:

- Forest Act/regulations,
- Forest and Prairie protection Act/regulations
- Forest Reserves Act/regulation.

(<https://www.agric.gov.ab.ca/app21/ministrypage?cat1=Ministry&cat2=Legislation>). AAF provides further guidance through Directive Letters issued from time to time for specific issues. Tenure holders must develop and gain approval of forest management plans for their area based Forest Management Agreement (FMA) areas which include the operations of Timber Permit/Quota Holders operating on volume based licences within the FMA's. Forest Management Plans address government's requirements inclusive of conservation, biodiversity and cultural/archaeological values

(<https://www.agric.gov.ab.ca/app21/forestrypage?cat1=Forest%20Management&cat2=Forest%20Management%20Plans>) with lower level plans (Annual Operating Plans and Final Harvest Plans) having to address legal requirements and company commitments identified in the Forest Management Plans. AAF monitors operations through their compliance and enforcement program

(<https://www.agric.gov.ab.ca/app21/forestrypage?cat1=Forest%20Management&cat2=Compliance%20%26%20Enforcement>).

5.3 Detailed description of Supply Base

a. Total Supply Base area (ha):

In British Columbia the management units are Timber Supply Areas (TSA's) and Tree Farm Licences (TFL's), Community Forest Agreements (CFA's) and Woodlot Licenses (WL's). Data and analysis occurs at the TSA level and for the area based licences, at the TFL, CFA and WL level. In Alberta the forested area is divided into provincial forests with the Forest Management Units (FMU) identified as the Forest Management Agreement (FMA) or FMU. FMA's are managed by the tenure holder inclusive of the Forest Management Plan and timber supply estimates while the FMU is managed by AAF.

Currently PBLP's supply base includes:

- Quesnel TSA/TFL #52,
- Williams Lake TSA,
- Prince George TSA/TFL #30 & #52,
- Mackenzie TSA,
- Dawson Creek TSA/TFL#48
- Robson Valley TSA
- West Central Alberta/FMA #8800025.

Data on certified areas derived from Certification Canada (<http://certificationcanada.org/index.php/maps-en/provincial/bc>) and (<http://certificationcanada.org/index.php/maps-en/provincial/ab>).

Data on the uncertified percentages are the percent area uncertified for each TSA and FMA/FMU. In the case of the Prince George TSA there are three forest districts so the percentage is for each forest district.

Information on Timber Supply Areas (TSA's), Tree Farm Licences (TFL's) and their gross areas/timber harvesting land base areas and allowable annual cuts are derived from the most current timber supply review documents which can be found at <https://www2.gov.bc.ca/gov/content/industry/forestry/managing->

[our-forest-resources/timber-supply-review-and-allowable-annual-cut](#). Information on allowable annual cuts for FMU's and FMA's can be found at <https://open.alberta.ca/opendata/provincial-timber-harvest-and-annual-allowable-cut-alberta-crown-lands>. Specifically, Hinton Wood Products AAC can be viewed at [https://www.agric.gov.ab.ca/app21/forestrypage?cat1=Forest%20Management&cat2=Forest%20Management%20Plans&cat3=West%20Fraser%20Mills%20Ltd.%20\(Hinton\)](https://www.agric.gov.ab.ca/app21/forestrypage?cat1=Forest%20Management&cat2=Forest%20Management%20Plans&cat3=West%20Fraser%20Mills%20Ltd.%20(Hinton)).

The licensees that provide the secondary feedstock (residuals from their sawmills) are shown in the following table. Primary feedstock is sourced from the same areas and the level of certification varies based on the volume procured from private lands. All feedstock is screened through PBLP's PEFC™ certified due diligence system.

| TSA/Mgmt Unit | TFL/FMA/FMU | Total Area (ha) | Timber Harvesting Landbase Area or Contributing Landbase (ha) | Licensee | Certification Type | Certified Area (ha) | Uncertified % (of TSA/TFL/FMU/FMA) | Comments |
|----------------------|-------------|-----------------|---|------------------------|--------------------|---------------------|------------------------------------|--|
| Dawson Creek | #48 | 2,300,000 | 758,335 | LP Canada | SFI | 2,960,620 | 0 | |
| | | | | West Fraser | SFI | 574,876 | 0 | |
| | | | | BCTS | SFI | 468,761 | 0 | |
| | | | | - | - | - | 6.0 | |
| Mackenzie | - | 6,410,000 | 1,500,726 | Canfor | CSA | 13,403,454 | 0 | |
| | | | | BCTS | SFI | 1,827,231 | 0 | |
| | | | | Confifex | SFI | 2,127,801 | 0 | |
| | | | | Mackenzie Fibre | SFI | 460,999 | 0 | |
| | | | | - | - | - | 5.5 | |
| Williams Lake | - | 4,930,000 | 1,830,000 | Tolko | CSA | 1,821,895 | 0 | |
| | | | | BCTS | SFI | 1,952,379 | 0 | |
| | | | | West Fraser | SFI | 559,825 | 0 | |
| | | | | - | - | - | 21.3 | |
| Prince George | #30 #53 | 7,970,000 | 3,506,800 | Canfor | CSA | 13,403,454 | 0 | Includes the PG/Vanderhoof and Fort St. James Forest Districts |
| | | | | Sinclair Group | SFI | 377,138 | 0 | |
| | | | | BCTS | SFI | 1,827,213 | 0 | |
| | | | | Confifex | SFI | 2,127,801 | 0 | |
| | | | | L&M Lumber | SFI | 126,090 | 0 | |
| | | | | Carrier Lumber | SFI | 153,615 | 0 | |
| | | | | West Fraser | SFI | 383,703 | 0 | |
| | | | | Dunkley | SFI | 194,842 | 0 | |
| - | - | - | 34.2/37.4/30.2 | | | | | |
| Quesnel | #52 | 2,077,293 | 1,020,699 | Tolko | CSA | 1,821,895 | 0 | |
| | | | | BCTS | SFI | 1,952,379 | 0 | |
| | | | | West Fraser | SFI | 787,162 | 0 | |
| | | | | C&C Wood Products | SFI | 80,000 | 0 | |
| | | | | - | - | - | 27.3 | |
| Robson Valley | #30 | 1,458,588 | 132,497 | Carrier Lumber | SFI | 153,615 | 0 | |
| West Central Alberta | FMA 8800025 | 1,022,465 | 988,774 | West Fraser Mills Ltd. | SFI | 988,774 | 0 | Operates as Hinton Wood Products |

A detailed map of British Columbia and the TSA's/TFL's can be reviewed at https://www2.gov.bc.ca/assets/gov/farming-natural-resources-and-industry/forestry/timber-tenures/tree-farm-licence/tfl_regions_tsas_districts_map_350dpi_2014.pdf.

A detailed map of Alberta's provincial forest areas and FMU's/FMA's can be reviewed at <http://certificationcanada.org/index.php/maps-en/provincial/ab>.

- b. Tenure by type (ha): 95% public tenures (forest licence [replaceable & non-replaceable]/tree farm licence, community forest agreements, woodlots and forest licence to cut with minor private lands held as part of TFL's.

- c. Forest by type (ha): sub-boreal
- d. Forest by management type (ha): 100% managed natural forest
- e. Certified forest by scheme (ha): ~95%. Refer to table above.

5.4 Chain of Custody system

The Organisation is holding valid PEFC Chain of Custody certificate system and the person responsible for implementing the PEFC Chain of Custody system and also manages the organizations SBP management system. The organization also verifies PEFC Controlled Sources through a DDS including a risk assessment covering British Columbia and Alberta. All wood fibre is tracked through the process from the District of Origin through the mill to the final bill of sale. The organization 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. The organization has appropriate control mechanisms to calculate output volumes, claims and trademark/logo approval. The Organizations PEFC Chain of Custody system is based on the Volume Credit method, and all inputs to the production site are either received as XX% PEFC certified or sourced as PEFC Controlled Sources under the BP's PEFC Due Diligence System. The organization has detailed and comprehensive procedures and databases to cover the necessary requirements regarding the SBP-approved Chain of Custody system.

6 Evaluation process

6.1 Timing of evaluation activities

The audit occurred between November 15, and 20-21, 2019 by the above-mentioned audit team. This report is the result of the findings of a certification evaluation carried out by an independent lead auditor and team of auditors representing Control Union Certifications. The purpose of the assessment was to evaluate the compliance of the client with respect to the standards used within the scope of the certificate

| Activity | Date/time | Location | Executed by (role) |
|--|-----------------------------|----------------------|--------------------------------|
| Preparation (telephone/email on scope and planning) | 01/08/2019 1.5 hours | Remote | Hubert (certifier) |
| Audit | | | |
| Opening meeting | 15/11/2019 09:30-09:45 | Fibreco | Lennart Holm (lead auditor) |
| Visit Port operations | 09:45-12:30 | Fibreco | Lennart Holm |
| Introduction into Supply Base and management system overview. Review of documents and records, Supply Base Report | 20/11/2019 09:00 – 12:00 | Pacific BioEnergy | Lennart Holm |
| Review of COC system/procedures, interview responsible personnel | 13:00 – 15:00 | Pacific BioEnergy | Lennart Holm |
| Interviews key personnel purchase and sales | 15:00 – 18:00 | Pacific BioEnergy | Lennart Holm |
| Tour of the facilities | 21/11/2018 09:00 – 10:00 | Pacific BioEnergy | Lennart Holm |
| GHG paper audit and evidence review | 10:00 – 16:00 | Pacific BioEnergy | Lennart Holm |
| Business integrity, social, health and safety requirements. Logo/Trademark use | 16:00 – 17:30 | Pacific BioEnergy | Lennart Holm |
| Closing Meeting | 17:30- 18:00 | Pacific BioEnergy | Lennart Holm |
| Report writing | 14/12/2019 | Remote | Lennart Holm |

6.2 Description of evaluation activities

The audit consisted of an opening meeting, during which the scope was confirmed. The auditor also explained the methods to be employed during the audit.

After this introduction, all relevant requirements of the applicable SBP standard(s) were verified on compliance through the use of a report template and checklists.

The audit was completed by filling in the audit report and discussing the audit results. During this closing meeting it was also discussed how evidence can be submitted of corrective action with respect to non-conformities that were identified during the audit.

| 1. Names and affiliations of people interviewed | |
|---|-------------------|
| Name: | Affiliation: |
| Tammy Lukoni | Pacific BioEnergy |
| Shawn Bells | Pacific BioEnergy |
| Joe Kenney | Pacific BioEnergy |
| Daryl Davidson | Pacific BioEnergy |
| Shona Law | Pacific BioEnergy |
| Bill Barwise | Pacific BioEnergy |
| Jason Logan | Pacific BioEnergy |
| Tannis Dale | Pacific BioEnergy |
| James McGowan | Pacific BioEnergy |
| Ray Louie | Fibreco |

| 2. Critical control points, summary | |
|-------------------------------------|--|
| Identified CCP | Evaluation CCP |
| Sourcing and input check | Check prior to sending the material by supplier and check upon request |
| Reception and storage | Reception and storage of material based on credit control system. |
| Volume control | FSC Credit control system, but 100% certified input material |
| Labelling | Trademark agreement signed 21/11/2018. No trademark use. |
| Invoicing and shipping | No sales to date. Certified materials are either SBP Controlled or SBP Compliant |
| | |

6.3 Process for consultation with stakeholders

Consultation with stakeholders' was conducted by Control Union on October 9, 2018, with a final date for submitting comments on November 19, 2018.

The process for stakeholder consultation consisted of sending direct email to different stakeholder categories: state institutions, local NGOs, authorities, government bodies, forest owners associations, academic and research institutions.

No stakeholder comment was received.

7 Results

7.1 Main strengths and weaknesses

The audit of Pacific BioEnergy demonstrated a good level of compliance with the required criteria of Standard 2, 4 and 5. There was reasonable evidence provided to support compliance where a Non-Conformity was not detected. The Non-Conformities presented in this report identify actions that must be taken in order to comply with the SBP system and its standards. The existence of a PEFC Chain of Custody system is considered a main strength with respect to Pacific BioEnergy's overall conformity with the relevant SBP standards. The company is also GGL certified.

Weaknesses: Non conformities identified in this audit.

7.2 Rigour of Supply Base Evaluation

N/A, no SBE in the scope of the certificate.

7.3 Collection and Communication of Data

The organization has in depth procedures for this in depth procedures for this. The auditor confirmed the Greenhouse Gas (GHG) sources for feedstock input from the forest, production at the facility, transportation to the port and storage and handling at the port and reviewed how the input data was measured. Findings were substantiated by on-site staff interviews with operations personnel on the overview of the operations at the facility, historical operations, changes to operations, procedures and processes used to maintain the facility, and procedures and processes used to ensure data quality. Pacific BioEnergy demonstrated full competency to analyse and report the required data on Greenhouse Gas emissions

7.4 Competency of involved personnel

The company has one person who has the main responsibility related to the SBP system. All personnel that are involved with SBP have received appropriate training whereby all relevant procedures and requirements have been covered. All training and instructions are based on the procedures as identified in company manuals, and training is provided by internal resources and recorded accordingly. Key personnel showed good knowledge of SBP requirements

7.5 Stakeholder feedback

See 6.3 above

7.6 Preconditions

There are no Preconditions to the certification.

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.

Not applicable

9 Review of Company's mitigation measures

Not applicable. No SBE in the scope of the certificate.

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 2018-01 | NC Grading: Minor |
| Standard & Requirement: | Standard 2: 7.1 |
| Description of Non-conformance and Related Evidence: | |
| The BP shall prepare a Supply Base Report (SBR) which shall be made readily accessible on the BP's website. Commercially sensitive and confidential information may be excluded from the SBR. Supply base report is made in English but is not yet uploaded and available on the company's website. | |
| 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: | https://www.pacificbioenergy.ca/pacific-bioenergy/sustainability/ |
| Findings for Evaluation of Evidence: | The Supply Base Report was uploaded on the company website on 09/01/2019 |
| NC Status: | Closed |

| | |
|---|--------------------------------------|
| NC number 2018-02 | NC Grading: Minor |
| Standard & Requirement: | Standard 2: Instruction Note 2C, 1.1 |
| Description of Non-conformance and Related Evidence: | |

| | |
|--|---|
| <p>The BP shall prepare a SBR which is publicly available and includes a summary of any SBE. Supply base report is prepared but is not yet uploaded and available on the company’s website, thus not publically available. A SBE is not in the scope of the certificate.</p> | |
| Timeline for Conformance: | By the next surveillance audit, but no later than 12 monhts from report finalisation date |
| Evidence Provided by Company to close NC: | https://www.pacificbioenergy.ca/pacific-bioenergy/sustainability/ |
| Findings for Evaluation of Evidence: | The Supply Base Report was uploaded on the company website on 09/01/2019 |
| NC Status: | Closed |

| | |
|--|---|
| NC number 2018-03 | NC Grading: Minor |
| Standard & Requirement: | Standard 4: 6.3.2 |
| Description of Non-conformance and Related Evidence: | |
| <p>The legal owner shall determine and implement effective arrangements against corruption, proportionate to the nature and the scale of organisation. The company has not determined nor implemented anti-corruption procedures.</p> | |
| Timeline for Conformance: | By the next surveillance audit, but no later than 12 monhts from report finalisation date |
| Evidence Provided by Company to close NC: | Pacific BioEnergyCorporation - Code of Business Conduct and Ethics |
| Findings for Evaluation of Evidence: | The company has these procedures/requirements identified in the company's Code of Conduct document. Document was not provided to CB at the time of audit hence the non-conformity. Document is available on the server and reviewed/updated every three years with sign off from all employees. |
| NC Status: | Open |

| | |
|---|---|
| NC number 2018-04 | NC Grading: Minor |
| Standard & Requirement: | Standard 5: 8.1/8.2 |
| Description of Non-conformance and Related Evidence: | |
| <p>Each BP is required to publish a publicly available Supply Base Report (SBR). The requirements for this report are set out in SBP Standard 2: Verification of SBP-compliant Feedstock. Supply base report is prepared but is not yet uploaded and available on the company’s website, thus not publically available.</p> | |
| 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: | https://www.pacificbioenergy.ca/pacific-bioenergy/sustainability/ |
| Findings for Evaluation of Evidence: | The Supply Base Report was uploaded on the company website on 09/01/2019 |
| NC Status: | Closed |

| | |
|--|--|
| NC number 2019-01 | NC Grading: Minor |
| Standard & Requirement: | Characteristics of the feedstock may be allocated to biomass as Dynamic Batch Sustainability Data (DBS). This allocation must follow the mass balance (Credit, Volume Credit) systems rules set out in SBP-approved CoC system, as per standard 4 section 5.3.2. Currently these are FSC, PEFC and SFI. Maximum accounting periods are defined in these COC systems. |
| Description of Non-conformance and Related Evidence: | |
| <p>Feedstock by category is entered into tab Raw Material Data 2019, and transferred into tab ID5D Summary in the "Audit Data-2019.xls". Tab Raw Material Data 2019 identifies incoming feedstock by category, CAT 1 and CAT 5 NL Biomass Sustainability Regulation. Biomass Categories are transferred into tab ID5D Summary. The Maximum accounting period is 12 Months as per Pacific BioEnergy’s PEFC COC system. The system explaining how feedstock may be allocated to biomass as Dynamic Batch Sustainability Data (DBS) is not well described in Pacific BioEnergy’s management system.</p> | |
| 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: | <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: | Open |

11 Certification decision

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| 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): | Hubert Jurczyszyn |
| Date of decision: | 18/Feb/2020 |
| Other comments: | <i>Click or tap here to enter text.</i> |