

SCS Global Services Evaluation of Jasper Pellets, LLC. Compliance with the SBP Framework: Public Summary Report

Main (Initial) Audit

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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

Version 1.0: published 26 March 2015

Version 1.1: published 30 January 2018

Version 1.2: published 4 April 2018

Version 1.3: published 10 May 2018

Version 1.4: published 16 August 2018

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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: 24/Nov/2019

Report authors: Shannon Wilks

Name of the Company: Jasper Pellets, LLC.

Company contact for SBP: Beau Harwell, 843-338-1308-beauharwell@gmail.com

Certified Supply Base: Designated counties in AL, FL, GA, NC, SC and VA within USA

SBP Certificate Code: SBP-04-51

Date of certificate issue: 31/Jan/2020

Date of certificate expiry: 30/Jan/2025

This report relates to the Main (Initial) Audit

2 Scope of the evaluation and SBP certificate

The certificate covers the production of wood pellets, for use in energy production, manufactured at Jasper Pellets, LLC. and transported to the Port of Savannah for storage, aggregation, vessel loading and shipping. It also covers a Supply Base Evaluation for the sourcing of feedstock from designated counties in Alabama, Florida, Georgia, North Carolina, South Carolina and Virginia all within the USA.

The scope of this main evaluation audit included a review of procedures, documentation, records and databases to ensure the organization's management system is appropriate for ensuring conformance to SBP Standards 1, 2, 4, and 5. Other audit methods used were site walkthrough of pellet mill and port operations, interviews with relevant staff, port representative and secondary supplier representatives. The evaluation included a review of documentation such as the Supply Base Report including the Risk Assessment, Due Diligence System and SAR, among others.

3 Specific objective

The specific objective of this main evaluation audit was to confirm the Biomass Producer's management system is capable of ensuring that all requirements of SBP Standards 1: Feedstock Compliance Standard, 2: Verification of SBP-compliant Feedstock, 4: Chain of Custody, and 5: Collection and Communication of Data (including Instruction Documents 5A: Collection and Communication of Data, 5B: Energy of GHG Data, 5C: Static Biomass Profiling Data) are implemented across the entire scope of certification. This was achieved by review of risk assessments, procedures, GHG and other data, observation of BP facility and Port facility. Interviews with key personnel and stakeholders were also conducted.

The following critical control points were identified and evaluated:

*Feedstock procurement: All feedstock delivered to the mill is tracked in a centralized system. Prior to delivery of single feedstock-dry pine shavings, the owner name, origin (Lat/Long), product type, etc. are obtained from the supplier. Organization will require all vendors to execute a Purchase Agreement with specific terms and conditions. Development was in-progress at time of evaluation audit.

*Storage and processing: Dry pine shavings are stored on-site, hammered and pelletized. The conversion factors used to allocate shavings into pellets are reasonable.

*Volume Accounting: The procedures detail the process to properly maintain the volume credit spreadsheet, with provisions for subtracting certified product sold and for carrying only the past 24 months of credits, in accordance with FSC standards. BP is being certified to FSC Chain of Custody Standards at time of main evaluation audit.

*Outgoing transactions: Invoices are issued to single customer. Format templates were observed to communicate claim once BP certification is approved by SBP. Transactions of SBP-certified biomass will be recorded in the DTS as required.

*Energy data collection and reporting: The organization maintains internal systems 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

Jasper Pellets, LLC. purchased the facility from Low Country Biomass in December of 2018. The pellet facility currently only purchases dry pine shavings as sole feedstock. The facility has a total of 4 pellet mills; one new and 3 existing. Future plans include adding dryer, increasing feedstock purchases to include green pine chips and sawdust, adding one additional pellet mill. The facility began producing finished pellets around March 1, 2019. Annual production is estimated at 30,000 metric tons currently. The organization has on-site storage capacity of 600 metric tons. Pellets are loaded into trucks for shipment to Port of Savannah, GA. Ownership of facility is a partnership between four (4) entities.

5.2 Description of Company's Supply Base

Jasper Pellets, LLC (JP) purchases secondary & tertiary feedstock from seven (7) secondary suppliers and two (2) tertiary suppliers originating from twenty-three (23) pine sawmills in the form of pine chips, sawdust and shavings located in Georgia, North Carolina & South Carolina. The supply base for the pellet mill and its secondary suppliers includes two hundred sixty (260) counties (33,313,940 hectares) in Alabama (12 counties), Florida (11 counties), Georgia (134 counties), North Carolina (49 counties), South Carolina (46 counties) & Virginia (8 counties) within the United States. This supply base is based on a 75-mile radius applied to its 23 supplier/sub-supplier mills. Forests are the predominant land use in this supply base (63.7%). Pine forests comprise the largest forest type (45.8%) of the supply area's forestland followed by hardwood forests (41.2%). The pine/oak forest comprises 11.6% of the supply area's forestland while about 1% of the forestland is considered non-stocked. About 77.6% of the supply area's forests are managed as natural forests while the remaining 22.4% of the supply area's forests are artificially regenerated.

The forest products industry is a very large part of the area's economy and is one of the top industries within the states generating \$18.5 billion industry in AL (2016), \$20.8 billion in GA (2016), \$20 billion in NC (2017) and \$21 billion in SC (2017) annually.

5.3 Detailed description of Supply Base

JP only currently uses shavings from sawmills with future plans to source chips and sawdust. Primary species used include loblolly pine (*Pinus taeda*), slash pine (*Pinus elliotii*), shortleaf pine (*Pinus echinata*) and longleaf pine (*Pinus palustris*). None of these species are listed on the CITES list. Longleaf pine is on the IUCN Red List and is classified as endangered.

The vast majority of forests in the JP supply area are managed according to state forestry best management practices (BMPs). Overall BMP compliance reported for the various states within the supply base are: AL-98.2% (2016); FL-99.6% (2017); GA-93.17% (2017); NC-85% (2016), SC-95.5% (2016) & VA-91.1% (2017).

- a. Total Supply Base area (ha): 33,313,940 ha
- b. Tenure by type (ha): Privately owned (19,078,289 ha) / Public (1,480,897 ha)
- c. Forest by type (ha): Temperate (21,212,798 ha)

Additional details can be found in the Supply Base Report for Jasper Pellets, LLC.

5.4 Chain of Custody system

Jasper Pellets, LLC. has implemented documented Chain of Custody (COC) procedures to determine feedstock compliance to SBP requirements. The organization plans to use certification to FSC COC once certification is approved. The BP has completed their initial certification audit in parallel with the SBP on-site audit. Feedstock is tracked from the origin, through the pellet mill, and to the port. Feedstock is brought in via trucks to the mill. After pelletizing the material is loaded into trucks and transported to the Port of Savannah, GA for sale to customer. The legal point of sale is once pellets are unloaded at the Port. BP uses internal systems to gather and control information related to feedstock such as supplier name, scale tickets, fibre type, certification (if applicable), and origin. The internal systems are utilized to track output volumes. Trademark/logo use is controlled by Jasper Pellets management as identified in procedures and no current plans for use.

6 Evaluation process

6.1 Timing of evaluation activities

Lead Auditor Name	Shannon Wilks
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Site Name or Location:	Jasper Pellets, LLC.	
Date and Time of Audit:	November 13-15, 2019	
Audit Activity	Items to Review / Actions	Approx. Start Time
Day 1 Opening meeting	Introductions, auditor review of audit scope, audit plan and intro/update to SBP, FSC, and SCS standards and protocols, client description of organization	Nov 13 10:00 AM
Review of CoC/SBP procedures, products and material accounting	Written procedures, work instructions, feedstock description (see ID 5B section 4)/, product group list (FSC), accounting system (transfer, percentage or credit; physical separation, percentage method)	10:30 AM
Review of material balances and records	Review of the following: material tracking system, summary of purchases and sales, invoices, shipping documents, training records, outsourcing agreements, other applicable CoC systems, procedures and records, tracebacks from certified outputs to eligible inputs.	1:30 PM
Evaluation of trademarks (if applicable)	Review of auditor-selected sample of FSC and/or SCS on-product and/or promotional trademark uses; review of any on-site trademark uses such as banners, posters, entryway signs	3:00 PM
Staff interviews	Interviews with appropriate number and diversity of staff to assess knowledge of CoC procedures related to their position. Material Receiving, Quality Control, Shipping, Safety and Health, Graphics (if applicable).	During Facility Tour
Facility Tour	Review of physical inputs and outputs, material receipt, processing, storage, credit account (if applicable), sale, and overall control	3:30 PM
Closing meeting and review of findings	Convene with all relevant staff to summarize day's audit findings and discuss next day's plan	4:30 PM
Day 2 Secondary/Tertiary Supplier Interviews (Conducted via Phone)	Desk Interviews with (3 Sawmills Selected) –secondary feedstock suppliers	Nov 14 8:30 AM
Staff Interviews (Jasper Pellets)	Jasper Pellets, LLC: Interviews with EHS Manager and Human Resources Manager	10:00 AM
SBP ST 5, ID5A, ID5B & ID5C	Review of GHG data collection, SAR, SREG (if applicable) and interviews with relevant staff	1:00 PM
Closing meeting and review of findings	Convene with all relevant staff to summarize audit findings, review identified nonconformities, and discuss next day's plan	4:00 PM
Day 3	Review of SBP Checklists for Standards 1, 2, 4 & 5	Nov 15 8:30 AM

Auditor Review of SBP Checklists (STD 1,2,4 & 5)		
Port Visit (Savannah GA)	Depart for Port Visit	11:30 AM
Port Visit	Introductions, Review of Safety Procedures, Interviews and Document Reviews-Material Accounting Records, GHG data collection and key control points	1:00 PM
Tour of Port Operations	Walkthrough of facility and review of critical control points and GHG data	2:00 PM
Auditor review of notes and preparation for closing meeting	Auditor review of notes and preparation for closing meeting.	3:00 PM
Closing meeting and review of findings	Convene with all relevant staff to summarize audit findings and discuss next steps	4:00 PM
End		

6.2 Description of evaluation activities

The onsite Surveillance Audit was conducted over the course of three days and included an audit of the Supply Base Evaluation, Documented Management System, Collection and Communication of Greenhouse Gas data, site tour, port tour and interviews with 3 secondary suppliers. Secondary suppliers for the supply base were randomly selected by auditor from master list provided by SCS. Secondary suppliers were auditor selected based on potential volumes, and level of risk.

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.

6.3 Process for consultation with stakeholders

The initial Stakeholder Consultation was conducted from September 13-October 13, 2019. Letters were sent to 27 identified organizations representing interests from local contractors and businesses, local governments, state forestry and wildlife agencies, conservation organizations such as the Nature Conservancy, state forestry associations, local forest landowner associations, US Forest Service and US Fish & Wildlife Service. One recognized indigenous peoples group within the supply base was also contacted. One response was received on September 13, 2019 from Clemson School of Forestry but no response from BP was required.

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, etc... 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 base. SCS conducted a stakeholder consultation prior to the audit date. No comments were received or came to the attention of SCS or the auditor.

7 Results

7.1 Main strengths and weaknesses

The main strengths of Jasper Pellets, LLC. includes an effective management system, knowledgeable personnel and greenhouse gas record keeping controls. Personnel involved in the SBP program at Jasper Pellets are knowledgeable and demonstrated understanding of SBP procedures. Jasper Pellets maintains an effective program to monitor origin of feedstock for all suppliers of secondary feedstock. Review of Sustainability Policy communicates the commitment of Biomass Producer to source feedstock sustainably. The weaknesses are described in section 10.

7.2 Rigour of Supply Base Evaluation

The supply base was determined based on secondary feedstock suppliers to ensure the complete geography of the supply area. USDA Forest Service Forest Inventory and Analysis (FIA) data based on this established supply base was used to verify forest growth and harvest levels, forest ownership and overall forest composition (species, age, stand structure). Ecosystem and biodiversity data from WWF, GreenPeace, World Resources Institute (WRI), Conservation International (CI), NatureServe and the various state natural heritage programs from within the supply base was also reviewed to determine potential high conversation value (HCV) areas and the level of protection for these HCVs.

Forest management regimes for the supply base were determined from information gathered from local forestry professionals and contractors within the region. Regional economic and forest health information was gathered from state forestry agencies and forestry associations.

Jasper Pellet suppliers are visited at least annually to confirm their supply base and the species they purchase for their operations.

7.3 Collection and Communication of Data

Jasper Pellets maintains detailed records of all greenhouse gas data records on-site. The records are maintained by the office manager and were observed during the on-site audit. The electricity energy use is invoiced by month and requires adjustment to match the reporting period. Other energy use such as diesel and propane does not require adjustments. Records of feedstock, volumes and distances are maintained by organization.

7.4 Competency of involved personnel

The Supply Base Evaluation was completed in partnership with Greener Options Inc., a sustainability consulting company specializing in sustainable forest certification.

Gary Boyd, Greener Options Inc. is a Society of American Foresters (SAF) Certified Forester, a Georgia Registered Forester and an ISO 14001 Environmental Management Lead Auditor. He is also a lead auditor and conducts audits to the FSC, SFI and Programme for the Endorsement of Forest Certification (PEFC)

chain of custody, controlled wood, fiber sourcing and forest management standards. He had more than 35 years of experience in the forestry profession.

7.5 Stakeholder feedback

One response from the initial evaluation stakeholder consultation was received. Response by Biomass Producer was not required. There was no response to SCS' stakeholder consultation.

7.6 Preconditions

Major CARs were identified and are preconditional to initial 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.

The initial results of the supply base evaluation determined there is low risk to all indicators SBP Framework Standard 1: Feedstock Compliance except for indicators 2.1.2, 2.1.3, 2.2.3, 2.2.4 and 2.4.1, which are determined to be “specified risk”. Risk ratings were determined by review of SBE, SBR and other supporting evidence such as SBP Procedures, High Conservation Value Risk Assessment and Secondary Supplier Audit Checklist.

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	Specified	Specified
2.1.3	Specified	Specified
2.2.1	Low	Low
2.2.2	Low	Low
2.2.3	Specified	Specified
2.2.4	Specified	Specified
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

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

2.3.1	Low	Low
2.3.2	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

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

Mitigation Measure: World Wildlife Fund (WWF) Global 200 Ecoregion - NA517 Mid-Atlantic Coastal Forests. WWF has declared about 88% of this ecoregion having been converted

- a) Remaining examples occur on protected lands and mapped on JP-DOC-005 High Conservation Value Risk Assessment.
- b) Feedstock Purchase Contracts/ Supply Agreements/Secondary Supplier Audit Checklists.
- c) Education and awareness through representation at FSC CW Regional Meetings conducted in 2018 for Cape Fear Arch CBA.
- d) Sharing of information with suppliers and documented through Secondary Supplier Audit Checklist.

Mitigation Measure: Global 200 Ecoregion - NA529 Southeastern Conifer Forests. WWF has declared over 98% of this ecoregion having been converted.

- a) Remaining examples occur on protected lands and mapped on JP-DOC-005 High Conservation Value Risk Assessment.
- b) Education and awareness through representation at FSC CW Regional Meetings conducted in 2018 for Native Long Leaf Pine Systems (NLPS).
- c) Sharing of information with suppliers and documented through Secondary Supplier Audit Checklist.
- d) Engagement, monetary or in-kind resource support to conservation organizations such as the Longleaf Alliance that are facilitating active, on-the-ground implementation of management activities to restore or maintain existing examples of NLPS, with a goal of long-term conservation of this system within the specified risk area and the company's supply area.

Mitigation Measure: GreenPeace Intact Forest

- a) There is a strong system of protection (effective protected areas and legislation) in place within the Company's supply area that ensures survival of this intact forest.
- b) No wood is harvested out of the described National Wilderness Area which is managed by the Department of Interior. If wood is harvested from the surrounding forests described above, The Department of Interior or the Georgia Forestry Commission conducts environment impact studies and oversees all timber harvesting on these forests within the HCV providing complete protection of the site.

Mitigation Measure: FSC US Controlled Wood National Risk Assessment (US NRA) - Category 3: HCV1 - Cape Fear Critical Biodiversity Area (CBA).

- a) Verification of compliance is accomplished through supplier audits using JP-DOC-012 Secondary Supplier Audit Checklists.
- b) Training records document education and awareness efforts of the Cape Fear Arch CBA.

- c) Education & outreach measure is documented using JP-DOC-012 Secondary Supplier Audit Checklists.

Mitigation Measure: US NRA - Category 3: HCV1 - Florida Panhandle CBA

- a) Verification of compliance is accomplished through supplier audits using JP-DOC-012 Secondary Supplier Audit Checklists.
- b) Training records document education and awareness efforts of the Florida Panhandle CBA.
- c) Education & outreach measure is documented using JP-DOC-012 Secondary Supplier Audit Checklists.

Mitigation Measure: US NRA - Category 3: HCV3 - Natural Longleaf Pine Systems

- a) Training records document education and awareness efforts of Native Long Leaf Pine Systems.
- b) This education and outreach measure will be documented using JP-DOC-012 Secondary Supplier Audit Checklists.
- c) Maintain records of involvement with conservation organizations such as the Longleaf Alliance.

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

Mitigation Measure: FSC US Controlled Wood National Risk Assessment (US NRA) - Category 4: Forestland Conversion.

- a) Written agreements with its feedstock suppliers.
- b) Training records document education and awareness efforts of Forestland Conversion.
- c) Education and outreach measure will be documented using JP-DOC-012 Secondary Supplier Audit Checklists.
- d) Maintain membership records in the South Carolina Forestry Association.

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

Mitigation Measure: World Wildlife Fund (WWF) Ecoregions - NA517 Mid-Atlantic Coastal Forests

- a) Protected lands mapped on JP-DOC-005 High Conservation Value Risk Assessment.
- b) Verification of compliance is accomplished through supplier audits using JP-DOC-012 Secondary Supplier Audit Checklists.
- c) Training records document education and awareness efforts of this ecoregion.
- d) Education & outreach measure is documented using JP-DOC-012 Secondary Supplier Audit Checklists.

Mitigation Measure: World Wildlife Fund (WWF) Ecoregion - NA529 Southeastern Conifer Forests

- a) Protected lands mapped on JP-DOC-005 High Conservation Value Risk Assessment.
- b) Training records document education and awareness efforts of this ecoregion.
- c) Education and outreach measure will be documented using JP-DOC-012 Secondary Supplier Audit Checklists.
- d) Maintain records of involvement with conservation organizations such as the Longleaf Alliance.

Mitigation Measure: GreenPeace Intact Forest

- a) Verification of compliance is accomplished through supplier audits using JP-DOC-012 Secondary Supplier Audit Checklists.

Mitigation Measure: US NRA - Category 3: HCV1 - Cape Fear Critical Biodiversity Area (CBA)

- a) Verification of compliance is accomplished through supplier audits using JP-DOC-012 Secondary Supplier Audit Checklists.
- b) Training records document education and awareness efforts of the Cape Fear Arch CBA.
- c) Education & outreach measure is documented using JP-DOC-012 Secondary Supplier Audit Checklists.

Mitigation Measure: US NRA - Category 3: HCV1 - Florida Panhandle CBA

- a) Verification of compliance is accomplished through supplier audits using JP-DOC-012 Secondary Supplier Audit Checklists.
- b) Training records document education and awareness efforts of the Florida Panhandle CBA.
- c) Education & outreach measure is documented using JP-DOC-012 Secondary Supplier Audit Checklists.

Mitigation Measure: US NRA - Category 3: HCV3 - Natural Longleaf Pine Systems

- a) Training records document education and awareness efforts of Native Long Leaf Pine Systems.
- b) Education and outreach measure will be documented using JP-DOC-012 Secondary Supplier Audit Checklists.
- c) Maintain records of involvement with conservation organizations such as the Longleaf Alliance.

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

Mitigation Measure: Mid-Atlantic Coastal Forests NA517

- a) Protected lands mapped on JP-DOC-005 High Conservation Value Risk Assessment.
- b) Verification of compliance is accomplished through supplier audits using JP-DOC-012 Secondary Supplier Audit Checklists.

- c) Training records document education and awareness efforts of this ecoregion.
- d) Education & outreach measure is documented using JP-DOC-012 Secondary Supplier Audit Checklists.

Mitigation Measures: NA529 Southeastern Conifer Forests

- a) Protected lands mapped on JP-DOC-005 High Conservation Value Risk Assessment.
- b) Training records document education and awareness efforts of this ecoregion.
- c) Education and outreach measure will be documented using JP-DOC-012 Secondary Supplier Audit Checklists.
- d) Maintain records of involvement with conservation organizations such as the Longleaf Alliance.

Mitigation Measures: GreenPeace Intact Forest

- a) There is a strong system of protection (effective protected areas and legislation) in place within the Company's supply area that ensures survival of this intact forest.
- b) No wood is harvested out of the described National Wilderness Area which is managed by the Department of Interior. If wood is harvested from the surrounding forests described above, The Department of Interior or the Georgia Forestry Commission conducts environment impact studies and oversees all timber harvesting on these forests within the HCV providing complete protection of the site.

Mitigation Measures: US NRA - Category 3: HCV1 - Cape Fear Critical Biodiversity Area (CBA)

- a) Verification of compliance is accomplished through supplier audits using JP-DOC-012 Secondary Supplier Audit Checklists.
- b) Training records document education and awareness efforts of the Cape Fear Arch CBA.
- c) Education & outreach measure is documented using JP-DOC-012 Secondary Supplier Audit Checklists.

Mitigation Measures: US NRA - Category 3: HCV1 - Florida Panhandle CBA

- a) Verification of compliance is accomplished through supplier audits using JP-DOC-012 Secondary Supplier Audit Checklists.
- b) Training records document education and awareness efforts of the Florida Panhandle CBA.
- c) Education & outreach measure is documented using JP-DOC-012 Secondary Supplier Audit Checklists.

Mitigation Measures: US NRA - Category 3: HCV3 - Natural Longleaf Pine Systems

- a) Training records document education and awareness efforts of Native Long Leaf Pine Systems.
- b) This education and outreach measure will be documented using JP-DOC-012 Secondary Supplier Audit Checklists.
- c) Maintain records of involvement with conservation organizations such as the Longleaf Alliance.

2.2.4 The BP has implemented appropriate control systems and procedures to ensure that biodiversity is protected (CPET S5b).

Mitigation Measures: *Mid-Atlantic Coastal Forests NA517*

- a) Protected lands mapped on JP-DOC-005 High Conservation Value Risk Assessment.
- b) Verification of compliance is accomplished through supplier audits using JP-DOC-012 Secondary Supplier Audit Checklists.
- c) Training records document education and awareness efforts of this ecoregion.
- d) Education & outreach measure is documented using JP-DOC-012 Secondary Supplier Audit Checklists.

Mitigation Measures: NA529 Southeastern Conifer Forests

- a) Protected lands mapped on JP-DOC-005 High Conservation Value Risk Assessment.
- b) Training records document education and awareness efforts of this ecoregion.
- c) Education and outreach measure will be documented using JP-DOC-012 Secondary Supplier Audit Checklists.
- d) Maintain records of involvement with conservation organizations such as the Longleaf Alliance.

Mitigation Measures: GreenPeace Intact Forest

- a) There is a strong system of protection (effective protected areas and legislation) in place within the Company's supply area that ensures survival of this intact forest.
- b) No wood is harvested out of the described National Wilderness Area which is managed by the Department of Interior. If wood is harvested from the surrounding forests described above, The Department of Interior or the Georgia Forestry Commission conducts environment impact studies and oversees all timber harvesting on these forests within the HCV providing complete protection of the site.

Mitigation Measures: US NRA - Category 3: HCV1 - Cape Fear Critical Biodiversity Area (CBA)

- a) Verification of compliance is accomplished through supplier audits using JP-DOC-012 Secondary Supplier Audit Checklists.
- b) Training records document education and awareness efforts of the Cape Fear Arch CBA.
- c) Education & outreach measure is documented using JP-DOC-012 Secondary Supplier Audit Checklists.

Mitigation Measures: US NRA - Category 3: HCV1 - Florida Panhandle CBA

- a) Verification of compliance is accomplished through supplier audits using JP-DOC-012 Secondary Supplier Audit Checklists.
- b) Training records document education and awareness efforts of the Florida Panhandle CBA.
- c) Education & outreach measure is documented using JP-DOC-012 Secondary Supplier Audit Checklists.

Mitigation Measures: US NRA - Category 3: HCV3 - Natural Longleaf Pine Systems

- a) Training records document education and awareness efforts of Native Long Leaf Pine Systems.
- b) This education and outreach measure will be documented using JP-DOC-012 Secondary Supplier Audit Checklists.
- c) Maintain records of involvement with conservation organizations such as the Longleaf Alliance.

Review of mitigation measures for BP during on-site audit confirmed compliance with the exception of use of Feedstock Purchase Contracts. No use of contracts was observed for secondary feedstock suppliers at time of audit. Auditor review confirmed no listing of Mitigation Measures for 2.2.3 and 2.2.4 within SBR.

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: Observation
Standard & Requirement:	SBP STD2, IN 2C: 4.2
Description of Non-conformance and Related Evidence:	
Stakeholder response within SBR was not listed accurately. One response had been received at time of on-site audit. The company showed awareness that the evaluation of stakeholder comments needs to be reported in the SBR. The comment was positive in nature. It must be added to the SBR before the report can be published.	
Timeline for Conformance:	Other Before SBR can be published.
Evidence Provided by Company to close NC:	Revised SBR
Findings for Evaluation of Evidence:	All stakeholder comments and the BP's responses have been reported in the SBR.
NC Status:	Closed

NC number 2	NC Grading: Major
Standard & Requirement:	Instruction Note 2C 4.1
Description of Non-conformance and Related Evidence:	
The SBR of the organization is incomplete and contains inconsistent information. Review of organizations SBR Annex 1 confirms mitigation measures are identified for all specified risk indicators. Mitigation measures are listed for all specified risks, except 2.2.3 and 2.2.4 within SBR. The SBR lists the following feedstock categories: pine chips, sawdust and shavings from sawmills. However, the SAR only specifies shavings in the feedstock table in section 2.1. It is unclear what type of feedstock is used. Review of SBR,	

SBR Annex 1 and associated procedures references FSC Controlled Wood certification incorrectly; BP is not certified or planning certification to FSC CW standards.	
Timeline for Conformance:	Prior to (re)certification
Evidence Provided by Company to close NC:	Revised SBR
Findings for Evaluation of Evidence:	The SBR was revised and now states the mitigation measures for all indicators with specified risk. The SBR does not refer to an FSC Controlled Wood certification anymore. The SBR was revised and now only lists shavings as feedstock type and is consistent with the SAR. CAR is closed.
NC Status:	Closed

NC number 3	NC Grading: Major
Standard & Requirement:	SBP STD 1, 2.7 and indicators: 1.2.1, 1.3.1, 1.4.1, 2.1.2, 2.1.3, 2.2.1, 2.2.2, 2.2.3, 2.2.4, 2.2.5, 2.2.6, 2.2.8, 2.2.9, 2.4.1, 2.5.2
Description of Non-conformance and Related Evidence:	
Some risk findings in the SBE are not sufficiently supported by evidence. Verification identified within SBR and SBR Annex 1 is Feedstock Purchase Contracts, which is currently not utilized by BP. All indicators listed were impacted by Feedstock Purchase Contracts. For indicator 2.9.1, The risk conclusion for this indicator is not sufficiently supported by the evidence. It is not shown how the company has identified areas that had high carbon content before 2008, but now don't have that high carbon content anymore. The findings only show that carbon has increased in total in the supply base, but base but does not show that feedstock is not sourced from areas that had high carbon stocks in January 2008 and no longer have those high carbon stocks. It is not shown that feedstock is not harvested from those areas.	
Timeline for Conformance:	Prior to (re)certification
Evidence Provided by Company to close NC:	Revised Supply Base Report Annex I and feedstock purchase contracts
Findings for Evaluation of Evidence:	Copies of signed feedstock purchase contract were submitted. The evidence for indicator 2.9.1 now shows sufficient evidence for the risk conclusion.
NC Status:	Closed

NC number 4	NC Grading: Major
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Standard & Requirement:	SBP STD 4: 5.1.1
Description of Non-conformance and Related Evidence:	
Evaluation audit conducted for FSC CoC on 13 November 2019. Pending approval from CB. BP was not certified to any SBP-approved COC system by the closing of the audit.	
Timeline for Conformance:	Prior to (re)certification
Evidence Provided by Company to close NC:	Company achieved FSC COC certification
Findings for Evaluation of Evidence:	The company was certified to FSC-STD-40-004 V3-0 and FSC-STD-50-001 V2-0. Evidence reviewed is the certification report.
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:	21/Dec/2019
Other comments:	Update 29 January 2020: certification is granted, all preconditions are met.