



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

Additional Audit

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# 1 Overview

Certification Body (CB) Name: SCS Global Services

Primary CB contact for SBP: Maggie Shwartz

Primary CB contact email: mschwartz@scsglobalservices.com

Audit team leader: Kyle Meister

Audit team members: Shannon Wilks

Name of the Company: Hazlehurst Wood Pellets, LLC

Company legal address: 142 McPherson Drive, 31539 Hazlehurst, United States

Company contact for SBP: Elizabeth van Tilborg

Company contact email: vantilborg@framfuels.com

Company website: N/A

SBP Certificate Code: SBP-04-18

Date of certificate issue: 19 May 2017

Date of certificate expiry: 18 May 2022

  

Audit closing meeting date: 04 Mar 2021

Audit cycle: Additional Audit

## 2 Scope of the evaluation and SBP certificate

Scope Item	Check all that apply to the Certificate Scope	Change in scope (N/A for Assessments)
<b>Primary Activity:</b>	Biomass Producer	<input type="checkbox"/>
<b>Approved Standards:</b>	SBP Standard 1: Feedstock Compliance Standard; SBP Standard 2: Verification of SBP-compliant Feedstock; SBP Standard 4: Chain of Custody; SBP Standard 5: Collection and Communication of Data Instruction; Instruction Document 5E: Collection and Communication of Energy and Carbon Data 1.3	<input type="checkbox"/>
<b>Includes Supply Base Evaluation (SBE):</b>	Yes	<input type="checkbox"/>
<b>Includes communication of Dynamic Batch Sustainability Data (DBSD)</b>	Yes	<input type="checkbox"/>
<b>Includes Group Scheme</b>	No	<input type="checkbox"/>
<b>Products</b>	Pellets	<input type="checkbox"/>

<b>Feedstock types:</b>	Primary, Secondary	<input type="checkbox"/>
<b>Feedstock origin (countries):</b>	United States	<input type="checkbox"/>
<b>SBP-endorsed Regional Risk Assessments used:</b>	Not applicable	<input type="checkbox"/>
<b>Public link:</b> <a href="https://sbp-cert.org/documents/standards-documents/risk-assessments/">https://sbp-cert.org/documents/standards-documents/risk-assessments/</a>		<input type="checkbox"/>
<b>Chain of custody system implemented:</b>	PEFC, FSC: SCS-PEFC/COC-006058 and SCS-COC-006058	<input type="checkbox"/>
	Credit	<input type="checkbox"/>

## 2.1 Description of the company

Fram Renewable Fuels, LLC operates four wood pellet mills in Southeast Georgia, USA, each with their own SBP certificate: Appling County Pellets, LLC (Baxley GA), Hazlehurst Wood Pellets, LLC (Hazlehurst, GA), Telfair Forest Products, LLC (Lumber City, GA), and Archer Forest Products, LLC (Nahunta, GA). All mills receive a combination of secondary mill residuals (e.g., green sawdust, chips) and pre-consumer tertiary residuals (e.g., dry sawdust and dry chips from milling of secondary products) from local forest product mills (e.g., sawmills, engineered forest product mills, pulp, etc.). Hazlehurst Wood Pellets (HWP) also receives primary material in the form of roundwood. Archer Forest Products receives primary material as roundwood or in-woods chips. Since the company has completed a Supply Base Evaluation, all output pellets are considered SBP-compliant.

## 2.2 Detailed description of the Chain of Custody system

As applicable, all material is subject to the organization's COC procedures for sourcing certified and non-certified material. The organization sources material from certified sources under its valid COC certificate(s) per the following systems:  FSC  PEFC and/or  SFI. As applicable, any non-certified sources have been evaluated under the BP's COC Due Diligence System (DDS) or Controlled Wood procedures, as well an  SBE and/or duly approved  Regional Risk Assessment.

### 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 specified SBP Standards are implemented over scope of certification.

If applicable, the following *pre-audit activities* were conducted:  pre-assessment;  site visits  N/A

The following Critical Control Points (CCPs) were identified and evaluated (edit list as appropriate and describe how the organization controls each point and how it was evaluated). Note that you may identify other CCPs for a particular client which you should also describe in the report:

#### CCP

#### Description, including how evaluated by SCS

Review of processes used to identify and assess risk of feedstock suppliers, including use of district of origin assessments and internal audits of suppliers. Prior to delivery, each supplier must be set up in the system after declaring the types of feedstock it may supply and providing information on district of origin. Suppliers include information on tract of origin (if applicable), logging company, and/or trucking company (if different than logging company);

Verification of transportation methods used to deliver feedstock, including observation of trucks and review of delivery tickets;

Receipt and identification of incoming feedstock at the scale house and delivery of feedstock to storage areas:

Processes for procurement and processing, transport and storage

- Review of delivery tickets, scale data, and volume summaries, including information on origin of each feedstock group;

- Interviews with scale house staff on classification of feedstock into primary, secondary, and tertiary feedstock groups, as applicable;

- Observation of feedstock storage areas for green (primary and secondary) and dry (tertiary) feedstock groups.

Loading of green feedstock into drum dryers and mixing with dry feedstock prior to confirm that no further mixing

Volume accounting method	<p>occurs in the manufacturing process.</p> <p>BP adheres to PEFC and FSC rules for the volume credit and credit systems, respectively. Reviewed volume summaries and credit accounts. All feedstock qualifies as controlled material and is classified as low risk per the SBE.</p>
Documentation of transactions	<p>BP uses a database system to record each delivery of feedstock. All feedstock is delivered using the supplier's ticket, which demonstrates the origin of the material. After scaling, a receipt is created for the truck driver and BP. The scaling data is automatically entered into the database.</p>
Energy data collection and reporting	<p>BP has procedures for data collection. Data are typically entered into database systems and extracted to Excel files or directly entered into Excel files. Calculations are made in Excel files, which include instructions to ensure replicability and citations of methods used when necessary.</p>

## 4 Evaluation process

### 4.1 Timing of evaluation activities

<i>Audit Level of Effort (LoE)</i>		
<b>Activity</b>	<b>Auditors</b>	<b>Auditor hours</b>
1. Preparation	Kyle Meister, Shannon Wilks	8,0
2. On-site (excl. travel time)	Kyle Meister, Shannon Wilks	32,0
3. Report writing	Kyle Meister, Shannon Wilks	6,0
4. Other	N/A	N/A

<b>Audit Schedule</b>			
<b>Activity</b>	<b>Location</b>	<b>Auditor name</b>	<b>Date/time</b>
<i>See below</i>	See below	See below	20 Jan 2021/Below

<b>Auditor qualification</b>		
<b>Auditor name</b>	<b>Role</b>	<b>Qualification</b>
Kyle Meister	Lead auditor	Lead SBP auditor, lead FSC, SFI, and PEFC FM & COC auditor



Shannon Wilks	Technical expert	Lead SBP auditor, lead FSC, SFI, and PEFC FM & COC auditor
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## 4.2 Description of evaluation activities

<b>Site Name or Location:</b>	Hazlehurst Production Site: 142 McPherson Drive, Hazlehurst, GA	
<b>Date and Time of Audit:</b>	20 January 2021: opening meeting (9:30 am EST)	
<b>Date and Time of Audit:</b>	4 March 2021: closing meeting (9:30 am EST)	
<b>Audit Activity</b>	<b>Items to Review / Actions</b>	<b>Approx. Time</b>
Opening meeting (MS Teams)	Introductions, auditor review of audit scope, audit plan and intro/update to SBP, FSC, and SCS standards and protocols, client description of organization	60 min
Review of previous nonconformities	Review of evidence of corrective actions taken by organization since previous audit (records, documents, pictures, etc.)	120 min
Review of CoC/SBP procedures, products and material accounting	Written procedures, work instructions, feedstock description (see ID 5B section 4), product group list, accounting system (transfer, percentage or credit; physical separation, percentage method)	60 min
Review of material balances and records	Auditor-selected sample of the following: material tracking system, summary of purchases and sales, invoices, shipping documents, training records, outsourcing agreements, other applicable SBP/CoC systems,	90 min

Verification of calculations	procedures and records, tracebacks from certified outputs to eligible inputs Auditor-selected sample and verification of calculations for conversion factors, percentage claims, and credit accounts, as applicable	90 min
Evaluation of trademarks	Review of auditor-selected sample of SBP/FSC/PEFC and/or SCS on-product and/or promotional trademark uses; review of any on-site trademark uses such as banners, posters, entryway signs	30 min
SBP ST 5	Review of GHG data collection	4.5 hrs.
Remote inspection of facility	Review of physical inputs and outputs, material receipt, processing, storage, credit account (if applicable), sale, and overall control	60 min
Secondary/tertiary supplier interviews	Hazlehurst (2) Secondary Interviews with appropriate number and diversity of staff to assess knowledge of CoC procedures related to their position	Approx. 15 min per call
Staff interviews	Auditor takes time to consolidate notes and review audit findings for presentation at closing meeting	60 min
Closing meeting preparation	Convene with all relevant staff to summarize audit findings, review identified nonconformities, and discuss next steps	30 min
Closing meeting and review of findings (4 March 2021)		

<b>Site Name or Location:</b>	Primary tract visits (Appling, Archer, and Hazlehurst)	
<b>Date and Time of Audit:</b>	3-4 March 2021	
<b>Audit Activity</b>	<b>Items to Review / Actions</b>	<b>Approx. Time</b>
Field orientation	Review of auditing methods, and occupational health & safety measures for onsite visits	2 workdays
Field site visits	Tract inspections: Hazlehurst (2)	

### 4.3 Sampling methodology

Supplier audits Primary supplier FMUs visited: 2 Secondary/Tertiary supplier interviews: 2 secondary Supplier sampling is determined using SBP sampling formulas described or cited in SBP Standard 3. Audit teams ensure to sample across the variety of forest ecosystems and/or feedstocks from which the organization sources, including by selecting different land ownership/management (e.g., small, public, private, etc.), harvesting types (thinning, final harvest), and feedstock type (primary, secondary, tertiary, hardwood, softwood, etc.).

### 4.4 CB stakeholder engagement

SCS relies on its Master Stakeholder List, which contains interested parties such as stakeholders and/or rightsholders 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/territory at the very least, and for this consultation was filtered to omit any interested parties that were not geographically relevant to the certificate holder/applicant's supply base. A notification is sent out to all identified interested parties after the BP's consultation period has ended. Comments from interested parties that are received outside of regular consultation periods are fully considered. Methods used to communicate with interested parties may include, but are not limited to, public, private or semi-private meetings, email, telephone, written correspondence, and/or messaging application.

Consultation that may have been conducted by the BP during the audit period may be described in the BP's SBR. Sometimes, formal and informal consultation may not be documented in the BP's SBR due to confidentiality concerns of interested parties.

The following consultation activities occurred as a part of this audit:

- Consultation has been conducted by SCS Global Services.
- Consultation has been conducted by SCS Global Services, but interested parties did not respond to any communications and/or did not provide permission to include comments in the report.
- No consultation has been conducted by SCS Global Services.

### 4.5 Stakeholder feedback

No stakeholder comments were received before, during or after the evaluation.

## 5 Results

### 5.1 Main strengths and weaknesses

#### Strengths

The BP maintains a well-managed system for gathering, compiling, and reporting Greenhouse Gas data. No traceability issues were found in the Chain of Custody system. Most feedstock inputs are from sawmill residuals that would otherwise be burned as low-grade fuel or even landfilled. The pellets are a value-added product that leads to the creation of direct employment opportunities for transport, manufacturing, and service-sector jobs.

#### Weaknesses

Refer to non-conformities.

### 5.2 Rigour of Supply Base Evaluation

Is the current definition of scope adequate for the specific characteristics of the Supply Base and management systems in place?  Yes  No

Are the means of verification and evidence provided enough to support the risk conclusion?  Yes  No

Are mitigation measures implemented for specified risk sufficient and adequate?  Yes  No  NA, no mitigation measures necessary

Are the personnel involved in the development of the Supply Base Evaluation (SBE) knowledgeable in the required fields?  Yes  No

*Refer to non-conformities for any deficiencies noted in the SBE.*

### 5.3 Collection and communication of data

The collection and communication of data is well organized. The administrator demonstrated good understanding of the relevant information for collection and communication of data and all documents are correctly filled out.

### 5.4 Competency of involved personnel

The BP retained R.S. Berg & Associates, Inc. to prepare its initial SBP Program and Procedures, including conducting the Supply Base Evaluation & Risk Assessment. R.S. Berg & Associates, Inc. has provided consulting assistance to over two hundred and eighty (280) forestry organizations in North America and has conducted over forty (40) independent and internal audits to the FSC, SFI, PEFC and American Tree Farm

System Standards. Resume, Client List and other information is available at the following website:  
<http://www.rsbergassoc.com/>

The BP's management and control systems for SBP are the same as those used to meet the FSC/PEFC Chain of Custody and FSC Controlled Wood requirements, which have been in place since 2013. Key personnel tasked with implementing the BP's management and control systems relating to SBP compliance are well trained and competent, with strengths in markets, silviculture, management, harvesting, and conservation issues. Their knowledge of SBP requirements is strong.

## 6 Review of company's risk assessments

### 6.1 Overview of company's risk assessments and mitigation measures

Refer to SBE risk ratings below. SCS assessed risk for the Indicators by evaluating MOV and evidence cutedin the SBE, and interviews with relevant staff and a sample of suppliers.

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

Risk rating			Risk rating		
Indicator	(Low or Specified)		Indicator	(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	Specified	Specified
1.1.3	Low	Low	2.4.2	Low	Low
1.2.1	Low	Low	2.4.3	Low	Low
1.3.1	Low	Low	2.5.1	Low	Low
1.4.1	Low	Low	2.5.2	Low	Low
1.5.1	Low	Low	2.6.1	Low	Low
1.6.1	Low	Low	2.7.1	Low	Low
2.1.1	Specified	Specified	2.7.2	Low	Low
2.1.2	Specified	Specified	2.7.3	Low	Low
2.1.3	Specified	Specified	2.7.4	Low	Low
2.2.1	Low	Low	2.7.5	Low	Low
2.2.2	Low	Low	2.8.1	Low	Low
2.2.3	Specified	Specified	2.9.1	Low	Low
2.2.4	Specified	Specified	2.9.2	Low	Low
2.2.5	Low	Low	2.10.1	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			

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

Risk rating		Risk rating			
Indicator	(Low or Specified)	Indicator	(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	2.4.2	Low	Low
1.2.1	Low	Low	2.4.3	Low	Low
1.3.1	Low	Low	2.5.1	Low	Low
1.4.1	Low	Low	2.5.2	Low	Low
1.5.1	Low	Low	2.6.1	Low	Low
1.6.1	Low	Low	2.7.1	Low	Low
2.1.1	Low	Low	2.7.2	Low	Low
2.1.2	Low	Low	2.7.3	Low	Low
2.1.3	Low	Low	2.7.4	Low	Low
2.2.1	Low	Low	2.7.5	Low	Low
2.2.2	Low	Low	2.8.1	Low	Low
2.2.3	Low	Low	2.9.1	Low	Low
2.2.4	Low	Low	2.9.2	Low	Low
2.2.5	Low	Low	2.10.1	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			

## 6.2 Specified risk indicators and mitigation measures

Country/Area	Indicator	Specified risk description	Mitigation measure
United States	2.2.1 The BP has implemented appropriate control systems and procedures to verify that feedstock is sourced from forests where there is appropriate assessment of impacts, and	Although there is an FSC US National Risk Assessment, the US does not have an SBP approved regional risk assessment that fully considers all of the indicators. Specified Risk occurs in the Supply Base based on the FSC US National Risk Assessment (NRA). The NRA has concluded that high conservation values are threatened by forest management activities in some areas (Category 3).	Fram's management system includes identification of HCVs/IFLs, pre-verification of Suppliers, Supplier Contracts, the use of trained loggers, regular supplier correspondence and internal audits/monitoring to ensure supplier compliance to 2.1.1. and move this indicator from Specified Risk to Low Risk.

	<p>planning, implementation and monitoring to minimise them.</p>		<p><b>Fram’s Standard Operating Procedures:</b></p> <ul style="list-style-type: none"> <li>· · <b>Pre-verification of fiber supply by the Procurement Manager to determine if the fiber is eligible to be used as feedstock and meets Fram’s sustainability requirements (FSC, PEFC, SBP, EUTR compliant).</b> Each new residual supplier is evaluated prior to purchasing and if the supplier meets the criteria, then a contract is signed. The potential feedstock is evaluated to make sure it is within Fram’s Supply Base Evaluation and assessed against the risks related to forest management activities that might occur in high conservation value forests.</li> <li>· · <b>A written contract between the BP and the Supplier which identifies the legal and sustainability requirements, including use of trained loggers and BMP compliance.</b> Loggers who have been trained have the ability to recognize threatened and endangered species and react accordingly. They are also experts in BMPs which protect biodiversity.</li> <li>· · <b>Identifying incoming raw materials as either “Certified” or FSC/PEFC Controlled Wood.</b> Maintaining FSC/PEFC certification is ongoing evidence that the risk of accepting feedstock from high</li> </ul>
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			<p>conservation value forests is low risk.</p> <ul style="list-style-type: none"> <li>· · <b>Annual supplier correspondence regarding HCVs and other relevant items</b></li> <li>· · <b>Right to audit at the supplier mill or tract level at any time for all types of feedstock.</b></li> <li>· · <b>Monthly BMP compliance inspections on active logging jobs (primary feedstock).</b></li> <li>· · <b>Quarterly District of Origin checks on primary feedstocks.</b></li> <li>· · <b>Internal audits by BP on a subset of secondary/tertiary suppliers related to sourcing area, HCVs, conversion, timber legality, etc.</b> Done annually on a subset of suppliers with higher risk of entering unacceptable material into the supply chain.</li> <li>· · <b>Primary feedstock suppliers encouraged to adopt BMPs for Biomass Harvesting.</b></li> </ul> <p><b>Ability to terminate contracts that don't meet sustainability criteria</b></p>
United States	2.1.2 The BP has implemented appropriate control systems and procedures to identify and	If areas of high conservation value cannot be adequately identified, the management systems or mitigation measures cannot be implemented to reduce risk. Specified Risk occurs in the Supply Base based	Fram's standard operating procedure (SOP) and mitigation measures for FSC/PEFC Controlled Wood in conjunction with a strong framework of

	<p>address potential threats to forests and other areas with high conservation values from forest management activities.</p>	<p>on the FSC US National Risk Assessment (NRA). The NRA has concluded that high conservation values are threatened by forest management activities in some areas (Category 3).</p>	<p>environmental laws, regulations and levels of conservation plus a high level of BMP compliance moves 2.1.2 from Specified Risk to Low Risk.</p> <p>Fram's SOPs include Supplier Contracts, the use of trained loggers, regular supplier correspondence and internal audits/monitoring to ensure supplier compliance to 2.1.2.</p> <p><b>Fram's Standard Operating Procedures include the following Mitigation Measures:</b></p> <ul style="list-style-type: none"> <li>· · <b>Pre-verification of fiber supply by the Procurement Manager to determine if the fiber is eligible to be used as feedstock and meets Fram's sustainability requirements (FSC, PEFC, SBP, EUTR compliant).</b> Each new residual supplier is evaluated prior to purchasing and if the supplier meets the criteria, then a contract is signed. The potential feedstock is evaluated to make sure it is within Fram's Supply Base Evaluation and assessed against the risks related to forest management activities that might occur in high conservation value forests.</li> <li>· · <b>A written contract between the BP and the Supplier which identifies the legal and sustainability requirements, including use of trained loggers and BMP compliance.</b> Loggers who have been trained have the ability to recognize threatened and endangered species and react accordingly.</li> </ul>
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			<p>They are also experts in BMPs which protect biodiversity.</p> <ul style="list-style-type: none"> <li>· · <b>Identifying incoming raw materials as either “Certified” or FSC/PEFC Controlled Wood.</b> Maintaining FSC/PEFC certification is ongoing evidence that the risk of accepting feedstock from high conservation value forests is low risk.</li> <li>· · <b>Annual supplier correspondence regarding HCVs and other relevant items</b></li> <li>· · <b>Right to audit at the supplier mill or tract level at any time for all types of feedstock.</b></li> <li>· · <b>Monthly BMP compliance inspections on active logging jobs (primary feedstock).</b></li> <li>· · <b>Quarterly District of Origin checks on primary feedstocks.</b></li> <li>· · <b>Internal audits by BP on a subset of secondary/tertiary suppliers related to sourcing area, HCVs, conversion, timber legality, etc.</b> Done annually on a sub-set of suppliers with higher risk of entering unacceptable material into the supply chain.</li> <li>· · <b>Primary feedstock suppliers encouraged to adopt BMPs for Biomass Harvesting.</b></li> <li>· · <b>Ability to terminate contracts that don’t meet sustainability criteria</b></li> </ul>
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<p>United States</p>	<p>2.1.3 The BP 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.</p>	<p>Although most conversion occurring in the supply base area is due to urban development, there is a risk of accepting conversion wood without the proper due diligence and mitigation measures in place. Specified Risk occurs in the Supply Base based on the FSC US National Risk Assessment (NRA). The NRA has concluded that high conservation values are threatened by conversion occurring from natural forests being converted to plantation or non-forest use (Category 4).</p>	<p>Fram's standard operating procedure (SOP) and mitigation measures for FSC/PEFC Controlled Wood and Chain of Custody Procedure, in conjunction with a strong framework of environmental laws and regulations related to wetland conversion plus a high level of BMP compliance moves 2.1.3 from Specified Risk to Low Risk.</p> <p>Fram's SOPs include pre-verification of Suppliers, Supplier Contracts, the use of trained loggers, regular supplier correspondence and training, Fram personnel training on conversion wood and internal audits/monitoring to ensure supplier compliance to 2.1.3.</p> <p><b>Fram's Standard Operating Procedures include the following Mitigation Measures:</b></p> <ul style="list-style-type: none"> <li>· · <b>Pre-verification of fiber supply by the Procurement Manager to determine if the fiber is eligible to be used as feedstock and meets Fram's sustainability requirements (FSC, PEFC, SBP, EUTR compliant).</b> Each new residual supplier is evaluated prior to purchasing and if the supplier meets the criteria, then a contract is signed. The potential feedstock is evaluated to make sure it is within Fram's Supply Base Evaluation and assessed against the risks related to forest management activities that might occur in high conservation</li> </ul>
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			<p>value forests.</p> <ul style="list-style-type: none"> <li>· · <b>A written contract between the BP and the Supplier which identifies the legal and sustainability requirements, including use of trained loggers and BMP compliance.</b> Loggers who have been trained have the ability to recognize threatened and endangered species and react accordingly. They are also experts in BMPs which protect biodiversity.</li> <li>· · <b>Identifying incoming raw materials as either “Certified” or FSC/PEFC Controlled Wood.</b> Maintaining FSC/PEFC certification is ongoing evidence that the risk of accepting feedstock from high conservation value forests is low risk.</li> <li>· · <b>Annual supplier correspondence regarding HCVs and other relevant items</b></li> <li>· · <b>Right to audit at the supplier mill or tract level at any time for all types of feedstock.</b></li> <li>· · <b>Monthly BMP compliance inspections on active logging jobs (primary feedstock).</b></li> <li>· · <b>Quarterly District of Origin checks on primary feedstocks.</b></li> <li>· · <b>Internal audits by BP on a subset of secondary/tertiary suppliers related to sourcing area, HCVs, conversion, timber legality, etc.</b> Done annually on a sub-set of</li> </ul>
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			<p>suppliers with higher risk of entering unacceptable material into the supply chain.</p> <ul style="list-style-type: none"> <li>· · <b>Primary feedstock suppliers encouraged to adopt BMPs for Biomass Harvesting.</b></li> <li>· · <b>Ability to terminate contracts that don't meet sustainability criteria</b></li> </ul>
United States	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).	If key ecosystems and habitats are not identified they cannot be conserved or set aside. By partnering with various organizations, this can be achieved. Specified Risk occurs in the Supply Base based on the FSC US National Risk Assessment (NRA). The NRA has concluded that high conservation values are threatened by forest management activities in some areas (Category 3) and there is conversion occurring from natural forests being converted to plantation or non-forest use (Category 4).	<p><b>FSC Mitigation Measures</b></p> <p>Specified Risk</p> <p>Central Appalachian Critical Biodiversity Area (CBA)</p> <p>Southern</p> <p>Mitigation Option Conservation Initiatives. Partnership with AFF to conserve acreage. Activities - altering of forest management regimes including extended rotation, as well as invasive species control and aquatic zone protection. Conservation</p>

			<p>Appalachian CBA</p> <p>Initiatives. Partnership with AFF to conserve acreage. Activities - Activities riparian forest buffer conservation and establishment practices, control of invasive species, mowing, seedling planting and/or other conservation activities. Conservation Initiatives. Partnership with AFF to conserve acreage. Activities - riparian forest buffer conservation and longleaf establishment practices, control of invasive species, mowing, seedling planting and/or other conservation activities.</p> <p>Cape Fear Arch CBA</p> <p>Conservation Initiatives. Partnership with AFF to conserve acreage. Activities - riparian forest buffer conservation and longleaf establishment practices, control of invasive species, mowing, seedling planting and/or other conservation activities.</p> <p>Florida Panhandle CBA</p> <p>Conservation Initiatives. Partnership</p>
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			<p>with AFF to conserve acreage. Activities - Mitigation activities would include altering of forest management regimes including opportunity costs of extended rotation, as well as invasive species control and other potential treatments. Partnership with the Longleaf Alliance to prescribe burn 50,000 acres of natural longleaf stands. Education &amp; Outreach. Partnership with the Longleaf Alliance. Fram is corporate partner. The Alliance sponsors Longleaf Academies which</p>
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			<p>educate landowners and loggers. Avoidance. No suppliers procuring in these counties. Educational partnership with Forest Stewards Guild. Avoidance. No suppliers procuring in these counties. Educational partnership with Forest Stewards Guild.</p> <p>Cheoah Bald Salamander</p>
			<p>Avoidance. No suppliers procuring in these counties. Educational partnership with Forest Stewards Guild. Mapping. Partner with Forest Stewards Guild to map mesophytic cove sites in Sandy Mush. Conservation Initiatives. Partnership with AFF to conserve acreage.</p> <p>Patch-Nosed Salamander</p>
			<p>Activities- Mitigation activities would include altering of forest management regimes including opportunity</p> <p>Mesophytic Cove Sites</p>
			<p>Late Successional Bottomland Hardwoods</p>

			<p>costs of extended rotation, as well as invasive species control and other potential treatments. Conservation Initiatives. Partnership with AFF to conserve acreage. Activities - Longleaf pine establishment activities including herbicide treatment, site preparation burn with firebreaks, containerized seedlings; planting labor; understory burning and other activities.</p> <p>Education and Outreach by partnering with the Longleaf Alliance.</p> <p>Fram's SOPs also include identification of HCVs/IFLs, pre-verification of Suppliers, Supplier Contracts, the use of trained loggers, regular supplier</p>
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			<p>correspondence and internal audits/monitoring to ensure supplier compliance to 2.2.3.</p> <p><b>Fram’s Standard Operating Procedures include the following Mitigation Measures:</b></p> <ul style="list-style-type: none"><li>· · <b>Pre-verification of fiber supply by the Procurement Manager to determine if the fiber is eligible to be used as feedstock and meets Fram’s sustainability requirements (FSC, PEFC, SBP, EUTR compliant).</b> Each new residual supplier is evaluated prior to purchasing and if the supplier meets the criteria, then a contract is signed. The potential feedstock is evaluated to make sure it is within Fram’s Supply Base Evaluation and assessed against the risks related to forest management activities that might occur in high conservation value forests.</li><li>· · <b>A written contract between the BP and the Supplier which identifies the legal and sustainability requirements, including use of trained loggers and BMP compliance.</b> Loggers who have been trained have the ability to recognize threatened and endangered species and react accordingly. They are also experts in BMPs which protect biodiversity.</li><li>· · <b>Identifying incoming raw materials as either “Certified” or FSC/PEFC Controlled Wood.</b> Maintaining FSC/PEFC certification is ongoing evidence</li></ul>
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			<p>that the risk of accepting feedstock from high conservation value forests is low risk.</p> <ul style="list-style-type: none"> <li>· · <b>Annual supplier correspondence regarding HCVs and other relevant items</b></li> <li>· · <b>Right to audit at the supplier mill or tract level at any time for all types of feedstock.</b></li> <li>· · <b>Monthly BMP compliance inspections on active logging jobs (primary feedstock).</b></li> <li>· · <b>Quarterly District of Origin checks on primary feedstocks.</b></li> <li>· · <b>Internal audits by BP on a subset of secondary/tertiary suppliers related to sourcing area, HCVs, conversion, timber legality, etc.</b> Done annually on a sub-set of suppliers with higher risk of entering unacceptable material into the supply chain.</li> <li>· · <b>Primary feedstock suppliers encouraged to adopt BMPs for Biomass Harvesting.</b></li> <li>· · <b>Ability to terminate contracts that don't meet sustainability criteria</b></li> </ul>
United States	2.2.4 The BP has implemented appropriate control systems and procedures to ensure that biodiversity is protected (CPET S5b).	If key ecosystems and habitats are not identified, the appropriate control systems cannot be implemented at the supplier level to protect HCVs which consequently protects biodiversity. In keeping with the FSC US NRA, specified risk has been determined for high conservation value areas and critical biodiversity areas. As part	Fram's SOPs include identification of HCVs/IFLs, pre-verification of Suppliers, Supplier Contracts, the use of trained loggers, regular supplier correspondence and internal audits/monitoring in conjunction with a strong framework of environmental laws, regulations

		<p>of Fram’s FSC/PEFC Controlled Wood Due Diligence Procedure, a management system is in place to address areas with high conservation value forests.</p>	<p>and levels of conservation move 2.2.4. from specified risk to low risk.</p> <p>Mitigation Measures:</p> <ul style="list-style-type: none"> <li>· · <b>Pre-verification of fiber supply by the Procurement Manager to determine if the fiber is eligible to be used as feedstock and meets Fram’s sustainability requirements (FSC, PEFC, SBP, EUTR compliant).</b> Each new residual supplier is evaluated prior to purchasing and if the supplier meets the criteria, then a contract is signed. The potential feedstock is evaluated to make sure it is within Fram’s Supply Base Evaluation and assessed against the risks related to forest management activities that might occur in high conservation value forests.</li> <li>· · <b>A written contract between the BP and the Supplier which identifies the legal and sustainability requirements, including use of trained loggers and BMP compliance.</b> Loggers who have been trained have the ability to recognize threatened and endangered species and react accordingly. They are also experts in BMPs which protect biodiversity.</li> <li>· · <b>Identifying incoming raw materials as either “Certified” or FSC/PEFC Controlled Wood.</b> Maintaining FSC/PEFC certification is ongoing evidence that the risk of accepting</li> </ul>
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			<p>feedstock from high conservation value forests is low risk.</p> <ul style="list-style-type: none"> <li>· · <b>Fram has partnered with the American Forest Foundation, the Longleaf Alliance and the Forest Stewards Guild to help conserve forestland in areas identified as Specified Risk by the FSC US NRA.</b> Various conservation initiatives involve, tree planting, invasive species control, prescribed burning, riparian forest buffers, mapping and other initiatives.</li> <li>· · <b>Annual supplier correspondence regarding HCVs and other relevant items</b></li> <li>· · <b>Right to audit at the supplier mill or tract level at any time for all types of feedstock.</b></li> <li>· · <b>Monthly BMP compliance inspections on active logging jobs (primary feedstock).</b></li> <li>· · <b>Quarterly District of Origin checks on primary feedstocks.</b></li> <li>· · <b>Internal audits by BP on a subset of secondary/tertiary suppliers related to sourcing area, HCVs, conversion, timber legality, etc.</b> Done annually on a sub-set of suppliers with higher risk of entering unacceptable material into the supply chain.</li> <li>· · <b>Primary feedstock suppliers encouraged to adopt BMPs for Biomass Harvesting</b></li> <li>· · <b>Ability to terminate contracts that don't meet</b></li> </ul>
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			<p><b>sustainability criteria.</b></p> <p><b>FSC Mitigation Measures:</b></p> <p>Specified Risk</p> <p>Mitigation Option</p> <p>Conservation Initiatives. Partnership with AFF to conserve acreage. Activities - altering of forest management regimes including extended rotation, as well as invasive species control and aquatic zone protection. Conservation Initiatives. Partnership with AFF to conserve acreage. Activities - Activities riparian forest buffer</p> <p>Central Appalachian Critical Biodiversity Area (CBA)</p> <p>Southern Appalachian CBA</p> <p>conservation and establishment practices, control of invasive species, mowing, seedling planting and/or other</p>
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			<p>conservation activities. Conservation Initiatives. Partnership with AFF to conserve ACREAGE. Activities - riparian forest buffer</p> <p>Cape Fear Arch CBA</p> <p>conservation and longleaf establishment practices, control of invasive species, mowing, seedling planting and/or other conservation activities. Conservation Initiatives. Partnership with AFF to conserve acreage. Activities -</p> <p>Florida Panhandle CBA</p> <p>Mitigation activities would include altering of forest management regimes including opportunity costs of extended rotation, as well as invasive species control and</p>
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			<p>other potential treatments. Partnership with the Longleaf Alliance to prescribe burn 50,000 acres of natural longleaf stands. Education &amp; Outreach. Partnership with the Longleaf Alliance. Fram is corporate partner. The Alliance sponsors Longleaf Academies which educate landowners and loggers. Avoidance. No suppliers procuring in these counties. Educational partnership with Forest Stewards Guild. Avoidance. No suppliers procuring in these counties. Educational partnership</p> <p>Central Florida CBA</p> <p>Cheoah Bald Salamander</p> <p>Patch-Nosed Salamander</p>
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			<p>Mesophytic Cove Sites</p> <p>Late Successional Bottomland Hardwoods</p> <p>Native Longleaf Pine Systems</p> <p>with Forest Stewards Guild. Mapping. Partner with Forest Stewards Guild to map mesophytic cove sites in Sandy Mush. Conservation Initiatives. Partnership with AFF to conserve acreage. Activities- Mitigation activities would include altering of forest management regimes including opportunity costs of extended rotation, as well as invasive species control and other potential treatments. Conservation Initiatives. Partnership with AFF to conserve acreage. Activities - Longleaf pine establishment activities</p>
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			<p>including herbicide treatment, site preparation burn with firebreaks, containerized seedlings; planting labor; understory burning and other activities.</p> <p>Education and Outreach by partnering with the Longleaf Alliance.</p>
United States	2.4.1 The BP 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).	If forest ecosystems that provide key services are not properly maintained or are negatively impacted by harvesting, then forest health, vitality and other services provided by the forest may be negatively impacted without appropriate controls in place by legislation and the BPs management system. In keeping with the FSC US NRA, specified risk has been determined for high conservation value areas and critical biodiversity areas. As part of Fram's FSC/PEFC Controlled Wood Due Diligence Procedure, a management system is in place to address areas with high conservation value forests.	<p>Fram's management systems and mitigation measures for FSC/PEFC Controlled Wood in conjunction with a strong framework of environmental laws, regulations and conservation and a high level of BMP compliance moves 2.4.1 from Specified Risk to Low Risk</p> <p>Fram's SOPs include Supplier Contracts, the use of trained loggers, regular supplier correspondence and internal audits/monitoring to ensure supplier compliance to 2.4.1. Fram has also partnered with the American Forest Foundation, the Longleaf Alliance and the Forest Stewards Guild to implement various conservation initiatives.</p>

			<p><b>Fram’s Standard Operating Procedures include the following Mitigation Measures:</b></p> <ul style="list-style-type: none"><li>· · <b>Pre-verification of fiber supply by the Procurement Manager to determine if the fiber is eligible to be used as feedstock and meets Fram’s sustainability requirements (FSC, PEFC, SBP, EUTR compliant).</b> Each new residual supplier is evaluated prior to purchasing and if the supplier meets the criteria, then a contract is signed. The potential feedstock is evaluated to make sure it is within Fram’s Supply Base Evaluation and assessed against the risks related to forest management activities that might occur in high conservation value forests.</li><li>· · <b>A written contract between the BP and the Supplier which identifies the legal and sustainability requirements, including use of trained loggers and BMP compliance.</b> Loggers who have been trained have the ability to recognize threatened and endangered species and react accordingly. They are also experts in BMPs which protect biodiversity.</li><li>· · <b>Identifying incoming raw materials as either “Certified” or FSC/PEFC Controlled Wood.</b> Maintaining FSC/PEFC certification is ongoing evidence that the risk of accepting feedstock from high conservation value forests is low</li></ul>
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			<p>risk.</p> <ul style="list-style-type: none"><li>· · <b>Annual supplier correspondence regarding HCVs and other relevant items</b></li> <li>· · <b>Right to audit at the supplier mill or tract level at any time for all types of feedstock.</b></li> <li>· · <b>Monthly BMP compliance inspections on active logging jobs (primary feedstock).</b></li> <li>· · <b>Quarterly District of Origin checks on primary feedstocks.</b></li> <li>· · <b>Internal audits by BP on a subset of secondary/tertiary suppliers related to sourcing area, HCVs, conversion, timber legality, etc.</b> Done annually on a sub-set of suppliers with higher risk of entering unacceptable material into the supply chain.</li> <li>· · <b>Primary feedstock suppliers encouraged to adopt BMPs for Biomass Harvesting.</b></li> <li>· · <b>Ability to terminate contracts that don't meet sustainability criteria</b></li></ul>
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## 7 Non-conformities and observations

NC number NC-000096	NC Grading: Minor
<b>Standard:</b>	Instruction Document 5E: Collection and Communication of Energy and Carbon Data 1.3
<b>Requirement:</b>	6.2.2 The BP must inform its CB when a significant change in the operations occurs, resulting in a variation of electricity use or fossil fuel use greater than 25%. Examples may result from a change of production process, a plant refurbishment after an incident, a major change in feedstock used (e.g. use of logs instead of saw mill residues), change of fuel for drying (e.g. fossil fuel instead of biomass) etc. In that case, a new audit shall be required as soon as stable operations have been reached during three (3) consecutive months after the change has occurred.
<b>Description of Non-conformance and Related Evidence:</b>	
<p>The Hazlehurst site was shut down and being upgraded during much of 2020, which resulted in engineering values being used in the SAR. However, the BP did not inform SCS of the shutdown, which qualifies as a &gt;25% change. While the BP detected an internal NCR related to this matter for another of its pellet mills (Archer), the NCR did not include Hazlehurst. It is noted that the BP included details of the shutdown and upgrade in the 2019 SAR in Section 1.2, specifically that the plant would be upgraded in Q1/Q2 of 2020. COVID-19 and other issues led to delays. Evidence: 2019 SAR, interviews with staff, remote inspection of pellet 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>	N/A
<b>Findings for Evaluation of Evidence:</b>	N/A
<b>NC Status:</b>	Open

## 8 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>	Theodore Brauer
<b>Date of decision:</b>	12 May 2021
<b>Other comments:</b>	N/A