



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

Fourth Surveillance Audit

www.sbp-cert.org



The promise of good biomass



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

© Copyright The Sustainable Biomass Program Limited 2018

Table of Contents

1	Overview
2	Scope of the evaluation and SBP certificate
3	Specific objective
4	SBP Standards utilised
4.1	SBP Standards utilised
4.2	SBP-endorsed Regional Risk Assessment
5	Description of Company, Supply Base and Forest Management
5.1	Description of Company
5.2	Description of Company's Supply Base
5.3	Detailed description of Supply Base
5.4	Chain of Custody system
6	Evaluation process
6.1	Timing of evaluation activities
6.2	Description of evaluation activities
6.3	Process for consultation with stakeholders
7	Results
7.1	Main strengths and weaknesses
7.2	Rigour of Supply Base Evaluation
7.3	Compilation of data on Greenhouse Gas emissions
7.4	Competency of involved personnel
7.5	Stakeholder feedback
7.6	Preconditions
8	Review of Company's Risk Assessments
9	Review of Company's mitigation measures
10	Non-conformities and observations
11	Certification recommendation

1 Overview

CB Name and contact: SCS Global Services, 2000 Powell St. Ste 600 Emeryville, CA 94608

Primary contact for SBP: Theodore Brauer

Current report completion date: 15/Dec/2020

Report authors: Tucker Watts

Name of the Company: Highland Pellets, LLC

Company contact for SBP: Ellen Kincaid, Sustainability Manager.

Certified Supply Base: Selected Counties in the states of Arkansas and Louisiana

SBP Certificate Code: SBP-04-14

Date of certificate issue: 13/Nov/2017

Date of certificate expiry: 23/May/2022

This report relates to the Fourth Surveillance Audit

2 Scope of the evaluation and SBP certificate

This certificate covers the production of wood pellets and rail transport to the Port of Baton Rouge, LA. It also covers a Supply Base Evaluation for the sourcing of feedstock from Arkansas and 25 parishes in Louisiana. The scope does not include the communication of Dynamic Batch Sustainability Data.

3 Specific objective

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

The following critical control points were identified and evaluated:

- Processes for procurement and processing, transport and storage
- Volume accounting method
- Documentation of transactions
- Energy data collection and reporting

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

N/A

5 Description of Company, Supply Base and Forest Management

5.1 Description of Company

Highland Pellets LLC's wood pellet production plant is located in Pine Bluff, Arkansas, USA. Highland Pellets LLC owns all wood and fiber inputs, owns and manages the pellet manufacturing facility and owns and sells the finished wood pellets to customers in Europe.

The Pine Bluff facility sources from a largely rural area where forestry and agriculture are the primary sources of income for workers, the local communities and the tax base. The supply base consists of upland pine forests in the Ozarks, Ouachita Mountains, Upper West Gulf Coastal Plain, West Gulf Coastal Plain and the Mississippi River Alluvial Plain Regions.

This audit project includes the fourth Surveillance Audit of Highland Pellets, LLC. During the past year a refitting of the plant has been conducted and no operations have been conducted. No feedstock has been purchased. Sales have been of the remaining pellets produced prior to shutdown. Documentation for the energy usage is based on engineering estimates. Feedstock volumes are based on estimates by the Procurement Manager and consultants.

The SBE and RA encompass Arkansas and Northern Louisiana for conifer roundwood, and hardwood and pine residual sawmill inputs. Highland Pellets LLC pellet mill is an important market for low grade and low valued wood and fiber products. This otherwise low valued and marginal material contributes to the increased use of renewable energy and serves to mitigate greenhouse gas emissions and potential climate change.

Highland Pellets LLC does not own forest land and does not have decision making authority over what forests to harvest and is not engaged in harvesting or forest management activities. Highland Pellets LLC can indirectly influence forest management but cannot directly control landowner decisions and how the forests are managed and how they are harvested.

5.2 Description of Company's Supply Base

Highland Pellets LLC's wood pellet production plant is located in Pine Bluff, Arkansas, USA. Highland Pellets LLC owns all wood and fiber inputs, owns and manages the pellet manufacturing facility and owns and sells the finished wood pellets to customers in Europe.

The Pine Bluff facility sources from a largely rural area where forestry and agriculture are the primary sources of income for workers, the local communities and the tax base. The supply base consists of upland pine forests in the Ozarks, Ouachita Mountains, Upper West Gulf Coastal Plain, West Gulf Coastal Plain and the Mississippi River Alluvial Plain Regions. A map of the procurement area is included in the Supply Base Report (SBR), Annex 1 and is available upon request.

The SBE and RA encompass Arkansas and Northern Louisiana for conifer roundwood, and hardwood and pine residual sawmill inputs. Highland Pellets LLC pellet mill is an important market for low grade and low

valued wood and fiber products. This otherwise low valued and marginal material contributes to the increased use of renewable energy and serves to mitigate greenhouse gas emissions and potential climate change.

Highland Pellets LLC does not own forest land and does not have decision making authority over what forests to harvest and is not engaged in the harvesting or forest management activities. Highland Pellets LLC can indirectly influence forest management but cannot directly control landowner decisions and how the forests are managed and how they are harvested.

Land management and harvesting decisions are made by private industrial and family forest owners in the context of U.S. Federal and State laws, regulations and State administered Best Management Practices for water quality and beneficial use protection. It is important that approximately 50-60% of the current wood inputs originate from SFI Forest Management certified forests. The SFI Forest Management Standard is recognized by the SBP as an acceptable and endorsed Standard and those inputs are considered SBP-Compliant Feedstock.

The States of Arkansas and Louisiana have large and well-funded State Forestry Commission and Dept. of Agriculture & Forestry that administer a comprehensive set of programs including: landowner outreach and extension, forest inventory and analysis, forest fire and pest prevention, BMP implementation and monitoring, smoke management planning and scheduling, forest resource and wildlife assessments and action plans, and other forest sustainability programs. State and Federal programs and regulations provide a safety-net of policies and procedures that help ensure the sustainability of the forest resource.

Highland Pellets LLC's influence is through policies, supply agreements and periodic monitoring of suppliers. Wood pellets provide an important market for low valued wood products that improves forest health conditions, minimizes fuels that contribute to wildfire, reduces site preparation costs, facilitates prompt reforestation and establishment of forest cover and provides the landowner and investors with an economic incentive to keep their land in forest production.

The State-wide forest resource assessments have identified development pressure as one of the major threats to the forest resource. A viable forest products industry and demand for wood products is the best defence against the loss of forest cover.

All fiber material is sourced according to the Sustainable Forestry Initiative (SFI), Forest Stewardship Council (FSC) and PEFC Chain of Custody & Controlled Wood. Additional and more specific requirements represent Locally Applicable Verifiers (LAVs) under the SBP scheme. The additional SBE addresses each of the Biomass Feedstock Indicators contained in Standard # 1, documents the Objective Evidence of Conformance, and assigns each Indicator with the appropriate "Risk" rating. All material is covered by Highland Pellets LLC's Supply Base Evaluation and are SBP Compliant.

Highland Pellets LLC has not modified or adjusted the SBP Indicators contained in Standard # 1. Highland Pellets LLC is, in all cases, one or more contracts removed from the Forest Management Unit (FMU). The Locally Applicable Verifiers or evidence of conformance have been developed to meet the requirements of Federal and State laws, State BMPs, and the requirements of the SFI, FSC and PEFC Standards. The verifiers contained in the SBE represent objective evidence of conformance that can be audited by an independent Certification Bodies accredited to conduct audits to the above Standards. Independent audits involve stakeholder consultations and provide feedback that the verifiers are appropriate and acceptable evidence of conformance to the SFI, FSC, PEFC and SBP Standards.

In addition to the SBP Standards, certification has been achieved to the SFI Fiber Sourcing, Section 3 (2015-2019), FSC and PEFC Chain of Custody and Controlled Wood/Due Diligence System Standards. The conclusion from the SFI/FSC/PEFC Risk Assessments is Low Risk of sourcing from uncontrolled/controversial sources. These complimentary certifications help to ensure "Low Risk" of sourcing controversial or uncontrolled wood and fiber under the SBP Standard as well.

The company's existing Standard Operating Procedures (SOPs) and "Master Wood Purchase Agreements" contribute to the finding of Low Risk for all Standard # 1 Indicators. Mitigation has been conducted for Specified Risk areas to move them to Low Risk. Thus, all wood pellet outputs are considered "SBP-compliant Biomass" and "EUTR-compliant Biomass."

Highland Pellets LLC does not utilize feedstock from any CITES species within the procurement region. No longleaf pine and Cypress trees that may be considered controversial are sourced. The pellet manufacturing process at the Pine Bluff mill cannot currently accept and use hardwood logs as feedstock. The scope includes the use of hardwood residual secondary feedstock, sourced from regional sawmills within the supply base. Upland planted forests of loblolly and shortleaf pine thinning, tops and other forest and mill residuals are the main species sources. A list of all sourced species is contained in the Tree Species Master List.

5.3 Detailed description of Supply Base

- a. Total Supply Base area (ha): 10.78 million ha cumulative area of all forest types in supply base
- b. Tenure by type (ha):
 - Privately owned – 100%
 - Public – 0%
 - Community Concession – de minimis
- c. Forest by type (ha): 10.78 million ha Temperate
- d. Forest by management type (ha):
 - Managed Semi-Natural or Natural – 10.78 million ha
- e. Certified forest in Arkansas and Louisiana by scheme (ha):
 - Sustainable Forestry Initiative – 2.26 million ha / 21%
 - American Tree Farm System – 1.09 million ha / 10%
 - Forest Stewardship Council - 0.51 million ha / 5%

Certified Forest Content inputs are documented and tracked back to specific certified forests. Uptake of forest management certification by landowners has been very high and approximately 70-80% of inputs are from SFI Certified Forests. Uptake of Chain of custody certification by pine sawmills has been slow to develop and few, if any, are FSC/PEFC Chain of Custody certified. All fiber material is scoped within the FSC/PEFC Controlled Wood Risk Assessment and is considered Low Risk of coming from controversial sources and is considered "controlled material."

5.4 Chain of Custody system

The Company is FSC/PEFC Chain of Custody certified and has used the management and control systems required for these certifications to implement the SBP program. The CoC certificates are for a single site. Pellets are manufactured at the facility and railed to the Port in Baton Rouge, LA. Ownership of the pellets transfers to another entity when the rail cars are weighed at the port.

6 Evaluation process

6.1 Timing of evaluation activities

Site Name or Location:	<i>Highland Pellet Plant, Pine Bluff, AR</i>	
Date and Time of Audit:	<i>Monday, December 14, 2020 @ 10:30 AM CST</i>	
Audit Activity	Items to Review / Actions	Approx. Start Time
Opening meeting	Introductions, auditor review of audit scope, audit plan and intro/update to FSC/PEFC/SFI and SCS standards and protocols, client description of organization.	10:30 AM
Audit of SFI Fiber Sourcing Standard	SFI Program Review (SFI 2015-2019 Fiber Sourcing Standard) Objectives 1 to 10 Requirements for Fiber Sourcing Standard 2. Adherence to Best Management Practices 4. Legal & Regulatory Compliance 5. Forest Research, Science & Technology 9. Communication & Public Reporting 10. Management Review & Continual Improvement	11:00 AM
Audit of SFI Certified Sourcing Standard	SFI Certified Sourcing: Review of Procedures for SFI 2015-2019 Fiber Sourcing Standard, Appendix 1, and supplier deliveries and certifications	12:30 PM
	Lunch	1:00 PM
Audit of FSC Controlled Wood and Supply Base Evaluation	FSC-STD-40-005, US National Risk Assessment, Mitigation Steps, Supply Base Evaluation. Review development, implementation, and mitigation.	2:00 PM
Summary of day and review of findings	Virtually convene with all relevant staff to summarize findings, review identified nonconformities, and discuss next day.	4:30 PM
Site Name or Location:	<i>Highland Pellet Plant, Pine Bluff, AR</i>	
Date and Time of Audit:	<i>Tuesday, December 15, 2020 @ 10:30 AM CST</i>	
Beginning of Day	Review plan for day. Begin audit.	10:30 AM

	Audit of FSC/PEFC Chain of Custody and SBP Standard 4	
Review of CoC procedures, products, and material accounting	Written procedures, work instructions, product group list, accounting system (transfer, percentage, or credit; physical separation, percentage method).	10:45 AM
Verification of calculations	Auditor-selected sample and verification of calculations for conversion factors, percentage claims, and credit accounts, as applicable.	11:30 AM
Evaluation of trademarks	Review of auditor-selected sample of SFI/FSC/PEFC and/or SCS on-product and/or promotional trademark uses.	12:30 PM
	Lunch	1:00 PM
Virtual walkthrough of facility & staff interviews	Use of Information Communication Technology (ICT) to review physical inputs and outputs, material receipt, processing, storage, credit account (if applicable), sale, and overall control; review of any on-site trademark uses such as banners, posters, entryway signs. Use of ICT to conduct interviews with appropriate number and diversity of staff to assess knowledge of CoC procedures related to their position.	2:00 PM
Review of SBP Standard 2 and Standard 5	Review of system procedures, determination of origin, complaint process, and reporting of the Supply Base Report, and Supply Base Evaluation. Calculations for GHG, and development of SAR will also be reviewed.	3:00 PM
Summary of day and review of findings	Virtually convene with all relevant staff to summarize findings, review identified nonconformities, and discuss next day.	5:00 PM
Closing meeting and review of findings	Virtually convene with all relevant staff to summarize audit findings, review identified nonconformities, and discuss next steps.	5:15 PM
End		

6.2 Description of evaluation activities

SCS Global Services initiated the SBP audit process with a planning call to confirm the scope of the audit, once the organization identified their Surveillance Audit Scope. SCS then prepared an audit plan and conducted the SBP Surveillance Audit of conformance to the SBP Standards. The next Re-certification Audit is scheduled for mid-December, 2021.

Stakeholder consultation was not required. No comments have been received.

6.3 Process for consultation with stakeholders

SCS relies on its Master Stakeholder List, which contains stakeholders that are identified by type, e.g. ENGO, Government/regulatory, Educational/Academic, Industry, Indigenous/Aboriginal/Tribal, 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. A stakeholder notification is sent out to all identified stakeholders after the BP's stakeholder consultation period has ended. Stakeholder comments that are received outside of regular stakeholder consultation periods are fully considered.

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.

7 Results

7.1 Main strengths and weaknesses

The Company is certified to the FSC/PEFC Chain of Custody Standards, the FSC Controlled Wood and PEFC Controlled Sourcing Standards and the SFI Fiber Sourcing Standard. Accordingly, it has developed and refined its procedures to enable it to track fiber from the district of origin and throughout the supply system and manufacturing process.

Strengths include the ability to track input material back to the stump. The Company's defined supply basin extends well beyond the normally accepted haul radii for its mill to ensure the district of origin of the fiber is within the supply basin. The Company has exhibited a strong corporate commitment to source fiber sustainably. For other findings please refer to section 11.

7.2 Rigour of Supply Base Evaluation

The Company has conducted a rigorous Supply Base Evaluation. Highland Pellets does not accept any pure hardwood stands, the only location that Late Successional Bottomland Hardwoods can grow. All hardwood inclusion results from mixed stands, primarily softwood with natural hardwood growth. However, further control measures to exclude any Late Successional Bottomland Hardwoods and educate landowners on best management practices have been implemented. The below paragraphs summarize the measures that Highland Pellets is taking to negate this risk.

The FSC NRA requires the implementation of one of five listed control measure option from the result of the July 2018 Atlanta meeting. Highland Pellets has implemented a low level of risk mitigation as defined by the FSC NRA V1.0. This is because the Highland Pellets procures from less than 25% of the specified risk area, the AAF level of Highland Pellets is low (level 4), and less than 1% of the total feedstock procured by Highland Pellets has the potential to include Late Successional Bottomland Hardwoods. Highland Pellets has implemented the Education and Outreach control measure. Outreach followed by education is sent to all suppliers annually and encouraged to be passed along to all interested parties and landowners.

Highland Pellet's also conducts regular BMP checks and tracks the BMP implementation from all primary feedstock. These BMP checks ensure that all precautions are taken to reduce the negative environmental impacts and that all ecosystems are protected. The contract between Highland Pellet's and its supplier allows the company to reject any material that is not compliant with Highland Pellet's sustainability requirements.

Finally, Highland Pellets communicates directly with secondary suppliers who may supply hardwoods a) what Late Successional Bottomland Hardwoods are, b) proper management and harvesting techniques for Late Successional Bottomland Hardwoods, c) What will happen if proper management and harvesting techniques are not followed, i.e. Highland Pellets will reject the material.

Highland Pellets will monitor the effectiveness of the control measure through follow up with suppliers and landowners to understand how the information packet is used; whether they received it, read it, and

forwarded it on to their suppliers. The monitoring will be done by receiving confirmation through supplier declaration and a follow up conversation with suppliers.

This Mitigation Measure affects the following Indicators from Standard 1: Feedstock Compliance Standards: 2.1.1, 2.1.2, 2.2.3, 2.2.4, and 2.4.1.

In addition, the Company has chosen to define the geographical scope of the SBE to extend well beyond the normally accepted haul radii for mill to ensure the district of origin of the fiber is within the supply basin.

Due to the refitting of the plant, feedstock has not been purchased during the past 12 months. Action steps are in place to begin receiving feedstock.

7.3 Collection and Communication of Data

The company's effort to provide comprehensive and reliable data for energy calculation is adequate and the organization provides data in a clear way in well maintained databases. SAR has been submitted to SBP for approval and has received it.

Due to the refitting of the plant, no energy has been used for pellet production. Energy data is currently based on engineering estimates.

7.4 Competency of involved personnel

The SBE was performed by Scott Berg of RS BERG Associates, a well-known Forestry Program Certification Consulting company, in consultation with key Company employees and Weyerhaeuser Services personnel.

Mr. Berg 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. Mr. Berg also provided SBP certification consulting services to various biomass producers.

The management team consists of Rob McKenzie, Managing Director Highland Pellets, Ellen Kincaid, Sustainability Manager and Jody Doak Plant Manager.

7.5 Stakeholder feedback

Stakeholder consultation was not required for audit. No comments have been received by stakeholders.

7.6 Preconditions

No preconditions.

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.

Highland Pellets does not accept any pure hardwood stands, the only location that Late Successional Bottomland Hardwoods can grow. All hardwood inclusion results from mixed stands, primarily softwood with natural hardwood growth. However, further control measures to exclude any Late Successional Bottomland Hardwoods and educate landowners on best management practices have been implemented. The below paragraphs summarize the measures that Highland Pellets is taking to negate this risk.

The FSC NRA requires the implementation of one of five listed control measure option from the result of the July 2018 Atlanta meeting. Highland Pellets is will implement a low level of risk mitigation as defined by the FSC NRA V1.0. This is because the Highland Pellets procures from less than 25% of the specified risk area, the AAF level of Highland Pellets is low (level 4), and less than 1% of the total feedstock procured by Highland Pellets has the potential to include Late Successional Bottomland Hardwoods. Highland Pellets has implemented the Education and Outreach control measure. Outreach followed by education is sent to all suppliers annually and encouraged to be passed along to all interested parties and landowners.

Highland Pellet's also conducts regular BMP checks and tracts the BMP implementation from all primary feedstock. These BMP checks ensure that all precautions are taken to reduce the negative environmental impacts and that all ecosystems are protected. The contract between Highland Pellet's and its supplier allows the company to reject any material that is not compliant with Highland Pellet's sustainability requirements.

Finally, Highland Pellets communicates directly with secondary suppliers who may supply hardwoods a) what Late Successional Bottomland Hardwoods are, b) proper management and harvesting techniques for Late Successional Bottomland Hardwoods, c) What will happen if proper management and harvesting techniques are not followed, i.e. Highland Pellets will reject the material.

Highland Pellets will monitor the effectiveness of the control measure through follow up with suppliers and landowners to understand how the information packet is used; whether they received it, read it, and forwarded it on to their suppliers. The monitoring will be done by receiving confirmation through supplier declaration and a follow up conversation with suppliers.

This Mitigation Measure affects the following Indicators from Standard 1: Feedstock Compliance Standards:

2.1.1, 2.1.2, 2.2.3, 2.2.4, and 2.4.1.

Due to the refitting of the plant, feedstock has not been purchased during the past 12 months. Action steps are in place to begin receiving feedstock

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	Specified	Specified
2.1.2	Specified	Specified
2.1.3	Low	Low
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
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	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

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

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

1.6.1	Low	Low
2.1.1	Low	Low
2.1.2	Low	Low
2.1.3	Low	Low
2.2.1	Low	Low
2.2.2	Low	Low
2.2.3	Low	Low
2.2.4	Low	Low
2.2.5	Low	Low
2.2.6	Low	Low
2.2.7	Low	Low
2.2.8	Low	Low
2.2.9	Low	Low
2.3.1	Low	Low
2.3.2	Low	Low

2.7.1	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

Mitigation measures have been implemented to ensure Highland Pellets do not procure hardwoods from areas of specified risk such as Bottomland Hardwoods. See section 13 of the Supply Base Report (2019 exp) for updates on procurement procedures, and mitigation measures.

Field verification of mitigation measures will be conducted in 2021 at the next annual surveillance audit following the re-start of the plant.

Highland Pellets does not accept any pure hardwood stands, the only location that Late Successional Bottomland Hardwoods can grow. All hardwood inclusion results from mixed stands, primarily softwood with natural hardwood growth. However, further control measures to exclude any Late Successional Bottomland Hardwoods and educate landowners on best management practices have been implemented. The below paragraphs summarize the measures that Highland Pellets is taking to negate this risk.

The FSC NRA requires the implementation of one of five listed control measure option from the result of the July 2018 Atlanta meeting. Highland Pellets is will implement a low level of risk mitigation as defined by the FSC NRA V1.0. This is because the Highland Pellets procures from less than 25% of the specified risk area, the AAF level of Highland Pellets is low (level 4), and less than 1% of the total feedstock procured by Highland Pellets has the potential to include Late Successional Bottomland Hardwoods. Highland Pellets has implemented the Education and Outreach control measure. Outreach followed by education is sent to all suppliers annually and encouraged to be passed along to all interested parties and landowners.

Highland Pellet's also conducts regular BMP checks and tracts the BMP implementation from all primary feedstock. These BMP checks ensure that all precautions are taken to reduce the negative environmental impacts and that all ecosystems are protected. The contract between Highland Pellet's and its supplier allows the company to reject any material that is not compliant with Highland Pellet's sustainability requirements.

Finally, Highland Pellets communicates directly with secondary suppliers who may supply hardwoods a) what Late Successional Bottomland Hardwoods are, b) proper management and harvesting techniques for Late Successional Bottomland Hardwoods, c) What will happen if proper management and harvesting techniques are not followed, i.e. Highland Pellets will reject the material.

Highland Pellets will monitor the effectiveness of the control measure through follow up with suppliers and landowners to understand how the information packet is used; whether they received it, read it, and forwarded it on to their suppliers. The monitoring will be done by receiving confirmation through supplier declaration and a follow up conversation with suppliers.

This Mitigation Measure affects the following Indicators from Standard 1: Feedstock Compliance Standards:

2.1.1, 2.1.2, 2.2.3, 2.2.4, and 2.4.1.

Mitigation measures are evaluated through annual internal audits and monitoring of suppliers

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.*

2019 Non-conformities and observations

Scheme :	<input type="checkbox"/> FSC	<input type="checkbox"/> PEFC	<input checked="" type="checkbox"/> Other: SBP	Site issued to:	CAR/OBS Number : 1.																	
Original Grade:	<input type="checkbox"/> Major CAR	<input checked="" type="checkbox"/> Minor CAR	<input type="checkbox"/> <i>Observation – Response is optional</i>																			
Current Status:	Deadline for Corrective Action by Certificate Holder:																					
<input type="checkbox"/> Open	<input type="checkbox"/> Precondition to (re)certification	<input type="checkbox"/> 3 months	<input checked="" type="checkbox"/> 12 months or next audit	<input type="checkbox"/> Other:																		
<input type="checkbox"/> Upgraded (Minor to Major)*	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 15%;">New Deadline:</td> <td colspan="4"></td> </tr> <tr> <td>SCS Representative and Title:</td> <td colspan="3"></td> <td>Date Upgraded:</td> <td></td> </tr> <tr> <td><input checked="" type="checkbox"/> Closed*</td> <td>SCS Representative and Title:</td> <td colspan="3"></td> <td>Date Closed:</td> </tr> </table>					New Deadline:					SCS Representative and Title:				Date Upgraded:		<input checked="" type="checkbox"/> Closed*	SCS Representative and Title:				Date Closed:
New Deadline:																						
SCS Representative and Title:				Date Upgraded:																		
<input checked="" type="checkbox"/> Closed*	SCS Representative and Title:				Date Closed:																	
* See review section below for explanation of status																						
Primary Standard Reference:	Standard 2 section 16.4																					
Other applicable references:																						
Description of Nonconformance or Observation (please type below)																						
Organization has implemented control measures to reduce the risks in 2.1.1, 2.1.2, 2.2.3, 2.2.4 and 2.4.1 to low, however did not provide evidence of a monitoring plan to assessment effectiveness and implementation by suppliers.																						
Evidence of Nonconformance (please type below)																						
SBR																						

Client must complete this section of the form electronically and return by email with evidence attached

Describe the action(s) taken to resolve this nonconformance / observation and prevent reoccurrence:

The procedures for the monitoring plan of the mitigation measure was altered. Below is the mitigation measure for 2.1.1, 2.1.2, 2.2.3, 2.2.4, and 2.4.1. Refer to last paragraph for monitoring language.

The only Specified Risk that falls into the Highland Pellets supply base is for Late Successional Bottomland Hardwoods.

The FSC NRA requires the implementation of one of five listed control measure option from the result of the July 2018 Atlanta meeting. Highland Pellets will implement a low level of risk mitigation as defined by the FSC NRA V1.0. This is because the Highland Pellets procures from less than 25% of the specified risk area and the AAF level of Highland Pellets is low (level 4). Highland Pellets is implementing the Education and Outreach control measure. Outreach followed by education will be sent to all suppliers annually and encouraged to be passed along to all interested parties and landowners.

The contract between Highland Pellet's and its supplier allows the company to reject any material that is not compliant with Highland Pellet's sustainability requirements. Highland Pellets communicates directly with secondary suppliers who may supply hardwoods on several issues: a) what Late Successional Bottomland Hardwoods are, b) proper management and harvesting techniques for Late Successional Bottomland Hardwoods, c) What will happen if proper management and harvesting techniques are not followed, i.e. Highland Pellets will reject the material.

Highland Pellets will monitor the effectiveness of the control measure through follow up with suppliers and landowners to understand how the information packet is used; whether they received it, read it, and forwarded it on to their suppliers. The monitoring will be done by receiving confirmation through supplier declaration and a follow up conversation with suppliers.

Company Representative Name and Title: *(no signature necessary)*

Date:

Ellen Kincaid, Sustainability Manager

October 23, 2020

SCS to complete this section upon review of CAR evidence

SCS Review of Corrective Action:

Date	Initials	Findings <i>(Describe in detail)</i>
12/15/20	JTW	Highland Pellets has been rebuilding their pellet mill since the last audit. No feedstock has been purchased during 2020. Purchasing is expected to begin in April 2021. They have begun contacting with suppliers to delivery feedstock when the plant re-opens. A monitoring plan to assessment effectiveness and implementation by suppliers has been developed. It is being implemented as suppliers are contracted to supply feedstock. Witnessed information packet and supplier declaration for suppliers. CAR closed.

Press 'Tab' in last box to add additional rows as necessary

Press Enter once below table to leave a space, then copy and paste this table below for each additional CAR/OBS; CAR/OBS number is automatic

Scheme :	<input type="checkbox"/> FSC	<input type="checkbox"/> PEFC	<input checked="" type="checkbox"/> Other: SBP	Site issued to:	CAR/BS Number : 2.																	
Original Grade:	<input type="checkbox"/> Major CAR	<input checked="" type="checkbox"/> Minor CAR	<input type="checkbox"/> <i>Observation – Response is optional</i>																			
Current Status:	Deadline for Corrective Action by Certificate Holder:																					
<input type="checkbox"/> Open	<input type="checkbox"/> Precondition to (re)certification	<input type="checkbox"/> 3 months	<input checked="" type="checkbox"/> 12 months or next audit	<input type="checkbox"/> Other:																		
<input type="checkbox"/> Upgraded (Minor to Major)*	<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td style="width:15%;">New Deadline:</td> <td colspan="4"></td> </tr> <tr> <td>SCS Representative and Title:</td> <td colspan="3"></td> <td>Date Upgraded:</td> <td></td> </tr> <tr> <td><input checked="" type="checkbox"/> Closed*</td> <td>SCS Representative and Title:</td> <td colspan="3"></td> <td>Date Closed:</td> </tr> </table>					New Deadline:					SCS Representative and Title:				Date Upgraded:		<input checked="" type="checkbox"/> Closed*	SCS Representative and Title:				Date Closed:
New Deadline:																						
SCS Representative and Title:				Date Upgraded:																		
<input checked="" type="checkbox"/> Closed*	SCS Representative and Title:				Date Closed:																	

* See review section below for explanation of status

Primary Standard Reference:	Standard 1 section 2.7
Other applicable references:	
Description of Nonconformance or Observation (please type below)	
<p>Organization has not detailed how the use of BMPs is used to conclude low risk for indicators 2.2.2, 2.2.5, 2.2.6, 2.9.1. The company cites appropriate sources for BMP implementation, however does not describe how the implementation of BMP reduces the risk of not meeting the criteria by not mentioning what the BMPs consist of and how the practices ensure conformance to the indicator during harvesting. For 2.9.1, the BP has not stated how they assessed that they are not sourcing from areas that were carbon rich before January 2008, but are not anymore.</p>	
Evidence of Nonconformance (please type below)	
SBR Annex I	

Client must complete this section of the form electronically and return by email with evidence attached

Describe the action(s) taken to resolve this nonconformance / observation and prevent reoccurrence:	
Please refer to the updated SBE for indicators 2.2.2, 2.2.5, 2.2.6, and 2.9.1.	
Company Representative Name and Title: (no signature necessary)	Date:
Ellen Kincaid, Sustainability Manager	October 23, 2020

SCS to complete this section upon review of CAR evidence

SCS Review of Corrective Action:		
Date	Initials	Findings (Describe in detail)
12/15/20	JTW	SBE has been updated to include how the implementation of BMPs reduces risk. The assessment of carbon stocks has been expanded to include the description of carbon stocks in their supply base and the impacts of forest management. CAR closed.

Press 'Tab' in last box to add additional rows as necessary

Press Enter once below table to leave a space, then copy and paste this table below for each additional CAR/OBS; CAR/OBS number is automatic

Scheme :	<input type="checkbox"/> FSC	<input type="checkbox"/> PEFC	<input checked="" type="checkbox"/> Other: SBP	Site issued to:	CAR/OBS Number :	3.																		
Original Grade:	<input type="checkbox"/> Major CAR	<input type="checkbox"/> Minor CAR	<input checked="" type="checkbox"/> <i>Observation – Response is optional</i>																					
Current Status:	Deadline for Corrective Action by Certificate Holder:																							
<input type="checkbox"/> Open	<input type="checkbox"/> Precondition to (re)certification	<input type="checkbox"/> 3 months	<input type="checkbox"/> 12 months or next audit	<input checked="" type="checkbox"/> Other: response optional																				
<input type="checkbox"/> Upgraded (Minor to Major)*	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 15%;">New Deadline:</td> <td colspan="5"></td> </tr> <tr> <td>SCS Representative and Title:</td> <td colspan="3"></td> <td colspan="2">Date Upgraded:</td> </tr> <tr> <td>SCS Representative and Title:</td> <td colspan="3"></td> <td colspan="2">Date Closed:</td> </tr> </table>						New Deadline:						SCS Representative and Title:				Date Upgraded:		SCS Representative and Title:				Date Closed:	
New Deadline:																								
SCS Representative and Title:				Date Upgraded:																				
SCS Representative and Title:				Date Closed:																				
<input checked="" type="checkbox"/> Closed*																								

* See review section below for explanation of status

Primary Standard Reference:

Other applicable references:

Description of Nonconformance or Observation (please type below)

Some evidence presented in the SBR is outdated and no longer valid or have been replaced by newer versions for some indicators: FSC Global Risk Registry website, Draft FSC US National Risk Assessment. This does not affect the overall risk conclusion, thus is graded as observation.

IN addition, in section 14, it is stated that "In addition an in-person meeting on August 12 will be held in Louisiana to discuss the Cypress Tupelo systems and how Highland Pellets can best support the efforts of the Atchafalaya Basinkeepers."

There is no further information on whether this meeting happened or not and what the outcomes were.

Evidence of Nonconformance (please type below)

Client must complete this section of the form electronically and return by email with evidence attached

Describe the action(s) taken to resolve this nonconformance / observation and prevent reoccurrence:

The SBR has been updated to exclude reference to the FSC Global Risk Registry website and the **draft** FSC US NRA.

The SBR was updated to include the following from the interaction with the Atchafalaya Basinkeepers:

Comment from the Atchafalaya Basinkeepers:

The Environmental Non Governmental organization, the Atchafalaya Basinkeepers wrote to express their fear that Highland Pellets would source Cypress Tupelo from the Atchafalaya region.

Response from Highland:

Highland had several phone calls with the Atchafalaya Basinkeepers to further explain our supply area and our policy to avoid all Cypress Tupelo systems. In addition an in-person meeting on August 12 was held in Louisiana to discuss the Cypress Tupelo systems and how Highland Pellets can best support the efforts of the Atchafalaya Basinkeepers. It was agreed that the Highland Pellets LLC supply base is too far to the north to affect the Atchafalaya Basin, and Highland Pellets LLC further agreed to declare not to source Cypress Tupelo.

Company Representative Name and Title: *(no signature necessary)*

Date:

Ellen Kincaid, Sustainability Manager

October 23, 2020

SCS to complete this section upon review of CAR evidence

SCS Review of Corrective Action:

Date	Initials	Findings (Describe in detail)
12/15/20	JTW	Updates have been made to remove outdated and no longer valid evidence. Updates are newer versions of evidence. Documentation of an in-person interview and resulting actions from the meeting with Atchafalaya Basinkeepers is included. Observation closed.

Press 'Tab' in last box to add additional rows as necessary

Press Enter once below table to leave a space, then copy and paste this table below for each additional CAR/OBS; CAR/OBS number is automatic

Scheme :	<input type="checkbox"/> FSC	<input type="checkbox"/> PEFC	<input checked="" type="checkbox"/> Other: SBP	Site issued to:	CAR/BS Number :	4.
Original Grade:	<input type="checkbox"/> Major CAR	<input checked="" type="checkbox"/> Minor CAR	<input type="checkbox"/> <i>Observation – Response is optional</i>			
Current Status:	Deadline for Corrective Action by Certificate Holder:					
<input type="checkbox"/> Open	<input type="checkbox"/> Precondition to (re)certification	<input type="checkbox"/> 3 months	<input checked="" type="checkbox"/> 12 months or next audit	<input type="checkbox"/> Other: response optional		
<input type="checkbox"/> Upgraded (Minor to Major)*	New Deadline:					
	SCS Representative and Title:			Date Upgraded:		
<input checked="" type="checkbox"/> Closed*	SCS Representative and Title:			Date Closed:		

* See review section below for explanation of status

Primary Standard Reference:	Standard 2, Instruction Note 2C, 4.1
Other applicable references:	
Description of Nonconformance or Observation (please type below)	
Some required elements of the SBR are not reported: Section 2.1 does not include the following:	
<ul style="list-style-type: none"> • comparison of the scale of harvesting compared to other forest-based industries in the region. • General description of the forest resources: <ul style="list-style-type: none"> ○ land use and ownership status ○ socio-economic conditions ○ forest composition ○ profile of adjacent lands • Overview of the proportions of SBP feedstock product groups (Controlled Feedstock, SBP-compliant Primary Feedstock, SBP-compliant Secondary Feedstock, SBP-compliant Tertiary Feedstock, SBP non-compliant Feedstock) showing the proportions of each which are certified and uncertified • Indication of the number of suppliers for each SBP feedstock product group • Description of the forestry management practices or land management practices • presence of any IUCN species • Species mix. 	
Evidence of Nonconformance (please type below)	
SBR	

Client must complete this section of the form electronically and return by email with evidence attached

Describe the action(s) taken to resolve this nonconformance / observation and prevent reoccurrence:

Below are segments from the SBR to respond to the finding for brevity. They are available in the SBR on pages 2-4.

- comparison of the scale of harvesting compared to other forest-based industries in the region.
 - *The Highland Pellets LLC mill at 1.5 million tons of fiber consumption is on the large side of fiber manufactures. Only Green Bay Packaging, Drax Morehouse, Evergreen Packaging and Clearwater Paper are comparable in size. Most of the large sawmills are near 800k tons usage, with the hardwood sawmills more like 200K tons annually. Although Highland Pellets LLC procure overall a significant volume of feedstock, 70% of those are thinnings and pellets do not drive the harvest. Highland Pellets LLC receives a small percentage of each harvest compared to other companies.*
- General description of the forest resources:
 - land use and ownership status
 - *Forests cover 56% of Arkansas, or 19 million acres. Of that 19 million acres, 15.3 million acres (80%) are privately held compared to 3.7 million acres owned publicly. Privately held land can be owned by families, corporations, or Real Estate Investment Trusts (REITs). In Arkansas families own 58% of the privately owned forests (2017 Economic Contributions of Forestry in Arkansas. Arkansas Forest Resources Center, 2018). Forests cover 48% of Louisiana, or 13.8 million acres. 62% of the state's forestland is owned by private, non-industrial landowners, forest products industries own 29%, and the general public own 9% (State of Louisiana Forestry. Louisiana Department of Agriculture and Forestry. <https://www.ldaf.state.la.us/forestry/>. Accessed November 8, 2020). A high percentage of family ownership is an identifying feature of United States Southeast forestry. Land management and harvesting decisions are made by private industrial and family forest owners in the context of U.S. Federal and State laws, regulations and State administered Best Management Practices for water quality and beneficial use protection.*
 - socio-economic conditions
 - *Arkansas has a population of approximately 3 million people, 79% of which are white and 16% of which are black or African American. The median household income is \$46,000. (Quickfacts Arkansas. Population Estimates. USA Census. 2019. <https://www.census.gov/quickfacts/AR>, Accessed October 16, 2020). Privately owned forests support 58,511 jobs in Arkansas state (In Your State: Arkansas. NAFO. <https://nafoalliance.org/in-your-state/?state=AR>. Accessed October 16, 2020).*
 - *Louisiana has a population of approximately 4.5 million people, 63% of which are white and 33% of which are black or African American. The median household income is \$48,000. (Quickfacts Louisiana. Population Estimates. USA Census. 2019. <https://www.census.gov/quickfacts/fact/table/LA,US/PST045219>, Accessed November 8, 2020).*
 - forest composition
 - *The Pine Bluff facility sources from a largely rural area where forestry and agriculture are the primary sources of income for workers, the local communities and the tax base. Arkansas and Louisiana has a large supply of mixed pine forests. In the low land, such as Mississippi Valley Loess Plains (see map below), there are wetlands with primarily hardwoods. A map of the procurement area is included below.*



The below map shows forest types in Arkansas and northern Louisiana. Red hues are softwoods and blue and green hues are hardwoods. (2002 and 2003 Growing Seasons. USFS Forest Inventory and Analysis and Forest Health Monitoring programs and the USFS Remote Sensing Applications Center. 2003.

<https://highlandpellets.maps.arcgis.com/home/item.html?id=3f6068f9712a441bbd14ec6af74576ca>. Accessed October 12, 2020).



Oak	Quercus (Q.) laurifolia, Q. coccinea, Q. falcata, Q. nigra, Q. pagoda, Q. phellos, Q. rubra, Q. shumardii, Q. velutina, Q. alba, Q. lyrata, Q. michauxii, Q. stellata
Sycamore	Platanus occidentalis
Yellow Poplar	Liriodendron tulipifera
Sweetgum	Liquidambar Styraciflua
Sycamore	Platanus occidentalis
Pecan	Carya illinoensis
Green Ash	Fraxinus pennsylvanica
White Ash	Fraxinus Americana
American Beech	Fagus Grandifolia
Black Cherry	Prunus serotina
Mockernut Hickory	Carya tomentosa
Shagbark Hickory	Carya ovata
Pignut Hickory	Carya glabra
Sassafras	Sassafras albidum
Black Willow	Salix nigra
Box Elder	Acer negundo
American Hornbeam	Carpinus caroliniana
Eastern Hophornbeam	Ostrya Virginiana

Company Representative Name and Title: (no signature necessary)

Date:

Ellen Kincaid, Sustainability Manager

October 26, 2020

SCS to complete this section upon review of CAR evidence

SCS Review of Corrective Action:

Date	Initials	Findings (Describe in detail)
12/15/20	JTW	Witnessed updated to SBR. Required elements are included in the SBR. CAR closed.

Press 'Tab' in last box to add additional rows as necessary

Press Enter once below table to leave a space, then copy and paste this table below for each additional CAR/OBS; CAR/OBS number is automatic

2020 Non-conformities and observations

Scheme :	<input type="checkbox"/> FSC <input type="checkbox"/> PEFC <input checked="" type="checkbox"/> Other: SBP	Site issued to:	CAR/OBS Number : 1.									
Original Grade:	<input type="checkbox"/> Major CAR <input checked="" type="checkbox"/> Minor CAR <input type="checkbox"/> <i>Observation – Response is optional</i>											
Current Status:	Deadline for Corrective Action by Certificate Holder:											
<input checked="" type="checkbox"/> Open <input type="checkbox"/> Precondition to (re)certification <input type="checkbox"/> 3 months <input checked="" type="checkbox"/> 12 months or next audit <input type="checkbox"/> Other:												
<input type="checkbox"/> Upgraded (Minor to Major)* <input type="checkbox"/> Closed*	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 15%;">New Deadline:</td> <td colspan="2"></td> </tr> <tr> <td>SCS Representative and Title:</td> <td style="width: 40%;"></td> <td>Date Upgraded:</td> </tr> <tr> <td>SCS Representative and Title:</td> <td></td> <td>Date Closed:</td> </tr> </table>			New Deadline:			SCS Representative and Title:		Date Upgraded:	SCS Representative and Title:		Date Closed:
New Deadline:												
SCS Representative and Title:		Date Upgraded:										
SCS Representative and Title:		Date Closed:										
* See review section below for explanation of status												
Primary Standard Reference:	ID 5E, 6.4.3 m)											
Other applicable references:												
Description of Nonconformance or Observation (please type below)												
In the Feedstock Groups, pre-processing has not been specified for chips which originate from “Residues without stumps (e.g. branches and tops)” and “Low grade stem wood (co-product)”.												
Evidence of Nonconformance (please type below)												
SAR 2020 – 2.1 Feedstock Groups												
<i>Client must complete this section of the form electronically and return by email with evidence attached</i>												
Describe the action(s) taken to resolve this nonconformance / observation and prevent reoccurrence:												
Company Representative Name and Title: <i>(no signature necessary)</i>			Date:									
<i>SCS to complete this section upon review of CAR evidence</i>												
SCS Review of Corrective Action:												
Date	Initials	Findings <i>(Describe in detail)</i>										
<i>Press 'Tab' in last box to add additional rows as necessary</i>												
<i>Press Enter once below table to leave a space, then copy and paste this table below for each additional CAR/OBS; CAR/OBS number is automatic</i>												

Scheme :	<input type="checkbox"/> FSC <input type="checkbox"/> PEFC <input checked="" type="checkbox"/> Other: SBP	Site issued to:	CAR/OBS Number : 2.									
Original Grade:	<input type="checkbox"/> Major CAR <input checked="" type="checkbox"/> Minor CAR <input type="checkbox"/> <i>Observation – Response is optional</i>											
Current Status:	Deadline for Corrective Action by Certificate Holder:											
<input checked="" type="checkbox"/> Open <input type="checkbox"/> Precondition to (re)certification <input type="checkbox"/> 3 months <input checked="" type="checkbox"/> 12 months or next audit <input type="checkbox"/> Other:												
<input type="checkbox"/> Upgraded (Minor to Major)* <input type="checkbox"/> Closed*	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 15%;">New Deadline:</td> <td colspan="2"></td> </tr> <tr> <td>SCS Representative and Title:</td> <td colspan="2" style="text-align: right;">Date Upgraded:</td> </tr> <tr> <td>SCS Representative and Title:</td> <td colspan="2" style="text-align: right;">Date Closed:</td> </tr> </table>			New Deadline:			SCS Representative and Title:	Date Upgraded:		SCS Representative and Title:	Date Closed:	
New Deadline:												
SCS Representative and Title:	Date Upgraded:											
SCS Representative and Title:	Date Closed:											
* See review section below for explanation of status												
Primary Standard Reference:	ID 5E, 3.2.2											
Other applicable references:												
Description of Nonconformance or Observation (please type below)												
The Scope End-point has not been defined for the factory gate.												
Evidence of Nonconformance (please type below)												
SAR 2020 – 4. Transportation of Biomass												
<i>Client must complete this section of the form electronically and return by email with evidence attached</i>												
Describe the action(s) taken to resolve this nonconformance / observation and prevent reoccurrence:												
Company Representative Name and Title: <i>(no signature necessary)</i>			Date:									
<i>SCS to complete this section upon review of CAR evidence</i>												
SCS Review of Corrective Action:												
Date	Initials	Findings <i>(Describe in detail)</i>										
<i>Press 'Tab' in last box to add additional rows as necessary</i>												
<i>Press Enter once below table to leave a space, then copy and paste this table below for each additional CAR/OBS; CAR/OBS number is automatic</i>												

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):	Theodore Brauer
Date of decision:	16/Apr/2021
Other comments:	<i>Click or tap here to enter text.</i>