SCS Global Services' Evaluation of Curran Renewable Energy Compliance with the SBP Framework: Public Summary Report

Second Surveillance Audit

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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

Table of Contents

1 Overview

CB Name and contact:	Curran Renewable Energy, 20 Commerce Drive, Massena, NY, 13662
Primary contact for SBP:	Kelli Curran Ramsey
Current report completion date:	01/Jul/2020
Report authors:	Daniel Martin, RPF
Name of the Company:	SCS Global Services
Company contact for SBP:	Kelli Curran - kelli@curranpellets.com
Certified Supply Base:	New York State
SBP Certificate Code:	SBP-04-24
Date of certificate issue:	12/Nov/2018
Date of certificate expiry:	11/Nov/2023

This report relates to the Second Surveillance Audit

2 Scope of the evaluation and SBP certificate

This certificate covers the production of wood pellets for use in energy production at Massena and transportation to the port of Ogdensburg. It also covers a Supply Base Evaluation for the sourcing of feedstock from New York State, USA. Scope does not include the communication of Dynamic Batch Sustainability Data.

The scope of this surveillance audit included an assessment of conformance to procedures, documentation, records and databases to ensure the organization's management system can continue to ensure conformance to SBP Standards 1, 2, 4, and 5. Audit methods used were field audits, remote inspection of the pellet mill, and interviews with relevant staff and supplier representatives. The evaluation included a review of documentation such as the Supply Base Report, including the Risk Assessment, DDS, supplier contracts and SAR, among others.

3 Specific objective

The objective of this assessment is to confirm that the Biomass Producer's management system is still capable of ensuring that all requirements of the SBP standards are implemented across the entire scope of certification by:

- Collecting assessment information through documents, interviews and off-site observations with Curran Renewable staff and suppliers.
- Confirming that information and comparing it to the SBP Standards 1,2,4,5 (the Standards), the client's documented procedures and processes, public documents, and SCS's requirements (the 'Requirements')
- Enerating assessment findings
- Preparing the Assessment report and SBP Public Summary report.

The following SBP critical control points were audited and are described here in the report:

- Feedstock procurement; Material is sourced entirely from the sister company, Seaway Lumber and is chipped in-woods.
- Storage, processing and volume accounting: Material comes via truck and is stored according to hardwood vs softwood. Volume is controlled via a software program and tracked in an FSC credit account. Chips are dried using hogfuel and then chips are hammered and pressed into pellets.
- Outgoing transactions: Invoices are issued and transactions of SBP-certified biomass are registered in the DTS.
- Energy data collection and reporting: The organization developed and maintain databases to record data values and calculate energy data as required by STD 5, and ID5E and keeps records that substantiated the data.

4 SBP Standards utilised

4.1 SBP Standards utilised

Please select all SBP Standards used during this evaluation. All Standards can be accessed and downloaded from https://sbp-cert.org/documents/standards-documents/standards

☐ SBP Framework Standard 1: Feedstock Compliance Standard (Version 1.0, 26 March 2015)

☒ SBP Framework Standard 2: Verification of SBP-compliant Feedstock *(Version 1.0, 26 March 2015)*

☒ SBP Framework Standard 4: Chain of Custody *(Version 1.0, 26 March 2015)*

☒ SBP Framework Standard 5: Collection and Communication of Data *(Version 1.0, 26 March 2015)*

4.2 SBP-endorsed Regional Risk Assessment

Not applicable.

5 Description of Company, Supply Base and Forest Management

5.1 Description of Company

Curran Renewable Energy is a biomass producer in the U.S. state of New York. The company has a management system and documented procedures that are capable of determining feedstock compliance. All wood fiber is tracked through the process from the district of origin through production to the final bill of sale. As a material is covered by the Supply Base Evaluation, no segregation of material is required. Finished pellets are trucked to the Port of Ogdensburg, where they are stored and then loaded onto vessels.

5.2 Description of Company's Supply Base

All wood is supplied from New York State. Wood is harvested through a whole tree harvesting operation and chipped in-woods. Most operations in this area are similar to this type with most of them producing energy quality chips, pulpwood and sawlogs. Land in this area is owned by private individuals, corporations, State of New York. The forests are comprised of hardwood, spruce-fir and pine species.

No species will be used if known to be on the CITES list.

All feedstock is supplied as SBP-compliant Primary Feedstock. On occasion some of this material might be FSC Certified 100% otherwise it will be FSC Controlled Wood. The only supplier of this material is Seaway Timber Harvesting, Inc. Approximately 80% of the material is mixed hardwoods and approximately 20% is mixed softwood.

New York State is 63% forested – forests cover 18.9 million acres, of the total of 30 million acres, a decrease of 1.4 % since 2012. Only 9 percent of forest land is publically owned timberland, primarily State (6 percent) and local government (3 percent). Private timberland comprises 74 percent of all forest land which is managed for lumber and pulp. Ninety percent of New York's forests are composed of hardwood forest-type groups.

Approximately 80% of the material supplied to the BP is mixed hardwoods and approximately 20% is mixed softwoods.

5.3 Detailed description of Supply Base

The North Country Region of New York State includes Clinton, Essex, Franklin, Jefferson, Lewis and St. Lawrence counties, and share an extensive border with Canada. It also contains the cities of Ogdensburg, Plattsburgh and Watertown, a large portion of the Adirondack Park and the U.S. Army's Fort drum military base. The area's natural features – the Adirondack Mountains, the St. Lawrence Seaway, the Tug Hill, Lake Ontario and Lake Champlain, as well as its long and snowy winters – have defined much of its human activity.

The Region is home to just over 2 percent of New York State's population. Until the middle of the 20th century, the North Country was almost entirely rural, with very little development. The siting of military bases in the 1950s, along with substantial State investments in SUNY campuses and correctional facilities in the 1970s and 1980s, transformed some of the Region's local economies. Agriculture, health care and outdoor recreational activities are also important economic contributors. The Region has many small communities with some pockets of wealth and other areas of poverty. In general, these small communities have aging populations, but in places with colleges, such as Potsdam and Canton, there are younger populations. Unemployment rates are higher tha in the State as a whole, as are child poverty and housing vacancy rates. Legacy manufacturing and mining industries in the Region have declined over recent decades. However, job growth in other sectors – e.g. accomodations, food services and health care services – helped mitigate unemployment after the recent recession.

Much of the North Counrty's economic activity is concentrated in two distinct areas: Watertown, Fort Drum and greater Plattsburgh, defining the western and eastern corners of the Region. More densely populated than the rest of the Region, these centers are located near major highways and support a variety of industries and colleges. State and local leaders are trying to boost economic development by investing in and promoting community-based projects to expand tourism, improve workforce talent and spur growth in agriculture and manufacturing. Leaders have also focused on planning for the future through infrastructure modernization – including upgrading water systems and wastewater treatment facilities – and combating the effects of climate change.

5.4 Chain of Custody system

Curran Renewable Pellets has implemented the requirements of the FSC COC Standard (NC-COC-004011). A database is used to gather and control feedstock information such as supplier name, scale tickets, feedstock material category, associated certification claim and district of origin. Curran Renewable Energy has appropriate control mechanisms to calculate output volumes, claims and trademark/logo approvals.

Curran Renewable Energy has completed a Supply Base Evaluation (SBE). The SBE determined that all wood fiber in the supply base area met the definitions, criterion and indicators in SBP Standards 1&2 and are considered low risk. Since field inspections are required to confirm implementation, a conclusion of low risk cannot be obtained at the risk assessment level. This has been raised as a major non-conformance during a desk review in March 2020.

The BP also has completed and Audit Report of Energy and GHG Data (SAR) accounting for all energy uses at the site.

6 Evaluation process

6.1 Timing of evaluation activities

Surveillance 2 audit was conducted in two phases. Phase 1 of the audit was done remotely, using remote auditing techniques, on July 6-7 2020. Phase 2 was conducted on-site and are described in the table below:

Evaluation Itinerary and Activities

Date: 3 December 2020	
FMU/location/sites visited	**Activities/notes**
	Opening Meeting: Introductions, client update, review scope of evaluation, audit plan
FMUJerry and Penny Thomas (110.9 acres)	Interviews and field verification of management activities on property
Roger, Michael and Melissa Cook (383 acres)	Interviews and field verification of management activities on property
STH, Trathen Land (210 acres)	Interviews and field verification of management activities on property
William Dalton, Jr. (80 acres)	Interviews and field verification of management activities on property
Date: 4 December 2020	
FMU/location/sites visited	**Activities/notes**
NFC, Arconic (192 acres)	Interviews and field verification of management activities on property
STH, Richard Cole (940 acres)	Interviews and field verification of management activities on property
	Closing Meeting: Brief summary of audit activities, present preliminary findings.

Total audit duration was approximately 40h.

6.2 Description of evaluation activities

The phase 1 of the evaluation was conducted remotely on July 6-7 2020. The scope of this evaluation consists of:

- *SBP ST 2 V1-0*
- *SBP ST 4 V1-0*
- *SBP ST 5 V1-0, SBP ID 5E V1-1*

SBP ST 1 was covered under Phase 2 of the audit which was scheduled separately. The scope for ST 1 on-site assessment included the review of the SBE and field visits. A total of 6 sites were included in the field visit. No non-conformances were raised during the field visit portion of the audit. For all SBP evaluations, SCS collects evidence using a combination of direct observation, document and record review, and interviews with stakeholders and the organization's personnel & service providers. As reviewing all operations would be cost-prohibitive, SCS implements sampling techniques to ensure that all CCPs are assessed during evaluations.

6.3 Process for consultation with stakeholders

SCS relies on its Master Stakeholder List, which contains stakeholders/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 at the very least, and for this consultation was filtered to omit any stakeholders/rightsholders that were not geographically relevant to the certificate holder/applicant's supply base. A notification is sent out to all identified stakeholders/rightsholders after the BP's consultation period has ended. Comments that are received outside of regular consultation periods are fully considered. Methods used to interview stakeholders/rightsholders may include, for example, telephone calls, in-person meetings, and email exchanges.

No consultation has been conducted by the Biomass Producer or SCS Global Services during this surveillance audit.

7 Results

7.1 Main strengths and weaknesses

The Company is a long-running organization and has organically grown into a well functioning system capable of managing SBP standards. For weaknesses, please review the nonconformance section.

7.2 Rigour of Supply Base Evaluation

SBE process was found to be adequately implemented with the exception of a non-conformance raised on the adequacy of the conclusions at the risk assessment level. This non-conformance was raised during a desk review of the SBE conducted in March 2020. The audit found that field inspections are effectively implemented during the harvesting and monitoring activities. A sample of 6 sites were visited during the field portion of the audit. No non-conformances were raised during the field visit.

7.3 Collection and Communication of Data

The Company has good record retention and has the capacity of compilling the required data on Greenhouse Gas emissions. Records relating to a sample of non-certified suppliers were missing at the time of the audit. This issue was raised as a non-conformance. Refer to NC 2020-02.

7.4 Competency of involved personnel

The BP is part of an umbrella logging company that supplies all the feedstock. The individuals involved in the SBP process are aware of forestry issues in their region. In addition, the BP worked with a consultant that is well versed in Company Risk Assessments.

The audit found that there is no formal process for the selction and appointment of an SBE evaluation team with the required competence. This was raised as an observation. Refer to OBS 2020-02.

7.5 Stakeholder feedback

No comments from stakeholders.

7.6 Preconditions

N/A – this is a surveillance audit.

8 Review of Company's Risk Assessments

Reviewed the document: Suppy-Base-Report-Template-for-BPs_Annex-1-v1.1-Apr20-FINAL Update without Canada 2019 Audit.docx. Canada has been excluded from the supply base. Supply base includes NY state only. However, a low risk designation is still determined for all indicators. The conclusion for indicators 2.1.1, 2.1.2, 2.2.1, 2.2.2, 2.2.3, 2.2.5, 2.2.6, 2.2.9 should not be low risk since field verifications are implemented to allow a conclusion of low risk. Therefore, conclusion for these indicators should be specified risk.

Risk assessment was audited by reviewing Annex 1 document (SBE) and assessing the BP's conclusions with the requirements of each indicator.

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

Indicator	Risk rating (Low or Specified)	
	Producer	CB
1.1.1	Low	Low
1.1.2	Low	Low
1.1.3	Low	Low
1.2.1	Low	Low
1.3.1	Low	Low
1.4.1	Low	Low
1.5.1	Low	Low
1.6.1	Low	Low
2.1.1	Low	Low
2.1.2	Low	Low
2.1.3	Low	Low
2.2.1	Low	Low
2.2.2	Low	Low
2.2.3	Low	Low
2.2.4	Low	Low
2.2.5	Low	Low
2.2.6	Low	Low
2.2.7	Low	Low
2.2.8	Low	Low
2.2.9	Low	Low
2.3.1	Low	Low
2.3.2	Low	Low

Indicator	Risk rating (Low or Specified)	
	Producer	CB
2.3.3	Low	Low
2.4.1	Low	Low
2.4.2	Low	Low
2.4.3	Low	Low
2.5.1	Low	Low
2.5.2	Low	Low
2.6.1	Low	Low
2.7.1	Low	Low
2.7.2	Low	Low
2.7.3	Low	Low
2.7.4	Low	Low
2.7.5	Low	Low
2.8.1	Low	Low
2.9.1	Low	Low
2.9.2	Low	Low
2.10.1	Low	Low

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

Indicator	Risk rating (Low or Specified)	
	Producer	CB
1.1.1	Low	Low
1.1.2	Low	Low
1.1.3	Low	Low
1.2.1	Low	Low
1.3.1	Low	Low
1.4.1	Low	Low
1.5.1	Low	Low
1.6.1	Low	Low
2.1.1	Low	Low
2.1.2	Low	Low
2.1.3	Low	Low
2.2.1	Low	Low
2.2.2	Low	Low
2.2.3	Low	Low
2.2.4	Low	Low
2.2.5	Low	Low
2.2.6	Low	Low
2.2.7	Low	Low
2.2.8	Low	Low
2.2.9	Low	Low
2.3.1	Low	Low
2.3.2	Low	Low

Indicator	Risk rating (Low or Specified)	
	Producer	CB
2.3.3	Low	Low
2.4.1	Low	Low
2.4.2	Low	Low
2.4.3	Low	Low
2.5.1	Low	Low
2.5.2	Low	Low
2.6.1	Low	Low
2.7.1	Low	Low
2.7.2	Low	Low
2.7.3	Low	Low
2.7.4	Low	Low
2.7.5	Low	Low
2.8.1	Low	Low
2.9.1	Low	Low
2.9.2	Low	Low
2.10.1	Low	Low

9 Review of Company's mitigation measures

Mitigation measures include field inspections and monitoring activities. Currently, the organization's SBE conclude low risk for all indicators. However, the mitigation measures and risk designations in Table 1 will have to be to updated to match the conclusions of the SBE once Major CAR #2020.15 is addressed (see section 10 below).

10 Non-conformities and observations

Identify all non-conformities and observations raised/closed during the evaluation (a tabular format below may be used here). Please use as many copies of the table as needed. For each, give details to include at least the following: - *applicable requirement(s)* - *grading of the non-conformity (major or minor) or observation with supporting rationale* - *timeframe for resolution of the non-conformity* - *a statement as to whether the non-conformity is likely to impact upon the integrity of the affected SBP-certified products and the credibility of the SBP trademarks.*

NC number 2020-01	**NC Grading:** Major
Standard & Requirement:	STD 2, 12.1 The BP shall ensure that the organisation undertaking the SBE has the necessary knowledge and experience to evaluate against the SBP Feedstock Compliance Standard in the local context of the SB,including:• Knowledge of ecological and social values associated with the SB• Knowledge of applicable laws and regulations• Knowledge of business management practices• Knowledge of operation of suppliers, including management systems and products• Knowledge of the local forest resource• Competence in evaluating SBP requirements• Competence in implementing the SBE• Language skills appropriate to all stakeholders• Note-taking and report-writing skills• Interviewing skills• Appropriate management skills.
Description of Non-conformance and Related Evidence:	
2020-01 : There is evidence that the management and monitoring system to maintain compliance with the requirements of the relevant SP standards is not effective.	
Timeline for Conformance:	3 months from the report finalisation
Evidence Provided by Company to close NC:	Describe the action(s) taken to resolve this nonconformance / observation and prevent reoccurrence: We have contracted with forester Kristen Hrobuchak to help edit the policies to assure we are better versed in understanding and maintaining compliance. She has and will continue to work with one of the owners of both the biomass company as well as its sister logging company (sole feedstock supplier) on BMP standards. She is going to be doing internal audits with a sample base of 10-20% on BMP and SBP compliance.Tricia Terry, Kelli Ramsey and (Mary Lou Babcock of Seaway Timber Harvesting) will continue to and improve on more efficient record keeping and understanding for SBP requirements and standards. Our

	two companies being sister companies, work together on a daily basis and are becoming more homogenous and structured to assist for these certifications and record keeping. With the help of Kristen Hrobuchak, who has frequent conversations with one of the owners on the forestry side of things, we are confident with that and applying it to updated policies and standards, there will be better monitoring and management going forward.Company Representative Name and Title: (no signature necessary). Kelli Ramsey – Marketing Manager Date: 12-01-2020
Findings for Evaluation of Evidence:	Considering that CRE have committed to using the services of an outside consultant to provide additional resources in the maintenance of the SBP management system.Verified the Policy for pre-activity environmental/social assessment form, CRE desk audit form and CRE field inspections form. We consider that an effective corrective action plan has been implemented.This non-conformance is closed.
NC Status:	Closed

NC number 2020-02	**NC Grading:** Minor
Standard & Requirement:	STD 2, 6.1 The BP shall record the place of harvesting of inputs classified as SBP-compliant primary feedstock.
Description of Non-conformance and Related Evidence:	
2020-02 : Records for a sample of non-certified suppliers were not available at the time of the audit. Interview Kelli Ramsey1495-JTO, Stacey Mtn (Dwayne, NY)1506-FW Joseph Hubbard (Brighton, NY)1541- NYS DEC (Brasher, NY)	
Timeline for Conformance:	By the next surveillance audit, but no later than 12 monhts from report finalisation date
Evidence Provided by Company to close NC:	Items were emailed on July 7th 2020 and we re-sent on January 12th 2021
Findings for Evaluation of Evidence:	Records were provided after the audit. This non-conformance is closed.
NC Status:	Closed

NC number 2020-03	**NC Grading:** Minor
Standard & Requirement:	STD 2, 7.1 The BP shall prepare a Supply Base Report (SBR) which shall be made readily accessible on the BP's website. Commercially sensitive and confidential information may be excluded from the SBR.

Description of Non-conformance and Related Evidence:	
2020-03: SBR is not available on the BP's website.	
Timeline for Conformance:	By the next surveillance audit, but no later than 12 monhts from report finalisation date
Evidence Provided by Company to close NC:	The Supply Base Report is on the company website, http://www.curranpellets.com.Company Representative Name and Title: (no signature necessary)Kelli Ramsey – Marketing Manager Date: 10-18-2020
Findings for Evaluation of Evidence:	The updated SBR (surveillance 2) is available the CRE website's homepage. https://www.curranpellets.com/This non-conformance is closed.
NC Status:	Closed

NC number 2020-04	**NC Grading:** Minor
Standard & Requirement:	STD 2, 7.3 The SBR shall be completed using the latest version of the SBR template, which is available from the SBP website.
Description of Non-conformance and Related Evidence:	
2020-04: Template version used for the SBR is 1.3, published 14 January 2019. Version 1.3 was re-published on 3 April 2020 showing the revised SBP logo. CH is using the latest version of the SBR template.	
Timeline for Conformance:	By the next surveillance audit, but no later than 12 monhts from report finalisation date
Evidence Provided by Company to close NC:	The SBR was updated and put on the newer version 1.3 published in 2020.Company Representative Name and Title: (no signature necessary). Kelli Ramsey – Marketing Manager Date: 01-12-2021
Findings for Evaluation of Evidence:	Updated SBR (surveillance 2) was completed using the most recent version of the template.This non-conformance is closed.
NC Status:	Closed

NC number 2020-05	**NC Grading:** Minor
Standard & Requirement:	IN-2C, 4.1 The report shall be concise, covering the most important features, and shall be completed using the latest version of the SBR template for Biomass Producers downloaded from the SBP website.

Description of Non-conformance and Related Evidence:	
•SBR is reporting volume of primary feedstock as 183,180 tonnes, but the SAR for the corresponding period is reporting 171,082 metric tonnes. •SBR is representing this audit as surveillance 1. The 2020 audit is surveillance 2.	
Timeline for Conformance:	By the next surveillance audit, but no later than 12 monhts from report finalisation date
Evidence Provided by Company to close NC:	183,180 tonnes is the correct number in short tons. We incorrectly used that number in some of the forms forgetting to convert it to metric. The metric tonnage conversion equates to: 166,178 MT.We have built in the MT conversions into our excel sheets to make sure, going forward, that the conversion is reported in the forms to avoid inaccuracy in the reporting.The SBR has also been updated to reflect surveillance 2.
Findings for Evaluation of Evidence:	The SBR has been updated and the reported volume of primary feedstock has been corrected. Furthermore, the SBR has been updated and now refers to Surveillance 2.This non-conformance is closed.
NC Status:	Closed

NC number 2020-06	**NC Grading:** Minor
Standard & Requirement:	STD 2, 19.2 The SBR shall be signed off by senior management in all cases.
Description of Non-conformance and Related Evidence:	
2020-06: SBR is not signed off by senior management.	
Timeline for Conformance:	By the next surveillance audit, but no later than 12 monhts from report finalisation date
Evidence Provided by Company to close NC:	Kelli Ramsey had signed the original form provided to the auditor but Patrick Curran has signed the updated version.Company Representative Name and Title: (no signature necessary)Kelli Ramsey – Marketing Manager Date: 01-12-2021
Findings for Evaluation of Evidence:	SBR has been signed off by the Company president.This non-conformance is closed.
NC Status:	Closed

NC number 2020-07	**NC Grading:** Minor

Standard & Requirement:	STD 4, 5.5.2 There are two SBP claims: • 'SBP-compliant biomass'. • 'SBP-controlled biomass'.
Description of Non-conformance and Related Evidence:	
2020-07: Claim statement on invoice is 'SBP-compliant wood pellets'. The biomass supplied with an SBP claim shall be supplied with the following information : 'SBP-compliant biomass'.	
Timeline for Conformance:	By the next surveillance audit, but no later than 12 monhts from report finalisation date
Evidence Provided by Company to close NC:	We updates our accounting software to reflect the appropriate term needed to describe any SBP complaint feedstock to say, "SBP – compliant biomass". The updated invoice example reflecting the change was sent on 01-11-2021Company Representative Name and Title: (no signature necessary)Kelli Ramsey - Marketing Manager Date: 01-12-2021
Findings for Evaluation of Evidence:	The claim statement on sales invoices has been changed. It now states 'SBP-compliant biomass' as required by the standard.Verified a sample invoice provided by Kelli Curran. This non-conformance is closed.
NC Status:	Closed

NC number 2020-08	**NC Grading:** Minor
Standard & Requirement:	STD 4, 6.3.2 The legal owner shall determine and implement effective arrangements against corruption, proportionate to the nature and the scale of organisation. STD 4, 6.3.3 The legal owner shall determine and implement effective arrangements to comply with all applicable laws, rules and regulations in countries where it conducts business activities.
Description of Non-conformance and Related Evidence:	
2020-08: There is no evidence of arrangements against corruption, proportionate to the nature and the scale of the organization. There is no evidence of arrangements to comply with all applicable laws, rules and regulations in countries where it conducts business activities.	
Timeline for Conformance:	By the next surveillance audit, but no later than 12 monhts from report finalisation date
Evidence Provided by Company to close NC:	Worked with consultant to devel company policy.
Findings for Evaluation of Evidence:	Verified document 'Company Policy Against Corruption'. This policy includes a commitment to avoid buying or harvesting woood and/or known fiber that is illegally harvested, in violation of local laws or in violation of harvest rules and regulations. Ownership shall ensure

	material is sourced from legitimate sources and is purchased legally. This non-conformance is closed.
NC Status:	Closed

NC number 2020-9	**NC Grading:** Major
Standard & Requirement:	ID 5E, 6.2.1 The SAR Reporting Period shall meet the following criteria: - the period should be 12 consecutive months; and - the start date shall not exceed 18 months before the audit onsite closing meeting date as indicated in the SAR. …
Description of Non-conformance and Related Evidence:	
2020-10: The start date for the reporting period for the SAR shall not exceed 18 months before the audit onsite closing meeting dans as indicated in the SAR. Furthermore, the SAR was completed on the incorrect version of the template.	
Timeline for Conformance:	Other Prior to SAR approval
Evidence Provided by Company to close NC:	The reporting period for the SAR was January 2019-december 2019 for the 2019 Audit on product sold with an SBP Claim. The on-site closing date was delayed until December 3rd of 2020 due to the Pandemic and travel restrictions.
Findings for Evaluation of Evidence:	Considering the travel restrictions that delayed the audit in 2020, and considering that the 2021 audit has been scheduled for May 2021.Considering that CRE have committed to using the services of an outside consultant to provide additional resources in the maintenance of the SBP management system. However, effective implementation shall be verified at the next surveillance audit. This non-conformance remains open.
NC Status:	Open

NC number 2020-10	**NC Grading:** Minor
Standard & Requirement:	ID 5E, 6.4.3 For each Feedstock Group the following parameters are recorded: a) ID b) Feedstock Type c) Origin d) Physical Description e) Country of harvest (new row for each country) f) Raw mass as received in metric tonnes g) Moisture as received (weighted average, single figure)

	h) Weighted average distance (km) , i) Maximum distance (km) j) Type of vehicle used k) Fuel or driving force used by the vehicle, l) Weighted average truckload, m) Any pre-processing (chipping, drying, none)
Description of Non-conformance and Related Evidence:	
2020-11: There is no evidence of a breakdown of the feedstock type for biomass production. BP is purchasing feedstock from thinning from natural forest and end of life trees, per species (hardwood vs softwood).•Total raw material of feedstock includes (171082,86 MT) includes fuel for the burner. Fuel for the burner was reported as a separate feedstock group. •Total deliveries shown in CRE-SBP-2019 Land Owners (171 195 MT) does not match the number reported in the SAR (171 082.86 MT).• There is no justification for the determination of the weighted average load of the vehicle (28 MT).•Values reported in table 2.1 of the SAR are in miles.•ID5E 6.7 – Production quantities are reported in the SAR in short tons.• ID5E 6.8.1 – There were two missing electricity invoices for September 2019, and the reported energy consumption does not correspond to electricity invoices (November 2019 invoice 437 280 kWh vs 427 280 kWh.•ID5E 6.9.2 – There is no evidence that the weighted average of moisture measurements performed on all feedstock groups. Initial moisture is estimated based on data provided by other clients that purchased wood chips. The number provided 41.83 % is based on a single sample, based on 8 loads sold to Domtar during the week of 2020-02-23 to 2020-02-29.•Moisture of finished product in table 3.3b was presented as a target value. The SAR requires a presentation of actual values.•Biomass used for fuel for the burner was reported in short tons.•ID5E 3.2.2 – There is no evidence of an SDI representing the end of the production process, prior to transportation.•ID5E 3.2.7 – The SDI presented in the SAR did not follow a sequential integer that increase by one. The 2018 SAR approved included an SDI of 04-24-41. The SAR presented for the 2019 reporting period started at 04-24-30.	
Timeline for Conformance:	By the next surveillance audit, but no later than 12 monhts from report finalisation date
Evidence Provided by Company to close NC:	Total deliveries to landowners was corrected. It is 166,178 MT.• ID5E 6.8.1 – The missing September Invoices have been sent to the auditor and the value 437,280 kwh is correct from the Massena Electric invoice.• ID5E 6.9.2 – we purchased a green wood chip moisture reader and will be using that to correctly get a wider sample of wood moisture, on site.• ID5E 3.2.2 & 3.2.7 - The SDI integer used is 04-24-42 for starting point at Massena, NY at the Pellet mill.The SDI integer used for the port of Ogdensburg is 04-24-43
Findings for Evaluation of Evidence:	SAR has been updated with the requested corrections. Refer to version January 2021-FINAL. This non-conformance is closed.
NC Status:	Closed

NC number 2020-11	**NC Grading:** Observation
Standard & Requirement:	STD 2, section 5 The BP shall define the Supply Base (SB) for all feedstock received which is used in the production of SBP compliant

	biomass. The SB is the area encompassing all places where pre-consumer feedstock was harvested from (i.e. the location of the tree stump). In recognition of the fact that the location of feedstock extraction may change from year to year, the SB should cover prospective future harvesting areas.
Description of Non-conformance and Related Evidence:	
OBS 2020-01: Supply base is NY state only. No supplies from Canada. Should consider revising the SBR to reflect a more precise supply base area.	
Timeline for Conformance:	By the next surveillance audit, but no later than 12 monhts from report finalisation date
Evidence Provided by Company to close NC:	Canada was removed from the SBRCompany Representative Name and Title: (no signature necessary)Kelli Ramsey – Marketing Manager Date: 01-12-2021
Findings for Evaluation of Evidence:	SBR has been updated to include only NY State. Quebec and Ontarion have been removed.This observation is closed.
NC Status:	Closed

NC number 2020-12	**NC Grading:** Observation
Standard & Requirement:	STD 2, 12.3 The organisation shall establish a process for selecting and appointing an evaluation team with the required competences.
Description of Non-conformance and Related Evidence:	
OBS 2020-02: There is no formal process for the selection and appointment of an SBE evaluation team with the required competence.	
Timeline for Conformance:	By the next surveillance audit, but no later than 12 monhts from report finalisation date
Evidence Provided by Company to close NC:	Tricia Terry at Curran Renewable handles sales, inventory, purchasing, accounting, human resources, payroll, insurance, trucking, etc. Kelli handles sales, marketing and logistics, grant writing, bid procurement, etc and Mary Lou from Seaway Timber handles, FSC certification, the accounting, inventory, reporting, bid procurement, trucking, customs, sales, etc. Between the three of us, we wear several hats in a small business(s). We realized that we need to dedicate more structure to properly manage the requirements of SBE to make sure we are in compliance and have more consistent communication between the two companies and our reporting. We spoke with Kristen Hrobuchak who is our consultant that we hire to assist with our FSC certifications. We will also utilize her to assist with our SBP certification to oversee our practices, management and reporting.Company

	Representative Name and Title: (no signature necessary)Kelli Ramsey – Marketing Manager Date: 01-12-2021
Findings for Evaluation of Evidence:	Considering that CRE have committed to using the services of an outside consultant to provide additional resources in the maintenance of the SBP management system.We consider that an effective corrective action plan has been implemented.This observation is closed.
NC Status:	Closed

NC number 2020-13	**NC Grading:** Observation
Standard & Requirement:	ID-5E Instruction Document: Collection and Communication of Energy and Carbon Data
Description of Non-conformance and Related Evidence:	
OBS 2020-03: BP should consider reporting inventory data to validate the biomass used as fuel for the burner.	
Timeline for Conformance:	By the next surveillance audit, but no later than 12 monhts from report finalisation date
Evidence Provided by Company to close NC:	We will record inventory data with starting inventory plus the input ending inventory to equal the consumption.Company Representative Name and Title: (no signature necessary)Kelli Ramsey – Marketing Manager Date: 01-12-2021
Findings for Evaluation of Evidence:	Effective implementation shall be verified at the next surveillance audit. This observation remains open.
NC Status:	Open

NC number 2020-14	**NC Grading:** Observation
Standard & Requirement:	ID-5E Instruction Document: Collection and Communication of Energy and Carbon Data
Description of Non-conformance and Related Evidence:	
OBS 2020-04: BP should consider removing propane from the SAR.	
Timeline for Conformance:	By the next surveillance audit, but no later than 12 monhts from report finalisation date

Evidence Provided by Company to close NC:	Propane was removed from the SAR as it was not used to make the biomass.Company Representative Name and Title: (no signature necessary)Kelli Ramsey – Marketing Manager Date: 10-18-2020
Findings for Evaluation of Evidence:	Propane has been removed from the final version of the SAR.This observation is closed.
NC Status:	Closed

NC number 2020-15	**NC Grading:** Major
Standard & Requirement:	SBP-STD-2, clause 11.7
Description of Non-conformance and Related Evidence:	
The BP presented mitigation measures as justifications for reaching a low risk designation at the initial stage of the risk assessment which is not adequate justifications for reaching a low risk designation in the supply base. The indicators below do not conform with the risk rating requirements of STD 2, section 11. Specifically: •In its risk assessment of New York and two Canadian provinces, the organization states in section 9 of the SBR: “All Indicators were deemed low risk (…) due to current management techniques and business structure." Elsewhere it explains it has “had policies and procedures in place for the last 10 years to meet the FSC [COC] Certification Requirements. These policies and procedures assist the company in meeting the SBP requirements with a few additions.". A low risk designation cannot be concluded at the initial risk assessment if mitigation measures are being implemented, thus the risk designation is incorrect. •In the detailed Risk Assessment, no description justifying the risk designation is provided for indicators 2.2.1 up to 2.7.2, there is only a brief reference to mitigation measures such as a pre-harvest plan.•Not all indicators provide required justification/evidence for Canada (e.g. indicator 2.8.1).•For indicators 2.1.1. and 2.1.2 the information provided by the organization in the risk assessment is insufficient to justify low risk. While they do cover High Conservation Value (HCV) category 3, there is almost no information about other HCV categories. For Canada, only Intact Forest Landscapes and wetlands are mentioned as possible HCVs. For the USA, the main argument for low risk is “The New York Natural Heritage Program helps to facilitate the conservation of rare animals, rare plants and natural ecosystems within the state the program hopes to help others engage in compatible management activities around our most jeopardized species, ecosystems, and high-quality natural areas, in order to have significant and lasting effects on the preservation of New York's biodiversity”, but there is no information about the program´s content, whether it is a legal obligation to follow, and no data is provided regarding its enforcement. Furthermore, no information is given to support the claim that (as per indicators 2.1.1 and 2.1.2) forests and other areas with HCV are identified and mapped and any potential threats to it identified and addressed.Indicator 2.9.1 - evidence mentioned by the organization is insufficient to demonstrate compliance with the indicator as the only evidence given to support low risk of this indicator for part of the Supply Base (Quebec and Ontario in Canada) consists in general comments related to conservation of wetlands and soils: “Canada have numerous laws and regulations that are enforced regarding the protection and enhancement of wetlands. Quebec, Canada defines and regulates minimum buffers that are to be maintained during and following forest management activities.”	
Timeline for Conformance:	Other Major finding #2020.15 due date was due 24-Sept-2020 and remains open. The certificate will have to be suspended until the Major finding is closed.

Evidence Provided by Company to close NC:	Updated Supply Base Report
Findings for Evaluation of Evidence:	Reviewed the document: Suppy-Base-Report-Template-for-BPs_Annex-1-v1.1-Apr20-FINAL Update without Canada 2019 Audit.docxCanada has been excluded from the supply base. Supply base includes NY state only.However, a low risk designation is still determined for all indicators. The conclusion for indicators 2.1.1, 2.1.2, 2.2.1, 2.2.2, 2.2.3, 2.2.5, 2.2.6, 2.2.9 should not be low risk since field verifications are implemented to allow a conclusion of low risk. Therefore, conclusion for these indicators should be specified risk. This non-conformance remains open.
NC Status:	Open

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 not approved
Certification decision by (name of the person):	Theodore Brauer
Date of decision:	24/Feb/2021
Other comments:	Certificate is suspended until Major finding #2020.15 is closed.