



Control Union Certifications BV Evaluation of Pacific BioEnergy Compliance with the SBP Framework: Public Summary Report

Third Surveillance Audit

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Completed in accordance with the CB Public Summary Report Template Version 1.5

For further information on the SBP Framework and to view the full set of documentation see www.sbp-cert.org

Document history

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1 Overview

Certification Body (CB) Name:	Control Union Certifications BV
Primary CB contact for SBP:	Robin Rosendahl
Primary CB contact email:	rrosendahl@controlunion.com
Audit team leader:	Lennart Holm
Audit team members:	-
Name of the Company:	Pacific BioEnergy
Company legal address:	9988 Willow Cale Forest Rd, V2N 7A8 Prince George, Canada
Company contact for SBP:	Joe Kenny
Company contact email:	jkenny@pacificbioenergy.ca
Company website:	www.pacificbioenergy.ca
SBP Certificate Code:	SBP-06-23
Date of certificate issue:	11 Feb 2019
Date of certificate expiry:	10 Feb 2024
Audit closing meeting date:	22 Dec 2021
Audit cycle:	Third Surveillance Audit

2 Scope of the evaluation and SBP certificate

Scope Item	Check all that apply to the Certificate Scope	Change in scope (N/A for Assessments)
Primary Activity:	Biomass Producer	☐
Approved Standards:	SBP Standard 2: Verification of SBP-compliant Feedstock; SBP Standard 4: Chain of Custody; SBP Standard 5: Collection and Communication of Data Instruction; Instruction Document 5E: Collection and Communication of Energy and Carbon Data 1.5	☐
Includes Supply Base Evaluation (SBE):	No	☐
Includes communication of Dynamic Batch Sustainability Data (DBSD)	Yes	☐
Includes Group Scheme	No	☐
Products	Pellets	☐

Feedstock types:	Primary, Secondary	☐
Feedstock origin (countries):	Canada	☐
SBP-endorsed Regional Risk Assessments used: Public link: https://sbp-cert.org/documents/standards-documents/risk-assessments/	Not applicable	☐
Chain of custody system implemented:	PEFC: CU-PEFC-834696	☐
	Percentage	☐

2.1 Description of the company

Pacific BioEnergy Corporation ("PBEC"), 9988 Willow Cale Forest rd, Prince George BC V2N 7A8. Pacific BioEnergy Prince George Limited Partnership "PBEC-PGLP" is a pellet production plant designed to produce approx. 380 000 per year with 10 presses. They produced 220802 mt of pellets in 2020 from 407529 mt of fiber, of which 98849 mt were sawmill sawdust, 43732 were shavings and 264948 were chips from primary wood grinding operation. Fiber is burned in the heater to produce heat for the dryer (approx 11%). PBEC is PEFC certified and in 2020 66.94% was 100% PEFC Certified and 33.06% was PEFC Controlled Sources. PGLP made five SBP-compliant sales during the audit period: ▪ March 2020 – 34,705 tonnes, ▪ May 2020 – 59,541 tonnes, ▪ June 2020- 42,000 tonnes, ▪ August 2020 – 30,119 tonnes, ▪ December 2020 – 9,239 tonnes. The claims are present in DTS with a SBP-compliant claim indicated for each transaction

2.2 Detailed description of the Chain of Custody system

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

3 Specific objective

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

The scope of the evaluation covered:

- Review of the BP's management procedures;
- Review of the production processes, production site visit;
- Review of SBP system control points and an analysis of the existing PEFC CoC system;
- Interviews with responsible staff;
- Review of the records, calculations and conversion coefficients; and
- GHG data collection analysis

4 Evaluation process

4.1 Timing of evaluation activities

<i>Audit Level of Effort (LoE)</i>		
<i>Activity</i>	<i>Auditors</i>	<i>Auditor hours</i>
1. Preparation	Lennart Holm	4,0
2. On-site (excl. travel time)	Lennart Holm	17,0
3. Report writing	Lennart Holm	8,0
4. Other	N/A	N/A

<i>Audit Schedule</i>			
<i>Activity</i>	<i>Location</i>	<i>Auditor name</i>	<i>Date/time</i>
<i>Opening Meeting</i>	Pacific BioEnergy office in Prince George, BC	Lennart Holm	20 Dec 2021/9.00
<i>Management system overview</i>	Pacific BioEnergy office in Prince George, BC	Lennart Holm	20 Dec 2021/9.15
<i>Chain of Custody registrations</i>	Pacific BioEnergy office in Prince George, BC	Lennart Holm	20 Dec 2021/9.45
<i>Output claims</i>	Pacific BioEnergy office in Prince George, BC	Lennart Holm	20 Dec 2021/10.15

<i>Logo/Trademark use</i>	Pacific BioEnergy office in Prince George, BC	Lennart Holm	20 Dec 2021/11.00
<i>Complaints procedures</i>	Pacific BioEnergy office in Prince George, BC	Lennart Holm	20 Dec 2021/11.15
<i>Introduction into Supply Base</i>	Pacific BioEnergy office in Prince George, BC	Lennart Holm	20 Dec 2021/11.30
<i>Supply Base report</i>	Pacific BioEnergy office in Prince George, BC	Lennart Holm	20 Dec 2021/13.15
<i>Business integrity, social, health and safety requirements</i>	Pacific BioEnergy office in Prince George, BC	Lennart Holm	20 Dec 2021/14.30
<i>Suppliers and suppliers certificates</i>	Pacific BioEnergy office in Prince George, BC	Lennart Holm	20 Dec 2021/15.00
<i>Incoming material claims</i>	Pacific BioEnergy office in Prince George, BC	Lennart Holm	20 Dec 2021/15.30
<i>Incoming raw material registration</i>	Pacific BioEnergy office in Prince George, BC	Lennart Holm	20 Dec 2021/15.45
<i>Final discussion / days closing meeting</i>	Pacific BioEnergy office in Prince George, BC	Lennart Holm	20 Dec 2021/17.45
<i>Remote visit of Port of North Vancouver</i>	Remote audit of Fibreco	Lennart Holm	21 Dec 2021/15.30
<i>Day's Opening meeting</i>	Pacific BioEnergy office in Prince George, BC	Lennart Holm	22 Dec 2021/9.00
<i>GHG data registrations</i>	Pacific BioEnergy office in Prince George, BC	Lennart Holm	22 Dec 2021/9.15

<i>Finalization GHG data audit Verification of missing items</i>	Pacific BioEnergy office in Prince George, BC	Lennart Holm	22 Dec 2021/13.30
<i>Tour of the facility: - Receiving of materials - Wood Yard - Equipment used</i>	Pacific BioEnergy in Prince George, BC	Lennart Holm	22 Dec 2021/15.30
<i>Closing Meeting</i>	Pacific BioEnergy office in Prince George, BC	Lennart Holm	22 Dec 2021/17.30

Auditor qualification		
Auditor name	Role	Qualification
Lennart Holm	Lead Auditor	Lead SBP, GGL, SDE+ and FSC and PEFC FM/COC auditor and successfully passed the SBP auditor training programme

4.2 Description of evaluation activities

The SBP annual surveillance audit was carried out on December 20-22, 2021. The evaluation was conducted by means of on-site visits of the pellet production and office in Prince George, BC, Canada, as well as a remote visit to Fibreco at the port of North Vancouver, BC, Canada.

This report is the result of the findings of a certification evaluation carried out by an independent lead auditor representing Control Union Certifications. The purpose of the assessment was to evaluate the compliance of the client with respect to the standards used within the scope of the certificate.

Names and affiliations of people consulted.

Name:

Affiliation:

Joe Kenney	Pacific BioEnergy, Woodlands Manager,
Connor O'Donnell	Pacific BioEnergy, Operations Superintendent,
Daryl Davidson	Pacific BioEnergy, Safety/Environmental Manager,
Bill Barwise	Pacific BioEnergy, Plant Manager,
Jason Logan	Pacific BioEnergy, Control Room Operator,
Aaron Moscrip	Pacific BioEnergy, Production Supervisor,
Mike Vigano	Pacific BioEnergy, Quality Control,
Ron Richardson	Pacific BioEnergy, Quality Control,
Rebecca Fibelkorn	Pacific BioEnergy, First Aid Attendant
Rob Dorman	Pacific BioEnergy, Shipping/Millwright
Brandon Tang	Logistics Manager, Fibreco Export Inc.

Critical control points, summary

<i>Identified CCP</i>	<i>Evaluation CCP</i>
Sourcing and input check	Check prior to sending the material by supplier and check upon request
Volume control	Volume Credit method but 100% certified input material
Reception and storage	Reception and storage of material based on credit control system.
Labelling	Trademark agreement signed 21/12/2021 by Joe Kenny, Woodlands Manager. No use of SBP trademarks.
Invoicing and shipping	All output materials are SBP Compliant

4.3 Sampling methodology

During the preparation of the audit, a sample plan was developed based on the following criteria: - A review of documentation related to energy and carbon data for the chosen reporting period of the SAR. - An evaluation of DTS, inputs and outputs, invoices and transport documentation. - Inspection of the pellet plant and interviews with staff. 1 port was visited remotely, the port of North Vancouver. In 2020 Pacific BioEnergy made five SBP-compliant sales. All invoices and DTS registrations of these sales were sampled.

4.4 CB stakeholder engagement

N/A, third surveillance audit

4.5 Stakeholder feedback

N/A, third surveillance audit

5 Results

5.1 Main strengths and weaknesses

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

5.2 Rigour of Supply Base Evaluation

N/A

5.3 Collection and communication of data

The organization has in depth procedures for this. The auditor confirmed the Greenhouse Gas (GHG) sources for feedstock input from the forest, production at the facility, transportation to the port and storage and handling at the port and reviewed how the input data was measured. Findings were substantiated by on-site staff interviews with operations personnel on the overview of the operations at the facility, historical operations, changes to operations, procedures and processes used to maintain the facility, and procedures and processes used to ensure data quality. Pacific BioEnergy demonstrated full competency to analyse and report the required data on Greenhouse Gas emissions, with the exception that the reporting period chosen was not as per required by ID5E.

5.4 Competency of involved personnel

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

6 Review of company's risk assessments

6.1 Overview of company's risk assessments and mitigation measures

N/A

6.2 Specified risk indicators and mitigation measures

Country/Area	Indicator	Specified risk description	Mitigation measure
N/A	N/A	N/A	N/A

7 Non-conformities and observations

NC number NC-000882 (2021-01)	NC Grading: Minor
Standard:	Instruction Document 5E: Collection and Communication of Energy and Carbon Data 1.5
Requirement:	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. The BP may select a convenient Reporting Period, for example, fiscal year, civil/calendar year or any other 12-month period if it fits those requirements. Examples: 1) The audit onsite closing meeting is conducted on 1 April year Y. The BP may use data from the calendar year Y-1 as the start date of the reporting period is 15 months before the date of the audit onsite closing meeting. 2) The audit onsite closing meeting is conducted on 1 November year Y. The BP may not use the whole calendar year Y-1 as the reporting period as Y-1 exceeds 18 months from the date of the audit onsite closing meeting. The BP could select the period 1 May year Y-1 to the end of April year Y, as the Reporting Period start date then corresponds to 18 months before the date of the audit onsite closing meeting
Description of Non-conformance and Related Evidence:	
The audit was carried out on location December 20-22, 2021 and the SAR expiry date is calculated from this date. However, the SAR reporting period start date does exceed 18 months before the audit onsite closing meeting date.	
Timeline for Conformance:	By the next surveillance audit, but no later than 12 months from report finalisation date
Evidence Provided by Company to close NC:	N/A
Findings for Evaluation of Evidence:	N/A
NC Status:	Open

8 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):	Andries Polinder
Date of decision:	02 Feb 2022
Other comments:	N/A