

Track & Trace® Data Verification Audit and Corrective Action Verification Audit Summary

Data Verification Audit, public claims approved

The data verification audit of Enviva's 2H2021 data began in May 2022 and concluded in June 2022. The organization's conformance with the Track & Trace® (T&T®) Standard V1-0-1, core areas 3, 4, & 7, was evaluated during completion of the standard checklist. No new CARs were issued during this data verification audit. One OFI was issued (OFI 01/22), regarding 2.4, maintaining training records. The evaluation concludes that public claims are approved.

EVALUATION CONCLUSIONS

Based on auditor's recommendation and Verification Body quality review, the following decision was made:	
Verification Body decision:	<input checked="" type="checkbox"/> Public Claims Approved <input type="checkbox"/> Public Claims Not Approved
Date of decision:	5 July 2022

Corrective Action Verification Audit, in good standing

In addition to the data verification audit, the organization's open CARs were evaluated and assessed during a corrective action verification audit, to report progress on CAR closure. The Company is in good standing—either the CAR was closed by the deadline, remained open due to deadline extension, or remained open due to later deadline.

V. AUDIT REPORT APPROVAL

Note: a formal Report Review and Approval (RRA) process conducted by an independent, authorized reviewer is required when the CVA results in certificate/verification/validation issuance or suspension/termination, or when there is a significant change in scope. In all other cases, the report may be approved with the 2nd checkbox below by an authorized RRA reviewer which may be the CVA auditor.

☒ Report approved by way of this checkbox

Approved by: Walter Smith

Date: 6 July 2022



Track & Trace® Audit Report for Enviva Inc.

Data Verification Audit 2022

Evaluation date: May 26, 2022 & June 15, 2022

Report date: August 1, 2022

Company Contact

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Transparency
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Raleigh, NC 27609

Audit Managed By

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INTRODUCTION

Preferred by Nature is an international non-profit organization that delivers sustainability services and engages in innovation projects to facilitate the transformation of business practices and consumer behaviour to promote the responsible use of natural resources.

The purpose of this report is to document conformance of **Enviva Inc.** hereafter referred to as "Company", against the requirements of the Track & Trace® Standard (V1-0-1) and Audit Procedures (V1-0). The report presents the findings of Preferred by Nature auditors who have evaluated the Company's systems and performance against the applicable indicators. The focus of this verification audit is on Track & Trace data integrity and public claims.

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Impartiality commitment: Preferred by Nature commits to using impartial auditors and our clients are encouraged to inform Preferred by Nature management if violations of this are noted. Please see our Impartiality Policy here: <http://www.preferredbynature.org/impartiality-policy>.

1 General Audit Information

Company Information	
Company Under Evaluation	Enviva Inc.
Company Contact	Emily Ulrich, Manager, Sustainability and Supply Chain Transparency
Address, phone and email	4242 Six Forks Rd, Suite 1050 Raleigh, NC 27609 Phone: (800) 432-1000 Email: Emily.Ulrich@envivabiomass.com

Audit Information	
Evaluation Type	Data Verification
Evaluation Dates	May 26, 2022
Report Finalization Date	August 1, 2022
Verification Body and Contact Info	Preferred by Nature 13 Jolina Ct. Richmond VT 05477 Office: (802) 434-3420

Certification Information			
Type of certification, scheme	Certification code	Validity Dates	
Chain of Custody, Forest Stewardship Council	SCS-COC-006588	Exp. 4/4/2027	
Chain of Custody, Sustainable Forestry Initiative	SCS-SFI/COC-006588	Exp. 2/10/2025	
Chain of Custody, Programme for the Endorsement of Forest Certification	SCS-PEFC/COC-006588	Exp. 2/10/2025	
Sustainable Biomass Programme	<i>Certificate</i>	<i>Certificate code</i>	<i>Expiry</i>
	Traders License	SBP-04-03	4/6/2027
	NOR	SBP-04-10	1/14/2026

	SOU	SBP-04-11	1/14/2026
	AHO	SBP-04-09	1/14/2026
	SAM	SBP-04-06	1/30/2027
	GRE	SBP-04-25	11/29/2026
	HAM	SBP-04-43	9/2/2024
	COT	SBP-04-04	2/5/2027
	AMO	SBP-04-12	6/27/2023
	WAY	SBP-04-21	1/16/2026
	LUC	SBP-04-72	5/11/2027

Auditor name(s)	Role	Qualifications
Alicia Raimondi	Lead Auditor	Alicia Raimondi is a graduate of North Carolina State University with a Master's degree in Natural Resources Policy and Economics. After earning her degree, Alicia continued to work for the Department of Forestry and Environmental Resources as a Research Associate. She joined Rainforest Alliance in 2014 and Preferred by Nature in 2018. She has nearly 8 years of experience conducting audits for various supply chain and sourcing standards within the forest and agriculture sectors. As a Senior Responsible Sourcing Specialist for Preferred by Nature, her current work focuses on the evaluation of company sourcing practices, traceability systems and broader corporate and/or product sustainability claims.

Participating Site(s)	Audit date(s)	Number of field visits	Total on-site audit time
Operations Headquarters	May 26, 2022 June 15, 2022	N/A	3.5 hours 45 minutes (phone call)

2 Scope of the T&T Audit Program

Participating Site	Address/ Tel/Fax/Email	Site activity	Selected for audit
Corporate Headquarters	7272 Wisconsin Ave Suite 1800, Bethesda, MD 20814	Office	<input type="checkbox"/>

	T: (301) 657-5560		
Operations Headquarters	4242 Six Forks Rd, Suite 1050, Raleigh, NC 27609 T: (984) 789-3665	Office	<input checked="" type="checkbox"/>
Ahoskie [AHO]	142 NC Route 561E Ahoskie, NC 27910	Pellet Manufacturer	<input type="checkbox"/>
Amory [AMO]	205 Martin Luther King Blvd, Amory, MS 38821	Pellet Manufacturer	<input type="checkbox"/>
Cottdale [COT]	2500 Green Circlly Pkwy, Cottdale, FL 32431	Pellet Manufacturer	<input type="checkbox"/>
Greenwood [GRE]	200 Enviva Way, Greenwood, SC 29646	Pellet Manufacturer	<input type="checkbox"/>
Hamlet [HAM]	1125 NC-177, Hamlet, NC 28345	Pellet Manufacturer	<input type="checkbox"/>
Northampton [NOR]	830 Lebanon Church Rd, Garysburg, NC 27831	Pellet Manufacturer	<input type="checkbox"/>
Sampson [SAM]	11499 Faison Hwy, Faison, NC 28341	Pellet Manufacturer	<input type="checkbox"/>
Southampton [SOU]	26570 Rose Valley Rd, Franklin, VA 23851	Pellet Manufacturer	<input type="checkbox"/>
Waycross [WAY]	3390 Industrial Blvd, Waycross, GA, 31503	Pellet Manufacturer	<input type="checkbox"/>

Material Type Sourced	Participating Site(s)	Species of material input	Volume Reporting period X-X
Primary material: Roundwood, in-woods chips	All pellet manufacturers	Domestic hardwood and softwood species	July 1 – December 31, 2021

Participating Site	Material type sourced	Exact number of suppliers	Supplier type(s)	Average no. of tiers in the supply chains	General description of the supply area
Ahoskie	Chips	44 Suppliers	Loggers, Brokers, Landowners	2	NC/VA

Amory	Chips	1 Supplier	Forest management enterprise	1	AL/MS
Cottondale	Roundwood, chips	49 Suppliers	Loggers, Brokers, Landowners	2	AL/FL/GA
Greenwood	Roundwood, chips	38 Suppliers	Loggers, Brokers, Landowners	2	NC/SC/GA
Hamlet	Roundwood, chips	34 Suppliers	Loggers, Brokers, Landowners	2	NC/SC/VA
Northampton	Roundwood, chips	83 Suppliers	Loggers, Brokers, Landowners	2	NC/VA
Sampson	Roundwood, chips	31 Suppliers	Loggers, Brokers	2	NC
Southampton	Roundwood, chips	67 Suppliers	Loggers, Brokers, Landowners	2	NC/VA
Waycross	Roundwood, chips	34 Suppliers	Loggers, Brokers	2	FL/GA

3 Complaints Procedures

See **CAR 04/21** - The process to receive and address external complaints has been shared with suppliers, however, has not been made public. CAR to be evaluated during separate corrective action verification audit prior to deadline.

<https://www.envivabiomass.com/mission-and-values/ethics-and-compliance-hotline/>

EVALUATION CONCLUSIONS

Based on auditor's recommendation and Verification Body quality review, the following decision was made:

Verification Body decision:	<input checked="" type="checkbox"/> Public Claims Approved <input type="checkbox"/> Public Claims Not Approved
Date of decision:	5 July 2022

1 Corrective Action Reports (CARs)

No new CARs issued during the data verification audit. CARs below to be evaluated during separate corrective action verification audit prior to deadline.

Indicator	Grading	Summary Finding	Deadline for conformance
2.3	In Progress	CAR 01/21 - The Company does not have written procedures to meet all standard indicators.	6 months from report finalization 8 June 2022
3.3	In Progress	CAR 02/21 - Timeline for incorporating materials outside the scope of the T&T Program has not been established with plans for periodic review.	12 months from report finalization 8 December 2022
5.4	In Progress	CAR 03/21 - Changes in harvest plan (increase/decrease of harvest area) after tract set-up resulted in minor data errors (e.g., stand, forest cover type, acreage, age).	6 months from report finalization 8 June 2022
8.4.1	In Progress	CAR 04/21 - The process to receive and address external complaints has been shared with suppliers, however, has not been made public.	6 months from report finalization 8 June 2022

2 Opportunities for Improvement

One new OFIs issued during the data verification audit. See 2021 Initial Assessment for details on previously issued OFIs.





Indicator	Summary Finding
2.4	OFI 01/22 - The Company added a temporary contract woodyard during the data period. The auditor reviewed a signed contract agreement that included procedures

	and evidence of procedural implementation. The Company staff person responsible for training the woodyard staff on their procedures confirmed training was conducted and ongoing communication was maintained during the temporary contract, however records of the training were not maintained. The Company should have procedures for and keep records of training completed.
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3 Description of the Overall Audit Process

The data verification audit began with an opening meeting at the Operations Headquarters in Raleigh, NC on 26 May 2022, during which the audit plan, objectives and scope were discussed. The organization's conformance with the Track & Trace® (T&T) Standard V1-0-1, core areas 3, 4, & 7, was evaluated during completion of the standard checklist. Due to the addition of a temporary woodyard, the audit included verification of select other requirements to ensure proper procedures, training, and procedural implementation was followed. The auditor triangulated evidence through interviews, document review, and observation whenever possible. This included the use of shared screens, system queries, interview, etc. A follow-up call was held with Chris Bird to review procedures for the addition of a contract woodyard on 15 June 2022. A closing meeting was held to review preliminary findings and discuss next steps.



AUDIT FINDINGS

Full conformance		N/A
In Progress		<p>Critical Indicators: 6 months (60 days for investigation and design of corrective action plan, implementation to be verified within 6 months)</p> <p>Progressive Indicators: 12 months from report finalization.</p>
Needs Immediate Action		<p>Active public claims must be removed until the nonconformity is closed.</p> <p>New public claims may not be made until the nonconformity is closed and verified by third-party auditing body.</p>
Opportunity for Improvement		<p>The Company has 12 months from report finalization to respond.</p> <p>Corrective action is not required.</p>

Note: The Verification Body may make exceptions to the timelines above, where justified. All exceptions are noted in the grading below.


Core Area	Indicator	Grading	Summary Finding
1. Policy and Commitment	Section N/A		



* Identifies progressive indicators that do not require full conformance initially and are meant to set long-term targets that can be achieved over time.

Core Area	Indicator	Grading	Summary Finding
2. Resource Requirements	2.1 The Company appoints key personnel responsible for implementation of the T&T Program procedures.	N/A	
	2.2 Responsible personnel have the qualifications, authority, and competency to implement their assigned procedures.	N/A	
	2.3 The Company develops and implements up-to-date documented procedures covering the requirements of this standard.		Prior to adding a contract woodyard to the supply chain, the Company developed procedures to ensure raw materials shipped to the company are in conformance with the standard requirements. The Company maintains ownership of the material during the duration of its storage, as verified during interviews and review of the signed agreement between the company and the contract woodyard. The auditor verified during review of procedures and a sample of scale tickets that adequate procedures have been developed and implemented (Exhibit A3).
	2.4 The Company develops and implements an adequate training program that covers all aspects of the T&T Program's procedures.		With the added procedures, the Company has provided training to the contractor's staff (scaler and site manager) as verified during interviews with the responsible company person. The Company does not have specific procedures to keep records of training and was unable to provide such evidence during the


			audit, see OFI 01/22 . Specific written instructions (e.g., scaling process, manual ticket process, storage, etc.) for contract woodyard staff are also included within the contract agreement (Exhibit D).
	2.5 The Company ensures the availability of resources and information necessary to support the implementation of the T&T Program.	N/A	
	2.6 The Company maintains all records related to the implementation of the T&T Program.	N/A	
	2.7 The Company makes investments in new technologies that can benefit their T&T Program and the accuracy of data that it provides.*	N/A	

* Identifies progressive indicators that do not require full conformance initially and are meant to set long-term targets that can be achieved over time.

Core Area	Indicator	Grading	Summary Finding
3. Scope of the T&T Audit Program	<p>3.1 The Company defines the scope of the T&T Program which includes:</p> <ul style="list-style-type: none"> a) types of raw material input b) types of suppliers and upstream suppliers c) species d) sites included in the T&T Program e) supply area 		<p>The Company has outlined the scope of the program within their procedures and supplier list (Exhibit A & B). Accepted species are within the Master Wood Purchase Agreement (MWPA) but are not a T&T data point. New in the data period was the addition of an off-site contract woodyard. As described in an earlier finding, the Company entered into an agreement for the woodyard to receive, scale, and store roundwood until delivered into one of the Company's local mills. The Company retains legal ownership. Adequate procedures have been developed to manage this arrangement.</p>



			The program scope, a) through e), appropriately covers the range of the Company's public claims.
	3.2 The Company maintains records of implementation of the T&T Program. Records shall be maintained for a minimum of 3 years.		The Company has a procedure and has maintained records for more than 3 years. All staff interviewed understood this requirement as it was already a requirement for other certification programs. All records requested by the auditor were made available within a reasonable timeframe, including contract woodyard agreement, scale tickets, reconciliation records and procedures.
	3.3* The Company identifies materials outside of the scope of the T&T Program clearly and commits to a timeline for incorporating them into the scope of the program.		<p>Material outside the scope:</p> <p>a) fuel sources for the mill (purchased outside of T&T tracts). There is no commitment or timeline at this time.</p> <p>b) secondary or tertiary sources - Enviva has committed to sourcing these materials in line with the company's Sustainable Forestry Standards under the Responsible Sourcing Policy (RSP), however has not defined a timeline to bring them into the T&T Program.</p> <p>c) third-party pellets - Enviva has committed to sourcing these materials in line with the company's Sustainable Forestry Standards under the Responsible Sourcing Policy (RSP), however has not defined a timeline to bring them into the T&T Program.</p> <p>d) primary deliveries received under exemption procedure (including chip mills). The Company is committed to gradually decrease this year over year.</p> <p>The Company has not defined a timeline for incorporating materials into the scope of the program. The result does not affect the credibility of the T&T data. See previous CAR 02/21 issued during the 2021 Initial Assessment.</p>

* Identifies progressive indicators that do not require full conformance initially and are meant to set long-term targets that can be achieved over time.

Core Area	Indicator	Grading	Summary Finding
4. Supplier Information	<p>4.1 A supplier list is maintained that includes the following information:</p> <ul style="list-style-type: none"> a) Name b) Address c) Type of supplier d) Number of tracts e) Location of tracts 		<p>The Company developed a supplier list (Exhibit B) that includes information on a), c) and d) for the data period. Points b) and e) are not specifically included in this supplier list, however other databases house this information. The Company information systems have records of each tract, supplier, and GPS coordinates, along with additional T&T data points. The Company payment systems include information on the suppliers address however this can often be a post office box or home address, and therefore the supplier list tracks the supplier's contact and email address to maintain distinct identity of each supplier.</p> <p>The auditor interviewed the staff person responsible for this indicator, including a review of the supplier list and information system that supported its generation.</p>

Core Area	Indicator	Grading	Summary Finding
5. Data Collection	Section N/A		

Core Area	Indicator	Grading	Summary Finding
6. Data Verification	Section N/A		

Core Area	Indicator	Grading	Summary Finding
7. Volume Summary and Calculations	<p>7.1 The Company maintains a material accounting record (e.g. spreadsheets, production control software) for each site that includes:</p> <ul style="list-style-type: none"> a) volume of raw material by input type b) volumes of raw material per type of supplier 		<p>The Company has four different databases and a spreadsheet that maintain records of raw material input volumes that can be filtered by site, meeting the indicator requirement a)-b).</p> <p>Auditor reviewed a compiled master database that included all tracts delivered to Enviva from Jun 1, 2021 – Dec 31, 2021 (2H2021) and included all key data to calculate public claim statistics (Exhibit E for claims). Data can be presented by material type per supplier and for each site in the scope. Due to the size of these databases, they were not collected as exhibits however thoroughly reviewed by the auditor during the audit.</p>
	<p>7.2 The Company maintains verifiable statistical data and calculations used to make public claims.</p>		<p>The company has a single database that collates data from the databases identified above. This allows the Company to look at T&T data enterprise-wide. This is the base for all the calculations.</p> <p>The auditor selected a random sample of tracts received during the audit period and traced its data flow back to the collection point (i.e., tract set-up form), verifying along the way that the raw data supporting the summary calculations was consistent within each database.</p> <p>When applicable to multiple stands, where loads are received at the tract level and not stand level, a volume attribution process is applied. For example, stand 1 expects 4500 tons (90%) to Enviva and stand 2 expects 500 tons (10%) to Enviva. For each load, volumes will be attributed based on this spread. Written procedures and process reviewed found to be adequate.</p> <p>A very small volume (<1% of primary materials into each two of the Company's mills) of roundwood purchased from suppliers was stored at the Company's subcontracted woodyard. Some of that roundwood was occasionally chipped by another subcontractor (contracted by the Company) prior to arriving at</p>

			<p>the Company's mill gate. Tracts were purchased through normal processes, scaled as roundwood by the scaler, tickets written to include tract name and supplier for each load scaled, and then stored in a physically separate area. When roundwood (and in rare cases, chips are needed at the mill), independent trucking companies are contracted to pick up the material and deliver to the mill. A volume attribution process is applied for all material that came from the woodyard to its respective mill. Since the woodyard stores raw material for more than one of the Company's mills and does not physically segregate by tract, the Company cannot physically trace each load received at an individual mill back to its originating tract. To account for this, volume proportions from tracts to the woodyard are applied to volumes received at each of the mills. Essentially if tract A makes up 2% of volume received at the woodyard, it also makes up 2% of the volume received at each of the mills from the woodyard. Written procedures and process reviewed found to be adequate.</p> <p>At AMO, a different procedure is needed to log T&T data. Written procedures and process reviewed found to be adequate. The auditor reviewed a sample of traceability documents including supplier volume summary and associated scale slips.</p> <p>Softwood/ Hardwood mix not included in the scope of the audit and therefore not verified.</p>
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Core Area	Indicator	Grading	Summary Finding
8. Quality Management System	Section N/A		

Core Area	Indicator	Grading	Summary Finding
9. Public Reporting	Section N/A		

Core Area	Indicator	Grading	Summary Finding
10. Claims	Section N/A		



Corrective Action Verification Audit (CVA) Report

Organisation:	Enviva Inc
Report Date:	7 July 2022

I. AUDIT PROCESS

Auditor, Qualifications:	Alicia Raimondi, Sr Responsible Sourcing Specialist
Audit Date(s):	9 February 2022 & 1 & 8 June 2022
CVA Type:	Desk review <input checked="" type="checkbox"/> On-site <input type="checkbox"/> Location(s): Click here to enter text.
Audit Overview:	On 9 February 2022, the Company presented its root cause analyses and corrective action plans for each of the nonconformances. The auditor verified through interviews with the Program Manager and records of analyses that the corrective action plans were designed to respond to the root causes. Following the root cause approval, the Company presented evidence of implementation to the auditor on 1 June 2022. Where incomplete evidence was provided, the Company made a final submission on 8 June 2022. In the case of Corrective Action Request (CAR) 01/21, the timeline for conformance was extended in line with Track & Trace (T&T) audit procedures for critical indicators, ensuring corrective action is implemented within 12 months.
Changes to Scope since last Audit:	None.

II. NON-CONFORMITY EVALUATION

CAR number: 03/21	CAR grading:	Needs Immediate Action <input type="checkbox"/>	In Progress <input checked="" type="checkbox"/>
Standard & Indicator:	T&T Standard V1-0-1, Indicator 2.3		
Description of Non-conformance:			
Changes in harvest plan (increase/ decrease of harvest area) after tract set-up resulted in minor data errors (e.g., stand, forest cover type, acreage, age) that do not significantly impact the overall sourcing percentages posted publicly.			
Corrective Action Request:	Company shall implement corrective actions to demonstrate conformance with the requirement(s) referenced above. Note: Effective corrective actions focus on addressing the specific occurrence described in evidence above, as well as the root cause to eliminate and prevent recurrence of the non-conformance.		

CAR conformance deadline:	6 months from report finalization date (8 Jun 2022)
Client evidence:	<p>The company completed a root cause analysis within 60 days of report finalization, as verified during interview and document review (tab 'CAR_0321' of Exhibit 5). The company proxied their internal yield monitoring per tract (flagging tracts that are delivering more than expected based on the average tons/acre for a clearcut or thinning) as an indicator of systemic issues with data collection on harvest plan changes. The issues fell into 3 buckets: suppliers not communicating change, internal staff not knowing where suppliers are cutting or staff not following processes, and gate pass issues. Gate pass issues were found to be as a result of first two issues. The analysis was completed within 60 days, as required by the T&T audit procedure, but it did not consider cases where the harvest area size was decreased, rather than increased. A separate analysis was completed prior to the CAR conformance deadline. Changes in harvest plans, both an increase and decrease in size, were found to have the same 3 root causes.</p> <p>Due to the numerous teams involved in the corrective action plan design, the company developed a calendar of milestones where decisions were required to move the corrective action process forward. Implementation of the action plan required participation by many internal teams and suppliers. The corrective action plan included the following:</p> <ul style="list-style-type: none"> a) Supplier training – This included 1:1 conversations between staff and suppliers and signed policy acknowledgements from suppliers. b) Development of a new procurement dashboard to monitor tract activity and require relevant staff to review it weekly c) Implement monthly post-harvest imagery review for a sample of tracts <p>The company provided the following evidence (Exhibit 3):</p> <ul style="list-style-type: none"> 1. Email communication to suppliers and a sample of signed policy acknowledgements 2. A monitoring log to track 1:1 conversations and signed policy acknowledgements 3. Email communication to relevant staff about implementation of the new procedure and timeline. 4. New or modified written procedures for b & c above
Evaluation of evidence:	<p>During the last 6 months, the auditor verified during interviews and document review (1-4 above) that a root cause analysis was completed within 60 days, reanalyzed prior to final deadline, and the corrective action plan was implemented within 6 months of the 2021 Initial Assessment report finalization. Due to the numerous staff and suppliers, outreach and follow-up are planned beyond the CAR deadline. The auditor found this acceptable as the company has set firm deadlines that are monitored by the Program Manager. Evidence of full implementation will be verified during the annual verification audit. The evidence provided was found to be adequate to prevent future occurrence.</p>
CAR status:	CLOSED

Comments (optional):	
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CAR number: 04/21	CAR grading:	Needs Immediate Action <input type="checkbox"/>	In Progress <input checked="" type="checkbox"/>
Standard & Indicator:	T&T Standard V1-0-1, Indicator 8.4.1		
Description of Non-conformance:			
Complaints procedure is not public.			
Corrective Action Request:	Company shall implement corrective actions to demonstrate conformance with the requirement(s) referenced above. Note: Effective corrective actions focus on addressing the specific occurrence described in evidence above, as well as the root cause to eliminate and prevent recurrence of the non-conformance.		
CAR conformance deadline:	6 months from report finalization date (8 Jun 2022)		
Client evidence:	The company completed their root cause analysis within 60 days of report finalization, as verified during interview and document review (tab 'CAR_0421' of Exhibit 5 and Exhibit 4). The root cause was identified as failure to consider “public” to be beyond suppliers, and include the greater public. The proposed corrective action plan included: a) Develop a webpage to host the complaints procedure b) Go live with new webpage at the time of public report release The Company implemented its corrective action plan. See webpage: https://www.envivabiomass.com/sustainability/responsible-sourcing/track-trace/track-trace-standard-and-auditing/		
Evaluation of evidence:	During the last 6 months, the auditor verified during interviews and document review that the root cause analysis was completed in less than 60 days and fully implemented in less than 6 months of the 2021 Initial Assessment report finalization. The auditor verified during interviews and webpage review that the complaints procedures are now publicly available. The company took sufficient corrective action to prevent reoccurrence.		
CAR status:	CLOSED		
Comments (optional):			

III. CONCLUSIONS

CARs Closed:	<input checked="" type="checkbox"/> No follow-up required related to closed CARs
	<input type="checkbox"/> Original CARs closed and new CAR(s) issued, see section IV below
CARs Open:	<input type="checkbox"/> Certification not approved; conformance with CARs required
	<input type="checkbox"/> Needs Immediate Action CARs not closed; removal of public data required
	<input checked="" type="checkbox"/> In Progress CARs not closed and timeline extended; see section IV below
	<input type="checkbox"/> In Progress CARs are upgraded to Needs Immediate Action; see section IV below
	<input type="checkbox"/> New CAR(s) issued, see section IV below

Comments/Follow-up Actions:	Click here to enter text.
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IV. OPEN CARs

CAR number: 01/21	CAR grading:	Needs Immediate Action <input type="checkbox"/>	In Progress <input checked="" type="checkbox"/>
Standard & Indicator:	T&T Standard V1-0-1, Indicator 2.3		
Description of Non-conformance:	The Company does not have written procedures to meet all standard indicators.		
Corrective Action Request:	<p>Company shall implement corrective actions to demonstrate conformance with the requirement(s) referenced above.</p> <p>Note: Effective corrective actions focus on addressing the specific occurrence described in evidence above, as well as the root cause to eliminate and prevent recurrence of the non-conformance.</p>		
CAR conformance deadline:	8 months from report finalization date (8 Aug 2022)		
Client evidence:	<p>The company completed their root cause analysis within 60 days of report finalization, as verified during interview and document review (tab 'CAR_0121' of Exhibit 5). The root cause was identified as a misinterpretation of the standard by the Program Manager around required procedures. Additionally, the company's internal audit focused on core areas 5 and 6 and therefore procedures for other core areas were not reviewed.</p> <p>The proposed corrective action plan included:</p> <ol style="list-style-type: none"> Identify all missing procedures through crosswalk of standard and written procedures Develop written procedures, where currently missing Liase with the Manager of Certification to align written procedures to other schemes, where possible Add procedure for document review in the internal audit and assign someone independent to review each core area of the standard and ensure there is a written procedure for each <p>The company provided a revised set of procedures covering all requirements for core areas 8, 9, and 10 and for indicator 6.1 and 2.6 (Exhibit 1 & 2 - new and revised set of procedures).</p>		
Evaluation of evidence:	<p>During the last 6 months, the auditor verified during interviews and document review that the root cause analysis was completed within 60 day deadline. New or revised written procedures have been developed to address the root cause and close the nonconformance, with the exception of procedures for indicator 6.1.</p> <p>During review, the auditor found the company had not clearly defined their verification methodology for harvest type (indicator 6.1). New procedures describe the use of a yield monitoring to identify tracts that are delivering more tons/acre than is expected based on harvest type and acreage. While this is a useful tool for monitoring, it is not a verification method. The company has defined the expected tons/acre for two groups: 1) clearcut and seed tree OR 2) thinning, selection, and salvage/arboriculture.</p>		

	The company has not developed a procedure that verifies data at the level of public reporting (i.e., final (clearcut or seed tree), thinning (thinning or selection), preharvest, and salvage/arboriculture). The company does have other mechanisms in place to verify harvest type (e.g., field verification for location, satellite imagery monitoring), however these procedures are indirectly reviewing this data point and are not developed to manage potential risk of misclassification. Therefore, the CAR has been kept open with an extended timeline.
CAR status:	OPEN
Comments (optional):	Due to the single indicator unaddressed, the auditor has extended the timeline for conformance from 8 June 2022 to 8 August 2022. The decision was made to do so in order to allow the Company sufficient time to develop and implement an appropriate procedure for verification of harvest type.

V. AUDIT REPORT APPROVAL

Note: a formal Report Review and Approval (RRA) process conducted by an independent, authorized reviewer is required when the CVA results in certificate/verification/validation issuance or suspension/termination, or when there is a significant change in scope. In all other cases, the report may be approved with the 2nd checkbox below by an authorized RRA reviewer which may be the CVA auditor.

☒ Report approved by way of this checkbox

Approved by: Walter Smith

Date: 6 July 2022