

Certification Evaluation Report

Roundtable on Sustainable Biomaterials

UPM Kymmene Corporation

SCS Certificate Code- SCS-RSB/PC-0030

Liisa Ranta

www.upm.com

CERTIFIED	EXPIRATION
January 3, 2018	January 2, 2023

DATE(S) OF AUDIT
November 6, 2017 to November 9, 2017
DATE OF LAST UPDATE
January 3, 2018

SCS Contact:

Matthew Rudolf | Manager, Biofuels

+1.919.533.4886 (direct) mrudolf@scsglobalservices.com

SCSglobal
SERVICES

Setting the standard for sustainability™

FOREWORD

SCS Global Services (SCS) is a certification body accredited by the Roundtable on Sustainable Biomaterials (RSB) to conduct evaluations of biofuel operators. Under the RSB/SCS certification system, participating operators meeting international standards of biofuel production can be certified as “sustainable,” thereby permitting the Operator’s use of the RSB endorsement and logo in the marketplace subject to regular RSB/SCS oversight.

SCS deploys interdisciplinary teams of natural resource specialists and other experts all over the world to conduct evaluations of biofuel operations. SCS evaluation teams collect and analyze written materials, conduct interviews with Participating Operator’s staff and key stakeholders, and complete field and office audits of the operation(s) identified in the certification scope. Upon completion of the fact-finding phase of all evaluations, SCS teams determine compliance to the RSB Principles and Criteria.

Please Note: An RSB certificate itself does not constitute evidence that a particular product supplied by the certificate holder is certified to RSB standards. Products offered, shipped or sold by the certificate holder can only be considered covered by the scope of this certificate when the required RSB claim is clearly stated on-product. For more information about the RSB, visit their website at www.rsb.org.

Organization of the Report

This report of the results of our evaluation is divided into two sections. Section A provides the public summary and background information that is required by the Roundtable on Sustainable Biomaterials. This section is made available to the general public and is intended to provide an overview of the evaluation process, the management programs, and policies applied to the Participating Operator, and the results of the evaluation. Section A will be posted on the RSB Participating Operators Database (<http://rsb.org/certification/participating-operators/>). Section B contains more detailed results and information for use by the Participating Operator.

CONTENTS

SECTION A – PUBLIC SUMMARY	4
1.0 GENERAL INFORMATION.....	4
1.1 Operator Information	4
1.1.1 Name and Contact Information	4
1.1.2 Additional Parties Involved (Can be moved to appendix if certain information is confidential)	4
1.2 Scope of Certificate.....	4
1.3 Standards Used	9
1.3.1 Applicable RSB-Accredited Standards.....	9
2.0 EVALUATION PLANNING & PROCESS.....	9
2.1 Documentation Submitted by Operator	9
2.2 Audit Type and Determination	9
2.3 Audit Team.....	11
2.3.1 Determination of Audit Team	11
2.3.2 Audit Team.....	11
2.4 Evaluation Schedule and Extent of Audit.....	12
2.4.1 Determination of Extent of Audit	12
2.4.2 Evaluation Itinerary and Activities	12
2.5 Evaluation of Management System.....	12
2.5.1 Methodology and Strategies Employed.....	14
2.5.2 Capacity of the participating operator to implement its management systems.....	14
2.5.3 Evaluation of RSB compliance claims and use of RSB trademarks	14
2.6 Stakeholder Consultation Process (for Main audits)	14
2.6.1 Summary of Stakeholder Comments and Responses from the Team, (for Main audits)	15
3.0 RISK ASSESSMENT RESULTS.....	15
4.0 RESULTS OF THE EVALUATION	16
4.1 Process of Determining Compliance.....	16
4.1.1 Structure of Standard and Degrees of Non-Compliance	16
4.1.2 Interpretations of Major and Minor Non-compliances	16
4.1.3 Major Non-compliances.....	16
4.1.4 Non-compliances and Current Status	17

5.0 CERTIFICATION DECISION..... 18
Sub Certificate Codes (if applicable)..... 19

SECTION A – PUBLIC SUMMARY

1.0 GENERAL INFORMATION

1.1 Operator Information

1.1.1 Name and Contact Information

Organization name	UPM-Kymmene Corporation		
Operator Number	2098		
Contact person	Liisa Ranta		
Address	Alvar Aallon katu 1	Telephone	+358 204 15 111
	00101 Helsinki, Finland	Fax	+358 204 15 110
		e-mail	liisa.ranta@upm.com
		Website	www.upm.com

1.1.2 Additional Parties Involved **(Can be moved to appendix if certain information is confidential)**

Organization name	Cargill		
Contact person			
Address	Ruta 5 km. 177 (of Durazno facility)	Telephone	(00598) 98 494 280
		Fax	
		e-mail	
		Website	
Nature of Involvement:			
Owner of the two warehouses (Durazno and Nueva Palmira) included in the RSB scope.			

1.2 Scope of Certificate

Please select one:	<input checked="" type="checkbox"/> RSB EU RED	<input type="checkbox"/> RSB Global
Please select boxes that apply:	<input type="checkbox"/> Pre-assessment	<input type="checkbox"/> 1st Annual Surveillance
	<input checked="" type="checkbox"/> Initial Assessment	<input type="checkbox"/> 2nd Annual Surveillance
	<input type="checkbox"/> Re-certification	<input type="checkbox"/> 3rd Annual Surveillance
	<input type="checkbox"/> Follow-Up to NCs	<input type="checkbox"/> 4th Annual Surveillance
The scope assessment agrees with the scope under which the operator applied	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No

Note:	<p>Please note that the scope of certification includes the following UPM entities:</p> <ul style="list-style-type: none"> • UPM Kymmene Corporation (holder of the certificate) • Forestal Oriental S.A (UPM legal entity in Uruguay) • UPM-Kymmene Seven Seas Oy (sells the grain to Europe)-
If no, please explain:	
<i>Note: If the scope is different, please contact SCS.</i>	

AGRICULTURAL SITES OR FEEDSTOCK PRODUCTION SITES				
Site Type	<input checked="" type="checkbox"/> Agriculture		<input type="checkbox"/> Forestry	
	<input type="checkbox"/> Biomass Production		<input type="checkbox"/> Other:	
Feedstock Produced:				
Current Land Use	Prior Land Use			
<input type="checkbox"/> Biomass Production	<input type="checkbox"/> Biomass Production			
<input checked="" type="checkbox"/> Agriculture	<input checked="" type="checkbox"/> Agriculture			
<input type="checkbox"/> Other:	<input type="checkbox"/> Other:			
Current Employment on Site	Prior Employment on Site			
<input type="checkbox"/> Negligible	<input type="checkbox"/> Negligible			
<input checked="" type="checkbox"/> Local Average	<input checked="" type="checkbox"/> Local Average			
<input type="checkbox"/> Above Local Average	<input type="checkbox"/> Above Local Average			
<input type="checkbox"/> Full	<input type="checkbox"/> Full			
Total workers covered by scope of certification:	407			
Number of women workers	1			
Owned/Controlled By:	UPM Forestal Oriental			
Location/City:	Uruguay / Paysandu, Durazno, Colonia, San Jose, Florida, Flores, Soriano, Rio Negro			
Total farms included in certification scope	35			
Geographic location: <u>SEE Table directly below</u>	Farm/Entity	Location (Lat. - Long.)	Area (ha)	Area Planted (ha)
NEW Please request shapefiles of all farms				
Were shapefiles of farms requested?	Yes			

Did Operator provide shapefiles of farms included in scope of certification?	Yes
Total Area (ha)	8,752.14
Total Planted Area (ha)	2016: 1,528.93 + 2017: 7,223.21 = 8,752.14
Total area set aside for conservation purposes (ha)	None
Annual Feedstock Production Volume (please specify unit of measurement)	16,000 tons
Amount sold as RSB certified in last calendar year (tons)	None; first audit

Farms, Company, Planted Area in 2017 and Geographic location:

NO.	PRODUCER / FARM	COMPANY	AREA (HA)	COORDINATES OF FARM
1	Chinazzo Hnos	Chinazzo Hnos	82,8	31°55'44.84"S / 57°37'19.56"O
2	Gibson hnos.	GIBSON HNOS	87,3	32° 1'54.38"S / 57°51'32.88"O
3	Tomás Molina	AGRICOLAS TM SARL	161,5	33°33'37.35"S / 56°52'17.46"O
4	Lichero	Lichero	120,6	32°30'4.64"S / 57°49'59.91"O
5	Agrosandu SRL-La Cumbre	Agrosandu SRL	78	32°17'14.34"S / 57°57'41.22"O
6	Francisco Mendiola	ROMAY ECCHER MARIA ELVIRA	100	32°54'57.52"S 57°38'5.14"O
7	Nicolás y Andrés Jveschuk	Andrés Jveschuk	41	32°33'19.52"S 58° 3'27.55"O
8	Del Carmen ACISA	Del Carmen ACISA	289	33°24'58.62"S 58° 3'2.83"O
9	Fabricio Chinazzo	Fabricio Chinazzo	75	32°21'27.15"S 58° 6'17.31"O
10	A.Durán	AGROMARTA SARL	68	33°31'39.96"S 57°18'28.87"O
11	Los Molles	Estancia Los Molles S.A.	70	31°52'2.47"S 57°11'19.08"O
12	BRACAR	BRACAR SRL		
	Turon		251	33° 7'56.95"S 57°33'22.66"O
	Braga		190	32°55'19.70"S 56°42'37.79"O

NO.	PRODUCER / FARM	COMPANY	AREA (HA)	COORDINATES OF FARM
	Cortabarría Alfonso		256	33°33'28.03"S 56°26'58.43"O
	Cortabarría Ignacio		57	33°32'56.90"S 56°23'19.39"O
	Cortabarría Gonzalo		96	33°33'29.65"S 56°28'19.09"O
	Paso de la cadena		172	33°28'9.34"S 56°31'0.36"O
	Santa Amelia		369	33°16'16.43"S 57°32'33.02"O
	El guaraní		333	32° 4'20.70"S 57°48'25.92"O
	Rancho Nuevo		245	33° 3'36.28"S 57°14'58.53"O
	La cercana		172	33°45'9.25"S 56°15'28.31"O
	La Palma		95	32°36'51.24"S 57°26'44.19"O
	San Cirilo		230	32°30'53.71"S 58° 5'6.06"O
	Belasi		64	32°30'34.43"S 58° 0'37.37"O
	La Prudencia		104	33°26'50.23"S 57°24'0.78"O
	La Choza		426	32°45'53.33"S 57°31'45.16"O
13	PRADOTEN SA	PRADOTEN SA		
	Villa Ceferina		276.52	33° 5'49.07"S 56°54'37.74"O
	El Surco		216.79	32°56'21.83"S 57° 7'51.47"O
	El Gato Chico		65.5	32°28'30.55"S 57°39'25.62"O
	San jose – Bove		98.8	34°32'43.60"S 56°51'47.05"O
14	Rodolfo LUGARO	Rincon de Cora Agropecuaria Ltda	120	34°33'53.30"S 56°50'14.67"O
15	El Cabelludo	El Cabelludo		
	La Matilde		70	33°14'41.95"S 57°33'19.00"O
	El Tabare		130	33°20'21.52"S 58°19'5.75"O
	Santa María Girasol		149	33°44'34.35"S 56°47'49.98"O
16	Cambacúá SRL	Cambacúá SRL	95	32°18'23.01"S 57° 8'0.38"O

NO.	PRODUCER / FARM	COMPANY	AREA (HA)	COORDINATES OF FARM
17	Markus Zoller Conrad	CONRAD ZOLLER	43	32°32'29.45"S 57°55'23.88"O
18	Markus Zoller	MARKUS ZOLLER	100.8	32°32'48.43"S 57°53'3.91"O
19	Mazzilli Modernel Hnos	MAZZILLI MODERNELL HNOS	34	32°17'59.70"S 57°58'28.72"O
20	Juan Bonica e Hijos	Juan Bonica	70	32°13'14.38"S 58° 4'24.50"O
21	Carbo	Carbo	52	32°22'4.34"S 57°52'55.55"O
22	San Francisco Javier	San Francisco Javier	34	32°53'39.08"S 57° 6'31.74"O
23	Gerardo Uribe	GERARDO LUIS URIBE DE BARROS	133	34° 3'15.98"S 57°17'20.44"O
24	Emiliano Uribe	EMILIANO URIBE MALOSETTI	128	33°39'19.82"S 57°17'35.70"O
25	Roald Rivoir	ROALD RIVOIR	180	34°13'21.70"S 57°30'25.22"O
26	Agropecuaria del Litoral	AGROPECUARIA DEL LITORAL S.A.	150	32° 1'46.39"S 57°53'41.88"O
27	ADP	Agronegocios del Plata	117	33°34'53.40"S 58° 6'57.52"O
28	Fraschini, Matias	Fraschini, Matias	50	32°23'48.71"S 57°45'18.94"O
29	Wersal	Wersal SA	70	34° 3'33.47"S 56°47'53.98"O
30	Gran Pedro	Gran Pedro S.A.	110	32°38'1.94"S 57°59'1.05"O
31	Zanoniani (AgroLitoral)	AGROPECUARIA DEL LITORAL S.A.	80,6	33°54'56.71"S 58° 0'14.77"O
32	Henderson	Henderson	250	33° 7'48.60"S 58°14'30.73"O
33	Agrosiembras (Martin Noboa)	Agrosiembras	36	32°59'57.98"S 57°54'6.56"O
34	Gabriel Bidegain	Gabriel Bidegain	20	33°15'0.42"S 58°12'24.38"O
35	Tierra Nueva (John Hogben)	Tierra Nueva	110	33°10'51.90"S 57°32'11.13"O
		TOTAL OF Carinata Plantation 2017	7,223.21	

WAREHOUSES (if in scope)	
1. Name	Durazno (Cargill)
Location/City	Ruta 5 km. 177, 47000 Durazno, Uruguay
Geographic location (<i>Latitude & Longitude</i>)	-33.438829, -56.488350
Material stored:	Brassica carinata
2. Name	Nueva Palmira (Cargill)
Location/City	Ruta 12 Km 5, Nueva Palmira Colonia Department, Uruguay
Geographic location (<i>Latitude & Longitude</i>)	-33.88549, -58.36687
Material stored:	Brassica carinata
<i>Add more lines as you see fit</i>	

1.3 Standards Used

1.3.1 Applicable RSB-Accredited Standards

Title	Version
RSB Principles & Criteria (RSB-STD-01-001)	V3.0
RSB Standard for Traceability (Chain of Custody) (RSB-STD-11-001-20-001)	V3.5
RSB Standard for Participating Operators (RSB-STD-11-001-30-001)	V3.2
RSB Risk Management (RSB-STD-11-001-60-001)	V3.2
Procedure on Communication and Claims (RSB-PRO-11-001-50-001)	V3.3
RSB Standard for EU Market Access (RSB-STD-11-001)	V3.1
All standards employed are available on the websites of the Roundtable on Sustainable Biomaterials (http://rsb.org/sustainability/rsb-sustainability-standards/). Standards are also available, upon request, from SCS Global Services (http://www.scsglobalservices.com/).	

2.0 EVALUATION PLANNING & PROCESS

2.1 Documentation Submitted by Operator

DOCUMENT	CHECK (YES OR NO)
UPM's RSB My account / RSB Application UPM	YES
RSB Participating Operator Agreement	YES
UPM's RSB Screening exercise / Screening Guidelines (RSB-GUI-01-	YES
UPM's RSB Self Risk Assessment (14/Sep/2017)	YES

UPM's RSB Self Evaluation	YES. Compliance to RSB principles and criteria are also defined in document "Environmental and Social Management Plan - ESMP".
Environmental Impact Assessment – EIA	YES
UPM's Environmental Social Management Plan - ESMP	YES
EHSS Integrated Policy	NO
Solid Waste Management Plan	NO
Management plan and compensation of Natural Habitats for the environment of UPM's Farms	NO
Social Responsibility Plan	NO
Public Consultation and Disclosure Plan	NO
Agricultural Management Plan or equivalent	YES
Framework of Community Relations Plan	NO
Consultation and Disclosure Activities Reports	NO
UPM Warehouse (procedures, safety emergency plan, etc.)	NO
Negative Declaration of Debts - UPM (Federal, Province and	YES
Results of Environmental Monitoring	NO
Stakeholders list	YES
Responsible use of water / water permits	YES
UPM's environmental permits	NO
Manual of procedures (Procedures for Chain of custody, Risk Management, communication and Claims, etc)	YES

2.2 Audit Type and Determination

The following table summarizes the audit types for RSB Audits:

	Low risk class	Medium risk class	High risk class
Certificate validity	5 years	3 years	2 year
Main audit	Every 5 years	Every 3 years	Every 2 year
Surveillance audit	Annual	Annual	Annual

2.3 Audit Team

2.3.1 Determination of Audit Team

- Desk audits shall always be conducted by at minimum one (1) international lead auditor. The lead auditor appointed may include additional auditors and/or technical experts in the audit team if this is required by the extent of the audit.
- Field audits shall always be led by one (1) international lead auditor.
- The lead auditor appointed shall include at minimum one (1) local auditor in the audit team. The lead auditor appointed may include additional auditors and/or technical experts in the audit team if this is required by the extent of the audit.
- For field audits of participating operators in High Risk class shall always the lead auditor appointed shall appoint at minimum
 - one (1) local auditor and
 - one (1) technical expert on social issues to evaluate compliance with social requirements and the risk of non-compliance due to social issues and
 - one (1) technical expert on environmental issues to evaluate compliance with environmental requirements and the risk of non-compliance due to environmental issues.
 - The lead auditor appointed may include additional auditors and/or technical experts in the audit team if this is required by the extent of the audit.

2.3.2 Audit Team

Auditor Name:	Jorge Hernán Gómez	Auditor role:	
<p>Qualifications: Jorge is an Agronomist Engineer who graduated from the University of Caldas with more than 15 years of experience.</p> <p>He is an International Lead Auditor for FSC Chain of custody, RSB, ISCC, BONSUCRO, Florverde, and ISO 14001. He is also an auditor in ISO 9001.2015, BPM and HACCP.</p> <p>He additionally participated in the first audit in Suramericana of RSPO as the auditor of the DAABON group and as a consultant to help INDUPALMA achieve certification under RSPO. He was also integral in the creation of the IDMNS, which is a comparison tool for different sustainability standards (RSB, RSPO, RTRS, BSI and RAS-RA).</p>			
Auditor Name:	Luciano Lisboa Junior	Auditor role:	
<p>Qualifications: Auditor and consultant to the forest and agriculture products industry. He is a lead auditor for the SCS Biofuels program and had conducted audits in Roundtable on Sustainable Biofuels (RSB) both as national and international lead auditor. He is also certified as lead auditor in the Bonsucro and International Sustainability and Carbon Certification (ISCC) schemes. Luciano has a Bachelor’s Degree in Agronomy from “LUIZ DE QUEIRÓZ,” University of São Paulo and a Doctorate in Forestry from North Carolina State University, Raleigh NC, USA. Mr. Lisboa has been conducting assessments for SCS since 2010.</p>			

2.4 Evaluation Schedule and Extent of Audit

2.4.1 Determination of Extent of Audit

Total number of subsidiaries, branch offices, affiliated entities, external third parties contracted or otherwise engaged, operational structures, sites, facilities, processing and production units, and supply chain structures	35 Companies / Producers contracted by UPM for planting <i>Brassica carinata</i> for producing seeds to extract oil for biofuel production. 2 warehouses belonging to Cargill also included in scope.
Participating Operator Risk Class	LOW RISK (score = 5)
Disputes or prior Non-compliances	None
Changes in scope since last evaluation	None
Total number of compliance claims	None

2.4.2 Evaluation Itinerary and Activities

Date: 06/November/2017	
Operation(s)/ sites visited	Activities/ notes
8:30 – 9:30 h UPM – Office – Paysandu – Uy	Opening Meeting UPM – Presentation: outline production process and overall process flow. – Introduction to certification program and assessment process to on-site staff; – Review of site map(s) and scheduled activities; – Review of RSB Procedures; confirm roles, responsibilities and processes; – Confirmation of scope of products to be certified and any product groupings. and clarification of all suppliers; farms, transportation and storage.
UPM Office	Document Review – Organization chart & contacts; – Training workshop on safe handling of agrochemicals; – Review documentation of historic land use – Land Use Change; – Land tenure / legal tenure; – PO checklist evaluation.
Date: 07/November/2017	
Operation(s)/ sites visited	Activities/ notes
UPM Office	– Risk approach and risk assessment; – Farmers visited checklist: compliance with RSB P&C signed by the visited farmers; – Review of six Buy and sell contracts of <i>Brassica carinata</i> ;

	<ul style="list-style-type: none"> - P&C checklist – P1 – Legality, review of tax documents: Banco de Previsión Social – BPS and Dirección General Impositiva – DGI: UPM and six visited Farms; - Review of the following documents: UPM Safety Rules; UPM Stakeholders Notification; - Brassica carinata Field Manual; - P&C checklist – P2: Planning, Monitoring and Continuous Improvement; - P&C checklist – P4: Human and Labor Rights; - P&C checklist – P12: Land Rights (six visited farms).
Date: 08/November/2017	
Operation(s)/ sites visited	Activities/ notes
UPM Office	<ul style="list-style-type: none"> - P&C checklist – P7: Biodiversity, ecosystems, and conservation values; - P&C checklist - P8: Soil; P9: Water; P10: Air; - P&C checklist – P11: Use of Technology; <ul style="list-style-type: none"> ▪ Pest & Disease Manuals; ▪ Pesticide list; ▪ Weed risk; ▪ Internal audit and, ▪ Waste management.
Date: 09/November/2017	
Operation(s)/ sites visited	Activities / notes
Auditor 2 – UPM Office	Final Document Verification: PO and P&C checklists.
13:00 – 15:00 Both Auditors	Auditor(s) take time to consolidate notes and confirm audit findings
15:00 – 17:00	<p>Closing Meeting</p> <ul style="list-style-type: none"> - Presentation of General audit finding - Presentation of all non-compliances and opportunities for improvement - Fix timetables for corrective actions - Reiterate SCS appeal policy - Ask for questions

2.5 Evaluation of Management System

2.5.1 Methodology and Strategies Employed

SCS deploys interdisciplinary teams with expertise in agriculture, ecology, forestry, social sciences, natural resource economics, and other relevant fields to assess an Operator’s compliance to RSB standards and policies. Evaluation methods include document and record review, implementing sampling strategies to visit a broad number of site and facility types, observation of implementation of management plans and policies, and stakeholder analysis. When there is more than one team member, team members may review parts of the standards based on their background and expertise. On the final day of an evaluation, team members convene to deliberate the findings of the assessment jointly. This involves an analysis of all relevant site observations, stakeholder comments, and reviewed documents and records. Where consensus between team members cannot be achieved due to lack of evidence, conflicting evidence or differences of interpretation of the standards, the team is instructed to report these in the certification decision section.

2.5.2 Capacity of the participating operator to implement its management systems

UPM Biofuels Development sustainability management system aims to fulfill the requirements set by the RED directive as well as requirements set by Roundtable on Sustainable Biomaterials (RSB) voluntary certification scheme. The management system will be updated if new requirements are set or new sustainability schemes introduced.

This sustainability management system is separate to ‘UPM Biofuels Sustainability management system’ which covers the operations related to UPM Lappeenranta Biorefinery.

The sustainability management system covers the field operations for cultivation (*Brassica carinata*), storage and supply of the material to third party or UPM operations. Currently the system does not cover processing of the grains.

The overall evaluation of management system implementation is indicated in the table in Appendix 2.

2.5.3 Evaluation of RSB compliance claims and use of RSB trademarks

Type (compliance claim, trademark use)	Description	Findings
No claim was issued		

2.6 Stakeholder Consultation Process (for Main audits)

In accordance with SCS and RSB protocols, consultation with key stakeholders is an integral component of the evaluation process. Stakeholder consultation takes place prior to, concurrent with, and following

field evaluations. The primary purpose of such consultation is to solicit input from affected parties as to the strengths and weaknesses of the Participating Operator’s management system and operations, relative to the standard, and the nature of the interaction between the company and the surrounding communities.

Principal stakeholder groups are identified based upon the certification scope of the participating operator.

Stakeholder consultation activities are organized according to the requirements of the RSB. The table below summarizes the major comments received from stakeholders and the assessment team’s response. Where a stakeholder comment has triggered a subsequent investigation during the evaluation, the corresponding follow-up action and conclusions from SCS are noted below.

2.6.1 Summary of Stakeholder Comments and Responses from the Team, (for Main audits)

Stakeholder	Issue Raised
Economic Concerns	
Bio Uruguay	Development of the cultivation of carinata of biofuel
Copagran	Development of the cultivation of carinata
Fucrea	Development of the cultivation of carinata
Social Concerns	
Junta Local Lorenzo Geyres	Economic development of its population centers
Comision de padres escuela Queguayar	Economic development of its population centers
Escuela agraria Lorenzo Geyres	Economic development of its population centers
Environmental Concerns	
Grupo Ecológico de Young	Environmental impact in production areas
Aves del Uruguay	Bird conservation in Uruguay
GENSA - Grupo Ecológico Sanducero	Environmental impact in production areas

3.0 RISK ASSESSMENT RESULTS

Based on the most recent self-risk assessment (no older than 3 months from the audit date) the PO’s risk assessment results are:	Corresponding risk class (low, medium, high):
5	Low risk

4.0 RESULTS OF THE EVALUATION

4.1 Process of Determining Compliance

4.1.1 Structure of Standard and Degrees of Non-Compliance

RSB-accredited biofuel standards consist of a three-level hierarchy: the principle, the criteria that correspond to that principle, and then the performance indicators that elaborate upon each criterion. Consistent with SCS Sustainable Biofuels Program evaluation protocols, the team collectively determines whether or not the subject operation is in compliance with every applicable indicator of the relevant sustainable biofuel standard. Each non-compliance must be evaluated to determine whether it constitutes a major or minor non-compliance at the level of the associated criterion or sub-criterion. Not all indicators are equally important, and there is no simple numerical formula to determine whether an operation is in non-compliance. The team therefore must use their collective judgment to assess each criterion and determine if the Operator is in compliance. If the Operator is determined to be in non-compliance at the criterion level, then at least one of the applicable indicators must be in major non-compliance.

4.1.2 Interpretations of Major and Minor Non-compliances

Major Non-compliances, either alone or in combination with non-compliances of other applicable indicators, result (or are likely to result) in a fundamental failure to achieve the objectives of the relevant RSB Criterion. These non-compliances must be resolved or closed out before a certificate can be awarded. If Major NCs arise after an operation is certified, the timeframe for correcting these non-compliances is typically no more than three months. Certification is contingent on the operator’s response to the NCs within the stipulated time frame.

Minor Non-compliances are typically limited in scale or can be characterized as an unusual lapse in the system. Most minor NCs are the result of a non-conformance at the indicator-level. Non-compliances must be closed out within a specified time period of award of the certificate.

4.1.3 Major Non-compliances

<input checked="" type="checkbox"/>	No major NCs were issued to the Operator during the evaluation. Any minor CARs from previous surveillance audits have been reviewed and closed prior to the issuance of a certificate.
<input type="checkbox"/>	Major NCs were issued to the Operator during the evaluation, which have all been closed to the satisfaction of the audit team and meet the requirements of the standards. Any minor CARs from previous surveillance audits have been reviewed and closed prior to the issuance of a certificate.
<input type="checkbox"/>	Major NCs were issued to the Operator during the evaluation and the Operator has not yet satisfactorily closed all major NCs.

4.1.4 Non-compliances and Current Status

Instructions:


- Initial certification audit: list all Non-conformities and Opportunities for Improvement issued during this audit.
- Surveillance/Recertification: list status of minor NCs that were not closed in previous audit, then list new NCs/OFIs issued during this audit.

Summary of Non-compliances and Current Status				
Non-compliance Number	Type of Non-compliance	Relevant RSB Standard & Indicator No.	Summary of Finding and Evidence Collected	Status of Non-compliance (Open/Closed)
2017-1	Minor	RSB Principles & Criteria (RSB-STD-11-001-01-001) V 3.0 2.c.1.1 and 4.h.1	There is no evidence that the organization ensures that the procedure "ENVIRONMENTAL AND SOCIAL MANAGEMENT PLAN FOR CARINATA OPERATIONS, chapter 5 handling of complaints and claims" ensures that: - Any complaint must be recognized and treated in a timely manner. - The dispute resolution mechanism will be based on negotiation between the affected parties and decisions will be made by consensus. - Keep records of all complaints, how they were treated and the result of the process, as it was evidenced that the organization has not documented this.	Open
2017-2	Minor	RSB Principles & Criteria (RSB-STD-11-001-01-001) V 3.0 4.g.1.	There is no evidence that the organization has full control over the compliance with the principles and criteria of RSB of its providers of carinata because during the performance of the internal audit the services provided by third parties were not audited.	Open
2017-3	Minor	RSB Principles & Criteria (RSB-STD-11-001-01-001) V 3.0 11.d.5	There is no evidence that the organization ensures a safe management system before the elimination of pesticide drums, as it was found in some farm locations drums of pesticides without destruction.	Open
2017-4	Minor	RSB Standard for Participating Operators (RSB-STD-11-001-30-001) V3.2 2.1.2	There is no evidence that the organization ensures that subcontracted third parties are properly trained and have the competence, knowledge and experience necessary for the systems that comply with the RSB, especially those working in the chain of custody system, since when interviewing the The personnel of the storage service company in charge of the storage of the product had no knowledge of the chain	Open

			of custody and no records of their training were evidenced.	
2017-5	Minor	RSB Standard for Participating Operators (RSB-STD-11-001-30-001) V3.2 5.3	There is no evidence that the employees and third parties involved in the chain of custody system are identified and documented, particularly those in charge of the acquisition, handling, and re-routing of certified material. Since UPM product and commercial storage personnel have not been identified within the "UPM Biofuels Development Sustainability management system for carinata operations" procedure.	Open
2017-6	OFI	RSB Principles & Criteria (RSB-STD-11-001-01-001) V 3.0 4.8.5	It was evidenced emergency instructions of chemical spills in the course of application of pesticides to farmers. However, other emergency situations are not considered, such as spills of other chemicals (oils, fuels and other), accidents in chemical transportation, fires and other possible hazards.	Open

5.0 CERTIFICATION DECISION

Certification Recommendation	
For Initial and Re-certifications: Operator to be awarded RSB certification subject to the minor non-compliances stated in Section 4.2.5.	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
For Surveillance Audits: Operator is to continue as an RSB certified Participating Operator subject to the minor non-compliances stated in Section 4.2.5.	Yes <input type="checkbox"/> No <input type="checkbox"/>
The SCS evaluation team makes the above recommendation for certification based on the full and proper execution of the SCS Responsible Biofuels Program evaluation protocols. If certification is recommended, the Operator has satisfactorily demonstrated the following without exception:	
Operator has addressed any Major NC(s) assigned during the evaluation.	Yes <input type="checkbox"/> No <input type="checkbox"/> No Major NCs issued <input checked="" type="checkbox"/>
Operator has demonstrated that their system of management is capable of ensuring that all of the requirements of the applicable standards are met over the sites and facilities covered by the scope of the evaluation.	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
Operator has demonstrated that the described system of management is being implemented consistently over the sites and facilities covered by the scope of the certificate.	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
Comments and/or details of any issue which was difficult and/or impossible to evaluate:	

To be completed by Certification Decision-Making Entity	Technical Review by: If different to decision-maker	Inna Kitaychik
	Certification decision:	PO shall be issued certification against the RSB Standards.
	Certification decision by:	Matthew Rudolf 
	Date of decision: For initial or continued certification	January 3, 2018
	Surveillance schedule:	Audit shall take place 1 year from certification. Notes:

Sub Certificate Codes (if applicable)

Legal Entity/Operational Site	Sub-Certificate Code