

Certification Evaluation Report

Roundtable on Sustainable Biomaterials

RSB EU RED and RSB Global Advanced Product

UPM Kymmene Corporation

SCS Certificate Code: SCS-RSB/PC-0050

Address(es):

UPM-Kymmene Seven Seas Oy: Alvar Aallon katu 1, 00100 Helsinki, Finland

UPM Lappeenranta Biorefinery (UPM-Kymmene Oy): Puuportintie 186, 53200 Lappeenranta, FINLAND

Client Contact:

Jan Rühr [Manager, Sustainability and Management Systems, UPM Biofuels]

www.upmbiofuels.com

CERTIFIED	EXPIRATION
12 May 2022	11 May 2027

DATE(S) OF AUDIT
31 January – 02 February 2022
DATE OF LAST UPDATE
12 May 2022

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FOREWORD

SCS Global Services (SCS) is a certification body accredited by the Roundtable on Sustainable Biomaterials (RSB) to conduct evaluations of biofuel operators (CB Registration No. 592). 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.

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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	2095		
Contact person	Jan Rühr [Manager, Sustainability and Management Systems, UPM Biofuels]		
Address	Main Office: Alvar Aallon	Telephone	+358 400 421246
	katu 1, 00100 Helsinki,	Fax	
	Finland	e-mail	jan.ruhr@upm.com
		Website	www.upm.com www.upmbiofuels.com

1.2 Scope of Certificate

Please select one:	<input checked="" type="checkbox"/> RSB EU RED	<input checked="" type="checkbox"/> RSB Global
Please select boxes that apply:	<input type="checkbox"/> Pre-assessment <input type="checkbox"/> Initial Assessment <input checked="" type="checkbox"/> Re-certification <input type="checkbox"/> Follow-Up to NCs	<input type="checkbox"/> 1st Annual Surveillance <input type="checkbox"/> 2nd Annual Surveillance <input type="checkbox"/> 3rd Annual Surveillance <input type="checkbox"/> 4th Annual Surveillance
Scope as it appears on certificate:	1 Processing Facility 1 First collector and trader 9 Warehouses (Confidential) 14 Points of Origin (Confidential) Outgoing materials and facilities in scope listed in annex of certificate.	
The scope assessment agrees with the scope under which the operator applied	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
If no, please explain:		
<p><i>Note 1: If the scope is different, please contact SCS.</i></p> <p><i>Note 2: Where the client uses external organizations (public or private) to provide utilities services, such as electricity, waste disposal, water, the auditor shall check that these organizations are run according to local requirements (i.e. the law) but these organizations will not be considered in scope of the audit. Therefore no on-site visits to these utility services are required.</i></p>		

1.2.1 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	1 Industrial Facility 1 First collector and trader 1 Product storage facility 8 Feedstock storage facilities 14 Points of Origin
Participating Operator Risk Class	Low
Disputes or prior Non-compliances	none

1.2.2 Standards Used

Applicable RSB-Accredited Standards

Standard Name and Version
<p>Common RSB Standards and Procedures:</p> <ul style="list-style-type: none"> • RSB Principles & Criteria (RSB-STD-01-001 V3.0); • RSB Standard for Participating Operators (RSB-PRO-30-001 V3.3); • RSB Procedure for Communication and Claims (RSB-PRO-50-001 V3.5); • RSB Risk Management (RSB-PRO-60-001 V3.3); <p>RSB EU RED Standards and Procedures:</p> <ul style="list-style-type: none"> • RSB Standard for EU Market Access (RSB-STD-11-001 V4.0); • RSB EU RED Standard for Advanced Fuels (RSB-STD-11-001-01-010 V2.0); • RSB EU RED Procedure for Traceability (Chain of Custody) (RSB-PRO-11-001-20-001 V3.7); <p>RSB Global Advanced Product Standards and Procedures:</p> <ul style="list-style-type: none"> • RSB Procedure for Traceability (Chain of Custody) (RSB-PRO-20-001 V3.2) • RSB Standard for Advanced Fuels (RSB-STD-01-010 V2.3) • RSB Standard for Advanced Products (RSB-STD-02-001 V2.0) • RSB GHG Calculation Methodology (RSB-STD-01-003-01 V2.3)

All standards employed are available on the websites of the Roundtable on Sustainable Biomaterials (<https://rsb.org/the-rsb-standard/working-with-the-rsb-standard/>). Standards are also available, upon request, from SCS Global Services.

1.3 Sites in Scope

1.3.1 Industrial Operator

Name of Facility		UPM Lappeenranta Biorefinery (UPM-Kymmene Oyj)	
Type		<input type="checkbox"/> Agriculture Milling and/or Fermentation <input type="checkbox"/> Vegetable oil Extraction <input checked="" type="checkbox"/> Biofuel Production and/or Distribution <input type="checkbox"/> Other, please explain here:	
Location/City		Puuportintie 186, 53200 Lappeenranta, Finland	
Geographic location (Latitude & Longitude)		61.071048, 28.237049	
Start date of operations (initial start date)		01.01.2015	
Number of processing steps		Three: Pre-treatment of feedstock Hydrotreatment Fractionation / Distillation	
Description of the product or the product component that the certification covers, including, if applicable, the specification of the mass of the certified component related to the total product.		The main products in scope are renewable diesel and renewable naphtha. They are 100% certified product	
Annual throughput of previous 12 months - See confidential Annex.			

1.3.2 Traders or Warehouses - See confidential Annex.

1.3.3 Points of Origin

Number of Points of Origin in Scope	14
Number of Points of Origin providing more than ten metric tons per months	14
Number of Points of Origin Assessed on a Sample Basis during This Audit	4
List of Points of Origin Assessed on a Sample Basis during This Audit	Confidential, in Annex

1.4 GHG Intensity

Biofuels Producers			
Please state the GHG emissions occurring at the operator’s sites in g CO2eq/ dry-ton for raw materials and intermediary products and g CO2eq/MJ for final biofuels (annualized, after allocation) and if applicable, achieved emission savings, and if applicable, explanation for deviation from typical GHG values			
Final Biofuel:	Renewable Diesel (from CTO)	GHG:	15.18 g CO2 eq/ MJ

Final Biofuel:	Renewable Naphtha (from CTO)	GHG:	15.19 g CO2 eq/ MJ
Advanced products from bio-based feedstocks (Category I)			
Advanced Product:	Renewable Naphtha (from CTO)	GHG:	-2497.4 kg CO2 eq/ dry ton raw material
For advanced products from bio-based feedstocks: if and how the CO2 uptake was accounted for (see RSB-STD-02-001)		For renewable naphtha used as advanced material, the measured carbon content of renewable naphtha (85.3%) was used to estimate CO2 uptake in the naphtha co-product of 3,126.3kg CO2e/ton, based on the stoichiometry carbon content and following RSB methodology.	

1.5 Additional Requirements for GHGs, If Applicable

(Can be moved to appendix if certain information is confidential)

For RSB EU RED audits, Explanation for deviation from typical GHG values.	Emission savings for renewable diesel and renewable naphtha (83.9%) are similar to typical values for waste vegetable or animal oil biodiesel (88%) as indicated in the annex V, part A of the EU Directive.
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1.6 Advanced Product Information

(Can be moved to appendix if certain information is confidential)

If the feedstock for a batch of RSB certified Advanced Product is not wholly but only partly RSB-certified: state the amount of certified feedstock in relation to the total mass of the feedstock for the appropriate category:	N/A (wholly certified)
For Category I products:	
State the bio-based carbon or bio-based mass content that can be ensured at any time of the production process	100%
State the standard used for measuring or calculating the biobased carbon or bio-based mass content	The UPM Lappeenranta Biorefinery only handles CTO (crude tall oil) as feedstock, at this moment. This is not a co-processing unit.

2.0 EVALUATION PLANNING & PROCESS

2.1 Audit Team

Auditor Name:	Stefan Schumacher	Auditor role:	Lead Auditor
Qualifications: Accredited auditor against two RED (II) EU approved voluntary schemes (ISCC & RSB), RSPO, as well as undergoing training to become a Fairtrade auditor; formerly also conducting utz assessments (now Rainforest Alliance), SAI and others. Previously he has worked for SGS Germany as regulatory consultant sustainability. He has received a MSc in Agri-Economics and a BA Honors in Economics/International Dev't Studies from McGill University.			
Auditor Name:	Robert Earley	Auditor role:	Team Auditor (supervision)
Qualifications: Robert Earley is a lead auditor of RSB, Bonsucro and ISCC certifications, a certified lead verifier of the California Low Carbon Fuel Standard, and has been trained in ISO 9001:2015 auditing. He is also the technical manager for RSB Certifications at SCS Global Services. Mr. Earley, who has lived in China since 2004 and is fluent in Mandarin Chinese, studied environmental science at the University of Calgary and Urban and Regional Planning at the University of Waterloo in Canada. His coursework at the University of Calgary included impacts of agriculture and conservation in agricultural areas in southern Alberta.			
Auditor Name:	Maite Lasa	Auditor role:	Team Auditor
Qualifications: Maite is a certified Auditor against sustainability schemes including RSB, ISCC an Bonsucro. Previously she has worked as a sustainability consultant in renewable energy and in climate change mitigation, and in the biofuels sector particularly in the production of energy crops for biodiesel production. She has received a master's in public administration focused in energy and environment at the University of Columbia (New York, USA).			
Auditor Name:	Otavio Cavalett	Auditor role:	GHG Verifier
Qualifications: Otavio Cavalett is a Researcher in the Industrial Ecology Programme (IndEcol), Department of Energy and Process Engineering, NTNU (Norway) and an Auditor in SCS Global Services (USA). Prior to this, he was Leader of the Sustainability Analysis Team at the Brazilian National Biorenovables Laboratory (LNBR/CNPEM) in Brazil. He has more than 15 years of experience with Life Cycle Assessment of biofuel and biorefinery systems, with emphasis on climate metrics and other environmental areas of interest in relation to the United Nations Sustainable Development Goals. He has contributed to recent IPCC reports and published more than 60 scientific papers.			

2.2 Evaluation Schedule and Extent of Audit

2.2.1 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.

2.2.2 Evaluation Itinerary and Activities

Time	Element/Activity	Personnel Involved
	Auditor: Stefan Schumacher (Lead – trainee); Robert Earley (supervising auditor) REMOTE-AUDITS	
Day 1 31 January 2022	UPM Kymmene Seven Seas Oy Online: Microsoft Teams	
9:00 a.m. EET	<p>Opening Meeting and General Requirements</p> <ul style="list-style-type: none"> - Introduction to certification program and assessment process - Introduction by all attendees - Review of scheduled activities <p>Confirmation of Certification details</p> <ul style="list-style-type: none"> - For your future RSB & ISCC certificates: confirmation of audit standard, correct scope and material/product details and relevant categories (as will be printed on the Annex pages) - Clarification of any outstanding questions related to the certification process <p style="text-align: center;">-----</p> <p>Company presentation</p> <ul style="list-style-type: none"> - Presentation by UPM of their relevant RSB + ISCC activities for this legal entity (UPM Kymmene Seven Seas Oy) - Clarification of all suppliers; i.e. Points of Origin, blending, transportation, storage - Client to outline activities and overall process flow - Review site map(s) - Update from client and any social or environmental changes to the operation 	<p>Manager, Sustainability</p> <p>Auditors</p> <p>Senior management representative</p>
10:00	<p>Document Review (Part i):</p> <ul style="list-style-type: none"> - Follow up on implementation of any corrective action plans from previous audit - Review of Procedures / Handbook; are roles, responsibilities and processes adequately described? 	As above
12:00	Lunch Break	

1:00 pm	Document Review (Part ii) -- Participating Operator/ Standards Checklist <ul style="list-style-type: none"> - Review of traceability method and implementation (including acquiring, handling, and forwarding sustainable material - Analysis of material balances and records - Review contracts, list of suppliers, list of customers - Review delivery notes, weighbridge tickets, tracking documents - Analysis of accounting system, material balances and records - Review of purchase and sales figures under RRSB + ISCC for sustainable material for calendar year 2021 - Requirement for Advanced Fuels/ Advanced Products 	Manager, Sustainability Auditors Supply Chain operators, Sourcing Manager and Sales manager as needed via Teams
3:30	Interim Closing meeting <ul style="list-style-type: none"> - Findings from day 1 <p style="text-align: center;">Review agenda for future days</p>	Management
Time	Element/Activity	Personnel Involved
Day 2 1 February 2022	UPM Kymmene Seven Seas Oy Online: Microsoft Teams	
9:00 a.m. EET	<ul style="list-style-type: none"> - Review of training procedures and records - Internal audit + management review - Review of Grievance Mechanism - Communications and Claims - Any loose ends from previous day (?) 	Manager, Sustainability Auditors
11:00	GHG data check <ul style="list-style-type: none"> - Review of transport distances - GHG assumptions for batches under control of UPM Seven Seas 	Manager, Sustainability And/or Supply Chain operators, Sourcing Manager, Auditors
12:00	Lunch	
After lunch	UPM Seven Seas Oy: Carinata purchases/handling	
1:00 pm EET	Document Review: Participating Operator/ Standards Checklist <ul style="list-style-type: none"> - Mass balance and chain of custody approach for Seven Seas Carinata and Rapeseed (if used) - Review of Seven Seas Carinata purchases – document review 	Manager, Sustainability And/or Supply Chain manager for biofuels from carinata Auditors
3:00	Closing meeting <ul style="list-style-type: none"> - Findings from day 1&2 - Review agenda for future days 	Management
	- End of Day 2	

Time	Element/Activity	Personnel Involved
Day 3 2 February 2022	Conversion Unit – UPM Lappeenranta Biorefinery (UPM-Kymmene Oyj) Online: Teams	
9:00 a.m. EET	Opening Meeting and General Requirements <ul style="list-style-type: none"> - Introduction to certification program and assessment process - Introduction by all attendees - Review of scheduled activities Confirmation of Certification details <ul style="list-style-type: none"> - For your future RSB & ISCC certificates: confirmation of audit standard, correct scope and material/product details and relevant categories (as will be printed on the Annex pages) - Clarification of any outstanding questions related to the certification process <p style="text-align: center;">-----</p> Company presentation <ul style="list-style-type: none"> - Presentation by UPM of their relevant RSB + ISCC activities for this legal entity (Biorefinery, PoO) - Clarification of all suppliers; i.e. industrial facilities, blending, transportation, storage - Client to outline production process and overall process flow - Meeting with production manager responsible for production quantity and reporting to understand familiarity with standards and procedure implementation - Meeting with most senior manager on-site to understand overall approach to on-site sustainability 	Specialist, Sustainability HSE manager Senior management representative Maintenance manager /automation engineer Auditors
10:30	Document Review – for any documents available on-site <ul style="list-style-type: none"> - Review of procedures; confirm roles, responsibilities and processes, training plan - Biorefinery documentation review, layouts, automation system and reporting - Review of purchase and sales figures under RRSB + ISCC for sustainable material for : <ul style="list-style-type: none"> - RSB reference period: all of 2021 (12 months) - ISCC reference period: from 01.02.2021 – 31.12.2021 (11 months) 	Specialist, Sustainability auditor Supply Chain operators, Sourcing Manager and Sales manager as needed
12:00	Lunch	
1:30 p.m.	Site Walk-through (photo tour) <ul style="list-style-type: none"> - Meters and other measurement instruments, data gathering and processing tools relevant to RSB and ISCC key consumption and production figures, as well as traceability/paper-trails 	Specialist, Sustainability HSE manager, Maintenance manager /automation engineer auditor

<p>2:00 p.m.</p>	<p>Document Review: Compliance with Principles and Criteria</p> <p>Principle 1:</p> <ul style="list-style-type: none"> - Review of all relevant business licenses - Review of land and water use permits - Review of operator’s index of relevant laws and regulations and their compliance <p>Principle 2:</p> <ul style="list-style-type: none"> - Review of your responses in the RSB Screening Tool - Review of your responses in the RSB Risk Assessment Tool (Excel) - Review Environmental and Social Management Plan (ESMP) - Review impact assessments (if applicable or identified in screening tool) - Review operator’s stakeholder engagement records. Review grievance mechanism for external parties and stakeholders - Supply chain mapping: are all processes and sites identified? <p>Principle 4:</p> <ul style="list-style-type: none"> - Work conditions, piece work and living wage, equality issues, etc. - Review of employee and third-party worker contracts, policies, training records and employee grievances - Training and occupational health and safety records - Records for freedom of association (union) mechanism - Principle 4 may be skipped here, as concretized by PG-2019-01 	<p>Specialist, Sustainability Risk management representative HSE manager</p> <p>Auditors</p>
<p>?</p>	<p>Report Writing</p> <ul style="list-style-type: none"> - Auditor takes time to consolidate notes and confirm audit findings 	<p>Auditor</p>
<p>4:30</p>	<p>Interim Findings</p> <ul style="list-style-type: none"> - Presentation of preliminary non-compliances and opportunities for improvement 	<p>Specialist, Sustainability Production Manager Auditor</p>
	<p>End of Day 3</p>	
<p>Day 4 3 February 2022</p>	<p>Conversion Unit – UPM Lappeenranta Biorefinery (UPM-Kymmene Oyj) Online: Teams</p>	
<p>9:00 a.m. EET</p>	<p>Document review continued – Principles and Criteria</p> <p>Principle 7:</p> <ul style="list-style-type: none"> - Conservation values, ecosystems, buffers, water rights where relevant <p>Principle 9:</p> <ul style="list-style-type: none"> - Water permits, implementation of water management in ESMP <p>Principle 10:</p> <ul style="list-style-type: none"> - Air permits, implementation of air management in ESMP <p>Principle 11:</p> <ul style="list-style-type: none"> - Use of technology: any banned chemicals? - Integrated waste management 	<p>Specialist, Sustainability Senior Specialist, Sustainability and Quality development HSE engineer Maintenance manager /automation engineer auditor</p>

	<ul style="list-style-type: none"> - Resource and energy usage, and efficiency <p>Principle 12:</p> <ul style="list-style-type: none"> - Review documentation of historic land use/land tenure, legal tenure. Land lease agreements where necessary - Principle 12 may be skipped here, as concretized by PG-2019-01 	
12:00	Lunch	
1:00 p.m.	<p>GHG activity data</p> <ul style="list-style-type: none"> - Principle 3: Collection of input data for GHG calculation 	
3:00 p.m.	<p>Document Review:</p> <p>Review of any remaining topics to be covered</p>	
3:30 p.m.	Auditor deliberation period	Auditor(s) alone
4:30 p.m.	<p>Closing Meeting (for the two Main Participating Operators)</p> <ul style="list-style-type: none"> - Presentation of preliminary non-compliances and opportunities for improvement (the sub-audits related to Points of Origin + warehouses are scheduled over the forthcoming 2 weeks and will not yet have been concluded at this point) 	<p>Manager, Sustainability</p> <p>Senior management representative</p> <p>Auditors</p>

The warehouses where assessed to the following audit plan:

<i>Schedule in confidential appendix 7</i>	Warehouse(s)	
9:00 a.m.	<p>Opening Meeting and General Requirements</p> <ul style="list-style-type: none"> - A quick introduction by all attendees - Review of assessment process to on-site staff - Confirm roles, responsibilities and processes - Confirmation of activities and materials of interest under UPM’s RSB + ISCC certification scope - Tank-farm layout plan + indicated capacities for the tanks rented out under RSB / ISCC scope 	<p>Management</p> <p>Warehouse Staff</p>
	<p>Document Review: Participating Operator/ Standards Checklist</p> <ul style="list-style-type: none"> - Review of training procedures and records - Review of contracts (with your counterpart, UPM) and records - Review of traceability method and implementation (including acquiring, handling, and forwarding sustainable material) <ul style="list-style-type: none"> o Weighbridge tickets, Bill of lading, or equivalent documents for incoming + outgoing material (we will select a sample of 3, minimum) - Analysis of material balances and records <ul style="list-style-type: none"> o Stock reports (beginning and end of a quarter) 	<p>Management</p> <p>Warehouse Staff</p>

	<ul style="list-style-type: none"> - Requirement for Advanced Fuels/ Advanced Products - Operating license (permit) + legal registration details (chamber of commerce n°) - Brief description of the flow of information / communication between your site and UPM. - For ISCC: <ul style="list-style-type: none"> o tally sum of incoming and outgoing products under ownership of UPM for calendar year 2021 () - appropriate Trainings 	
	<p>Remote Site Walk-through/ Photo tour</p> <ul style="list-style-type: none"> - Observe storage area - Meters and other measurement instruments, data gathering and processing tools are adequate (whatever is relied on for RSB/ISCC storage purposes: these can be either calibrated weighbridges, tank radars, flowmeters or other instruments) 	Warehouse Staff
11:00	<p>Findings</p> <ul style="list-style-type: none"> - Presentation of all non-compliances and opportunities for improvement 	Management Warehouse Staff

Points of Origin were assessed to the following audit plan:

Time	Element/Activity	Personnel Involved
<i>Schedule in confidential appendix 7</i>	Point(s) or Origin	
9:00 a.m. EET	<p>Opening Meeting and General Requirements</p> <ul style="list-style-type: none"> - A quick introduction by all attendees - Introduction to certification program and assessment process to on-site staff - Confirm roles, responsibilities and processes - Confirmation of activities and materials of interest under UPM’s RSB + ISCC certification scope 	Management Point of Origin staff
	<p>Document Review: Participating Operator/ Standards Checklist</p> <ul style="list-style-type: none"> - Review of eligibility of material (not really necessary for CTO, as this material is explicitly mentioned in the RED II Annex IX but included as point anyways, more for formal purposes) - Review of process flows and feasibility of production - Review of feedstock specific requirements, if applicable - For ISCC Standard: <ul style="list-style-type: none"> o Present a copy of your signed ISCC self-declaration as point of origin of CTO for UPM o tally sum of generated CTO delivered to UPM,) for calendar year 2021 	Management Point of Origin staff

	<ul style="list-style-type: none"> ○ amount of (corresponding) input wood (+wood chips) - For RSB Standard: Contracts with UPM are in place, including your commitment <ul style="list-style-type: none"> - to comply with RSB Standards and procedures, and - to provide unrestricted access to any elements of the certification scope - Review of declarations of outgoing material - Review of your historical CTO generation rates 	
	(Virtual) Site Walk-through <ul style="list-style-type: none"> - Observe processing area 	Point of Origin staff
	Report Writing Auditor(s) take time to consolidate notes and confirm audit findings	Auditor
11:00	Findings <ul style="list-style-type: none"> - Presentation of all non-compliances and opportunities for improvement 	Management Point of Origin staff

Note: Audits were conducted with external points of origin operators. Audit plans are not copied here so as not to disclose any commercially sensitive information of other parties involved.

Time	Element/Activity	Personnel Involved
14 February 2022 12:00 p.m. EET	Overall Closing Meeting <ul style="list-style-type: none"> - Presentation of General audit findings - Presentation of all non-compliances and opportunities for improvement - Fix timetables for corrective actions - Reiterate SCS appeal policy - Questions 	Manager, Sustainability Senior management representative Auditors

2.3 Evaluation of Management System

2.3.1 Evaluation of RSB compliance claims and use of RSB trademarks

Are all claims used in line with scope and allowed claims per RSB-PRO-50-001 or Advanced Product Standard, as applicable?	Yes
If claims deviate from approved language in standard, signed document specifying claims approved by RSB:	N/A
Does Operator use RSB trademarks on off-product or on-product claims?	Yes, the operator uses the trademark on their website at https://www.upmbiofuels.com/sustainable-choice/certification/

2.4 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.

2.4.1 Summary of Stakeholder Comments and Responses (for Main audits)

SCS and the auditor conducted a thorough outreach campaign through emails and phone calls. However, no stakeholder comments were received regarding economic, social, or environmental issues.

3.0 RISK ASSESSMENT RESULTS

3.1.1 Risk Class

Highest Risk Class will Apply for the Participating Operator

Site	Based on the most recent self-risk assessment the PO’s risk assessment results are (The number):	Corresponding risk class (low, medium, high):	Date of risk assessment (must be no older than 3 months from the audit date)	Auditor’s assessment of Operator’s risk
UPM Kymmene Oyj (Lappeenranta Biorefinery)	3	Low	03.01.2022	Agreed
UPM Kymmene Seven Seas Oy	9	Low	11.11.2021	Agreed
Overall Risk				9 (LOW)

If risk assessment deviates:

Site	Risk Assessment #	Risk Assessment Topic	PO's assessment	Auditor's assessment and explanation
	N/A			

3.1.2 RSB Audit types Matrix

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

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 Findings

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.

Opportunity for Improvement is an observation made which does not fully impact compliance but could potentially affect the PO’s ability to comply with RSB requirements in the future.

Observation is an occurrence that can impact conformity with the RSB standard but is not an opportunity for improvement and does not directly impact conformity to the standards.

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 Findings and Current Status

Summary of Non-compliances and Current Status				
Finding Number	Type of Finding	Relevant RSB Standard & Indicator No.	Summary of Finding and Evidence Collected	Status of Finding (Open/Closed)
2022 - 1	Minor	New EU RED Standards checklist 6.2.3., Warehouse Checklist 6.4.1	<p>Difference in figure of crude tall oil received at a particular storage site; in the reporting table "CTO Incoming by vendor" (related to Mass Balance), for one particular month.</p> <p>Note, this was a temporary lapse, an unusual/ non-systematic problem (filtering mistake)</p> <p>Action Plan submitted: Find out and correct figures for CTO incoming in month of November at said storage unit, to explain discrepancy.</p> <p>Closure evidence reviewed: Excel file <i>"Total 2021 Quantity reports ISCC, RSB and FIN compliant material_corrected stock"</i></p>	Closed
2022-2	Observation	New EU RED Standards checklist 1.2, Warehouse checklist 1.9	UPM Biofuels has outsourced not only the storage but also treatment of poor-quality CTO to external parties. This concerns 2 entities that are considered warehouses by the scope but offer specialized	Open

			treatment services to UPM. The treatment process at these units is not spelled out in the Handbook. The characterization of these units needs to be evaluated and explained.	
2022-3	Opportunity for Improvement	New EU RED Standards checklist 1.2	PO wrote in Excel self-evaluation under Advanced Products 5.5. that "CTO suppliers have signed self-declarations." Yet under RSB there are no self-declarations under RSB; this phrase must have been in reference to ISCC and therefore mistakenly added.	Open
2022-4	Observation	New EU RED Standards checklist 3.8	UPM as an organisation have addressed worker strikes, just not specifically in their RSB documents. Worker strikes are addressed ex post facto e.g. when speaking about them in an Annual Report (after they've already happened). Worker strikes are not actually identified as a risk in UPM Biofuels Sustainability Management Handbook and neither is a risk management plan presented for this cause. However, labor topics are covered under Principle 4 of the P&C.	Open
2022-5	Opportunity for Improvement	New EU RED Standards checklist 20.1	Observation on UPM's Sustainability Declaration template: a) For UPM sales of non-final products like Crude Tall Oil or Tall Oil Pitch, where UPM's client must still calculate the transport leg emissions Etd to their site, the column with gCO2eq/MJ or 100% emissions savings on the UPM sustainability declaration forms should be omitted. Similarly, the fossil fuel reference value should be left out. Further, the column titles for TOP SDs should state per dry-ton. b) Since the final transport leg is not factored in yet, speaking of 100% Emission Savings on the Sustainability Declaration form is misleading, ought to be "TBD" (There were no sales of CTO or TOP under RSB, so the finding is an Opportunity for Improvement.)	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"/>
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 checked="" type="checkbox"/> No <input type="checkbox"/> No Major NCs issued <input 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:	<p>1. Some of the audit documents were only available in Finnish language (e.g. invoices, QM documents, EIA, calibration certificates etc.). The auditor does not speak Finnish. However, DeepL Pro was used to translate these, where necessary.</p> <p>2. Due to the nature of CTO being a difficult raw material to measure (especially in the colder winter months) as well as the complexity and frequency of logistics operations, reconciling inventory figures and Mass Balance figures between the large rental service providers and UPM as owner of the CTO on a month-to-month basis posed a challenge.</p>

To be completed by Certification Decision-Making Entity	Technical Review by: If different to decision-maker	Inna Kitaychik
	Certification decision:	Re-certification is granted against the standards listed in Section 1.2.2
	Certification decision by:	Inna Kitaychik
	Date of decision: For initial or continued certification	09 May 2022
	Surveillance schedule:	1 st Surveillance by 12 May 2023 Notes: