SBP

Sustainable Biomass Partnership

NEPCon Evaluation of Graanul Invest SIA (Laukalne) Compliance with the SBP Framework: Public Summary Report

First Surveillance Audit

www.sbp-cert.org

Completed in accordance with the CB Public Summary Report Template Version 1.0

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

Document history

Version 1.0: published 26 March 2015

Contents

1 Overview

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Report completion date:	24/Jul/2017
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Certificate Holder:	SIA Graanul Invest, Production site Laukalne, Ezerini, Launkalnes parish, Smiltenes district, Latvia, LV-4718,
Producer contact for SBP:	Haralds Vīgants (Executive director), telephone: +371 28321880, email: haralds.vigants@graanulinvest.com
Certified Supply Base:	Sourcing from Latvia, Lithuania, Belarus and Estonia Material received through SBE, Supply base evaluation is implemented for both primary feedstock originating from Latvia and Estonia and secondary feedstock originating from Latvia only.
SBP Certificate Code:	SBP-01-68
Date of certificate issue:	30/Mar/2017
Date of certificate expiry:	29/Mar/2022

Indicate where the current audit fits within the certification cycle				
Main (Initial) Audit	**First Surveillance Audit**	**Second Surveillance Audit**	**Third Surveillance Audit**	**Fourth Surveillance Audit**
☐	☒	☐	☐	☐

2 Scope of the evaluation and SBP certificate

Annual audit evaluation is based on SBP standards 1; 2; 4; and 5. The evaluation covers Supply Base Evaluation system for primary and secondary feedstock that is originating from Latvia and Estonia.

Organization holds valid FSC Chain of Custody certificate as well as PEFC Chain of Custody certificate (TT-PEFC-COC44), SIA Graanul Invest is included into this certification as a certification site. SIA Graanul Invest is included into this certification as a certification site. The system covers procurement of PEFC certified and PEFC Controlled Sources materials. The CoC system used for SBP is FSC CoC.

SIA "Graanul Invest" purchases most of the raw materials (primary, secondary and tertiary feedstock) as feedstock originating from Latvia and Estonia. Some small part of raw material, in form of secondary and tertiary feedstock, is originating also from Lithuania and Belarus. This secondary and tertiary feedstock is delivered as FSC/ PEFC certified or controlled.

All inputs materials delivered to the pellet production plant are FSC certified, PEFC certified, PEFC Controlled Sources, FSC Controlled Wood or included in the Organisation's FSC Controlled wood verification system. Controlled wood verification system is applied to the primary and secondary feedstock originating from Latvia and Estonia. Company aims to buy FSC certified, PEFC certified feedstock or FSC Controlled wood from certified suppliers and implement controlled wood verification system as less as possible.

Supply base evaluation is implemented for both primary feedstock originating from Latvia and Estonia and secondary feedstock originating from Latvia only. The scope of the audit includes evaluation of organization's risk assessment, supplier verification program, implementation of mitigation measures for indicators with high risk and monitoring system.

Wood pellets are sold based on FCA Incoterm conditions and are delivered to export markets through Riga harbour. During the period since the previous evaluation no pellets had been sold with SBP claims.

Certification scope: Production of wood pellets, for use in energy production, at Graanul Invest SIA Laukalne site and transportation to Riga port. The scope of the certificate does include Supply Base Evaluation with primary feedstock from Latvia and Estonia, and secondary feedstock from Latvia.

Scope Item	Check all that apply to the Certificate Scope	Change in Scope (N/A for Assessments)
Approved Standards:	*SBP Standard #1 V1.0; SBP Standard #2 V1.0; SBP Standard #4 V1.0; SBP Standard #5 V1.0* http://www.sbp-cert.org/documents	☒
Primary Activity:	Pellet producer	☐

Input Material Categories:	☒ SBP-Compliant Primary Feedstock		☒ SBP-Compliant Secondary Feedstock		☐
	☒Controlled Feedstock		☐ SBP non-Compliant Feedstock		
	☒SBP-Compliant Tertiary biomass		☐Pre-consumer Tertiary Feedstock		
	☐SBP-approved Recycled Claim		☐Post-consumer Tertiary Feedstock		
Chain of custody system implemented:	☒ FSC	☒PEFC	☐ SFI	☐ GGL	☐
	☐ Transfer	☐ Percentage	☒ Credit		☐
Points of sales	☐ Harbour (including own handling of material)	☒ Harbour (e.g. FOB incoterms) legal owner is not responsible for handling of material at the harbour	☒Other point of sale (e.g. gate of the BP, boarder, railway station etc.)		☐
Provide name of all points of sales		- Riga FCA			
Use of SBP claim:	☒Yes		☐No		☐
SBE Verification Program:	☐ Low risk sources only		☒Sources with unspecified/ specified risk		☒
	Districts approved for SBP-Compliant inputs: Latvia; Estonia				
Sub-scopes	2 sub-scopes: Latvia and Estonia				☒
Specify SBP Product Groups added or removed: N/A					
Comments: N/A					

3 Specific objective

The specific objective of this evaluation was to confirm that the Biomass Producer's management system is capable of ensuring that all requirements of specified SBP Standards are implemented across the entire Supply base evaluation. The scope of this evaluation covered only adding Supply Base Evaluation to the scope.

The scope of the evaluation covered:

- Review of the BP's management procedures;
- Review of FSC system control points, analysis of the existing FSC CoC system;
- Interviews with responsible staff;
- Evaluation of mitigation measures implemented within the SBE secondary material flow system;
- Evaluation of BP's SBE primary and secondary material flow processes, verification at suppliers;
- Review of the records, calculations and conversion coefficients;

4 SBP Standards utilised

4.1 SBP Standards utilised

Feedstock Compliance Standard, SBP Standard 1, Version 1.0, March 2015
Verification of SBP-compliant Feedstock, SBP Standard 2, Version 1.0, March 2015
Chain of Custody, SBP Standard 4, Version 1.0, March 2015
Collection and Communication of Data, SBP Standard 5, Version 1.0, March 2015
Instruction document 5A, 5B and 5C version 1.1 was utilised for the evaluation as well.

http://www.sbp-cert.org/documents

4.2 SBP-endorsed Regional Risk Assessment

SBP-endorsed Regional Risk Assessment for Latvia has not been endorsed yet. The BP has used the last available version of the draft RRA and this is considered as organization´s own risk assessment. The BP has evaluated individual indicators based on draft version of the Regional Risk Assessment. The risk assessment developed by the organization outlines “specified risk” for indicators 2.1.1 (only HCVF category 3), indicator 2.1.2 (HCVF categories 1, 3 and 6) and indicator 2.8.1.

SBP-endorsed Regional Risk Assessment for Estonia was used by the Biomass Producer. One indicator in the approved Regional Risk Assessment has been evaluated as specified risk (indicator 2.1.2).

5 Description of Biomass Producer, Supply Base and Forest Management

5.1 Description of Biomass Producer

SIA Graanul Invest is a biomass producer with a production site and office located in “Ezerini”, Launkalnes parish, Smiltenes district, Latvia and storage site situated in Riga (Vecmilgravis) harbour.

SIA Graanul Invest Launkalne site - BP is producing mostly industrial quality wood pellets.

BP is sourcing primary, secondary and tertiary feedstock for its pellet production.

Pellets are produced from primary feedstock (firelogs – both conifer and broadleaf); secondary feedstock: (wood industry residues: wet sawdust, wood chips) and tertiary feedstock (dry sawdust with shavings). Forest residuals (forest chips and bark) as well as production residuals (bark and slab wood) might be used for the biomass drier. During the reporting period only forest residuals had been used into the biomass drier of the company.

There is a CHP plant, owned by the other company which is situated at the same address. The CPH is operated as a separate legal entity. Graanul Invest Launkalne site is buying steam from the CPH. Feedstock used into the CPH is not included in the scope of certificate.

All feedstock types are delivered to the pellet plant using road transport, biomass is transported to harbour by road transport as well.

In SIA “Graanul Invest” most of the raw materials are primary, secondary and tertiary material from feedstock originating from Latvian and Estonia, as well as a small part of the raw material, which is supplied as secondary and tertiary feedstock from Lithuania and Belarus. All secondary and tertiary feedstock is delivered with FSC / PEFC certification or FSC Controlled Wood/ PEFC Controlled Sources claim.

All inputs materials delivered to the pellet production plant are FSC certified, PEFC certified, FSC Controlled Wood or included in the Organisation’s FSC controlled wood verification system. Controlled wood verification system is applied to the primary feedstock originating from Latvia and Estonia. Company aims to buy FSC certified, PEFC certified feedstock as FSC Controlled Wood from certified suppliers and implement controlled wood verification system as less as possible.

The information about the origin is kept and there is an agreement signed with all feedstock suppliers with requirement to provide the access to the information about origin. As a part of the origin verification program BP is conducting supplier audits.

The BP is implementing FSC credit system. The amount of the biomass produced according to FSC credit system can be sold as SBP-compliant and/or SBP- controlled biomass.

After the production, pellets are transported into the harbour storage place in Riga by trucks. After this, pellets are loaded into the ship and sent to the customer on FCA Riga incoterm conditions.

5.2 Description of Biomass Producer's Supply Base

Latvia

3.056 million ha of forest, agricultural lands 1,87 million ha. Forests cover 51% of the total area covered by forests is increasing. The expansion happens due to both natural afforestation of unused agricultural lands and by afforestation of low fertility agriculture land.

Forests lands consist of forests 91,3%, marshes 5.3%, open areas 1,1%), flooded areas 0,5% and objects of infrastructure 1,8%

The main wood species are pine 34.3%, birch 30.8% and spruce 18.0%. Other wood species are aspen, aspen, black alder, ash and oak.

51.8% of whole forest area is owned by state, 1.4% are in municipal ownership, but other 46.8% are private forests and other forest ownership types (data: State Forest Service statistics, 2014) . Management of the state-owned forests is performed by the public joint stock company AS Latvijas Valsts Meži, established in 1999. The enterprise ensures implementation of the best interests of the state by preserving value of the forest and increasing the share of forest in the national economy.

Historically, extensive use of forests as a source of profit began later than in many other European countries, therefore a greater biological diversity has been preserved in Latvia. For the sake of conservation of natural values, a total number of 674 protected areas have been established. Part of the areas have been included in the European network of protected areas Natura 2000. Most of the protected areas are state-owned.

In order to protect high nature conservation values such as rare and endangered species and habitats that are located outside designated protected nature areas, micro reserves are established. According to data of the State Forest Service (2015), the total area of micro reserves constitutes 40 595 ha. Identification and protection planning of biologically valuable forest stands is carried out continuously primarily in state forests.

On the other hand , there are general nature protection requirements binding to all forest managers established in forestry and nature protection legislation aimed at preservation of biological diversity during forest management activities. They stipulate a number of requirements, for instance, preserving old and large trees, dead wood, undergrowth trees and shrubs, land cover around micro-depressions thus providing habitat for many organisms, including rare and/or endangered species.

Latvia has been a signatory of the CITES Convention since 1997. CITES requirements are respected in forest management, although none of local Latvian tree and shrub species are included in the CITES annexes. .

Areas where recreation is one of the main forest management objectives add up to 8 % of the total forest area or 293 000 ha (2012). Observation towers, educational trails, natural objects of culture history value, picnic venues: they are just a few of recreational infrastructure objects available to everyone free of charge. Special attention is devoted to creation of such areas in state-owned forests. Recreational forest areas include national parks (excluding strictly protected areas), nature parks, protected landscape areas, protected dendrological objects, protected geological and geomorphologic objects, nature parks of local significance, the Baltic Sea dune protection zone, protective zones around cities and towns, forests within administrative territory of cities and towns. Management

and governance of specially protected natural areas in Latvia is co-ordinated by the Nature Protection Board under the Ministry for Environmental Protection and Regional Development.

5% of Latvian labour force are employed in forestry, wood-working industry, furniture production Industry.

The share of forestry, woodworking industry and furniture production amounted to 6 % GDP in 2012, while export yielded 1.7 billion euro (17 % of the total volume of export).

State forests are FSC/ PEFC certified. In addition to state forest enterprise, 6 private forest managers are managing forests in accordance with FSC standard requirements. The FSC certified are in the country amounts to a total of 1,743,157 ha , including 248,021 ha of private forestland. A total of 1,683, 641 ha forests are also PEFC certified. The figures are correct as of April, 2015.

Lithuania

Agricultural land covers more than 50 percent of Lithuania. Forested land consists of about 28 percent, with 2.17 million ha, while land classified as forest corresponds to about 30 percent of the total land area. The southeastern part of the country is most heavily forested, and here forests cover about 45 percent of the land. The total land area under the state Forest Enterprises is divided into forest and non-forest land. Forest land is divided into forested and non-forested land. The total value added in the forest sector (including manufacture of furniture) reached LTL 4.9 billion in 2013 and was 10% higher than in 2012. According to the ownership forests are divided into state (1.08 million ha), private forests (0,85 million ha) and other ownership types (0.2 million ha) .

Forest land is divided into four protection classes: reserves (2 %); ecological (5.8 %): protected (14.9 %); and commercial (77.3 %). In reserves, all types of cuttings are prohibited. In national parks, clear cuttings are prohibited while thinnings and sanitary cuttings are allowed. Clear cutting is permitted, however, with certain restrictions, in protected forests; and thinnings as well. In commercial forests, there are almost no restrictions as to harvesting methods.

Lithuania is situated within the so-called mixed forest belt with a high percentage of broadleaves and mixed conifer-broadleaved stands. Most of the forests - especially spruce and birch - often grow in mixed stands. Pine forest is the most common forest type, covering about 38 percent of the forest area. Spruce and birch account for about 24 and 20 percent respectively. Alder forests make up about 12 percent of the forest area, which is fairly high, and indicates the moisture quantity of the sites. Oak and ash can each be found on about 2 percent of the forest area. The area occupied by aspen stands is close to 3 percent

Lithuania has been a signatory of the CITES Convention since 2001. CITES requirements are respected in forest management, although there are no local tree and shrub species included in the CITES annexes.

All state owned forests are is FSC certified.

Belarus

In Belarus, forest land covers 9.5 million ha. Forests are quite evenly spread over the country's six regions with the average value of the forest cover (ratio between the stocked forest land and the total land) being 39.3% . Area of Agricultural area 8.7 million ha.

The area covered by forest is increasing. The expansion happens both naturally and by afforestation of infertile land unsuitable for agriculture. Within the last decade, the timber production in Belorussia has fluctuated aprox., 11 million cubic metres (http://www.mlh.by , 2015.)

Forest area of Belarus consists of Belarus consist of: forests- 7,89 million ha, Other wooded land 0.91 million ha.

The main wood species in Belarus are: pine 50,4%, spruce 9,2%; birch 23,1%; black alder 3,3%; grey alder 3,3 %: aspen 2,1%; other species 3,3%.

The forests in the Republic of Belarus are state property. Forests under the jurisdiction of the Ministry of Forestry (Minleshoz) cover 86% of the forest fund. Besides, a significant share of the forest fund is managed by the Administration of the President of the Republic of Belarus (8%) and by the Ministry of Emergency Situations of the Republic of Belarus (2%).

In Belarus an environmental protection system has been in place since 1960, from the time a Nature Protection Committee was established. Specially protected area accounts 7,7 % of the whole area of the country. However, together with the natural sites subject to special protection such as water conservation zones and areas of habit and growth of endangered wild animals and plant species, this figure increases to 22,1 % of the country's total area.

It is considered that about 75 % of the original Central European mixed forest cover is estimated to be lost. Pristine and relic stands of this forest type are believed to have been eliminated complete except in Belovezha Forest, which is located close to Belarus and Poland border. It is one of the largest and best presented forest tract in the lowlands Europe. It still contains a wide array of old-growth forest stands representing all the major habitat types, a rich variety of wildlife and a still not sufficiently studied numerous lower plants, fungi and slime moulds.

Belorussia has been a signatory of the CITES Convention since 1995. CITES requirements are respected in forest management, although there are no species included in the CITES lists in Belorussia.

Forest regeneration is carried out annually over an area of 32,000 ha, including 81% of the forest planting and seeding and 19% by natural regeneration. There are 2 strictly protected Nation reserves and 4 National parks present in Belarus at the moment. Area of National reserves accounts 2,98 million ha and area of National parks is 3,98 million ha.

Forestry and the forest industry are essential parts of the republic's economy. In Belarus wood-based industry consists ol forestry (13.5% of all production), Roundwood processing (69,5 % of all production), pulp and paper (16,4 % of all production) sectors.

All forest area is certified by PEFC certification scheme: 7,7 million. Ha (83 forestries) and FSC certification scheme 5,0 million. Ha (61 forestries)

Estonia

Currently more than 2 230 000 ha, equal to 51% of the Estonian land territory, is covered by forest and the share of forest land is growing. According to FAO data, during 2000 - 2005, average annual change in the forest cover was +0.4 %. Forestry Development Plan 2012-2020 and Yearbook Forest 2013, that gives annual reports and facts about the forest in Estonia, state that during last decade the cutting rate in Estonian forests is from 7 to 11 mill m³ per year. The amount is in line with sustainable development principle when the cutting rate doesn't exceeds the

annual increment and gives the potential to meet the long-term the economic, social and environmental needs. According to the Forestry Development Plan 2012-2020 the sustainable cutting rate is 12-15 mil ha per year.

For logging in any type of forest, it is required that a valid forest inventory or forest management plan, along with a felling permit issued by the Environmental Board, is available. All issued felling permits and forest inventory data is available in the public forest registry online database

Area of protected forests accounts to 25.3% of the total forest area whereas 10% is considered to be under strict protection. The majority of protected forests is located on state property. The main regulation governing the preservation of biodiversity and the sustainable use of natural resources is the Nature Conservation Act. Estonia has signed the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) in 1992and joined the International Union for Conservation of Nature (IUCN) in 2007 There are no CITES or IUCN protected tree species naturally growing in Estonia.

According to the Forestry Yearbook 2013 the wood, paper and furniture industry (503.5 million euro) contributed 21.6% to the total sector providing 3.3% of the total value added. Forestry accounted for 1.6% of the value added.

In Estonia, it is permitted to access natural and cultural landscapes on foot, by bicycle, skis, boat or on horseback. Unmarked and unrestricted private property may be accessed any time and pick berries, mushrooms, medicinal plants, fallen or dried branches, unless the owner forbids it. On unmarked and unrestricted private property camping is allowed for 24 hours. RMK creates exercising and recreational opportunities in nature and in recreational and protection zones and provides education about the natural environment which are free to access.

Estonia is a member of the European Union since 2004. The Estonian legislation is in compliance with the EU's legislative framework and directives. National legislative acts make references to the international framework. All legislation is drawn up within a democratic system, subject to free comment by all stakeholders. The Estonian legislation provides strict outlines in respect to the usage of forestry land and the Estonian Forestry Development Plan 2020 has clear objectives and strategies in place to ensure the forestland is protected up to the standards of sustainable forest management techniques. The Ministry of the Environment coordinates the fulfilment of state duties in forestry. The implementation of environmental policies and its supervision are carried out by two separate entities operating under its governance. The Estonian Environmental Board monitors all of the work carried out in Estonia's forests whereas the Environmental Inspectorate exercises supervision in all areas of environmental protection.

The forest is defined in the Forest Act. There are three main forest categories are described in this legislation: commercial forest, protection forest and protected forests. According to the ownership, forests are also divided into private forests, municipality forests and state owned forests. The state owned forest represent approximately 40% of the total forest area and is certified according to FSC and PEFC forest management and chain of custody standard in which the indicators related to forest management planning, maps and availability of forest inventory records are being constantly evaluated and addressed. The state forest is managed by State Forest Management Centre (RMK) which is a profit-making state agency founded on the basis of the Forest Act and its main duty lies in a sustainable and efficient management of state forest.

5.3 Detailed description of Supply Base

Total Supply Base area (ha): 16.97 million ha

Tenure by type (ha):	13.2 million ha state ownership, 3.17 million ha private forests and 0.6 million ha other ownership types.
Forest by type (ha):	3.07 million ha hemi-boreal forests, 10.6 million ha boreal, 3.3. million ha temperate forests

Forest by management type (ha): 16.97 million ha managed natural

Certified forest by scheme (ha): FSC, total certified area 11.69 million ha (FSC) and 10.9 million ha PEFC

Quantitative description of the Supply Base can be found in the Biomass Producer's Public Summary Report

http://www.latgran.com/en/policy/sustainable-biomass

http://www.latgran.com/lv/politika/ilgtspejigas-biomasas-programma

(both Latvian and English versions)

5.4 Chain of Custody system

The Organisation is holding valid FSC Chain of Custody and FSC Controlled Wood certificate. Valid FSC system description and other documents exist http://info.fsc.org/details.php?id=a0240000006tyzdAAA&type=certificate&return=certificate.php. The multisite certification is valid until 18.04.2022

The Organisation also holds COC PEFC certificate number TT-PEFC-COC44, SIA Graanul Invest is included in this certification as a certification site. The system covers procurement of PEFC certified and PEFC Controlled Sources materials.

The Organisation is implementing FSC credit system. FSC Credit system is used for materials received as FSC certified, FSC Controlled wood and feedstock verified according to the Organisation's own Controlled wood verification system. Controlled Wood verification program is applied for primary feedstock only. Secondary and tertiary feedstock is delivered with FSC/PEFC certification or Controlled Wood/ Controlled Sources claim, The Controlled wood system or the organisation is covering Latvia and Lithuania.

Supplier list is maintained.

After the reception and measurement, incoming feedstock is unloaded into piles according to type of feedstock and is registered into the recordkeeping system.

Moisture and weight is measured for each feedstock type. FSC credit account and PEFC mass balance accounts are updated once in a month: data about received raw materials by FSC/100% PEFC certified material certification status and volume of sold pellets as FSC and PEFC are recorded.

In case of the FSC and / or SBP sales, the volume of sold pellets is withdrawn from the credit account.

6 Evaluation process

6.1 Timing of evaluation activities

The annual audit was conducted in 2 stages: first evaluation of SBP compliance outside SBE took place; followed by SBP SBE system evaluation.

Prior to the SBP audit FSC CoC and FSC CW audit took place in Graanul Invest SIA Launkalne factory on March 29, 2017

SBP onsite audit without SBE evaluation had been carried out on April 18, 2017, after that second part of the evaluation had been undertaken on April 24 and April 25, 2017. During the first phase of the annual surveillance audit the compliance with SBP standards #2, #4, #5 and instruction documents 5A, 5B and 5C took place. In the second phase of the audit, the biomass producer was evaluated against SBP standards #1 and #2.

The annual (surveillance) audit has been conducted on 18th-25th of April, 2017 and included production site visit, staff interviews as well as supplier origin confirmation audits, including SBE with both primary and secondary feedstock. As part of annual audit, visit of the SIA Graanul Invest , audits to suppliers, including sub-suppliers and contractors took place.

In the second phase the actual implementation of the Supply Base Evaluation system had been verified. During the annual surveillance audit 3 suppliers of primary feedstock and 3 suppliers of secondary feedstock (sub-suppliers to supplier PA Energy SIA) had been visited.

4 days in total were used for the annual (surveillance) audit, including 0.5 day of preparations, 1.5 days at the BP site and 1.5 days for supplier audits at the FMU level and 0.5 day documented evidence review prior and after the main assessment.

Audit timetable

Activity	Location	Auditor(s)	Date/time
Opening meeting*	Office,	OP	18.04.2017 9.30-10.00
Interviews with production staff and laboratory staff	Office	OP	10:00-11.00
Chain of custody system review, Review of the documented procedure Review of procedures, documents and interviews with responsible staff (review of the CoC system control point, mass balance, management system, verification of SBP			11:00-13:00

compliant feedstock). Supplier verification program, Supplier Origin confirmation auditing			
GHG calculation review collection and communication of energy and carbon data Evaluation of the open non-conformances	Office,	OP	13:30-16:00
Internal team meeting	Office	OP	16:00-16:30
Presentation of the results of the day	Office	OP	16:30-17:00

Activity	**Location**	**Auditor(s)**	**Time**
Opening meeting*	Office	GK, LS	24.04.2017 10.00- 10.30
Interview with SBP responsible person, review of documentation, procedures. Compliance to SBP Standards #1 and #2. SBP Risk Assessment, implementation of mitigation measures, Supplier verification program.	Office	GK, LS	10.30- 13.30
Lunch break			13:30-14.30
Evaluation of suppliers of primary feedstock: • Evaluation of supplier of primary feedstock (harvesting company) • Witness audit of BP supplier audit	• Supplier audit: SIA “Rairu”, primary feedstock supplier, evaluation of HCV risk mitigation measures in completed harvesting site: - FMU “Mežvidi 2” (cadaster Nr. 50840040031, block 1, compartment 10), • Supplier audit: SIA “Grotes ZG”, primary feedstock supplier, evaluation of HCV risk mitigation measures in completed harvesting sites - 2 FMUs: - FMU “Sāvu mežs” (cadaster Nr. 50840090060, block 1, compartment 6);	GK, LS	24.04.2017 14.30- 18.00

	- FMU “Jaunzemnieki” (cadaster Nr. 50640060075, block 4, compartments 3, 9)		
Evaluation of supplier of primary feedstock: • Evaluation of supplier of primary feedstock (harvesting company) • Witness audit of BP supplier audit	• Supplier audit: SIA “Wolf”, primary feedstock supplier, evaluation of Health and Safety risk mitigation measures in on-going manual harvesting works (1 FMU): Inspection of 2 FMUs: evaluation of HCV risk mitigation measures in planned harvesting site - 2 FMUs: - FMU “Lielkalni” (cadaster Nr. 68800010135, block 4, compartment 1), - FMU “Skruļi” (cadaster Nr. 68800010133, block 1, compartment 4) • Supplier audit: SIA “Rairu”, primary feedstock supplier, evaluation of Health and Safety risk mitigation measures in on-going manual harvesting works (1 FMU): - FMU “Bekoniņi” (cadaster Nr. 90590110013), subcontractors, perfomers or manual harvesting works: Raivo Miļūns, Inārs Miļūns, Gunārs Melbergs, Valērijs Kondrohovs evaluation of HCV risk mitigation measures in on-going harvesting sites (1 FMU)	GK, LS	25.04.2017 09.00- 13.00
Evaluation of supplier of secondary feedstock • Evaluation of supplier of secondary feedstock; • Witness audit of BP supplier audit (risk mitigation measures)	Supplier SIA PA Energy (broker/trader), visits to PA Energy sub-suppliers: • Supplier SIA “Tigras”, evaluation of secondary feedstock supply procedures, interviews to responsible staff • Supplier audits to SIA “Sters-G”, secondary feedstock supply procedures, interviews to responsible staff; • Supplier audits to SIA “Konto”, secondary feedstock supply	GK, LS	25.04.2017 13.00 – 16.00

	procedures, interviews to responsible staff		
Resolving of remaining issues, questions, interview to responsible person	Office	GK, LS	25.04.2017 16:00-17:00
Closing meeting	Office	GK, LS	17:00-18:00

Auditor team: OP - Oļesja Puišo; GK – Ģirts Karss, LS - Liene Suveizda

6.2 Description of evaluation activities

Audit part 1: General SBP requirements (CoC and data collection and communication)

Auditor was welcomed in SIA Graanul Invest office in Launkalne parish. Audit started with an opening meeting attended by the management team of the biomass producer as well as other responsible staff.

Auditor introduced herself, provided information about audit plan, methodology, auditor qualification, confidentiality issues, and assessment methodology and clarified verification scope.

After this short introduction trip was taking place around the biomass storage and production facilities. During the trip production technology and information about the main production facilities was presented to the auditors.

After that auditor went through all applicable requirements of the SBP standards nr.2, 4, 5 and instruction documents 5a, 5b and 5c covering input clarification, existing chain of custody and controlled wood system, management system, CoC, recordkeeping/mass balance requirements, emission and energy data and categorisation of input and verification of SBP compliant and SBP Controlled feedstock/ biomass. During the process overall responsible person for SBP system and over responsible staff as well as other staff having responsibilities within the system were interviewed.

Roundtrip around BP's pellet production was undertaken. During the site tour reception, recordkeeping, production process were observed, applicable records were reviewed, pellet factory staff was interviewed and FSC system critical control points were analysed.

At the end of the audit day 1, findings were summarised and audit conclusion based on use of 3 angle evaluation method were provided to the responsible staff and CEO.

All SBP related documentation connected to the SBP as well as FSC CoC/ CW system of the organisation, including SBP Procedures, GHG data calculations/ data sheet, Supply Base Reports, Biomass profiling data, and GHG data sheet, and FSC system description was provided by the company in advance as well as were reviewed during the desk verification conducted prior to the surveillance audit.

Audit part 2: surveillance audit with focus on SBE for primary and secondary feedstock

Auditors were welcomed in SIA Graanul Invest office in Launkalne parish. The annual audit began with an opening meeting, where the lead auditor introduced the auditing team, provided information about audit plan, methodology, auditor qualification, confidentiality issues, and assessment methodology and clarified verification scope. Auditor explained the aim and objectives of the annual audit, informed about the evaluation process, underlined the need to collect objective evidence through a combination of document review, site visits, interviews and discussions, explained the essence and importance of sampling aspect of the auditing, reminded differences in minor and major nonconformity reports (NCRs) and that NCRs are an expected part of the process designed to help the organization strengthen its procedures and processes. Discussed and confirmed the audit itinerary.

The main focus of the surveillance audit is to verify if risk mitigation measures are implemented properly according

to requirements of SBP standards #1 and #2 and BP's supplier verification program.

After the opening meeting auditor team reviewed and discussed all applicable requirements of the SBP standards #1 and #2, and instruction documents covering SBE system regarding sourcing both primary and secondary feedstock within the SBE system and the overall management system. During the process overall responsible person for SBP system and over responsible staff having key responsibilities within the system were interviewed. Auditor team reviewed documented procedures for primary and secondary feedstock supplies within the SBE system. Records of Supplier Verification Program particularly those related to health and safety risk mitigation measures and high conservation value risk mitigation measures have been reviewed, evaluated and discussed with responsible staff.

At the end of the evaluation at the production site the sampling of the suppliers for field evaluations took place. The formula used for sampling is 0.8 times the square root of all active suppliers rounded to the upper whole number. One supplier was chosen randomly (SIA Grotes ZG), one supplier from already approved suppliers (SIA Rairu); and one supplier (Wolf SIA) not yet included in approved supplier list, but is in process of approval.

In the second part of the first audit day, field inspections to individual suppliers at the FMU level took place. Auditors were witnessing the audit of the BP and at the same time doing their own independent evaluation of the suppliers to verify the correctness of the mitigation measure already implemented.

Secondary supplier verification program and mitigation measures implemented were evaluated in the first part of the second day of the audit. Supplier list of all suppliers with indication of suppliers already approved as compliant with SBE was presented and reviewed. Documented procedures for secondary feedstock supplies with the SBE system, contracts with suppliers containing requirements on health and safety as well as requirements on evaluation and protection of high conservation values have been evaluated and discussed with responsible staff at the company. Auditors interviewed the responsible person of the largest supplier of secondary feedstock to BP – broker/trader – SIA PA Energy.

Upon completing evaluation of documented procedures and records related to secondary feedstock, the sampling of the suppliers took place. At the time of audit there is 1 sawmill and 1 broker/trader (PA Energy SIA) approved by the BP as approved suppliers of secondary feedstock. It has been chosen in the annual audit to verify the secondary feedstock suppliers – sub-suppliers to biggest supplier of secondary feedstock to BP - broker/trader PA Energy SIA. The same approach as in case of primary feedstock suppliers was applied for the sampling of the secondary feedstock suppliers for field evaluations. The formula used for sampling is 0.8 times the square root of new sub-suppliers to PA Energy SIA since the last audit, rounded to the upper whole number. Thus, the total number of sub-suppliers to PA Energy SIA was calculated 3 (0.8×sqrt(14)). All suppliers were chosen randomly. During the supplier audit, 3 sub-suppliers to PA Energy SIA have been visited and CB verified how secondary suppliers carry out primary supplier verification in line with BP's procedures (feedstock origin, accounting of "low risk" material) and perform risk mitigation measures. Auditor team was witnessing the audit of the BP's secondary supplier and at the same time doing their own independent evaluation of the suppliers, how BP is implementing own procedures related to risk mitigation at primary processors/sawmills.

At the end of the second day of audit, findings were summarised and audit conclusion based on use of 3 angle evaluation method were provided to the responsible persons at the company – procurement manager and executive director.

Composition of audit team:

Auditor(s), roles	Qualifications
Oļesja Puišo, Riga, Latvia Lead Auditor	MSc Logistics. Olesja is working as NEPCon Country Manager in Latvia. She is responsible for daily management of certification activities in the country. Olesja has passed CoC/ FM lead auditor training, PEFC CoC, ISO 140001,

evaluation against all applicable requirements, Standards #2, #4, #5 and relevant instruction notes	SAN and Legal Source training courses. Previous experience in woodworking industry as well as many years of experience within CoC auditing. She has passed the SBP lead auditor training and has participated on several SBP assessments.
Ģirts Karss, Auditor, evaluation against all applicable requirements of Standard #1 and Standard #2 within the SBE system.	Works for NEPCon since 2011 Girts Karss holds M.Sc in Environmental Science from the Lund University and the University of Latvia. He has passed the Rainforest Alliance lead assessor training course in FSC Forest Management and FSC Chain of Custody operations and obtained the FSC lead auditor qualification. Girts Karss has more than 5 year experience in FSC Chain of Custody auditing in wood industry companies in Latvia and more than 5 year experience in FSC forest management (FM) evaluation in Latvia, Lithuania, Estonia and Russia. Girts had acquired SBP auditor qualification and has participated in 8 SBP assessments, scope changes audits and annual surveillance audits, including SBE in Latvia.
Liene Suveizda Local expert and auditor in training	Auditor in training. Joined NEPCon Latvia in 2016. M.Sc in biology, forest ecology. Graduated from University of Latvia. Liene has also studied law and hold the 2nd level higher education in law, Business School "Turība". Liene has long term experience in forestry sector in Latvia. Liene has passed the NEPCon lead assessor training course in FSC Forest Management and FSC Chain of Custody operations and obtained the FSC lead auditor qualification. Liene has participated as an auditor in training is 6 SBP assessments, scope change (SBE) and annual audits in Latvia.

6.3 Process for consultation with stakeholders

No Consultation was conducted for this surveillance audit and no comments were received during the audit period.

7 Results

7.1 Main strengths and weaknesses

Main strengths: all processes, including SBE are well documented; main database for material balances is well maintained and all relevant information is available. The BP has provided extensive training to primary and secondary feedstock suppliers and sub-suppliers through a number biotope identification and health and safety training courses with respected Latvian experts and trained their suppliers. Strong engagement in implementation of SBP system and positive approach has been observed during the audit.

Weaknesses: See the NCR and OBS section of this report

7.2 Rigour of Supply Base Evaluation

The Supply Base Evaluation (SBE) system has been implemented for primary feedstock sourced from Latvia and Estonia and secondary feedstock originating from Latvia and is sold without SBP-approved Forest Management Scheme claim, SBP-approved Forest Management partial claim, SBP-approved Chain-of-Custody (CoC) System claim. Risk mitigation measures are implemented for material coming from forest land (material sourced under FSC Controlled Wood system) as well as non-forest land (such as overgrown agriculture land, wood growing along the road, rails or parks).

The scope of the SBE for secondary feedstock has been extended through step by step approach considering the effort needed for implementation of mitigation measures for indicators with “specified risk” for secondary feedstock as well as by taking into consideration outcomes of previous scope change audit for primary feedstock within the scope of SBE.

The BP has used the draft of the regional risk assessment presented on the SBP website for stakeholder consultation and has only updated some few “Locally Adaptable Verifiers” which were considered to be more specific for their supply base. As for the material sourced from Estonia – endorsed regional risk assessment was used. Based on the “specified risks” in this risk assessment the organization has suggested several mitigation measures which were consulted with relevant stakeholders during several meetings which took place prior to the scope change audit.

The stakeholder consultation process prior to the assessment last year has been conducted through notification of stakeholders and distributing the SBR report to stakeholders. Several stakeholders were contacted directly via phone and where the stakeholders were interested in expressing their opinion a face to face meeting took place. The BP keeps records of communication with stakeholders.

After consensus with stakeholders was reached, SIA Graanul Invest began with implementation of the mitigation measures for individual indicators. This mitigation measures were implemented in cooperation with biotope experts, external consultant and expert on health and safety.

The supply base evaluation was a rigour process with some gaps identified (see non-conformities and observation part to this report). The scope defined by the organization was reduced compared to supply base due to the reasons mentioned above. However, the reduced scope included in the SBE was adequate for the specific characteristics of the area and management system in place.

7.3 Compilation of data on Greenhouse Gas emissions

BP has a system to collect and record data on Greenhouse Gas emissions. Emission data is collected, analysed and is available in SAR data file.

7.4 Competency of involved personnel

It was identified during theudit that there are a number of staff members who are directly involved into the SBP system management and implementation. Those are: Procurement Manager, Executive Director, Stock Controller/ Receptionist, Assistant of the Head Accountant, Production manager, Manager of the Laboratory, Receptionist, Operators/ Truck drivers. It has been identified during the audits, that interviewed staff is aware of their responsibilities within the SBP system.

The key responsible person for implementation of SBE system is Procurement Manager. He holds Forestry Engineer education and 20 years of experience in the wood procurement market in the Baltic States. Further on, he has many years of experience in the FSC system maintenance and evaluation of wood origin in forestry and 20 years of experience and good knowledge of forestry and wood supply, procurement and legal act sector.

The BP has attracted external consultant in preparing to SBP certification - SIA Lodret, the company that has lengthy experience in forest management and forest product chain of custody certification, with more than 8 years of experience as the lead auditor of the FSC FM certification and in PEFC forest management certification.

All involved personnel, including responsible staff at suppliers and sub-suppliers have demonstrated good knowledge in relevant fields (recognition and identification of HCVF, health and safety requirements) during the sites visits. Relevant certificates and diplomas were presented during the scope extension audit. Qualification requirements for personnel involved in SBE system are provided in documented procedures of the BP.

In overall, auditors evaluate the competency of main responsible staff to be sufficient for implementing the SBP system with both primary and secondary material sourced within the SBE. This has been based on interviews, review of qualification documents, training records and set of procedures and documents that were composed for the SBP system as well as field observations during the assessment and scope change audits.

7.5 Stakeholder feedback

No comments regarding the SBP SBE system for primary and secondary feedstock sourcing within the SBE system were received during the audit period. No stakeholder consultation was done before this annual audit.

The stakeholder consultation carried out by the CB in first assessment and subsequent first and second scope change audits show that BP stakeholder consultation was comprehensive and all key stakeholders were involved in the process. Consultation confirmed that the stakeholders already expressed their opinion to biomass producer.

7.6 Preconditions

No open preconditions to this certification exist.

8 Review of Biomass Producer's Risk Assessments

8.1 Risk Assessment for Latvia

The BP is using draft national risk assessment where risks for each individual indicator are evaluated. The risk assessment developed by the organization outlines "specified risk" for indicators 2.1.1 (only HCVF category 3), indicator 2.1.2 (HCVF categories 1, 3 and 6) and indicator 2.8.1. Mitigation measures planned and implemented by the BP can be considered sufficient in order to reduce the risk to "low risk" for indicators mentioned. See risk ratings in Table 1.

Risk assessment taking into consideration risk mitigation measures is presented in Table 2. It is concluded that the actions taken (for the suppliers included in the SBE) by the BP lead to substantial decrease of the risk and the final risk level for all indicators can be considered as "low risk".

Table 1 Risk ratings for SBP SBE Indicators

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

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

Table 2. Final risk ratings of Indicators as determined after the Supplier Verification Program and mitigation measures.

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

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

8.2 Risk assessment for Estonia

SBP-endorsed Regional Risk Assessment for Estonia is used by the Biomass Producer. Risk ratings in table 3 are taken from the approved risk assessment, where one indicator has been evaluated as specified risk (indicator 2.1.2).

Risk assessment taking into consideration risk mitigation measures is presented in Table 4. It is concluded that the actions taken (for the suppliers included in the SBE) by the BP lead to substantial decrease of the risk and the final risk level for all indicators can be considered as “low risk”.

Table 3 Final risk ratings of SBP SBE Indicators

Indicator	Risk rating (Low or Specified)	
	Producer	CB
1.1.1	Low	Low
1.1.2	Low	Low
1.1.3	Low	Low
1.2.1	Low	Low

Indicator	Risk rating (Low or Specified)	
	Producer	CB
2.3.3	Low	Low
2.4.1	Low	Low
2.4.2	Low	Low
2.4.3	Low	Low

1.3.1	Low	Low
1.4.1	Low	Low
1.5.1	Low	Low
1.6.1	Low	Low
2.1.1	Low	Low
2.1.2	Specified	Specified
2.1.3	Low	Low
2.2.1	Low	Low
2.2.2	Low	Low
2.2.3	Low	Low
2.2.4	Low	Low
2.2.5	Low	Low
2.2.6	Low	Low
2.2.7	Low	Low
2.2.8	Low	Low
2.2.9	Low	Low
2.3.1	Low	Low
2.3.2	Low	Low

2.5.1	Low	Low
2.5.2	Low	Low
2.6.1	Low	Low
2.7.1	Low	Low
2.7.2	Low	Low
2.7.3	Low	Low
2.7.4	Low	Low
2.7.5	Low	Low
2.8.1	Low	Low
2.9.1	Low	Low
2.9.2	Low	Low
2.10.1	Low	Low

Table 4. Final risk ratings of Indicators as determined after the SVP and mitigation measures.

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

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

9 Review of Biomass Producer's mitigation measures

9.1 Mitigation measures of risks for feedstock originating from Latvia

The organization has implemented mitigation measures for 3 indicators evaluated as specified risk (2.1.1, 2.1.2 and 2.8.1) during the assessment.

The first step taken by the BP was to update the supplier contacts with clause requiring the supplier to agree to take necessary actions to avoid supplying material which would not be mitigated to low risks.

Indicator 2.1.1 (HCVF category 3):

Woodland Key Habitat tool ("WKH tool") was developed by SIA Graanul Invest (together with other biomass producers from Latvia united under the Latvian biomass association "LATbio"). The tool is used in private forest land and shows "Risky areas" which may comprise WKH and "Green areas" which most likely do not comprise WKH. The tool is based on existing forest inventory databases and implements filtering forest inventory databases using the algorithm from "Inventory of woodland key habitats; methodology" (Ek at al 2002). The tool has been verified in field verification process that took place (carried out by licenced forest ecology, biodiversity experts) to verify the correctness of the methodology and the algorithm implemented. Five different areas in Latvia were visited (each area ca. 200 ha) which have proved that the tool shows correct data and the WKH is not present in the "green areas". The database is used by both the pellet industry and primary and secondary feedstock suppliers to evaluate risks related to HCVF category 3 - identification and threatening the biodiversity values in sourcing of feedstock.

Indicator 2.1.2 (HCVF category 1):

The BP has provided training (with field visits) held by biotope expert for all primary and secondary feedstock suppliers included in the SBE. Different suppliers, including suppliers and sub-suppliers of primary and secondary material were trained during the training course on how to recognize woodland key habitats using special checklist, important bird habitats and nesting sites and how these shall be protected.

Each supplier is required to evaluate all sites prior to harvesting and evaluate the presence of Woodland Key Habitats, large diameter nest or protected bird species. Interviews with suppliers as well as review of records showed that the procedure is followed by approved suppliers. In case of longer supply chains, e.g. primary processors supplying secondary feedstock or traders/brokers, supplier of material to BP shall make necessary risk mitigation measures to assure that the feedstock can be considered low risk. In case of sub-suppliers, supplier shall verify that the material supplied by sub-supplier is not being sourced from areas with WKHs and with appropriate H&S risk mitigation. In many cases the suppliers are actually evaluating the site prior to purchasing it and in case there is occurrence of large bird nests of indicative presence of potential WKH, they do not purchase the stand. This was identified in most of the cases and only in one case the supplier purchased the stand and left it without harvesting.

BP is monitoring the evaluation of the sites during regular supplier audits (depending on the amount of material sourced).

Indicator 2.1.2 (HCVF category 3):

Each supplier is checking the area designated for harvesting in the database mentioned above. In case the area is identified “red” (having potential woodland key habitat), the supplier cannot harvest the site without evaluating the site by trained personnel and filling in the WKH inventory checklist (developed by forest ecology expert from Latvia and agreed with prominent Latvian environmental NGOs and biotope experts). In case the Latbio tool would show that there is no presence of WKH (i.e. “green” area), the site does not need to be checked “in vivo”. The interview with the supplier representatives as well as verification audits to “red” areas during the scope change audit showed that the process is followed, records are kept and the evaluation is of sufficient quality.

The BP carries out monitoring through inspecting the plots where evaluations have been done by the suppliers. The BP carries out own evaluation of the site and this evaluation is then compared with the supplier evaluation. In case the BP identifies that the WKH were not evaluated correctly at least in one case, the supplier gets warning and has 1 month for corrective action. After that, the audits are repeated and in case they identify incorect evaluation repeatedly, the supplier is excluded from the list of accepted suppliers.

Indicator 2.1.2 (HCVF category 6):

The specified risk is for this sub-indicator is connected with noble tree species with large diameter which might be coming from old manors, parks or tree alleys having cultural heritage value. The BP has implemented procurement policy that noble species will not be sourced and in case it will be the diameter can´t exceed 70cm and the implementation of such policy is checked during supplier audits. The interview with the receptionist of the sawmills as well as site tour through the storage area of the sawmills proved that no noble tree species are received. As for the primary feedstock the same approach was taken at the BP level and the site visit together with the interviews confirmed that no large trees are sourced.

Indicator 2.8.1:

All supplier contracts contain cause that all Health & Safety (H&S) requirements specified by national legislation have to be followed. Each supplier is checked for H&S issues by the BP prior to accepting him as a supplier under the SBE system. The BP uses checklist which is filled in during interviews with the workers in the forest. Each supplier is checked in several forest plots before becoming accepted supplier.

Surveillance/monitoring of suppliers is carried out through sampling depending on the amount of material sourced, but at least one surveillance audit is carried out in calendar year. In case the BP identifies one aspect of the H/S as not fulfilled during the monitoring visits, the supplier gets warning and has 1 month to implement corrective action. After that, the audit is repeated and in case they identify again some violation of the H/S rule the supplier is excluded from the list of accepted suppliers.

It was revealed during the supplier visits that the BP has sufficient knowledge on H&S requirements as well as good timber harvesting practices. The sampling process is considered sufficient to verify suppliers of primary and secondary feedstock.

9.2 Mitigation measures of risks for feedstock originating from Estonia

The mitigation measures described are only applied by primary processors (sawmills) that use timber of Estonian origin that is in the scope of the SBE Estonia sub-scope, i.e. all deliveries of primary feedstock that has been harvested in Estonia, but are not FSC or PEFC certified. The BP has established a system on how to verify if feedstock has not been sourced from WKHs. Additional control procedures, e.g. procedures according to FSC-

STD-40-005: FSC Standard for Company Evaluation of FSC Controlled Wood, are applied if applicable. All feedstock subject to SBE must meet prior the evaluation at least SBP-approved Controlled Feedstock System requirements.

The BP use the delivery documents, a list of approved suppliers and publicly available databases (e.g. maps at: http://register.metsad.ee/avalik/ or at least biannually renewed databases from competent authorities) to verify that the delivered primary feedstock has not been sourced from WKHs. In the case of primary processors – suppliers of secondary feedstock to BP, receptionists at primary timber processing companies will check for presence of felling permit and checks whether the timber is sourced from areas containing WKH in register mentioned above for each single delivery. In case the load is sourced from areas with known WKHs, the timber will not be accepted.

10 Non-conformities and observations

10.1 Open Non-Conformity Reports (NCRs)

No open Non-conformity Reports (NCRs)

10.2 Closed Non-Conformity Reports (NCRs)

NCR number: 09096 NCR 01/16 – initial assessment	**NC grading:**	**Major** ☐	**Minor** ☒
Standard & Requirement:	Standard #2 V1.0 - Verification of SBP-compliant feedstock - 6.2		
Description of Non-conformance:			
Supplier list is available. Secondary feedstock suppliers are divided into 2 categories: direct suppliers – primary/ secondary processors and traders. Both producers and traders are delivering feedstock directly from producer. BP is maintaining register of suppliers only. In case the feedstock is delivered by trader, primary producer address is available in the delivery note as a loading address, however no separate primary processor list was generated and demonstrated for feedstock delivered by existing trader company SIA PA Energy. It is also known that the PA Energy is sourcing from 15 sawmills.			
Corrective action request:	Organisation 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.		
NCR conformance deadline:	By next audit, but not later than 12 months after report finalisation date		
Client evidence:	Direct supplier list; Supplier list delivering feedstock to PA Energy SIA, SGA Plus SIA and Green Energy SIA		
Evaluation of Evidence:	Supplier lists including both direct suppliers as well as suppliers selling wood to trader PA Energy SIA, SGA Plus and Green Energy which are selling feedstock directly to Graanul Invest Laukalne		
NCR Status:	**CLOSED**		
Is the non-conformity likely to impact upon the integrity of the affected SBP-certified products and the credibility of the SBP trademarks?			☐ Yes ☒ No

NCR number: 09097 NCR 02/16 – initial assessment	**NC grading:**	**Major** ☐	**Minor** ☒
Standard & Requirement:	Standard #2 V1.0 - Verification of SBP-compliant feedstock - 6.3		
Description of Non-conformance:			
As for the secondary feedstock, the Supply Base is restricted to Latvia, Lithuania, Estonia and Belarus as are specified in the agreements with suppliers. Suppliers are not allowed to source outside the designated Supply Base. In addition to this BP is implementing audits for all secondary/tertiary feedstock suppliers with an aim to confirm the supply base for each supplier. At the moment (change of scope audit, July 21-22), BP is sourcing feedstock from 5 direct producers and 1 trader. Trader is sourcing from 15 producers. According to p.5.4 of the SBP procedures and interviews of the responsible staff, each active primary supplier will be visited at least once in a year. At the date of the assessment (change of scope audit, July 21-22) 6 supplier audits were conducted for direct suppliers (including PA Energy) and 6 for suppliers delivering its feedstock through trader PA Energy, two were conducted together with the auditor at the assessment day. One audit was conducted for direct supplier and second for PA energy supplier. Total number of the currently (change of scope audit, July 21-22) active primary suppliers (including primary suppliers selling their sawmill residues though trader) is 21 (including PA Energy). All direct supplier as well as trader are FSC certified. NEPCOn auditor applied FSC Controlled wood sampling for calculating the auditor attended suppliers (supplier audits) equal to 0.8* √number of suppliers audited by the BP = 2 As soon as not all the supplier audits are conducted at the time of the assessment minor NCR 02/16 is issued.			
Corrective action request:	Organisation 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.		
NCR conformance deadline:	By the next audit, but not later than 12 months after report finalisation date		
Client evidence:	Audit summary spreadsheet Audit reports		
Evaluation of Evidence:	During the audit summary spreadsheet had been demonstrated, audit reports had been sampled and verified for accuracy. It was concluded that BP audited all of its suppliers and sub-suppliers and 40 audits had been conducted in total.		
NCR Status:	**CLOSED**		

Is the non-conformity likely to impact upon the integrity of the affected SBP-certified products and the credibility of the SBP trademarks?	☐ Yes ☒ No

NCR number: 09098 NCR 03/16 – initial assessment	**NC grading:**	**Major** ☐	**Minor** ☒
Standard & Requirement:	Standard #2 V1.0 - Verification of SBP-compliant feedstock - 2C - 4.1		
Description of Non-conformance:			
The Supply Base Report meets the requirements of SBP: covering figures designated in SBR report template ad is completed by using the latest version of the SBR Template for Biomass producers. The following inaccuracies were identified into the report: a) Information about the total supply base area provided in the section 2.5 Quantification of the Supply Base, a) Total supply Base area of the SBR is incorrect and is reported as 13.2 million ha (only state owned forests) instead of 16.97 million ha; b) Information about the total supply base area provided in the section 2.5 Quantification of the Supply Base, b) Tenure by Type of the SBR covers only state and private ownership and contains no information about other ownership types, even though such exist within the designated supply base; c)Overview of the proportions of SBP feedstock product groups (Controlled Feedstock, SBP-compliant Primary Feedstock, SBP-compliant Secondary Feedstock) showing the proportions certified and uncertified material is available in the section 2.1 General Description. Information about number of suppliers for each SBP feedstock product group are missing. The information is considered to be confidential and is partly available in other sections of the SBR as well as other SBP related reports submitted directly to the customers.			
Corrective action request:	Organisation 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.		
NCR conformance deadline:	By the next audit, but not later than 12 months after report finalisation date		
Client evidence:	Updated SBR of the company		
Evaluation of Evidence:	During the audit, it was identified that information about the overview of the proportion of SBP product groups is available into the updated SBR summary report No changes are done in relation to a) Information about the total supply base area provided in the section 2.5 Quantification of the Supply Total supply base area and b) Information about the total supply base area provided in		

	the section 2.5 Quantification of the Supply Base Tenure type. NCR is updated to Major At the audit date right after the audit BP provided updated SBR covering correct information regarding size of the supply base area and area of each tenure type.
NCR Status:	**CLOSED**
Is the non-conformity likely to impact upon the integrity of the affected SBP-certified products and the credibility of the SBP trademarks?	☐ Yes ☒ No

NCR number: 09100 NCR 05/16 – initial assessment	**NC grading:**	**Major** ☐	**Minor** ☒
Standard & Requirement:	Standard #4 V1.0 - Chain of Custody - 5.4.2		
Description of Non-conformance:			
SBP procedure requires to maintain the record about the customers, including their SBP certificate code of the customer. See register in the annex 1 of the BP procedures. During the assessment it was identified that Assistant of the Head accountant responsible for maintaining of the register is not familiar with the requirement.			
Corrective action request:	Organisation 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.		
NCR conformance deadline:	By the next audit, but not later than 12 months after report finalisation date		
Client evidence:	Interview with assistant of the head accountant		
Evaluation of Evidence:	During the audit period no sales of biomass with SBP claim (nor SBP-compliant nor SBP-controlled claim) had been taken, It is also planned that biomass will be sold exclusively to the mother company, besides this responsible person assistant of the accountant demonstrated knowledge of the requirements, requirements are also designated into the SBP procedure available to the interviewed person.		
NCR Status:	**CLOSED**		
Is the non-conformity likely to impact upon the integrity of the affected SBP-certified products and the credibility of the SBP trademarks?	☐ Yes ☒ No		

NCR number: 09104 NCR 08/16 – initial assessment	**NC grading:**	**Major** ☐	**Minor** ☒
Standard & Requirement:	Instruction Document 5A - Collection and Communication of Data - 3.3.1		
Description of Non-conformance:			
The BP is using fuel logs coming directly from Latvian forests. Emission data was provided by supplier by phone. No written evidence was submitted the BP.			
Corrective action request:	Organisation 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.		
NCR conformance deadline:	By the next audit, but not later than 12 months after report finalisation date		
Client evidence:	SAR report		
Evaluation of Evidence:	During the audit new SAR report had been filled in. BP had applied reference value for fuel consumption of the trucks delivering logs. No written evidence data is required in this case		
NCR Status:	**CLOSED**		
Is the non-conformity likely to impact upon the integrity of the affected SBP-certified products and the credibility of the SBP trademarks?	☐ Yes ☒ No		

NCR number: 09105 NCR 09/16 – initial assessment	**NC grading:**	**Major** ☐	**Minor** ☒
Standard & Requirement:	Instruction Document 5A - Collection and Communication of Data - 3.6.1		
Description of Non-conformance:			
Chipping data for branch wood chipping is reported. Information was provided supplier by phone and is not supported by evidence.			
Corrective action request:	Organisation 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.		

NCR conformance deadline:	By the next audit, but not later than 12 months after report finalisation date
Client evidence:	No data is provided
Evaluation of Evidence:	Due to the fact that the requirement is not specified in the new version of the Instruction document, auditor had decided to close this NCR.
NCR Status:	**CLOSED**
Is the non-conformity likely to impact upon the integrity of the affected SBP-certified products and the credibility of the SBP trademarks?	☐ Yes ☒ No

NCR number: 09106 NCR 11/16 – initial assessment	**NC grading:**	**Major** ☐	**Minor** ☒
Standard & Requirement:	Instruction Document 5A - Collection and Communication of Data - 4.2.1		
Description of Non-conformance:			
Measurements of moisture are carried out 2 times a week. Average incoming feedstock moisture is measured, calculated and provided by the category of feedstock. The average data is based on measurements from January and February 2016, since measurements for 2 last two months exist.			
Corrective action request:	Organisation 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.		
NCR conformance deadline:	By the next audit, but not later than 12 months after report finalisation date		
Client evidence:	Moisture measurement records		
Evaluation of Evidence:	Moisture measurements are done on regular basis. Moisture measurement records are done.		
NCR Status:	**CLOSED**		
Is the non-conformity likely to impact upon the integrity of the affected SBP-certified products and the credibility of the SBP trademarks?			☐ Yes ☒ No

NCR number: 09108 NCR 10/16 – initial assessment	**NC grading:**	**Major** ☐	**Minor** ☒
Standard & Requirement:	Standard #4 V1.0 - Chain of Custody - 5.1.2		
Description of Non-conformance:			

In case of the sales of SBP- compliant biomass, both FSC or PEFC certified claims, and SBP certified claims together with FSC or PEFC and SBP certificate number (+ZZ) will be mentioned in the sales invoices and transport documents. During the assessment it was identified that wrong PEFC claim: "PEFC 100% Certified" is mentioned in SBP sales procedure p.9.5. instead of the claim : "100% PEFC certified".	
Corrective action request:	Organisation 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.
NCR conformance deadline:	By the next audit, but not later than 12 months after report finalisation date
Client evidence:	Updated SBP procedure p.9.5.
Evaluation of Evidence:	BP provided auditor with the updated version of the SBP procedure. PEFC sales claim is updated in the procedure. Interviewed staff confirmed understanding as well.
NCR Status:	**CLOSED**
Is the non-conformity likely to impact upon the integrity of the affected SBP-certified products and the credibility of the SBP trademarks?	☐ Yes ☒ No

NCR number: 11634 **NCR 13/16** – first SCOPE CHANGE AUDIT	**NC grading:**	**Major** ☐	**Minor** ☒
Standard & Requirement:	Standard #2 V1.0 - Verification of SBP-compliant feedstock - 12.3		
Description of Non-conformance:			
BP has established a process for selecting and appointing team for SBE evaluation but did not describe it in SBP procedure.			
Corrective action request:	Organisation 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.		
NCR conformance deadline:	By the next audit, but not later than 12 months after report finalisation date		

Client evidence:	Updated documented procedures “Piegādes bāzes novērtējums”; “SBE riska mazināšanas programma, SBP atbilstoša materiāla apstiprināšana, verifikācija”
Evaluation of Evidence:	The BP has established a process for selecting and appointing team for SBE evaluation, which is described in SBE procedure. Qualifications of the responsible staff are set to a level where competence to evaluate each specified risk indicator is required.
NCR Status:	**CLOSED**
Is the non-conformity likely to impact upon the integrity of the affected SBP-certified products and the credibility of the SBP trademarks?	☐ Yes ☒ No

NCR number: 11632 NCR 15/16	**NC grading:**	**Major** ☒	**Minor** ☐
Standard & Requirement:	Standard #2 V1.0 - Verification of SBP-compliant feedstock - 15.3		
Description of Non-conformance:			
The BP has not prepared written procedure for conduction of supplier audits in order to mitigate the specified risk identified in the risk assessment for Latvia, evaluation of the supplier work onsite, selection and sampling of suppliers, description of the content of the supplier audit and other important aspects of the process. The organization claims that the team involved in these activities is very small and therefore they are all well aware about the system, however this might lead to a problem in the future as the team grows or changes.			
Corrective action request:	Organisation 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.		
NCR conformance deadline:	By the next audit, but not later than 12 months after report finalisation date		
Client evidence:	Updated written procedures for SBE: “SBE Risku mazināšanas programma, SBP atbilstoša materiāla apstiprināšana, verifikācija” – risk mitigation measures and related processes; and “Piegādes bāzes novērtējums (SBE)” – general requirements for SBE.		
Evaluation of Evidence:	The BP has updated written procedures for SBE risk mitigation measures. Risk mitigation processes for both primary and secondary feedstock sourcing are described in following documented procedures of BP: “SBE Risku		

	mazināšanas programma, SBP atbilstoša materiāla apstiprināšana, verifikācija" – risk mitigation measures and related processes; and "Piegādes bāzes novērtējums (SBE)" – general requirements for SBE. Documented procedures contain description of supplier audits in order to mitigate the specified risk identified in the risk assessment for Latvia and Estonia , evaluation of the supplier work onsite, selection and sampling of suppliers, description of the content of the supplier audit and other important aspects of the risk mitigation processes. See detailed information in documented procedure "SBE Risku mazināšanas programma, SBP atbilstoša materiāla apstiprināšana, verifikācija" – risk mitigation measures and related processes.
NCR Status:	**CLOSED**

NCR number: 13258 **NCR 16/16**	**NC grading:**	**Major** ☐	**Minor** ☒
Standard & Requirement:	SBP Standard 2: Verification of SBP-compliant Feedstock p. 10.1		
Description of Non-conformance:			
All feedstock is classified under one sub-scope – roundwood originating within the territory of the Republic of Latvia. Even though the BP is receiving the material coming from non-forest land this is considered as the same sub-scope as the same mitigation measures apply for this material. The BP has included primary feedstock and secondary feedstock from Estonia in the same sub-scope as Latvia, which is not in line with SBP recommendations and guidelines, thus, the minor NCR 16/16 is raised.			
Corrective action request:	Organisation 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.		
NCR conformance deadline:	By the next audit, but not later than 12 months after report finalisation date		
Client evidence:	Documented procedures; and Supply Base Report		
Evaluation of Evidence:	All feedstock is classified under two sub-scopes – a) Sub-scope 1: roundwood originating within the territory of the Republic of Latvia; and b) Sub-scope 2: roundwood originating from the territory of the Republic of Estonia.		

	Even though the BP is receiving feedstock originating from non-forest land it is considered as the same sub-scope 1 (feedstock origin – Latvia) and the same mitigation measures apply for this type of feedstock. The BP has included primary feedstock from Estonia in the separate sub-scope – Sub-scope 2. See detailed information in the Supply Base Report (sections 7-9) and procedure "SBE Risku mazināšanas programma, SBP atbilstoša materiāla apstiprināšana, verifikācija" – risk mitigation measures and related processes (section 1).
NCR Status:	**CLOSED**

Is the non-conformity likely to impact upon the integrity of the affected SBP-certified products and the credibility of the SBP trademarks?	☐ Yes ☒ No

NCR number: 13263 **NCR 17/16**	**NC grading:**	**Major** ☐	**Minor** ☒
Standard & Requirement:	SBP Standard 2: Verification of SBP-compliant Feedstock p. 16.3		
Description of Non-conformance:			
According to the documented procedures of the BP and as from interviews to responsible staff, the BP is summarising the results of supplier monitoring/surveillance audits and presenting to management once in year for management review and evaluation of effectiveness of the risk mitigation measures. Based on information on evaluation of risk mitigation measures, the management group then takes a decision whether any actions need to be taken to improve the SBP SBE system and changes in risk mitigation measures. The following weakness in monitoring system has been identified during the audit. According to information from responsible person at BP; suppliers; and as from field observations, bird nesting sites are evaluated only or predominantly when the LATBio database shows that there is some risk ("red zones"), but the important bird nesting sites can be found also outside the areas identified by the LATBio tool, i.e. in "green areas". Therefore, if all plots are not checked for presence of bird nests prior to harvesting and documented, the monitoring system would not provide assurance on effectiveness of risk mitigation measures regarding bird nesting sites (identification and preserving). A minor NCR 17/16 raised.			
Corrective action request:	Organisation 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.		
NCR conformance deadline:	By the next audit, but not later than 12 months after report		

	finalisation date
Client evidence:	Documented procedures: • "SBE Risku mazināšanas programma, SBP atbilstoša materiāla apstiprināšana, verifikācija" – risk mitigation measures and related processes; and • "Piegādes bāzes novērtējums (SBE)" – general requirements for SBE Supplier Verification Program records
Evaluation of Evidence:	The BP has updated documented procedures with requirement to check for presence of large bird nests in all plots, irrespective of LATBio database data. Therefore, all plots shall be checked by contractors for presence of bird nests prior to harvesting. Review of Supplier Verification Program records show that plots are inspected for presence of large bird nests prior to harvesting. Interview to representatives of suppliers of primary feedstock show that responsible staff is informed about the requirement and was in fact implementing the requirement in practice. No large bird nests were identified during field inspections.
NCR Status:	**CLOSED**
Is the non-conformity likely to impact upon the integrity of the affected SBP-certified products and the credibility of the SBP trademarks?	☐ Yes ☒ No

10.3 Observations

OBS 04/16, number: 11638	**Standard & Requirement:**	Standard #2 V1.0 - Verification of SBP-compliant feedstock - 11
Description of findings leading to observation:	The PB has used the draft version of the SBP RRA. The risk was designated to either low risk or specified risk. The SBR translation into English use the terminology of certain instead of specified risk.	
Observation:	The organization should use the official terminology for the risk specification.	

11 Certification decision

Based on Organisation's conformance with SBP requirements, the auditor makes the following recommendation:	
☒	Certification approved: No NCRs raised
☐	Certification not approved:
Based on auditor's recommendation and NEPCon quality review the following certification decision is taken:	
NEPCon certification decision: **The certificate can be maintained**	
Certification decision by: Ondřej Tarabus	
Date of decision: **24.07.2017**	

12 Surveillance updates

Not applicable.

12.1 Evaluation details

Please see in a section: p.6.2. Description of evaluation activities

12.2 Significant changes

No changes, except the transfer to new version document 5A, 5B and 5C v1.1.

12.3 Follow-up on outstanding non-conformities

See information about the NCR reviewed during the surveillance audit is section 10 of the report. 10. Non-conformities and observations

12.4 New non-conformities

See information about the new NCR identified during the surveillance audit is section 10 of the report. 10. Non-conformities and observations.

12.5 Stakeholder feedback

No complains or comments from the stakeholders had been received.

12.6 Conditions for continuing certification

No preconditions are identified. List of open NCR is available is section 10. Non-conformations and observations of the report.

12.7 Certification recommendation

It is recommended to maintain certification of the organisation. Pending minor NCRs have been closed based on evidences provided during the surveillance audit.

13 Evaluation details

Primary Responsible Person: (Responsible for control system at site(s))	Dainis Lūkins, Procurement manager and overall responsible for SBP system; Haralds Vīgants, Executive director and public contact person for SBP certification.
Auditor(s):	Oļesja Puišo, Lead auditor; Ģirts Karss, SBP SBE auditor; Liene Suveizda, auditor in training, local expert
People Interviewed, Titles:	Graanul Invest Launkalne staff: Dainis Lūkins, Procurement manager and overall responsible for SBP system; Haralds Vīgants, Executive director and public contact person for SBP certification; Līga Hermane, SIA Latgran and Graanul Invest SIA Quality manager in Latvia; Mareks Latkovskis, Latgran wood product procurement manager; Gunita Jēkabsone, assistant of accountant accountant at Graanul Invest SIA Laukalne; Baiba Šteinberga, laboratory staff; Māris Dambergs, stockpile manager; Modris Sturis, production operator; Jānis Gredzens, production manager Jānis Ontužāns, responsible for certification, supplier representative, SIA StoraEnso Latvija Interviewed suppliers of primary and secondary feedstock within the SBE process: Jeļena Horoševa, responsible person for SBP at PA Energy SIA (supplier of secondary feedstock to Graanul Invest Launkalne factory); Raivo Miļūns, chainsaw operator; contractor to Rairu SIA; Inārs Miļūns, chainsaw operator; contractor to Rairu SIA; Gunārs Melbergs, chainsaw operator assistant; contractor to Rairu SIA; Valērijs Kondrohovs, chainsaw operator assistant, contractor to Rairu SIA;

	Jānis Kazerovskis, forest foreman, SIA Rairu Jānis Vītoliņš, harvester operator, SIA Wolf mežizstrāde; Janis Stepitis, forest foreman, SIA Grotes ZG SIA Secondary feedstock suppliers/sawmills: Edgars Gargurnis, member of the board, supplier SIA “Sters G” Artis Burķītis, member of the board, supplier SIA “Tigras"; Līga Krukovska, accountant, supplier SIA “Konto”
Brief Overview of Audit Process for this Location:	Same as in 6.2 above
Comments:	N/A