



NEPCon Evaluation of SIA Baltic Forest Compliance with the SBP Framework: Public Summary Report

Main (Initial) Audit

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Completed in accordance with the CB Public Summary Report Template Version 1.4

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

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1 Overview

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Current report completion date:	10/Jun/2020
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Name of the Company:	SIA Baltic Forest
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Certified Supply Base:	Latvia
SBP Certificate Code:	SBP-08-06
Date of certificate issue:	18/Jun/2020
Date of certificate expiry:	17/Jun/2025

This report relates to the Main (Initial) Audit

2 Scope of the evaluation and SBP certificate

Description of the scope: Trading and production of biomass (wood chips) from logging residues, arboricultural arisings and low quality roundwood (fuelwood) as well as timber primary processing co-products, for use in energy production, wood chip storage at Salacgrīva port and sales at Salacgrīva port. The scope of the certificate includes Supply Base Evaluation for primary feedstock from Latvia.

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 scope of certification. Evaluation of the practical implementation of the requirements of the applicable standards.

- Review of the BP's management procedures;
- Review of the production processes,
- storage site visits in Salacgrīva port;
- Review of FSC system control points, analysis of the existing FSC CoC system;
- Interviews with responsible staff;
- Review of the records, calculations and conversion coefficients;
- GHG data collection analysis and review of the applicable reports;
- Review of the BP's management procedures, including requirements designated in SBP standard SBP Standard #1 V1.0; SBP Standard #2 V1.0:
- Review of the updated Supply Base Report;
- Evaluation of mitigation measures implemented for both primary and secondary feedstocks;
- Field visits of the primary and secondary feedstock suppliers;
- Interviews with responsible staff;
- Review of the reports and records .

4 SBP Standards utilised

4.1 SBP Standards utilised

Please select all SBP Standards used during this evaluation. All Standards can be accessed and downloaded from <https://sbp-cert.org/documents/standards-documents/standards>

- SBP Framework Standard 1: Feedstock Compliance Standard (Version 1.0, 26 March 2015)
- SBP Framework Standard 2: Verification of SBP-compliant Feedstock (*Version 1.0, 26 March 2015*)
- SBP Framework Standard 4: Chain of Custody (*Version 1.0, 26 March 2015*)
- SBP Framework Standard 5: Collection and Communication of Data (*Version 1.0, 26 March 2015*)

4.2 SBP-endorsed Regional Risk Assessment

The SBP has endorsed the Regional Risk Assessment for Latvia in September, 2017. The BP is using the SBP endorsed version of RRA. The SBP endorsed RRA defines “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.

5 Description of Company, Supply Base and Forest Management

5.1 Description of Company

SIA Baltic Forest is timber and biomass trading company, located in North part of Latvia, Salacgrīva town. Baltic Forest SIA is a subsidiary of Estonia's largest forest industry company Lemeks grupp (www.lemeks.ee). The group unites 20 companies. Primary business operation is production of wood chips and trading. The BP operates office in Salacgrīva and the biomass storage facilities situated in the territory of Salacgrīva port. The organization operates a storage site – logyard for both roundwood and chips in Salacgrīva port. The BP's overall storage capacity for roundwood is 44 thousand m³, bulk feedstock – 80 thousand m³. The main business activity of the organization has been timber harvesting which has been discontinued and now focusing mainly on timber trading and biomass production and trading activities.

The organization produces wood chips itself from logging residues. The biomass is produced also from roundwood. Only low quality roundwood, diseased wood or thinning wood of different species is used for producing the biomass from the roundwood. The BP is producing biomass – chips from logging residues and by chipping biomass from non-forest land – arboricultural arisings. The BP is buying logging residues and bush/brush from owners of forest land, harvesting companies and owners of non-forest land for chipping. The share of biomass sourced from non-forest lands used for production of chips constitutes about a half of the total biomass volume. The other half of primary feedstock is sourced as a logging residues and chipped from low quality wood (pulpwood and firewood) in Salacgrīva harbour. All feedstock sourced is at least controlled material and is eligible input to FSC credit system. Sourcing of primary feedstock from forest and non-forest lands is included in the Supply Base Evaluation process. The BP also sources FSC certified secondary feedstock – chips (co-products) from primary processors (sawmills). Supplies of secondary feedstock - chips from primary processors is not included in the scope of Supply Base Evaluation process.

The BP is also sourcing forest wood chips from external suppliers. Additionally, the BP is sourcing wood chips from sawmills which are also delivered to the port. This wood chips are delivered from nearby sawmills which source material mostly from Latvia, but some share of the material may come from Estonia. Sourcing of forest chips from external suppliers is not included in the scope of the SBE.

The scope of SBP certificate covers BP's office in Salacgrīva and harbour storage place – logyard in Salacgrīva port.

All primary feedstock is sourced from the territory of Latvia. The BP is sourcing production residuals supplied by primary suppliers in Latvia. Secondary feedstock may contain material of origin from Estonia since some primary processors are sourcing primary material from Estonia.

The BP is implementing the FSC credit system. The FSC credit system of claims is used in harbour, as well as in direct trade activities, i.e. direct supplies of feedstock to clients. FSC Controlled Wood system of the Organization does cover procurement of the feedstock originating from Latvia only.

All feedstock is delivered to Salacgrīva port terminal by truck, where chips are stored. Roundwood chipping can take place at the port, where low grade roundwood logs are chipped. The trans-shipment and loading of chips onto vessels is taking place next to the wood chips storage site.

Biomass (wood chips for energy production) are sold on FOB incoterm conditions in Salacgrīva port. The BP is also practicing sales of biomass on CIF incoterm conditions.

For more information please see also section 2 of this report.

5.2 Description of Company's Supply Base

Primary feedstock originates from Latvia and the supply base of primary feedstock includes primarily Latvia, North-East part of the country – Vidzeme region. Sourcing of secondary feedstock is included in the scope and envisaged.

Latvia:

3.056 million ha of forest land, agricultural lands cover 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) . 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 constitute 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 Conservation Agency under the Ministry for Environmental Protection and Regional Development.

5% of Latvian inhabitants 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 area in the country amounts to a total of 1133.584 ha, including 248,021 ha of private forestland. A total of 1 747.003 ha forests are also PEFC certified.

Estonia

Estonia has been a member of the European Union since 2004. Estonian legislation is in line with EU legislation and directives. National legislation refers to a body of international law. All legislation is in a democratic system and can be freely commented on by all stakeholders. Estonian legislation sets strict requirements for the use of forest land, and the Estonian Forestry Development Plan 2020 sets out clear objectives and strategies to ensure that forest land is protected to the standards of sustainable forest management techniques. The Ministry of the Environment coordinates the fulfillment of state obligations in the forestry sector. The implementation and monitoring of environmental policies are carried out by two separate bodies under its authority. The Estonian Environmental Board supervises all work carried out in Estonian forests, while the Environmental Inspectorate supervises all protected environmental areas.

The concept of forest is defined in the Forest Law. The legislation delineates three main forest categories: commercial forest, protection forest and the protected forest. Based on ownership, forests can be divided into private forests, municipal forests and state forests. National forests cover about 40% of the total forest area and are certified according to the FSC and PEFC forest management systems and a number of different standards in which indicators related to forest management planning, maps and the availability of forest inventory records are continuously assessed and recorded. State forests are managed by the State Forest Management Center (RMK), a state profit organization established on the basis of the Forest Law, and its main responsibility is sustainable and efficient state forest management.

The main wood species are pine 30.3%, spruce 23.4% and birch 22.9%. Other wood species are aspen, alder, grey alder,

At present, more than 2,230,000 ha or 51% of Estonia's land area is covered by forests and the forest covered area is growing. The Forest Yearbook 2013, which provides annual reports and facts on forests in Estonia, states that the rate of deforestation in Estonian forests has ranged from 7 to 11 million tonnes over the last decade. m³ per year. This indicator is in line with the principle of sustainable development, where the harvesting rate does not exceed annual growth and allows for long-term economic, social and environmental needs. According to the Forestry Development Plan 2012-2020. The sustainable felling rate for 2006 is 12-15 million tonnes. ha per year.

The territory of protected forests makes up up to 25.3% of the total forest area, while 10% of the forest is under strict protection. Most protected forests are state-owned. The main regulation governing the conservation of biological diversity and the sustainable use of natural resources is the Nature Protection Act. Estonia signed the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) in 1992 and joined the International Union for Conservation of Nature and Natural Resources (IUCN) in 2007. In Estonia, tree species protected by CITES or IUCN do not grow naturally.

State forests are FSC/ PEFC certified. In addition to state forest enterprise, 8 private forest managers are managing forests in accordance with FSC standard requirements. The FSC certified area in the country amounts to a total of 1524.35 thousand ha, including 157,7 thousand ha of private forestland. A total of 1 248.04 thousand ha forests are PEFC certified. The area of forests that are both FSC and PEFC certified is 1 115.88 thousand ha.

5.3 Detailed description of Supply Base

Total Supply Base area (ha): 5.59 million ha forest land, including Latvia 3.29 million ha, Estonia 2.30 million ha

- Tenure by type (ha): 2.74 million ha state forests; 2.85 million ha private forests;
- Forest by type (ha): Boreal/Hemi-boreal: 5.59 million ha;
- Forest by management type (ha): managed semi-natural ~ 5.59 million ha.

- Certified forest by scheme (ha): FSC certified: 2.860 million ha (Latvia 1.1336 million ha, Estonia 1.5243 M ha); PEFC certification: 2.995 million ha (Latvia 1.747 million ha, Estonia 1.248 million ha); areas covered by double (FSC and PEFC) certification: 1.961 million ha (Latvia 0.845 million ha, Estonia 1.1159 million ha)

Quantitative and qualitative description of the Supply Base can be found in the Supply Base Report.

5.4 Chain of Custody system

The BP is using the FSC credit system to manage the certified claims. The BP holds FSC Chain of Custody certificate (TT-COC-003306).

The organization is implementing FSC CoC system based on credit system of controlling FSC claims which will be used for controlling of the SBP claims. The primary and secondary feedstock is delivered to storage site in Salacgrīva port with FSC 100% and FSC Mix Credit claims, FSC Controlled Wood claim, or verified according to organization's FSC Controlled Wood verification system. As to non-certified (controlled material) or FSC Controlled Wood feedstock the BP is conducting additional risk mitigation measures (or verifying risk mitigation measures conducted within the framework of FSC-STD-40-005 and Centralized National Risk Assessment for Latvia) to confirm the "low risk" status and to classify it as SBP-Compliant feedstock. Primary feedstock is chipped onsite at the logyard and all biomass, i.e. both of primary feedstock and secondary feedstock origin is stored physically in one pile. Other biomass (as per SBP definition) shall be segregated according to the BP's FSC CoC/CW procedures. The biomass is sourced from Latvia only. Potentially the feedstock might contain secondary feedstock (chips) of Estonian origin. Other countries are not included in the FSC Controlled Wood verification system. When enough material is accumulated, the chips are loaded to the vessel. The biomass storage in Salacgrīva harbor is managed according to the FSC credit system. The FSC credit system also covers trade without physical possessing of the material.

The feedstock is delivered either by BP own or external contractors' trucks. Chips are stored in the port at designated place, roundwood logs are also chipped in the harbor.

Chips are sold on FOB and CIF incoterm conditions in Salacgrīva harbour.

6 Evaluation process

6.1 Timing of evaluation activities

The assessment audit has been conducted in two days (April 28-29): the opening meeting, most of the office work has been conducted as remote (desk) audit on April 28 according to SBP Covid-19 guidelines (COVID-19: Normative Requirements, 22 April 2020). On April 29 audit continued with field work on verification of risk mitigation measures and inspection of biomass storage and chipping site in Salacgrīva harbour, finalizing office work and conducting preliminary closing meeting. Audit included production site visit, review of SBP and chain of custody system related documents, interviews to responsible personnel, production site – port terminal visit and interviews to responsible personnel, verification of risk mitigation measures within the SBE system, including visits to BP’s contractors, interviews to contractors. Additional remote (desk) meeting with responsible person was conducted on May 15, to verify the evidence and close major non-conformances identified at the time of main audit.

3.7 auditor days in total were used for the assessment audit, including 2 days of remote office audit work (remote interview of responsible person at the BP, remote review of documents and internal record keeping systems) and 1.4 days of onsite work in conducting field verification of risk mitigation measures and inspection of biomass production and biomass storage site in Salacgrīva harbour. Additional 0.3 days were spent on remote (desk) meeting with the responsible person and review of documented evidence to close the major non-conformances, a precondition for certification.

Audit plan:

Activity/ timing	Place	Auditor	Date
10.00 Opening meeting	Remote meeting, using remote communication tools	GK, EL GK, EL	28.04.2020
10.30- 15.00 SBP management system review Interview with overall responsible staff Review of the applicable SBP documentation , including SBP procedures, instructions, training records, feedstock descriptions, supplier lists and other (SBP standards nr 2 and 4) FSC control points analysis and review of the existing controlled Wood system. Review of procedures, documents and interviews with responsible staff (review of the CoC system control point, mass balance, transfer system management system, verification of SBP compliant feedstock). Implementation of mitigation measures, SBP Risk Assessment, Supplier verification program. Interviews with responsible office staff Interview with SBP responsible person, review of documentation, procedures. Evaluation of compliance to SBP Standards #1 and #2. SBP Risk Assessment, implementation of mitigation measures, Supplier verification program.	Remote meeting, using remote communication tools		

15.00 - 17.00 GHG calculation review collection and communication of energy and carbon data Review of the applicable, GHG collection and communication related SBP documentation , including SBP procedures, instructions, records, and other (SBP standard Nr 5)			
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Activity / timing	Location	Auditor(s)	Time
09.00- 13.00 Field audits, evaluation of BP's practices in sourcing of primary feedstock, wood and chips <ul style="list-style-type: none"> • Evaluation of supplier of primary feedstock • Witness audit of BP supplier audit 	Forests and feedstock sourcing areas in Vidzeme region: Supplier audits. primary feedstock suppliers, evaluation of HCV risk mitigation measures in completed logging sites: <ul style="list-style-type: none"> • FMU "Laveri", Liepupe parish, Salacgrīva municipality; • FMU "Vecmelderi", Salacgrīva parish, Salacgrīva municipality; Evaluation of Health and Safety risk mitigation measures in on-going manual logging works (clearing of undergrowth): <ul style="list-style-type: none"> • Contractor SIA "Jaunbirztaļiņas" 	GK, EL	29.04.2020
13.00-14.00 Site visit to port terminal in Salacgrīva port, Visit to biomass storage and trans-shipment place in Salacgrīva port, site tour, inspection of biomass storage places, machinery used for biomass handling and trans-shipment, interview to feedstock receptionist, review of documents.	Salacgrīva harbour	GK, EL	
14.00 Summarizing the outcomes of audit, office work Preliminary closing meeting	Office	GK, EL	
10.00 - 13.00 Additional meeting with the responsible person to close non-conformities identified at the time of main audit	Remote meeting, using remote communication tools	GK	15.05.2020

13.00 closing meeting			
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Auditor team members: GK – Ģirts Karss, EL – Ēriks Lidemanis

6.2 Description of evaluation activities

The assessment audit was carried out as partial remote audit, including remote audit in SIA Baltic Forest office followed with on-site field evaluations and on-site visiting of port facilities. The aim of the audit is to evaluate the SBP system in place for compliance with SBP standard requirements, including the SBP SBE system applied by the organization in sourcing of primary feedstock and implementing supplier verification program and conducting mitigation measures.

The assessment audit began with a remote opening meeting attended by the responsible person at the organization – the Accountant. In the opening meeting auditors introduced themselves, provided information about audit plan, methodology, auditor qualification, confidentiality issues, and assessment methodology and clarified verification scope. During the opening meeting the auditor explained CB’s accreditation related issues and discussed the audit timetable and planned activities.

After the opening meeting auditors reviewed all applicable requirements of the SBP standards nr. 1 and 2, and instruction documents with regard to sourcing primary and secondary feedstock and the overall management system. During the process the overall responsible person for the SBP system and other responsible staff having key responsibilities within the system were interviewed.

Auditors also reviewed all applicable requirements of the SBP standards #2, #4, #5 and the instruction document 5E covering input clarification, reviewed 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. Documentation related to the SBP as well as FSC CoC/ CW system of the organisation, including SBP Procedures, GHG data calculations/ data sheet, Supply Base Reports and FSC system description was reviewed also.

Auditors reviewed processes described in the documented procedures for primary feedstock supplies within the SBE system, including the provisions for SBP endorsed risk assessment risks, health and safety as well as requirements on evaluation and protection of high conservation values in particular. Those have been evaluated and discussed with responsible person at the organization.

Upon completing evaluation of documented procedures and records, the sampling of the sites and contractors/suppliers took place. Auditors sampled several sites for field inspections in BP feedstock sourcing region Vidzeme using the approach described below. See the section “The supplier sampling approach and process” below for details.

In the next day auditors conducted field inspections. For field evaluations auditors visited primary suppliers (logging sites) and observed the process and evaluated risk mitigation actions undertaken by the organization (BP) in relation to specified risks related to Health & Safety and High Conservation Values. The CB witnessed the BP in evaluating HCV and H&S risks and at the same time doing own independent evaluation. Logging works in forest land areas and forest properties were inspected in Vidzeme region as part of the SBP assessment audit. Auditors observed primary feedstock sourcing process within the SBE for feedstock to be sourced as “low risk” feedstock.

Following the field inspections auditors visited biomass production and storage site in Salacgrīva harbour. During the site tour the biomass reception process was observed, applicable records reviewed, staff responsible for biomass reception was interviewed and FSC system critical control points analysed.

The results of 2-day assessment audit were summarised based on 3 angle evaluation method and were provided to the responsible persons at the company – Accountant and the procurement manager during the on-site meeting.

Additional office work has been conducted via remote meeting with responsible person after the port visit, where missing information has been collected in relation to GHG reports (SAR). The audit was finalized after

the additional remote office work. Findings of all days of the annual audit have been summarised and presented to the BP staff in the closing meeting. Audit findings were summarised based on 3 angle evaluation method and were provided to the responsible persons at the company – Chief Accountant.

The supplier sampling approach and process

The following considerations have been taken into account to determine the sampling intensity:

- 1) Geographical area;
- 2) Type of the operations and activities;
- 3) Risk mitigation measures related to feedstock origin

Geographical area:

The BP sources the primary feedstock within the Supply Base Evaluation process from Latvia, so there is one geographical area within the SBE;

Type of the operations and activities:

The SBE covers sourcing of primary feedstock (logging residues, branch wood, low quality roundwood etc.) from forest land and non-forest land. In the case of BP, no sub-sets of sampling pools are used, all FMUs are considered in one pool – forest/non forest lands.

Risks related to feedstock origin according to the SBP Regional Risk Assessment:

Regarding the origin for Latvia, the following risks considered as specified in Regional Risk Assessment endorsed by the SBP:

- 2.1.1 Forests and other areas with high conservation values in the Supply Base are identified and mapped;
- 2.1.2 Potential threats to forests and other areas with high conservation values from forest management activities are identified and addressed;
- 2.8.1 Appropriate safeguards are put in place to protect the health and safety of forest workers.

Field inspections are planned to verify the BP's risk mitigation measures related to preserving High Conservation Values and checking for Health and Safety issues in on-going manual logging works.

To evaluate the risk mitigation measures implemented by BP for indicators 2.1.1 and 2.1.2, planned harvesting sites and sites after harvesting should be included in the sample. The intensity of sample shall be determined from the BP's supplied data on implemented risk mitigation measures and potential high-risk sites which have been confirmed "low risk" by the BP upon implementing mitigation measures. The high risk sites are selected by analysis of potential WKH characteristics using forest site inventory data.

To evaluate the risk mitigation measures implemented by the BP for indicator 2.8.1, ongoing harvesting site should be included in the scope of sampling plan.

Decision of NEPCon audit team on FMU sampling:

Taking into account all considerations mentioned above, it was decided to visit several completed logging sites to evaluate conformance with high conservation values identification and preservation (if applicable); and several planned harvest site to evaluate conformance with high conservation values identification; at least 1 ongoing harvest site to evaluate conformance with health and safety requirements. The planned level of effort shall be within 1 manday.

In order to evaluate the BP's competency and practices in risk mitigation whenever possible in all cases the inspections are conducted by BP staff and witnessed by NEPCon audit team.

As a result of sampling 3 FMUs were selected and visited to evaluate the BP's approach in conducting risk mitigation measures. This number of FMUs provides representative sample of the sites currently harvested. No information on HCVs in mentioned FMUs were available in the database "Ozols", so the BP conducted a risk mitigation measures. There were ongoing manual logging works in 1 FMU, where the BP's approach in conducting risk mitigation measures with regard to 2.8.1 were evaluated.

Auditor team information:

Auditor(s), roles	Qualifications
<p>Ģirts Karss Lead Auditor SBP standards #1,#2, #5, field evaluations, evaluation of risk mitigation measures</p>	<p>Works for NEPCon since 2011 Ģirts Karss holds MSc 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 Forest Management and Chain of Custody lead auditor qualification. Ģirts acquired SBP auditor qualification in 2016. He has participated in capacity of auditor and lead auditor in a number of SBP assessments annual surveillance audits (with Supply Base Evaluation in the scope) and scope change audits (Supply Base Evaluation) in Latvia and other countries.</p>
<p>Ēriks Lidemanis, Auditor SBP standard #4, field evaluations, evaluation of risk mitigation measures</p>	<p>Joined NEPCon in 2017. Holds bachelor degree from Latvia University of Agriculture Forest Faculty (forest management). Previous work experience in wood processing industry and roundwood surveying. Ēriks is working as FSC Forest Management, Chain of Custody auditor. Ēriks has obtained a SBP auditor qualification and had participated in several SBP audits in biomass processing companies in Latvia since 2018.</p>
<p>Agnese Babre, Auditor in training</p>	<p>FSC and PEFC Chain of Custody auditor. Works for NEPCon since 2018. Holds Bachelor's degree in Forestry from the University of Agriculture and Life Sciences of Latvia and Master's degree in Environmental Science from the Riga Technical University. Agnese has passed the NEPCon's FSC and PEFC lead auditor training course in FSC and PEFC Chain of Custody certification. Previous work experience in the State Forest Service.</p>

6.3 Process for consultation with stakeholders

Stakeholder consultation was carried out by both the Biomass Producer and the Certification Body

The BP initiated the stakeholder consultation process that began on February 20, 2020. Ca 70 individual representatives of various stakeholders in total were notified by e-mail. Those included core stakeholders of forest and biomass industry, such as associations of timber processing companies, logging companies, forest owners, biomass processing companies, local NGOs – representing environmental and social sectors, forestry, environment, labour authorities and others. The BP has also sent for comments the Supply Base Report to principal environmental non-governmental organizations, such as Latvian Society of Ornithologists, WWF affiliate in Latvia (Pasaules dabas fonds). For further details see Supply Base Report, section 6.

The stakeholder consultation was carried out by the Certification Body on March 13, 2020 by notifying different stakeholder categories via email. The CB conducted stakeholder notification regarding the forthcoming audit and called on parties to comment on the stakeholder consultation process carried out by the BP. The CB sent out information by e-mail to a number of stakeholder groups: state authorities and enforcement institutions, forestry related institutions, biomass processing, forest management companies, forest owners and a number of NGOs.

7 Results

7.1 Main strengths and weaknesses

Strengths: Own biomass production capacities as well as biomass transport and storage site in Salacgrīva harbour. Long term experience in biomass production and sales. Small number of staff involved in management of the SBP system with clearly designated responsibilities. SBE processes are well documented. Experienced responsible staff. The BP staff had participated in the training for High Conservation Value identification and health and safety training courses with respected Latvian experts.

Weaknesses: Weaknesses related to SBP documentation (Supply Base Report content, report credibility), stakeholder consultation process and Reporting on Energy use and GHG data accounting were identified. See detailed information in Non-conformance report and audit findings sections (Annex A) of the report.

7.2 Rigour of Supply Base Evaluation

SIA Baltic Forest is implementing the Supply Base Evaluation process for primary feedstock originating from Latvia and is received without SBP-approved Forest Management Scheme claim, SBP-approved Forest Management partial claim, SBP-approved Chain-of-Custody (CoC) System claim. Risk mitigation measures have been elaborated and are being implemented for feedstock originating from forest land (material sourced under FSC Controlled Wood system) as well as non-forest land (arboriculture arisings on overgrown agriculture land, wood growing along the road, rails and other).

The BP is applying the SBP endorsed regional risk assessment for feedstock supply base covering SBE – the Republic of Latvia. Based on the “specified risks” in the risk assessment the organization has suggested several mitigation measures which were consulted with relevant stakeholders prior to implementing. Risk mitigation measures are relevant in addressing risks. It was evaluated at the time of the assessment audit that BP has evaluated options for risk mitigation measures and selected the appropriate and effective risk mitigation measures out of those referenced in the risk assessment. In fact, the most risk mitigation measures outlined in the RRA are used by the BP.

The BP had undertaken implementation of the mitigation measures for individual SBP standard indicators. This mitigation measures were designed in cooperation with external experts - nature/forest habitat experts, and experts on health and safety issues.

The stakeholder consultation process has been conducted through notification of stakeholders and distributing the SBR report to stakeholders. Stakeholders were also contacted directly. The BP is keeping records of communication with stakeholders.

7.3 Collection and Communication of Data

The organization has compiled emission data as a part of preparation process for the SBP assessment. The BP has implemented a system to collect and record data on Greenhouse Gas emissions. Systems and databases (internal registers and sources of information) to collect and record Greenhouse Gas data were reviewed during the assessment audit. All related evidence with regard to GHG calculation and assumptions were provided to auditors.

The following primary sources of information are used by the BP: transport distance of the feedstock, distance of the biomass transportation to customer. Diesel consumption data on chipping operation and transport of biomass is based on actual refuelling data obtained from the suppliers of fuel and compiled by the accountant.

7.4 Competency of involved personnel

The SBP and Supply Base Evaluation system is implemented by the organization staff, that have undergone external training and are supervised by the overall responsible person at the organization. Different staff members are responsible for various aspects of the SBP certification system. The Accountant is also responsible for the FSC Chain of Custody certification system and also holds the responsibility for the SBP system. The chief accountant has more than 10 years of work experience in organizing and performing accounting in forestry, including experience in wood chipping, timber procurement and sales processes, maintenance of FSC and PEFC certification systems and accounting of certified material. Technologist is responsible for actual implementing of the SBE processes and conducting risk mitigation measures. He has knowledge of the SBP requirements especially in chain of custody or and sourcing of raw material and has experience in forestry/wood processing industry. The forest technologist holds 2 years of work experience in forestry, assessment of felling sites for High Conservation Values and knowledge in determining HCVs. Both responsible staff members are supported by the manager of the company.

Involved personnel, including responsible staff at suppliers and sub-suppliers have demonstrated sufficient knowledge in relevant fields (recognition and identification of HC VF, health and safety requirements) during the sites visits. Relevant certificates were available at the time of the assessment 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 primary material sourced within the SBE. It is 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 audit.

7.5 Stakeholder feedback

According to information from responsible person at the BP and as from document review, the BP had not received comments regarding the SBP SBE system during the stakeholder consultation process.

After the on-site audit the BP had conducted a proactive consultation to key stakeholders. No comments were received from stakeholders.

Information on stakeholder consultation process is provided in the Supply Base Report section 6.1.

The stakeholder consultation process carried out by the CB shows that BP stakeholder consultation was sufficiently comprehensive and main stakeholders were involved. Consultation confirmed that the stakeholders have been notified and stakeholders do not have objections in relation to risk mitigation measures, proposed by the BP.

A comment from one stakeholder was received during the CB consultation process period.

CB received a comment from the Latvian Biomass Association Latbio regarding the use of LATBio Woodland Key Habitat tool. Stakeholder inquired the CB if the BP is planning to use the LATBio Woodland Key Habitat tool for risk mitigation. According to information from the stakeholder the organization (biomass producer) had not agreed the terms of using the Latbio Woodland Key Habitat Tool with the owner of the tool – the Latvian Biomass association Latbio. The stakeholder underlined that the tool was created and financed by Latvian pellet producers who are owners of the database and the use of the tool needs to be agreed with the biomass association.

The certification body forwarded the question to the BP and informed that the question will be evaluated at the time of the onsite audit. The issue was evaluated at the time of the onsite audit. According to information from the responsible person at the BP, both parties (the Latvian Biomass Association and the biomass producer) did not come to an agreement with regard to using of Latbio tool and the BP had cancelled plans to use the tool accordingly. According to interview to responsible person and the person responsible for field evaluations as well as from documented procedures of the organization, use of Latbio tool has been excluded from BP's procedures. This was also evaluated during field inspections and document review. No evidence of using the LATbio tool was observed at the time of the onsite audit and thus it is confirmed that

the issue has been resolved.

7.6 Preconditions

Few major non-conformities were identified during the on-site audit qualifying as a precondition for certification. For details see the major non-conformities issues in section “10 – Non-conformities and observations”.

8 Review of Company's Risk Assessments

Describe how the Certification Body assessed risk for the Indicators. Summarise the CB's final risk ratings in Table 1, together with the Company's final risk ratings. Default for each indicator is 'Low', click on the rating to change. Note: this summary should show the risk ratings before AND after the SVP has been performed and after any mitigation measures have been implemented.

The SBP has endorsed the SBP Risk assessment for Latvia in September 2017. The BP is using the SBP endorsed national risk assessment for Latvia where risks for each individual indicator have been evaluated. "Specified risk" in the National Risk Assessment have been assigned to 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.

An overview of the 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. Final risk ratings of Indicators as determined BEFORE the SVP and any mitigation measures.

Indicator	Risk rating (Low or Specified)		Indicator	Risk rating (Low or Specified)	
	Producer	CB		Producer	CB
1.1.1	Low	Low	2.3.3	Low	Low
1.1.2	Low	Low	2.4.1	Low	Low
1.1.3	Low	Low	2.4.2	Low	Low
1.2.1	Low	Low	2.4.3	Low	Low
1.3.1	Low	Low	2.5.1	Low	Low
1.4.1	Low	Low	2.5.2	Low	Low
1.5.1	Low	Low	2.6.1	Low	Low
1.6.1	Low	Low	2.7.1	Low	Low
2.1.1	Specified	Specified	2.7.2	Low	Low
2.1.2	Specified	Specified	2.7.3	Low	Low
2.1.3	Low	Low	2.7.4	Low	Low
2.2.1	Low	Low	2.7.5	Low	Low
2.2.2	Low	Low	2.8.1	Specified	Specified
2.2.3	Low	Low	2.9.1	Low	Low
2.2.4	Low	Low	2.9.2	Low	Low
2.2.5	Low	Low	2.10.1	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

Table 2. Final risk ratings of Indicators as determined AFTER the SVP and any 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 Company's mitigation measures

The organization has elaborated and is implementing mitigation measures of risks for non-certified feedstock originating from Latvia. The organization has designed and is implementing mitigation measures for 3 indicators evaluated as specified risk (2.1.1, 2.1.2 and 2.8.1) during the assessment. The BP is also requiring suppliers to take necessary actions – risk mitigation measures to avoid supplying material of “specified risk”.

Indicator 2.1.1 (HCVF category 3):

The BP is utilizing a two step approach in assessing risks of indicator 2.1.1. The BP is using the Nature Conservation Agency's database “Ozols” as a primary source of information on High Conservation Value Forests. The database contains information on existing HCVs, including habitats of EU importance and/or Woodland Key Habitats. Database covers information on HCVs in all forests, but is specifically focused on private forests due to risk designation in the SBP risk assessment. The database also contains the results of EU forest habitat inventory currently being undertaken in the private forests in Latvia. The BP has registered user (expert) level access to the database and has access to results of the inventory. If the information on HCV is not confirmed in the database, the BP shall carry out field verification due to the non-completeness of the database “Ozols”. The BP has defined the following approach for risk mitigation with regard to identification of high conservation values – within the SBE system all harvesting sites that are not confirmed by the “Ozols” shall be inspected by the supplier of primary feedstock or the BP prior to harvesting and screened for presence of high conservation values using the WKH checklist. The supplier must have undergone training in identification of HCVs – biologically valuable forest habitats. The checklist has been elaborated by forest habitat experts in Latvia and are used by many FSC and SBP certified biomass producers and forest management companies. See more details in findings in Appendix B (section 9.1 Mitigation measures)

Note: The difference between the Ozols database and the Latbio database is that Ozols contains approved and confirmed information on HCVs (EU habitats, locations of species etc.),

Indicator 2.1.2 (HCVF category 1):

According to the SBP endorsed risk assessment for Latvia, HCVF category 1 risks are related to Bird Directive's Annex 1 species (forest birds) whose populations are decreasing in the country. Risk mitigation measures envisages protection of existing bird habitats and protecting the nesting sites. The feedstock shall not be sourced from areas where the bird nesting sites had been destroyed as a result of forestry activities or feedstock sourced without proper forest management activities to preserve nesting sites. The BP staff involved in sourcing of primary feedstock within the SBE had undergone a training course for identification high conservation values in forest ecosystems, recognize HCVs (woodland key habitats, forest habitats of EU importance) and recognize important bird habitats and nesting sites and how these shall be protected.

All sites prior to harvesting are evaluated for the presence of Woodland Key Habitats with help of WKH checklist. Presence of large diameter (>50cm) nest or protected bird species is evaluated and noted in the checklist. Interviews with BP staff as well as review of records show that the responsible staff is aware of the procedure. See more details in findings in Appendix B (section 9.1 Mitigation measures)

Indicator 2.1.2 (HCVF category 3):

Every source of primary feedstock shall be checked for presence of HCVF by verifying the “Ozols” database or inspecting the FMU in the field and filling out the WKH checklist. In case the FMU/compartments is not included in the “Ozols” database, but identified with the help of the checklist as potential woodland key habitat or forest habitat of EU importance, it can not be sourced as SBP Compliant feedstock. According to the procedure, the BP in such situation shall inquiry for a certified forest habitat expert advice to evaluate the harvesting site for presence of WKH or forest habitat of EU importance and determine the status the logging site. In case the decision is negative, the site can be harvested and supplied to BP as SBP Compliant

feedstock. Feedstock from area of identified HCVs – WKHs/EU habitats (i.e. if the information on HCVF is included in the database “Ozols” or confirmed by expert opinion) is not accepted by the BP.

Field inspections showed that responsible staff demonstrated knowledge on how to identify HCV areas by using HCV checklists. See more details in findings in Appendix B (section 9.1 Mitigation measures)

Indicator 2.1.2 (HCVF category 6):

The specified risk for this sub-indicator relates to large diameter local noble tree species (primarily pedunculate Oak (*Quercus robur L.*), Ash (*Fraxinus excelsior L.*), Elm (wych Elm (*Ulmus glabra Huds.*), small-leaved Elm (*Ulmus minor Mill.*), Siberian Elm (*Ulmus pumilla L.*), European White-elm (*Ulmus laevis Pall.*), lime/linden (*Tilia spp.*), to lesser extent Beech (*Fagus sylvatica L.*) and Hornbeam (*Carpinus betulus L.*) potentially originating from objects of cultural heritage value, for example, old manors, parks, tree alleys etc. In some instances, these sites can be found under as other non-local (exotic) deciduous tree species. The aforementioned forest stands and dendrological planted pathways are usually more than 100-150 years old, attributed to Baltic manor culture. However, there is limited information compiled and registered on such potential areas/sites and thus the status of these potential cultural and historically valuable sites may be unknown if they have not already been captured within the Ministry of Culture’s database on significant cultural heritage objects of national level importance.

The BP has implemented procurement policy specifying that noble tree species from non-forest land will not be sourced and in case it will be the diameter can’t exceed 70cm. The diameter criterion is used as simple mean of exclude the old, large diameter local noble trees from the SBP-Compliance feedstock flow. The criterion has been agreed with the experts. In practice the BP receptionists shall pay attention to large diameter trunks in incoming roundwood loads and carry out additional checking for origin information if there are more than few trunks of large diameter noble trees in the load. This is not checked in case of FSC certified roundwood. Also, the chipping machinery has also maximum diameter restriction of this size. Field inspections showed that responsible staff demonstrated awareness of the requirement. Interviews with the responsible personnel as well as site tour through the storage area show that large sized noble tree species are not being put in the production processes and processed. See more details in findings in Appendix B (section 9.1 Mitigation measures)

Indicator 2.8.1:

Each supplier/contractor shall be checked for H&S compliance by the BP prior to accepting him as a supplier/contractor under the SBE system. The BP uses the dedicated H&S checklist elaborated by the BP in consultation with H&S experts. The checklist is filled in during the supplier audit, via interviews with the workers in the forest. Each supplier/contractor shall be checked before accepting it as a „low risk“ feedstock supplier.

Surveillance/monitoring of suppliers of SBP Compliance feedstock is carried out through sampling, but at least one surveillance audit per calendar year. The supplier audits are conducted by the BP itself using the H&S checklist. The process of supplier verification with regard to H&S compliance has been observed by the CB during the assessment audit. See more details in findings in Appendix B (section 9.1 Mitigation measures)

10 Non-conformities and observations

Identify all non-conformities and observations raised/closed during the evaluation (a tabular format below may be used here). *Please use as many copies of the table as needed. For each, give details to include at least the following:*

- applicable requirement(s)
- grading of the non-conformity (major or minor) or observation with supporting rationale
- timeframe for resolution of the non-conformity
- a statement as to whether the non-conformity is likely to impact upon the integrity of the affected SBP-certified products and the credibility of the SBP trademarks.

10.1 Open Non-conformances

NC number 01/20 (NC Grading: Minor
Standard & Requirement:	<p>SBP Standard 5 (ver. 1.0), Instruction Document 5E, p. 6.2.2</p> <p>The BP must inform its CB when a significant change in the operations occurs, resulting in a variation of electricity use or fossil fuel use greater than 25%. In that case, a new audit shall be required as soon as stable operations have been reached during three (3) consecutive months after the change has occurred.</p> <p>Examples may result from a change of production process, a plant refurbishment after an incident, a major change in feedstock used (e.g. use of logs instead of saw mill residues), change of fuel for drying (e.g. fossil fuel instead of biomass) etc.</p> <p>(5E, 6.2.2)</p>
Description of Non-conformance and Related Evidence:	
<p>Interview to responsible staff shows the staff is aware of the requirement to inform CB in case of changes in the operations. However, it is not clear how the requirement of the standard shall be implemented (responsibilities, the procedure of monitoring of the energy consumption and reporting process to CB and the SBP) in practice as the BP does not have procedure in place related to implementing the requirements of the standard.</p>	
Timeline for Conformance:	By the next surveillance audit, but no later than 12 months from report finalisation date
Evidence Provided by Company to close NC:	Pending
Findings for Evaluation of Evidence:	Pending
NC Status:	Open

10.2 Closed Non-conformances

NC number 02/20 (46357)		NC Grading: Major
Standard & Requirement:	SBP Standard 2 (ver. 1.0), Instruction Note 2B, p. 1.1 The BP shall proactively and transparently engage affected stakeholders in its SBE planning and monitoring processes, proportionate to the scale, intensity and risk of management activities. It shall engage interested stakeholders on request. Report: Annex B, p. 7.4	
Description of Non-conformance and Related Evidence:		
<p>The Biomass Producer had conducted the stakeholder consultation as per requirements of SBP standard 2 and instruction note 2B. According to interview with responsible person and as can be concluded from stakeholder consultation records, the BP had published the Supply Base Report in the website of the organization and had sent out a call for comments to various stakeholders. Interview to responsible person at the time of on-site audit show that the organization had not followed up the process upon notifying stakeholders, i.e. the organization had not followed up the notification. No records on engagement with stakeholders were available at the time of the assessment audit. From this the auditors are drawing a conclusion that the stakeholder consultation process cannot be considered proactive and transparent with regard to engagement with affected stakeholders. The BP had not received response from stakeholders. Given the importance of engagement with stakeholders in transparent and proactive way in elaborating the SBE system, auditors decided to raise a major non-conformance NCR 02/20.</p>		
Timeline for Conformance:	Prior to (re)certification	
Evidence Provided by Company to close NC:	List of stakeholders contacted (see Exhibit 6)	
Findings for Evaluation of Evidence:	After the audit, before finalizing the report the BP had submitted the list of principal stakeholders that had been contacted directly (via telephone) and inquired for comments in relation to SBP and risk mitigation measures and the response to BP's inquiries. No comments were received according to information from the BP records. See records of direct stakeholder consultation in Exhibit 6. Non-conformance is closed.	
NC Status:	Closed	

10.3 Observations

OBS number: OBS 01/20 (46353)	
Standard & Requirement:	SBP Standard 2 (ver. 1.0), p. 16.3 16.3 The BP shall implement a plan to monitor the effectiveness of the mitigation measures, at least annually. (16.3) Report: Annex B, p. 9.3

Description of findings leading to observation:	<p>According to the documented procedures and as from interviews to responsible staff, the BP is going to summarizing the results of supplier monitoring/surveillance audits and presenting to management once in year for management review and evaluation of the effectiveness of the risk mitigation measures. Based on information on evaluation of risk mitigation measures, the management of the organization then takes a decision whether any actions need to be taken to improve the SBP SBE system and implement changes in risk mitigation measures.</p> <p>It was revealed at the time of onsite audit the BP does not have a specific plan where the criteria and actions with regard to monitoring of effectiveness have been defined, apart from field evaluation checklist table that has been presented to auditors during the assessment audit. An observation OBS 01/20 is raised.</p>
Observation	<p>The BP shall have a plan to monitor the effectiveness of the mitigation measures, at least annually</p>

OBS number: OBS 02/20 (46354)	
Standard & Requirement:	<p>SBP Standard 5 (ver. 1.0), Instruction Document 5E, p. 6.4.3 10.3 For each Feedstock Group the following parameters are recorded:</p> <ul style="list-style-type: none"> a) ID b) Feedstock Type c) Origin d) Physical Description e) Country of harvest (new row for each country) f) Raw mass as received in metric tonnes g) Moisture as received (weighted average, single figure) h) Weighted average distance (km) , i) Maximum distance (km) j) Type of vehicle used k) Fuel or driving force used by the vehicle, l) Weighted average truckload, m) Any pre-processing (chipping, drying, none) <p>(5E, 6.4.3) Report: Annex D, p. 10.3</p>
Description of findings leading to observation:	<p>According to information from the responsible staff, the BP is not measuring and registering moisture for neither of feedstock groups. There are two feedstock groups (forest and primary wood processing chips and roundwood). The BP is not measuring moisture due to relatively long storage time in the logyard and the fact that the moisture is determined by the buyer of chips. An observation OBS 02/20 is raised.</p>

Observation	For each Feedstock Group the moisture as received (weighted average, single figure) shall be recorded:
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OBS number: OBS 03/20 (46355)	
Standard & Requirement:	<p>SBP Standard 5 (ver. 1.0), Instruction Document 5E, p. 6.10.3</p> <p>To determine the effective load in metric tonnes per vehicle: in the case of trucks, the weight should be measured by a weighbridge, or equivalent, and recorded in a control system.</p> <p>Note: For transport by truck, train or flatboat the most important parameters are the distance and the capacity of the vehicle. It is usually enough to make a good estimate of the transport energy, based on proposed references by JRC and BioGrace. There is the option to record fuel use for transport, but this is not mandatory. For (long distance) sea transport fuel usage data must be provided. (5E, 6.10.3)</p> <p>Report: Annex D, p. 15.2</p>
Description of findings leading to observation:	<p>The volume of chips received is stated in bulk m3 in delivery note. The volume is measured upon receiving the load. Effective weight is calculated using a conversion factor. The BP is using 0,3 as a conversion factor from volume units to mass units (i.e. to convert to metric tones from bulk m3). The BP does not have weighbridge and is calculating the effective weight of received biomass in metric tones using conversion factor. This might not be always reflecting the reality as the moisture is changing over time.</p>
Observation	<p>To determine the effective load in metric tonnes per vehicle: in the case of trucks, the weight should be measured by a weighbridge, or equivalent, and recorded in a control system. It is recommended to install a weighbridge and/or measure the moisture of incoming feedstock.</p>

OBS number: OBS 04/20 (46360)	
Standard & Requirement:	<p>SBP Standard 2 (ver. 1.0), p. 6.3</p> <p>6.3 The BP shall ensure that the place of harvesting is within the defined SB.</p> <p>Note: 'Place of harvesting' in the standard means the place of growth of the feedstock, i.e. the location of the tree stump</p> <p>Report: Annex D, p. 1.4</p>
Description of findings leading to observation:	<p>As to secondary feedstock, the BP is going to conduct supplier audits with the aim to confirm the origin of secondary feedstock. As for the secondary feedstock, the Supply Base is restricted to Latvia and</p>

	<p>Estonia. Place of harvesting for primary feedstock is confirmed based on the information from the delivery notes, including either FMU information or Felling Permit number.</p> <p>According to documented SBP procedures and interviews of the responsible staff each active primary processor shall be conducted at least once in a year. The BP had sourced secondary feedstock and the information on primary wood processors is available. According to interview to responsible person, information on suppliers of primary processors is available and the BP is aware of the place of harvesting of the primary feedstock. The information obtained from the responsible person does not contradict information at the disposal of certification body. However, this has not been confirmed in formal audit to secondary processors, as no supplier audits had been conducted at the date of the assessment. The BP has sourced FSC certified secondary feedstock only. An observation OBS 04/20 raised.</p>
Observation	<p>The BP shall ensure that the place of harvesting is within the defined Supply Base.</p>

11 Certification decision

Based on the auditor's recommendation and the Certification Body's quality review, the following certification decision is taken:

Certification decision:	Certification approved
Certification decision by (name of the person):	Ondrej Tarabus
Date of decision:	10/Jun/2020
Other comments:	<i>Click or tap here to enter text.</i>