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

Re-assessment

www.sbp-cert.org

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

Document history

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1 Overview

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Current report completion date:	24/Sep/2020
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Name of the Company:	Jaunceltnes street 7, Aizkraukle, LV-5101, Latvia
Company contact for SBP:	Germans Savickis, t. +371 25915552, germans.savickis@akz.lv
Certified Supply Base:	sourcing from Republic Latvia, Lithuania and Belarus
SBP Certificate Code:	SBP-01-01
Date of certificate issue:	29/Sep/2020
Date of certificate expiry:	28/Sep/2025

This report relates to the Re-assessment

2 Scope of the evaluation and SBP certificate

The certificate scope covers the production site in Aizkraukle, office in Riga and storage place in Riga Mangalsala harbour.

The Organisation holds valid FSC Chain of Custody certificate, covering both the sawmill and the pellet mill. Organisation holds PEFC certificate as well.

The organisation is using for biomass production only secondary and tertiary feedstock: own wood industry residues coming from the Organisation's sawmill and planning mill. Some part of the feedstock for production and use in biomass drier is sourced from external suppliers.

All inputs delivered to the sawmill (and later on the residues from this production used for biomass production and for biomass driers) are FSC certified, FSC controlled wood, controlled materials included in the Organisation's FSC Controlled wood verification system or PEFC certified feedstock (at the moment PEFC feedstock does not give any input into SBP mass-balance account). The material used in the biomass production originates from Latvia and Lithuania. Some small part of feedstock delivered by the external supplier, originates from Belarus.

The organization has sales department selling and buying lumber. The sales department is responsible for these activities. The flows are totally different and are divided into the recordkeeping system.

Scope description: Production of wood pellets, for use in energy production, at AKZ Aizkraukle pellet mill and transportation to Riga harbour. The scope of the certificate does not include Supply Base Evaluation. The scope of the certificate includes communication of Dynamic Batch Sustainability Data.

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.

The scope of the evaluation covered:

- Review of the BP's management procedures;
- Review of the production processes, production site visit;
- 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;
- Evaluation of sales activities and DTS registration process;
- Internal audit system evaluation.

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

Not applicable

5 Description of Company, Supply Base and Forest Management

5.1 Description of Company

BP is a pellet producing company located in Aizkraukle, Latvia. The designed production capacity of pellet plant is 90 000 tones.
For production of pellets the BP is sourcing secondary and tertiary feedstock provided by the organisation's own sawmill as well as secondary feedstock sourced by external suppliers. The sawmill is using logs for its production and is providing pellet mill with wood industry residues.

The roundwood used in the sawmill (logs for primary production) is originating from Latvia and Lithuania. The volume of the secondary/ tertiary feedstock (sawdust, woodchips, bark, shavings) delivered from the sawmill to the pellet production (both for production purposes and use into driers) is recorded on regular basis. External suppliers are delivering secondary feedstock originating from Latvia and Belarus. For use into driers the organisation is also buying forest residues delivered by external suppliers and coming from Latvian forests. The volume of incoming material and volume of materials used is recorded.

The Organisation is implementing the FSC credit system for feedstock coming under FSC certified and FSC Controlled wood system, Incoming material is either FSC certified, FSC Controlled Wood or Controlled according to the organisation's own controlled wood verification program. Company owns PEFC certificate as well. However, PEFC feedstock is not accounted per use of the SBP mass-balance system. PEFC feedstock is used into the biomass drier only.

The amount of the biomass produced according to FSC credit system might be sold as SBP-compliant or SBP- controlled.

After the production, the pellets are transported to the BP's storage site in Mangalsala Riga.

Pellet plant was commissioned in December 2002, and re-comissioned May 2005.

5.2 Description of Company's Supply Base

The BP is sourcing secondary and tertiary feedstock for biomass production. Feedstock is received from own sawmill as well as Latvian sawmills and on sawmill in Belarus as by-products (sawmill residues).

Latvia:

- Around 52% (3,05 mill ha) of the total land area is covered with forests.
- Forest management is described in a special law, called the Forest Law.
- 49% of all forests are state forests and 48% are private forests and 3% forests of the other ownership. http://data.csb.gov.lv/pxweb/lv/lauks/lauks__ikgad__mezsaimn/MS150.px/table/tableViewLayout1/?rxid=cdcb978c-22b0-416a-aacc-aa650d3e2ce0
- To secure and maintain SFM both state and private forests are monitored and inspected by the Latvian Forest Department, which also develops the main forestry regulations.
- Before commercial activities in the forests can commence, the State Forest Department requires a long-term forest management plan for every forest unit and owner. After acceptance of the plan, the State Forest Department issues a Harvesting Licence for separate sites. The Harvesting Licence

determines what kind of forest felling system is allowed, and which species and in what amount can be harvested in the area. It also determines the forest regeneration method at each harvesting site.

- After the harvesting operation, the site owner signs a report on the harvested volumes and planned forest regeneration method. The site is inspected by a representative of the State Forest department.
- The Harvesting Licence (licence number) is the main document for suppliers to track the supply chain and secure sustainable log purchases.
- Forests in protected territories and protected forests account for 28.2% of total forest area, or 862.8 thousand hectares. Forests in strict conservation areas account for 42.6% by area. One-fifth of the area of forests in protected territories is located in National parks (various protection tenures); with the remainder made up as follows: 16%: protected landscape areas; 13%: Baltic Sea and Riga Bay belt zone; 12%: nature parks; 7%: micro reserves; 4%: city protection belts; 3%: specially protected forest areas; 2%: strict nature reserves and protected Baltic Sea and Riga Bay coastal dune forests. Most of the protected forests and forests in protected areas are owned by the State. The highest proportion of privately owned forests is in protected landscape forests (57%), National parks and nature parks (51%). There is a relatively smaller area of private forests in protected territories with more strictly regulated protection regimes: protected coastal forests (Baltic Sea and Riga Bay belt 33%, Baltic Sea and Riga Bay protection zone 34%); strict conservation areas (20%); and micro reserves (7%). All other forests apart from forests in protected territories and belts and their buffer zones are considered production forests.
- The Republic of Latvia has signed and ratified the Convention on International Trade in Endangered Species of Wild Fauna and Flora (The Washington Convention, 1973). In addition to the CITES Convention, trade in endangered species of wild fauna and flora is regulated by a number of EU directives that extend the scope of species within the European Union.
- Latvia's forests are regenerated either naturally or artificially. Natural regeneration of pine, spruce and deciduous species take place according to the site conditions on wet mineral and wet peat soils. Artificial rejuvenation involves the use of genetically improved seed and planting stock; forest seed orchards cover a total area of 12.6 thousand ha. The main forest tree species are: pine (6245 ha); spruce (8236 ha); birch (12093 ha); aspen (7271 ha); and others (7188 ha).
- Wood specie composition: Pine- 33%; Spruce-19.0%; Birch- 30%; Aspen- 7%; Black alder -3%; Other – 1%
- Timber production by types of cuts, by volume produced (2018): final cuts 44.96 %; thinning 30.30 %; sanitary cuts 19.53 %; other types of cuts 4.82 %, illegal cuts 0.39%.
- Information about land structure in Latvia:
    - Total land area in Latvia: 6.45 mil. Ha: Agricultural land 1.8725 milj ha.
    - Forest land consists of: forests 3.05 mil. ha (90.6%); marshes 0.17 mill. ha (5.0%); open areas 0.017 mill. ha (0.5%); flooded areas 0.016 mill. ha (0.5%); objects of infrastructure 0.083 mill. ha (2.5%), other forest land 0.017 mill. Ha (0.5%).
- The share of forestry, wood-working industry and furniture production amounted to 5.1 % GDP (2018), export counts for 21%.
- Appr. 7% of inhabitants are employed in the industry, which is 80 000 people (forestry, wood-working industry and furniture production).
  Overall statistics is available at: http://www.csb.gov.lv
- Sources of information: https://www.csb.gov.lv/lv/statistika/db; http://www.vmd.gov.lv/valsts-meza-dienests/statiskas-lapas/-meza-apsaimniekosana-?nid=1472#jump; https://www.lvm.lv/sabiedribai/meza-apsaimniekosana/latvijas-meza-nozare; https://www.zm.gov.lv/public/ck/files/ZM/mezhi/skaitlifakti_LV20.pdf

Lithuania:

- Around 33.38% (2.2 mill. ha) of the total land area is covered with forests.
- Around 49.8% of all forests are state forests; 39.9% are private forests and 10.3% of Forests reserved for restitution
- To secure and maintain SFM both state and private forests are monitored and inspected by the Lithuanian State Forest Department, which also develops the main forestry management rules.
- Before commercial activities in the forests can commence, the State Forest Department requires a long-term forest management plan for every forest unit and owner. After acceptance of the plan, the State Forest Department issues a Harvesting License for separate sites. The Harvesting Licence determines what kind of forest felling system is allowed and which species and in what amount can be harvested in the area. It also determines the forest regeneration method at each harvesting site.
- The Harvesting Licence (licence number) is the main document for suppliers to track the supply chain and secure sustainable log purchases.
- Adjacent lands: agricultural land covers more than 52.6% of Lithuania.
- According to the National Forest Inventory data (2017), the total forest land area of Lithuania was 2 178 958 ha, covering 33,38% of the country's territory. Since the 1st January 2003, the forest land area has increased by 141,500 ha corresponding to 2.2% of the total forest cover. During the same period, forest stands expanded by 107,300 ha to 2,058,300 ha. Lithuania forest land ownership is divided into: Forests of state importance (1 088 000 ha or 49.8 %), Private forests (873 000 ha or 39.9 %) and Forests reserved for restitution (225 000 ha or 10.3 %). By 1st January 2016, the number of private forest owners amounted to almost 249,100, with forest estates averaging 3.4 ha. Forty two State forest enterprises and 1 national park, under subordination of the Ministry of Environment, managed 1,050,200 ha of forest land. The number of forest districts during the last year decreased from 350 to 341 reaching an average size of 3,200 ha.
- According to functional groups Lithuania forest is divided into:
- group I (strict nature reserves): 26,500 ha (1.2%);
- group II (ecosystem protection and recreational): 266,500 ha (12.2%);
- group III (protective): 333,400 ha (15.2%);
- group IV (exploitable): 1,560,300 ha (71.4%).
- 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. Forest composition: Scots pine - 34.8%, spruce - 20.9%, birch - 22.2%, alder – 13.4%, Ash - 1%; Aspen – 4.4%, Oak – 2.2%, other species – 1.1%.

- CITES came into force in the Republic of Lithuania on 9 March 2002. The rules for trade in wild animals regulating bringing into and taking out of the Republic of Lithuania animals, parts thereof or articles made of them are prepared following the requirements of the CITES, provisions of Council Regulation (EC) No 338/97 of 9 December 1996 on the protection of species of wild fauna and flora by regulating trade therein and Commission Regulation (EC) No 1808/2001 of 30 August 2001 laying down detailed rules concerning the implementation of the protection of species of wild fauna and flora by regulating trade therein. No CITES tree species growing in Lithuania. http://www2.llu.lv/research_conf/proceedings2018_vol_1/docs/LatviaResRuralDev_24th_2018_vol1-174-180.pdf

BELARUS

39,8% of Belarus (9,6 mill. Ha) area is covered by forests.
Forests in Belarus are owned by the State and mostly belonged to the Committee of Forestry (about 7 mill. ha or 76.1% of the total area of the forestry fund). The rest part of forest owners is represented by the Committee of Defence, collective farms and associations, the research institutes and Administration.
State owned Forest Management Units organize forest site management, according to legislation.
Sales of logs are organized exceptionally through state auctions. Batches of round wood are offered for purchases.

After the auctions, the volumes of procured round wood are divided to Forest Management Units, which execute forest harvesting operations and supply the volumes

In the Republic of Belarus forests are one of the main renewable natural resources and the major national wealth. The woods and forest resources are of great importance for sustainable social and economic development of the country, ensuring its economic, energy, ecological and food security. For a number of the key indicators characterizing forest fund (woodiness of the territory, the area of the woods and stock of growing wood in terms of per capita), Belarus is among the top ten forest states of Europe.

Forestry of Belarus. successfully implementing the principles of sustainable multipurpose forest management, is important for stable functioning of the forest sector of the country and contributes to the development of allied industries of economy, making a significant contribution to the implementation of the signed international treaties at the global level in the field of environmental protection. Its economic, environmental and social role has been steadily increasing. All this gives grounds to say that in modern conditions the forestry sector from traditional commodity industry turns into infrastructural and one of the key sectors of the national economic complex, especially in the rural areas of the country.

As a result of purposeful work on reproduction of the woods and forest growing, positive dynamics of forest fund is reached.

So from 1994 the key quantitative and qualitative indexes of the forests improved:forest area increased by 889,2 thousand hectares from 7371,7 to 8260,9 thousand hectares;the area under forest of the Republic reached 39.8 per cent (increased by 4.3%);the total stock of standing timber increased by 702,8 million cubic meters and amounted to 1796,0 million cubic meters (including in Mature and overmature stands - 250,4 million cubic meters and constituted – 296,0 million cubic meters);

the stock per 1 ha. of forested land increased by 69 cubic meters and amounted to 217 cubic meters per 1 ha.; the stock of mature and overmature plantings increased by 54 cubic meters and reached 267 cubic meters per 1 ha.;

average age of plantings increased from 44 to 56 years

Forest composition: Scots pine – 50.3%, spruce – 9.2%, birch – 23.2%, alder – 8.5%, Aspen – 2.1%, Oak – 3.4%, other species – 3.3%.

In Belarus along with increase in total area of forest fund also the sustainable growth of the areas of ripening as well as mature and overmature plantings is observed

5.3 Detailed description of Supply Base

Total Supply Base area (ha): 14.85 million. ha

Tenure by type (ha): 12.22 million ha private owned, 2,63 million ha public

Forest by type (ha): 14.85 million ha temperate forests

Forest by management type (ha): 14.85 million ha managed natural

Certified forest by scheme (ha): 10.35 million ha of FSC-certified forest

Quantitative description of the Supply Base can be found in the Biomass Producer's Public Summary Report, published in **BP's and SBP website.**

5.4 Chain of Custody system

The Organisation holds FSC chain of custody (COC/CW) certificate FSC-C008827, covering also the biomass production. There are FSC procedures in place including the description of the FSC/SBP systems implemented and other documents.

In addition to FSC Chain of Custody system, the BP holds a PEFC chain of custody certificate TT- PEFC-COC90. The PEFC certified material does not give any input into SBP mass-balance account at the moment. However the system is set. PEFC CoC feedstock is used into the biomass drier.

The Organisation is implementing aFSC 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. PEFC credit system exist as well, but it is applied only for biomass used into the biomass drier and is not applied for accounting of the feedstock used into biomass production at the moment. Non-controlled material is not accepted.

The organisation is using secondary feedstock - co-products and tertiary feedstock of timber primary processing originating from the Organisation's own sawmill and planning mill.

List of active suppliers exist, certification status of each supplier is verified on regular basis.

The Organisation is implementing FSC credit system calculation. The volume of the incoming feedstock received from the sawmill production is recalculated into the volume of pellets based on conversion coefficient and volume into tone coefficient.

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

6 Evaluation process

6.1 Timing of evaluation activities

Onsite evaluation was conducted on June 16, 2020 (8 auditor hours in totoal).

Audit plan for the main part of the evaluation is placed below.

Activity	Location	Auditors	Date/time
Opening meeting	AKZ SIA Production office	ELI, OP	16.06.2020 10.00-10:30
SBP Management system review, discussion of the changes taking part in a system Review of the documents and evidences related to implementation of the SBP standards 2,4. Review of the FSC and PEFC system control points, SBR report.	AKZ SIA Production office	OP, ELI	10.30-11.30
Production site visit , production staff interview. credit account, SAR Review of the documents and evidences related to implementation of the SBP standard 5 and instruction document 5E	AKZ SIA Production office	OP, ELI	11.30-13.00
Sales and client communication, DTS system review, Recordkeeping data	AKZ SIA Sales office	OP, ELI	14.30-16.00
Interview with port(“B Port”) representative	Phone interview	ELI	16:00-16:30
Closing meeting	AKZ SIA Sales office	OP, ELI	16.30-17.00

Oļesja Puišo (OP), Riga, Latvia Lead Auditor evaluation against standards 2	Audit team leader. Olesja has passed CoC/ FM lead auditor training, PEFC CoC, ISO 140001, 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.
Eriks Lidemanis Lead Auditor evaluation against standard 4,5	Audit team leader. Joined NEPCon in 2017. Holds bachelor's degree from Latvia University of Agriculture Forest Faculty (forest management). Previous work experience in wood processing industry and roundwood measurement. Ēriks has passed the NEPCon lead assessor training course in FSC Chain of Custody and FSC FM operations and obtained the FSC CoC/FM auditor qualification. And has participated in FM audits in Latvia,Lithuania and Russia. Successfully obtained SBP auditor qualification in 2019 and participated in SBP audits in Latvia

6.2 Description of evaluation activities

Main attention during the valuation was focused on practical implementation aspects of the SBP system, review of documents and system, evaluation of input material classification (reception and registration), analysis of the critical control points in existing recordkeeping system as well as correctness and availability of GHG data.

Description of the evaluation:

The audit began with an opening meeting in AKZ SIA office in Aizkraukle. Opening meeting was attended by production manager, biomass sales manager and the overall responsible person for FSC/PEFC chain of custody systems.

Auditors introduced themselves, provided information about audit plan, methodology, auditor qualification, confidentiality issues, surveillance audit methodology and clarified verification scope. During the opening meeting auditors explained CB's accreditation related issues related to the audit.

After the opening meeting auditors went through all applicable requirements of the SBP standards nr.2, 4, 5 and instruction documents 5E 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 having key responsibilities within the system were interviewed.

After the document review, a roundtrip to BP's pellet production was undertaken. During the site tour applicable records were reviewed, pellet factory staff was interviewed and FSC system control points were analysed.

In the second half of the day head office in Riga was visited. Procurement and sales documents were verified. Responsible staff – overall responsible person for FSC/PEFC CoC system and the sales manager were interviewed. DTS system was reviewed.

Due to the COVID-19 gathering restriction limitation harbour visit was held remotely. Harbour staff interview was conducted as phone call. Representative from "B Port " terminal was interviewed and things related to material reception, storage, separation and loading on vessel, volume of pellets received in storage were

disccussed. The port terminal was visited during the previous evaluations, risk of material mixing is evaluated as low.

At the end of the audit, audit findings were summarised and audit conclusion based on use of 3 angle evaluation method were provided during the closing meeting to the overall responsible person, CEO and other responsible staff that have participated in the meeting.

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

6.3 Process for consultation with stakeholders

The stakeholder consultation was carried out on May 14, 2020 by sending direct email to different stakeholder categories. In total representatives of 45 stakeholders has been notified. The stakeholder structure according to type is as following: authorities and forestry and nature protection supervising institutions (35%), timber industry and nature conservation associations (30%), non-governmental organizations (20%), academia and scientific institutions (8%); and 6% - FSC national/regional representative, forest managers and other organizations. No comments from the stakeholders have been received.

7 Results

7.1 Main strengths and weaknesses

Strengths: The main SBP system elements are implemented. Majority of feedstock used for production of pellets is being sourced from the company's own production (sawmill) as co-products/ production waste. All logs used in the sawmill as well as all wood chips delivered by the external suppliers are at least FSC Controlled wood / PEFC Controlled Sources (either purchased as FSC certified, FSC Controlled wood), biomass used into the biomass drier is controlled through the company's PEFC Controlled wood verification system). The organization is operating a small number of management staff with clearly designated responsibilities.

Weaknesses:.See in the NCR section of the report

7.2 Rigour of Supply Base Evaluation

Not applicable

7.3 Collection and Communication of Data

The data had been updated and provided prior the onsite evaluation and verified and validated at the time of audit. The data is complete, accurate and is based on the records from the internal recordkeeping system.

The following energy sources are used by BP: electricity for pellet production; biofuel for feedstock drying,diesel for feedstock handling, shipping and for biomass transportation to customer.

7.4 Competency of involved personnel

During the audit staff members involved into the SBP system management and implementation were identified, including Production Manager, Sales manager, overall responsible person and Logistic manager for FSC/ PEFC system Interviewed staff demonstrated awareness of their responsibilities within SBP system.

7.5 Stakeholder feedback

No feedback from stakeholders have been received prior, during and after this assessment.

7.6 Preconditions

One precondition was identified and closed by the organization defore completing of the assessment report.

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.

N/A- SBE is not included in the certificate scop.

9 Review of Company's mitigation measures

N/A- SBE is not included in the certificate scope.

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.*

NC number 01/20 (48065)	**NC Grading:** Minor
Standard & Requirement:	SBP Standard #2, p. 6.2 The BP shall ensure that the place of harvesting is within the defined SB. (6.3): Note: 'Place of harvesting' in the standard means the place of growth of the feedstock, i.e. the location of the tree stump
Description of Non-conformance and Related Evidence:	
The BP is using co-products of primary timber processing originating from the AKZ own sawmill/ planning mill situated at the same address. Place of harvesting is identified at the log reception, document verification and procurement contract stage. Harvesting permits are verified on reception in all cases except Lithuania and for material supplied by the state forests in Latvia. Harvesting permits for Lithuania are verified at accountancy.In addition to this during the last report period, BP started sourcing co-products supplied by 5 external suppliers. Supplier list is available. According to the BP feedstock origin in Latvia, Lithuania and Belarus. All feedstock is delivered as FSC/PEFC certified or FSC Controlled Wood. Origin declaration is signed by external suppliers. Origin confirmation procedure, covering origin declaration and supplier audit once per year, is prepared. However no supplier audits are implemented in practice until now.	
Timeline for Conformance:	By the next surveillance audit, but no later than 12 monhts from report finalisation date
Evidence Provided by Company to close NC:	
Findings for Evaluation of Evidence:	
NC Status:	Open

NC number 02/20 (48066)	**NC Grading:** Major
Standard & Requirement:	SBP Standard #2, Instruction 2C, p.4.1. The report shall be concise, covering the most important features, and shall be completed using the latest versions of the SBR Template for Biomass Producers downloaded from the SBP website. (2C, 4.1)
Description of Non-conformance and Related Evidence:	
The Supply Base Report meets the requirements of SBP. Latest report template is applied by the BP. Number of gaps had been identified during the SBR review, including incomplete information about the Supply Base (Belarus), data in sections 2.5 and 13.4 is incomplete as well.	
Timeline for Conformance:	Prior to (re)certification
Evidence Provided by Company to close NC:	Updated SBR
Findings for Evaluation of Evidence:	After the audit BP provided CB with an updated SBR covering information general description of Belarus, sections 2.5 and 13.4 are updated accordingly.
NC Status:	Closed

NC number 03/20 (48067)	**NC Grading:** Minor
Standard & Requirement:	Instruction 5E 6.2.2 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. 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
Description of Non-conformance and Related Evidence:	
Interview during the audit shows that BP is aware of the requirement to inform the CB in case of significant changes in the operation, but there are no requirement in SBP procedure to inform CB when a significant change in the operations occurs, resulting in a variation of electricity use or fossil fuel use greater than 25%.	
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:	Staff competence, updated main SBP procedure.

Findings for Evaluation of Evidence:	Main SBP procedure of the BP is updated and provided right after the evaluation. The requirement is covered in p.6.0. During the audit it was confirmed responsible staff is familiar with the requirement.
NC Status:	Closed

NC number 04/20 (48126)	**NC Grading:** Minor
Standard & Requirement:	SBP Standard #2, p.19.2. The SBR shall be signed off by senior management in all cases. (19.2)
Description of Non-conformance and Related Evidence:	
During the audit no SBR signed off by senior management was provided. According to BP representative he is familiar with the requirement and final version of the SBR will be signed off by the senior management of the BP.	
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:	SBR endorsed by senior management signature
Findings for Evaluation of Evidence:	Prior to the report finalization SBR version signed off by senior management was provided.
NC Status:	Closed

OBS 01/20 (48068)	**Standard & Requirement:**	SBP Standard #5 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. 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)
Description of findings leading to observation:	All feedstock that is received by truck and is measured in volume units. For volume-mass conversion BP uses conversion factor that is based on internal testing of feedstock mixture from which the pellets are produced.	

	Testing is done in 2015. It is recommended to do regular testing for more precise results. An OBS 01/20 is raised.
Observation:	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.

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:	24/Sep/2020
Other comments:	N/A