



# NEPCon Evaluation of Tin Nhan Company Limited 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](http://www.sbp-cert.org)*

## *Document history*

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# 1 Overview

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Primary contact for SBP: Ondrej Tarabus otarabus@preferredbynature.org, +34 605 638 383

Current report completion date: 11/Sep/2020

Report authors: Nikolai Tochilov

Name of the Company: Tin Nhan Company Limited. Legal and production site address: Lot A2, A3 Phu Tai Industrial Zone, Tran Quang Dieu Ward, Quy Nhon City, Binh Dinh Province, Vietnam

Company contact for SBP: Mai Ngan, director assistant. Tel.: +84 905 848363, email: ngan.nguyen@ayobiomass.com

Certified Supply Base: Vietnam

SBP Certificate Code: SBP-08-23

Date of certificate issue: 11/Nov/2020

Date of certificate expiry: 10/Nov/2025

This report relates to the Main (Initial) Audit

## 2 Scope of the evaluation and SBP certificate

Scope description: Production of wood pellets in Quy Nhon City, Binh Dinh Province, Vietnam, for use in energy production, and its transportation by different means of transport to different end points all over the world. 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 and assessment of compliance with ID 5E ver. 1.1.

## 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

Tin Nhan Company Limited was founded in 2002 as a wood chips producer for paper industry. In 2019 it launched a pellet plant and become one of leading manufacturers of wood pellets in Vietnam. Tin Nhan's wood products are shipped to many markets worldwide.

Tin Nhan Company Limited pellet plant is located in Qui Nhan city in the Binh Dinh province. Qui Nhan city is located in the south-center of Vietnam on the cost of South China sea. The plant has an annual production capacity of approximately 120 000 tons of wood pellets and they can be shipped through the sea ports in Qui Nhan worldwide.

The pellet plant is strategically located in an industrial zone surrounded by a number of sawmills and furniture producers and not far from the productive forests. Due to the opportune location of the facility, transport distances are relatively short, what reduces costs and CO<sub>2</sub> emissions. Tin Nhan Company Ltd. is closely monitoring every step in the production process and optimising energy efficiency. The feedstock dryer, for example, runs on the same type of low-grade biomass that is used for the pellets production.

Tin Nhan Company Ltd. is one of the largest wood processors in the region. It does not perform forest operations itself. Tin Nhan Company Limited uses processing and woodworking residues (sawdust, shavings and offcuts) from 9 suppliers and sources primary feedstock (roundwood) from around 12 suppliers. Currently Tin Nhan Company Limited only produces wood pellets and all feedstock is from external suppliers.

## 5.2 Description of Company's Supply Base

The supply base is the whole of Vietnam. Primary feedstock is all coming from Vietnamese plantations. It includes Acacia species. Secondary and pre-consumer tertiary feedstock is coming from the sawmills and furniture producers. They source Eucalyptus and Khasi pine.

Vietnam regions where the primary feedstock can be supplied from are:

- BinhDinh;
- Gia Lai;
- Kon Tum; and
- Phu Yen.

## Vietnam

Located in the eastern side of Southeast Asia, Vietnam's geography stretches from highlands in the north to the Mekong Delta in the south. The country has a vast coastline and more than 10 million ha of wetlands. The diversity of species in Vietnam, particularly of rare and endemic species is remarkable.

Considering the climate, Vietnam is mainly tropical wet-dry (impacted by monsoons). To the northern highlands there are humid subtropical forests. The South Central Coast region has a tropical rainy climate.

The total forest area consists of deciduous and coniferous forests, bamboo land cover, coconut stands, and various combinations of these vegetations. Forests are located in low, flooded areas, as also on hills and mountains.

The semi-arid coastal areas of southern Vietnam are the most arid in Vietnam because of the rainshadow effects of the plateaus of the southern Annamite Range, which restrict the flow of humid air in the early monsoon season. Evergreen and semi-evergreen forest cover may be present on the coastal hills that reach higher elevations. A unique low forest or thicket community occurring on semi-arid slopes along the coast of southern Vietnam and notably rich in endemic species has been described near Phan Rang, Ba Ngoi, and Nha Trang, but it is heavily degraded today.

CITES (Convention on International Trade in Endangered Species of Wild Fauna and Flora) was ratified by Vietnam in 1994. There are two commercially traded timber species now listed on the CITES Appendix II from Vietnam: lign-aloes trees (*Aquilaria spp.*), and Thailand Rosewood (*Dalbergia cochinchinensis*). These Appendix-II listings are not a ban on trade. To conduct international commercial trade in these listed species, it is necessary to ensure all the proper CITES documentation from the exporting or re-exporting country is compiled and accurate. The harvest and trade of *Aquilaria crassna*, the main Vietnamese *Aquilaria* species, has been banned since 1992.

Vietnam has, however, several plantations of *Aquilaria crassna*, the products from which are legal to trade with proper CITES permits. Thailand Rosewood is also listed as vulnerable in Vietnam by the IUCN Red List.



Illustration 1: Regions of Vietnam

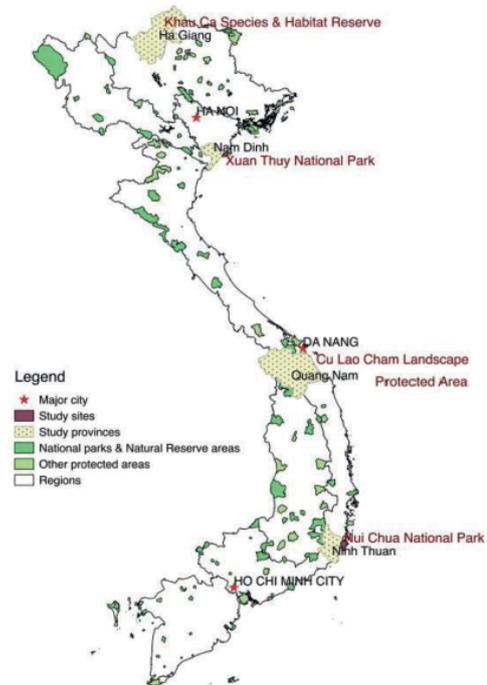


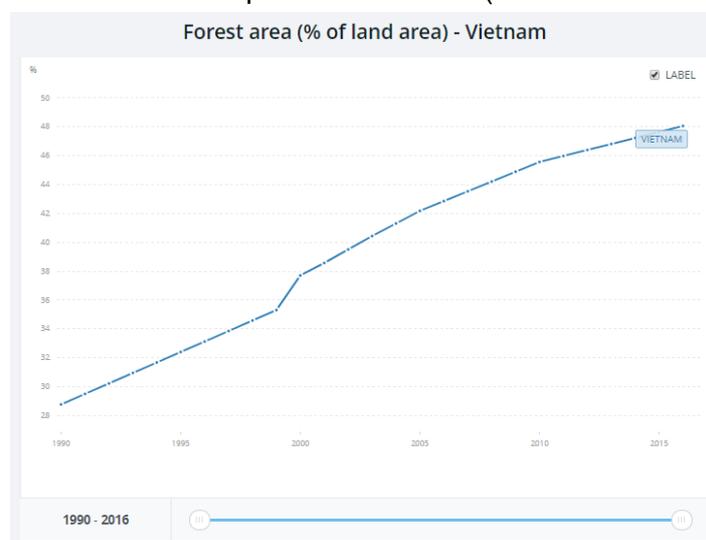
Illustration 2: Protected areas, Nature reserves and National parks  
(Source: Nguyen Hoai Bao, 2016)

Being highly valued in the wood carving and furniture industries, the Vietnamese population of this species is also threatened.

The Vietnamese decree “Regulation on the management of protected forests, precious and registered forests, and the implementation of CITES” of January 22, 2019 lists 273 protected species. The species are divided in two protection classes for both flora and fauna, and in both classes a considerable amount of tree species are listed, most of which also have the IUCN status of Near Threatened, and Endangered.

There are several large mammals of conservation significance in this ecoregion, including the endangered douc langur (*Pygathrix nemaeus*), red-cheeked gibbon (*Hylobates gabriellae*), and pileated gibbon (*Hylobates pileatus*) and potentially the tiger (*Panthera tigris*). In the South Vietnamese Lowlands there are also two near-endemic bird species.

Table 1: FAO data on forest area development in Vietnam (source: World Bank website)



In 2017, the total forest area increased to 14 378 thousand ha, with natural managed forests at 10 242 thousand ha and plantations at 4 135 thousand ha. Vietnam is the only country in the Mekong region to have a continuous increase in its forest cover over the last decades. By the end of 2016, forest coverage reached 41 – 48% of the country (considering respectively the definition of forests of the government and the World Bank). It increased over 15% between 2005 and 2016.

Yet, regional shifts tell a different story. In the Central Highlands, an area that has a high concentration of ethnic minorities, relying on the forest for livelihood, the forest area was reduced by approximately 6% (312 416 ha) in the same years. In general, deforestation reduced by 70% during the period 2011 – 2015, compared to 2005 – 2010. The main reasons for deforestation are conversion into agricultural lands, illegal harvesting, and forest fires.

While forest quantity has increased, forest quality has declined: 67% of the remaining natural (i.e., non-plantation) forest is classified as poor or extremely poor. In many provinces, plantations are almost entirely acacia monocultures: 90% in Hoa Binh and Quang Ngai and 77% in Quang Ninh, Ha Tinh, and Quang Tri. And nearly all of this is geared to low-value wood chips in 3 to 6 year rotations.

### Vietnam Forest Sector

The forest sector is growing in Vietnam, it contributed US\$1.4 billion to the national economy in 2006, accounting for approximately 2.4% of the country's GDP. At present, there are about 25 million Vietnamese people for whom 20%, or by some estimates up to 40%, of their annual income comes from the forest.

The quantity and quality of forests have improved in the last few years, and turnover in the forestry sector has resulted in economic growth. Communities have benefited from the increase in financial support and job creation from this growth.

Forest management in Vietnam is highly centralized and approximately 52% of Vietnam's forested area is publicly owned (government areas), 20% are collective properties, 28% is privately owned.

2014 data on forest ownership state:

- 34% Forest Management Boards;
- 24% Households;
- 16% Peoples' Committees;
- 14% State Forestry Companies;
- 4% Communities;
- 2% Armed Forces;
- 2% Other Economic Organizations;
- 4% Other Organizations.

According to 2013 data:

- State forest enterprises manage around 1.9 million ha of forests, 73% of which (1.4 million ha) is natural forest, and the remaining 27% are plantations;
- Forest management boards, belonging to the state, manage more than 4.7 million ha, primarily special-use and protection forests for protection and conservation purposes. About 88% are natural forests, and the remaining 12% are plantations;
- Individual households own about 3.4 million ha, 50% of which (1.7 million ha) are natural forests, and the remaining 50% are plantations;
- Commune People's Committees manage around 2.3 million ha, most of which (1.8 million ha) are natural forests;
- Groups and community organizations such as farmer unions, women and youth groups, manage 524,477 ha of forests, 96% of which are natural forest.

All policies, laws and regulations are issued by the government and the National Assembly. Forest management is governed by the 1991 Law on Forest Protection and Development, last amended in 2004. Under the Law, the Ministry of Agriculture and Rural Development (MARD) is responsible for managing Vietnam's forest protection and development campaign. MARD works closely together with the Ministry of Natural Resources and Environment (MONRE). Each Vietnamese province is required to prepare forest protection and development plans.

Vietnam has a number of laws and regulations requiring sustainability in forest operations, including management plans. The key pieces of legislation are the 2004 Law on Forest Protection and Development (based on the 1991 Forest Resources Protection and Development Act) and the Land Law of 2003. The Forest Protection and Development Law bans unplanned and unpermitted timber logging. The Land Law classifies forest as agricultural land, divided into three main types:

- Production forests (around 52% total forest area);
- Protection forests (around 33% total forest area);

- Special use forests (around 15% of the total forest area, i.e. protected areas).

Protection forests are divided into two categories: critical and very critical. The conditions on the harvesting permit are applied to the critical level forest and subsequently there are many limiting conditions including of the harvesting intensity (natural forests) and harvesting measures (plantations).

A logging ban has been in place since 1997, covering “natural forests” in most Vietnamese provinces (“natural forests” is an official category, to which all forests belong that are not plantations), as also an export ban on logs. In 2012, the Prime Minister closed all natural forests to harvesting, apart from two companies managing FSC-certified natural forests (note: in the future forest management in natural forests under PEFC certification may be allowed). This ban also applies to the collection of non-timber products from natural forests in some provinces. Most of the natural forests contain category 1 to 6 HCVs. However, there is no formal assessment (based on the six attributes of HCVs) by forest managers or the authorities, except for those areas that are FSC-certified.

In December 2014, the Prime Minister signed Decision No. 2242/QĐ-TTg approving the scheme strengthening the management of exploitation of timber of native forests for the period 2014–2020. This scheme is aimed at improving the quality of native forest and developing high quality production forests eligible for sustainable exploitation to meet the demand for natural timber for domestic consumption and gradually replace imported timber.

Although Vietnam is investing in improved law-enforcement, various violations, including unauthorized forest harvesting are still a persistent problem. There are an estimated 30 to 50 thousand reported forest violations per year. According to Transparency International’s 2018 Corruption Perceptions Index, Vietnam scores only 33 points (a high level of corruption).

### **Forest Management Certification in Vietnam**

FSC forest certification has proven to be an effective tool to fight corruption and protect HCV forests and red-list species. At present, only 46 companies have an FSC FM/CoC certificate in Vietnam, of which 3 are group certificates. 3.1% of the total forest area is certified. However, around 900 companies have an FSC COC certificate in Vietnam.

Exceptions have been made for FSC certified companies on the ban on logging in “natural forests” (meaning “not plantations”). If FSC certified companies were allowed to harvest in the natural forests more often, and were allowed to harvest 1% of the total forest timber volume within production forests annually (leaving out of consideration the protection forests and protected areas), this would yield about 4 million m<sup>3</sup> a year, which is much more than the present roundwood imports. Sustainable logging would require greatly improved forest monitoring and law enforcement, however (IUCN, 2018).

Vietnam has no PEFC endorsed national forest certification system yet. No PEFC FM/COE certificates have been issued yet, only around 6 Vietnamese companies have the PEFC CoC certificate. The Vietnamese government is determined to boost the success of forest certification by pursuing PEFC endorsement.

In 2016, the Vietnamese Ministry of Agriculture and Rural Development (MARD) approved the establishment of the Vietnam Forest Certification Scheme (VFCS) Program. In 2018, the government committed to the establishment of a national forest certification system, in line with PEFC requirements. MARD launched the Vietnam Forest Certification Office March 2019. Vietnam is working on its national forest certification system

and has become a National Member of PEFC in June 2019. Vietnam seeks to PEFC certify at least 3 million ha by 2030.

### 5.3 Detailed description of Supply Base

Total Supply Base area (ha):	14.4 million ha (FSC CNRA VN V1.0, 25 July 2017)
Tenure by type (ha):	7.5 million ha public property 4.0 million ha private properties 2.9 million ha community properties
Forest by type (ha):	Tropical forests
Forest by management type (ha):	11.0 million ha managed natural 3.3 million ha plantations 83 thousand ha natural (primary forest)
Certified forest by scheme (ha):	199 018 ha – FSC certified (2020)

For more details please see the Supply Base Report available at BP's website <https://www.tinnhan.co/>

### 5.4 Chain of Custody system

BP holds valid FSC Chain of certificate

<https://info.fsc.org/details.php?id=a02f300000jT1SbAAK&type=certificate>. BP uses various types of the feedstock for biomass production – primary, secondary and pre-consumer tertiary feedstock is sourced from the app. 10-15 suppliers in Vietnam.

Till the moment of this SBP assessment, BP produced FSC 100% and non-certified biomass, ensuring physical segregation of the wood material at all production stages. In 2020, along with SBP assessment, BP has passed FSC CoC annual audit with adding FSC-STD-40-005 (including Organisation's own verification program of controlled material suppliers) to the FSC CoC certificate scope. Based on results of this CoC audit, transfer and percentage systems of claims for pellet production have been approved.

Currently, the following input and output categories of wood material are possible:

Transfer system – FSC 100% and FSC Controlled Wood, both for input and output (physical segregation)

Percentage system – FSC 100% and FSC Controlled Wood (inputs); FSC Mix% and FSC Controlled Wood (outputs).

FSC percentage system of claims was reviewed and approved during FSC CoC annual audit. At the same time, this system has not been implemented at the moment of SBP assessment. Furthermore, only transfer system of claims is referred to in SBP Procedure. Therefore, percentage system of claims may be included into SBP certificate scope only during the next audit.

Please also see Section 10 below in this report in relation to implementation of FSC transfer system of claims.

## 6 Evaluation process

### 6.1 Timing of evaluation activities

Assessment was conducted on September 3, 4 and 7, 2020 (total app. 16 hours). Audit activities included documents review (desk based and at BP's office), inspection of production facilities and staff interviews.

Activity	Location	Date/time
Opening meeting	Desk-based, Skype	03/09/2020 12.00-12.30
SBP-related documents review (SBP Procedure, SBR, CoC control system and critical points, management and monitoring system, feedstock inputs, legal compliance, EUTR); interview with SBP responsible	Desk-based, Skype	03/09/2020 12.30-18.00
Evaluation of compliance with H&S  - HR manager interview - Review of H&S instructions and training records	Desk-based, Whatsapp	04/09/2020 12.00-12.30
Virtual site tour  - Inspection of production facilities (acceptance point, wood yard, pellet production, warehouse/pellet storage) - Staff interviews and documents review	Desk based, Whatsapp	04/09/2020 12.30-14.30
Energy use data review (SAR)	Desk based, Skype	04/09/2020 14.30-17.00
Staff interview and documents review (procurement manager, accountant)	Desk-based, Whatsapp	04/09/2020 17.00-18.00
Discussion of open questions (energy use data, conversion factors, mass balance system & communication of Dynamic Batch Sustainability Data, Radix, anti-corruption policy, SBP trademark use)	Desk-based, Skype	07/09/2020 14.00-18.00

Closing meeting	Desk-based, Skype	07/09/2020 18.00-18.30
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## 6.2 Description of evaluation activities

Composition of audit team:

Auditor(s), roles	Qualifications
Nikolai Tochilov, audit team leader	NEPCon SBP lead auditor. He has successfully passed SBP auditor training in Tallinn in January 2015; previous experience with more than 40 SBP assessments and annual audits in Russia and Europe.
Ho Van Cu, facilitator, auditor in training.	Mr. Cu started to work with NEPCon in August 2019. He has 24 years of experience in the forestry sector in Vietnam and has acted as an FSC FM/CoC auditor in many countries including Vietnam, Laos, Cambodia, Thailand, Malaysia, Indonesia and China. He holds a PhD in Forestry and – before joining NEPCon – worked as Lecturers at Ho Chi Minh City University of Agriculture and Forestry Lam University. Mr. Cu has participated in one SBP assessment in Vietnam as auditor in training.

*Note: SBP assessment was conducted desk-based by audit team leader, who was assisted onsite by NEPCon local staff representative.*

The evaluation visit was focused on management system evaluation: division of the responsibilities, document and system, input material classification (reception and registration), analysis of the existing FSC system and FSC system control points as well as GHG data availability.

Description of the audit evaluation:

Due to Covid-19 limitations, onsite assessment could not be conducted as scheduled initially. Desk-based assessment started on September 03, 2020 with the opening meeting in Skype with SBP responsible and other staff members of the Organisation.

Audit team leader introduced the audit team, provided information about audit plan, methodology, auditor qualification, confidentiality issues, and assessment methodology and clarified certification scope. During the opening meeting the auditor explained CB's SBP accreditation related issues.

After that, during September 03, 04 and 07, 2020 auditor went through all applicable requirements of the SBP standards nr. 2, 4, 5 and instruction document 5e covering input clarification, existing chain of custody and controlled wood system, management system and critical control points, recordkeeping/mass balance requirements, emission and energy data and categorisation of input and verification of SBP-compliant biomass and SBP-controlled biomass. During the process, overall responsible person for SBP system as well as the other staff members involved in SBP certification were interviewed. Virtual site tour (using Whatsapp) with assistance of Mr. Cu was undertaken.

Finally, at the end of the assessment, findings were summarised and conclusions based on use of 3 angle evaluation method were provided to SBP responsible person, during the closing meeting in Skype.

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## 6.3 Process for consultation with stakeholders

The stakeholder consultation was carried out on May 28, 2020 by sending direct email to different stakeholder categories (totally 20 stakeholders in Vietnam, including governmental organisations, NGOs and associations. No comments from the stakeholders have been received.

# 7 Results

## 7.1 Main strengths and weaknesses

Strengths: Robust recordkeeping system. Transfer system of FSC claims.

Weaknesses: please see NCR and Observations raised during this assessment, in Section 10 below.

## 7.2 Rigour of Supply Base Evaluation

Not applicable.

## 7.3 Collection and Communication of Data

The following energy sources are used by BP: electricity for pellet production; biofuel for drying the feedstock; diesel for feedstock delivery and handling; diesel for biomass transportation. Energy use data is based on actual consumption values, it was reviewed and accepted by auditor. No non-conformities identified in this relation.

## 7.4 Competency of involved personnel

Interviewed staff was well familiar with their responsibilities. Generally, SBP responsible (Director Assistant) takes responsibility for implementation of almost all requirements related to SBP certification. This includes: management and monitoring system; SBR; SAR; staff training; resolution of complaints; EUTR; trademark; Radix; DBSD mass balance maintenance. The rest staff members involved to SBP certification are: procurement manager (gathering information on feedstock suppliers); HR manager (OHAS); production manager (pellets quantity, moisture, diesel, electricity) and accountant (invoices).

## 7.5 Stakeholder feedback

No feedback received from stakeholders prior to, during or after this assessment.

## 7.6 Preconditions

None.

## 8 Review of Company's Risk Assessments

Not applicable.

## 9 Review of Company's mitigation measures

Not applicable.

# 10 Non-conformities and observations

Non-conformity reports raised during this assessment:

NC number 01/20	NC Grading: Major
<p><b>Standard &amp; Requirement:</b></p>	<p>SBP Standard 4, p 5.1.2            The legal owner shall implement all aspects of the SBP approved CoC system requirements for the SBP feedstock or biomass. Where there is a conflict between the requirements in the SBP-approved CoC system requirements and those specified in the SBP standards, the SBP standards shall have precedence.  <i>Note: SBP feedstock or biomass will not necessarily enter into the scope of the SBP Approved CoC system certification, but the SBP Approved CoC system CoC processes and requirements shall extend to the SBP feedstock or biomass.</i></p>
<p><b>Description of Non-conformance and Related Evidence:</b></p>	
<p>SBP documented procedure considers two FSC claims for input material – FSC 100% and FSC Controlled Wood, and correspondingly, same FSC claims for the output material. At the moment of SBP assessment, two types of the material are used by BP in pellet production – certified (FSC 100%) and non-certified, and this is described in FSC CoC procedure. At the same time, FSC CoC procedure does not include any references to FSC Controlled Wood inputs and outputs. The procedure of physical segregation of FSC-certified and non-certified material, or segregation of FSC 100% and FSC Controlled Wood material is also not described. During onsite inspection of the production it was observed that the piles of certified and non-certified secondary feedstock are stored very close to each other (app. 6 meters distance) and risk of mixing is extremely high.</p>	
<p><b>Timeline for Conformance:</b></p>	<p>Prior to (re)certification</p>
<p><b>Evidence Provided by Company to close NC:</b></p>	<p>- Revised FSC CoC documented procedure            - Evidence of physical segregation:  <a href="https://photos.google.com/share/AF1QipOImYF8CzIWg7LhLozyBCWlJml51wN1i4t3mfzavJZMYVBrUF_TejnMikWA2sE5hA?key=M0x4dmV0dGhIU2hVeVZ1QXRvdtZwcINKUEZfx2Fn">https://photos.google.com/share/AF1QipOImYF8CzIWg7LhLozyBCWlJml51wN1i4t3mfzavJZMYVBrUF_TejnMikWA2sE5hA?key=M0x4dmV0dGhIU2hVeVZ1QXRvdtZwcINKUEZfx2Fn</a></p>
<p><b>Findings for Evaluation of Evidence:</b></p>	<p>Prior to report finalization, the organisation had:</p> <ul style="list-style-type: none"> <li>- Revised FSC documented procedure to incorporate FSC Controlled Wood and Controlled Material</li> <li>- implemented corrective action by setting up a warehouse for physical separation because, at the audit time, the construction of warehouse is not completed. (Refer videos and photographs provided, link given above.)</li> </ul> <p>The Management Representative explained that the Organisation’s understanding of how procedures should be arranged was that all information relating to FSC Controlled Wood and controlled material should be included in the DDS; with no mention of these in the FSC CoC procedure. Once the Organisation’s consultant explained the requirements, staff made appropriate changes to the documentation, including adding in details of FSC Controlled Wood and controlled material to the FSC CoC procedure.</p> <p>The root cause of the physical separation issue at the warehouse was that the warehouse construction was incomplete at the time of the audit; but was subsequently completed and able to be visualised via the video provided.</p>

	Based on the evidence provided by the Organisation, it was concluded that the Organisation had addressed the root cause and taken appropriate corrective actions to close the non-conformity.
<b>NC Status:</b>	<b>CLOSED</b>

*Observations raised during this assessment:*

<b>NC number 01/20</b>	<b>NC Grading: Observation</b>
<b>Standard &amp; Requirement:</b>	SBP Standard 4, p 5.3.1 All requirements of the relevant chain of custody control system specified in the SBP-approved CoC system shall be implemented to calculate outputs.
<b>Description of Non-conformance and Related Evidence:</b>	
BP has different types of the feedstock inputs for pellet production (primary, secondary and pre-consumer tertiary). It is recommended to establish conversion factors separate for different types of the feedstock inputs for pellet production.	
<b>Timeline for Conformance:</b>	Other
<b>Evidence Provided by Company to close NC:</b>	Pending
<b>Findings for Evaluation of Evidence:</b>	Pending
<b>NC Status:</b>	<b>OPEN</b>

<b>NC number 02/20</b>	<b>NC Grading: Observation</b>
<b>Standard &amp; Requirement:</b>	SBP Standard 2, p 15.7 Relevant personnel shall be informed promptly of any changes to management systems.
<b>Description of Non-conformance and Related Evidence:</b>	
During the interviews it could be noticed by auditor that some of the staff members were not completely familiar with some aspects of SBP certification which would be applicable to them – for example, SBP trademark approval process and EUTR. It is recommended to inform promptly Organisation's staff members of any changes to management systems, applicable to them.	
<b>Timeline for Conformance:</b>	Other
<b>Evidence Provided by Company to close NC:</b>	Pending
<b>Findings for Evaluation of Evidence:</b>	Pending
<b>NC Status:</b>	<b>OPEN</b>

# 11 Certification decision

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

<b>Certification decision:</b>	Certification approved
<b>Certification decision by (name of the person):</b>	Olesja Puiso
<b>Date of decision:</b>	09/Nov/2020
<b>Other comments:</b>	The assessment is conducted as desk as per SBP COVID19 guide. Next evaluation needs to be done within 6 month from this assessment closing day.