



# NEPCon Evaluation of UAB “Pusbroliai” Compliance with the SBP Framework: Public Summary Report

First Surveillance 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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Current report completion date:	04/Dec/2020
Report authors:	Gerimantas Gaigalas
Name of the Company:	UAB "Pusbroliai"
Company contact for SBP:	Ruta Gaber, Material origin specialist
Certified Supply Base:	sourcing from Lithuania, Latvia, Belarus. Material received through SBE: primary and secondary feedstock from Lithuania.
SBP Certificate Code:	SBP-07-39
Date of certificate issue:	09/Dec/2019
Date of certificate expiry:	08/Dec/2024

This report relates to the First Surveillance Audit

## 2 Scope of the evaluation and SBP certificate

Production of biomass (wood chips) for use in energy production at the place of supplier. The Organization holds mobile machines, which come to the place of harvest or the place of secondary or tertiary supplier and on spot produce biomass from fuel wood, barks, wood chips, sawdust, pallets and skids (post-consumer), twigs with FSC 100% and FSC Mix Credit claims and using the transfer system sells it as SBP compliant or SBP controlled biomass. The organization doesn't have the permanent production site as it uses mobile machines, which produce biomass in the place of harvest or the place of secondary or tertiary supplier. The scope of the certificate includes Supply Base Evaluation with primary and secondary feedstock from Lithuania. The scope of the certificate includes communication of Dynamic Batch Sustainability Data. During the auditing period no tertiary suppliers were used, only primary and secondary suppliers were used with FSC100% claim sourcing only from Lithuania.

Scope description: Production of biomass (wood chips), for use in energy production, at supplier place with mobile chipping machines as well as in central place in Klaipeda, Lithuania and transportation to port of Klaipeda. Dynamic Batch Sustainability Data are included in the scope of the certificate. The scope of the certificate include Supply Base Evaluation.

### 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,
- Review of FSC system control points, analysis of the existing FSC CoC system, evaluation against SBP Standard #4 V1.0;
- Interviews with responsible staff;
- Review of the records, calculations and conversion factors;
- 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;
- Review of implementation of requirements of Instruction Document 5E (v1.1);
- Evaluation of mitigation measures implemented for primary feedstocks;
- Field visits of the primary feedstock supplier;
- 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

SBP-endorsed Regional Risk Assessment for Lithuania, June 2016

Risk assessment is available at SBP homepage <https://sbp-cert.org/documents/standards-documents/risk-assessments/lithuania/>

# 5 Description of Company, Supply Base and Forest Management

## 5.1 Description of Company

UAB "Pusbrolia" is a biomass producer with the office in Klaipėda, Lithuania. The Organization holds mobile machines, which come to the place of harvest or the place of secondary or tertiary supplier and on spot produce biomass from fuel wood, barks, wood chips, sawdust, pallets and skids (post-consumer), twigs with FSC 100% and FSC Mix Credit claims and using the transfer system sells it as SBP compliant or SBP controlled biomass. The organization doesn't have the permanent production site as it uses mobile machines, which produces biomass in the place of harvest or the place of secondary or tertiary supplier. The produced biomass by vehicles are transported to the place of sale points. Biomass (wood chips) is sold through Klaipėda port in Lithuania (under FOB). Production capacity 200,000 – 400,000 tons of biomass. The scope of the certificate includes Supply Base Evaluation with primary and secondary feedstock from Lithuania. During the auditing period no tertiary suppliers were used, only primary and secondary suppliers were used with FSC100% claim sourcing only from Lithuania.

The BP is having FSC transfer system designated in its FSC system. For biomass production only FSC certified material is used (with claim FSC 100% and FSC Mix Credit) from primary, secondary and tertiary suppliers. During this audit the Organization included in the scope FSC Controlled Wood standard FSC-STD-40-005 V3-1 and Supply Base Evaluation with primary and secondary feedstock from Lithuania. The organization has 13 FSC certified suppliers from Lithuanian state forests (under their FSC-FM/CoC certificate), 2 FSC certified suppliers from Lithuanian private forests (under their FSC-FM/CoC certificate), 1 secondary producers from Lithuania. At the moment all suppliers are from Lithuania. The feedstock in the future can contain material from Latvia and Belarus, however it wouldn't be directly purchased but would come and would be verified through supplier declarations and field visits. For this reason, SBR includes Latvia and Belarus. The amount of biomass produced according to FSC transfer system might be sold as SBP-compliant and SBP controlled. Biomass (wood chips) is sold through Klaipėda port in Lithuania (under FOB). After the production, biomass by vehicles are transported to the place of sale points.

In Lithuania wood chips are collected and transported directly from the place of suppliers (after chipping) to the port in Klaipėda and some amount could go from the place of the suppliers through the storage side to Klaipėda ports. The storage site is located only 20 km from the port. The average area where chips are coming from to the storage and port is located within 150 km from the port. 50% of the raw material used for the wood chips comes from non-forest areas (arable land, sides of the roads) and 50% from forests. It is mostly residuals - cuttings and waste wood - that are sourced from forests.



## 5.2 Description of Company's Supply Base

The scope of the Supply Base includes Lithuania, Latvia, Belarus.

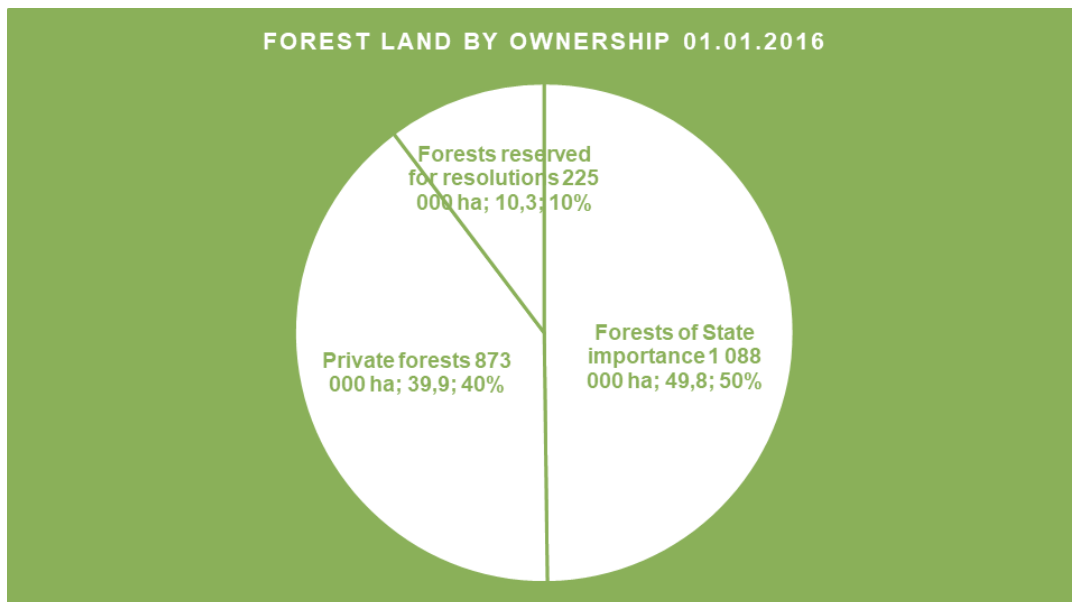
### LITHUANIA

Agricultural land covers more than 50 % of Lithuania. The forested land occupies about 28 % or 2.18 million ha, while the land classified as forest occupies about 30 % of the total land area. The south-eastern part of the country is most heavily forested, and here forests cover about 45 % of the land. The total land area belonged to the State forest enterprises is divided into forest and non-forest land. Forest land is divided into forested and non-forested land. The total value added in the forestry sector (including manufacture of furniture) reached LTL 4.9 billion in 2013 and was 10 % higher than in 2012.

Approximately a half of forest land in Lithuania is owned by the State and managed by 26 regional divisions of State Forest Enterprise and the Directorate General of State Forests. Respectively, around 40 % of forest land is privately owned and the rest 10 % is still reserved for restitution.

All types of cuttings are prohibited in reserves. Clear cuttings are prohibited in national parks, while thinning and sanitary cuttings are allowed there. Clear cutting is permitted, however, with certain restrictions, in protected forests; and thinning as well. Almost no restrictions as to logging methods exist in the forests of commercial category.

Lithuania has signed the CITES Convention in 2001. CITES requirements are respected in forest management, although there are no species included in the CITES lists in Lithuania.



1 chart. Forest land by ownership. Source: Lithuanian State Forest Service

Lithuania is situated within the so-called mixed forest belt with a high percentage of broadleaves and mixed conifer-broadleaved stands. Most of the forests – especially spruce and birch – often grow in mixed stands. Pine forests are the most common type of forests, covering about 38 % of the woodland. Spruce and birch forests account for 24 % and 20 % respectively. Alder forests occupy about 12 % of the forest area, which is a relatively high figure that indicates the moisture level on specific sites. Oak and ash account for about 2 % of the forest area each. The area occupied by aspen stands is almost 3 %.

The growing stock in Lithuanian forests is about 180 m<sup>3</sup> per hectare. In nature stands, the average growing stock in all Lithuanian forests is 244 m<sup>3</sup> per hectare. Total annual growth is almost 11,900,000 m<sup>3</sup> and the average annual wood increase has reached 6.3 m<sup>3</sup> per hectare.

The expected annual logging volume is 5.2 million m<sup>3</sup>, 2.4 million m<sup>3</sup> of which are sawn wood and the remaining 2.8 million m<sup>3</sup> are small dimension wood for production of paper pulp or boards or for using as firewood. The calculations refer to the nearest 10-year period. If more intensive and efficient forest management systems are implemented, successful growth should be achieved.

Sustainable forest management is the overriding objective for forest policy and practise in Lithuania. Certification of all State forests in Lithuania is performed according to the strictest certification system in the world – the FSC (Forest Stewardship Council) certificate. The audit of this certification confirms the fact that Lithuanian State forests are managed responsibly, in compliance with the requirements of protection and conservation of biodiversity. Therefore, forest resources are used responsibly and annual timber harvest rate does not exceed the annual increment. Lithuania's forests produce around 18 million m<sup>3</sup> of stem wood (over bark). Annual fellings do not exceed 60 per cent of gross total annual increment. In May 2019 total FSC Certified Forest Area in Lithuania was 1,170,683 hectares and 349 Chain of Custody Certificates. (FSC Facts & Figures, May 6, 2019).

Sources:

<http://www.fao.org/3/w3722e/w3722e22.htm#TopOfPage>

[http://www.amvmt.lt/images/veikla/stat/miskustatistika/2016/02%20Misku%20ukio%20statistika%202016\\_m.pdf](http://www.amvmt.lt/images/veikla/stat/miskustatistika/2016/02%20Misku%20ukio%20statistika%202016_m.pdf)

FSC Facts & Figures, May 6, 2019

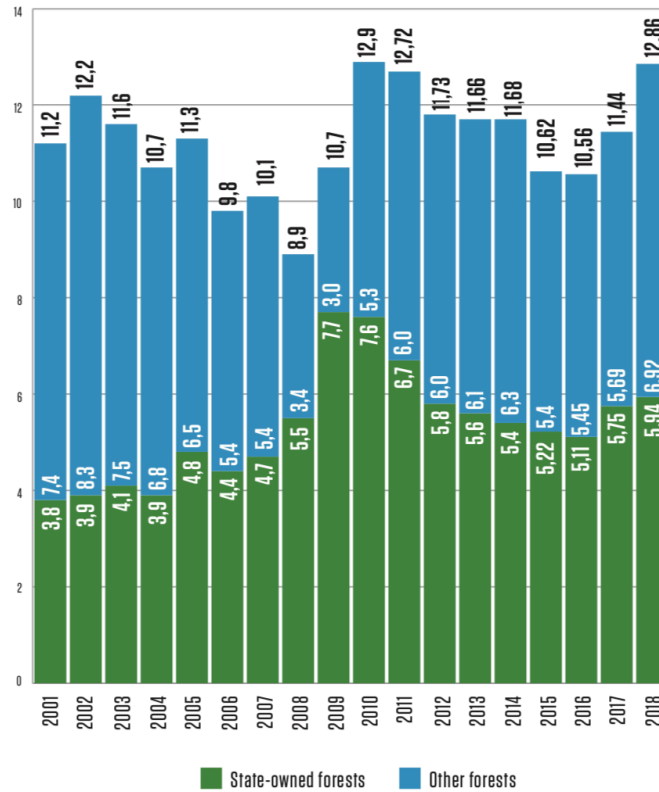
## LATVIA

Latvia has the fourth highest forest cover among all EU countries, surpassed only by Finland (77 %), Sweden (76 %) and Slovenia (63 %). Forests in Latvia take up 3.412 million hectares of land, or 53% of the country's territory. The Latvian state owns around one-half of the country's forests, while most of the rest of the forest belongs to approximately 135,000 private owners. The amount of forestland, moreover, is constantly expanding, both naturally and thanks to afforestation of infertile land and other land that is not used for agriculture.

In 2019, the predominant forest species in Latvia are: Pine 33%, Birch 30 %, Spruce 19%, Grey Alder 7%, Aspen 7%, Black Alder 3 %, Other Species 1%. (State Forest Service data in Latvian Forest Sector in Facts & Figures 2020, published by the Ministry of Agriculture: [https://www.zm.gov.lv/public/ck/files/ZM/mezhi/skaitlifakti\\_ENG20.pdf](https://www.zm.gov.lv/public/ck/files/ZM/mezhi/skaitlifakti_ENG20.pdf))

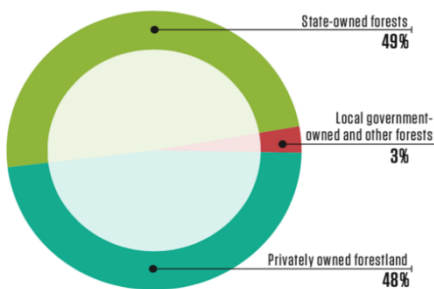
An average of approximately 11 million m<sup>3</sup> of timber have been harvested each year in Latvia's forests during the past decade. That is less than the annual increment, and so forestry in Latvia can be described as sustainable. (State Forest Service data in Latvian Forest Sector in Facts & Figures 2020, published by the Ministry of Agriculture: [https://www.zm.gov.lv/public/ck/files/ZM/mezhi/skaitlifakti\\_ENG20.pdf](https://www.zm.gov.lv/public/ck/files/ZM/mezhi/skaitlifakti_ENG20.pdf))

Timber Production (Million m<sup>3</sup>)



### Ownership

The Latvian state owns around one-half of the country’s forests, while most of the rest of the forest belongs to approximately 135,000 private owners. Forest ownership by status, 2019 (State Forest Service).



### Management practices

The forest sector in Latvia is under the supervision of the Ministry of Agriculture. It works with stakeholders to draft forest policies, development strategies for the sector, as well as regulations on forest management, the use of forest resources, environment protection and hunting. [www.zm.gov.lv](http://www.zm.gov.lv). The State Forest Service, under the Ministry of Agriculture, is the responsible agency for supervising how the provisions of the laws and

regulations are observed in forest management irrespective of the ownership type. [www.vmd.gov.lv](http://www.vmd.gov.lv). State-owned forests are managed by Stock Company “Latvian State Forests”, which was established in 1999. It implements the state’s interests in terms of preserving and increasing the value of the forest and enhancing the contributions of the forest to the national economy.

Limitations on economic activity apply to 28,2% of Latvia’s forests at this time, and most of this territory is owned by the state. 683 especially protected environmental territories have been set aside to protect nature. Many are included in the unified and pan-European NATURA 2000 network of protected territories.

There are various restrictions on economic activity in the specially protected areas, ranging from a complete ban on forestry throughout the calendar year to a ban on tree felling in certain months of the year or on specific conditions for felling. Overall, in around 13.5% of Latvia’s forests there are some form of forest management restrictions in place, in 3.4% of these areas all forest management activities are prohibited.

Due to the dramatic increase in forest cover in the last 100 years, the current proportion of old-growth forests in Latvia is low and as such, a major challenge of forest conservation in Latvia is to ensure that such old-growth forests and features are protected and allowed to develop. [www.lvm.lv](http://www.lvm.lv)

According to the State Forest Service data, the total growing stock volume was 682 million m<sup>3</sup> in 2019. Latvian forest land consists of:

#### **Forest land consists of:**

- Forests 3.04 mln. ha (90.6%);
- Marshes 0.17 mln. ha (5.1%);
- Glades 0.031 mln. ha (0.9%);
- Flooded areas 0.017 mln. ha (0.5%);
- Objects of infrastructure 0.081 mln. ha (2.4%);
- Other forest land 0.017 mln. ha (0.5%).

State Forest Services: [vmd.gov.lv](http://vmd.gov.lv), 2019.

#### **The field of forestry**

In Latvia, the field of forestry is supervised by the Ministry of Agriculture, which in cooperation with stakeholders of the sphere develops forest policy, development strategy of the field, as well as drafts of legislative acts concerning forest management, use of forest resources, nature protection and hunting ([www.zm.gov.lv](http://www.zm.gov.lv)). Implementation of requirements of the national law and regulations notwithstanding the type of tenure is carried out by the State Forest Service under the Ministry of Agriculture (State Forest Services: [www.vmd.gov.lv](http://www.vmd.gov.lv)). Management of the state-owned forests is performed by the *Joint Stock Company “Latvia’s State Forests”*, 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 ([www.lvm.lv](http://www.lvm.lv)).

Export yielded 2,645 billion euro (approx. 21% of all exports in 2018).

#### **Socio-Economic setting**

According to the Latvian Ministry of Agriculture, the forest sector is one of the cornerstones of the national economy at this time. Forestry, wood processing and furniture manufacturing represented 5,1% of GDP in 2018, while exports amounted to EUR 2,645 billion – 21% of all exports. There is no parish in Latvia with no

larger or smaller wood processing company. Often these are the most important employers in the surrounding area, thus being the main pillar of support for local economies and residents.

The forest industry has always been Latvia's export leader. About 71 % of forestry-sector output is exported. The foreign trade balance of the Latvian woodworking industry is positive, having reached EUR 1.7 billion in 2018. In 2018, the value of forest product exports was EUR 2.645 billion, 17 % higher than in 2017, while the value of forest products import was EUR 939 million. The main export destinations traditionally are the EU countries: the United Kingdom, Germany, and Sweden that together account for more than 40% of Latvia's wooden product exports.

### **Biological diversity**

In historical terms, the intensive use of Latvia's forests for economic purposes began comparatively later than in many other European countries, and that has allowed us to preserve extensive biological diversity. Limitations on economic activity apply to 28,2% of Latvia's forests at this time, and most of this territory is owned by the state. 683 especially protected environmental territories have been set aside to protect nature. Many are included in the unified and pan-European NATURA 2000 network of protected territories.

In order to protect highly endangered species and biotopes located without the designated protected areas, if a functional zone does not provide that, micro-reserves are established. In 2018, the State Forest Service has established and maintained 2417 micro-reserves in forest lands with a total area of 43.7 thousand. ha, of which 91% of micro-restricted areas are in state forests, 7% - in private forests and 2% - in municipal forests. Identification and protection planning of biologically valuable forest stands is carried out continuously.

Moreover, there are national laws in place designed for the preservation of biological diversity and general nature protection requirements must be followed during the forest management activities. These are binding to all forest managers. These requirements stipulate that selected old and large trees, dead wood, underwood trees and shrubs, land cover around wet micro-lowlands (terrain depressions) are to be preserved at felling, thus providing habitat for many organisms.

Latvia has been a signatory of the CITES Convention since 1997. CITES requirements are respected in forest management, although there are no species included in the CITES lists in Latvia.

### **Forest and community**

Areas where recreation is one of the main forest management objectives add up to 8 % of the total forest area or 272 960 ha (2019). 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.

### **Certification**

All forest area of Latvijas Valsts Meži as well as some part of forests in private and other ownership are FSC or PEFC certified. From a total forest area of 3.412 million hectares more than a half of Latvian forest areas have been certified according to FSC or PEFC certification scheme. Both the FSC and PEFC systems have found their way into Latvia.

#### Conservation CITES or IUCN species

Species	CITES status	IUCN classification
Oak ( <i>Quercus robur</i> )	Not on the list	Least concern (LC)
Oak ( <i>Quercus petraea</i> )	Not on the list	Least concern (LC)
Other CITES / IUCN registrations	<p>Accession 1997</p> <p><a href="https://cites.org/eng/cms/index.php/component/cp/country/LV">https://cites.org/eng/cms/index.php/component/cp/country/LV</a></p> <p>Other CITES species are present but do not include softwood or deciduous trees which are threatened.</p> <p>Full list:</p> <p><a href="http://checklist.cites.org/#/en/search/country_ids%5B%5D=196&amp;cites_appendices%5B%5D=I&amp;cites_appendices%5B%5D=II&amp;cites_appendices%5B%5D=III&amp;output_layout=alphabetical&amp;level_of_listing=0&amp;show_synonyms=1&amp;show_author=1&amp;show_english=1&amp;show_spanish=1&amp;show_french=1&amp;scientific_name=Plantae&amp;page=1&amp;per_page=20">http://checklist.cites.org/#/en/search/country_ids%5B%5D=196&amp;cites_appendices%5B%5D=I&amp;cites_appendices%5B%5D=II&amp;cites_appendices%5B%5D=III&amp;output_layout=alphabetical&amp;level_of_listing=0&amp;show_synonyms=1&amp;show_author=1&amp;show_english=1&amp;show_spanish=1&amp;show_french=1&amp;scientific_name=Plantae&amp;page=1&amp;per_page=20</a></p>	<p>Common Ash (<i>Fraxinus excelsior</i>) – Near Threatened</p> <p><a href="https://www.iucnredlist.org/species/203367/67807718">https://www.iucnredlist.org/species/203367/67807718</a></p> <p>Full list</p> <p><a href="https://www.iucnredlist.org/search?andRegions=LV&amp;searchType=species">https://www.iucnredlist.org/search?andRegions=LV&amp;searchType=species</a></p>

## BELARUS

All forests in Belarus are in exclusive property of the State. The total area of forest fund is 9,582 million ha of which 8,26 million ha are covered by forest lands. The percentage of forest cover in Belarus reached 39,8%. The total stock of timber is 1796 million m<sup>3</sup>, including ripe and overripe stands which comprise over 296 million m<sup>3</sup>.

As a result of conscious efforts on forests' reproduction, during the last 60 years the area covered by forest has doubled and reached its highest value for more than 100-year period. This increase is a result of both natural processes and afforestation of barren lands unsuitable for farming industry. In Belarus along with increase of total area of forest lands, one could witness a sustainable growth of ripening, ripe and overripe stands. The share of ripe and overripe forests is 14,7%. Average age of stands is over 56 years.

In Belarus the main principles of forest managements are based on the following regulatory documents:

- State-run program for 2016-2020 “Belarus forest”
- National strategy on sustainable development of the Republic of Belarus
- Forest Code of the Republic of Belarus.

28 tree species and about 70 species of bushes grow in Belarus. The most widespread are: Scots pine - 50.3%, Birch - 23.2%, European spruce - 9.2%, Black alder - 8.5%, Oak - 3.4%, Aspen - 2.1%

There are two types of forest lands depending on accomplished functions: first and second groups. The first group comprises specially protected nature conservation areas (about 52%), and the second one – exploitable forests for timber harvesting (48%). In accordance with the legislation of the Republic of Belarus all forest lands are in state property and assigned to state forestry enterprises for use. The forest use in Belarus is based on the principle of continuity and sustainability.

Average annual timber harvesting value is about 18 million m<sup>3</sup>, which include:

- final felling (mature timber) – 40%
- cleaning cuttings and sanitary felling (young, middle-aged and ripening stands – 48%)
- other cuttings – 12%.

The main conditions of forests’ exploitation are the procurement of forest reproduction and protective afforestation. In 2018 the forest reproduction and afforestation were carried out at the total area of 41,82 thousand ha, including such measures as planting of new forests (about 34,8 thousand ha).

According to the forest legislation of the Republic of Belarus, the endangered species and the places of their habitation included in the Red List are to be protected during timber harvesting processes. In the supply

base CITES do not grow. The cutting of valuable, endangered and specially protected tree species is strictly prohibited.

There are two preserved areas at the territory of Republic of Belarus

- Berezinsky Biosphere Reserve (85.2 thousand ha) and Polesie State Radioecological Reserve (216,1 thousand ha) and four national parks - Belovezhskaya Pushcha (152,962 thousand ha), Braslav Lakes (69,115 thousand ha), Narachanski National Park (93,3 thousand ha) and Prip'yatsky National Park (85,841 thousand ha) as well as 334 forest Republic and local reserves and 874 monuments of nature.

The forest certification is an effective tool against illegal cuttings and illegal circulation of timber.

There two schemes of forest certification implemented in the Republic of Belarus: FSC (Forest Stewardship Council) and PEFC (Programme for the Endorsement of Forest Certification).

As of 1st of January 2019, 96 forest management units (98,5% of total forest fund that belongs to the Ministry of Forestry) is certified in accordance with the requirements of Forest Stewardship Council (FSC). 93 forest management units (95 % of total forest fund that belongs to the Ministry of Forestry) is certified in accordance with the requirements of PEFC (Programme for the Endorsement of Forest Certification).

In Belarus timber industry comprises of forest management (13,5%), processing of timber (69,5%) and paper-pulp industry 16,4%). Timber processing is one of the largest manufacturing sectors in Belarus Republic

and has a share of about 2% from the whole processing sector in Belarus Republic. Timber industry in Belarus makes approximately 1,1% of gross domestic market. Timber-based products are exported to about 30 world countries.

Source: Ministry of Forestry of Republic of Belarus

PRB industry is engaged in the production of cylindrical products. Processing residues (wood chips and sawdust) are used for the production of wood pellets. Roundwood for main production comes from the sanitary felling in the forest fund of Belarus Republic.

## 5.3 Detailed description of Supply Base

For biomass production only FSC certified material is used (with claim FSC 100% and FSC Mix Credit) from primary, secondary and tertiary suppliers. At the moment the organization has 13 FSC certified suppliers from Lithuanian state forests (under their FSC-FM/CoC certificate), 2 FSC certified suppliers from Lithuanian private forests (under their FSC-FM/CoC certificate) and 1 secondary producer from Lithuania. All suppliers are from Lithuania. During the auditing period no tertiary suppliers were used, only primary and secondary suppliers were used with FSC100% claim sourcing only from Lithuania.

Total Supply Base area (ha): Latvia 3,05 mill. Lithuania 2, 17 mill Belarus 7,894 mill.

Tenure by type (ha): Latvia 2,65 mill. state forests; 2,63 mill. private forests. Lithuania 238 000 ha forests reserved for restitution, 858000 ha private forests, 1,08 1mill. ha forest state forest; Belarus 7,894 mill. ha state forests privately owned/public/community concession

Forest by type (ha): all boreal forests

Forest by management type (ha): 13,114 million ha managed semi-natural

Certified forest by scheme (ha): FSC, total certified area 1,140 million ha (FSC), 1,020 million ha (PEFC)

Number of suppliers: 16

SBP-compliant Primary Feedstock: 94% (~15 suppliers, as FSC 100%)

SBP-controlled Primary Feedstock: 0%

SBP-compliant Secondary Feedstock: Chips 6% (~1 supplier, as FSC 100%)

SBP-compliant Secondary Feedstock: Sawdust, barks 0%

SBP-controlled Secondary Feedstock: 0%

SBP-compliant Tertiary Feedstock: 0% Post consumer old pallets (Post consumer)

SBP non-compliant Feedstock: 0%

Species *Picea abies* (L.) H. Karst.; *Pinus sylvestris* L.; *Alnus glutinosa* (L.) Gaertn.; *Alnus incana* (L.) Moench; *Populus tremula* (L.); *Betula pendula* (Roth); *Betula pubescens* (Ehrh.)

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

<https://pusbroliai.eu/biokuras/> (both Lithuanian and English versions)



## 5.4 Chain of Custody system

The Organisation holds valid FSC Chain of Custody NC-COC/CW-014491 certificate covering office and mobile production process of biomass. The Organisation is certified since November 13, 2019. During this audit the Organization included in the scope FSC Controlled Wood standard FSC-STD-40-005 V3-1. The Organization holds mobile machines, which come to the place of harvest or the place of secondary or tertiary supplier and on spot produce biomass from fuel wood, barks, wood chips, sawdust, pallets and skids (post-consumer), twigs with FSC 100% and FSC Mix Credit claims and using the transfer system, sells it as SBP compliant or SBP controlled biomass. The BP is having FSC transfer system designated in its FSC system. For biomass production only FSC certified material is used (with claim FSC 100% and FSC Mix Credit) from primary, secondary and tertiary suppliers. Tertiary feedstock (pallets and skids) doesn't come with the claim but is controlled according to FSC standard for reclaim material FSC-STD-40-007 V2-0 and is classified as post-consumer. After it is processed by mobile machines on the side of the supplier, it comes as wood chips. The amount of biomass produced according to FSC transfer system might be sold as SBP-compliant and SBP controlled. During the auditing period no tertiary suppliers were used, only primary and secondary suppliers were used with FSC100% claim sourcing only from Lithuania.

## 6 Evaluation process

### 6.1 Timing of evaluation activities

The annual surveillance audit has been conducted as partial remote audit as per SBP Covid-19 guidelines (COVID-19: Normative Requirements, 22 April 2020). The office audit has been conducted remotely via skype meeting with responsible persons at the BP, but field work was conducted on-site. The annual surveillance audit has been conducted in several phases: the opening meeting was conducted on November 16 and the office audit was conducted remotely on November 17. Field work on verification of risk mitigation measures continued November 16 (observing BP practice in implementing the risk mitigation measures). Annual surveillance audit concluded with closing meeting on November 23 that was held remotely via Skype meeting with responsible persons at the BP.

3,5-man days in total were used for the annual audit, including 1 day for field work (supplier audit at the FMU level), including inspection of site and 2,5 days for office work (onsite work via remote meeting) and documented evidence review.

Activity	Location	Auditor(s)	Time
Stakeholder consultation sending out	NEPCon office	GG	06.10.2020 9.00 – 11.00
Energy use calculations review	NEPCon office	GG	09/11/2020 9.00 – 12.15
Documents and procedures review (SBR, SBP procedures)	NEPCon office	GG	11/11/2020 13.00 – 16.45
Opening meeting*	Remote (via Skype)	GG, AL	16.011.2020 9.00- 9.30
SBE system review, evaluation of compliance to SBP Standards #1 and #2. Interview with responsible person for SBP SBE system: Material origin specialist.  Review of SBP and SBP SBE documentation, documented procedures and the Supply Base Report;  Review of SBP Risk Assessment, mitigation measures, implementation	Remote (via Skype)	GG, AL	16.11.2020 9.00- 12.30  Lunch break: 12.30-13.00

of Supplier Verification Program. Stakeholder consultation process review			
GHG calculation review, collection and communication of energy and carbon data Evaluation of the open non-conformances Chain of custody system review, Review of the documented procedure Evaluation of BP's risk mitigation measures for suppliers of secondary feedstock DTS system and transaction verification, Credit system verification	Remote (via Skype)	GG, AL	17.11.2020 9.00- 17.00 Lunch break: 12.30-13.00
Evaluation of BP's practices in sourcing of primary feedstock within the SBE system and risk mitigation measures( H&S and HCV)	Forests and feedstock sourcing areas in Telsiai region: Supplier audit: primary feedstock suppliers evaluation of WKH and H&S risk mitigation measures in logging site. Witness audit of H&S inspection for one of the primary feedstock suppliers:	GG	16.11.2020 13:00-16:00
Resolving of remaining issues, questions, interview to responsible person	Remote (via Skype)	GG, AL	28.05.2020 16:00-16:30
Closing meeting	Remote (via Skype)	GG	23.11.2020 10:30-11:00

## 6.2 Description of evaluation activities

Annual surveillance audit was carried out as partial remote audit as per Covid-19 guidelines. Office audit was conducted as remote audit to office (including document verification and interview with involved staff) and was conducted using Skype communication platform. Field inspections to primary feedstock suppliers (H&S and HCV risk mitigation) took place as onsite audit in the forest. Audit to supplier of secondary processor was not undertaken due to Covid-19 pandemic restrictions in the country. The annual surveillance audit took place on November 16,17 and the documentation review on November 9,11 as well as the closing meetin on November 23 of the year 2020.

The annual surveillance audit has been conducted as partial remote audit as per SBP Covid-19 guidelines (COVID-19: Normative Requirements, 22 April 2020). The office audit has been conducted remotely via skype meeting with responsible persons at the BP, but field work was conducted on-site. The annual surveillance audit has been conducted in several phases: the opening meeting was conducted on November 16 and the office audit was conducted remotely on November 17. Field work on verification of risk mitigation measures continued November 16 (observing BP practice in implementing the risk mitigation measures). Annual surveillance audit concluded with closing meeting on November 23 that was held remotely via Skype meeting with responsible persons at the BP.

Audit started with a small opening meeting attended by the management team of the biomass producer - Material origin specialist and the Supplier manager.

The lead auditor introduced the auditing team, provided information about audit plan, methodology, changes in the audit methodology due to SBP Covid-19 guidelines and clarified the organization's approach in conducting the audit within the SBP guidelines, confidentiality issues, and assessment methodology and clarified verification scope. Lead auditor explained the aim and objectives of the annual audit, informed about the evaluation process, underlined the need to collect objective evidence through a combination of document review, site visits, interviews and discussions, explained the essence and importance of sampling aspect of the auditing, particularly in remote audit process. Underlined that NCRs are an expected part of the process designed to help the organization strengthen its procedures and processes. Informed about the procedure of complaints. Discussed and confirmed the audit itinerary provided in the audit plan, submitted to the BP before the audit. After the opening meeting, the planning of field inspections and choosing of the suppliers for field inspections took place.

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

All SBP related documentation connected to the SBP as well as FSC CoC/ CW system of the organisation, including SBP Procedures, GHG data calculations/ data sheet, Supply Base Reports and GHG data sheet, and FSC system description were reviewed and discussed with responsible person(s).

In the second half of the 1 day the auditor focused on visiting primary feedstock supplier, accompanied with representative of the BP.

Auditor visited primary supplier and observed the process of supplier audit and evaluated risk mitigation actions undertaken by the organization in relation to specified risks related to Health & Safety and WKH. CB witnessed the audit of the BP primary supplier and at the same time doing their own independent evaluation of the supplier. Auditor inspected the ongoing logging site of BP's primary supplier and doing their own independent evaluation of the supplier. The CB carried own, independent evaluation to verify the correctness of the mitigation measures implemented.

### **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 origin and mixing.

#### *Geographical area:*

BP sources the primary feedstock within the SBE from Lithuania– so one geographical area is within the SBE;

*Type of the operations and activities:*

The SBE covers sourcing of primary and secondary feedstock. Therefore, at least one primary feedstock supplier should be visited in Lithuania. As the Organization used only 1 secondary supplier and the field verification audit was already done by BP (the verification audit report was checked by auditor), it was decided not to do jointly the verification audit for this supplier. In addition, this supplier just 2 weeks ago was audited by the same auditor on side and it was confirmed that the origin stated in declaration and verified by the Organization is correct.

The Organization during the field verification checks the suppliers list and tracks back of the delivery to contractors, who cut the forest. Most of feedstock of the secondary suppliers comes directly from state forests where no risks of WKH and H&S is present. For feedstock coming from private forest the Organization based on sample method checks if the contractor for each delivery is known and using official database check if the feedstock comes not from WKH. H&S requirements were controlled by the Organization before the audit. The act was reviewed by auditor. In addition the auditor during the audit conducted field verification in order to see how the Organization check H&S requirements. It was confirmed that it is done properly covering all H&S issues.

*Risk related to origin related risks and risk of mixing:*

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

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 WKH and checking for Health and Safety issues in logging works

To evaluate the risk mitigation measures implemented by BP for RA Lithuania indicator 2.1.2, the sampling and interview with responsible person was done. The risk mitigation measures for this indicator included only documentation checking and database review and allows to check if the material comes from WKH. For this auditor reviewed the BPs risk mitigation records and selected purchase and origin documentation. To evaluate the risk mitigation measures implemented by BP for SBP RA Lithuania indicator 2.8.1, at least one ongoing harvest site should be visited.

Decision of NEPCon auditor on FMU sampling:

Taking into account all considerations mentioned above, it was decided to visit:

At least one primary supplier with ongoing logging operation to evaluate conformance with health and safety requirements. In addition to this, auditors reviewed BP records of risk mitigation measures done by the Organization before the audit.

**Auditor team composition:**

Auditor(s), roles	Qualifications
Gerimantas Gaigalas  Lead auditor Evaluation against all applicable requirements	He has Master 's degree on Forestry (graduated in Lithuanian Academy of Agriculture), BSc degree in Law and Master 's degree in International Law (graduated in University of Mykolas Romeris) and diploma in programming (Electronic College in Vilnius). He has experience leading the International Relations and Agreements Division in the Ministry of Environment as well as experience working in United Nations Development Programme (UNDP) Papua New Guinea regional office and Institute of Environment

	Sustainability of EU Commission in Italy. Gerimantas has successfully passed Forest Management and Chain of Custody lead auditor training. Gerimantas is working in UAB "NEPCon LT" as certification manager since 2013. Since 2014 he is implementing PEFC CoC audits, in 2013 completed PEFC CoC auditor training according to the new Chain of Custody standard. In 2016, he got the SBP lead auditor qualification and started to audit according to SBP scheme.
Asko Lust Witness auditor	BSc in Forest Industry, MSC in forest management. Asko is working as forest management and chain of custody auditor in NEPCon. He has passed SmartWood lead assessor training course in Forest Management and Chain of Custody certification. Asko has also passed SBP training and has previous SBP auditing experience. He has conducted over 200 CoC audits/assessments and over 20 FM audits/assessments, earlier work experience from Board of Environment.

Auditors: GG – Gerimantas Gaigalas, AL – Asko Lust

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

Stakeholder consultation was carried out by both the Biomass Producer and the Certification Body. The BP initiated the stakeholder consultation process that began on 18<sup>th</sup> August 2020. 58 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. No comments from the stakeholders were received. For further details see Supply Base Report, section 6.

The stakeholder consultation was carried out by the Certification Body on October 10, 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. No comments from the stakeholders were received.

# 7 Results

## 7.1 Main strengths and weaknesses

Main strengths: all processes have been well documented; main database for material balances is well maintained and all relevant information can be reported. Very simple supply chain.

Weaknesses: No practice in selling SBP certified material during the auditing period.

## 7.2 Rigour of Supply Base Evaluation

UAB Pusbroliai is implementing the Supply Base Evaluation process for primary feedstock originating from Lithuania 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 – Lithuania. 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.

The BP had undertaken implementation of the mitigation measures for individual SBP standard indicators. This mitigation measures were designed in cooperation with external experts.

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 annual audit. 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 audit. All related evidence with regard to GHG calculation and assumptions were provided to auditor.

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

Overall responsible person for implementing SBP is Material origin specialist. SBR was reviewed by the Director. The peer review of SBR was done by Dr. Linas Bužinskas – doctor degree in forestry. No comments received.

Overall responsible person has all required competences, education and work experience from timber and industry sector. Responsible staff have demonstrated sufficient knowledge in relevant fields (checking WKH, health and safety requirements) during the sites visits. Qualification requirements for personnel involved in SBE system are provided in documented procedures of the BP.

According to interviews, review of biomass Material origin specialist's CV and set of procedures and documents that were composed for the SBP system, auditors evaluated the competency of main responsible staff to be sufficient. 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 audit.

## 7.5 Stakeholder feedback

No comments or concerns were received during the Biomass Producer's and CB-s stakeholder notification period that was conducted before the audit.

## 7.6 Preconditions

No open preconditions.



## 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 Lithuania in June 2016. The BP is using the SBP endorsed national risk assessment for Lithuania where risks for each individual indicator have been evaluated. “Specified risk” in the National Risk Assessment have been assigned to indicators 2.1.2 (HCVF category 3 (WKH in private forests) 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)	
	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	Specified	Specified
2.1.3	Low	Low
2.2.1	Low	Low
2.2.2	Low	Low
2.2.3	Low	Low
2.2.4	Low	Low
2.2.5	Low	Low
2.2.6	Low	Low
2.2.7	Low	Low

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

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 Lithuania. The organization has designed and is implementing mitigation measures for 2 indicators evaluated as specified risk (2.1.2 and 2.8.1) during the audit. The BP is also requiring suppliers to take necessary actions – risk mitigation measures to avoid supplying material of “specified risk”.

Indicator 2.1.2 (HCVF category 3, WKH in private forests):

According to the SBP endorsed risk assessment for Lithuania, HCVF category 3 risks are related to Woodland Key Habitats in private forests. The feedstock shall not be sourced from areas of WKH. The BP staff involved in sourcing of primary feedstock within the SBE had undergone a training for using the official websides and geoportal information in order to check of existence of WKH in relation to areas of coming material. Every source of primary feedstock shall be checked for presence of WKH by verifying the database or geoportal information based on origin and transportation documents. In case the material is coming from WKH, the supplier is notified, the material is not accepted.

The audit and review of purchase documents, the interview with responsible person and the checking on sample method the WKH database and geoportal information showed that responsible staff demonstrated knowledge on how to identify WKH by using the public sources database and geoportal. 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.

NC number 01/20	NC Grading: Minor
<b>Standard &amp; Requirement:</b>	Standard #2: Verification of SBP-compliant feedstock  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)
<b>Description of Non-conformance and Related Evidence:</b>	
BP has compiled Supply Base Report (SBR) using the latest available template at the time of the audit. However, some small discrepancies and insufficient information were found in the report. In section 2 under the Quantification of the Supply Base the figures of the points l), m), and n) were not correct; section 4.4 1 as well as all sections under 8 related to Supplier verification program were described incorrectly. In addition, the description of Mitigation measures under the section 9.1 required more details and clarity.	
<b>Timeline for Conformance:</b>	By the next surveillance audit, but no later than 12 months from report finalisation date
<b>Evidence Provided by Company to close NC:</b>	Updated SBR in Lithuanian and English
<b>Findings for Evaluation of Evidence:</b>	The root causes analyses were done by the BP and the corresponding measures have been implemented. During the writing of the report, the client sent updated SBR in Lithuanian and English versions. Small discrepancies and insufficient information identified during the audit (under section 2, 4.4.1, 8 and 9.1 were corrected.
<b>NC Status:</b>	Closed

NC number 01/19	NC Grading: Minor
<b>Standard &amp; Requirement:</b>	Standard #2: Verification of SBP-compliant feedstock

	The BP shall record the place of harvesting and the identity of the primary wood processor responsible for the supply of inputs classified as SBP-compliant Secondary Feedstock. (6.2)
<b>Description of Non-conformance and Related Evidence:</b>	
<p>All secondary feedstock suppliers are FSC certified and have supplier agreements. The distance and means of transportation are verified by BP and corresponds to declared origin and the material of secondary suppliers comes from Lithuania (in the future the Organization plans to include material from Latvia as well). The feedstock can contain material from Latvia and Belarus, but not directly purchased. For the moment no material comes from Belarus, but it could come. Supplier list is available. Additionally, to this BP is requesting suppliers to sign supplier origin confirmation agreement. Agreements with the active suppliers are signed. In the SBP procedures it is foreseen that once per year the BP conducts suppliers audits in order to check the origin. During the audit one supplier verification audit was done of the supplier UAB "Vara". The supplier is FSC certified and suppliers' chips with FSC100% claim. The supply base and origin were confirmed checking its suppliers list and purchase documentation (delivery notes, transportation documents and cutting licenses) and proved the supply area is Lithuania and Latvia. However, out of 13 secondary suppliers, only 7 supplier verification audits, were conducted before assessment. The supplier audits for remaining secondary feedstock suppliers, were not done yet, but only planned during this year. Considering that the origin was not yet confirmed and demonstrated for all secondary feedstock suppliers, the auditor decided to rise minor non-conformance.</p>	
<b>Timeline for Conformance:</b>	By the next surveillance audit, but no later than 12 months from report finalisation date
<b>Evidence Provided by Company to close NC:</b>	List of SBP suppliers, SBP procedures, Field verification record, Supplier declaration
<b>Findings for Evaluation of Evidence:</b>	<p>The root causes analyses were done by the BP and the corresponding measures have been implemented. Requirement specified in documented procedures of the organization. The responsible person is aware of the requirement to provide the details on primary processors - suppliers of secondary feedstock. The BP shall check this information during audits to suppliers of secondary feedstock. The procedure for supplier verification is outlined in the documented procedures of the organization and is being implemented correctly. 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. BP is requesting suppliers to sign supplier origin confirmation agreement. Agreements with the active suppliers are signed. In the SBP procedures it is foreseen that once per year the BP conducts suppliers audits in order to check the origin. As the Organization used only 1 secondary supplier and the field verification audit was already done by BP (the verification audit report was checked by auditor), it was decided not to do jointly the verification audit for this supplier. In addition, this supplier just 2 weeks ago was audited by the same auditor on site and it was confirmed that the origin stated in declaration and verified by the Organization is correct.</p>
<b>NC Status:</b>	Closed

## 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>	Asko Lust
<b>Date of decision:</b>	04/Dec/2020
<b>Other comments:</b>	