



# NEPCon OÜ Evaluation of NDinamika SIA Compliance with the SBP Framework: Public Summary Report

First Surveillance Audit

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# 1 Overview

Certification Body (CB) Name:	NEPCon OÜ
Primary CB contact for SBP:	Ondrej Tarabus
Primary CB contact email:	otarabus@preferredbynature.org
Audit team leader:	Olesja Puiso
Audit team members:	Ēriks Lidemanis
Name of the Company:	NDinamika SIA
Company legal address:	Bebrulejas iela 3B, Pļaviņu novads, LV-5120 Pļaviņas, Latvia
Company contact for SBP:	Nikolajs Dmanickis
Company contact email:	ndinamika@inbox.lv
Company website:	N/A
SBP Certificate Code:	SBP-07-50
Date of certificate issue:	06 Feb 2020
Date of certificate expiry:	05 Feb 2025
Audit closing meeting date:	03 Mar 2021
Audit cycle:	First Surveillance Audit

## 2 Scope of the evaluation and SBP certificate

Scope Item	Check all that apply to the Certificate Scope	Change in scope (N/A for Assessments)
Primary Activity:	Biomass Producer	<input type="checkbox"/>
Approved Standards:	SBP Standard 2: Verification of SBP-compliant Feedstock; SBP Standard 4: Chain of Custody; SBP Standard 5: Collection and Communication of Data Instruction	<input type="checkbox"/>
Includes Supply Base Evaluation (SBE):	No	<input type="checkbox"/>
Includes communication of Dynamic Batch Sustainability Data (DBSD)	Yes	<input type="checkbox"/>
Includes Group Scheme	No	<input type="checkbox"/>
Products	Pellets	<input type="checkbox"/>

Feedstock types:	Secondary, Other	<input type="checkbox"/>
Feedstock origin (countries):	Latvia, Lithuania, Belarus, Russia	<input type="checkbox"/>
SBP-endorsed Regional Risk Assessments used:	Not applicable	<input type="checkbox"/>
Public link: <a href="https://sbp-cert.org/documents/standards-documents/risk-assessments/">https://sbp-cert.org/documents/standards-documents/risk-assessments/</a>		<input type="checkbox"/>
Chain of custody system implemented:	FSC: NC-COC-021026-88	<input type="checkbox"/>
	Credit	<input type="checkbox"/>

## 2.1 Description of the company

The organization is a biomass trader /producer with an office in Riga and an production site situated in Pļaviņas town, Latvia. The office and the biomass production site are situated in different physical locations (addresses). The scope of activities also include biomass – wood pellet trading – buying SBP certified biomass from suppliers in Republic of Belarus and selling to customers in the European Union within the FSC transfer system. No pellet trade activities are performed so far. The Organisation holds a valid FSC Chain of Custody certificate NC-COC-021026-88, covering sourcing of both FSC certified feedstock – sawdust, low quality wood pellets (refused pellets) as well as sales of both FSC certified feedstock and wood pellets. The organisation sources and supplies secondary feedstock – wood industry residues (sawdust) as well as pellet production waste (low quality pellets) for its production. The feedstock is sourced from a number of suppliers – small and medium sized sawmills in both the Republic of Latvia and the Republic of Belarus. For producing SBP-Compliant production the BP is using FSC certified inputs within the FSC credit system of claims. Non-certified inputs are segregated and processed separately. The origin of feedstock used for biomass production is the Republic of Latvia, Lithuania, Belarus and Russia (Tver region). For biomass drying the organisation is using both sawdust and low quality pellets. BP is implementing the FSC credit system for control of feedstock sourced with FSC claims. For production of FSC certified and SBP-Compliant feedstock the BP is using FSC certified (FSC 100%, FSC Mix Credit) inputs. In case of non-certified feedstock, it is segregated and processed separately. The BP is producing premium class pellets from non-certified inputs for sales in local market also. The BP has some limited pellet storage capacity in the production site. The BP is selling wood pellets on FAS/DAP conditions in Riga Freeport (B Port terminal) port.

## 2.2 Detailed description of the Chain of Custody system

The Organisation holds a valid FSC Chain of Custody certificate NC-COC-021026-88, covering sourcing of both FSC certified feedstock – sawdust; sales of production - wood pellets and sales of pellets as part of trader activity. The scope of organization's FSC chain of custody certificate covers sourcing and sales of both FSC certified and FSC Controlled Wood feedstock (sawdust), low quality pellets (refused pellets) for production of wood pellets and sales of wood pellets as part of trader activity. The organization is sourcing the feedstock from a number of suppliers – small and medium sized sawmills in both the Republic of Latvia and the Republic of Belarus. The BP is operating a pellets production facility for production of premium class and industrial grade pellets. Subcontractor service is not use any longer and production site is overtaken by the BP. For producing SBP-Compliant production the BP is using FSC certified inputs within the FSC credit system. Non-certified inputs are segregated and processed separately. Non-certified feedstock is accepted and is segregated and processed separately. From non-certified feedstock the BP is producing premium grade pellets, whereas FSC certified feedstock is used for producing of FSC certified production – industrial pellets.

### 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 at subcontractor, production site visit;
- -review of FSC system control points, analysis of the existing FSC CoC / CW system;
- -interviews with responsible staff;
- -review of the records, calculations and conversion coefficients;
- -GHG data collection analysis and review of applicable reports, SAR analysis and review;
- -review of the BP's management procedures, including requirements designated in SBP standards Standard #1 V1.0, Standard #2 V1.0;
- -review of updated Supply Base Report;
- -review of the reports and records
- -DTS, sales.

## 4 Evaluation process

### 4.1 Timing of evaluation activities

<i>Audit Level of Effort (LoE)</i>		
<b>Activity</b>	<b>Auditors</b>	<b>Auditor hours</b>
1. Preparation	Olesja Puiso, Eriks Lidemanis	2,0
2. On-site (excl. travel time)	Olesja Puiso, Eriks Lidemanis	8,0
3. Report writing	Olesja Puiso, Eriks Lidemanis	8,0
4. Other	N/A	N/A

<b>Audit Schedule</b>			
<b>Activity</b>	<b>Location</b>	<b>Auditor name</b>	<b>Date/time</b>
<i>opening meeting</i>	remote	ELI, OP	26 Feb 2021/14.00
<i>Document review</i>	remote	ELI, OP	26 Feb 2021/14.20
<i>onsite inspection, CCP review, staff interview, roundrip around production facilities, standard 2,4</i>	Plavinas production site	ELI, OP	02 Mar 2021/12.00

staff interview, review accountancy record and standards 5	accountancy office	ELi, OP	03 Mar 2021/13.00
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Auditor qualification		
Auditor name	Role	Qualification
Olesja Puiso	Audit team leader	Audit team leader std.2,4. Olesja has passed CoC/ FM lead auditor training, PEFC CoC, ISO 140001, SAN and Legal Source training courses. Previous experience in woodworking industry as well as many years of experience within CoC auditing. She has passed the SBP lead auditor training and has participated on several SBP assessments.
Eriks Lidemanis	Audit team leader	Audit team leader. Std.5 Joined NEPCoN in 2017. Holds bachelor's degree from Latvia University of Agriculture Forest Faculty (forest management). Previous work experience in wood processing industry and roundwood measurement. Ēriks has passed the NEPCoN lead assessor training course in FSC Chain of Custody and FSC FM operations and obtained the FSC CoC/FM auditor qualification. And has participated in FM audits in Latvia,Lithuania and Russia. Successfully obtained SBP auditor qualification in 2019 and participated in SBP audits in Latvia

## 4.2 Description of evaluation activities

The surveillance evaluation audit was started as remote evaluation (since conducted during the emergency situation in the country caused by the Covid-19 outbreak). Audit began with an opening meeting attended



by the responsible person – manager. In opening meeting auditors introduced themselves, provided information about audit plan, methodology, auditor qualification, confidentiality issues, and assessment methodology and clarified verification scope. During the opening meeting the auditor explained CB's accreditation related issues and discussed the audit timetable and planned activities. Document review provided by the BP was done within the evaluation. After the first day of the evaluation it was concluded by the auditor team to continue audit as onsite evaluation due to the certification credibility reasons.

After the opening meeting auditor team visited production site. Auditor team reviewed and discussed the overall system for SBP and reviewed all applicable requirements of the SBP standards nr. 2, 4 and 5 and instruction document 5E with regard to sourcing secondary feedstock/ other feedstock (low quality pellets) and the overall management system, 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 were evaluated.

Chain of Custody implementation was reviewed focusing in the Critical Control Points, in particular it was verified reception of the material and it's classification, identification of feedstock origin, production process with the conversion factors associated, mass balance, final product storage and sales. During the process overall responsible person for SBP system and over responsible staff having key responsibilities within the system were interviewed.

During the site tour the following were observed: production processes, including feedstock storage, including machinery for feedstock and pellet handling. Pellet factory staff interviewed and FSC chain of custody system control points analysed (See p.5.4. for the certification scope description).

On March 3, 2021 accountancy office of the Organization – SIA NDinamika was visited to evaluate the remaining SBP certification questions. Auditor team paid a visit to the accountancy office and met with the manager and the accountant. Auditor and auditor in training validated the information contained in the SBP Report on Energy and GHG data and discussed the remaining questions of SBP certification.

After the audit in accountant's office a closing meeting was conducted. Findings of the audit have been summarized and presented to the responsible at the BP – Manager. Audit findings were summarized based on 3 angle evaluation method and were provided to the responsible person.

### **4.3 Sampling methodology**

All BPs sites: production site, production office, accountancy office. During the evaluation credit account data for 2 months were reviewed, all incoming invoices for both biomass used into production and biomass used into the drier was reviewed.

### **4.4 CB stakeholder engagement**

no stakeholder consultation was taking place prior to this surveillance evaluation.

### **4.5 Stakeholder feedback**

see above

## **5 Results**

### **5.1 Main strengths and weaknesses**

Strength: The organization has a small number of staff. No feedstock trans-shipment and handling in port / external storage is in the scope of SBP certification.

Weaknesses: See the Non-conformance Reports for details.

### **5.2 Rigour of Supply Base Evaluation**

*Not applicable, Supply Base Evaluation is not the scope of certificate*

### **5.3 Collection and communication of data**

The organization has compiled emission data in the SBP Energy and GHG report (SAR) as a part of preparation process for the SBP assessment. The data had been compiled prior to the audit and verified and validated at the time of audit. BP uses electricity for pellet production, diesel for feedstock handling and transportation to the pellet plant.

### **5.4 Competency of involved personnel**

In overall, auditor team evaluates the competency of main responsible staff to be sufficient for implementing the SBP system, except the areas identified in the NCR action of the report.

## 6 Review of company's risk assessments

### 6.1 Overview of company's risk assessments and mitigation measures

n/a

### 6.2 Specified risk indicators and mitigation measures

Country/Area	Indicator	Specified risk description	Mitigation measure
N/A	N/A	N/A	N/A

## 7 Non-conformities and observations

NC number NC-000064	NC Grading: Major
<b>Standard:</b>	SBP Standard 2: Verification of SBP-compliant Feedstock
<b>Requirement:</b>	6.3 The BP shall ensure that the place of harvesting is within the defined SB.
<b>Description of Non-conformance and Related Evidence:</b>	
<p>In order to ensure the place of harvesting is within the defined Supply Base, the BP will validate the timber origin in planned supplier audits. According to documented procedures, the BP shall review timber origin documents based on sampling during the on-site audits to suppliers, confirming that “place of harvesting” is within the designated Supply Base. In order to implement this, the BP will complement the existing supply contracts with requirement allowing the BP to conduct a supplier verification audit. See the requirement (section 5) in documented procedures of the organization. (see Exhibit 1) According to information from the responsible person, until the assessment audit the BP had not carried out actions to verify the feedstock origin to make sure the feedstock origin is within the defined supply base. This information according to information from the responsible person has been obtained from the supplier in verbal. The BP is planning to conduct the visits to suppliers with purpose to check the origin of primary material. . Auditor decided to raise a minor NCR 01/20 due to non-confirmed information on the feedstock supply base and missing provisions in feedstock supply contracts allowing the BP to conduct audits with verify the feedstock origin. No evidence was provided by the BP during the surveillance evaluation (2021), NCR is upgraded to major.</p>	
<b>Timeline for Conformance:</b>	Other
<b>Evidence Provided by Company to close NC:</b>	supplier evaluation protocol 3 pcs. supplier origin declaration 7 pcs.
<b>Findings for Evaluation of Evidence:</b>	<p>BP provided additional evidences prior to the report finalization. Beside the fact responsible person confirmed during the BP audit, that no supplier evaluation had been carried out and no supplier declarations are signed, BP provided supplier declarations for sawdust, low quality pellets suppliers from 7 suppliers are signed prior to the CBs audit date. No supplier list is provided, however it is possible to conclude supplier declarations are not available for all suppliers identified during the onsite document verification. In addition to this BP provided also 3 local sawmill supplier verification protocols with the date prior to the BP first CB surveillance evaluation. NCR remain open.</p>
<b>NC Status:</b>	Open

NC number NC-000065	NC Grading: Major
<b>Standard:</b>	Instruction Document 5E: Collection and Communication of Energy and Carbon Data 1.3
<b>Requirement:</b>	3.1.9 An 'SBP Report on Energy and Carbon Data (SREG) for Supplied Biomass for Inland Transport' shall always be completed by BPs and Traders where biomass is supplied using inland transport outside the scope of a Static Data Identifier (SDI). Examples of when this will be required include: - a change of legal ownership occurs outside the scope of a BP's Scope End-point; - a different sea port is used than specified in the SDI; a different route or mode of transport to the sea port is used than specified in the SDI; and/or - the SDI end point is an inland terminal.
<b>Description of Non-conformance and Related Evidence:</b>	
The responsible person is aware of the requirement, but the requirement is not explicitly contained in the documented procedures of the organization. Since the organization is also a trader and the requirement of the standard is applicable to the scope of SBP certificate, a minor NCR 02/20 is raised. No evidence was provided by the BP during the surveillance evaluation (2021), NCR is upgraded to major.	
<b>Timeline for Conformance:</b>	Other
<b>Evidence Provided by Company to close NC:</b>	Updated procedures.
<b>Findings for Evaluation of Evidence:</b>	The requirement is explicitly contained in the documented procedures of the organization. NCR is closed
<b>NC Status:</b>	Closed

NC number NC-000066	NC Grading: Major
<b>Standard:</b>	Instruction Document 5E: Collection and Communication of Energy and Carbon Data 1.3
<b>Requirement:</b>	6.2.2 The BP must inform its CB when a significant change in the operations occurs, resulting in a variation of electricity use or fossil fuel use greater than 25%. Examples may result from a change of production process, a plant refurbishment after an incident, a major change in feedstock used (e.g. use of logs instead of saw mill residues), change of fuel for drying (e.g. fossil fuel instead of biomass) etc. In that case, a new audit shall be required as soon as stable operations have been reached during three (3) consecutive months after the change has occurred.

<b>Description of Non-conformance and Related Evidence:</b>	
the BP does not have procedure in place related to implementing the requirements of the standard. The responsible person is aware of the requirement, however, it is not clear from documented procedures how the requirement of the standard will be implemented. A minor NCR 03/20 raised. No evidence was provided by the BP during the surveillance evaluation (2021), NCR is upgraded to major.	
<b>Timeline for Conformance:</b>	Other
<b>Evidence Provided by Company to close NC:</b>	Updated procedure
<b>Findings for Evaluation of Evidence:</b>	The requirement is explicitly contained in the documented procedures of the organization. NCR is closed
<b>NC Status:</b>	Closed

<b>NC number NC-000067</b>	<b>NC Grading: Major</b>
<b>Standard:</b>	SBP Standard 2: Verification of SBP-compliant Feedstock
<b>Requirement:</b>	15.4 The management system shall identify the personnel responsible for implementing systems and procedures.
<b>Description of Non-conformance and Related Evidence:</b>	
According to information from the responsible person at the BP, there are several staff members involved in maintaining the FSC Chain of Custody and SBP system at both organizations. At the NDinamika responsible personnel are the Manager and the accountant. At the biomass producer (subcontractor – SIA Vagonete) level responsible persons are the Manager, the Production Manager, the Warehouse manager and the Operator. Review of documented procedure (section 2.2.1 – Responsibilities) shows that the documented procedures do not reflect the actual situation in both organizations regarding the involved personnel and responsibilities in relation to SBP system. During the onsite audit the interviewed staff members (Manager, Accountant, Warehouse manager) demonstrated sufficient familiarity with SBP system requirements. Documented procedure “Руководство по системе SBP SIA N DINAMIKA/ VAGONETE SIA” (ver. 2, 26.01.2020) refers to following staff members: Director/CEO, Production manager, Manager for FSC/SBP systems and Quality manager. A minor NCR 05/20 raised. No evidence was provided by the BP during the surveillance evaluation (2021), NCR is upgraded to major.	
<b>Timeline for Conformance:</b>	Other
<b>Evidence Provided by Company to close NC:</b>	Updated procedure
<b>Findings for Evaluation of Evidence:</b>	Updated procedures was provided by BP. Responsibility description section is included in the procedures and is up to date. NCR is closed
<b>NC Status:</b>	Closed

NC number NC-000068	NC Grading: Major
<b>Standard:</b>	SBP Standard 2: Verification of SBP-compliant Feedstock
<b>Requirement:</b>	6.5 The BP shall keep records of the origin of any feedstock supplied with certification claims from either a SBP-approved Forest Management Scheme or a SBP-approved Controlled Feedstock System.
<b>Description of Non-conformance and Related Evidence:</b>	
<p>According to Supply base report information and SAR presented by the Organisation, the BP is sourcing feedstock from Latvia and Belarus. During the audit it was confirmed that BP is buying low quality pellets used into production from Russia. Information about regions in Russia is unknown. According to procedures of the BP, BP will sign origin declaration with all feedstock suppliers and will validate the timber origin in planned supplier audits. According to documented procedures, the BP shall review timber origin documents during the on-site audits to suppliers, confirming that “place of harvesting” is within the designated Supply Base. In order to implement this, the BP will complement the existing supply contracts with requirement allowing the BP to conduct a supplier and sub-supplier verification audit, however during the audit it was identified that BP is not implementing its own procedures and could not in provide sufficient written origin confirmation documents to prove information about the supply base in majority of the cases.</p>	
<b>Timeline for Conformance:</b>	Other
<b>Evidence Provided by Company to close NC:</b>	Supplier audit protocol 3 pcs, supplier origin declaration 7 pcs.
<b>Findings for Evaluation of Evidence:</b>	<p>BP provided additional evidences prior to the report finalization. Beside the fact responsible person confirmed during the BP audit, that no supplier evaluation had been carried out and no supplier declarations are signed, BP provided supplier declarations for sawdust, low quality pellets suppliers from 7 suppliers are signed prior to the CBs audit date. No supplier list is provided, however it is possible to conclude supplier declarations are not available for all suppliers identified during the onsite document verification. In addition to this BP provided also 3 local sawmill supplier verification protocols with the date prior to the BP first CB surveillance evaluation. NCR remain open.</p>
<b>NC Status:</b>	Open

NC number NC-000069	NC Grading: Major
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<b>Standard:</b>	SBP Standard 2: Verification of SBP-compliant Feedstock
<b>Requirement:</b>	6.2 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.
<b>Description of Non-conformance and Related Evidence:</b>	
The BP is sourcing feedstock from producers and traders based in Latvia and Belarus. During the evaluation it was identified that primary wood processor information is missing for number of the traders	
<b>Timeline for Conformance:</b>	Other
<b>Evidence Provided by Company to close NC:</b>	Pellet trader supplier declarations, custom declarations, CMRs, procurement invoices for number of trader suppliers
<b>Findings for Evaluation of Evidence:</b>	Prior to the report finalization , BP provided supplier written confirmation for supply of low quality pellets indicating the primary producer information. During the document review It was not concluded that it is possible to track full supply chain through the delivery documents for all the documents. NCR remains open.
<b>NC Status:</b>	Open

<b>NC number NC-000070</b>	<b>NC Grading: Major</b>
<b>Standard:</b>	SBP Standard 2: Verification of SBP-compliant Feedstock
<b>Requirement:</b>	IN2C; 4.1 The report shall be concise, covering the most important features, and shall be completed using the latest version of the SBR template for Biomass Producers downloaded from the SBP website.
<b>Description of Non-conformance and Related Evidence:</b>	
Presented Supply Base Report does not meet the minimum requirements of SBP. The following gaps are identified: information about supply base and supply base description information is incomplete, wrong information about suppliers, feedstock type, information about the supply base quantification and change in supply base since the previous evaluation.	
<b>Timeline for Conformance:</b>	Other
<b>Evidence Provided by Company to close NC:</b>	Prior to report review BP provided updated SBR



<b>Findings for Evaluation of Evidence:</b>	No evidence was provided by the BP to confirm information mentioned in section 2. 1, 2.4, 2.5 and 13.1.
<b>NC Status:</b>	Open

<b>NC number NC-000071</b>	<b>NC Grading: Major</b>
<b>Standard:</b>	SBP Standard 2: Verification of SBP-compliant Feedstock
<b>Requirement:</b>	1 Background
<b>Description of Non-conformance and Related Evidence:</b>	
sourcing of fuel for biomass drying, the organization is using self produced pellets from sawdust purchased for biomass drying purposes. Saw dusts are supplied by several suppliers. During purchase document verification auditors revealed that from two suppliers/ part of material with FSC claim and part without)) material is purchased without any FSC claim. Thus, it is concluded that the organization's current practice in sourcing woody fuel – saw dusts that do not meet SBP requirements to use at least Controlled feedstock for drying of the biomass.	
<b>Timeline for Conformance:</b>	Other
<b>Evidence Provided by Company to close NC:</b>	Updated procedures
<b>Findings for Evaluation of Evidence:</b>	Before report finalization BP provided updated procedures to certification body. BP updated its procedures with requirement to use at least FSC controlled wood feedstock into the biomass drier. However there is no evidence that the requirement is implemented in real practice. NCR 04/21 remains open.
<b>NC Status:</b>	Open

<b>NC number NC-000072</b>	<b>NC Grading: Major</b>
<b>Standard:</b>	SBP Standard 4: Chain of Custody
<b>Requirement:</b>	5.2.2 Only the following feedstock inputs shall be considered to be SBP-compliant feedstock • Feedstock received with an SBP-approved Forest Management Scheme Claim or SBP-approved recycled claim. • Feedstock sourced from within the BP's defined Supply Base (SB) and for which a valid Supply Base Evaluation (SBE) has determined that all

	<p>the indicators in the SBP Feedstock Compliant Standard are low risk. • Feedstock sourced within the scope of the BP's own SBP-approved Chain of Custody (CoC) System certification, for example, non-certified reclaimed feedstock sourced in compliance with FSC-STD-40-007: FSC Standard for Sourcing Reclaimed Material for Use in FSC. Note: Feedstock received in compliance with SFI Fiber Sourcing requirements is not considered to meet SBP-certified feedstock or Controlled Feedstock requirements. Note: Section 5.2.4 below specifies requirements relating to partial claims. • Post-consumer tertiary feedstock sourced following the requirements of Instruction Note 4A, SBP tertiary feedstock requirements.</p>
<b>Description of Non-conformance and Related Evidence:</b>	
<p>During the review of the incoming material documentation number, in number of the cases BP had accepted material as FSC certified even though the information about certification status, FSC claim or FSC code was missing. During the interviews it was confirmed the reception is done by the production manager and accountant is making double evaluation of the documents. During the interview the production manager confirmed he pays attention to the certification status during the reception, however could not mention obligatory elements of FSC incoming invoices( FSC code and claim).</p>	
<b>Timeline for Conformance:</b>	Other
<b>Evidence Provided by Company to close NC:</b>	Updated purchased documents
<b>Findings for Evaluation of Evidence:</b>	Before report finalization BP provided updated purchase documents to certification body. Provided 2 accurate (supplier updated) FSC procurement invoices. However no evidence the mitigation measures are implemented to ensure implementation of the requirements during the feedstock reception process. NCR 05/21 remains open
<b>NC Status:</b>	Open

<b>NC number NC-000073</b>	<b>NC Grading: Minor</b>
<b>Standard:</b>	SBP Standard 4: Chain of Custody
<b>Requirement:</b>	6.1.4 SBP certificate holders shall comply with all trade and customs requirements including payment of any fees and duties.
<b>Description of Non-conformance and Related Evidence:</b>	
<p>According to information from State Revenue Service (VID) the Organisation is having overdue tax payments as (17.02.2021- 2932,89 Eur, 01.03.2021-7820,10Eur). According to Organisation 2 payments were done in January 2021.</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>	N/A
<b>Findings for Evaluation of Evidence:</b>	N/A
<b>NC Status:</b>	Open

<b>NC number NC-000074</b>	<b>NC Grading: Major</b>
<b>Standard:</b>	SBP Standard 4: Chain of Custody
<b>Requirement:</b>	6.1.2 SBP certificate holders exporting SBP-certified biomass to countries under the scope of the EUTR shall exercise due diligence to ensure that these feedstock do not contain illegally harvested timber.
<b>Description of Non-conformance and Related Evidence:</b>	
Besides the fact to H&S violations were not identified onsite. During the Onsite evaluation responsible person could not provide any documentation (risk assessment, training records, instructions) related to H&S. Responsible person explained that BP had ordered this documentation to be prepared by subcontractor, but it was not prepared due to the sick leave of the service provider.	
<b>Timeline for Conformance:</b>	Other
<b>Evidence Provided by Company to close NC:</b>	H&S Training records
<b>Findings for Evaluation of Evidence:</b>	Before report finalization BP provided H&S training records. The provided evidence are not sufficient to conclude H&S system is in place and contain all elements required by the local legislation. The NCR 07/21 remains open.
<b>NC Status:</b>	Open

<b>NC number NC-000075</b>	<b>NC Grading: Major</b>
<b>Standard:</b>	Instruction Document 5E: Collection and Communication of Energy and Carbon Data 1.3

<b>Requirement:</b>	6.4.1 All feedstock processed by the BP in the Reporting Period for making the biomass product shall be grouped. It should be grouped in a way that makes operational sense to the BP. In the case of multiple transport steps for a Feedstock Group record data by adding one line and merging other columns.
<b>Description of Non-conformance and Related Evidence:</b>	
During the review of SAR auditor discovered that product group: sawdust from Latvia includes pellet production wastes that are imported from Russia. Also for feedstock that is imported from Russia and Belarus BP is stating that for these feedstock groups there is only one transport step. However in reality for both feedstock for transportation are used two steps: railway and road. Information is not explicitly reported in the SAR	
<b>Timeline for Conformance:</b>	Other
<b>Evidence Provided by Company to close NC:</b>	Updated SAR, supplier declaration.
<b>Findings for Evaluation of Evidence:</b>	Before report finalization BP provided updated SAR to certification body. That for feedstock coming from Belarus BP has divided two transport steps( rail and truck) but for feedstock from Russia there is stated only one transport step ( trucks) that is approved with supplier signed confirmation and full chain of transportation documents for single case. NCR is closed
<b>NC Status:</b>	Closed

<b>NC number NC-000076</b>	<b>NC Grading: Major</b>
<b>Standard:</b>	Instruction Document 5E: Collection and Communication of Energy and Carbon Data 1.3
<b>Requirement:</b>	6.4.3 For each Feedstock Group the following parameters are recorded: a) ID b) Feedstock Type c) Origin d) Physical Description e) Country of harvest (new row for each country) f) Raw mass as received in metric tonnes g) Moisture as received (weighted average, single figure) h) Weighted average distance (km) , i) Maximum distance (km) j) Type of vehicle used k) Fuel or driving force used by the vehicle, l) Weighted average truckload, m) Any pre-processing (chipping, drying, none)
<b>Description of Non-conformance and Related Evidence:</b>	
During the review of BP's SAR auditors revealed that following parameters are not recorded correctly: e) Country of harvest- during the purchasing document review auditors discovered that in feedstock group Nr 1 (sawdust from Latvia) includes pellet production wastes purchased from Russia. h) Weighted average	

<p>distance- no clear evidence that BP is recording distances of supplied material. Distances stated in SAR are BP's estimates. j) type of vehicle used- info of used type of vehicle stated in SAR do not correspond to reality. During audit it was discovered following: material that comes from Belarus and Russia is supplied by using two types of vehicles (part of the road with train, and part with trucks). Taking into consideration cumulative effect of things missing (mentioned above) major NCR is raised.</p>	
<b>Timeline for Conformance:</b>	Other
<b>Evidence Provided by Company to close NC:</b>	Updated SAR, supplier declarations
<b>Findings for Evaluation of Evidence:</b>	<p>Before report finalization BP provided updated SAR to certification body. During review of provided evidence auditors conclude that there is not sufficient evidence that distances of supplied material are indicated correctly. Namely BP has signed confirmation with supplier regarding distances from sawmills of which supplier had purchased material to suppliers storage but no info( evidence) regarding address of this storage and distance from this storage to BP was provided. NCR 09/21 remains open due to the reason that not all aspects are covered by documentation. See also NCR 01/21 regarding origin information.</p>
<b>NC Status:</b>	Open

<b>NC number NC-000077</b>	<b>NC Grading: Minor</b>
<b>Standard:</b>	SBP Standard 2: Verification of SBP-compliant Feedstock
<b>Requirement:</b>	15.3 The BP management system shall document all necessary procedures.
<b>Description of Non-conformance and Related Evidence:</b>	
<p>During the surveillance audit, following inaccuracies had been identified in the main quality system document of the Organisation, including: responsibilities (see NCR 05/20), outdated web links, sales no Netherlands claims in sales invoices, SBP sales claims in the production scope, outdated instruction document references and others.</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>	N/A
<b>Findings for Evaluation of Evidence:</b>	N/A
<b>NC Status:</b>	Open

NC number NC-000078	NC Grading: Minor
<b>Standard:</b>	SBP Standard 2: Verification of SBP-compliant Feedstock
<b>Requirement:</b>	7.3 The SBR shall be completed using the latest version of the SBR template, which is available from the SBP website.
<b>Description of Non-conformance and Related Evidence:</b>	
During the audit it was found out that BP had not uploaded SBR to SBP audit portal. Major NCR 11/21 is raised.	
<b>Timeline for Conformance:</b>	Other
<b>Evidence Provided by Company to close NC:</b>	N/A
<b>Findings for Evaluation of Evidence:</b>	N/A
<b>NC Status:</b>	Open

## 8 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 not approved
<b>Certification decision by (name of the person):</b>	Pilar Gorriá
<b>Date of decision:</b>	10 Mar 2021
<b>Other comments:</b>	N/A