



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

First Surveillance Audit

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The promise of good biomass



Completed in accordance with the CB Public Summary Report Template Version 1.5

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

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1 Overview

Certification Body (CB) Name:	NEPCon OÜ
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Audit team leader:	Girts Karss
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Name of the Company:	Baltic Forest SIA
Company legal address:	Jūras iela 8, LV-4033 Salacgrīva, Latvia
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Company contact email:	dana@balticforest.lv
Company website:	N/A
SBP Certificate Code:	SBP-08-06
Date of certificate issue:	18 Jun 2020
Date of certificate expiry:	17 Jun 2025
Audit closing meeting date:	18 May 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 1: Feedstock Compliance Standard; SBP Standard 2: Verification of SBP-compliant Feedstock; SBP Standard 4: Chain of Custody; Instruction Document 5E: Collection and Communication of Energy and Carbon Data 1.3	<input type="checkbox"/>
Includes Supply Base Evaluation (SBE):	Yes	<input type="checkbox"/>
Includes communication of Dynamic Batch Sustainability Data (DBSD)	No	<input type="checkbox"/>
Includes Group Scheme	No	<input type="checkbox"/>
Products	Chips	<input type="checkbox"/>

Feedstock types:	Primary, Secondary	<input type="checkbox"/>
Feedstock origin (countries):	Latvia, Estonia	<input type="checkbox"/>
SBP-endorsed Regional Risk Assessments used:	Latvia	<input type="checkbox"/>
Public link: https://sbp-cert.org/documents/standards-documents/risk-assessments/		
Chain of custody system implemented:	FSC: SCS-COC-007811	<input type="checkbox"/>
	Credit	<input type="checkbox"/>

2.1 Description of the company

SIA Baltic Forest is timber and biomass trading company, located in North part of Latvia, Salacgrīva town. Baltic Forest SIA is a subsidiary of Estonia's largest forest industry company Lemeks grupp (www.lemeks.ee). The group unites 20 companies. Primary business operation is production of wood chips and trading. The BP operates office in Salacgrīva and the biomass storage facilities situated in the territory of the Salacgrīva port. The organization operates a storage site – logyard for both roundwood and chips in Salacgrīva port. The organization operates a storage site – logyard for both roundwood and chips in Salacgrīva port. The BP's overall storage capacity for roundwood is 44 thousand m³, bulk feedstock – 80 thousand m³. The main business activity of the organization has been timber harvesting which has been discontinued and now focusing mainly on timber trading and biomass production and trading activities. The organization produces wood chips itself from logging residues. The biomass is produced also from roundwood. Only low quality roundwood, decayed wood or thinning wood of different species is used for producing the biomass from the roundwood. The BP is producing biomass – chips from logging residues and by chipping biomass from non-forest land – arboricultural arisings. The BP is buying logging residues and bush/brush from owners of forest land, harvesting companies and owners of non-forest land for chipping. The share of biomass sourced from non-forest lands used for production of chips constitutes about a half of the total biomass volume. The other half of primary feedstock is sourced as a logging residues and chipped from low quality wood (pulpwood and firewood) in Salacgrīva harbour. All feedstock sourced is at least controlled material and is eligible input to FSC credit system. Sourcing of primary feedstock from forest and non-forest lands is included in the Supply Base Evaluation process. The BP also sources FSC certified secondary feedstock – chips (co-products) from primary processors (sawmills). Supplies of secondary feedstock - chips from primary processors is not included in the scope of Supply Base Evaluation process. The BP is also sourcing forest wood chips from external suppliers. Additionally, the BP is sourcing wood chips from sawmills which are also delivered to the port. This wood chips are delivered from nearby sawmills which source material mostly from Latvia, but some share of the material may come from Estonia. Sourcing of forest chips from external suppliers is not included in the scope of the SBE. The scope of SBP certificate covers BP's office in Salacgrīva and harbour storage place – logyard in Salacgrīva port. All primary feedstock

is sourced from the territory of Latvia. The BP is sourcing production residuals supplied by primary suppliers in Latvia. Secondary feedstock may contain material of origin from Estonia since some primary processors are sourcing primary material from Estonia. The BP is implementing the FSC credit system. The FSC credit system of claims is used in harbour, as well as in direct trade activities, i.e. direct supplies of feedstock to clients. FSC Controlled Wood system of the Organization does cover procurement of the feedstock originating from Latvia only. All feedstock is delivered to Salacgrīva port terminal by truck, where chips are stored. Roundwood chipping can take place at the port, where low grade roundwood logs are chipped. The trans-shipment and loading of chips onto vessels is taking place next to the wood chips storage site. Biomass (wood chips for energy production) are sold on FOB incoterm conditions in Salacgrīva port. The BP is also practicing sales of biomass on CIF incoterm conditions.

2.2 Detailed description of the Chain of Custody system

The BP is using the FSC credit system to manage the certified claims. The BP holds FSC Chain of Custody certificate (SCS-COC-003306). The organization is implementing FSC CoC system based on credit system of controlling FSC claims which will be used for controlling of the SBP claims. The primary and secondary feedstock is delivered to storage site in Salacgrīva port with FSC 100% and FSC Mix Credit claims, FSC Controlled Wood claim, or verified according to organization's FSC Controlled Wood verification system. As to non-certified (controlled material) or FSC Controlled Wood feedstock the BP is conducting additional risk mitigation measures (or verifying risk mitigation measures conducted within the framework of FSC-STD-40-005 and Centralized National Risk Assessment for Latvia) to confirm the "low risk" status and to classify it as SBP-Compliant feedstock. Primary feedstock is chipped onsite at the logyard and all biomass, i.e. both of primary feedstock and secondary feedstock origin is stored physically in one pile. Other biomass (as per SBP definition) shall be segregated according to the BP's FSC CoC/CW procedures. The biomass is sourced from Latvia only. Potentially the feedstock might contain secondary feedstock (chips) of Estonian origin. Other countries are not included in the FSC Controlled Wood verification system. When enough material is accumulated, the chips are loaded to the vessel. The biomass storage in Salacgrīva harbor is managed according to the FSC credit system. The FSC credit system also covers trade without physical possessing of the material. The feedstock is delivered either by BP own or external contractors' trucks. Chips are stored in the port at designated place, roundwood logs are also chipped in the harbor. Chips are sold on FOB and CIF incoterm conditions in Salacgrīva harbour.

3 Specific objective

The specific objective of this evaluation was to confirm that the Biomass Producer's management system is capable of ensuring that all requirements of specified SBP Standards are implemented across the entire scope of certification. Evaluation of the practical implementation of the requirements of the applicable standards.

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

4 Evaluation process

4.1 Timing of evaluation activities

<i>Audit Level of Effort (LoE)</i>		
Activity	Auditors	Auditor hours
1. Preparation	Ģirts Karss, Ēriks Lidemanis	2,0
2. On-site (excl. travel time)	Ģirts Karss, Ēriks Lidemanis	16,0
3. Report writing	Ģirts Karss, Ēriks Lidemanis	6,0
4. Other	N/A	N/A

Audit Schedule			
Activity	Location	Auditor name	Date/time
<i>audit day 1, office work</i>	remote meeting	Ģirts Karss, Ēriks Lidemanis	27 Apr 2021/8
<i>audit day 2, office work onsite, visiting the harbour, field inspections</i>	onsite, BP office, harbour	Ģirts Karss, Ēriks Lidemanis	28 Apr 2021/6
<i>audit day 3,</i>	remote meeting	Ģirts Karss, Ēriks Lidemanis	29 Apr 2021/1
<i>additional communication.</i>	remote meeting	Ģirts Karss	18 May 2021/1

<i>closing meeting</i>			
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Auditor qualification		
Auditor name	Role	Qualification
Girts Karss	Lead Auditor	Works for NEPCon since 2011 Girts Karss holds MSc in Environmental Science from the Lund University and the University of Latvia. He has passed the Rainforest Alliance lead assessor training course in FSC Forest Management and FSC Chain of Custody operations and obtained the FSC Forest Management and Chain of Custody lead auditor qualification. Girts acquired SBP auditor qualification in 2016. He has participated in capacity of auditor and lead auditor in a number of SBP assessments annual surveillance audits (with Supply Base Evaluation in the scope) and scope change audits (Supply Base Evaluation) in Latvia and other countries.
Ēriks Lidemanis	Auditor	Joined NEPCon in 2017. Holds bachelor degree from Latvia University of Agriculture Forest Faculty (forest management). Previous work experience in wood processing industry and roundwood surveying. Ēriks is working as FSC Forest Management, Chain of Custody auditor. Ēriks has obtained a SBP auditor qualification and had participated in several SBP audits in biomass processing companies in Latvia since 2018.

4.2 Description of evaluation activities

The annual surveillance audit was carried out as partial remote audit, including remote audit in SIA Baltic Forest office followed with on-site field evaluations and on-site visiting of port facilities. The aim of the audit

is to evaluate the SBP system in place for compliance with SBP standard requirements, including the SBP SBE system applied by the organization in sourcing of primary feedstock and implementing supplier verification program and conducting mitigation measures.

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

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

Auditors also reviewed all applicable requirements of the SBP standards #2, #4, #5 and the instruction document 5E covering input clarification, reviewed existing chain of custody and controlled wood system, management system, CoC, recordkeeping/mass balance requirements, emission and energy data and categorisation of input and verification of SBP compliant and SBP Controlled feedstock/ biomass. Documentation related to the SBP as well as FSC CoC/ CW system of the organisation, including SBP Procedures, GHG data calculations/ data sheet, Supply Base Reports and FSC system description was reviewed also.

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

In the next day auditors continued with office onsite visit and document review and field inspections. Auditors reviewed the feedstock purchasing and sourcing documents, sales documents as well as risk mitigation records and GHG data records. Upon completing evaluation documents and records, the sampling of the sites and contractors/suppliers took place. Auditors sampled several sites for field inspections in BP feedstock sourcing region Vidzeme using the approach described below. See the section “The supplier sampling approach and process” below for details.

For field evaluations auditors selected primary suppliers (logging sites) and evaluated risk mitigation actions undertaken by the organization (BP) in relation to specified risks related to High Conservation Values. CB evaluated how the risk mitigation measures were implemented by the BP and at the same time doing own independent evaluation. Logging works in forest land areas and forest properties were inspected in Vidzeme region. Auditors observed primary feedstock sourcing process within the SBE for feedstock to be sourced as “low risk” feedstock.

The results of 2-day audit were summarised based on 3 angle evaluation method and were provided to the responsible persons at the company – Accountant and the procurement manager during the remote meeting on April 29. Additional communication with the responsible person had been conducted on May 18 to close non-conformities identified at the time of audit and follow-up questions , closing meeting.

4.3 Sampling methodology

The following considerations have been taken into account to determine the sampling intensity: 1) Geographical area; 2) Type of the operations and activities; 3) Risk mitigation measures related to feedstock origin Geographical area: The BP sources the primary feedstock within the Supply Base Evaluation process from Latvia, so there is one geographical area within the SBE; Type of the operations and activities: The SBE covers sourcing of primary feedstock (logging residues, branch wood, low quality roundwood etc.) from forest land and non-forest land. In the case of BP, no sub-sets of sampling pools are used, all FMUs are considered in one pool – forest/non forest lands. Risks related to feedstock origin according to the SBP Regional Risk Assessment: Regarding the origin for Latvia, the following risks considered as specified in Regional Risk Assessment endorsed by the SBP: 2.1.1 Forests and other areas with high conservation values in the Supply Base are identified and mapped; 2.1.2 Potential threats to forests and other areas with high conservation values from forest management activities are identified and addressed; 2.8.1 Appropriate safeguards are put in place to protect the health and safety of forest workers. Field inspections are planned to verify the BP's risk mitigation measures related to preserving High Conservation Values and checking for Health and Safety issues in on-going manual logging works. To evaluate the risk mitigation measures implemented by BP for indicators 2.1.1 and 2.1.2, planned harvesting sites and sites after harvesting should be included in the sample. The intensity of sample shall be determined from the BP's supplied data on implemented risk mitigation measures and potential high-risk sites which have been confirmed "low risk" by the BP upon implementing mitigation measures. The high risk sites are selected by analysis of potential WKH characteristics using forest site inventory data. To evaluate the risk mitigation measures implemented by the BP for indicator 2.8.1, ongoing harvesting site should be included in the scope of sampling plan. Decision of NEPCon audit team on FMU sampling: Taking into account all considerations mentioned above, it was decided to visit several completed logging sites to evaluate conformance with high conservation values identification and preservation (if applicable); and 1 planned harvest site to evaluate conformance with high conservation values identification; at least 1 ongoing harvest site to evaluate conformance with health and safety requirements. The planned level of effort shall be within 1 manday. For this purpose auditors reviewed the documented risk mitigation measures and selected sites for verification of risk mitigation measures. This shall include least one site where the BP had evaluated the risks in the field using the field evaluation checklists (HCV checklists) and at least one site where the risk evaluation using the "Ozols" database had resulted in high risk. In order to evaluate the BP's competency and practices in risk mitigation whenever possible in all cases the inspections are conducted by BP staff and witnessed by NEPCon audit team. As a result of sampling 3 compartments have been visited to evaluate the BP's approach in conducting risk mitigation measures. This include 1 site where the field evaluation of risks had been conducted by the BP and 1 site where a high risk as per database "Ozols" has been identified and the BP had not harvested the compartment. The BP had also conducted the HCV evaluation in this compartment and this was verified as planned logging site. This number of FMUs provides representative sample of the sites harvested. In one compartment EU forest habitat has been registered according to database "Ozols". There were no ongoing manual logging works at the time of audit due to low season and accordingly no ongoing manual logging sites were visited.

4.4 CB stakeholder engagement

No stakeholder consultation was conducted after the assessment audit in 2020.

No Consultation was conducted for this surveillance audit and no comments were received during the audit period.

4.5 Stakeholder feedback

See 4.4

5 Results

5.1 Main strengths and weaknesses

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

Weaknesses: minor weaknesses related to SBP documentation and Reporting on Energy use and GHG data accounting were identified. See detailed information in Non-conformance report and audit findings sections (Annex A) of the report.

5.2 Rigour of Supply Base Evaluation

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

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

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

5.3 Collection and communication of data

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

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

5.4 Competency of involved personnel

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

Involved personnel, including responsible staff at suppliers and sub-suppliers have demonstrated sufficient knowledge in relevant fields (recognition and identification of HCVF, health and safety requirements) during the sites visits. Relevant certificates were available at the time of the assessment audit. Qualification requirements for personnel involved in SBE system are provided in documented procedures of the BP.

In overall, auditors evaluate the competency of main responsible staff to be sufficient for implementing the SBP system with primary material sourced within the SBE. It is based on interviews, review of qualification documents, training records and set of procedures and documents that were composed for the SBP system as well as field observations during the assessment audit.

6 Review of company's risk assessments

6.1 Overview of company's risk assessments and mitigation measures

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

To mitigate risks of mentioned 3 indicators at secondary feedstock level, the BP accepts secondary feedstock from approved suppliers, which utilise “low risk” primary feedstock and have implemented a mass-balance system. Primary feedstock and secondary feedstock suppliers are checked and verified by the BP. The same risk mitigation measures are applied to feedstock sourced from both forest and non-forest lands.

Indicator 2.1.1

At the time of audit the BP is using 2 risk mitigation instruments to mitigate Indicator 2.1.1 risks: “Latbio” forest biotope tool and database “Ozols” developed and maintained by the Nature Conservation Agency. The BP is using both sources to identify risks related to HCV before purchasing logging residues from supplier or purchasing wood on stamp. For external suppliers supplying the feedstock to the harbour the requirements are included in mutual agreements and checked by BP before feedstock purchase and delivery. In these cases, suppliers notify prior to the harvesting about the FMUs and compartments that aim to be harvested and the mitigation measure is the same than for all SBE projects. As from 2020, the BP is using mainly the database “Ozols” as a basis to identify and exclude the HCVF category 3 forests from supply base.

Database “Ozols” is an official database governed and maintained by the Nature Conservation Agency.. The database “Ozols” contains information on existing HCVs, including forest habitats of EU importance. It includes also, information about specially protected areas, microreserves, specially protected biotopes and species, biotopes of EU importance etc. nature values Database covers information on HCVs in all forests, but is specifically focused on private forests due to risk designation in the SBP risk assessment. The database also contains the preliminary results of EU forest habitat inventory currently being undertaken in the private forests in Latvia. “Ozols” database is not considered a risk based tool, but rather an expert decision as it contains an expert evaluation of the particular FMU with regard to presence of High Conservation Values. Using of data contained in the “Ozols” database does not require further evaluation or field inspections to confirm the HCV risks at FMU level. Stakeholders in general are accepting the approach and using the database as a risk mitigation mean.

Woodland Key Habitat tool (“WKH tool”) was developed by biomass producers in Latvia united under the Latvian biomass association “LATbio”. The tool utilises a “risk based” evaluation approach and used to evaluate the risk in private and other (municipality owned, for example) forest land (wood from state forests is evaluated low risk with regard to SBP sustainability requirements) and shows “Risk areas” which may comprise High Conservation value attributes and “Green areas” which likely do not comprise High conservation values (for example, Woodland Key Habitats, EU Forest habitats, potential Woodland Key

Habitats). The tool is based on existing forest inventory databases and implements filtering forest inventory databases using the algorithm from "Inventory of woodland key habitats; methodology" (Ek at al 2002). The tool has been verified in field verification process that took place (carried out by licenced forest ecology, biodiversity experts) to verify the correctness of the methodology and the algorithm implemented. Five different areas in Latvia were visited (each area ca. 200 ha) which have proved that the tool shows correct data and the WKH is not present in the "green areas".

The Latbio forest habitat tool was used as a principal risk mitigation tool for HCV v by the BP till midst of 2020.

The BP has defined that all harvesting sites in the SBE system shall be screened using the data base "Ozols".

During the reporting period for 2020, field audits were planned and performed for those areas that complied to two criteria:

- the FMU has not been inventoried and evaluated by national EU habitat inventory managed by Nature Protection Board;
- forest compartment indicated as "risk area" (red) by Woodland Key Habitat "Latbio" tool with a status of potential HCV (a "possible biotope").

Audit team considers the mitigation measure implemented enough to address the risk identified

Indicator 2.1.2 (HCVF category 1):

HCV category 1 risks according to procedures are mitigated through:

- forest inventory data data, if large-dimension trees with potential bird habitat are located in the area, a field audit is performed.
- information from IS „Ozols“.
- during the field audit, confirmation is obtained to make sure that the supplier identifies the bird's nesting sites and conserves them as far as possible.
- if a large (above 50 cm) nest has not been preserved or is not planned to be preserved during development, such wood will not be accepted, as well as in case of risk the company refuses to further cooperate with the supplier. The BP is paying attention to preserving large bird nests during supplier audits.
- Information on the detected nesting place of the bird nest or nest shall be added to the Felling permit register checklist.
- training of the primary raw material suppliers for recognizing the important bird areas, large diameter bird nests in particular and evaluating the logging site for presence of large diameter bird nests prior to harvesting. The presence of large diameter nests shall be noted in the WKH checklist.

The BP has required all suppliers of primary feedstock included in the SBE to undergo a training course for identification high conservation values in forest ecosystems. The training course is held by recognized forest biotope experts. Different suppliers, including suppliers and sub-suppliers of primary material have

participated in the trained training course and obtained knowledge on how to recognize woodland key habitats using special tool, recognize important bird habitats and nesting sites and how these shall be protected.

Each supplier is required to evaluate all sites prior to harvesting and evaluates the presence of large diameter nest or protected bird species. Interviews with responsible persons as well as review of records showed that the procedure is followed by approved suppliers. In case of longer supply chains, e.g. primary processors supplying secondary feedstock or traders/brokers, the BP organize the necessary risk mitigation measures to assure that the feedstock can be considered low risk. In many cases the suppliers are actually evaluating the site prior to purchasing it and in case there is occurrence of large bird nests of indicative presence of potential HCV values, they do not purchase the stand.

The BP is monitoring the evaluation of the sites during regular supplier audits. No information on cases of destruction of bird nests have been obtained, so auditors are concluding that risk mitigation measures are implemented adequately

Indicator 2.1.2 (HCVF category 3):

Every supplier of primary feedstock that is going to supply feedstock as low risk material claim shall provide the information about harvesting site (cutting license) to BP to check the area planned for harvesting is not designated as HCVF area using data base "Ozols".

Field inspections show that the BP is evaluating the potential High Conservation Values onsite and HCV checklists filled in by the BP reflect the situation onsite in the logging plot. No substantial differences were observed in auditor evaluation and BP's evaluation during field inspections. It is concluded from field inspections and document review that the mitigation measures are being implemented and in overall the risk status of sourced feedstock can be considered low. Audit team conclude that the mitigation measures are effective. The current approach the BP is implementing in risk mitigation is that the BP is avoiding the risk by not sourcing the feedstock from HCV (as specified in 2.1.1 and 2.1.2) areas.

Indicator 2.1.2 (HCVF category 6):

The specified risk for this sub-indicator relates to noble tree species with large diameter which might be coming from old manors, parks or tree alleys having cultural heritage value. The BP has implemented procurement policy that noble species like oak, ash, maple will not be sourced and in case it will be the diameter can't exceed 70cm.

This procedure is also followed by suppliers of secondary material (sawmills and brokers/traders) by applying BP's procedure. Field inspections showed that this requirement is followed.

Audit team considers the mitigation measure implemented adequate to address the risk identified under indicator 2.1.2.

Indicator 2.8.1:

Each supplier is checked for H&S issues by the BP prior to accepting him as a supplier under the SBE system. The BP uses checklist which is filled in during interviews with the workers in the forest. Each supplier is checked in several forest plots before becoming accepted supplier.

Surveillance/monitoring of suppliers is carried out through sampling depending on the amount of material sourced, but at least one surveillance audit in calendar year. In case the BP identifies one aspect of the H/S as not fulfilled during the monitoring visits, the supplier gets warning and has 1 month to implement corrective action. After that, the audit is repeated and in case they identify again some violation of the H/S rule the supplier is excluded from the list of accepted suppliers.

The supplier audits are conducted by the BP itself. In addition to this, sub-suppliers and sawmills are conducting internal audits for their suppliers. BP does verify supplier audits methodology and conducts audits together with sawmills/ sub-suppliers with an aim to make sure supplier audits are done in the sufficient quality.

The supplier audits are conducted by the BP itself. BP does verify supplier audits methodology and conducts supplier audits. Field inspections show the BP has sufficient knowledge on H&S requirements as well as good timber harvesting practices. No weaknesses related to the risk mitigation procedure and actual performance in the field have been identified while evaluating the risk mitigation system during field inspections. It is thus concluded from the field inspections, BP is conducting the H&S compliance related risk mitigation measures properly.

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-000575 (01/21)	NC Grading: Minor
Standard:	Instruction Document 5E: Collection and Communication of Energy and Carbon Data 1.3
Requirement:	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)
Description of Non-conformance and Related Evidence:	
It was revealed upon validating the GHG accounting data that the BP had not calculated weighted average distance (h) and weighted average truckload (l) as well as the weighted average for feedstock moisture data. The BP had provided arithmetic average values for mentioned parameters in the SAR. A minor NCR 01/21 raised.	
Timeline for Conformance:	By the next surveillance audit, but no later than 12 months from report finalisation date
Evidence Provided by Company to close NC:	N/A
Findings for Evaluation of Evidence:	N/A
NC Status:	Open

NC number NC-000576 (01/21)	NC Grading: Observation
Standard:	SBP Standard 2: Verification of SBP-compliant Feedstock
Requirement:	6.3 The BP shall ensure that the place of harvesting is within the defined SB.

Description of Non-conformance and Related Evidence:	
<p>According to documented procedures the BP shall conduct supplier audits with the aim to confirm the origin of the feedstock. As to the secondary feedstock, the Supply Base is restricted to Latvia and Estonia. Place of harvesting for primary feedstock is confirmed based on the information from the delivery notes, including either FMU information or Felling Permit number. According to documented SBP procedures and interviews to the responsible staff each active primary processor shall be conducted at least once in a year. During the audit period the BP had sourced secondary feedstock and the information on primary wood processors is available. The BP had sourced FSC certified secondary feedstock only. According to interview to responsible person, information on suppliers of primary processors is available and the BP is aware of the place of harvesting of the primary feedstock. The information obtained from the responsible person does not contradict information at the disposal of certification body. However, this has not been confirmed in formal audits to secondary processors, as no supplier audits had been conducted. The responsible person explained that audits to supplier were not conducted due to Covid-19 pandemic restrictions.</p>	
Timeline for Conformance:	N/A
Evidence Provided by Company to close NC:	N/A
Findings for Evaluation of Evidence:	N/A
NC Status:	N/A

NC number NC-000577 (02/21)	NC Grading: Observation
Standard:	SBP Standard 2: Verification of SBP-compliant Feedstock
Requirement:	16.2 Mitigation measures shall be justified and recorded.
Description of Non-conformance and Related Evidence:	
<p>The BP is using a special HCV checklists for screening of plots for High Conservation Value attributes in planned and completed harvesting sites. Also the BP is using checklists to evaluate compliance to Health and Safety requirements in forest (logging) works. Review of HCV checklists revealed few shortcomings: Checklists had not been signed and the date of the assessment as well as auditor name has not provided on the checklists reviewed. Review of filled in H&S audit checklists revealed that there exist several versions of checklists. Version information is not provided in the checklist though and checklists are lacking the auditor name and signature. An observation OBS 02/21 raised due to non-content related shortcomings for both HCV and H&S checklists.</p>	
Timeline for Conformance:	N/A
Evidence Provided by Company to close NC:	N/A

Findings for Evaluation of Evidence:	N/A
NC Status:	N/A

NC number NC-000591 (02/21)	NC Grading: Minor
Standard:	SBP Standard 2: Verification of SBP-compliant Feedstock
Requirement:	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.
Description of Non-conformance and Related Evidence:	
<p>The SBR has been prepared using the latest template of the document. The Supply Base Report meets the requirements of SBP: covering figures designated in SBR report template and is completed by using the latest version of the SBR Template for Biomass producers. Few inaccuracies were identified in the Supplu Base Report though: a) the Supply Base Report lacks information on the share of harvested wood use in bioenergy sector; b) the Supply Base Report lacks information on land and forest management practices in the Supply Base (Latvia and Estonia), and c) information in the Supply Base Report incorrectly refers that the secondary feedstock is included in the Supply Base Evaluation process. A minor NCR 02/21 raised.</p>	
Timeline for Conformance:	By the next surveillance audit, but no later than 12 months from report finalisation date
Evidence Provided by Company to close NC:	PENDING
Findings for Evaluation of Evidence:	PENDING
NC Status:	Open

8 Certification decision

Based on the auditor's recommendation and the Certification Body's quality review, the following certification decision is taken:	
Certification decision:	Certification approved
Certification decision by (name of the person):	Pilar Gorriá
Date of decision:	16 Aug 2021
Other comments:	N/A