Compliance with the SBP Framework: Public Summary Report

Preferred by Nature OÜ
Evaluation of Scandbio Latvia SIA

First Surveillance Audit

Sustainable Biomass Program
sbp-cert.org



Completed in accordance with the CB Public Summary Report Template Version 2.1 and SBP Bridging Requirements for Meeting the Directive EU/2023/2413 (REDIII)

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

Document history

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1 Overview

Certification Body (CB) Name:	Preferred by Nature OÜ
Primary CB contact for SBP:	Pilar Gorria Serrano
Primary CB contact email:	pgorria@preferredbynature.org
Audit team leader:	Agnese Mickeviča
Audit team members:	None
Name of the Company:	Scandbio Latvia SIA
Company legal address:	"Griķi", LV-3285 Talsu district, Laucienes parish, Latvia
Company contact for SBP:	Ilze Ļutjanska
Company contact email:	ilze.lutjanska@scandbio.com
Company website:	www.scandbio.lv
Date of installation:	
SBP Certificate Code:	SBP-01-01
Date of certificate issue:	25 Sep 2025
Date of certificate expiry:	24 Sep 2030
Audit closing meeting date:	16 Jul 2026
Audit cycle:	First Surveillance Audit

2 Audit conclusions

2.1 Certification decision

Based on the auditor's recommendation and the Certification Body's technical review, the following certification decision is taken:	
Certification decision:	Certification approved
Certification decision by (name of the person):	Liene Suveizda
Date of decision:	22 Sep 2026
Other comments:	N/A

2.2 Open non-conformities and observations

2.2 Closed non-conformities

2.3 Actions taken by Organisation Prior to Report Finalisation

None

2.4 Notes for the next Audit

None

3 Scope of the audit and SBP certificate

Scope item	Check all that apply to the Certificate scope
Primary activity	Biomass Producer
Secondary activity	Trader
Approved Standards	SBP Standard 2: Feedstock Verification v2.0; SBP Standard 4: Chain of Custody v2.0; SBP Standard 5: Collection and Communication of Data v2.0; Instruction Document 5E: Collection and Communication of Energy and Carbon data. v2.1; Instruction Document EU RED: Bridging Requirements for Meeting the Directive EU/2023/2413
Product Group IDs	☐ Forest feedstock (1A) ☐ Trees outside forest (TOF) - Urban and landscape feedstock (2A) ☐ Trees outside forest (TOF) - Agricultural land feedstock (3A) ☒ Processing residues feedstock (4A) ☐ Post-consumer feedstock (5A) ☐ Other (please specify)
SBP Feedstock types	☒ SBP Compliant; ☒ SBP Controlled
Includes Supply Base Evaluation (SBE)	No
Includes EU RED Scheme	Yes
Includes EU RED Supply Base Evaluation (SBE)	No
Products	WB 1.1 Wood pellets
Feedstock origin (countries):	Latvia, Lithuania, Finland, Sweden, Norway, Estonia
SBP-endorsed Regional Risk Assessments used: **Public link:** https://sbp-cert.org/documents/standards-documents/risk-assessments/	Not applicable
Chain of custody system	☐ Physical separation ☒ Mass balance
Outsourcing	Yes
Changes in the scope	No changes

3.1 Description of the company

Guidance: Please describe the type, structure and operations of the company including its role in the supply chain, its inputs and outputs as they related to SBP Standards.

BP is a pellet producing company located in ”Griķi”, Laucienes pag., Talsu novads, Latvia. The designed production capacity of pellet plant is 81000 tones. Pellet plant was commissioned in March 1998. Pellets are produced from secondary feedstock: (wood industry residues: sawdust, wood chips) and tertiary feedstock (dry sawdust with shavings) or mixture of these two feedstock types classified as a secondary feedstock. FSC/ PEFC certified or FSC Controlled wood heating chips and bark is purchased for the use into the biomass drier. All Feedstock types are delivered to the pellet plant by road transport, biomass is transported to harbour by road transport as well. In SIA “Scandbio Latvia” most of the raw materials are secondary and tertiary material from feedstock originating from Latvia, smaller part from Lithuania, Finland, Norway, Estonia and Sweden. All feedstock is delivered by the supplier situated and registered in Republic of Latvia. Secondary and tertiary feedstock for SBP production is delivered with FSC / PEFC certification or FSC Controlled Wood claims. The BP is implementing FSC/ PEFC credit system. The amount of the biomass produced according to FSC/ PEFC credit system might be sold as SBP-compliant and/or SBP-controlled biomass. In practice only SBP – compliant biomass is sold. After the production, pellets are transported into the harbour storage place by trucks. In addition the BP could buy biomass (pellets) produced by other BP’s and is selling it unchanged to its buyers. Organisation is operating as a broker with/without physical possession.

3.2 Site details

Legal entity name	Address	Site Activity	Visited during the audit
Scandbio Latvia SIA	"Griķi", Talsu nov., Laucienes pag., LV-3285	Pellet production	☒
Habor Mērsrags	Lielā iela 62, Mērsrags, Talsu nov., Latvia	Storage site	☒

3.3 Detailed description of the Chain of Custody system and Product Groups

Guidance: Please describe the operation of the CoC system including details of the mass balance management and a list of established Product Groups.

The Organisation holds valid FSC Chain of Custody and FSC Controlled wood certificate SCS-COC-007835. Certificate covers both procurement of wood pellets along with trader activities. In additional to this the Organisation holds valid single Chain of Custody PEFC certificate. Certificate number BMCERT-PEFC-COC-00109. Pellets are produced from secondary feedstock: (wood industry residues: sawdust, wood chips) and tertiary feedstock (dry sawdust, shavings) or mixture of these two feedstock types classified as a secondary feedstock. FSC/ PEFC certified or FSC Controlled wood heating chips and bark are purchased for the use into the biomass drier. Own Pellets are used for the steam production as well. In SIA “Scandbio Latvia” most of the raw materials are secondary and tertiary material from feedstock originating from Latvia, Smaller part from Lithuania, Estonia, Finland, Norway and Sweden. All secondary and tertiary feedstock is delivered with FSC / PEFC certification or FSC Controlled Wood claim. Feedstock used for SBP- pellets production is FSC certified, PEFC certified or FSC Controlled wood. The BP has implemented the mass balance system. within the SBP CoC system. The BP maintains also FSC/ PEFC credit system. The amount of the biomass produced according to FSC/ PEFC credit system might be sold as SBP-compliant and/or SBP- controlled biomass. In practice only SBP – compliant sales claims are applied. In case of SBP sales, the volume of sold pellets is withdrawn from FSC or PEFC credit account. Organisation has implemented the SBP mass balance system. After the production, pellets are transported to harbour storage place by trucks. BP also buys small amount of the non-certified feedstock for production and drying of non certified premium quality pellets for local market. Segregation system implemented during all the feedstock storage, production and storage processes is in place. In addition the BP is buying biomass (pellets) produced by other BP’s and is selling it unchanged to its buyers. The BP implements transfer system. Organisation is operating as a broker with/

without physical possession. SBP sales activities are performed with SBP certified pellets only. No trade activities were taken place during the recordkeeping period.

4 Specific objective of the audit

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

The scope of the evaluation covered:

- Review of the BP's management procedures;
- Review of the production processes, production/ storage site visit;
- Review of mass balance system control points;
- 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;
- Review of the BP's management procedures, including requirements designated in SBP standard SBP Standard #2 V2.0; SBP Standard #4 V2.0; SBP Standard #5 V2.0
- Evaluation of sales activities and DTS registration process;
- Internal audit system evaluation;
- Review of the reports and records.

5 Evaluation process

5.1 Timing and duration of evaluation activities

Audit Level of Effort (LoE)		
Activity	**Auditors**	**Auditor hours**
1. Preparation	Agnese Mickeviča	2.5
2. On-site (excl. travel time)	Agnese Mickeviča	6.0
3. Report writing	Agnese Mickeviča	13.0

5.2 Auditor team qualification

Auditor qualification		
Auditor name	**Role**	**Qualification**
Agnese Mickeviča	Team leader	NEPCon SIA (Preferred by Nature) since 2018. Holds a Bachelor's degree in Forestry from the Latvia University of Agriculture and a Master's degree in Environmental Science from Riga Technical University. Approved FSC Trademark Agent for NEPCon. Since January 2019, has held FSC and PEFC Chain of Custody auditor qualifications. In 2025, obtained FSC FM, FSC Controlled Wood Level 2, and SBP auditor qualifications. As part of gaining experience, has participated in FSC FM certification audits in Lithuania. Has work experience at the State Forest Service.

5.3 Description of evaluation activities

Main attention during the evaluation was focused on practical implementation aspects of the SBP system, review of documents and system, evaluation of input material classification (reception and registration), analysis of the critical control points in existing FSC/ PEFC system and FSC/ PEFC system control points as well as correctness and availability of GHG data.
Description of the evaluation:
All SBP related documentation related to the SBP as well as FSC CoC/ CW system of the organization, including SBP procedures, GHG data calculations/ SAR/ SREG data sheet, Supply Base Reports, and FSC/PEFC system description provided by the company was verified during the audit. Overall changes had been discussed.
Auditor was welcomed in SIA Scandbio Latvia office in "Griķi", Laucienes pag., Talsu novads. Audit started with an opening meeting attended by the management team of the biomass producer as well as other staff. Auditor introduced herself. Auditor provided information about audit plan, methodology, auditor qualification, confidentiality issues, and assessment methodology and clarified the scope of the audit.
After opening meeting the auditor went through all applicable requirements of the SBP V2 standards nr. 2, 4, 5, instruction documents 5E and RED III requirements, covering input clarification, existing chain of custody and controlled wood system, management system, CoC Critical Control Points: feedstock identification and classification, recordkeeping, mass balance requirements, physical segregation under transfer system and with the non-certified production, storage; emission and energy data and categorization 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.
When documentation verification was completed, a walk around BP's pellet production was undertaken. During the site tour reception, recordkeeping, production process was observed, applicable records were reviewed, pellet factory staff was interviewed and SBP CoC system critical control points were analyzed. During the walk production technology and information about the main production facilities was presented to the auditors. As part of the audit, the verification of suppliers of material used for the production of SBP-compliant pellets was also reviewed. Out of all suppliers (19), according to the applicable sampling formula, at least five suppliers are required to be verified. Two of these suppliers were visited on-site, with the visits overlapping with other verification activities related to SBP and FSC certification. For three additional suppliers, the documentation available at the organisation was reviewed, including delivery documents, declarations, and reports from internal supplier audits conducted by the organisation.
During the closing meeting preliminary results of the evaluation were provided to the Organization.
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5.4 List of forest management units and feedstock suppliers visited

☐ N/A – No forest sites or suppliers visited during this evaluation

Site name
Mežmaļi SIA
Site location
Kuldīgas nov., Pelču pag., "Aizmeži", LV-3322, Latvia
Site description
Secondary feedstock supplier
Rationale and focus of visit
To verify that the supplied material meets the definition of secondary material.
Description of audit activity
Onsite visit to a supplier. Interview with the supplier's representative. Review of logs procurement records and delivery notes. Site tour to the production facility. As from interviews with the responsible personnel and supplier audit records, auditor confirms that feedstock received is residue from wood primary processing operation. Auditors verified the consistency of the volumes delivered to the BP, main operation and no incentives to produce residues. The supplier had been audited by the certification body in past several months. Findings in the BP supplier audit records do not contradict the information at the disposal of the certification body.

Site name
SIA Krauzers sawmill
Site location
Celtnieku iela 23, LV-3201, Talsi

Site description
KRAUZERS is a full-cycle forestry company with operations divided into four main areas: logging, transport, lumber production, and energy.
Rationale and focus of visit
To verify that the supplied material meets the definition of secondary material
Description of audit activity
Onsite visit to a supplier. Interview with the supplier's representative. Review of logs procurement records and delivery notes. Site tour to the production facility. As from interviews with the responsible personnel and supplier audit records, auditor confirms that feedstock received is residue from wood primary processing operation.

Site name
Latvijas Finieris SIA production site "Kuldīgas ražotne"
Site location
Ganību iela 12, Kuldīga, LV-3301
Site description
Secondary feedstock supplier
Rationale and focus of visit
To verify that the supplied material meets the definition of secondary material.
Description of audit activity
Onsite visit to a supplier. Interview with the supplier's representative. Review of logs procurement records and delivery notes. Site tour to the production facility. As from interviews with the responsible personnel and supplier audit records, auditor confirms that feedstock received is residue from wood primary processing operation. Auditors verified the consistency of the volumes delivered to the BP, main operation and no incentives to produce residues. The supplier had been audited by the certification body in past several months during the FSC CoC audit and few months later as part of other organizations SBP audit. Findings in the BP supplier audit records do not contradict the information at the disposal of the certification body.

5.5 Describe audit sampling methodology used

Procurement and sales documentation, along with the internal supplier audit records and GHG data was evaluated based on sampling. The number of suppliers to be visited was calculated using the following formula: the square root of the total number of suppliers (19 in this case), rounded up to the next whole number. The square root of 19 = 4.36, therefore 5 suppliers must be visited/checked during the audit.

5.6 CB stakeholder engagement

☐ N/A – Certification Body stakeholder consultation not applicable for this evaluation

Guidance: Please specify the number and types of stakeholders engaged, method of engagement and its outcomes.

No stakeholder consultation was initiated for this surveillance audit.

5.7 Stakeholder feedback and response

☐ N/A – Certification Body stakeholder consultation not applicable for this evaluation

N/A-stakeholder consultation was initiated for this surveillance evaluation.

5.8 Main strengths and weaknesses of the management system and operations

Stength:Effective recordkeeping system. Small number of the management staff and clearly designated responsibilities within the staff members. Experienced and qualified staff. Strong reliance on measurement-based data acquisition and reporting.

Weaknesseses: No weaknesses identified

5.9 Summary of evaluation activities for robustness of the Supply Base Evaluation

☒ N/A – Standard 1 not in the scope of the evaluation

5.10 Summary of evaluation activities for Processing residues and/or Post-consumer feedstock requirements per Standard 2 and EU RED

The BP is sourcing REDIII-compliant processing residues from 19 suppliers holding FSC/PEFC Chain of Custody certificates. Delivery documents and BP's supplier audit records were reviewed for 5 suppliers during the onsite audit. Three of suppliers visited this year as part of the annual SBP or FSC Chain of Custody audit. For 2 off them only document revision conducted.

5.11 Summary of evaluation activities for chain of custody system per Standard 4

The BP has implemented the CoC system per SBP Standard No. 4. The BP has developed and implemented Chain of custody system according Standard 4 requirements. The responsible person for SBP CoC system is Quality manager. The mass balance system is implemented. The auditor has reviewed the CoC system, procedures, records, carried out interviews with responsible staff.

5.12 Summary of evaluation activities for collection and communication of data per Standard 5

The organization has established a system for data collection and recording and has compiled data associated with feedstock sourcing and biomass production and delivery within the organization’s supply chains. The organization has provided a detailed overview of the systems and databases to collect and record data during the audit. Information on GHG has been compiled in the SAR document. All required data evidence was provided to auditors during the onsite audit. Auditors considered it sufficient enough to fulfill the requirements of SBP standards.

The following energy sources are used by BP: electricity for pellet production, biomass fuel for drying, diesel for feedstock handling and shipping.

5.13 Summary of audit findings for competency of involved personnel

During the audit staff members involved into the SBP system management and implementation were identified, including Quality Manager, Director, Logistic Manager, Technical Director, production staff. Interviewed staff demonstrated awareness of their responsibilities within SBP system.

5.14 Summary of audit findings for GHG methodology per Standard 6 (if applicable)

☒ N/A – Standard 6 not in the scope

6 Detailed evaluation of BP's Supply Base Evaluation (if applicable)

☒ N/A – Supply Base Evaluation not in the scope of the evaluation

6.1 Overview of BP's risk assessments and mitigation measures including EU RED scope

N/A

6.2 CB evaluation of specified risk indicators and mitigation measures