Preferred by Nature OÜ Evaluation of SE-BA Orman Ürünleri San. Tic. Ltd. Şti. Compliance with the SBP Framework: Public Summary Report

NCR-verification audit

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The promise of good biomass

Completed in accordance with the CB Public Summary Report NCR-verification audit Template Version 1.06

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

Document history

Version 1.0: published December 2022

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1 Overview

Certification Body (CB) Name:	Preferred by Nature OÜ
Primary CB contact for SBP:	Ondrej Tarabus
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Audit team leader:	Pilar Gorria Serrano
Audit team members:	Mikhail Rai
Name of the Company:	SE-BA Orman Ürünleri San. Tic. Ltd. Şti.
Company legal address:	OSB 6. Cadde No:1, 17100 Çanakkale, Turkey
Company contact for SBP:	Elvan Göynüer
Company contact email:	e.goynuer@sebabioenergy.com
Company website:	www.sebabioenergy.com
SBP Certificate Code:	SBP-07-42
Date of certificate issue:	19 Dec 2019
Date of certificate expiry:	18 Dec 2024

Audit closing meeting date:	03 Jan 2024
Audit cycle:	NCR-verification audit

2 Specific objective

The specific objective of this evaluation was to evaluate the Major NCR issued during the surveillance audit.

3 Evaluation process

3.1 Timing of evaluation activities

Audit Level of Effort (LoE)		
Activity	***Auditors***	**Auditor hours**
4. Other	N/A	
2. On-site (excl. travel time)	Pilar Gorría	0.5
3. Report writing	Pilar Gorría	0.5
1. Preparation	Pilar Gorría	0.0

Audit Schedule			
Activity	**Location**	**Auditor name**	**Date/time**
Communications with the Biomass Producer to evalute the implementation of the Major NCRs	Remote	Pilar Gorría	03 Jan 2024/09:00

Auditor qualification		
Auditor name	**Role**	**Qualification**
Pilar Gorría	Lead auditor	Forest engineer (Politecnic Univ. Of Madrid). Has successfully completed SBP training course and the NEPCon Lead auditor training for FSC/PEFC

		CoC and FM certification. Has experience from forest certification (FSC / PEFC FM), traceability (FSC / PEFC CoC) and biomass certification (SBP - Sustainable Biomass Program) for more than 10 years

3.2 Description of evaluation activities

The Corrective action verification audit consisted on communication with client to evalaute the implementation of the Major NCRs issued during the annual audit. During the evalaution the BP informed the auditor about the corrective action plan but no evidences of the implementations were available, therefore the NCR can not be closed and the certificate is recomended for suspension.

4 Non-conformities and observations

NC number NC-004038 (01/22)	NC Grading: Major
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. N/A N/A N/A
Description of Non-conformance and Related Evidence:	
The relevant requirement is specified in documented SBP procedure, See Section 9.3 of the BP SBP documented procedure. The BP has prepared Supply base report using Audit portal. During review it was found out that the SBR is not concise and not cover the most important features: 1) mistakes in feedstock type 2) description of supply base is too short and not cover all requirements 3) number of supplier is missed 4)reporting period is not correct. Taking in account the number of mistakes the Major NCR 01/22 was issued	
Timeline for Conformance:	3 months from the report finalisation
Evidence Provided by Company to close NC:	Updated SBR
Findings for Evaluation of Evidence:	The BP has updated SBR and provided it to auditor prior audit closing day. During review it was found out that the SBR is concise and cover the most important features. The Major NCR is closed.
NC Status:	Closed

NC number NC-004045 (02/22)	NC Grading: Minor
Standard:	SBP Standard 2: Verification of SBP-compliant Feedstock
Requirement:	15.3 The BP management system shall document all necessary procedures. N/A N/A N/A
Description of Non-conformance and Related Evidence:	
Review of SBP documented procedure (PR-25) show that the procedure is still referring to outdated SBP standard instruction documents: Instruction Documents 5A, 5B, 5C and does not have reference to SBP standard Instruction document 5E, which had replaced mentioned standard Instruction Documents. The procedure include not applicable indicator (f.e regarding SBE) and do not include applicable (f.e DBSD). The OBS 01/19 (from assessment) was upgraded to Minor NCR 02/22.	

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:	For the 2022 audit, NCR 02/22 was issued due to references to IDs 5A, 5B, 5C; but not to 5E. Procedures have been updated, so that references appropriately refer to ID 5E.
Findings for Evaluation of Evidence:	Updated procedures refer correctly to Instruction Document 5E, whenever appropriate, hence NCR 02/22 is closed.
NC Status:	Closed

NC number NC-004036 (03/22)	**NC Grading: Major**
Standard:	SBP Standard 4: Chain of Custody
Requirement:	5.3.1 All requirements of the relevant chain of custody control system specified in the SBP-approved CoC system shall be implemented to calculate outputs. N/A N/A N/A
Description of Non-conformance and Related Evidence:	
From audit 2022: The BP is receiving feedstock in bulk via blowpipe from nearby sawmill ((De-Re Orman Urunleri, which holds FSC Chain of Custody certificate TT-COC-007039) and with trucks in case of supplies from other external suppliers. The BP has weighbridge and all truck coming in with feedstock and coming out with biomass go through the weighbridge. In reporting period all feedstock received by BP via blowpipe is considered FSC certified and the volume of delivered feedstock is not measured but calculated according to mass balance principles by the supplier – De-Re Orman Urunleri (De-Re). The BP does not measure feedstock received via blowpipe but rely on information provided by De-Re as both companies are related and the BP has access to De-Re's input material and production data. There is a brief information on calculation methodology of sawdust and sawmill residue amount received from the Dere's sawmill provided in documented procedure (p. 10.2). On the other side the General director explained that the BP has a system of feedstock measuring. The loader driver count the number of shovels with feedstock loaded in the feeder. It was found out that the volume of feedstock registered in database in accordance with invoices is 4845.78 t, but the volume of measured feedstock is 5089.05 t. This difference was not registered or explained in any documents. The general director supposed that difference is due to incorrect conversion factor of sawmill. The volume of biomass produce in accordance with measurements is 3429.81 t, the volume of sold biomass is 2805.560 t, the end stock is 120,3 t The difference which is 503.95 is not registered in accounting system. It was explained that biomass was used for nearby sawmill boiler. Taking in account that the Chain of Custody system at the organization contains all necessary provisions for implementing the FSC transfer system, staff is well trained, all input and output volumes comes thru weighbridge with proper registration, the BP has not sold any SBP certified biomass auditor issued Minor NCR 03/22 Updated after audit 2023: The spillage resulting in the minor NCR 03/22 is during 2023 audit found to be within what is reasonable, and the output is calculated within what is realistic and reasonable. However, in the reporting period, BP has sourced other biomass, without claims, and mixed it with SBP-compliant feedstock in production, calculating a total output. The credit account is not properly managed. BP was of the understanding that the non-compliant feedstock could be mixed into the production under the credit system / mass balance, in the same way as SBP controlled feedstock. BP had contemplated to be able to sell the corresponding proportion of the SBP compliant biomass production as SBP compliant, while the remaining biomass would be considered non-compliant. No segregation occurred. The BP did not sell	

any biomass with SBP compliant biomass claims in the reporting period. However, to prevent risk of sales of non-compliant material in the coming audit period and due to the different requirements not met connected to the CoC, auditor decided to upgrade the minor NCR to a major NCR 03/22.	
Timeline for Conformance:	Other
Evidence Provided by Company to close NC:	N/A
Findings for Evaluation of Evidence:	N/A
NC Status:	Open

NC number NC-004041 (04/22)	**NC Grading: Minor**
Standard:	Instruction Document 5E: Collection and Communication of Energy and Carbon Data 1.5
Requirement:	5.2.1 Additional requirements apply to those SBP Certificate Holders wishing to supply certain markets, e.g. the Netherlands or Flanders. These additional requirements include transferring additional data about characteristics of the feedstock through the DTS by using DBSD. In order to be able to use the additional functionality of transferring DBSD through the DTS, the Biomass Producer"s SBP certificate scope shall include communication of Dynamic Batch Sustainability Data (DBSD). DBSD data allocation must follow the Mass Balance (Credit) systems rules set out in SBPapproved CoC systems, as per SBP Standard 4, section 5.3.2, currently FSC, SFI and PEFC endorsed schemes. N/A N/A N/A
Description of Non-conformance and Related Evidence:	
It was found out that in SBP procedure DBSD requirements are not described. The organization has described only the mass balance system approach which maybe used for accounting of SDE+ category 5 feedstock. The definitions of DBSD, PBid 'AA', SDE categories are missed in the procedure. During the interview the General director demonstrated weak knowledge of DBSD requirements. Taking in account the small size of the company, lack of SBP sales the auditor has issued the Minor NCR	
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:	During audit, BP explained it is no longer wishing to attempt supplying the markets in the Netherlands and Flanders, hence DBSD is not required.
Findings for Evaluation of Evidence:	DBSD is no longer required for BP.
NC Status:	Closed

NC number NC-004044 (05/22)	NC Grading: Minor
Standard:	Instruction Document 5E: Collection and Communication of Energy and Carbon Data 1.5
Requirement:	6.7.2 The quantity shall be evaluated by one or both of the following methods: • Monitoring by the BP at the plant gate (weighbridge) and/or at the end of the production chain. If the production amount is based on the quantity of biomass leaving the plant, any significant stock variation between the beginning and end of the production period shall be taken into account. The BP shall justify any changes in stock levels to the CB, and this shall be recorded in the SAR; or • Invoices to the End-users covering the sales during the period, if the accounting system guarantees that all invoices are taken into consideration. Sales figures and transport documents can be used for verification, and they shall be consistent with the production volume (including adjustments reflecting any stock variation). Note: It is recommended that both methods are used together. N/A N/A N/A
Description of Non-conformance and Related Evidence:	
The BP measure volume on at the plant gate (weighbridge) as well as invoices to the End-users covering the sales during the period. In reporting period the volume of biomass produced in accordance with measurements is 3429.81 t, the volume of sold biomass is 2805.560 t, the end stock is 120,3 t. The difference which is 503.95 is not registered in accounting system and not recorded in the SAR. It was explained that biomass was used for nearby sawmill boiler. The auditor came to conclution that the BP do not properly register the volume of biomass leaving the processing plant. Taking in account that the BP has system of measuring produced biomass, staff is well trained, the BP has not sold any SBP certified biomass auditor issued Minor NCR	
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:	SAR for October 1 – September 30: The real production is 4683.65 mt from feedstock input of 6,547.9 mt, excluding 210.56 mt utilized in the dryer. The theoretical production is 6,547.9 mt*0.7189 = 4,707.29 which is 1.7% more than real production. The 23 mt missing pellet is probably due to spillages from production and filling the bags. Spillage is considered contaminated, and will not be bagged, but sent to the boiler of the sawmill next door. The Organisation does not register the spillage being transported back to the sawmill, which is less than a ton per day.
Findings for Evaluation of Evidence:	Auditor considers the above spillage to be reasonable low, hence compliant, and the NCR is closed.
NC Status:	Closed

NC number NC-004037 (NCR 01/23)	NC Grading: Major
Standard:	Instruction Document 5E: Collection and Communication of Energy and Carbon Data 1.5
Requirement:	3.1.8 Each BP shall record all data as specified in one of the three "SBP Audit Report (SAR) for Energy and Carbon data" templates, where production and transportation of feedstock or biomass contributes to energy or carbon balance during the period of legal ownership by the BP: - BPs producing wood pellets shall complete the "SBP Audit Report (SAR) for Energy and Carbon data for pellets"; - BPs producing only woodchips and energy logs and no other biomass with an SBP Claim shall complete one of the following templates: o "SBP Audit Report (SAR) for Energy and Carbon data for pellets" if both stationary chipping and thermal treatment are carried out on a separate processing site. Any specific reference to pelletisation in the document may be ignored; o "SBP Audit Report (SAR) for Energy and Carbon data for woodchips with stationary chipping" if only stationary chipping is carried out on a separate processing site, with or without phytosanitary treatment (see definition in section 2); or o "SBP Audit Report (SAR) for Energy and Carbon data for woodchips with mobile chipping" if there is no separate processing site with chipping or thermal treatment, other than a standard phytosanitary treatment (see definition in section 2). N/A N/A N/A
Description of Non-conformance and Related Evidence:	
The original SAR from October 19 2023 (exhibit 5) has several gaps, leading to other gaps: 1. kWh consumption is 19% off: SAR indicates an electricity consumption of 651,072 kWh, but review of evidence shows only a consumption of 529,861 kWh in the reporting period As a consequence, electricity use per production is not 139.01 kWh/mt as reported in the SAR 2. 70.18 mt olive stones is included as SBP compliant feedstock in SAR tables 2.1 and 3.4 3. 452.84 mt non-compliant and non-controlled sawdust is included in SAR table 2.1 as a feedstock type without any additional clarification 4. SAR exhibits inconsistencies in the representation of energy units concerning diesel consumption, necessitating a comprehensive review and rectification of the observed discrepancies. Examples for SAR tables 4.1, 4.2, 4.4; for example one cell states 1.84 liters of diesel per mt pellet production, another cell states 1.84 kWh diesel per mt 5. In the justification of the methodology for calculating consumption for biomass fuel in the drier (SAR table 3.4.1), there is an inconsistency in the calculations. Specifically, when producing 1 metric ton of pellets, the reported quantities for individual feedstocks (499 kg olive stones or 616 kg chip dust) do not align with the stated mixed feedstock requirement of 60 kg. While the resulting consumption of 60 kg per metric ton is accurate, there is a need for clarification and correction in the intermediate calculations leading to this conclusion. It is likely that the figures of 499 kg or 616 kg for biomass represent the consumption per hour in the dryer during pellet production, and not the consumption per ton of production Indicator 6.1.4 of ID 5E states: The SAR shall not be approved by the CB if one or more of the following non-conformances are raised: 1. Incoming mass flows of feedstock and outgoing product cannot be reconciliated together with moisture content information on the basis of consistent and verifiable data 2. The BP cannot provide consistent and verifiable figures on the use of fossil fuels for processing (including drying) 3. The BP cannot provide consistent and verifiable data for the transport of the feedstock 4. The BP cannot provide consistent and verifiable data for the transport of the product 5. The BP has used falsified or incorrect evidence for justifying data in the SAR 6. The claims that were established in the DTS by the BP in the reporting period do not correspond to the effective production 7. It is established that the BP has used feedstock, electricity or fossil fuels whose records have deliberately been hidden from the CB. Given that the SAR cannot be approved, the auditor issued a major NCR 01/23.	
Timeline for Conformance:	Other
Evidence Provided by	The root causes for the non-compliance concerning the mixing of non-

Company to close NC:	controlled feedstock, or utilizing it in the dryer, i.e., 2+3 above: 1. Procuring from new suppliers is a new activity 2. The responsible staff is convinced that those new suppliers purchase exclusively FSC 100%-certified primary feedstock from same supply base as the BP, but there is no claims, because those suppliers are not FSC CoC certified 3. The responsible staff was until audit not aware that the resulting secondary feedstock would no longer be considered neither SBP compliant nor SBP controlled 4. The responsible staff was until audit not aware that uncertified residues from olive oil production cannot be SBP compliant or controlled per default, despite the fact that it is a biological waste product The root causes for the non-compliance concerning electricity and diesel consumption, and calculation methodology can be attributed to a lack of quality control measures in the process. The absence of robust quality control mechanisms has led to inaccuracies in monitoring and recording energy consumption data. This, in turn, has impacted the precision of calculations related to electricity and diesel consumption. Establishing a comprehensive quality control framework is crucial to ensure accurate data collection and analysis, thereby addressing the identified non-compliance issues. Corrective action: The Organization updated training procedures, so that all relevant staff is aware that non-compliant material at all times must stay segregated from SBP-compliant material, if the output is planned to have a SBP claim. General Director will implement increased focus on quality control. A new SAR has been uploaded post-audit, which can be approved by the auditor.
Findings for Evaluation of Evidence:	A new SAR has been uploaded post-audit, correcting the above listed incompliances. SAR can be approved by the auditor.
NC Status:	Closed

NC number NC-004040 (NCR 02/23)	**NC Grading: Major**
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. N/A N/A N/A
Description of Non-conformance and Related Evidence:	
The relevant requirement is specified in documented SBP procedure, See Section 9.3 of the BP SBP documented procedure. The BP has prepared Supply base report using Audit portal. During review it was found that the SBR was not concise and did not cover correctly or adequately the following features: 1. Scope was not complete, as ID 5E was not included in scope 2.Description of supply base was incomplete and did not cover all requirements 3. Reporting period was not correct 4. Location had wrong coordinates Taking in account that the original SBR could not be approved, a Major	

NCR 02/23 was issued.	
Timeline for Conformance:	Other
Evidence Provided by Company to close NC:	Root cause for the errors was based in IT challenges, i.e., a misunderstanding of how to record or copy the data of SBR 2022 into the new SBR. The BP has during audit updated SBR and provided it to auditor prior audit closing meeting. During new review it was found that the new SBR is concise and complete, covering the various features.
Findings for Evaluation of Evidence:	During review it was found that the new SBR is concise and complete, covering the various features. The Major NCR 02/23 is closed.
NC Status:	Closed

NC number NC-004046 (NCR 03/23)	**NC Grading: Minor**
Standard:	SBP Standard 2: Verification of SBP-compliant Feedstock
Requirement:	15.3 The BP management system shall document all necessary procedures. N/A N/A N/A
Description of Non-conformance and Related Evidence:	
Documented procedures and documents related to the requirements of SBP standards have been reviewed. Most relevant SBP and Chain of Custody related processes are covered in FSC Chain of Custody documented procedures and a dedicated SBP documented procedure “PR-26 SBP procedure”. In addition, several processes in relation to Chain of Custody issues are described in documented procedures: feedstock reception process is described in documented procedure “PR-17 Acceptance Of The Goods To Facilities”; weighbridge and quality control processes are covered in the documented procedures “PR-08 Quality Control Procedure” and “PR-24 Pellet RM QC and Storage Instruction rev02”. All procedures have the purpose, scope, responsibilities, procedure description and records defined. See procedures in Exhibit 1. However, during audit interviews, significant deviations appeared between written procedures and findings from interviews and observations: 1.While written procedures in “PR-24…” and “PR-17…” determine that BP receives all feedstock via weighbridge, which is not quite accurate; as this is actually handled by the affiliated entity, Dere, which is the only supplier of SBP compliant feedstock to BP “PR-26…" is unclear about the matter as well, as the Dere weighbridge is also incorrectly indicated as a BP entity (for example section 5.7, “Weighbridge Personnel”), while there is also a reference under section 17, “Special Procurements”, to sawdust being supplied from Dere via pneumatic pipeline Interview and also review of SAR, section 2.2, indicate however, that flows of sawdust and chips to production from storage is measured using a weighbridge and the “shovel counting method”. Further elaborations and observations revealed that weighbridge is used for sales from Dere to third parties, despite already blown into BP storage, while front-loader transport to BP production should be counted. In reality, it is rather calculated rather loosely based upon production, and relevant staff could not present records of input, except monthly invoices from Dere (see also NCR 03/22) 2. Written procedure “PR-24…” states under section 4, “Procedure”, that if any feedstock input is not having an FSC claim, it is stored in the ‘other feedstock’ area, and is not used as SBP compliant feedstock in production. Interviews and observations verify however, that all feedstock (except SAR group 4, which is sent straight to dryer) is mixed, indiscriminately of SBP compliance, and there is no system of segregation (see also NCR 04/23) 3.Written procedure “PR-26…” states under section 10.2, “Input and Output Material	

Recording", that BP calculates the proportion of the feedstock or biomass that is SBP-compliant feedstock and the corresponding proportion that is Controlled feedstock in-line with the SBP approved CoC system being implemented by the SEBA to determine output claims. This is a compliant procedure. However, interview and review of documents show evidence a non-compliant procedure, i.e., SBP non-compliant biomass is mixed into the same production, and calculated into the mass balance as controlled feedstock (see also NCR 04/23) 4.Calculation and implementation of conversion factor and mass balance is unclear in the procedures (see also NCR 03/22) The identified discrepancies between documented procedures and actual practices suggest an opportunity for improvement in maintaining SBP certification commitments. Above deviations are considered significant due to their potential impact on the integrity of the certification process and the need for a comprehensive corrective action plan to ensure alignment with SBP standards. Nevertheless, auditor does not consider the deficiencies of the procedures to be the cause for the above-mentioned major NCRs. Therefore, a minor NCR is issued to address and rectify these concerns. NCR 03/23.

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-004039 (NCR 04/23)	**NC Grading: Major**
Standard:	SBP Standard 4: Chain of Custody
Requirement:	5.2.3 Only the following feedstock inputs shall be considered to be Controlled Feedstock. • Feedstock received with an SBP-approved - controlled feedstock systems claim. • Feedstock sourced within the scope of the BP's own SBP-approved controlled feedstock system certification, for example, non-certified feedstock sourced in compliance with the FSC® Standard for Company Evaluation of FSC® Controlled Wood, FSC-STD-40-005. N/A N/A N/A
Description of Non-conformance and Related Evidence:	
In the reporting period, BP has sourced both SBP non-compliant feedstock and SBP compliant feedstock. The BP has no segregation system in place for the various types (except for feeding of the dryer), hence SBP non-compliant feedstock is mixed with SBP compliant feedstock for pellet production. BP was of the understanding that the non-compliant feedstock could be mixed into the production under the credit system / mass balance, in the same way as SBP controlled feedstock. BP had contemplated to be able to sell the corresponding proportion of the SBP compliant biomass production as SBP compliant, while the remaining biomass would be considered non-compliant. No segregation occurred. (See also NCR 03/22). Total pellet production in the audit period was 4,683.65 mt, and until audit, approximately 93% was considered SBP compliant, while 100% of the production was in fact non-compliant. This procedure appears unclear both in the SAR and in the documented procedure (Exh 1). However, clarification was obtained during an interview conducted as part of the audit process. See also NCR 03/23. As stated in SAR, in the reporting period the BP sourced 6,305.56 mt FSC 100% feedstock, and 452.84 mt non-compliant feedstock. Responsible staff (general manager) explained that it came from 10-12 independent	

entities (sawmills), and he expressed confidence that all the material would be from FSC certified forests. However, no evidence could be provided, to confirm this claim. Of the SBP compliant feedstock, 210.5 mt woodchips where utilized om the dryer. All the feedstock is averaging 34.23% moisture. Consequently, 6.84w% of the input was SBP non-compliant, making the entire production non-compliant. During the audit, auditor explained that only SBP compliant feedstock and SBP controlled feedstock may be utilized for SBP compliant biomass, and SBP non-compliant feedstock must remain segregated from feedstock for production of SBP compliant biomass. The BP did not sell any biomass with SBP compliant biomass claims in the reporting period. However, to prevent risk of sales of non-compliant material in the coming audit period, auditor decided to raise a major NCR 04/23. The Organisation may not sell any products with an SBP-claim until this NCR has been closed	
Timeline for Conformance:	Other
Evidence Provided by Company to close NC:	N/A
Findings for Evaluation of Evidence:	N/A
NC Status:	Open

NC number NC-004042 (OBS 01/23)	**NC Grading: Observation**
Standard:	SBP Standard 2: Verification of SBP-compliant Feedstock
Requirement:	15.7 Relevant personnel shall be informed promptly of any changes to management systems. N/A N/A N/A
Description of Non-conformance and Related Evidence:	
Interviewed personnel are aware of SBP procedures and systems, training records (November, 2022) have been submitted to auditor. In accordance with SBP procedure training will be provided once per year or after significant changes in procedure, standards. New staff is to be trained according to their responsibilities before commencement. In accordance with procedure training shall be conducted after each audit in case of non-conformance or before audit. (See exh 3 for training record). Written procedure “PR-26…” indicates under section 16, “Training”, that relevant training is conducted to staff before new tasks. However, during audit, when responsible staff was asked to provide daily records of counting transports of sawdust from storage to production, no such records existed. It was explained that this day it was not the usual operator of the front loader, and the person operating on that day did not know that each shovel should be counted, to document exact input. This indicates insufficient training. This was observed at a critical control point, but the audit revealed that the issue stemmed from a lack of proficiency in the double-checking process, and not a fundamental flaw in the control itself. As the identified deficiency was one of two measures, the overall integrity of the system was not compromised, and no serious violation of the standard occurred. Therefore, while an observation is warranted to address the training gap and reinforce the importance of correct execution, it does not warrant the issuance of a Non-Conformity Report due to the isolated nature of the incident, but an observation. OBS 01/23.	
Timeline for Conformance:	N/A
Evidence Provided by Company to close NC:	N/A

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

NC number NC-004043 (OBS 02/23)	**NC Grading: Minor**
Standard:	SBP Standard 4: Chain of Custody
Requirement:	6.3.1 The legal owner shall implement the requirements of either: PEFC 2002:2013 Section 9: Social, Health and Safety requirements in CoC, Or FSC-STD-40-004 V2-1 EN Section 1.6: Occupational Health and Safety Or the latest versions of these documents N/A N/A N/A
Description of Non-conformance and Related Evidence:	
BP follows and demonstrates adherence to the FSC Chain of Custody standard FSC-STD-40-004 V3 (Section 1.6), with a well-established Health & Safety (H&S) system. This includes documented H&S procedures and comprehensive training records, along with the designation of responsible H&S staff. The overall safety culture within the facility is commendable, with personnel consistently utilizing available personal protection measures. However, during a thorough site tour of the production area, a few opportunities for improvement were identified: 1.In a particularly noisy section of the production, one individual was observed without ear protection, despite the challenging auditory conditions. The nature of the work being stationary made the absence of ear protection noteworthy. 2.In an area characterized by significant sawdust, one person was observed without respiratory equipment. This observation raises concerns about the potential health impact on the worker. 3.A potential hazard was identified in an area frequented by many workers, where large saws were positioned with sharp edges facing outward. This configuration posed a risk of injury to individuals passing by who might not be fully attentive. (See photo at exhibit 7) Upon highlighting these observations to the general manager, a positive and serious response was observed. Remarkably, within half an hour, the saws were repositioned to eliminate the potential danger to passing personnel. Given the prompt corrective action and the manager's evident commitment to safety, the decision was made to classify the findings as a minor NCR, rather than issuing a major NCR. Minor NCR 05/23. A corrective action to avoid the above 3 findings are needed to close this minor NCR. The recommendation moving forward is to intensify the emphasis on safety throughout the organization and foster a robust safety culture. Encouraging proactive responses from all staff when identifying potential risks will contribute to a safer working environment.	
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

5 Certification decision

Based on the auditor's recommendation and the Certification Body's quality review, the following certification decision is taken:	
Certification decision:	Certification not approved
Certification decision by (name of the person):	Mikhail Rai
Date of decision:	07 Jan 2024
Other comments:	Due to not meeting the NCR deadlines, suspension is recommended.