Forest Certification LLC Evaluation of Baltic Forest Company LLCCompliance with the SBP Framework: Public Summary Report

First Surveillance Audit

www.sbp-cert.org

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

Document history

Version 1.0: published 26 March 2015

Version 1.1: published 30 January 2018

Version 1.2: published 4 April 2018

Version 1.3: published 10 May 2018

Version 1.4: published 16 August 2018

Version 1.5: published 22 October 2020

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1 Overview

Certification Body (CB) Name:	Forest Certification LLC
Primary CB contact for SBP:	Aleksei Savulidi
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Audit team leader:	Nikolai Stashkevich
Audit team members:	Eino Levkoev
Name of the Company:	Baltic Forest Company LLC
Company legal address:	5 Novaja street office 10, 238300 Gurjevsk, Russia
Company contact for SBP:	Elena Konshu
Company contact email:	elena1022727@gmail.com
Company website:	https://balticforest.company/
SBP Certificate Code:	SBP-09-06
Date of certificate issue:	31 Dec 2020
Date of certificate expiry:	30 Dec 2025
Audit closing meeting date:	01 Oct 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	☐
Approved Standards:	SBP Standard 2: Verification of SBP-compliant Feedstock; SBP Standard 4: Chain of Custody; SBP Standard 5: Collection and Communication of Data Instruction; Instruction Document 5E: Collection and Communication of Energy and Carbon Data 1.5	☐
Includes Supply Base Evaluation (SBE):	No	☐
Includes communication of Dynamic Batch Sustainability Data (DBSD)	Yes	☐
Includes Group Scheme	No	☐
Products	Chips	☐

Feedstock types:	Primary	☐
Feedstock origin (countries):	Russia	☐
SBP-endorsed Regional Risk Assessments used: **Public link:** https://sbp-cert.org/documents/standards-documents/risk-assessments/	Not applicable	☐
Chain of custody system implemented:	FSC: FC-COC-643343	☐
	Transfer	☐

2.1 Description of the company

Baltic Forest Company LLC is a logger and a primary processor. The company was registered in 2005. The company's office is based in Gyruevsk, Kaliningrad Region, Russia. Harvested wood within the CoC certificate (FC-COC-643343) is transported and processed into boards, lamellas, boules, massive boards at the sites of contractors involved. For the production of wooden products, it is allowed to purchase single batches of oak timber. The organization also processes fuelwood of deciduous species to produce of wood chips. For this aim Baltic Forest Company LLC uses only its own certified feedstock (SBP-compliant Primary Feedstock), received from forest areas in the Kaliningrad region within the certified size of two FMUs according to a forest management certificate FC-FM/COC-643342. The company uses a transfer control system – the single applicable FSC claim is FSC 100%.

2.2 Detailed description of the Chain of Custody system

For wood chips production, Baltic Forest Company LLC uses only its own certified feedstock (SBP-compliant Primary Feedstock), received from forest areas in the Kaliningrad region within the certified size of two FMUs according to a forest management certificate FC-FM / COC- 643342 - https://info.fsc.org/details.php?id=a023300000ayvmTAAQ&type=certificate. The supply base of feedstocks located in areas 2 forest areas (Zheleznodorozhny and Chernyakhovsky) and 3 administrative regions (Gvardejsky, Chernyahovsky and Gusevsky) of the Kaliningrad region. The total supply base area is 58 603,7 ha (cumulative area of company's certified forests). Secondary and tertiary feedstock is not applicable Roundwood from certificate holder's logging sites can be supplied to 18 sites for storing and crushing chips. Non-certified feedstock is not used for the production of wood chips. Excel and accounting software (1C) are used to control feedstock and production volumes. Chips are not stored at these sites, they are immediately loaded onto chip trucks and delivered to the port of Kaliningrad (FOB; the agent's (Cepruss LLC) storage site: Kaliningrad, Right embankment street, 25). All work in the port is carried out by the port agent. As the volume accumulates and the vessel arrives, the chips are shipped and sent to the buyer.

3 Specific objective

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

The scope of the evaluation covered:

- Review of the BP’s management procedures;

- Review of the production processes, production site visit;

- 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;

- Assess compliance against Instruction Document 5E: Collection and Communication of Energy and Carbon Data (Version 1.5 July 2021);

- Evaluation of trade and transport documents;

- Verification of transactions in the DTS.

4 Evaluation process

4.1 Timing of evaluation activities

Audit Level of Effort (LoE)		
Activity	***Auditors***	**Auditor hours**
1. Preparation	Nikolai Stashkevich, Eino Levkoev	8,0
2. On-site (excl. travel time)	Nikolai Stashkevich, Eino Levkoev	32,0
3. Report writing	Nikolai Stashkevich, Eino Levkoev	48,0
4. Other	N/A	N/A

Audit Schedule			
Activity	**Location**	**Auditor name**	**Date/time**
Opening meeting	Office	Nikolai Stashkevich, Eino Levkoev	30 Sep 2021/8:00
Interviews with management and leading specialists of the enterprise.	Office, production site	Nikolai Stashkevich, Eino Levkoev	30 Sep 2021/8:30
Analysis of the supply base report.	Office	Nikolai Stashkevich, Eino Levkoev	30 Sep 2021/9:30
Analysis of the internal	Office, production site	Nikolai Stashkevich,	30 Sep 2021/10:00

documentation of the enterprise developed as part of the SBP certification.		Eino Levkoev	
Visiting production sites (wood chips processing sites), places of acceptance, storage of manufactured products (port).	Office, production site, port	Nikolai Stashkevich, Eino Levkoev	30 Sep 2021/13:00
Validation of an SBP enterprise supply chain system.	Office, production site, port	Nikolai Stashkevich, Eino Levkoev	30 Sep 2021/15:00
Interviews with employees.	Office, production site, port	Nikolai Stashkevich, Eino Levkoev	30 Sep 2021/15:30
Work with enterprise documentation. Fill out a checklist for applicable	Office	Nikolai Stashkevich, Eino Levkoev	01 Oct 2021/08:00
Validation of the collection of SBP data on GHG, energy, carbon and stability characteristics.	Office	Nikolai Stashkevich, Eino Levkoev	01 Oct 2021/08:00
Preparation of preliminary audit findings.	Office	Nikolai Stashkevich, Eino Levkoev	01 Oct 2021/16:00
Closing meeting. Summing up the preliminary results of the audit.	Office	Nikolai Stashkevich, Eino Levkoev	01 Oct 2021/16:30

Auditor qualification		
Auditor name	**Role**	**Qualification**
Nikolai Stashkevich	audit team leader	Forest Certification SBP lead auditor. He has successfully passed SBP auditor training in Berlin on 3-4 September 2019. Auditor had more than 100 audit-days in each of last years (2016-2021) on FSC and PEFC as a lead auditor or as an auditor (without desk-audits). SBP accreditation audit has been successfully completed.
Eino Levkoev	auditor	Forest Certification SBP trainee auditor. He has successfully passed SBP auditor training.

4.2 Description of evaluation activities

The evaluation visit was focused on management system evaluation: division of the responsibilities, document and system, input material classification (reception and registration), analysis of the existing FSC system and FSC system control points as well as GHG data availability.

Description of the audit evaluation:

All SBP related documentation connected to the SBP as well as FSC CoC system of the organisation, including SBP Procedure, SAR and GHG data calculations, Supply Base Report and FSC system description was provided by the company prior to the assessment and lead auditor had enough time to review it and get well prepared for onsite visit. Assessment started with an opening meeting attended by the representatives from Organisation’s management and staff.

Auditor introduced himself, provided information about audit plan, methodology, auditor qualification,

confidentiality issues, and assessment methodology and clarified certification scope. During the opening

meeting the auditor explained CB’s approval related issues.

After that auditor went through all applicable requirements of the SBP standards nr. 2, 4, 5 and instruction document 5E covering input clarification, existing chain of custody system, management system, CoC,

recordkeeping/mass balance requirements, emission and energy data and categorisation of input and

verification of SBP-compliant biomass. During the process, overall responsible person for SBP system and other staff were interviewed.

Next, the following sites were visited: the parking lot of two mobile chipping mashines Mus Max on the enterprise territory, the storage place for fuel wood (one of the declared storage and processing sites), as well as the Kaliningrad port where the wood chips are stored until they are loaded onto ships. During the site tour, applicable records were reviewed, staff was interviewed and FSC system critical control points were analysed. DTS transactions were verified. It was checked and confirmed that usage of SREG is not applicable.

At the closing meeting findings were summarised and assessment were provided to the management and SBP responsible person.

Impartiality commitment: Please see Forest certification LLC impartiality commitment on the web-site https://en.fcert.ru/about/conflict_of_interests/

4.3 Sampling methodology

During the office and field assessment (checking roundwood storage and crushing sites, chip storage areas in the port), the primary accounting documents (paper log for registering moisture, waybills, etc), data registers in the special accounting program (1C) and excel forms were checked). The available OHAS materials were evaluated. Employees were interviewed, whose responsibility is registered in the SBP Certification Procedure. The supply chain was passed from the logging site to the woodchip storage site at the port. The organization's production site was visited (included in the scope of FSC COC certification, not included in the scope of SBP certificate), where both chipper machines are located at the time of the audit. No warehouses and other sites outside the specified sites were not checked due to their absence. Questions were asked on the collection of data on energy consumption, on accounting, on the control of critical control points, on the requirements of the applicable SBP standards and the internal SBP Certification Procedure developed on their basis. As part of the sample of records, excel-accounting forms were considered, data from which were taken for the SAR. Sampling of personnel according to the survey - all employees involved in the management of the chain were interviewed, whose responsibility is enshrined in the SBP Certification Procedure. The selection of objects to be visited, personnel to be interviewed and documents to be checked is due to the methodology regulated in FC-SBP-PRC-BP-4.2 v.1.4 Certification assessment according to the SBP system.

4.4 CB stakeholder engagement

Not applicable for surveilance audit.

4.5 Stakeholder feedback

No stakeholder feedback received.

5 Results

5.1 Main strengths and weaknesses

Strengths: Effective and long-term work within FSC and PEFC certification schemes. Consistency of key responsible employees.

Weaknesses: - inconsistencies in the accuracy of data recording and conversion factors (see MC-01 and MC-02 - they were closed during the preparation of this report), use of irrelevant templates (C-04, C-05, C-05), carelessness in the preparation of trade and shipping documents (C-07, C-08).

5.2 Rigour of Supply Base Evaluation

Not applicable.

5.3 Collection and communication of data

The following energy sources are used by BP: diesel for feedstock delivery, chipping and wood chips transportation to the seaport.

Data on the volume of raw materials, on the output of chips, on their moisture content, on transportation distances, on diesel consumption are recorded within the single Excel-file accounting - the data are summarized for each month.

Information on volumes is taken into account in the trade and transport documentation, summarized in the 1C accounting program.

The specifics of the production process are fixed in the approved documents (for example, signed Technological process of fuel chips production).

Diesel and electricity costs for all equipment in the port are taken from the information provided by the contractor who performs all loading / unloading operations in the Kaliningrad port.

The first surveillance audit revealed inconsistencies in the accuracy of data recording and conversion factors (see MC-01 and MC-02), which were eliminated by the client during the preparation of the audit report (evidence of corrective actions was provided).

With regard to communication of data, when checking invoices for the implementation of SBP-certified materials (invoices No. 2021-02 / 065 dated 23-02-2021, No. 2021-01 / 064 dated 03-02-2021, No. 2021-03 / 066 dated 19 -03-2021) and accompanying shipping documents, the indication of their certified status was confirmed in the form of "SBP-09-06, SBP-complaint biomass"), i.e. the serial number ZZ is not indicated - see C-08.

5.4 Competency of involved personnel

The following key staff members are involved to SBP certification (according to signed SBP Certification Procedure):

- SBP responsible (marketing director). He is responsible for updating company’s SBP procedure, timely staff training, collection of information on the origin of raw materials, SBR and SAR reporting and general collection and provision of baseline energy and greenhouse gas data, consideration of complaints related to SBP certification, storage of documentation related to SBP certification, entering transactions in the DTS.

- logistics manager, chipping machine operator (checking the compliance of suppliers of raw materials with the requirements of SBP standards, accounting and control of incoming wood raw materials, collecting data to calculate energy and carbon costs, organization and control of the production process for the production of wood chips, control of production indicators, accounting of finished products).

- customs declarant and transportation engineer (registration of financial and shipping documentation for wood chips with an SBP claim, as well as accounting in the 1C program, registration of customs documents and examinations).

- representative of Cepruss LLC (forwarding agent) (organization and control of the process for storing wood chips with an SBP claim and loading it onto a ship).

The SBP Certification Procedure provides for annual training as part of the certification requirements. In the course of responsible employees interview:- familiarization of employees with their main responsibilities within the SBP was confirmed – the corresponding training protocol was presented. Sufficient competence of the interviewed personnel has been confirmed.

6 Review of company's risk assessments

6.1 Overview of company's risk assessments and mitigation measures

Not applicable.

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-000805 (01)	NC Grading: Major
Standard:	SBP Standard 5: Collection and Communication of Data Instruction
Requirement:	5.1 All data submissions must be supported by appropriate evidence.
Description of Non-conformance and Related Evidence:	
The certificate holder provided updated SAR and excel accounting file. The period from 01/06/2020 to 31/05/2021 is selected as the reporting period for the current SAR. The excel accounting file contains data on the input of raw materials, the volume of production and sale of chips, moisture content of raw materials and chips, energy costs for production, transportation, handling and loading of chips on ships in the port until the current month, incl. for the selected reporting period. In particular: - monthly data on the moisture content of feedstock (line 3.1 of the excel accounting file) are based on the corresponding measurements; the operator of the chipping machine demonstrated an accounting log, which summarizes the relevant data; - monthly data on the moisture content of wood chips (line 3.2 of the excel accounting file) are based on moisture measurements from the Incolab laboratory (data for 8 months of 2020 are summarized in a separate excel table, several analytical reports for 2021 have been demonstrated). Data on chip moisture for 2020 is extrapolated to 2021 (chip moisture for January 2021 is taken equal to chip moisture for January 2020, etc.), while data for July-September 2020 is not confirmed (not measured by Incolab or other sources), extrapolated data are used in 2021 if actual data from Incolab measurements are available for 2021. - the excel file includes and explains the diesel consumption data for the operation of wood chips, paragraph 4.2, the same value is indicated 35 l / 100 m3 (justified in the document Technological process for the production of fuel chips); - the excel file includes data on diesel consumption for the carriage of wood chips, clause 5.1.1, the same value is indicated 42 l / 100 km (in the information letter confirming this value from the transport contractor, the consumption is 43 l / 100 km); - the excel file includes and explains the number of chip carrier trips per month, paragraph 5.1.4, actual different values are indicated. - Items 6 and 7 have been added to the excel file to keep track of energy costs for receiving and storing wood chips in the port. The data on the equipment used, on energy consumption, on productivity are taken from the letter of the contractor working in the port. Energy consumption (electricity and diesel fuel) during the accumulation and loading of chips on ships is given in values per 1 m3 of chips, recalculated in values per 1 ton. When recalculating from m3 to tons, the coefficient 1.18 is indicated (1.18 m3 of chips = 1 ton of chips), whereas, according to the document Technological process for the production of fuel chips, the coefficient is 2.4 (2.4 m3 of chips = 1 ton of wood chips). When checking the current SAR, it was confirmed: - updating data on the volumes of raw materials and biomass (chips), taking into account the new reporting period. It was found that the masses indicated in tables 2.1 and 3.1 SAR were erroneously overestimated by 2.4 times - the masses in tons from the excel file of accounting were multiplied by the conversion factor 1 ton of chips = 2.4 m3 of chips; the values are in m3, although the tables require the indication of values in tonnes. - Table 2.2 SAR indicates the consumption of 2.74 liters of diesel fuel, while according to the excel file, this value should be equal to 2.73 liters. - in the table on diesel fuel consumption at the port site (section 4.2 SAR) and in the last table in Appendix 2 SAR, the sum of both the actual diesel consumption for the operation of equipment in the port, and not actual diesel fuel consumption for production and transportation of biomass to the port site. The rest of the SAR and excel records are presented and explained. Due to the repeated identification of shortcomings within the requirement of the standard clause and the lack of corrective actions, Condition cannot be closed. No analysis of the reasons for the discrepancy has been carried out. A decision was made to increase the gradation of nonconformity to a major condition (MC-01).	
Timeline for Conformance:	3 months from the report finalisation
Evidence Provided by	An employee has been appointed responsible for regularly monitoring

Company to close NC:	the accuracy of the completed information and eliminating inaccuracies and inconsistencies in the SAR and excel file. All available data have been verified. All values are aligned. The necessary adjustments were included to SAR report and excel file. The data on the moisture content of wood chips are corrected in the table taking into account the available moisture measurements of the Incolab laboratory (moisture measurements in the months in which there was no sale are abscent).
Findings for Evaluation of Evidence:	According to the order provided, the organization has appointed an employee who will exercise additional supervision and control over the filling of accounting records (summary excel file of accounting, SAR) to identify and eliminate inaccuracies and inconsistencies in values. The certificate holder performed verification and clarification of the reporting documents provided at the first surveillance audit. The description of the corrective actions explains, and the analysis of the documents provided confirms the elimination of the deficiencies indicated in the "objective evidence": - the data on the contents have been updated in accordance with the measurements of Incolab; - the data on diesel consumption for the carriage of wood chips by a chip truck have been corrected according to the Information letter from the transport contractor; - the coefficient of conversion of chips from m3 to tons (2.4 m3 of chips = 1 ton of chips) is taken into account in all accounting materials; - corresponding adjustments and clarifications have been made to SAR. Taking into account the above, the decision on the sufficiency of corrective actions to confirm the identified 1KA non-compliance and close the MC-01.
NC Status:	Closed

NC number NC-000808 (02)	**NC Grading: Major**
Standard:	Instruction Document 5E: Collection and Communication of Energy and Carbon Data 1.5
Requirement:	6.5.3 The BP shall justify the data and methodology used for reporting energy and carbon data and this shall be recorded in the SAR and verified by the CB.
Description of Non-conformance and Related Evidence:	
The certificate holder provided updated SAR and excel records. The period from 01/06/2020 to 31/05/2021 is selected as the reporting period for the current SAR. The excel accounting file contains data on the input of raw materials, the volume of production and sale of chips, moisture content of raw materials and chips, energy costs for the production, transportation, handling and loading of chips on ships in the port until the current month, incl. for the selected reporting period. In particular: - monthly data on the moisture content of raw materials (line 3.1 of the excel accounting file) are based on the corresponding measurements; the operator of the chipping machine demonstrated an accounting log, which summarizes the relevant data; - monthly data on the moisture content of wood chips (line 3.2 of the excel accounting file) are based on moisture measurements from the Incolab laboratory (data for 8 months of 2020 are summarized in a separate excel table, several analytical reports for 2021 have been	

demonstrated). Chip moisture data for 2020 is extrapolated to 2021 (chip moisture content for January 2021 is taken to be equal to chip moisture content for January 2020, etc.), while data for July-September 2020 has not been confirmed (neither by Incolab, nor by extrapolated data), in 2021 the extrapolated data is used when actual Incolab measurements are available for 2021. - the excel file includes and explains the data on the diesel consumption for the operation of wood chips, paragraph 4.2, the same value is indicated 35 l / 100 m3 (justified in the document Technological process for the production of fuel chips); - the excel file includes data on diesel consumption for the carriage of wood chips by a chip truck, clause 5.1.1, the same value of 42 l / 100 km is indicated (in the Information letter from the transport contractor, confirming this value, a consumption of 43 l / 100 km is indicated); - the excel file includes and explains the number of chip carrier trips per month, paragraph 5.1.4, actual different values are indicated. - items 6 and 7 have been added to the excel file to keep track of energy costs for receiving and storing wood chips in the port. The data on the equipment used, on energy consumption, on productivity are taken from the letter of the contractor working in the port. Energy consumption (electricity and diesel fuel) during the accumulation and loading of chips on ships is given in values per 1 m3 of chips, recalculated in values per 1 ton. When recalculating, the coefficient is 1.18 (1.18 m3 of chips = 1 ton of chips), while, according to the document, Technological process for the production of fuel chips, the coefficient is 2.4 (2.4 m3 of chips = 1 ton of chips). When checking the current SAR, it was confirmed: - updating data on the volumes of raw materials and biomass (wood chips), taking into account the new reporting period. It was found that the masses indicated in tables 2.1 and 3.1 SAR are erroneously overestimated - the masses in tons from the excel accounting file are multiplied by the conversion factor 1 ton of wood chips = 2.4 m3 of wood chips; values are given in m3, although the tables require the indication of values in tonnes. - Table 2.2 SAR indicates the consumption of 2.74 liters of diesel fuel, while according to the excel file of accounting, this value should be equal to 2.73 liters. - in the table on diesel fuel consumption at the site in the port (section 4.2 SAR) and in the last table in Appendix 2 SAR, the sum of both the actual diesel consumption for the operation of equipment in the port and not actual diesel fuel consumption for the production and transportation of biomass is indicated to the site in the port. The rest of the SAR and excel records are presented and explained. It should be noted that in the corrective actions for the condition it is indicated “for 1 ton of wood chips, the consumption of 0.4 liters of fuel (0.35 * 2.4 = 0.84), this figure is indicated in section 2.2 SAR. (Technological process is attached) "- the specified value of 0.4 is calculated using a coefficient of 1.18, not 2.4; section 2.2 SAR does not specify a flow rate of 0.84 liters. In view of the above, due to the repeated identification of deficiencies within the requirement of the clause of the standard and the presence of an open non-conformity under this clause of the standard, at the moment Condition cannot be closed, corrective actions are not enough to confirm the elimination of the non-conformity. A decision was made to increase the gradation of nonconformity to Major condition-02.	
Timeline for Conformance:	3 months from the report finalisation
Evidence Provided by Company to close NC:	An employee has been appointed responsible for regularly monitoring the accuracy of the completed information and eliminating inaccuracies and inconsistencies in the SAR and excel file. All available data have been verified. All values are aligned. The necessary adjustments were included in SAR report and excel file. The chip moisture data has been corrected in the table based on the available moisture measurements from the Incolab laboratory. Diesel consumption for the transportation of wood chips is supplied in accordance with the carrier's data. Accounting for the costs of receiving and storing chips was made taking into account the coefficient 2.4. The SAR in paragraphs 2.1 and 3.1 indicates the data in tons, 2.2 indicates the correct value from the table (3.17), 4.2 indicates the correct data on the operation of equipment in the port.
Findings for Evaluation of Evidence:	According to the order provided, the organization has appointed an employee who will exercise additional supervision and control over the filling of accounting records (summary excel file of accounting, SAR) to identify and eliminate inaccuracies and inconsistencies in values. The certificate holder checked and clarified the reporting documents provided during the first surveillance audit. The description of the corrective actions explains, and the analysis of the documents

	provided confirms the elimination of the deficiencies indicated in the "objective evidence": - updated data on moisture in accordance with Incolab measurements; - the data on diesel consumption for the carriage of wood chips by a chip truck have been corrected according to the Information letter from the transport contractor; - the correct coefficient of conversion of chips from m3 to tons (2.4 m3 of chips = 1 ton of chips) is taken into account in all accounting materials; - corresponding adjustments and clarifications have been made to SAR. Taking into account the above, a decision was made on the sufficiency of corrective actions to confirm the elimination of the discrepancy detected at SA1 and the closure of the MC-02.
NC Status:	Closed

NC number NC-000809 (04)	**NC Grading: Minor**
Standard:	SBP Standard 2: Verification of SBP-compliant Feedstock
Requirement:	7.3 The SBR shall be completed using the latest version of the SBR template, which is available from the SBP website.
Description of Non-conformance and Related Evidence:	
The certificate holder has filled in SBR on the official SBP portal (https://portal.sbp-cert.org/index) - SBR is made according to the current template v.1.4. At the same time, on the official website of Baltic Forest Company LLC (https://balticforest.company/sustainable_development_ru/#certification) SBR is posted according to not current version v.1.3 (SBR has been updated since the main audit). Due to a temporary omission, a decision was made to assess the identified condition as minor. During the preparation of the report, evidence of corrective action was provided: During the audit of the official website of Baltic Forest Company LLC (https://balticforest.company/sustainable_development_ru/#certification), it was confirmed that SBR was posted on it according to version 1.4, but when it was checked against SBR on the official SBP portal (https: / /portal.sbp-cert.org/index), the difference between SBR on the organisation's website and the current template in terms of fonts and graphic design is confirmed. In view of the above, it was decided that corrective actions were insufficient to confirm the elimination of the non-compliance and the closure of C-04.	
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

NC number NC-000810 (05)	**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:	
The certificate holder has filled in SBR on the official SBP portal (https://portal.sbp-cert.org/index) - SBR is made according to the current template v.1.4. When checking SBR on the portal (when downloading it), certain shortcomings were revealed: - Taxpayer identification number is indicated instead of the company name; - it is indicated that it was performed for the main audit; - it is indicated that the territory of supplies covers 3 administrative regions, only 2 are named, while in fact the territory of supplies covers 4 administrative regions; - on the question "Was the feedstock used in the biomass removed from a forest as part of a pest / disease control measure or a salvage operation?" the answer is “no”, although when checking the reports of the IL and interviewing the responsible employees, it was confirmed that sanitary cuttings were carried out on the territory, the raw materials from which could go to the production of chips; - in point l of the Feedstock section, the share of "Primary feedstock from primary forest certified to an SBP-approved Forest Management Scheme: 1% - 19%" is indicated, while the actual share of primary feedstock is 100%. At the same time, on the official website of Baltic Forest Company LLC (https://balticforest.company/sustainable_development_ru/#certification) SBR is posted according to the not current version v.1.3 (SBR has been updated since the main audit). Due to a temporary omission, a decision was made to assess the identified condition as minor. During the preparation of the report, evidence of corrective action was provided: During the SBR audit on the official SBP portal (https://portal.sbp-cert.org/index), it was confirmed that the deficiencies noted in the "objective evidence" persisted in it. When checking the official website of Baltic Forest Company LLC (https://balticforest.company/sustainable_development_ru/#certification), it was confirmed that SBR was posted on it according to version 1.4, but when it was checked against SBR on the official SBP portal (https: // portal.sbp-cert.org/index), the difference between SBR on the organization's website and the actual template in terms of fonts and graphic design is confirmed. In view of the above, it was decided that corrective actions were insufficient to confirm the elimination of the condition and the closure of C-05.	
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

NC number NC-000811 (07)	**NC Grading: Minor**
Standard:	SBP Standard 4: Chain of Custody
Requirement:	5.1.2 The legal owner shall implement all aspects of the SBP-approved CoC system requirements for the SBP feedstock and biomass. Where there is a conflict between the requirements in the SBP-approved CoC system requirements and those specified in the SBP standards, the SBP standards shall have precedence. Note: SBP feedstock or

	biomass will not necessarily enter into the scope of the SBP-approved CoC system certification, but the SBP-approved CoC system CoC processes and requirements shall extend to SBP feedstock and biomass.
Description of Non-conformance and Related Evidence:	
The SBP system of Baltic Forest Company LLC is based on the current FSC system (FC-FM/COC-643342 and FC-COC-643343). As part of the current audit (during the verification of documents and records, interviews of responsible employees and visits to the crushing and storage sites of chips (in the port)), compliance with the requirements of the SBP-approved CoC system for SBP raw materials and biomass was confirmed, with the exception of the following points : - in the consignment notes for the supply of certified chips from crushing sites to the port (consignment note without N dated 03.03.2021, dated 05.03.2021, dated 09.03.2021), the forest management certificate code FC-FM/COC-043342 is indicated instead of the chain certificate code FC-COC-643343). - in invoices for implementation (invoices No. 2021-02 / 065 of 23-02-2021, No. 2021-01 / 064 of 03-02-2021, No. 2021-03 / 066 of 19-03-2021) and accompanying shipping documents indicate the SBP-certified status of the chips as "SBP-09-06, SBP-complaint biomass" without indicating its FSC-certified status (without certification code FC-COC-643343 and FSC 100% claim). At the same time, according to section 11.3.5.1 Procedures for certification of SBP LLC Baltic Forest Company, FSC and SBP, the certified status of products in the invoice / bill of lading for sale must have the form FC-COC-643343, FSC 100% PBid: SBP- XX-YY-ZZ-AA, SBP-compliant biomass. Due to a temporary omission, a decision was made to assess the identified condition as minor. During the preparation of the report, evidence of corrective action was provided: The certificate holder provided an Order dated 10/08/2021, obliging the responsible employees when selling FSC-certified products to indicate in all shipping documents (co-liaisons), invoices and invoices to indicate the FSC chain of custody code and the FSC 100% claim. The head of the sawmill shop was appointed responsible for the implementation of this order (the order contains the signature of the employee, confirming his familiarization with the order). Wherein: - according to section 8.6 of the Guidelines, the financial director is responsible for the execution of documents for the implementation of FSC certified products. There was no evidence of his familiarization with the order / other evidence of corrective actions in relation to the person responsible for the execution of documents for the implementation of FSC certified products; - no evidence of corrective actions was provided in relation to the aspect noted in the "objective evidence" - "in the consignment notes for the supply of certified chips from the crushing site to the port (consignment notes without N dated 03.03.2021, dated 05.03.2021, dated 09.03 .2021) specifies the forest management certificate code FC-FM/COC-043342 instead of the chain certificate code FC-COC-643343) ". In view of the above, it was decided that corrective actions were insufficient to confirm the elimination of the condition and the closure of C-07.	
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

NC number NC-000812 (06)	**NC Grading: Minor**
Standard:	SBP Standard 2: Verification of SBP-compliant Feedstock

Requirement:	15.6 The BP shall implement a management review system, which has the authority to make appropriate improvements to the management system.
Description of Non-conformance and Related Evidence:	
The SBP certification procedure of Baltic Forest Company LLC provides for the annual compilation (update) of the SBR as well as the annual revision of the GHG data (for filling out the SAR form). The current Procedure (Version 2-0) has been updated taking into account the release of Instruction 5E (v.1.5). The current audit evaluated the updated SBR (on the SBP portal and on the organisation's website) and SAR. On the official SBP portal (https://portal.sbp-cert.org/index) SBR is made according to the current v.1.4 template. At the same time, on the official website of the Baltic Forest Company LLC (https://balticforest.company/sustainable_development_ru/#certification) SBR is posted according to the not current version v.1.3 (SBR has been updated since the main audit), which indicates insufficiently effective support of the management review system. Due to a temporary omission, a decision was made to assess the identified condition as minor.	
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

NC number NC-000813 (08)	**NC Grading: Minor**
Standard:	SBP Standard 4: Chain of Custody
Requirement:	5.4.1 Biomass supplied with an SBP claim shall, in addition to meeting the requirements specified in the SBP-approved CoC system being implemented, be supplied with the following information: a) The name and address of the buyer; b) The date on which the invoice was issued; c) A description of the product – this must correspond to the description of the product given in the input and output records d) The quantity of the products sold with specific batch data
Description of Non-conformance and Related Evidence:	
According to data on transactions in DTS, accounting and comments of the interviewed officer responsible for certification, since the main audit, Baltic Forest Company LLC has had several shipments of SBP-certified chips. When checking the documents for its implementation, the indication in the sales documents of the names and addresses of the buyer, the dates of issuance of invoices, the description of the product and the quantity of products sold with specific batch data was confirmed. According to section 11.3.5.1 of the SBP certification procedures of Baltic Forest Company LLC, the SBP certified product status in the invoice / bill of lading for sale must have the form PBid: SBP-XX-YY-ZZ-AA, SBP-compliant biomass. When checking invoices for the implementation of SBP-certified materials (invoices No. 2021-02 / 065 from 23-02-2021, No. 2021-01 / 064 from 03-02-2021, No. 2021-03 / 066 from 19-03-2021) and accompanying shipping documents confirmed the indication of their certified status in the form of "SBP-	

09-06, SBP-complaint biomass"), i.e. the serial number ZZ is not indicated. Due to a temporary omission, a decision was made to assess the revealed condition as minor.	
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):	Artem Kornilov
Date of decision:	20 Dec 2021
Other comments:	N/A