



Compliance with the SBP Framework: Public Summary Report

Preferred by Nature OÜ
Evaluation of Baltania OÜ

Re-assessment

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:	Kersti Kuum
Audit team members:	N/A
Name of the Company:	Baltania OÜ
Company legal address:	Maakri 19/1, 10145 Tallinn, Estonia
Company contact for SBP:	Argo Tõnuri
Company contact email:	a.tonuri@perpetualnext.com
Company website:	www.perpetualnext.com
Date of installation:	
SBP Certificate Code:	SBP-08-55
Date of certificate issue:	04 Oct 2026
Date of certificate expiry:	03 Oct 2031
Audit closing meeting date:	16 Jul 2026
Audit cycle:	Re-assessment

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):	Pilar Gorría
Date of decision:	22 Sep 2026
Other comments:	CH shall inform Preferred by Nature when operation will be stable and production will be active. PBN will conduct an additional SBP audit. Required by Instruction Document 5E: Collection and Communication of Energy and Carbon data requirement 1.5.3

2.2 Open non-conformities and observations

2.2 Closed non-conformities

NC number 6297 copied from NC-004911 NC Grading: Major	
Standard:	Instruction Document 5E: Collection and Communication of Energy and Carbon data. v2.1
Requirement:	2.3.3 The characteristics of biomass shall be able to be traced back to the characteristics and mass of incoming feedstock, taking into account the applicable conversion factors. N/A N/A
Description of Non-conformance and Related Evidence:	
During the audit the representative explained how the conversion factor was calculated. It was calculated based on test batches. Conversion factor (0,75) is too high, considering the moisture of the feedstock and that these are torrefied pellets. During torrefaction volatile elements are also lost. During this reporting period, the Baltania plant used two torrefaction reactors HTT4, which are an improved version of the reactors HTT2 installed in 2021. The hole year 2023 and quarter 1 2024 HTT4 had a lot of technical problems. Starting from May 2024 plant is stopped. The company is trying to find new technology to produce pellets and this technology will not be used anymore. Auditor decided to raise a minor NCR 01/24, due to the fact that the technology will not be used anymore and when new technology will be installed it is anyhow necessary to calculate new conversion factor. Audit 2025: As the production is still stopped, the NCR remains open in 2026 annual audit. The new technology has not yet been installed. When new technology will be installed it is anyhow necessary to calculate new conversion factor. Then according to SBP STD 3, the NCR is upgraded to Major with a extended deadline to 31 July 2025. The deadline could be reviewed in case the production have not started by then. See reference to SBP STD 3. 8.8 In the case that action(s) to correct a major non-conformance take more than three months to complete, sufficient action shall be taken within the specified timeframe, such that new instances of non-conformance within the scope of the certification are prevented.	
Timeline for Conformance:	Other
Evidence Provided by Company to close NC:	Interviews, review of publications.
Findings for Evaluation of Evidence:	The conversion factor of 0.75 was established during the initial commissioning and test production campaigns of the torrefaction process. Based on the available production data from these test batches, the observed mass yield was considered representative of the operating conditions at that time, and therefore a conversion factor of 0.75 (1.00 t incoming biomass → 0.75 t torrefied pellets) was adopted. Since May 2024, production has remained stopped and the original torrefaction technology has not been restarted. Consequently, it has not been technically possible to perform additional production trials or establish a new conversion factor based on operational data. According to the report "Torrefaction" (FutureMetrics, prepared for the Council of Western State Foresters, January 2021)*, the typical mass loss during torrefaction is 23–35% of oven-dry biomass, depending on the torrefaction severity and operating temperature. This corresponds to a typical solid mass yield of approximately 65–77%. When the new production technology is installed and commissioning begins, the conversion factor will be recalculated using actual production data obtained under stable operating conditions. The documented calculation will replace the current factor before regular production resumes. As new technology is installed a there most likely be another conversion factor. The production is stopped from May 2024 and the conversion factor have not been used. Auditor decided to close the NCR.
NC Status:	Closed
Original Due Date:	N/A

Closing Date:	2026-09-22
Upgrade Date:	N/A
Update Date:	N/A

2.3 Actions taken by Organisation Prior to Report Finalisation

N/A

2.4 Notes for the next Audit

If the stable operations is reached it is needed to have additional SBP certification evaluation. Also required by Instruction Document 5E: Collection and Communication of Energy and Carbon data requirement 1.5.3.

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 EU RED: Bridging Requirements for Meeting the Directive EU/2023/2413; Instruction Document 5E: Collection and Communication of Energy and Carbon data. v2.1
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)	Yes
Products	WB 1.3 Torrefied pellets
Feedstock origin (countries):	Estonia
SBP-endorsed Regional Risk Assessments used:	Not applicable
Public link: https://sbp-cert.org/documents/standards-documents/risk-assessments/	
Chain of custody system	☐ Physical separation ☒ Mass balance
Outsourcing	Yes
Changes in the scope	SBE and Kunda port as storage place taken out of scope due to no production.

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.

BALTANIA OÜ is a new production plant that has not yet started full operation. Nevertheless, the company promotes sustainable forest management from the very first purchases of raw material, because the mission of the company was to strive for FSC and SBP certification. The plant refuses to accept raw material from unspecified harvesting sites and from Woodland Key Habitats (referred to as WKH), potential WKHs, Natura forest habitats, Natural sacred grounds. The company provides their suppliers with guidelines how to follow the requirements set out in FSC standards and how to mitigate risks of possible sourcing from WKH's. Company is using fuelwood as their main input. Secondary input is also an option but not used in practice. Same material is used in dryer. Designed production capacity is 40 000 tonnes per year. Input material only certified (FSC or PEFC) roundwood or chips. Since spring 2024 the production has stopped. Company is looking for a new technology. This audit period no feedstock was purchased. During reassessment 2026 Standard 1 and therefor SBE was removed from scope as no production is taken place. Company will only purchase certified input material for test production if new technology is ready. Only SBP controlled claim used if any sales of torrefied pellets.

3.2 Site details

Legal entity name	Address	Site Activity	Visited during the audit
Baltania OÜ	Rassi tee 13, Vägari, Estonia	Office, production	☒

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.

Baltania OÜ holds valid FSC CoC certificate since 01.09.2021, certificate code is PBN-COC-054908 and PEFC CoC certificate no PBN-PEFC-COC-054908. Baltania is using FSC and PEFC credit system. BP does not buy any uncertified material. Company plans to buy FSC certified, FSC Controlled Wood, PEFC certified or PEFC controlled sources material. Baltania OÜ operates an SBP-certified Chain of Custody system to ensure traceability of certified feedstock from receipt through processing and dispatch of finished products. Feedstock inputs, production volumes and product dispatches are recorded and controlled through a mass balance system, ensuring that SBP claims do not exceed the corresponding eligible feedstock inputs. The company sources certified primary forest feedstock in the form of roundwood or woodchips from Estonia. The woodchips are torrefied and pelletised to produce torrefied wood pellets. Since May 2024, production has remained stopped and the original torrefaction technology has not been restarted. Company is in a search for new technology, at hope to start testing the technology Q2 2027.

4 Specific objective of the audit

The objective of this evaluation was to confirm that 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, including requirements designated in applicable SBP;
- Standards and Instruction Documents;
- Review of the production processes, site visit;
- Review of the Supply Base Report;
- Review of SBP system control points, analysis of the developed Coc system;
- Review of the records and calculations;
- GHG data collection analysis;
- Interviews with responsible staff;
- RED bridging requirements for meeting RED III;
- Stakeholder Engagement Plan;
- Business integrity.

5 Evaluation process

5.1 Timing and duration of evaluation activities

Audit Level of Effort (LoE)		
Activity	Auditors	Auditor hours
1. Preparation	Kersti Kuum	2.0
2. On-site (excl. travel time)	Kersti Kuum	6.0
3. Report writing	Kersti Kuum	6.0

5.2 Auditor team qualification

Auditor qualification		
Auditor name	Role	Qualification
Kersti Kuum	Audit team leader	Preferred by Nature Chain of Custody Specialist. BSc in Industrial Ecology and MSc in Environmental Management and Cleaner Production from Tallinn University of Technology. Previous work experience in Environmental management. Has worked in state and private companies.

5.3 Description of evaluation activities

The reassessment audit was conducted onsite at the Baltania OÜ production facility. Prior to the audit, relevant procedures, records and documentation were reviewed.

The audit began with an opening meeting, followed by a review of the company's PEFC, FSC and SBP procedures, Supply Base Report (SBR), Chain of Custody (CoC) system and mass balance controls. Feedstock sourcing procedures and REDIII compliance measures were evaluated, including supplier requirements and sourcing controls.

The auditor reviewed the implementation of DTS procedures and SBP transaction controls. As no SBP transactions had taken place during the audit period, the evaluation focused on system readiness and staff understanding of the requirements.

GHG and Energy Data requirements were assessed through a review of the SAR, supporting calculations and data collection methodologies. Purchase (historical purchases), inventory and sales records were also reviewed to verify traceability and material accounting procedures.

A site inspection of the production facility was conducted, supported by interviews with responsible personnel. As no feedstock had been purchased, no production had taken place and no SBP transactions had occurred during the audit period, the reassessment focused primarily on documented procedures, system implementation and readiness for operation.

Due to the absence of production activities, feedstock purchases and DTS transactions during the audit period, the audit was completed in approximately six hours.

5.4 List of forest management units and feedstock suppliers visited

☒ N/A – No forest sites or suppliers visited during this evaluation
SBE removed from scope.

5.5 Describe audit sampling methodology used

Production has stopped since spring 2024. The audit employed a risk-based sampling approach covering the key elements of the SBP system, feedstock sourcing, material accounting and production processes. The reassessment included a review of documented procedures, inventory records, production records, sales records and mass balance calculations. In this audit period no feedstock was purchased, so no purchase invoices were available. DTS was reviewed, no transactions with SBP claim was made this audit period. A few sales were made, but without SBP claim. Interviews were conducted with responsible staff. The interviews were used to confirm understanding of SBP requirements, material classification, record keeping and mass balance management. Production was also visited. As no pellets are produced and the Kunda port is not used for storage, it was removed from scope. No forest site visits were conducted during the audit. Baltania OÜ did not purchase any feedstock during the audit period and therefore did not carry out supplier field inspections. This was confirmed through record review and staff interviews. SBE was removed from scope during this audit. Forest site visits are also part of the RED mitigation measures applied to verify compliance of sourced feedstock. These measures were verified during the previous audit and no changes to the Supply Base, sourcing areas, sourcing procedures or responsible personnel were identified during the current audit. As no feedstock was purchased during the audit period, there was no sampling opportunity for field verification. Based on the absence of sourcing activities, the results of the previous year's field visit, and that the responsible personnel and sourcing arrangements remained unchanged, the auditor concluded that additional forest site visits were not necessary for the current audit. Also due to the fact that new audit is required when stable production is reached.

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.

5.7 Stakeholder feedback and response

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

5.8 Main strengths and weaknesses of the management system and operations

Main strengths: SBP system procedures are very well compiled and implemented. Good knowledge by the staff.

Weaknesses: Full year of 2023 and first quarter of 2024 plant worked in testing mode because of technical problems in torrefaction. Many plant starts ended before real production started. It means raw material chipping was ongoing and also drying, but before torrefaction started, the reactor started to show technical problems and plant was shut down again, but electricity and diesel was used during warm up of reactor and preparing material for reactor. Starting from May 2024 plant is shut down. The technology for production was not efficient and now the company is trying to find new technology to produce torrefied pellets.

If the stable operations is reached it is needed to have additional SBP certification evaluation. Also required by Instruction Document 5E: Collection and Communication of Energy and Carbon data

requirement 1.5.3.**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

☒ N/A – processing residues and/or post-consumer feedstock not used.

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

During the audit, a valid CoC system description and other documents associated with FSC and PEFC CoC certification was reviewed. Critical control points of the CoC system were evaluated also during SBP audit. Baltania OÜ has a Chain of Custody system where they have implemented credit method (FSC and PEFC), supported by a Mass Balance system (12 month balancing period) for SBP and RED requirements. Company is sourcing only certified under FSC and/or PEFC claim. In case there would be any non-compliant material it would be kept physically separated in the production site.

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

BP has a system to gather and record Greenhouse Gas emissions. During the audit, BP made a detailed overview of the systems and databases to gather and record such data. All the GHG information is indicated in SAR document. All evidence was provided to auditors, auditors considered it sufficient to fulfill the requirements.

5.13 Summary of audit findings for competency of involved personnel

During the audit, it was confirmed by auditor that responsible persons have appropriate education, competences, working experience and management experience in forestry sector and pellet production. They have good knowledge of ecological and social values associated with the Supply Base, knowledge of applicable laws and regulations, knowledge of SBP requirements. Plant managers mother language is Estonian and all responsible persons speak fluently English. All the applicable points mentioned above are filled and qualifications are described in job descriptions. Job descriptions were reviewed during the audit.

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

EU RED scope:

*Benchmarking of the SBP requirements for developing Level A risk assessment and the findings and outcomes of the risk assessment shows that criteria and indicators are evaluated. The conclusions for Estonia **indicate a low risk for the indicators under the harvesting criteria, except for the criteria:***

(iv) Harvesting and soil/biodiversity safeguards (except clear-cut thresholds)

(vi)¹ Primary forests and old-growth forests (no-go areas)

(vi)² Highly biodiverse forests

(vi)⁴ Biomass fuel shall not be made from raw material obtained from heathland (nogo area)

(vi)⁶ Peatlands (drainage risk)

(vii) Statement of assurance from biomass producers

*for which a Level B route is required (see Level B risk assessments below in ch 4). **Level B is based on:***

Full origin data– felling permit, waybill, handover act - is collected and reviewed to make sure material is sourced legally. If some of the needed documentation is missing material can not be sourced.

Origin information provided is verified via state registers (Forest registry, waybill database EVR, kinnisturaamat).

Also Woodpecker software is used to create and monitor shipments and analyze every feedstock load to verify if there is any WKHs, Natura 2000 forest habitat types or other protected forests on the sourcing area. Primary forest, old growth forest and heathlands are also monitored by the BP as no-go areas.

Additionally organization is conducting sample based field visits in sourcing areas before harvesting to identify whether compartment has WKH elements or not. The outcome of these control measures is to eliminate material from potential WKHs.

6.2 CB evaluation of specified risk indicators and mitigation measures