

BM Certification Terms and Conditions

Description of the PEFC Forest management, PEFC Chain of Custody, RSPO Chain of Custody, product certification, ENplus®, ISCC, SURE, DDC and GGL Chain of Custody certification process

1. General

1.1. BM Certification SIA offers certification services of PEFC Forest management schemes, PEFC Chain of Custody, RSPO Supply Chain, ISCC, SURE, DDC and GGL Chain of Custody, ENplus® and various standards of products in order for potential and existing Clients to be able to demonstrate conformity of products, services, personnel and Systems to customers and end-users.

2. Scope of Contract

2.1. This document, together with the application for quote (when accepted and signed by the Client) are part of the Commercial Contract and shall form the terms and conditions of Contract between the parties ("the Contract").

2.2. This document describes the rights, responsibilities and duties of BM Certification, and the business or organisation, as identified in the Contract (the "Client"), whose System(s) ("System" shall mean the:

- a. PEFC Forest management; forest contractor scheme,
- b. PEFC Chain of Custody,
- c. RSPO Supply Chain,
- d. ISCC Supply Chain,
- e. SURE Supply Chain,
- f. Dutch Double Counting,
- g. Green Gold Label,
- h. ENplus®,
- i. the certification of wood construction, construction lumber, solid wood panelling

or other Accredited scheme, the organisational structure, responsibilities, activities, resources, events that together provide organised procedures and methods of implementation to ensure the capability of the Client to meet the standard(s) (the "Standard")) has been or is to be Certified ("Certified" shall mean a System is in operation and subject to a valid certificate of conformance ("Certificate")) by BM Certification to the Standard.

2.3. The Certificate awarded by BM Certification covers only those services or products manufactured and/or supplied strictly within the scope of the Client's System as Certified by BM Certification.

2.4. The Client remains solely liable for any defect in its products, services or System discovered during compliance audits.

3. IP Rights and Licences

3.1. The BM Certification intellectual property rights, titles and interests in all service mark(s), trademark(s), certification mark(s), other names or logos, copyright works and inventions remain the property of BM Certification and cannot be sold or licensed by the Client.

3.2. BM Certification shall award a licence to the Client to use its certification mark(s) and logo(s) for the duration of this Contract when used in accordance with the applicable Terms of Use (as amended from time to time), which are available on the BM Certification web site (www.bmcertification.com) or on request.

3.3. BM Certification will audit the use of logos and/or marks. BM Certification reserves the right to substitute or withdraw the right to use any or all logos, marks, certificates and audit documentation at any time in the event of noncompliance with the Terms of Use or should the Contract be terminated, for whatever reason.

3.4. Intellectual property rights, titles and interests in all service mark(s), trademark(s), other names or logos and copyright works belonging to organisations which formally approve BM Certification to offer Services or organisations working on their behalf (the "Accreditation Body(ies)") shall remain the property of the respective organisations.

3.5. Use of the service mark(s), trademark(s), other names or logos and copyright works described in Clause 3.4 are governed by Standards and rules which are available from the Accreditation Body or BM Certification.

3.6. All claims and uses of the Accreditation Body's service mark(s), trademark(s), other names or logos and copyright works must be in compliance with the requirements of the relevant Standards and rules.

3.7. The Client acknowledges the title of the Accreditation Body's intellectual property rights and that the Accreditation Body shall continue to retain full ownership of the intellectual property rights and that nothing shall be deemed to constitute a right for the Client to use or cause to be used any of the intellectual property rights.

3.8. BM Certification reserves the right to use any information that is brought to its attention and to investigate any infringements of trademark, service mark and intellectual property rights of the Accreditation Body.

3.9. The Client complies with the requirements of the certification body or as specified by the certification scheme in making reference to its product certification in communication media such as documents, brochures or advertising.

4. Obligations of BM Certification

4.1. BM Certification will appoint competent qualified auditors to conduct audits and assessments of the Client's System in accordance with the Accreditation Body's rules and procedures and BM Certification's management system requirements.

4.2. For PEFC forest and forest contractor certification BM Certification conducts stakeholder consultation 30 days prior each year PEFC forest contractor audit and 14 days before forest certification or recertification audit.

4.3. BM Certification will ensure that audit and assessment services are delivered at a frequency determined by BM Certification or Standards in order for BM Certification to maintain confidence in the ongoing efficiency of the System.

4.4. Following the assessment of the application of quote and conclusion of the Contract, BM Certification will implement the audit procedure in accordance with the Standard and internal procedures and both parties shall agree upon the planned days, dates, venue of audits and the audit team not later than 2 weeks before the initiation of the audit procedure.

4.5. BM Certification will issue audit report and non-conformance reports, if appropriate, after each audit activity. Audit report with corresponding audit documents is supplied to BM Certification technical reviewers / certification manager for review and certification decision making.

4.6. BM Certification will issue a Certificate on successful completion of the initial certification assessment to the satisfaction of BM Certification.

4.7. For RSPO certification BM Certification will ensure that all sites are to be audited within the 5-year cycle.

4.8. BM Certification is obliged to provide information, including personal data, that is necessary for the governance of the ENplus® scheme to the relevant ENplus® scheme management or another organisation appointed by the ENplus® scheme management.

5. Obligations of the Client

5.1. The Client agree to comply with all conditions set by BM Certification for the issuance of the certificate and is aware of BM Certification's right to review the certification requirements during the validity of the certificate.

5.2. The Client agrees that BM Certification outsources its obligations under the Agreement.

5.3. The Client shall ensure that its System complies with the current version of the rules, regulations and Standard(s) against which it is certified. Current versions of the rules, regulations and Standards can be obtained from the respective websites of the Accreditation Bodies, or from BM Certification.

5.4. The Client agrees to undergo regular surveillance and audit as determined by BM Certification and must provide BM Certification with reasonable cooperation and assistance and allow BM Certification access to all premises, documentation and information deemed necessary by BM Certification to verify the maintenance of the System. For PEFC forest contractor audits Client shall submit annually updated information about customers serviced within last 12 month period.

5.5. The Client agrees that:

a. BM Certification has the right to undertake unannounced surveillance or short notice surveillance evaluations.

b. Additional surveillance visits, as deemed necessary by BM Certification, will calculate the fee at BM Certification's rates current at the time of supply of such services and as stipulated in the Commercial Contract.

c. BM Certification maintains a public database of certified clients. Audit report public part of Forest management and forest contractor certification will be made publicly available at BM Certification's website.

d. for certification in conformity with the product certification standard or harmonised technical specifications which indicate that the assessment shall be done in accordance with system 1 and the conduction of initial tests, BM Certification utilizes one of the following laboratories:

- MEKA SIA
- TÜV Eesti OÜ
- Laboratory of Building Physics of Kaunas University of technology
- Fire Research Centre of the Fire and Rescue Department under the Ministry of the Interior Lithuania
- JSC Testlita
- Furnitest
- Incolab
- R&D Akustika
- ZRF Rumba

5.6. The Client recognises that:

- a. Certificate will only be granted once all non-compliances are corrected and closed. For PEFC forest contractor audits corrective action plans shall be prepared by the Client for minor non-conformities.
- b. PEFC FM, forest contractor and COC surveillance audits will be conducted not less than once a year, a total of 1 certification audit and 4 surveillance audits will be conducted within the duration of the certification cycle; recertification audits will be conducted every 5 years.
- c. product certification surveillance audits are conducted at least once a year in accordance with EN 14081 (VSG), EN14250, EN14915, EN14342, EN14351, EN13964; EN13830, EN16034, EAD 130031-00-0304, A-MARK standards, during the certification cycle, a total of 1 certification audit and 2 surveillance audits; re-certification audits will be conducted every 3 years.
- d. product certification surveillance audits are conducted at least once after 6 months in accordance with, EAD340308-00-0203, EN14081 (MSG); EN13171; EN13986, EN14080; EN14374, EN15497, EAD130005-00-0304 standards, during the term of the certification cycle 1 certification and 5 surveillance audits, recertification audits will be conducted every 3 years.
- e. for heat treatment process of wood packaging materials within the certification cycle 1 certification and 2 surveillance audits; recertification audits will be conducted every 3 years.
- f. metal certification scheme EN 1090-1 and welding production processes EN ISO 3834 within the certification cycle 1 certification audit and 2 surveillance audits; re-certification audits will be conducted every 3 years.
- g. for ENplus® an annual surveillance evaluation should be conducted annually in a period of 6 months prior to the date relative to the issuance of the certificate. One

additional unannounced annual collection of samples and testing of pellets is also required. Re-certification audits will be conducted every 3 years.

- h. Certificate in ISCC scheme is issued for 1 year. Certificate can be issued if all nonconformities are closed within 40 days. Maximum time when certificate must be issued is 60 days and 40 days are the part of these 60 days. Each year comes Recertification audit. Client must submit GHG emissions calculations and/or list of warehouses/farms (for risk assessment) at least 21 day before audit. Risk assessment is done annually. Client must register in ISCC homepage till Initial certification and inform an auditor on registration number during audit time. Client must sign Terms of Use annually (document can be found in ISCC webpage). Only report of farms contains Major and Minor Musts. A precondition for a successful audit is the compliance with all criteria of ISCC Principle 1, of all Major Musts of the ISCC Principles 2 to 6, as well as a minimum of 60% compliance with all Minor Musts.
- i. Certificate in SURE-EU scheme is issued for 1 year. Recertification audit shall be made within 12 months. A mandatory surveillance audit must be carried out of the collector and trader/distributor of waste and residues within a six-week period before the end of 6 months after the initial certification. For collection points and traders/distributors who deal with waste and residues as well as with virgin materials (e.g. vegetable oils), the additional surveillance audit is conducted three months after the initial audit (covering the first mass balance period). Certificate can be issued if corrective measures of Major nonconformities are verifiably implemented no later than 40 days after the audit and corrective measures of Critical evaluations are verifiably implemented no later than 30 days after the audit. For SURE-EU scheme certificate should be issued within maximum of 6 weeks or 42 calendar days from the date of the audit. Client must submit GHG emissions calculations and/or list of storage/operation sites (for risk assessment) as well as mass balance prior to the planned audit. Additionally, for group certification the list of biomass producers and an appropriate and practical overview of the self-declarations submitted must be provided. Client must register in SURE homepage till Initial certification and inform an auditor on registration number during audit time.
- j. RSPO licence is valid for one year, and it is issued if all major non-conformities are closed within one month since the audit closing meeting. In case of five or more major non-conformities, a follow-up audit shall be conducted.
- k. Green Gold Label– BM Certification will charge the participant the registration costs, based on the number of registered companies or establishments. A signed declaration by a legal representative of the applicant, which confirms its agreement to comply with the certification requirements of the Foundation and the requirements of this document must be submitted before the initial audit. Certificate in GGL scheme is issued for 5 years with surveillance audits conducted not less than once a year, a total of 1 certification audit and 4 surveillance audits will be conducted within the duration of the certification cycle; recertification audits will be conducted every 5 years. Certificate can be issued if all major nonconformities are closed within 3 months, corrective action plans shall be prepared by the Client for minor non-conformities.

5.7. The Client shall inform BM Certification promptly of any significant changes to its product(s), services, resources, management, system or any other circumstances, which may materially impact the continued validity of its certification, for example but without limitation: change of site, additional sites, change of process, change of ownership, change of scope. In such circumstances the Client shall agree to perform an extraordinary audit, the costs of which have been stipulated in the Commercial Contract, and pay any applicable additional fees and expenses deemed necessary for BM Certification to assess the impact and maintain confidence in the System.

5.8. The Client shall allow the Accreditation Body, or its representative, access to any part of the certification/recertification audit or surveillance process, and to conduct witness assessment, compliance assessment, unannounced assessment, or any other special short notice assessment for the purposes of witnessing BM Certification's audit team performing the audit of the System to determine conformity with the requirements of the Standard. This will include the right of access the certificate holders' premises, as well as documents and records, including confidential information. The Client will not have the right within this Contract to refuse such a request either by the Accreditation Body, its representative or BM Certification.

5.9. The Client agrees that information relating to its certification and scope of certification is made publicly available at BM Certification's website www.bmcertification.com.

5.10. The Client agrees to make claims regarding the certification consistent with the scope of the certification.

5.11. The Client shall announce to BM Certification any activity which may create a conflict of interest in relation to its Certified product/ system.

5.12. Where necessary the Client shall also enter into and maintain a valid License Agreement for the use of the certification mark. The Client shall affix the CE mark on its products in compliance with the Standard after having coordinated with the Certification Body.

5.13. The Client shall cooperate with BM Certification and provide the audit team with the required documentation (if necessary to a specific stage of the certification procedure) for assessment purposes, not later than 1 week prior to the initiation of the audit procedure.

5.14. If the Client should submit the Certification documents and copies thereof to third parties, they must be provided with all details of the certification scheme.

5.15. The Client shall register and keep record of all complaints received regarding the conformity of the requirements of the certification and shall perform analysis of such complaints, maintaining the records thereof. The Complaint register and records are available on request for review to BM Certification. The Client shall:

- a. take appropriate action with respect to such complaints and any deficiencies found in products that affect compliance with the certification requirements,
- b. document the actions taken.

5.16. The Client does not use its product certification in such a manner that can bring certification body into disrepute and does not make any statement regarding its product certification that the certification body may consider unauthorized or misleading.

5.17. If the Client provides copies of the certification documents to others, the documents shall be reproduced in their entirety or as specified in the certification scheme.

5.18. The Client shall comply with any requirements that may be prescribed in the certification scheme relating to the use of marks of conformity and on information related to the product.

6. Suspension or withdrawal of certification

6.1. BM Certification shall be entitled to suspend or withdraw the Client's certification if:

- a. The certified products or Systems of the Client continuously and consistently fail to comply with the Standard, including the requirements of management system efficiency.
- b. The certified Client refuses to undergo surveillance audits or recertification audits within the specified frequency.
- c. The Client arbitrarily cancels the certification procedure, notifying BM Certification in writing.
- d. The Client fails to comply with the financial obligations of the Contract.
- e. During the audit procedure 5 or more Major non-conformities or 10 or more Minor non-conformities have been raised by auditor (in case of PEFC Forest contractor certification 3 Major non-conformities; in case of product certification, more than 7 non-conformities; not applicable to RSPO scheme). In EN*plus*® scheme - one or more Major non-conformities have been raised.
- f. The Client has not dealt with the non-conformities within the specified deadline.
- g. The Client has failed to comply with the requirements of the use of trademarks of BM Certification / Accreditation Body or CE marking (logo) requirements in conformity with the Standard.
- h. Any Criteria evaluated as critical during the SURE-EU system audit (endanger the integrity of the system).
- i. Major violation is found at one of the inspected storage/operating sites in case of SURE-EU Individual certification of the first gathering point/collector.

6.2. Where it considers it appropriate, BM Certification may, at its sole discretion, inform the Client of its intention to suspend or withdraw certification and to allow the Client a reasonable opportunity to take a corrective action, within such timescales as BM Certification may reasonably specify, before the suspension or withdrawal takes effect.

6.3. If BM Certification's accreditation has stopped due to any circumstances or BM Certification has inability to continue to supply certification accredited by the respective Accreditation Body, BM Certification will notify the Client within 30 days (within 14 days

for RSPO scheme) of such withdrawal and the Certificates relating to the respective scope of the Accreditation Body will be suspended ipso facto within 6 months after the date of withdrawal (certificate remain valid until the next surveillance date for RSPO scheme).

6.4. On suspension or withdrawal of certification the Client shall immediately cease to use any trademarks associated with BM Certification, PEFC, RSPO, CE, ISCC, SURE, ENplus® and the Accreditation Body, or to sell any products that have previously been labelled or marked (or authorised labelling and marking) using the trademarks, and cease to make any claims that imply that they comply with the requirements for certification.

6.5. The Client shall advise all relevant existing customers of the suspension or withdrawal in writing within 3 working days (or other period as determined by BM Certification) of the withdrawal or suspension taking effect, and maintain records of that advice.

6.6. The Client shall, as requested by BM Certification, either destroy all electronic and hardcopy Certificates relating to the certification and remove all claims, service mark(s), trademark(s), other names or logos and copyright works from products, documents, advertising and marketing materials with immediate effect or return all such certification to BM Certification. The Client shall also cooperate with BM Certification and its Accreditation Bodies to confirm that these obligations have been met and shall, if requested, confirm in writing the destruction or return of all such references or certificates by one of its directors.

7. Appeals and Complaints

7.1. Clients wishing to complain or appeal about the assessment process including decision making of BM Certification shall do so in accordance with the BM Certification Complaints and Appeals Processes which are available on request.

7.2. Complaints and appeals related to the application of the Latvian National PEFC Forest Management Standard which cannot be resolved between the auditee and the certification body, or which are beyond the responsibility and competence of the certification body, are forwarded for examination to the association "PEFC Latvijas Padome".

8. Materiality (Basis of opinion)

8.1. BM Certification conducts its audit activity through a sampling process to determine if the System meets the Standard(s). Any statement of conformity issued by BM Certification in the form of reports, Certificates or other communications is based on these sampling processes. BM Certification does not warrant, represent or undertake that these statements mean that all activities are in conformance with the relevant Standard(s) at the time of the audit or that subsequent to the audit activity those activities audited will continue to be in conformity with the relevant Standard. BM Certification accepts no liability to the Client in the event that any loss or claim is suffered by the Client as a result of any finding that the System does not comply with the Standards.

9. Confidentiality

9.1. Except as may be required by law or required by the Accreditation Body, BM Certification, its related Group Offices and the Client will treat as strictly confidential and will not disclose to any third party without prior written consent of the other, any information which comes into their possession, the possession of their employees, agents or others by virtue of the Contract, provided that this Clause shall not extend to

information which was rightfully in the possession of such party prior to the commencement of the negotiations leading to the Contract or which was already public knowledge or becomes so at a future date (otherwise than as a result of a breach of this Clause) or which is required to be disclosed by law. The foregoing obligations as to confidentiality shall survive any termination of the Contract.

10. Publicly available information (for RSPO scheme)

10.1. BM Certification personnel must provide following documentation on public request:

- a. RSPO Supply Chain Certificate,
- b. for Independent mill, the RSPO audit report,
- c. information about RSPO certification scheme including evaluation procedures, rules and procedures for granting, for maintaining, for extending or reducing the scope of, for suspending, for withdrawing or for refusing certification,
- d. description of the means by which BM Certification obtains financial support and general information on the fees charged to applicants and clients,
- e. a description of the rights and duties of applicants and clients, including requirements, restrictions or limitations on the use of BM Certification name and certification mark and on the ways of referring to the certification granted,
- f. the list of certified organisations, which includes details of the scope of each certificate, i.e. which sites and/or processes are approved (RSPO Secretariat only).

11. Assignment

11.1. Neither party shall assign the Contract or any of its rights and obligations hereunder whether in whole or in part without a prior written consent of the other.

12. Additional

12.1. This document is an addendum to the Commercial Contract.