

# SBP

Sustainable Biomass Partnership

## NEPCon Evaluation of CM Biomass LLC Compliance with the SBP Framework: Public Summary Report

[www.sustainablebiomasspartnership.org](http://www.sustainablebiomasspartnership.org)



## Completed in accordance with the CB Public Summary Report Template Version 1.0

*For further information on the SBP Framework and to view the full set of documentation see  
[www.sustainablebiomasspartnership.org](http://www.sustainablebiomasspartnership.org)*

### *Document history*

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# Contents

<b>1</b>	<b>Overview</b> .....	<b>1</b>
<b>2</b>	<b>Scope of the evaluation and SBP certificate</b> .....	<b>2</b>
<b>3</b>	<b>Specific objective</b> .....	<b>4</b>
<b>4</b>	<b>SBP Standards utilised</b> .....	<b>5</b>
4.1	SBP Standards utilised .....	5
4.2	SBP-endorsed Regional Risk Assessment .....	5
<b>5</b>	<b>Description of Biomass Producer, Supply Base and Forest Management</b> .....	<b>6</b>
5.1	Description of Biomass Producer .....	6
5.2	Description of Biomass Producer’s Supply Base .....	6
5.3	Detailed description of Supply Base .....	6
5.4	Chain of Custody system .....	6
<b>6</b>	<b>Evaluation process</b> .....	<b>7</b>
6.1	Timing of evaluation activities .....	7
6.2	Description of evaluation activities .....	7
6.3	Process for consultation with stakeholders .....	8
<b>7</b>	<b>Results</b> .....	<b>9</b>
7.1	Main strengths and weaknesses .....	9
7.2	Rigour of Supply Base Evaluation .....	9
7.3	Compilation of data on Greenhouse Gas emissions .....	9
7.4	Competency of involved personnel .....	9
7.5	Stakeholder feedback .....	9
7.6	Preconditions .....	9
<b>8</b>	<b>Review of Biomass Producer’s Risk Assessments</b> .....	<b>10</b>
<b>9</b>	<b>Review of Biomass Producer’s mitigation measures</b> .....	<b>11</b>
<b>10</b>	<b>Non-conformities and observations</b> .....	<b>12</b>
<b>11</b>	<b>Certification decision</b> .....	<b>14</b>
<b>12</b>	<b>Surveillance updates</b> .....	<b>15</b>
12.1	Evaluation details .....	15
12.2	Significant changes .....	15
12.3	Follow-up on outstanding non-conformities .....	15

12.4 New non-conformities ..... 15

12.5 Stakeholder feedback ..... 15

12.6 Conditions for continuing certification ..... 15

12.7 Certification recommendation ..... 15

**13 Evaluation details..... 16**

# 1 Overview

CB Name and contact: NEPCon OÜ, Filosoofi 31, 50108 Tartu, Estonia

Primary contact for SBP: Ondrej Tarabus [ot@nepcon.net](mailto:ot@nepcon.net), +420 606 730 382

Report completion date: 05/Oct/2017

Report authors: Nikolai Tochilov

Certificate Holder: CM Biomass LLC

Legal address: 6 Khokhlova street, Gatchina 188300, Leningrad region, Russia.  
Branch: office 309, 5a Mezhevoy canal, Saint-Petersburg, Russia

Producer contact for SBP: Rens Hartkamp

Certified Supply Base: N/A - Trader

SBP Certificate Code: SBP-01-41

Date of certificate issue: 04/Oct/2016

Date of certificate expiry: 03/Oct/2021

Indicate where the current audit fits within the certification cycle				
Main (Initial) Audit	First Surveillance Audit	Second Surveillance Audit	Third Surveillance Audit	Fourth Surveillance Audit
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

## 2 Scope of the evaluation and SBP certificate

Organization is a biomass trader sourcing the material from a number of pellet producers in North-West Russia (since the initial evaluation there were two suppliers). The material is delivered to S.Petersburg sea port by suppliers by truck, at this moment possession is taken over by CM Biomass LLC (based on acceptance act) and immediately after that it is sold by organization to its exclusive customer. Therefore, the organization shall be considered as a trader without physical possession. There is no any energy consumption for biomass handling, storage and/or shipment.

The Organization holds a valid FSC certificate with transfer system implemented.

Scope Item	Check all that apply to the Certificate Scope			Change in Scope (N/A for Assessments)	
<b>Approved Standards:</b>	SBP Standard #4 V1.0 SBP Standard #5 V1.0 <a href="https://sbp-cert.org/">https://sbp-cert.org/</a>			<input type="checkbox"/>	
<b>Primary Activity:</b>	Broker/trader without physical possession			<input type="checkbox"/>	
<b>Input Material Categories:</b>	<input type="checkbox"/> SBP-Compliant Primary Feedstock	<input type="checkbox"/> SBP-Compliant Secondary Feedstock		<input type="checkbox"/>	
	<input type="checkbox"/> Controlled Feedstock	<input type="checkbox"/> SBP non-Compliant Feedstock			
	<input type="checkbox"/> SBP-Compliant Tertiary biomass	<input type="checkbox"/> Post-consumer Tertiary Feedstock			
	<input type="checkbox"/> SBP-approved Recycled Claim	<input type="checkbox"/> Post-consumer Tertiary Feedstock			
<b>Chain of custody system implemented:</b>	<input checked="" type="checkbox"/> FSC	<input type="checkbox"/> PEFC	<input type="checkbox"/> SFI	<input type="checkbox"/> GGL	<input type="checkbox"/>
	<input checked="" type="checkbox"/> Transfer	<input type="checkbox"/> Percentage	<input type="checkbox"/> Credit		<input type="checkbox"/>
<b>Points of sales</b>	<input type="checkbox"/> Harbour – Permanent storage (Storage site)	<input type="checkbox"/> Harbour – Temporally storage (Logistic site)	<input checked="" type="checkbox"/> Other point of sale (e.g. gate of the BP, boarder, railway station etc.)		<input type="checkbox"/>

<b>Provide name of all points of sales</b>	- - -	- - -	St. Petersburg harbour, FCA	
<b>Use of SBP claim:</b>	<input checked="" type="checkbox"/> Yes		<input type="checkbox"/> No	<input type="checkbox"/>
<b>SBE Verification Program:</b>	<input type="checkbox"/> Low risk sources only		<input type="checkbox"/> Sources with unspecified/ specified risk	<input type="checkbox"/>
	New districts approved for SBP-Compliant inputs:			
<b>Sub-scopes</b>				<input type="checkbox"/>
Specify SBP Product Groups added or removed:				
Comments:				

### 3 Specific objective

The specific objective of this evaluation was to confirm that the Biomass Trader'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 Biomass Trader's management procedures;
- Review of FSC system control points, analysis of the existing FSC CoC system;
- Interviews with responsible staff;
- Review of the records and calculations.



## 4 SBP Standards utilised

### 4.1 SBP Standards utilised

Chain of Custody, SBP Standard 4, Version 1.0, March 2015

Collection and Communication of Data, SBP Standard 5, Version 1.0, March 2015 and Instruction Documents 5A, 5B, 5C, Version 1.1, October 2016.

Standards and Instruction Documents can be found at <https://sbp-cert.org/>

### 4.2 SBP-endorsed Regional Risk Assessment

Not applicable.

## 5 Description of Biomass Producer, Supply Base and Forest Management

### 5.1 Description of Biomass Producer

Not applicable – organisation is trader.

### 5.2 Description of Biomass Producer's Supply Base

Not applicable – organisation is trader.

### 5.3 Detailed description of Supply Base

Not applicable – organisation is trader.

### 5.4 Chain of Custody system

The Organization has implemented the FSC transfer system with biomass (wood pellets) in the scope of the certificate - NC-COC-025650. The process covers trade with biomass without physical possession. The material is delivered by suppliers by truck to S.Petersburg sea port and sold to Organization, which then sells it to its customer. Delivery conditions are FCA, S.Petersburg sea port (Incoterms). Potentially, biomass may be purchased and sold with different FSC claims (FSC 100%, FSC Mix Credit, FSC Mix%, FSC Controlled Wood). Non-certified and non-controlled biomass is not purchased. In case of supplies of FSC Controlled Wood biomass, biomass producers (suppliers) are fully responsible for implementation of their programs of field verification of controlled material sources - organisation receives the biomass already with FSC Controlled Wood claim.

Since the initial evaluation and until now, the Organisation had two suppliers. FSC CoC certificate and SBP certificate of one of the suppliers is currently suspended. FSC CoC certificate of the second supplier is active, whereas SBP certificate is suspended. Organisation is aware of certification status of both suppliers. No pellet purchase occurred since the moment of suppliers' FSC and/or SBP certificates suspension.

## 6 Evaluation process

### 6.1 Timing of evaluation activities

Onsite evaluation was conducted on September 1, 2017 (3 h). Evaluation activities included documents review at office and staff interviews.

Activity	Location	Date/time
Opening meeting	Office at S.Petersburg	01/09/2017 13.30-13.45
Documents and procedures review. Staff interviews.	Office at S.Petersburg	01/09/2017 13.45 – 16.45
Closing meeting*	Office at S.Petersburg	01/09/2017 16.45 – 17.00

### 6.2 Description of evaluation activities

Composition of audit team:

Auditor(s), roles	Qualifications
Nikolai Tochilov	NEPCon SBP lead auditor. He has successfully passed SBP auditor training in Tallinn in January 2015; previous experience with more than 20 SBP assessments and annual audits in Russia.

Audit started with an opening meeting attended by Organisation management and staff.

Auditor introduced the audit team, provided information about audit plan, methodology and aim of the evaluation. CB's accreditation related issues and confidentiality issues were covered as well.

After that auditor went through all applicable requirements of evaluation standards (#4 and #5). During the process overall responsible person for SBP system and responsible staff having key responsibilities within the system were interviewed as well as relevant documents reviewed.

During the closing meeting auditor explained the results of the audit and further actions were discussed.

Impartiality commitment: NEPCon commits to using impartial auditors and our clients are encouraged to inform NEPCon management if violations of this are noted. Please see our Impartiality Policy here: <http://www.nepcon.org/impartiality-policy>

## 6.3 Process for consultation with stakeholders

No stakeholders consultations conducted before or during this annual audit.

## 7 Results

### 7.1 Main strengths and weaknesses

Organisation is a trader without physical possession, implementing transfer system of FSC and SBP claims, therefore it is relatively simple certification. Organisation has effective bookkeeping system, so all operations on biomass purchase and sales are clearly identifiable. No energy used for pellets handling etc. Auditor did not identify any weaknesses in Organisation's management systems, except minor NCR 01/17, which was addressed by the staff during the audit.

### 7.2 Rigour of Supply Base Evaluation

Not applicable.

### 7.3 Compilation of data on Greenhouse Gas emissions

CM Biomass LLC is a trader without physical possession, and does not handle with the purchased biomass, therefore this section is not applicable. Organization forwards to its customer the energy use data, received from its suppliers.

### 7.4 Competency of involved personnel

The main responsible persons in the company are Rens Hartkamp and Mikhail Volkun. The team is supported by certification specialist Tatiana Savelyeva. During the reporting period Organisation hired a new staff member Vera Basharina (sustainability specialist) who is responsible for maintaining the SBP management system on a daily basis, staff training, entering information about deals into DTS, fulfilment of EUT requirements. Overall, Vera (as well as other interviewed staff members) showed good knowledge and understanding of SBP requirements.

### 7.5 Stakeholder feedback

No comments from stakeholders received since the main (initial) audit.

### 7.6 Preconditions

None

## 8 Review of Biomass Producer's Risk Assessments

Not applicable.

## 9 Review of Biomass Producer's mitigation measures

Not applicable

## 10 Non-conformities and observations

<b>NCR: 01/17</b>	<b>NC Classification: minor</b>
<b>Standard &amp; Requirement:</b>	SBP Standard # 4, requirement 5.5.2 There are two SBP claims: (5.5.2) <ul style="list-style-type: none"> <li>- 'SBP-compliant biomass'</li> <li>- 'SBP-controlled biomass'</li> </ul>
<b>Description of Non-conformance and Related Evidence:</b>	
<p>Section 3.5 of SBP Procedure contains this requirement. Random review of invoices issued by Organisation to their buyer, showed that some invoices had mistake in writing the SBP claim (SBP-Controlled Biomass instead of SBP-controlled biomass) and FSC claim (FSC Controlled wood instead of FSC Controlled Wood) – for example, invoice #11-01 dated of February 21, 2017.</p> <p>Раздел 3.5 Процедуры SBP содержит данное требование. Выборочная проверка инвойсов, выставленных Организацией своему покупателю, показала, что в некоторых из них допущена ошибка в формулировке заявления SBP (SBP-Controlled Biomass вместо SBP-controlled biomass) и заявления FSC (FSC Controlled wood вместо FSC Controlled Wood) – например, в инвойсе 11-01 от 21 февраля 2017 г.</p>	
<b>Corrective action request:</b>	Organisation shall implement corrective actions to demonstrate conformance with the requirement(s) referenced above. Note: Effective corrective actions focus on addressing the specific occurrence described in evidence above, as well as the root cause to eliminate and prevent recurrence of the non-conformance.
<b>Timeline for Conformance:</b>	By the next annual surveillance audit, but not later than 12 months from report finalisation date До следующего ежегодного аудита но не позднее 12 месяцев с момента финализации отчета
<b>Evidence Provided by Organisation:</b>	Interview with accountant / Интервью с бухгалтером Instruction for accountant / Памятка-инструкция для бухгалтера
<b>Findings for Evaluation of Evidence:</b>	<p>During the audit, sustainability specialist Vera Basharina created a short separate instruction for accountant specifying correct SBP and FSC claims to be used in invoices and conducted training to accountant.</p> <p>Interview conducted by auditor with accountant confirmed that it is clear for her now, how to write SBP and FSC claims in invoices in correct way. Auditor closed minor NCR before audit completion.</p> <p>Во время аудита, специалист по устойчивости Вера Башарина создала отдельную краткую памятку-инструкцию для бухгалтера, в которой указаны правильные заявления SBP и FSC для инвойсов, а также провела инструктаж бухгалтера.</p> <p>Опрос бухгалтера подтвердил, что теперь ей четко известно, как правильно указывать заявления SBP и FSC в инвойсах.</p>



	Аудитор закрыл отчет о незначительном несоответствии до окончания аудита.
<b>NCR Status:</b>	<b>CLOSED / ЗАКРЫТО</b>

*Note: use NCR numbers: None*

## 11 Certification decision

<b>Based on Organisation's conformance with SBP requirements, the auditor makes the following recommendation:</b>	
<input checked="" type="checkbox"/>	Certification approved: Upon acceptance of NCR(s) issued above
<input type="checkbox"/>	Certification not approved:
<b>Based on auditor's recommendation and NEPCon quality review following certification decision is taken:</b>	
<b>NEPCon certification decision:</b> Olesja Puišo	
<b>Certification decision by:</b>	
Date of decision: <b>October 6, 2017</b>	
<b>Next surveillance audit should take place:</b>	<input checked="" type="checkbox"/> within 12 months <input type="checkbox"/> more frequently (please specify)

## 12 Surveillance updates

### 12.1 Evaluation details

Please see sections 6.1 and 6.2 above in this report.

### 12.2 Significant changes

There were no changes in organisation's management systems.

### 12.3 Follow-up on outstanding non-conformities

During this audit, organisation submitted documented evidence in order to close minor NCR 01/17 raised during this audit.

### 12.4 New non-conformities

See minor NCR 01/17, which was raised during the audit and closed prior to audit completion.

### 12.5 Stakeholder feedback

No comments or concerns have been raised by stakeholders and received by NEPCon about the organisation since the previous evaluation.

### 12.6 Conditions for continuing certification

None

### 12.7 Certification recommendation

It is recommended to maintain the SBP certification for the Organisation.

## 13 Evaluation details

Primary Responsible Person: (Responsible for control system at site(s))	Rens Hartkamp, Sustainability Manager
Auditor(s):	Nikolai Tochilov, audit team leader
People Interviewed, Titles:	Mikhail Volkun, Development Director Marina Moskina, Chief Accountant Tatiana Savelyeva, Certification Specialist Vera Basharina, Sustainability Specialist Viktor Alekseev, Producer and Storage Inspector
Brief Overview of Audit Process for this Location:	Please see section 6.2 above for details
Comments:	