

SBP

Sustainable Biomass Partnership

NEPCoN Evaluation of CM Biomass Compliance with the SBP Framework: Public Summary Report

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*

Document history

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1 Overview

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

Primary contact for SBP: Ondrej Tarabus ot@nepcon.net, +420 606 730 382

Report completion date: 07/Jul/2016

Report authors: Ondřej Tarabus,

Certificate Holder: CM Biomass Partners A/S

Producer contact for SBP: Michael Christensen

Certified Supply Base: N/A - Trader

SBP Certificate Code: SBP-01-24

Date of certificate issue: 04/Aug/2016

Date of certificate expiry: 03/Aug/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
X	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

2 Scope of the evaluation and SBP certificate

The organization is a trader with biomass sourcing the material from different parts of the world (e.g. Russia, Belarus, Portugal, Latvia, Estonia, Lithuania or USA). The material is mostly traded through ports which are logistic sites (storage is provided by the transporter or the harbour) and only in one case (St. Petersburg harbour) it is a logistic site (where the material is handled by the organization). This logistics site is included in the scope of evaluation.

The organization holds a valid FSC certificate with transfer system implemented. The point of purchase varies, and can be FOB, storage facilities in several ports, borders between the countries or EXW at the biomass production facility.

The material is delivered to several generators in Europe (e.g. Dong, Drax or Vattenfall). The point of sale is also variable. The material is mostly delivered to ports in Europe but it can be also sold out at the generator facilities.

Scope Item	Check all that apply to the Certificate Scope			Change in Scope (N/A for Assessments)	
Approved Standards:	SBP Standard #4 V1.0; SBP Standard #5 V1.0 http://www.sustainablebiomasspartnership.org/documents			<input type="checkbox"/>	
Primary Activity:	Trader with physical possession			<input type="checkbox"/>	
Input Material Categories:	<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			
Chain of custody system implemented:	<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"/>

Points of sales	<input checked="" type="checkbox"/> Harbour (including own handling of material)	<input checked="" type="checkbox"/> Harbour (e.g. FOB incoterms) legal owner is not responsible for handling of material at the harbor	<input type="checkbox"/> Other point of sale (e.g. gate of the BP, boarder, railway station etc.)	<input type="checkbox"/>
	- St. Petersburg - -	- Different harbours all over the world	- - -	
Provide name of all points of sales				
Use of SBP claim:	<input checked="" type="checkbox"/> Yes		<input type="checkbox"/> No	<input type="checkbox"/>
SBE Verification Program:	<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:			
Sub-scopes				<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
- GHG data collection analysis;
- Review of storage facilities

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

Instruction document 5A Collection and Communication of Data version 1.0. March 2015

<http://www.sustainablebiomasspartnership.org/documents>

5 Chain of Custody system

The organization has implemented the FSC transfer system with biomass (wood pellets) in the scope of the certificate - NC-COC-016827. The process covers trade with biomass as well as storage of the material in two harbours where physical separation is applied. The material from different suppliers is stored in different storage areas and therefore is physically separated (due to the traceability reasons). The material can be mixed at the ship once is loaded however in such case mass balance is applied to distinguish between different materials (in order to follow the GHG, profiling and batch specific characteristics of the material). If different inputs may be used only in case the lowest input category claim is applied for output product.

The FSC and SBP claim is mentioned on the sales invoices. The sustainability characteristics for each batch are mentioned on an annex to the invoice which always contains the number of the invoice as well.

6 Evaluation process

6.1 Timing of evaluation activities

First assessment audit of the organization took place on 24th November 2015 and end up with several major non-conformities which were not closed within the deadline and therefore new certification audit took place.

This second certification audit was carried out on 6th May 2016 (remote audit of the Danish office done via skype), on 27th May (onsite at the storage facilities in St. Petersburg) and on 10th June 2016 with the closing meeting (via skype). One and half day was needed for the audit and additional half day for the documentation review.

Activity	Location	Auditors	Date/time
Opening meeting* <ul style="list-style-type: none"> - Presentation of participants - Changes in the organization since last audit - Changes in standards and requirements 	Desk Based	OT	6.05.2016 8:00 - 8:30
Review of Documented Control Systems for FSC and SBP <ul style="list-style-type: none"> - FSC Product Group Schedule - FSC Supplier Records - FSC Volume data - SBP internal procedures - SBP Training - SBP Trademark 	Desk Based	OT	8:30 – 12:00
Lunch break			12:00 – 12:30
Interviews with staff responsible for purchase	Purchasing department	OT	12:30 – 13:30
Interviews with staff responsible for sales	Sales department	OT	13:30 – 14:30
Evaluation of energy data collection	Main office	OT	14:30- 16:00

Evaluation of CoC procedures, interview with responsible personal	Office of “CM Biomass” LLC. Saint-Petersburg, str. Mezhevoy kanal, 5;	NT	27.05.2016 12:30 – 13:30
Evaluation of the chain of custody system (physical separation, traceability, interview with workers)	Port warehouse in Saint-Petersburg seaport terminal, depot №29.	NT	14:00 – 16:30
Closing meeting*	Main office	OT	10.06.2016 16:15 – 16:45

OT – Ondřej Tarabus, NT – Nikolai Tochilov

6.2 Description of evaluation activities

Audit started with an opening meeting attended by Rens Hartkamp and Michael Christensen.

Lead auditor introduced the audit team, provided information about audit plan, methodology and aim of the assessment. CB’s accreditation related issues and confidentiality issues were covered as well.

After that auditor went through all applicable requirements of the standard covering management system, CoC, recordkeeping/mass balance requirements, emission and energy data and verification of SBP compliant and SBP Controlled feedstock. During the process overall responsible person for SBP system and over responsible staff having key responsibilities within the system were interviewed.

Second part of the audit took place in St. Petersburg, Russia where the material is stored. The responsible workers for receiving of the material as well as for the storage and handling of the material were interviewed and the procedures for the CoC system were evaluated.

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

Composition of audit team:

Auditor(s), roles	Qualifications
<p>Ondrej Tarabus, Lead auditor, evaluation against all applicable requirements</p>	<p>Czech citizen, graduated in University of Life Sciences Prague, The Faculty of Forestry. He has participated in several FSC assessments in Czech Republic, Slovakia, Italy, Germany, Vietnam, Egypt, Spain, Romania, Bosnia and Herzegovina, Austria, etc. and FSC FM audits in Czech Republic and Lithuania. Ondřej Tarabus successfully completed SBP training course and he has practical experience with carbon footprint certification as well as biofuels certification.</p>
<p>Nikolai Tochilov FSC CoC and FM auditor, SBP auditor Responsible for evaluation of the chain of custody critical control points</p>	<p>NEPCon SBP lead auditor. He passed SBP auditor training in Tallinn in January 2015; previous experience with SBP pre-assessment and SBP assessment in Russia.</p>

7 Results

7.1 Compilation of data on Greenhouse Gas emissions

CM Biomass is responsible for emission which occur during the transportation process under their ownership. The organization has created their own calculation tool which is used for each single delivery. The transport mode and distance travelled will be recorded and the final energy will be calculated. The results will be directly forwarded to the customer.

7.2 Competency of involved personnel

The main responsible person in the company is Michael Christensen the Commodity Trader together with Rens Hartkamp who is responsible for sustainable sourcing. The person responsible for purchasing and sales documents is Elin Bratlie. Most of the requirements were addressed by Rens Hartkamp as the most experienced person in SBP certification. Rens has proved good knowledge of the system and is also responsible for training of employees.

7.3 Preconditions

No preconditions remain in the audit report.

8 Non-conformities and observations

Open Non-Conformity Reports (NCRs)

NCR number: 10583 NCR 01/16	NC grading:	Major <input type="checkbox"/>	Minor <input checked="" type="checkbox"/>
Standard & Requirement:	Standard #4 V1.0 - Chain of Custody - 5.4.2		
Description of Non-conformance:			
<p>The organization has a list which contains suppliers certificate codes taken from the SBP database. These are regularly checked the responsible person is aware about the system and showed good knowledge how the validity of the certificates should be verified.</p> <p>However, the customer certificates are not checked and the procedure do not require to record the certificate numbers of the customers to which they supply the biomass.</p>			
Corrective action request:	<p>Organisation shall implement corrective actions to demonstrate conformance with the requirement(s) referenced above.</p> <p>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.</p>		
NCR conformance deadline:	12 months from the report finalization		
Client evidence:			
Evaluation of Evidence:			
NCR Status:	Open		
Comments (optional):			
Is the non-conformity likely to impact upon the integrity of the affected SBP-certified products and the credibility of the SBP trademarks?			Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>

NCR number: 10585 NCR 02/16	NC grading:	Major <input type="checkbox"/>	Minor <input checked="" type="checkbox"/>
Standard & Requirement:	Standard #4 V1.0 - Chain of Custody - 6.1.2		
Description of Non-conformance:			
<p>The organization has a procedure in place where DDS system is described. (Exhibit 1) The responsible person is aware about the EUTR legislation. The organization has collected the information from the suppliers and has a system in place how to obtain the information needed. The risk is evaluated and the mitigation measures are proposed for risky material. The mitigation measure for the organization is FSC/PEFC certification however, there are some cases of trading biomass from Russia without any certification claim and therefore the risk was not properly mitigated.</p>			
Corrective action request:	<p>Organisation shall implement corrective actions to demonstrate conformance with the requirement(s) referenced above.</p> <p>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.</p>		
NCR conformance deadline:	12 months from the report finalization		
Client evidence:			
Evaluation of Evidence:			
NCR Status:	Open		
Comments (optional):			
Is the non-conformity likely to impact upon the integrity of the affected SBP-certified products and the credibility of the SBP trademarks?			Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>

NCR number: 10588 NCR 03/16	NC grading:	Major <input type="checkbox"/>	Minor <input checked="" type="checkbox"/>
Standard & Requirement:	Standard #4 V1.0 - Chain of Custody - 5.0.2		
Description of Non-conformance:			
The organization does not have described all possible places of departure and arrival as they claim that it might be potentially all ports of the world. However, each actually used transport routes are described and system for recording new transport routes is in place. The system is updated by the SBP responsible person who has a good overview about the transport routes as he also calculates the distances for each transport route.			
Corrective action request:	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.		
NCR conformance deadline:	12 months from the report finalization		
Client evidence:			
Evaluation of Evidence:			
NCR Status:	Open		
Comments (optional):			
Is the non-conformity likely to impact upon the integrity of the affected SBP-certified products and the credibility of the SBP trademarks?			Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>

Observations

OBS number: 10584 OBS 01/16	Standard & Requirement:	Standard #4 V1.0 - Chain of Custody - 5.5.1
Description of findings leading to observation:	Based on the interview the SBP responsible person is aware of the requirement that no on-product claim can be used and the organization does not take physical possession of the material and therefore can not place on-product claim. However, the SBP procedure (point 2.1) of the organization claims that certification body will be informed in case on product logo will be used which might give an impression that on product logo could be used.	
Observation:	The organization should make sure that their procedures do not allow to use the SBP claim or trademark on products.	

OBS number: 10586 OBS 02/16	Standard & Requirement:	Instruction Document 5A - Collection and Communication of Data - 2.2.1
Description of findings leading to observation:	CM Biomass may only be responsible for storage and transport of the biomass. For storage and handling in the harbour where values provided by the supplier are used per ton of material. For transport actual data for each cargo will be always used. No other energy will be connected with the material during the ownership of CM Biomass. The values per ton of material for storage and handling in the harbour is not linked to some time period and therefore the reporting period is not known. However, considering the very small energy compared to the total life cycle of the material and very small variation of the value over the time (per different reporting periods) this is considered as observation.	
Observation:	The organization should make sure that the data obtained from the storage facility covers the reporting period defined.	

OBS number: 10587 OBS 03/16	Standard & Requirement:	Instruction Document 5A - Collection and Communication of Data - 2.2.3
Description of findings leading to observation:	The values per ton of material for storage and handling in the harbour is not linked to some time period and therefore the reporting period is not known. However, considering the very small energy compared to the total life cycle of the material and very small variation of the value over the time (per different reporting periods) this is considered as observation.	
Observation:	The organization should make sure that the data obtained from the storage facility covers the reporting period defined.	

9 Certification decision

Based on Organisation's conformance with SBP requirements, the auditor makes the following recommendation:	
<input checked="" type="checkbox"/>	Certification approved: Upon acceptance of NCR(s) issued above
<input type="checkbox"/>	Certification not approved:
Based on auditor's recommendation and NEPCon quality review following certification decision is taken:	
NEPCon certification decision: The Biomass trader has been certified by NEPCon as meeting the requirements of the specified SBP Standard, the certificate can be issued immediately after SBP technical committee will approve the report. The expiration of the certificate will be then 5 years.	
Certification decision by: Olesja Puiso	
Date of decision: 07th July 2016	

10 Surveillance updates

N/A

11 Evaluation details

Primary Responsible Person: (Responsible for control system at site(s))	Rens Hartkamp, Sustainability Manger
Auditor(s):	Ondrej Tarabus, Lead auditor Christian Rahbek, Trainee auditor Nikolai Tochilov, CoC auditor
People Interviewed, Titles:	Michael Christensen, Commodity Trader Rens Hartkamp, Sustainability Manager Elin Bratlie, Orders execution Mikhail Volkun, Development Director Marina Mos`kina, Chief Accountant Olga Basarsnova, Vice Chief of depot group
Brief Overview of Audit Process for this Location:	See audit plan.
Comments:	N/A