

NEPCon Evaluation of Cleantek Trade Compliance 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 1.4

*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

© Copyright The Sustainable Biomass Program Limited 2018

Table of Contents

1	Overview
2	Scope of the evaluation and SBP certificate
3	Specific objective
4	SBP Standards utilised
4.1	SBP Standards utilised
4.2	SBP-endorsed Regional Risk Assessment
5	Description of Company, Supply Base and Forest Management
5.1	Description of Company
5.2	Description of Company's Supply Base
5.3	Detailed description of Supply Base
5.4	Chain of Custody system
6	Evaluation process
6.1	Timing of evaluation activities
6.2	Description of evaluation activities
6.3	Process for consultation with stakeholders
7	Results
7.1	Main strengths and weaknesses
7.2	Rigour of Supply Base Evaluation
7.3	Compilation of data on Greenhouse Gas emissions
7.4	Competency of involved personnel
7.5	Stakeholder feedback
7.6	Preconditions
8	Review of Company's Risk Assessments
9	Review of Company's mitigation measures
10	Non-conformities and observations
11	Certification recommendation

1 Overview

CB Name and contact:	NEPCon OÜ, Filosoofi 31, 50108 Tartu, Estonia
Primary contact for SBP:	Ondrej Tarabus ot@nepcon.org, +420 606 730 382
Current report completion date:	23/Aug/2019
Report authors: :	Ondrej Tarabus
Name of the Company:	Cleantek Trade, 27 rue Anna Jacquin 92100 Boulogne
Company contact for SBP:	Krister Rosenqvist, Managing Director. Phone: +33(0)682833782
Certified Supply Base:	N/A
SBP Certificate Code:	SBP-07-05
Date of certificate issue:	11/Oct/2018
Date of certificate expiry:	10/Oct/2023

This report relates to the First Surveillance Audit

2 Scope of the evaluation and SBP certificate

Trading of wood chips, for use in energy production, including transport from harbors in France, Belgium or Spain to different end points all over the world. The certificate scope does not include Supply Base Evaluation.

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 and PEFC system control points, analysis of the existing FSC and PEFC CoC system;
- Interviews with responsible staff;
- Review of the records and calculations

4 SBP Standards utilised

4.1 SBP Standards utilised

Please select all SBP Standards used during this evaluation. All Standards can be accessed and downloaded from <https://sbp-cert.org/documents/standards-documents/standards>

- SBP Framework Standard 1: Feedstock Compliance Standard (Version 1.0, 26 March 2015)
- SBP Framework Standard 2: Verification of SBP-compliant Feedstock (Version 1.0, 26 March 2015)
- SBP Framework Standard 4: Chain of Custody (Version 1.0, 26 March 2015)
- SBP Framework Standard 5: Collection and Communication of Data (Version 1.0, 26 March 2015)

4.2 SBP-endorsed Regional Risk Assessment

N/A

5 Description of Company, Supply Base and Forest Management

5.1 Description of Company

Organisation is a trader without physical possession having legal address in Paris, France. Certificate scope will cover purchase of SBP-certified wood chips from different biomass producers. Most of the material is supplied from France (material delivered by the BP to the harbour) and part of the material might be traded from countries such as Spain, Belgium or Netherlands. The organization collectst the material in different harbours (Antwerp, Rouen, Gent, Dankirk and Stetin) and either sell the material directly there or transports it to different points of sale in different countries under different Incoterms delivery conditions. Organisation explained that they expect that biomass producers will most likely be supplying biomass at FAS Incoterms conditions; the biomass then will be received in the harbour and either directly sold to customer on CSR in the same harbour or sold FOB at the harbour of the client. Therefore, the biomass will be in Organisation's ownership during the very limited time.

The material is stored in the ports only to accumulate the sufficient amount of chips for the vessel. The material from different suppliers is not mixed and is kept separately. The chips are sold either at the same harbor as delivered by the BP or directly delivered to the customer harbor.

5.2 Description of Company's Supply Base

N/A

5.3 Detailed description of Supply Base

N/A

5.4 Chain of Custody system

The Organisation holds valid PEFC (<https://www.pefc.org/company-detail?id=884875>) and FSC (<https://info.fsc.org/details.php?id=a023300000aye4EAAQ&type=certificate>) Chain of certificate. As the material is PEFC certified, PEFC CoC system was chosen to be used for SBP evaluation.

Organisation implements PEFC physical separation system of claims for biomass trade. PEFC certificate scope covers wood chips purchase and sale with physical possession in different points of sale in different countries under different Incoterms delivery conditions. Possible PEFC input and output claims are 100% PEFC certified or PEFC Controlled sources. The physical separation is implemented at the harbours but the organization does not store certified and non-certified materials at the same time. The stored material has its buyer already and the certification conditions are agreed. In case non-certified material would be traded as well, it would go through different harbour or in different time. In situation that certified and non-certified material would be stored in the same harbour (which is not foreseen and could occur in exceptional situation only) such material would be stored in different piles, clearly marked and linked with the supplier providing this material.

6 Evaluation process

6.1 Timing of evaluation activities

The annual audit was conducted on July 10, 2019 desk based, using skype.

Activity	Location	Date/time
Opening meeting*	Desk audit	10/07/2019 09.00-09.30
Documents and procedures review, staff interview.	Desk audit	09.30-11:00
Energy and emission data, SREG, end points	Desk audit	11:00 – 12:30
Closing meeting*	Desk audit	12:30-13:00
End of the evaluation	Desk audit	12:00

6.2 Description of evaluation activities

Composition of audit team:

Auditor(s), roles	Qualifications
Ondrej Tarabus, Lead auditor	Czech citizen, graduated in University of Life Sciences Prague, The Faculty of Forestry. He has participated in several FSC FM, FSC CoC, PEFC CoC, ISCC certification assessments in Czech Republic, Slovakia, Italy, Germany, Vietnam, Egypt, Spain, Romania, Bosnia and Herzegovina, Austria, etc. Ondřej Tarabus has been through lead assessor SBP training course and is experienced with carbon calculation using standards such as ISO 14 064, Carbon Footprint management or ISCC.
Elena Sosa Auditor in training	Elena is FSC / PEFC / Legal source lead auditor. She has a professional background in forestry and speaks French, Spanish and English.

SBP-related documentation was sent to audit team for review prior to desk based audit.

Audit started with an opening meeting attended by Organisation management.

Audit team leader introduced himself, 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 and instruction documents. During the process, both responsible persons for SBP system were interviewed as well as relevant documents reviewed.

During the closing meeting audit team leader 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

N/A

7 Results

7.1 Main strengths and weaknesses

Main strengths: Simple and transparent supply chains; PEFC and SBP management systems have been developed and implemented by staff.

Main weaknesses: The organization is considering different trading routes depending on availability of the material and thus the scope of the certificate is quite wide and can not be specific to individual harbours. As a results of that, the management system of the organization needed to be evaluated in broader perspective. No SBP material traded so far.

7.2 Rigour of Supply Base Evaluation

N/A

7.3 Collection and Communication of Data

Organisation explained that they expect that biomass producers will most likely be supplying biomass at FAS Incoterms conditions; the biomass then will be received in the harbour and either directly sold to customer on FOB loaded on the vessel upon in the same harbour or sold CIF at the harbour of the client. Therefore, the biomass will be in Organisation's ownership during the very limited time. In case the organization will be responsible for the sea transport to the client, they will collect and register relevant data. The responsible personnel is aware about the data collection from the transport providers. The data connected with the storage of the material in the harbours will be based on the default values.

7.4 Competency of involved personnel

The SBP responsible staff has shown good understanding of the requirements in relation to SBP certification and PEFC CoC system

7.5 Stakeholder feedback

N/A

7.6 Preconditions

N/A

8 Review of Company's Risk Assessments

Describe how the Certification Body assessed risk for the Indicators. Summarise the CB's final risk ratings in Table 1, together with the Company's final risk ratings. Default for each indicator is 'Low', click on the rating to change. Note: this summary should show the risk ratings before AND after the SVP has been performed and after any mitigation measures have been implemented.

N/A

9 Review of Company's mitigation measures

N/A

10 Non-conformities and observations

Identify all non-conformities and observations raised/closed during the evaluation (a tabular format below may be used here). Please use as many copies of the table as needed. For each, give details to include at least the following:

- applicable requirement(s)
- grading of the non-conformity (major or minor) or observation with supporting rationale
- timeframe for resolution of the non-conformity
- a statement as to whether the non-conformity is likely to impact upon the integrity of the affected SBP-certified products and the credibility of the SBP trademarks.

Open Non-Conformity Reports (NCRs)

NCR number: 38709 NCR 01/19	NC grading:	Major <input type="checkbox"/>	Minor <input checked="" type="checkbox"/>
Standard & Requirement:	Standard #4 V1.0 - Chain of Custody - 5.1.2		
Description of Non-conformance:			
<p>The organization holds valid PEFC CoC certificate, using PEFC physical separations system of claims (trader with physical possession). During the interview with the responsible person it was revealed that the system for identification of the SBP claims is well understood but it is not specified in detail in the documented management system and due to the fact that the organization has not yet traded any SBP material, the knowledge is becoming outdated.</p>			
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:	By next audit, but not later than 12 months after report finalisation date		
Client evidence:			
Evaluation of Evidence:			
NCR Status:	Open		
Comments (optional):			

Closed Non-Conformity Reports (NCRs)

NCR number: 22915 NCR 01/18	NC grading:	Major <input type="checkbox"/>	Minor <input checked="" type="checkbox"/>
Standard & Requirement:	Instruction Document 5A - Collection and Communication of Data V-1.1 - 2.1.3		
Description of Non-conformance:			
<p>Organisation explained that they expect that biomass producers will most likely be supplying biomass at FOB Incoterms conditions; the biomass then will be sold to customer on board of the vessel upon its acceptance. Therefore, the biomass will be in Organisation's ownership during the time of the transport.</p> <p>The organization has covered in their SBP procedure that energy data need to provide to the next legal owner, however, it is not described how the data should be collected, how often, what kind of data/units etc.</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:	By next audit, but not later than 12 months after report finalisation date		
Client evidence:	The organization has upgraded their SBP procedure (section 5) with information about how the data about the energy connected with the transport of biomass shall be collected.		
Evaluation of Evidence:	The auditor has reviewed the updated SBP procedure and found it compliant with the SBP standard. The details on what data shall be provided to the customer are mentioned in there.		
NCR Status:	Closed		
Comments (optional):			

NCR number: 22916 NCR 02/18	NC grading:	Major <input checked="" type="checkbox"/>	Minor <input type="checkbox"/>
Standard & Requirement:	Instruction Document 5A - Collection and Communication of Data V-1.1 - 4.1		
Description of Non-conformance:			
The organization is aware that transaction need to be recorded in the DTS and covers this requirement in the SBP procedure (Exhibit 1, point D, 5). However, the procedure (exhibit 1, point D, 2) also describes that in case the material is received with claim and cert. code on the invoice, the material would be received as SBP certified. This inconsistency in the SBP procedure leads to minor non-conformity.			
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:	3 months		
Client evidence:	The organization has updated their producer just after the audit (point 2 and 5) with the specification that the SBP claim and PBid is shared only via DTS and the invoice is only supporting instrument.		
Evaluation of Evidence:	The auditor reviewed the updated procedure and find it compliant with SBP standards.		
NCR Status:	Closed		
Comments (optional):			

NCR number: 22917 NCR 03/18	NC grading:	Major <input type="checkbox"/>	Minor <input checked="" type="checkbox"/>
Standard & Requirement:	Instruction Document 5B - Energy and GHG Data V-1.1 - 6.1.7		
Description of Non-conformance:			
The organization has presented the demo version of the SREG, however the energy consumption for transport is not expressed in fuel consumption per day at sea and number of days at sea between both harbours but in litres per metric tonne.			
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:	By next audit, but not later than 12 months after report finalisation date		
Client evidence:	The organization has presented updated version of SREG document with the energy consumption for transport per day provided by the logistic provider.		
Evaluation of Evidence:	The auditor has reviewed the updated SREG, where the energy consumption for transport (12 metric tonnes per day) is based on the date provided by the logistic company. Note: The SREG was based on the theoretical trade only as the organization has not done any trade of SBP material yet.		
NCR Status:	Closed		
Comments (optional):			

NCR number: 22918 NCR 04/18	NC grading:	Major <input type="checkbox"/>	Minor <input checked="" type="checkbox"/>
Standard & Requirement:	Instruction Document 5B - Energy and GHG Data V-1.1 - 6.1.8		
Description of Non-conformance:			
The organization has presented the demo version of the SREG, however the heating value and type of the fuel used by the vessel is not mentioned there.			
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:	By next audit, but not later than 12 months after report finalisation date		
Client evidence:	The organization has presented updated version of SREG document with the heating value and type of the fuel used included there.		
Evaluation of Evidence:	The auditor has reviewed the updated SREG, where the heating value (40,75 GJ/Tonne) and type of the fuel (heavy fuel oil) used were based on the date provided by the logistic company. Note: The SREG was based on the theoretical trade only as the organization has not done any trade of SBP material yet.		
NCR Status:	Closed		
Comments (optional):			

Observations

OBS number: 22919 OBS 01/18	Standard & Requirement:	Standard #4 V1.0 - Chain of Custody - 6.1.3
Description of findings leading to observation:	This requirement is known to staff. Organisation staff claims that they will collect and forward to customers the information on timber origin and species according to EUTR, upon request. The contract with the supplier (Duferco biomasse) contains the statement that they will support Cleantek trade with additional documents if needed. Contract with ONF does not have as the material comes directly from forest (through ONF E). The organization should have such statement in all contracts as the customer might ask also for material which comes directly from the forest without any traders in the middle.	
Observation:	The organization should have such statement in all contracts as the customer might ask also for material which comes directly from the forest without any traders in the middle.	

11 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):	Olesja Puiso
Date of decision:	26/Aug/2019
Other comments:	N/A