

# NEPCon Evaluation of Brüning-Megawatt GmbH Compliance with the SBP Framework: Public Summary Report

Main (Initial) Audit

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## 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](http://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*

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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.org, +420 606 730 382
Current report completion date:	05/Mar/2020
Report authors: :	Michael Kutschke
Name of the Company:	Brüning-Megawatt GmbH
Company contact for SBP:	Hendrik Bauer
Certified Supply Base:	N/A trader
SBP Certificate Code:	SBP-07-63
Date of certificate issue:	10/Mar/2020
Date of certificate expiry:	09/Mar/2025

This report relates to the Main (Initial) Audit

## 2 Scope of the evaluation and SBP certificate

*Scope description:* Trading and transportation of wood pellets and wood chips, for use in energy production, to Europe. The scope of the certificate does not include Supply Base Evaluation.

### 3 Specific objective

The specific objective of this evaluation was to confirm that the 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 traders management procedures;
- Review of the storage area (harbour) in Russia at the 25.2.2020
- Review of PEFC system control points, analysis of the existing PEFC CoC system;
- Interviews with responsible staff;
- Review of the records, calculations and conversion coefficients;
- GHG data collection analysis.

## 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

Not applicable

## 5 Description of Company, Supply Base and Forest Management

### 5.1 Description of Company

Brüning-Holding and its subsidiaries are biomass trading companies based in Northern Germany. The focus of the company is the trade of the biomass (wood chips and wood pellets) from different countries (specifically Baltics, Russia and Germany). The Brüning Holding is the holding company of the following subsidiaries:

Brüning-Megawatt – included in this evaluation

Brüning-Euromulch – applying for a separate SBP certificate

Brüning-Megawatt is primarily a producer of wood chips and additionally a dealer of certified and non-certified wood pellets and wood chips. The scope of this evaluation includes only the trading activities but the organization is expecting to extend the scope of the certificate for the wood chips production very soon. Brüning-Megawatt suppliers are usually based within the EU, but also in Russia. Therefore, the Brüning-Megawatt participates in the SBP certification for the trade with certified Wood pellets and for the trade and the production of certified wood chips. With regard to the European Union Timber Regulation (EUTR), Brüning-Holding is one "Operator" defined for the placing of timber on the European Union market. To the Meet the requirements of excluding legally felled and legally traded wood, Brüning-Holding has its own internal due diligence system.

### 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

Brüning-Holding holds the Chain of Custody certificates for both FSC and PEFC.

All suppliers and forest owners are strongly encouraged to engage into the FSC or PEFC certification schemes and concomitantly to support sustainable forest management.

By using the transfer system with physical separation, the corresponding wooden goods with a delivery defined according to the order and each delivered material is also clearly spatially and physically separated. This guarantees that the FSC, SBP and PEFC statements for incoming goods are always identical to the FSC, SBP and PEFC statements for outgoing goods.

Based on the company's internal records, the amount of incoming and delivered material flow is clearly documented (see applicable documents).



Using this procedure ensures that only the proportion of outgoing products or their associated documents such as delivery notes and invoices are marked with a corresponding SBP statement that corresponds to the proportion of certified incoming goods.

## 6 Evaluation process

### 6.1 Timing of evaluation activities

The assessment was carried out on December 18, 31. January and February 25<sup>th</sup> 2020 (harbour Russia). One and half day was needed for on site evaluation and additional half day for the documentation review.

Activity	Location	Auditor(s)	Date/time
Opening meeting*	Office	MK	18/12/2019 08.00-08.30
Review of SBP-related documents (SBP Procedure, SBR), staff interview.	Office	MK	18/12/2019 08.30-09.30
Analysis of CoC critical control points, chain of custody review	Office	MK	18/12/2019 09.00-11.30
Break / lunch		MK	18/12/2019 11.30-12.00
SAR and energy use data review, staff interview	Office	MK	18/12/2019 12.00-13.30
Closing meeting*	Office	MK	18/12/2019 16.00-16.30
Estimated end of the evaluation	Office	MK	18/12/2019 17:00
Follow up call closing NCR	Skype	MK	31/01/2020
On site Audit	Port Russia	Alexandra Paikacheva	25/02/2020

## 6.2 Description of evaluation activities

Name	Qualification
Michael Kutschke Lead auditor	Master in forestry, Lead Auditor Joining training on regularly basis. He has passed SBP auditor training In Berlin and Edingburg. Experience with several SBP assessments and annual audits in Europe. Qualified as SBP auditor since December 2019.
Alexandra Paikacheva CoC auditor evaluation of the port activities	Alexandra has a degree in forestry. She conducts FSC and PEFC Chain of Custody and FSC Forest Management audits in Russia.

The audit was focused on management system evaluation: division of the responsibilities, documented management system, input material classification (reception and registration), analysis of the existing PEFC system and PEFC system control points as well as GHG data availability.

Description of the audit:

All SBP related documents connected to the SBP, as well as PEFC CoC system, was provided by the company prior to the audit. This including SBP and PEFC procedures and GHG data summaries. The audit started with an opening meeting attended by the SBP and purchase responsible persons.

The lead auditor introduced themselves and provided information about audit plan, methodology, auditor qualification, confidentiality, and clarified certification scope.

After this, the auditor went through all applicable requirements of the SBP standards no. 4 and 5 and related instruction documents covering input clarification, existing chain of custody system, management system, CoC system, recordkeeping/mass balances, emission and energy data, etc. During the process, the overall responsible person for SBP system and other relevant staff were interviewed. Staff was also interviewed.

At the end of the audit, findings were summarised, and conclusions based on use of 3 angle evaluation method were provided to SBP responsible person during the closing meeting. In January the Controlled verification audit was done via Skype and in February the port visit in Russia.

## 6.3 Process for consultation with stakeholders

N/A

## 7 Results

### 7.1 Main strengths and weaknesses

Strength: The BP has a small team of dedicated workers. The team has a good understanding of the SBP requirements. The BP has a strong supply system.

Weaknesses: See non-conformity reports below in this report.

### 7.2 Rigour of Supply Base Evaluation

N/A

### 7.3 Collection and Communication of Data

The organization has had a consultant in the team who implemented the system for collection of the emission and energy data. The company supplied the auditor with actual data on Greenhouse Gas emissions where needed and has used default values where allowed. All data are well recorded and accessible.

### 7.4 Competency of involved personnel

All personnel that is involved with SBP have received appropriate training where all relevant procedures and requirements have been covered. The SBP responsible staff has shown good understanding of the requirements in relation to SBP certification and of the already implemented 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.*

Not applicable for this audit (supply base evaluation is not included in the certificate scope).

## 9 Review of Company's mitigation measures

Not applicable

## 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.

<b>NC number</b> 01/20	<b>NC Grading:</b> Major
<b>Standard &amp; Requirement:</b>	SBP Standard #4, p. 5.2  <i>SBP certificate holders exporting SBP-certified biomass to countries under the scope of the EUTR shall exercise due diligence to ensure that these feedstock do not contain illegally harvested timber</i>
<b>Description of Non-conformance and Related Evidence:</b>	
Currently there are pellets supplies from outside of the EU, where the material is 100% FSC certified. The material originates from Russia. During the audit no complete DDS system was established. The responsible people have been aware of the topic but didn't perform the required documentation until the end. After the audit, the organisation provided enough evidence (document/interview per Skype), which shows, that the DDS system for their imports of just FSC 100% pellets is working. Based on the provided documentation the auditor decided to close the NCR.	
<b>Timeline for Conformance:</b>	Prior to (re)certification
<b>Evidence Provided by Company to close NC:</b>	The BP provided documents (risk assessment) and data, which could prove that the material is coming to decision of classifying it as low risk and FSC 100% certified. In addition, a risk assessment, done by the BP, supports the relevant information's, needed for closing the NCR.
<b>Findings for Evaluation of Evidence:</b>	The auditor decided based on the provided documentation (Risk assessment and adaption in the handbook), to close the NCR.
<b>NC Status:</b>	Closed

<b>NC number</b> 03/20	<b>NC Grading:</b> Minor
<b>Standard &amp; Requirement:</b>	<i>SBP Standard 4B 1.2 In order to use the SBP trademarks, the organization shall have signed the SBP trademark license agreement. (4B, 1.2)</i>
<b>Description of Non-conformance and Related Evidence:</b>	
The BP had no signed SBP trademark license agreement at the time of the audit. The needed agreement was provided directly after the audit.	
<b>Timeline for Conformance:</b>	Prior to (re)certification
<b>Evidence Provided by Company to close NC:</b>	The needed agreement was provided directly after the audit.
<b>Findings for Evaluation of Evidence:</b>	Signed license agreement
<b>NC Status:</b>	Closed

<b>NC number</b> 04/20	<b>NC Grading:</b> Minor
<b>Standard &amp; Requirement:</b>	<i>SBP Standard #4, p. 7.2 The legal owner shall determine and implement effective arrangements against corruption, proportionate to the nature and the scale of organisation. (6.3.2)</i>
<b>Description of Non-conformance and Related Evidence:</b>	
At the time of the audit the BP hasn't had a code of conduct with an anti-corruption policy in place. Shortly after the audit the code of conduct was signed by the management and provided to the auditor. The auditor decided to close the NCR.	
<b>Timeline for Conformance:</b>	Prior to (re)certification
<b>Evidence Provided by Company to close NC:</b>	Shortly after the audit the code of conduct was signed by the management and provided to the auditor.
<b>Findings for Evaluation of Evidence:</b>	Based on the delivered document the auditor decided to close the NCR.
<b>NC Status:</b>	Closed



## 11 Certification decision

<b>Based on the auditor's recommendation and the Certification Body's quality review, the following certification decision is taken:</b>	
<b>Certification decision:</b>	Certification approved
<b>Certification decision by (name of the person):</b>	Ondrej Tarabus
<b>Date of decision:</b>	05/Mar/2020
<b>Other comments:</b>	