



# Control Union Certifications BV Evaluation of Zvezda Trade Food Compliance with the SBP Framework: Public Summary Report

First Surveillance Audit

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# Completed in accordance with the CB Public Summary Report Template Version 1.5

*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*

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# 1 Overview

Certification Body (CB) Name:	Control Union Certifications BV
Primary CB contact for SBP:	Robin Rosendahl
Primary CB contact email:	rrosendahl@controlunion.com
Audit team leader:	Lennart Holm
Audit team members:	Lennart Holm
Name of the Company:	Zvezda Trade Eood
Company legal address:	51b, Bulgaria Blvd, floor 7, Office V21, 1404 Sofia, Bulgaria
Company contact for SBP:	Robin Rosendahl
Company contact email:	rrosendahl@controlunion.com
Company website:	N/A
SBP Certificate Code:	SBP-06-42
Date of certificate issue:	01 May 2020
Date of certificate expiry:	30 Apr 2025
Audit closing meeting date:	12 Apr 2021
Audit cycle:	First Surveillance Audit

## 2 Scope of the evaluation and SBP certificate

Scope Item	Check all that apply to the Certificate Scope	Change in scope (N/A for Assessments)
Primary Activity:	Trader	<input type="checkbox"/>
Approved Standards:	SBP Standard 4: Chain of Custody; SBP Standard 5: Collection and Communication of Data Instruction	<input type="checkbox"/>
Includes Supply Base Evaluation (SBE):	No	<input type="checkbox"/>
Includes communication of Dynamic Batch Sustainability Data (DBSD)	No	<input type="checkbox"/>
Includes Group Scheme	No	<input type="checkbox"/>
Products	Pellets	<input type="checkbox"/>

Feedstock types:	Primary, Secondary	<input type="checkbox"/>
Feedstock origin (countries):	Russia	<input type="checkbox"/>
SBP-endorsed Regional Risk Assessments used:	Not applicable	<input type="checkbox"/>
Public link: <a href="https://sbp-cert.org/documents/standards-documents/risk-assessments/">https://sbp-cert.org/documents/standards-documents/risk-assessments/</a>		<input type="checkbox"/>
Chain of custody system implemented:	FSC: CU-COC-876257 CU-CW-876257	<input type="checkbox"/>
	Transfer	<input type="checkbox"/>

## 2.1 Description of the company

ZVEZDA TRADE EOOD is a wood pellet trading company registered in Sofia, Bulgaria. The company was founded in 2002. Business model of ZVEZDA TRADE EOOD is purchase and sales of SBP-compliant biomass and SBP-controlled biomass based on the following conditions: • Non-physical trade • Physical trade and storage of biomass in the port of Vyborg, Russia. Possible incoterms conditions for trade: FCA, DAP, DAF, DDP, DPU, CIP, FOB, CIF, CPT, CFR.

## 2.2 Detailed description of the Chain of Custody system

The organization has implemented FSC Chain of Custody systems with biomass (wood pellets) in the scope of their certificate. FSC certificate of Zvezda: CU-COC-876257 and corresponding CU-CW-8762574, valid to 30/09/2023. The process covers trade of biomass with physical possession. Valid FSC system description and other documents exist. As a trading company, they export biomass (wood pellets) by sea mainly CIF, with storage. Based on the company's internal records, the amount of incoming and delivered material flow is clearly documented.

### 3 Specific objective

The specific objective of this evaluation was to confirm that Zvezda's management system is capable of ensuring that all requirements of the specified SBP Standards are implemented across the entire scope of certification.

The scope of the evaluation covered:

- Review of Zvezda's management procedures;
- Review of SBP system control points and an analysis of the existing FSC CoC system;
- Interviews with responsible staff;
- Review of the records and calculations;
- SREG data collection analysis.

## 4 Evaluation process

### 4.1 Timing of evaluation activities

<i>Audit Level of Effort (LoE)</i>		
<b>Activity</b>	<b>Auditors</b>	<b>Auditor hours</b>
1. Preparation	Lennart Holm	2,0
2. On-site (excl. travel time)	Lennart Holm	5,0
3. Report writing	Lennart Holm	2,0
4. Other	N/A	N/A

<b>Audit Schedule</b>			
<b>Activity</b>	<b>Location</b>	<b>Auditor name</b>	<b>Date/time</b>
<i>Opening Meeting</i>	Skype call to Zvezda office	Lennart Holm	12 Apr 2021/10.00
<i>Business integrity, social, health and safety requirements</i>	Skype call to Zvezda office	Lennart Holm	12 Apr 2021/10.15
<i>Logo/Trademark use</i>	Skype call to Zvezda office	Lennart Holm	12 Apr 2021/10.45
<i>Complaints procedures</i>	Skype call to Zvezda office	Lennart Holm	12 Apr 2021/11.00



<i>Incoming material claims and raw material registration</i>	Skype call to Zvezda office	Lennart Holm	12 Apr 2021/11.10
<i>Lunch break</i>	Lunch	-	12 Apr 2021/12.00
<i>GHG Data registration</i>	Skype call to Zvezda office	Lennart Holm	12 Apr 2021/13.00
<i>Chain of Custody registrations</i>	Skype call to Zvezda office	Lennart Holm	12 Apr 2021/13.30
<i>Outstanding issues and next steps</i>	Skype call to Zvezda office	Lennart Holm	12 Apr 2021/14.00
<i>Closing Meeting</i>	Skype call to Zvezda office	Lennart Holm	12 Apr 2021/14.30
<i>End of Audit</i>	Skype call to Zvezda office	Lennart Holm	12 Apr 2021/15.00

Auditor qualification		
Auditor name	Role	Qualification
Lennart Holm	Lead Auditor	Lead SBP, GGL, SDE+ and FSC and PEFC FM/COC auditor and successfully passed the SBP auditor training programme

## 4.2 Description of evaluation activities

This was a remote audit due to COVID-19 restrictions and was being undertaken following SBP COVID-19 Normative Requirements of 30 March, 2021.

In this remote audit, Control Union used information and communication technology (ICT) to evaluate all requirements from the annual audit plan to the extent possible. The audit was conducted on the basis of virtual meetings / interviews with relevant people of the certificate holder, relevant documents and records, and other best available information.

This remote audit consisted of an opening meeting, during which the scope was confirmed. The auditor also explained the methods to be employed during the audit.

After this introduction, all relevant requirements of the applicable SBP standard(s) were verified on compliance through the use of a report template and checklists. Procedures for the port of Vyborg included in the scope of Zvezda was reviewed remotely. All relevant requirements for storage locations at this port was evaluated and found to be sufficiently managed.

The audit was completed by filling in the audit report and discussing the audit results.

Critical Control points were evaluated and found to be sufficiently managed and a closing meeting performed.

### **4.3 Sampling methodology**

All sales invoices were reviewed, and a sufficient amount of purchase invoices were reviewed, as well as their associated DTS registrations.

### **4.4 CB stakeholder engagement**

N/A

### **4.5 Stakeholder feedback**

N/A

## **5 Results**

### **5.1 Main strengths and weaknesses**

The audit of Zvezda Trade demonstrated a good level of compliance with the required criteria of Standard 4 and 5. There was reasonable evidence provided to support compliance where a Non-Conformity was not detected. The existence of a FSC Chain of Custody system are considered a strength with respect to Zvezda Trade overall conformity with the relevant SBP standards.

Weaknesses identified: see NCs issued.

### **5.2 Rigour of Supply Base Evaluation**

Not applicable

### **5.3 Collection and communication of data**

Zvezda Trade assures the completeness of incoming documentation to forward to their buyers. Zvezda is a trader with physical possession, and thus, does handle with the purchased biomass. Zvezda forwards to its customer the energy use data, received from their suppliers, supported by the production of the applicable SREG.

### **5.4 Competency of involved personnel**

The company consist of a biomass trading desk of which one has the main responsibility related to the SBP system. 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 FSC CoC system. Considering the size of the company, there were no risks detected related to the competency of involved personnel.

## 6 Review of company's risk assessments

### 6.1 Overview of company's risk assessments and mitigation measures

Not applicable

### 6.2 Specified risk indicators and mitigation measures

Country/Area	Indicator	Specified risk description	Mitigation measure
N/A	N/A	N/A	N/A

## 7 Non-conformities and observations

NC number NC-000243	NC Grading: Observation
<b>Standard:</b>	SBP Standard 4: Chain of Custody
<b>Requirement:</b>	<p>5.2.2 Only the following feedstock inputs shall be considered to be SBP-compliant feedstock</p> <ul style="list-style-type: none"> <li>• Feedstock received with an SBP-approved Forest Management Scheme Claim or SBP-approved recycled claim.</li> <li>• Feedstock sourced from within the BP's defined Supply Base (SB) and for which a valid Supply Base Evaluation (SBE) has determined that all the indicators in the SBP Feedstock Compliant Standard are low risk.</li> <li>• Feedstock sourced within the scope of the BP's own SBP-approved Chain of Custody (CoC) System certification, for example, non-certified reclaimed feedstock sourced in compliance with FSC-STD-40-007: FSC Standard for Sourcing Reclaimed Material for Use in FSC. Note: Feedstock received in compliance with SFI Fiber Sourcing requirements is not considered to meet SBP-certified feedstock or Controlled Feedstock requirements. Note: Section 5.2.4 below specifies requirements relating to partial claims.</li> <li>• Post-consumer tertiary feedstock sourced following the requirements of Instruction Note 4A, SBP tertiary feedstock requirements.</li> </ul>
<b>Description of Non-conformance and Related Evidence:</b>	
<p>Although invoices 41, 45 and 67 from supplier PIK-BIO and invoices 9, 42 and 75 from supplier Magistral Transit includes the FSC claim and certificate number, as well as the SBP certificate number of these suppliers, they do not supply the associated SBP claim.</p>	
<b>Timeline for Conformance:</b>	N/A
<b>Evidence Provided by Company to close NC:</b>	N/A
<b>Findings for Evaluation of Evidence:</b>	N/A
<b>NC Status:</b>	N/A

NC number NC-000244	NC Grading: Minor
<b>Standard:</b>	SBP Standard 4: Chain of Custody

<b>Requirement:</b>	IN 4B; 1.2 In order to use the SBP trademarks, the organisation shall have signed the SBP trademark licence agreement.
<b>Description of Non-conformance and Related Evidence:</b>	
SBP logo on the Zvezda webpage <a href="https://www.zvezda-trade.com/pellets">https://www.zvezda-trade.com/pellets</a> is not approved by SBP, as required in point 6 of the Guidance Document SBP Certification Mark and Trademark use.	
<b>Timeline for Conformance:</b>	By the next surveillance audit, but no later than 12 months from report finalisation date
<b>Evidence Provided by Company to close NC:</b>	N/A
<b>Findings for Evaluation of Evidence:</b>	N/A
<b>NC Status:</b>	Open

## 8 Certification decision

Based on the auditor's recommendation and the Certification Body's quality review, the following certification decision is taken:	
<b>Certification decision:</b>	Certification approved
<b>Certification decision by (name of the person):</b>	Robin Rosendahl
<b>Date of decision:</b>	16 Jul 2021
<b>Other comments:</b>	N/A