



NEPCon OÜ Evaluation of PelTrade Ltd Compliance with the SBP Framework: Public Summary Report

Second Surveillance Audit

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1 Overview

Certification Body (CB) Name:	NEPCon OÜ
Primary CB contact for SBP:	Ondrej Tarabus
Primary CB contact email:	otarabus@preferredbynature.org
Audit team leader:	Rebecka McCarthy Tune
Audit team members:	Rebecka McCarthy Tune
Name of the Company:	PelTrade Ltd
Company legal address:	Suite 40, Niddry Lodge, 51 Holland Street, W8 7JB London, United Kingdom
Company contact for SBP:	Halyna Kotovska
Company contact email:	kotovska@peltrade.com
Company website:	N/A
SBP Certificate Code:	SBP-07-16
Date of certificate issue:	25 Feb 2019
Date of certificate expiry:	24 Feb 2024
Audit closing meeting date:	29 Jan 2021
Audit cycle:	Second 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; Instruction Document 5E: Collection and Communication of Energy and Carbon Data 1.3	<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:	N/A	<input type="checkbox"/>
Feedstock origin (countries):	N/A	<input type="checkbox"/>
SBP-endorsed Regional Risk Assessments used:	Not applicable	<input type="checkbox"/>
Public link: https://sbp-cert.org/documents/standards-documents/risk-assessments/		<input type="checkbox"/>
Chain of custody system implemented:	FSC: NC-COC-022987	<input type="checkbox"/>
	Transfer	<input type="checkbox"/>

2.1 Description of the company

PelTrade was founded in 2012 during that time they have become a major importer to the UK of quality Russian wood pellets, briquettes and kiln dried logs. PelTrade is a UK registered company with their head office in London. They are a supplier to the wood fuel distribution industry, as well as wood pellets as horse bedding to the equestrian industry. They import to the UK and Western Europe as loose bulk or, by container. Organization is a biomass trader sourcing mostly domestic pellets but foresee to trade also industrial pellets. The suppliers are mostly located in Russia, but the organization plan to start sourcing from Spain and Portugal as well. The Organization is usually selling on CIF or FCA basis, which means that transport is included in the scope of the certificate. However, the organization may also have trades where transport is not included. The CoC system implemented by the Organization is FSC transfer system. The biomass is purchased from different suppliers in Russia or elsewhere in Europe (in the future) and is sold to different customers. PelTrade was founded in 2012 during that time they have become a major importer to the UK of quality Russian wood pellets, briquettes and kiln dried logs. PelTrade is a UK registered company with their head office in London. They are a supplier to the wood fuel distribution industry, as well as wood pellets as horse bedding to the equestrian industry. They import to the UK and Western Europe as loose bulk or, by container. Organization is a biomass trader sourcing mostly domestic pellets but foresee to trade also industrial pellets. The suppliers are mostly located in Russia, but the organization plan to start sourcing from Spain and Portugal as well. The Organization is usually selling on CIF or FCA basis, which means that transport is included in the scope of the certificate. However, the organization may also have trades where transport is not included. The CoC system implemented by the Organization is FSC transfer system. The biomass is purchased from different suppliers in Russia or elsewhere in Europe (in the future) and is sold to different customers.

2.2 Detailed description of the Chain of Custody system

The Organization has implemented the FSC transfer system with biomass (wood pellets) in the scope of the certificate - NC-COC-022987 <https://info.fsc.org/details.php?id=a023300000VmFLUAA3&type=certificate>. The process covers trade with biomass (FSC 100%, FSC Mix Credit and FSC Controlled Wood claims), without physical possession. Non-certified biomass (other biomass) is physically separated from certified biomass. One storage site is currently used for biomass that does not carry any SBP claims (only FSC). It can be relevant to include storage sites for SBP-biomass in the future.

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;
- Review of the transportation, storage and deliverance processes

4 Evaluation process

4.1 Timing of evaluation activities

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

Audit Schedule			
Activity	Location	Auditor name	Date/time
<i>Opening meeting</i>	Main office: desk-based	Rebecka McCarthy Tune	29 Jan 2021/9:00
<i>Desk-based audit</i>	Main office: desk-based	Rebecka McCarthy Tune	29 Jan 2021/9:15
<i>Closing meeting</i>	Main office: desk-based	Rebecka McCarthy Tune	29 Jan 2021/10:45

Auditor qualification

Auditor name	Role	Qualification
Rebecka McCarthy Tune	Lead auditor	PhD in forestry (Swedish University of Agricultural Sciences), M.Sc. in forest management from the same university. Has successfully completed SBP training course and the NEPCon Lead auditor training for FSC/PEFC CoC and FM certification. Has experience from forest certification (FSC / PEFC FM), traceability (FSC / PEFC CoC) and biomass certification (SBP - Sustainable Biomass Program). Rebecka also works with evaluation of supply chains, education and support related to legality and the EU Timber Regulation (EUTR).

4.2 Description of evaluation activities

The audit started with opening meeting. Auditor introduced herself, provided information about audit plan, methodology and aim of the assessment. The CB's accreditation related topics, confidentiality and impartiality responsibilities were covered as well.

After that, the auditor went through all applicable requirements of standards 4 and 5 covering management system, CoC, recordkeeping, purchasing and sales documents, DTS use and use of SREG including verification of data for transport of compliant biomass.

The Chain of Custody implementation was reviewed focusing on the Critical Control Points relevant for traders. In particular, reception of the material and its classification were verified as well as any product storage, shipment and sales.

Relevant staff were interviewed.

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

Audit related documents were submitted by the Organization prior the audit via e-mail.

4.3 Sampling methodology

Since no SBP sales had taken place during the last year, few relevant records were controlled during the audit. DTS was the main focus supported by review of older documents and the management system. For

example, no new invoices were available. At the moment, no storage of SBP biomass takes place. Therefore, no on-site visits in harbors were necessary.

4.4 CB stakeholder engagement

Not applicable for traders. No stakeholder consultations were conducted prior, during or after this audit.

4.5 Stakeholder feedback

Not applicable for traders. NEPCon has not received any stakeholder comments/inquiries related to this biomass trader.

5 Results

5.1 Main strengths and weaknesses

Strengths: The Organization has a straight forward trade without physical possession, well organized recording systems for volume registration; transfer system of SBP claims. Few people are involved in the SBP certification, meaning the responsibility for SBP is mainly located to one person.

Weaknesses: Trade of wood pellets with registrations of transport data is a new area for the organization. Storage may be relevant in the future, which will also be a new area. See also the non-conformity identified during this audit.

5.2 Rigour of Supply Base Evaluation

Not applicable for trader.

5.3 Collection and communication of data

The Organization has, so far, only used one SREG. The Organization has procedures for SREG registrations and have a guidance in the newest version of SREG. The Organization is well aware of when and how to use the SREG if it becomes necessary.

5.4 Competency of involved personnel

Overall, the Organization's staff showed good understanding of knowledge of all applicable SBP requirements. The Organization has staff with long experience in trade as well as with FSC CoC certification.

6 Review of company's risk assessments

6.1 Overview of company's risk assessments and mitigation measures

Not applicable for trader.

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-000060	NC Grading: Minor
Standard:	SBP Standard 4: Chain of Custody
Requirement:	6.1.3 SBP certificate holders shall support their customers in applying their due diligence systems, as required in the EUTR.
Description of Non-conformance and Related Evidence:	
The Organization had no written procedure about when to implement their Due Diligence System.	
Timeline for Conformance:	By the next surveillance audit, but no later than 12 months from report finalisation date
Evidence Provided by Company to close NC:	The Organization has directly after the audit updated their management system to include when Due Diligence shall be implemented (Exh 1b). The SBP responsible person is no more aware of this requirement.
Findings for Evaluation of Evidence:	The corrective action is considered sufficient to close this NCR. The certification responsible person is more aware of the Due Diligence requirements and has strengthen the Organization's procedure.
NC Status:	Closed

8 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:	11 Mar 2021
Other comments:	N/A