



# NEPCon OÜ Evaluation of Ardor OÜ Compliance with the SBP Framework: Public Summary Report

Second Surveillance Audit

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**The promise of good biomass**



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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:	Toomas Tammeleht
Audit team members:	Georg Sten Andrejev
Name of the Company:	Ardor OÜ
Company legal address:	Tööstuse 7, 44201 Sõmeru, Estonia
Company contact for SBP:	Viljo Aros
Company contact email:	viljo.aros@warmeston.ee
Company website:	N/A
SBP Certificate Code:	SBP-07-22
Date of certificate issue:	22 May 2019
Date of certificate expiry:	21 May 2024
Audit closing meeting date:	10 Dec 2020
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)
<b>Primary Activity:</b>	Biomass Producer	<input type="checkbox"/>
<b>Approved Standards:</b>	SBP Standard 2: Verification of SBP-compliant Feedstock; SBP Standard 4: Chain of Custody; SBP Standard 5: Collection and Communication of Data Instruction	<input type="checkbox"/>
<b>Includes Supply Base Evaluation (SBE):</b>	No	<input type="checkbox"/>
<b>Includes communication of Dynamic Batch Sustainability Data (DBSD)</b>	Yes	<input type="checkbox"/>
<b>Includes Group Scheme</b>	No	<input type="checkbox"/>
<b>Products</b>	Pellets	<input type="checkbox"/>

<b>Feedstock types:</b>	Tertiary	<input type="checkbox"/>
<b>Feedstock origin (countries):</b>	Estonia	<input type="checkbox"/>
<b>SBP-endorsed Regional Risk Assessments used:</b>	Not applicable	<input type="checkbox"/>
<b>Public link:</b> <a href="https://sbp-cert.org/documents/standards-documents/risk-assessments/">https://sbp-cert.org/documents/standards-documents/risk-assessments/</a>		<input type="checkbox"/>
<b>Chain of custody system implemented:</b>	PEFC, FSC: NC-COC-024339 NC-CW-024339 NC-PEFC/COC-024339	<input type="checkbox"/>
	Credit, Transfer	<input type="checkbox"/>

## 2.1 Description of the company

Ardor OÜ is an Estonian based wood pellet producer which owns a production facility in Sõmeru. The facility is located in the north-eastern part of the country approximately 27 km from the coast of the Port of Kunda. Ardor OÜ has a pellet factory in Sõmeru that was opened in the winter of 2014. Planned production capacity of the factory is 96 000 tons of bulk wood pellets per year. Ardor OÜ produces mainly 6mm premium pellets. Company also sells material to European Union and Wood pellets are sold based on DAP and FOB. More detailed description is provided in SBR in audit portal and also information is on website (<https://ardor.ee/>).

## 2.2 Detailed description of the Chain of Custody system

Ardor OÜ holds valid FSC CoC certificate as site member of Warmeston OÜ since 19th of December 2019, certificate code is NC-COC-024399 and PEFC CoC certificate no NC-PEFC/COC-024339 covering also PEFC Controlled Sources part from 07.06.2018. FSC Controlled Wood standard was added to the certificate scope 16.06.2020. Warmeston is using FSC credit system and FSC transfer system for heating material and for trading chips that was added to their scope during previous audit. BP does not buy any uncertified material. Company has enforced procedures and system update that they will buy FSC certified or FSC Controlled material (including heating material). They also buy PEFC certified and PEFC Controlled Sources material. Also they implement supplier audits for secondary and tertiary feedstock (PEFC system). Warmeston is using PEFC certification system for material receiving and FSC certification requirements for volume control and sales. Their product groups for the FSC CoC multi-site certification include fuel wood (W1.2), wood chips (W3.1), sawdust (W3.2), wood shavings (W3.3), wood pellets (W3.6), sawdust briquettes (W3.7); offcuts (W19) and bark (N1). In reality Ardor OÜ is not using product groups bark (N1) and fuel wood (W1.2). In PEFC system company has following product groups: 01030 – chips and particles (sawdust, chips), 02010 - Fuel Wood (pellets) and 01050 Other industrial Roundwood.

### 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. This is second annual evaluation of SBP system.

The scope of the evaluation covered:

- Review of the BP's management procedures;
- Review of the production processes,
- Production and storage site visits;
- Review of FSC system control points, analysis of the existing FSC & PEFC CoC system;
- Interviews with responsible staff;
- Review of the records, calculations and conversion coefficients;
- GHG 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	Toomas Tammeleht, Georg Sten Andrejev	10,0
2. On-site (excl. travel time)	Toomas Tammeleht, Georg Sten Andrejev	10,0
3. Report writing	Toomas Tammeleht, Georg Sten Andrejev	16,0
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>	Office - Ardor OÜ	Toomas Tammeleht, Georg Sten Andrejev	07 Dec 2020/10:00
<i>Interview with overall responsible person.</i>	Office - Ardor OÜ	Toomas Tammeleht, Georg Sten Andrejev	07 Dec 2020/10:15
<i>Visiting Port of Kunda</i>	Kunda Port	Toomas Tammeleht, Georg Sten Andrejev	07 Dec 2020/11:00

<i>Lunch break</i>	Diner	Toomas Tammeleht, Georg Sten Andrejev	07 Dec 2020/12:30
<i>Roundtrip in production facilities, interviews.</i>	Production facilities/Office	Toomas Tammeleht, Georg Sten Andrejev	07 Dec 2020/13:30
<i>Summary of day 1</i>	Office - Ardor OÜ	Toomas Tammeleht, Georg Sten Andrejev	07 Dec 2020/16:45
<i>Visiting Port of Muuga</i>	Port of Muuga	Toomas Tammeleht, Georg Sten Andrejev	08 Dec 2020/15:30

<b>Auditor qualification</b>		
<b>Auditor name</b>	<b>Role</b>	<b>Qualification</b>
Toomas Tammeleht	Audit team member	BSc in forestry and MSc in industrial ecology. Toomas has been working in NEPCon as an auditor since 2016. He has passed NEPCons forest management and chain of custody lead auditors training and passed also SBP training. Has participated in over 10 FSC forest management audits and has conducted over 100 Chain of Custody audits. He has previously worked for Environmental Inspectorate.
Georg Sten Andrejev	Lead auditor	BSc in Forest Industry. He has passed NEPCons forest management and chain of custody leadauditors training. Works for NEPCon since august 2019. Has working experience in timber industry.



## 4.2 Description of evaluation activities

Current evaluation was carried out as an onsite audit in Ardor OÜ.

Evaluation started with an opening meeting, where auditor described the audit criteria, principles, standards and audit agenda.

This was followed by review of updated Supply Base Report and company's SBP and FSC and PEFC procedures. During the review, company demonstrated IT solution, which is used to collect, store and report on all data. Also, data represented in the Supply Base Report was compared with data entered into the program. Purchase documentation reviewing process was reviewed and sales documentation compiling process was evaluated. Chain of Custody implementation was reviewed focusing in the Critical Control Points, in particular it was verified reception of the material and its classification, identification of feedstock origin, production process with conversion factors associated, mass balance, final product storage and sales.

After that port of Kunda was visited. BP has 2 permanent storage sites – port of Kunda and port of Muuga and both were visited during this evaluation. Port of Muuga was visited one day later (during Purila evaluation). This was followed by roundtrip in production and storage areas and facilities. Interviews during the round-tour were conducted with responsible staff.

At the end of the audit findings were summarised and audit conclusion based on use of 3 angle evaluation method were provided to the Organisation. Requirements regarding ID5E were also evaluated.

Audit was conducted by 2 auditors who split during the audit.

## 4.3 Sampling methodology

Random sampling was implemented for purchase documentation and origin documents (different feedstock types were covered - sawdust, shavings, wood chips) and for SBP sales documents (including DTS transactions).

## 4.4 CB stakeholder engagement

BP was not conducting stakeholder consultation prior to this evaluation. SBR is available in SBP audit portal.

## 4.5 Stakeholder feedback

N/A

## **5 Results**

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

Main strengths: all processes have been very well documented; main database for material balances is very well maintained and all relevant information can be reported.

Weaknesses: None.

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

N/A

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

BP has a system to gather and record Greenhouse Gas emissions. During the audit, BP made detailed overview of the systems and databases to gather and record such data. Evidence was provided to auditors.

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

The Supply Base Evaluation was not included into this evaluation.

Quality and Environmental Manager is responsible for implementation of SBP system in Ardor OÜ. He holds the overall responsibility for SBP system. Quality and Environmental Manager holds good knowledge of the SBP requirements especially in area of energy and emission data, chain of custody or definition of material origin. Quality and Environmental Manager is also responsible for FSC and PEFC certification systems.

CEO is responsible for all procurement and supplier related issues.

Operators are responsible for reception of incoming feedstock and moisture measurements.

Assistant is responsible for sales and delivery documentation.

Production Manager is responsible for production process and Health and Safety conditions.

All involved personnel have demonstrated good knowledge in relevant fields.

In overall, auditors evaluate the competency of main responsible staff to be sufficient for implementing the SBP system. This has been based on interviews, review of qualification documents, training records and set of procedures and documents that were composed for the SBP system as well as field observations during the assessment.

## 6 Review of company's risk assessments

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

N/A

### 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**

N/A

## 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>	Pilar Gorriá
<b>Date of decision:</b>	N/A
<b>Other comments:</b>	N/A