



# NEPCon Evaluation of UAB “MK Laivyba” Compliance with the SBP Framework: Public Summary Report

Re-assessment

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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*

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# 1 Overview

CB Name and contact:	NEPCon OÜ, Filosoofi 31, 50108 Tartu, Estonia
Primary contact for SBP:	Ondrej Tarabus otarabus@nepcon.org, +34 605 638 383
Current report completion date:	01/Feb/2021
Report authors:	Gerimantas Gaigalas
Name of the Company:	UAB "MK Laivyba"
Company contact for SBP:	Jurate Zimkiene, deputy director, +370 46 410 514 / info@mklaivyba.lt
Certified Supply Base:	N/A Trader
SBP Certificate Code:	SBP-01-15
Date of certificate issue:	07/Apr/2021
Date of certificate expiry:	06/Apr/2026

This report relates to the Re-assessment

## 2 Scope of the evaluation and SBP certificate

The scope of the evaluation includes the trading of wood pallets supplied by SBP certified suppliers, storage into Klaipeda harbour and sales worldwide. Biomass trading activity with physical possession of certified biomass (wood pellets). Biomass may be delivered by different means of transport to endpoints all over the world on different Incoterm delivery conditions. The scope of the certificate does not include Supply Base Evaluation. The scope includes communication of Dynamic Batch Sustainability Data.

Scope description: Trading and transportation of wood pellets for use in energy production to Europe from Klaipeda (Lithuania) harbour. The scope of the certificate does not include Supply Base Evaluation. The scope includes communication of Dynamic Batch Sustainability Data.

### 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
- GHG data collection analysis, sales and DTS;
- SREG data 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

N/A Trader

# 5 Description of Company, Supply Base and Forest Management

## 5.1 Description of Company

MK Laivyba has been trading wood pellets since 2005 and has a wide network of suppliers in Lithuania, Belarus and other countries. They store the pellets in Klaipeda. Their customers are the major European energy companies.

The Organisation is trader with physical possession trading the wood pellets. Biomass is stored in harbour of Klaipeda, Lithuania and sold worldwide at different incoterm conditions. The organization holds a valid FSC certificate with transfer system implemented. The point of purchase varies, and can be FOB, DAP and FCA, storage facility is available in port of Klaipeda.

The scope of the certificate cover wood pellets. Organisation is certified as broker with physical possession activities.

## 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 organization has implemented the FSC transfer system with biomass (wood pellets) in the scope of the certificate. The process covers trade with biomass as well as storage of the material in port of Klaipeda. The material from different suppliers while stored at the harbour is physically separated (due to the traceability reasons). SBP compliant biomass from different suppliers can be mixed at the ship once is loaded however in such case mass balance is applied to distinguish between different materials (in order to follow the GHG, profiling and batch specific characteristics of the material).

The FSC and SBP claim is mentioned on the sales invoices. The sustainability characteristics are mentioned on an annex to the invoice which always contains the number of the invoice as well.



## 6 Evaluation process

### 6.1 Timing of evaluation activities

The reassessment audit has been conducted as remote audit as per SBP Covid-19 guidelines (COVID-19: Normative Requirements, 22 April 2020). The audit was carried out on 30<sup>th</sup> November and 4<sup>th</sup> December 2020. One auditor day was needed for the onsite audit, covering document evaluation and desk evaluation. The port of Klaipėda, where the Organization stored the production was not visited this time as per COVID-19 restrictions.

Activity	Location	Auditor(s)	Date/time
Opening meeting*	Desk based	GG	30/11/2020 9.00-9.20
Energy use calculations review	Desk based	GG	9.20 -12.00
Interview with the SBP and CoC responsible person; review of FSC/ SBP related procedures, schedules and records.  Review of procurement, storage, sales, recordkeeping, GHG data accounting processes.	Desk based	GG	13:00-14.00
Closing meeting, covering results of the day	Desk based	GG	14:00-14:20
Discussion of storage, segregation, H&S, recordkeeping and custom related processes  Energy use calculations review	Desk based	GG	04.12.2020 9.00-11.00
Closing meeting	Desk based	GG	11.00 – 12.00

GG – Gerimantas Gaigalas

## 6.2 Description of evaluation activities

The reassessment audit has been conducted as remote audit as per SBP Covid-19 guidelines (COVID-19: Normative Requirements, 22 April 2020). The reassessment audit has been conducted in several phases: the opening meeting as well as energy use calculation review was conducted on November 30 and the remaining part – on December 4. The audit was started with an opening meeting attended by deputy director. During the meeting lead auditor introduced himself, provided information about audit plan, methodology and aim of the audit. CB's approval related issues and confidentiality issues were covered as well.

After that auditor went through all applicable requirements of the standard 4,5 as well as instruction document 5E covering management system, CoC, recordkeeping requirements, GHG data reporting. Later on the purchasing, storage, sales and recordkeeping topics were covered. During the process the overall responsible person for SBP system was interviewed and the energy data collection and SREGs related issues had been discussed. During the closing meeting of the first day the auditor explained the results of the audit and further actions were discussed. The second part of the audit was conducted remotely as well when the discussion of storage, segregation, H&S, recordkeeping and custom related processes as well as energy use calculations review was done. At the end of the second day the preliminary results were presented.

Composition of audit team

Auditor(s), roles	Qualifications
Gerimantas Gaigalas  Lead auditor Evaluation against all applicable requirements	He has Master 's degree on Forestry (graduated in Lithuanian Academy of Agriculture), BSc degree in Law and Master 's degree in International Law (graduated in University of Mykolas Romeris) and diploma in programming (Electronic College in Vilnius). He has experience leading the International Relations and Agreements Division in the Ministry of Environment as well as experience working in United Nations Development Programme (UNDP) Papua New Guinea regional office and Institute of Environment Sustainability of EU Commission in Italy. Gerimantas has successfully passed Forest Management and Chain of Custody lead auditor training. Gerimantas is working in UAB "NEPCon LT" as certification manager since 2013. Since 2014 he is implementing PEFC CoC audits, in 2013 completed PEFC CoC auditor training according to the new Chain of Custody standard. In 2016, he got the SBP lead auditor qualification and started to audit according to SBP scheme.

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

Strengths: The internal system is well organized, small number of suppliers, small number of the responsible staff simple management system.

Weaknesses: no weaknesses.

## 7.2 Rigour of Supply Base Evaluation

N/A

## 7.3 Collection and Communication of Data

Only SREG reporting is included into the scope of the evaluation.

## 7.4 Competency of involved personnel

The SBP responsible staff has shown good understanding of the requirements in relation to SBP certification and of the FSC CoC system. The following positions of the staff are mainly involved into the SBP system management: Director, Deputy Director, Logistic Manager, Chief accountant, Bulk and Liquid Terminal Manager.

## 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.*

## 11 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>	Olesja Puiso
<b>Date of decision:</b>	01/Feb/2021
<b>Other comments:</b>	N/A