



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

Main (Initial) 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:	Lumbar OÜ
Company legal address:	Tehnika 15, Paikuse alev, 86609 Pärnu, Estonia
Company contact for SBP:	Janek Rivimets
Company contact email:	janek@lumbar.ee
Company website:	N/A
SBP Certificate Code:	SBP-08-31
Date of certificate issue:	15 Feb 2021
Date of certificate expiry:	14 Feb 2026
Audit closing meeting date:	15 Jan 2021
Audit cycle:	Main (Initial) 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:	Biomass Producer	<input type="checkbox"/>
Approved Standards:	SBP Standard 1: Feedstock Compliance Standard; 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"/>
Includes Supply Base Evaluation (SBE):	Yes	<input type="checkbox"/>
Includes communication of Dynamic Batch Sustainability Data (DBSD)	Yes	<input type="checkbox"/>
Includes Group Scheme	No	<input type="checkbox"/>
Products	Chips	<input type="checkbox"/>

Feedstock types:	Primary	<input type="checkbox"/>
Feedstock origin (countries):	Estonia	<input type="checkbox"/>
SBP-endorsed Regional Risk Assessments used:	Estonia	<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-024275 NC-CW-024275	<input type="checkbox"/>
	Transfer	<input type="checkbox"/>

2.1 Description of the company

Lumbar OÜ is an Estonian company specialised in the production of wood chips. Our raw material is sourced from various Estonian suppliers, including forest stocking companies and forest owners, agricultural co-operatives, forestry products intermediaries. The primary material comes from roundwood, tops, branches and brushwood. The material originates from a variety of forests, where clear cutting, salvage cutting or thinning have been undertaken according to management plans. Lumbar OÜ was issued with an FSC certificate in 2015.

2.2 Detailed description of the Chain of Custody system

The primary material comes from roundwood, tops, branches and brushwood. The material originates from a variety of forests, where clear cutting, salvage cutting or thinning have been undertaken according to management plans. Company uses FSC transfer system. Also segregation of non-certified material is applied according to transfer system. Company uses following FSC claims: FSC 100%, FSC Mix Credit and FSC Controlled Wood. For tracking material company uses vep.lank online system where all truck loads can be traced. The origin and end point are described there, also volumes. Lumbar OÜ was issued with an FSC certificate in 2015.

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 the first assessment of the SBP system.

The scope of the evaluation covered:

- Review of the BP's FSC and SBP management procedures
- Review of FSC system control points, analysis of the existing FSC CoC system;
- Interviews with responsible staff;
- Review of the records, calculations and conversion coefficients;
- GHG data collection analysis
- Review of Public Consultation of the risk assessment process
- Evaluation of mitigation measures implemented for primary feedstocks from Estonia
- Review of records
- Evaluation of mitigation measures implemented

4 Evaluation process

4.1 Timing of evaluation activities

<i>Audit Level of Effort (LoE)</i>		
Activity	Auditors	Auditor hours
1. Preparation	Toomas Tammeleht, Georg Sten Andrejev	24,0
2. On-site (excl. travel time)	Toomas Tammeleht, Georg Sten Andrejev	13,0
3. Report writing	Toomas Tammeleht, Georg Sten Andrejev	24,0
4. Other	Toomas Tammeleht, Georg Sten Andrejev	0,0

Audit Schedule			
Activity	Location	Auditor name	Date/time
<i>Opening meeting</i>	Lumbar OÜ office	Toomas Tammeleht, Georg Sten Andrejev	15 Jan 2021/10:00
<i>Overview of procedures, SBP risk assessment.</i>	Lumbar OÜ office	Toomas Tammeleht, Georg Sten Andrejev	15 Jan 2021/10:15
<i>Implementation of mitigation measures.</i>	Lumbar OÜ office	Toomas Tammeleht, Georg Sten Andrejev	15 Jan 2021/13:00

<i>Visiting storage yards</i>	Paikuse storage, Pärnu port	Toomas Tammeleht, Georg Sten Andrejev	15 Jan 2021/15:00
<i>Preparing for closing meeting</i>	Lumbar OÜ office	Toomas Tammeleht, Georg Sten Andrejev	15 Jan 2021/16:00
<i>Closing meeting</i>	Lumbar OÜ office	Toomas Tammeleht, Georg Sten Andrejev	15 Jan 2021/16:30

Auditor qualification		
Auditor name	Role	Qualification
Toomas Tammeleht	Lead auditor	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 leadauditors 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. Toomas successfully completed SBP training course and he has practical experience with carbon footprint certification.
Georg Sten Andrejev	Audit team member	BSc in Forest Industry. Works for NEPCon since august 2019. He has passed NEPCons chain of custody and forest management leadauditors training. Has working experience in timber industry. Sten successfully completed SBP training course and he has practical experience with carbon footprint certification.

4.2 Description of evaluation activities

Assessment was carried out as an onsite audit in Lumbar OÜ office in Paikuse. Also a woodchipper operator and a truck driver was interviewed during the audit. In most of the cases chipping is done in forest. During the audit no chipping activities were taking place.

Six people – general manager/bookkeeper, quality specialist and 4 regional managers are responsible for implementing SBP system in the company. Two regional managers were interviewed on the phone during the assessment. The evaluation was conducted by two auditors in Estonia.

Evaluation started 15.01.2021 with an opening meeting, where auditor described the audit criteria, principles, standards and audit agenda to the responsible person.

Opening meeting was followed by review of BP's Supply Base Report and company's SBP and FSC management systems, including volume summary review, material origin verification processes as well as verification of purchase invoices. Iso procedures were discussed and reviewed during the audit.

Next, review of implementation of Supply Base Evaluation was evaluated, including review of mitigations measures implemented by the BP, system for monitoring of results for mitigation measures, supplier agreements, declarations and purchase acts.

Review of SAR documents that were prepared by the BP together with standard 5 check-list was evaluated next. This included review of methodology used to collect and calculate energy and carbon data.

Specific CCP-s reviewed were purchase documents (invoices, acts, waybills), feedstock identification and classification, mass balance and sales. Then segregation was discussed during the audit. Purchasing controlled material - only material that has risks mitigated is accepted in FSC and SBP system, this was also confirmed during the checking of origin of the material. This is also assessed during every year FSC audit.

This was followed by inspection of sales process – system for compiling sales invoices and using DTS was discussed. As this is assessment, company didn't have access to DTS system yet.

BP has 2 permanent storage sites in Estonia, both were visited during the assessment.

4.3 Sampling methodology

All storage sites were visited during the audit. Auditors interviewed SBP responsible persons (general manager/bookkeeper, quality specialists and two regional managers). Since it was assessment there have been no SBP sales. Purchase process and mitigation measures were discussed and shown. Auditors randomly checked purchase documentation and verified the origin of material.

4.4 CB stakeholder engagement

Stakeholder consultation was carried out by BP before assessment.

CB conducted stakeholder consultation on 30.11.2020 to receive comments for the SBP assessment of Lumbar OÜ, but no comments were received by the time of assessment.

CB-s stakeholder consultation was sent via Loodusaeg mailing list (ca 1000 followers) and 30 other stakeholders - wood production industry, state agencies and to local NGO-s. Also two stakeholders were called during the assessment.

4.5 Stakeholder feedback

No feedback received by mail or phone.

5 Results

5.1 Main strengths and weaknesses

Main strengths: Entire feedstock used for production meets the criteria for SBP-Compliant feedstock.

Weaknesses: See the non-conformities below.

5.2 Rigour of Supply Base Evaluation

The Supply Base Evaluation was implemented only for primary feedstock sourced from Estonia. Lumbar OÜ has implemented SBE for primary feedstock that is originating from Estonia and is sold without SBP-approved Forest Management Scheme claim, SBP-approved Forest Management partial claim or SBP-approved Chain-of-Custody (CoC) System claim.

The scope of the SBE was chosen based on the availability of the SBP-endorsed Regional Risk assessments as well as the actual operations of the company are undertaken in Estonia with local primary feedstock only.

The risk assessment used by the organization is the Approved Regional SBP Risk Assessment for Estonia available at the SBP website. One indicator is identified as specified risk in this risk assessment and the organization has implemented mitigation measures (see section 7 of SBR).

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 GHG data that is required by SBP for wood chip producers. All the GHG information is indicated in SAR document. All evidence was provided to auditors, auditors considered it sufficient enough to fulfil the requirements.

5.4 Competency of involved personnel

There are 6 persons working in the company, who are responsible for implementation SBP system, including SBE – board member/bookkeeper, quality specialist and four regional managers. Overall responsible person for implementing the systems is general manager. Supply Base Evaluation was carried out by internal staff only, as there is SBP-approved regional risk assessment available for Estonia and only one specified risk indicator defined, which necessarily do not need external experts to be involved to mitigate the risk. It was confirmed during the interviews, that staff involved has long experience in forestry sector and have sufficient competences to undertake SBE. Competence requirements are also described in the SBP-procedures, where justification of the selection of personnel as well as description of education and experience are included. Regarding competences requirements and justification of the selection of personnel see NCR.

6 Review of company's risk assessments

6.1 Overview of company's risk assessments and mitigation measures

SBP RRA for Estonia

2.1.2 The BP has implemented appropriate control systems and procedures to identify and address potential threats to forests and other areas with high conservation values from forest management activities.

6.2 Specified risk indicators and mitigation measures

Country/Area	Indicator	Specified risk description	Mitigation measure
Estonia	2.1.2 The BP has implemented appropriate control systems and procedures to identify and address potential threats to forests and other areas with high conservation values from forest management activities.	WKH are forest habitats with high probability of present occurrence of endangered, vulnerable and rare species. WKH system is a tool to address high conservation value forest habitats in managed forests thus they are the primary mechanism for protection of ecologically valuable areas which are located within commercially managed forests. According to the Estonian legislation WKHs protection is optional for private forest owners. They can sign a contract with state and protect the WKH. In this case, the state pays compensation to the owner for protecting the WKH. If private forest owner do not want to protect the WKH then it is allowed to cut it. It is possible to determine the location of WKHs in Public Forest Registry and in case felling permit is issued it is possible to see if the material is cut from WKH or not. In case the fellings are done without felling permit (it is allowed to do small scale sanitary cutting without felling permit) then on site visit is only	<p>The mitigation measures described below will only be applied for feedstock that is in the scope of the SBE as described in section 4.1. The responsible person for the implementation of the SBE is the Executive Director of Lumbar OÜ who is also the overall responsible person for the company's FSC and SBP certification systems.</p> <p>Primary feedstock</p> <p>All deliveries of primary feedstock that has been harvested in Estonia, but is not FSC or PEFC certified, Lumbar OÜ will verify that it has not been sourced from WKHs. Additional control procedures, e.g. procedures according to FSC-STD-40-005: FSC Standard for Company Evaluation of FSC Controlled Wood, are applied if</p>

		<p>way to see if the WKH is untouched or not. Please see Section 7 for a description of the detailed mitigation actions. In state forest and in FSC and/or PEFC certified private forest and in private forests where WKH contract has been signed, WKH are protected.</p>	<p>applicable. All feedstock subject to SBE must meet prior the evaluation at least SBP-approved Controlled Feedstock System requirements.</p> <p>Lumbar OÜ will use the delivery documents, a list of approved suppliers and publicly available databases (e.g. maps at: http://register.metsad.ee/avalik/ or at least biannually renewed databases from competent authorities¹²⁾ to verify that the delivered primary feedstock has not been sourced from WKHs. During the reception and registration of primary feedstock, will be carried out the following control procedure within the SBE:</p> <p>Has the supplier signed an agreement and committed not to supply wood from WKHs?</p> <p>1) Has the supplier signed an agreement and committed not to supply wood from WKHs?</p> <p>If yes, go to 2</p> <p>If no, the products cannot be sourced.</p> <p>2) Can the products be traced back to the logging site in forest?</p> <p>If yes, go to 3</p> <p>If no, the products cannot be sourced.</p> <p>3) Is there a felling permit issued?</p> <p>If yes, go to 5</p>
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			<p>If no, go to 4</p> <p>4) Felling's from not woodlands and without felling permit (according to forest act)</p> <p>Is there is no WKHs on the FMU according to available information: the products can be sourced</p> <p>Is there is a WKHs on FMU an on-site the products cannot be sourced as SBP-compliant</p> <p>5) Does the logging site defined in the felling permit, match with the WKH location?</p> <p>If yes, the products cannot be sourced as SBP-compliant</p> <p>If no, the products can be sourced</p> <p>The control procedures carried out by the regional manager of feedstock delivered both with and without a felling permit are described under section 9.2. The regional manager shall forward approved feedstock, verification and data to the recipient of the feedstock, who then carries out a control of origin on delivery. The recipient shall compare the data on delivery documents to that in the felling permit and other previously databases. No goods are to be accepted in case of irregularities or false data. All instances, were primary feedstock from WKHs have been offered will be recorded in a register.</p>
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			<p>In overall, auditors evaluate the competency of main responsible staff to be sufficient for implementing the SBP system and the effectiveness of the mitigation measure itself. 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. Responsible staff explained how the mitigation for WKH is done. Documentation was presented and using of databases demonstrated, how responsible staff is controlling whether primary feedstock is originating from WKH or not. Auditor consider that measures were effective in addressing the risks.</p>
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7 Non-conformities and observations

NC number NC-000031	NC Grading: Major
Standard:	Instruction Document 5E: Collection and Communication of Energy and Carbon Data 1.3
Requirement:	6.1.1 BPs shall record data in an 'SBP Audit Report (SAR) for Energy and Carbon data' using the latest version of the SAR appropriate to the production process.
Description of Non-conformance and Related Evidence:	
<p>Organisation is using the latest template version of the SAR. During the audit, it turned out that SAR was missing some of the required information or the information was inaccurate: reporting period, total raw mass for audit period (both tonnes and cubic meters), one SDI for Paikuse storage was not described. Auditors decided to raise a major NCR 01/21. Before the report was finalised, organisation updated its SAR. After the review it was found that all data was present and correct. Auditors decided to close the non-conformity.</p>	
Timeline for Conformance:	Prior to (re)certification
Evidence Provided by Company to close NC:	SAR, interviews with responsible personnel
Findings for Evaluation of Evidence:	During the audit SAR and the information in it was discussed. Responsible personnel understood the requirements and started to update the SAR. Before the report was finalised, organisation sent a new copy of the SAR that was reviewed and deemed accurate. There was one reporting period presented, total raw mass was accurate and all SDIs were described. Auditors decided to close the non-conformity.
NC Status:	Closed

NC number NC-000032	NC Grading: Major
Standard:	SBP Standard 2: Verification of SBP-compliant Feedstock
Requirement:	IN2C; 5.1 The SBR shall be formally updated every year (i.e. every 12 months). Each annual update shall provide actual values for the previous 12 months and forecast values for the following 12 months.

Description of Non-conformance and Related Evidence:	
<p>Organisation has procedures in place for reviewing and updating SBR at least annually. During the audit, it was noted that SBR included different data from volume summary (quantities didn't match), reporting period was marked differently in different places, Feedstock inputs by feedstock type was inserted incorrectly, Quantification of the Supply Base was incorrect, some wrong referrals to wrong sections in the text, the results of SH consultation was not described. Requirement is that SBR has to be updated formally every year and needs to include up-to-date data. Auditors decided to raise Major NCR 02/20. Before the report was finalised, organisation updated its SBR. After the review, it was found that all data was present and correct. Auditors decided to close the non-conformity.</p>	
Timeline for Conformance:	Prior to (re)certification
Evidence Provided by Company to close NC:	SAR, volume summary, interviews with responsible personnel
Findings for Evaluation of Evidence:	During the audit SBR and the information in it was discussed. Responsible personnel understood the requirements and started to update the SBR. Before the report was finalised, organisation updated SBR in the SBP audit portal and it was reviewed and deemed accurate by auditors. Auditors decided to close the non-conformity.
NC Status:	Closed

NC number NC-000033	NC Grading: Minor
Standard:	SBP Standard 2: Verification of SBP-compliant Feedstock
Requirement:	12.2 The organisation shall determine the competences required for achieving the objectives of the SBE, and how they shall be demonstrated or assessed.
Description of Non-conformance and Related Evidence:	
<p>During the audit competences of the staff was discussed. The organisation has been FSC certified for over 5 years and the chain of custody knowledge is good. The main responsible person is a member of board and a bookkeeper and has worked in the organisation for 12 years, therefore having a lot of experience. Their regional managers are long term forest workers with wide knowledge in forestry, ecological and social values. However, it turned out that the organisation has not determined and described the competence requirements. The procedures describe the responsible people, but there is no process established for selecting and appointing an evaluation team and there is no justification for selection provided. Since the responsible people are described in the procedures, they have received training and the interviews confirmed good knowledge, auditors decided to raise a minor non-conformity, NCR 03/21.</p>	
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:	N/A

Findings for Evaluation of Evidence:	N/A
NC Status:	Open

8 Certification decision

Based on the auditor's recommendation and the Certification Body's quality review, the following certification decision is taken:	
Certification decision:	N/A
Certification decision by (name of the person):	Pilar Gorriá
Date of decision:	25 Jan 2021
Other comments:	N/A