NEPCon OÜ Evaluation of Nordic Wood SIA Compliance with the SBP Framework: Public Summary Report

First 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:	Olesja Puiso
Audit team members:	none
Name of the Company:	Nordic Wood SIA
Company legal address:	Smaidu iela 16, Dreiliņi, LV-2130 Stopiņu novads, Latvia
Company contact for SBP:	Eduards Larkins
Company contact email:	eduards@nordicwood.lv
Company website:	N/A
SBP Certificate Code:	SBP-07-69
Date of certificate issue:	18 Mar 2020
Date of certificate expiry:	17 Mar 2025

Audit closing meeting date:	23 Feb 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:	Biomass Producer	☐
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	☐
Includes Supply Base Evaluation (SBE):	No	☐
Includes communication of Dynamic Batch Sustainability Data (DBSD)	Yes	☐
Includes Group Scheme	No	☐
Products	Pellets	☐

Feedstock types:	Other	☐
Feedstock origin (countries):	Latvia, Belarus, Russia	☐
SBP-endorsed Regional Risk Assessments used: **Public link:** https://sbp-cert.org/documents/standards-documents/risk-assessments/	Not applicable	☐
Chain of custody system implemented:	FSC: NC-COC-021026-95	☐
	Transfer	☐

2.1 Description of the company

The Organization is a biomass trader without physical possession of certified wood material/biomass. The organization is sourcing the biomass from biomass producers based in Latvia, Russia, Belarus and other countries. Biomass may be delivered by different means of transport to end points all over the world on different Incoterm delivery conditions.

2.2 Detailed description of the Chain of Custody system

The Organization holds a valid FSC Chain of Custody (CoC) certificate https://info.fsc.org/details.php?id=a024000000OsJgMAAV&type=certificate with number NC-COC-021026-95 and implements FSC transfer system of claims for biomass trading activities. The Organisation operates as broker without physical possession of certified material/biomass. Organisation ensures separate handling of biomass purchased from different Biomass Producers and with different FSC claims. Possible FSC inputs and outputs for transfer system – FSC 100%, FSC Mix Credit, FSC Controlled Wood. Non-certified biomass (other biomass) is handled, stored and shipped to customers separately from certified biomass. During the surveillance evaluation it was confirmed that by the date of the evaluation the Organization had no SBP sales.

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 applicable transportation processes

4 Evaluation process

4.1 Timing of evaluation activities

Audit Level of Effort (LoE)		
Activity	***Auditors***	**Auditor hours**
1. Preparation	Olesja Puiso	3,0
2. On-site (excl. travel time)	Olesja Puiso	2,0
3. Report writing	Olesja Puiso	3,0
4. Other	N/A	N/A

Audit Schedule			
Activity	**Location**	**Auditor name**	**Date/time**
Document review	Riga, NEPCon Office	Olesja Puiso	23 Feb 2021/07.00
Openning meeting	Riga, NEPCon office	Olesja Puiso	23 Feb 2021/10.00
staff interview	Riga, NEPCon office	Olesja Puiso	23 Feb 2021/10.20
closing meeting	Riga, NEPCon office	Olesja Puiso	23 Feb 2021/12.00

Auditor qualification		
Auditor name	**Role**	**Qualification**
Olesja Puiso	Audit team leader	MSc Logistics. Olesja is a NEPCon Country Manager in Latvia. She is responsible for daily management of certification activities in the country. Olesja has passed CoC/ FM lead auditor training, PEFC CoC, ISO 140001, SAN and Legal Source training courses. Previous experience in woodworking industry as well as many years of experience within CoC auditing. In 2015 she has passed the SBP lead auditor training and has participated in capacity of lead auditor in several SBP assessments and annual surveillance audits.

4.2 Description of evaluation activities

Surveillance evaluation was started with opening meeting. Auditor introduced himself, provided information about audit plan, methodology and aim of the evaluation. CB's accreditation related issues and confidentiality issues were covered as well.

After that auditor went through all applicable requirements of the standards 4, 5 and instruction document 5E covering management system, emission and energy data and made staff interviews. Chain of Custody implementation was reviewed focusing in the Critical Control Points, in particular it was verified reception of the material and it's classification, identification of feedstock origin, mass balance, final product sales.

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

4.3 Sampling methodology

Organisation is broker without physical possession with no SBP/procurement and sales taking place in this reporting period. All system elements and system documents are reviewed. No actual procurement/ sales documents were sampled, since there is no SBP/ FSC procurement and sales in the recordkeeping period.

4.4 CB stakeholder engagement

No stakeholder consultantion was conducted prior to this evaluation.

Stakeholder consultation is not required for traders. Nevertheless, a stakeholder consultation for the Organisation has been conducted prior to the initial assessment on 30.07.2019.

4.5 Stakeholder feedback

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5 Results

5.1 Main strengths and weaknesses

Strengths: limited number of staff; transfer system of FSC and SBP claims.

Weaknesses: a lack of the experience with FSC certification and lack of experience with FSC sales

5.2 Rigour of Supply Base Evaluation

not applicable

5.3 Collection and communication of data

The Management System for energy use data collection and communication is in place, however energy use reporting is not required from Organisation any more since the biomass is supposed to be delivered to harbours by suppliers on FCA delivery conditions, and sold by Organisation on DAP conditions. Decides this organisation is having SREG template available and pre-filled.

5.4 Competency of involved personnel

Overall, responsible staff showed good understanding of knowledge of all applicable SBP requirements. Generally, only two staff members: managing director and recordkeeper are involved into SBP certification.

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:	
Certification decision:	Certification approved
Certification decision by (name of the person):	Pilar Goreo Serano
Date of decision:	08 Mar 2021
Other comments:	N/A