



Preferred by Nature OÜ Evaluation of JJK Forest OÜ Compliance with the SBP Framework: Public Summary Report

Third Surveillance Audit

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The promise of good biomass



Completed in accordance with the CB Public Summary Report Template Version 1.5

*For further information on the SBP Framework and to view the full set of documentation see
www.sbp-cert.org*

Document history

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1 Overview

Certification Body (CB) Name:	Preferred by Nature OÜ
Primary CB contact for SBP:	Ondrej Tarabus
Primary CB contact email:	otarabus@preferredbynature.org
Audit team leader:	Toomas Tammeleht
Audit team members:	-
Name of the Company:	JJK Forest OÜ
Company legal address:	Kaarli pst 7 Harjumaa, 10119 Tallinn, Estonia
Company contact for SBP:	Jeffrey Cohen
Company contact email:	jefflogster1@gmail.com
Company website:	N/A
SBP Certificate Code:	SBP-08-03
Date of certificate issue:	25 May 2020
Date of certificate expiry:	24 May 2025
Audit closing meeting date:	12 Jan 2023
Audit cycle:	Third 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	☐
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 1.5	☐
Includes Supply Base Evaluation (SBE):	No	☐
Includes communication of Dynamic Batch Sustainability Data (DBSD)	No	☐
Includes Group Scheme	No	☐
Products	Chips	☐

Feedstock types:	Primary	☐
Feedstock origin (countries):	Latvia	☐
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: The organization holds an FSC CoC certificate with FSC certificate number NC-COC-060607.	☐
	Transfer	☐

2.1 Description of the company

JJK Forest OÜ is roundwood and wood chips trading Company, which was founded in 2014. Address of the company is Kaarli pst. 7-3, Tallinn 10119, Estonia. 3 employees are working in the company.

2.2 Detailed description of the Chain of Custody system

The organization has implemented the FSC transfer system for biomass (fuel logs and chips) in the scope of the certificate (NC-COC-060607). The process covers trade with biomass in Salacgriva, Riga and Ventspils ports. Once the material is purchased it is directly sold to the customer (transfer system). No storage yards are used. FOB purchases and FOB or CIF sales are planned by the company. Each purchased material is recorded including the certification status of the material and the sales always contain the same type and quantity of material as purchased. The SBP claim is mentioned in the DTS. The sustainability characteristics for each batch are also included. Besides supplier information that has been entered to the DTS system by the supplier, company is adding their SREG to cover the transport in case of CIF sales (not used during audit period).

3 Specific objective

The specific objective of this third surveillance audit 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;

4 Evaluation process

4.1 Timing of evaluation activities

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

Audit Schedule			
Activity	Location	Auditor name	Date/time
Opening meeting	Skype videocall	Toomas Tammeleht	12 Jan 2023/10:00
Interview with SBP responsible person, DTS, volumes, overview of purchase, sales, procedures	Skype videocall	Toomas Tammeleht	12 Jan 2023/10:15
Closing meeting	Skype videocall	Toomas Tammeleht	12 Jan 2023/14:15

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 lead auditor 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.

4.2 Description of evaluation activities

Audit started with an opening meeting attended by accountant Ülle Tammesalu who is the main responsible person. The audit was conducted through Skype.

Lead auditor introduced himself, provided information about audit plan, methodology and aim of the annual audit. The Certification Body's approval process and confidentiality approach were covered as well.

After that auditor went through all applicable requirements of the standard covering management system, CoC, recordkeeping requirements, DTS records, emission and energy data and verification of SBP compliant biomass. Later on the purchasing and logistics functions were discussed. Purchase and sales documents were reviewed during the audit and these were also discussed. Overall responsible person for the SBP system and staff having key responsibilities within the system was interviewed during the audit process.

Company doesn't take physical possession of material.

During the closing meeting, auditor presented the outcome of the audit and further actions to be taken were discussed.

4.3 Sampling methodology

Interview with responsible person, a random sample of purchase and sales documents was checked, overview of FSC and SBP procedures, training records, data from DTS and volume summary.

4.4 CB stakeholder engagement

N/A

4.5 Stakeholder feedback

N/A

5 Results

5.1 Main strengths and weaknesses

Strengths - Good overview of SBP system and biomass trading in general. The transfer system as the CoC system is easy to follow as no physical possession will take place.

Weaknesses – see non-conformance below.

5.2 Rigour of Supply Base Evaluation

N/A

5.3 Collection and communication of data

JJK Forest OÜ is responsible for emission occurred during handling of the material. The organization plans to collect all the necessary data for GHG calculations from shipping service provider and add the information to SREG (this option was not used during the audit period).

5.4 Competency of involved personnel

The main responsible person in the company is accountant. She has many years of experience in the company trading roundwood, chips and biomass. The overall responsible person showed very good understanding of the requirements in relation to SBP certification and FSC CoC system.

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

NC number NC-002931 (01/23)	NC Grading: Minor
Standard:	SBP Standard 4: Chain of Custody
Requirement:	5.5.2 There are two SBP claims: • 'SBP-compliant biomass'. • 'SBP-controlled biomass'.
Description of Non-conformance and Related Evidence:	
During the audit a sample of sales invoices was reviewed. It turned out that the latest invoice (317) didn't include correct SBP claim and code on it. All other older invoices had the correct information. The bookkeeper is aware that they do not need to add claims to the invoice. Bookkeeper explained that they changed the system how invoices are made and the mistake came from there. Since it was a single case, auditor decided to raise a minor non-conformity NCR 01/23.	
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:	Pending
Findings for Evaluation of Evidence:	Pending
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:	Certification approved
Certification decision by (name of the person):	Aliaksandr Zubkevich
Date of decision:	31 Jan 2023
Other comments:	N/A