NEPCon OÜ Evaluation of Van Leer Energy BV Compliance with the SBP Framework: Public Summary Report

Second Surveillance Audit

www.sbp-cert.org

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

Version 1.0: published 26 March 2015

Version 1.1: published 30 January 2018

Version 1.2: published 4 April 2018

Version 1.3: published 10 May 2018

Version 1.4: published 16 August 2018

Version 1.5: published 22 October 2020

© Copyright The Sustainable Biomass Program Limited 2020

Table of Contents

1 Overview

2 Scope of the evaluation and SBP certificate

2.1 Description of the company

2.2 Detailed description of the Chain of Custody system

3 Specific objective

4 Evaluation process

4.1 Timing of evaluation activities

4.2 Description of evaluation activities

4.3 Sampling methodology

4.4 CB stakeholder engagement

4.5 Stakeholder feedback

5 Results

5.1 Main strengths and weaknesses

5.2 Rigour of Supply Base Evaluation

5.3 Collection and communication of data

5.4 Competency of involved personnel

6 Review of company's risk assessments

6.1 Overview of company's risk assessments and mitigation measures

6.2 Specified risk indicators and mitigation measures

7 Non-conformities and observations

8 Certification decision

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:	Olesja Puiso
Name of the Company:	Van Leer Energy BV
Company legal address:	Jodenbreestraat 152-154, 1011 NS Amsterdam, Netherlands
Company contact for SBP:	Cris Mul
Company contact email:	cris.mul@vanleer.energy
Company website:	N/A
SBP Certificate Code:	SBP-07-73
Date of certificate issue:	24 Mar 2020
Date of certificate expiry:	23 Mar 2025

Audit closing meeting date:	02 Nov 2021
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)
Primary Activity:	Trader	☐
Approved Standards:	SBP Standard 4: Chain of Custody; SBP Standard 5: Collection and Communication of Data Instruction	☐
Includes Supply Base Evaluation (SBE):	No	☐
Includes communication of Dynamic Batch Sustainability Data (DBSD)	No	☐
Includes Group Scheme	No	☐
Products	Pellets	☐

Feedstock types:	Secondary	☐
Feedstock origin (countries):	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-056154	☐
	Transfer	☐

2.1 Description of the company

Van Leer Energy BV (VLE) is a marketing and sales company and supplier of sustainable biomass as a substitute to fossil fuels to the European consumer and industrial markets. The companies trading activities includes both domestic and industrial pellets equally shared. The biomass is purchased in Russia, but might be purchased elsewhere, and going to be delivered to several destinations and customers in Denmark, Belgium, Sweden or Nederland, for use in heat and power plants for production of sustainable and renewable heat and electricity. The traded woody biomass will be sourced from various ports in Europe and possibly also other parts of the world. The point of purchase will, in general, be the same as the point of sale. This means that VLE is not responsible for compilation of GHG data in case of any GHG emissions. However, there are cases where the material will be transported under the ownership of the organization. In such a situation, the organization is responsible for collecting and reporting the GHG data for the transport.

2.2 Detailed description of the Chain of Custody system

The organization is a holder of valid FSC CoC certificate (CU-COC-802926). The CoC system is based on the FSC transfer system without physical possession. Until now all material purchased has been claimed as FSC Mix Credit and SBP Compliant biomass. The sales can be made in harbours (exporting and importing) with or without sea transportation. Each purchase of 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 will be stated on the sales invoices together with the SBP Production Batch ID code. These carries the GHG profiling and batch specific data from the Biomass Producer and GHG data relating to the transport, which is the responsibility of the Biomass Producer, given the INCOTERM used (FOB or CIF).

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 control points in the FSC CoC system that affects the SBP certificate;
- Interviews with responsible staff; and
- Review of the records, including DTS database, procurement/ sales balance

4 Evaluation process

4.1 Timing of evaluation activities

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

Audit Schedule			
Activity	**Location**	**Auditor name**	**Date/time**
Opening meeting	PbN Office. Desk	OP	02 Nov 2021/10:00
Quality requirement, general responsibilites	PbN Office. Desk	OP	02 Nov 2021/10.15
Purchase, sales, logistics & DTS management	PbN Office. Desk	OP	02 Nov 2021/11:00
Energy data collection and calculations,	PbN Office. Desk	OP	02 Nov 2021/13.00

DTS			
Closing meeting	PbN Office. Desk	OP	02 Nov 2021/13.45

Auditor qualification		
Auditor name	**Role**	**Qualification**
Olesja Puiso	Audit team leader	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. She has passed the SBP lead auditor training and has participated on number of SBP evaluations.

4.2 Description of evaluation activities

The audit started with an opening meeting attended by overall responsible and company director and logistic manager.

Auditor introduced herself, provided information about audit plan, methodology and aim of the audit. CB’s approval related issues and confidentiality issues were covered as well.

After, the auditor went through all applicable requirements of the applicable SBP requirements covering management system, recordkeeping requirements and verification of SBP compliant biomass. 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, production process with the conversion factors associated, mass balance, final product storage and sales. Furthermore, the purchasing and logistics functions were audited. During the process overall responsible person for the SBP system and staff having key responsibilities within the system was interviewed.

During the closing meeting auditor explained the results of the audit to director and logistic manager further actions were discussed.

4.3 Sampling methodology

Sampling methodology was applicable to the SBP DTS transaction verification. The different suppliers , different vessels, amounts were sampled for random verification.

4.4 CB stakeholder engagement

Not applicable for this surveillance audit

4.5 Stakeholder feedback

Not applicable for this surveillance audit

5 Results

5.1 Main strengths and weaknesses

Strengths: VLE is involved in biofuels trading activities since 1998 and materialize this long lasting experience. It is only a small group of people that will work with SBP related activities and the responsible staff showed good knowledge about the SBP system and how it will be implemented in the organization.

Weaknesses: Not found

5.2 Rigour of Supply Base Evaluation

Not applicable

5.3 Collection and communication of data

The organization is collecting and communicating GHG and energy data when they are involved in transport. The organization has competence for this and will communicate the results via SREG to the customer. During this reporting period no SREG has been applicable.

5.4 Competency of involved personnel

The involved personnel were found competent in implementing the SBP CoC system, making correct claims, managind DTS system and forwarding GHG/Transport data in SREG documents when required.

6 Review of company's risk assessments

6.1 Overview of company's risk assessments and mitigation measures

Not applicable

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-000775 (01/22)	NC Grading: Minor
Standard:	SBP Standard 4: Chain of Custody
Requirement:	5.1.2 The legal owner shall implement all aspects of the SBP-approved CoC system requirements for the SBP feedstock and biomass. Where there is a conflict between the requirements in the SBP-approved CoC system requirements and those specified in the SBP standards, the SBP standards shall have precedence. Note: SBP feedstock or biomass will not necessarily enter into the scope of the SBP-approved CoC system certification, but the SBP-approved CoC system CoC processes and requirements shall extend to SBP feedstock and biomass.
Description of Non-conformance and Related Evidence:	
The organization has implemented transfer system for their trading activities. The certification status is evaluated together with the supplier certification and if everything is correct, then sales documents are issued. During the procurement document evaluation based on sampling, 2 procurement invoices with wrong FSC claim "FSC Mix Controlled Wood" were identified. The biomass was accepted as FSC Controlled wood and sold with the right FSC and SBP claim. However it was identified the requirement for FSC certificate and FSC claim is not designated clearly in the FSC procedure of the Organisation.	
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:	Root course analysis, updated FSC plan (procedure)
Findings for Evaluation of Evidence:	Right after the audit organisation made number of the steps to close the NCR: 1) Paragraph 3.2 'Controll of Suppliers' of the FSC System Plan 2021 is complemented with sub-paragraph 3.2.3. covering requirement for the incoming documentation verification 2) In addition to this Organisation made check run on the relevant parameters on all purchase/input invoices of our supplier (Sawmill25) and sales/output invoices our customers (DAVA, ENGIE, RWE). The following conclusion were made: a) the NCR only occurs with shipment to RWE; not with the other customers; b) the claims on all VLE-sales/output invoices to the customers were passed on correctly, so no illegal claims were made or passed into the CoC. C) the material balance mentions the right input/output claims. According to the Organisation the Root cause of the NCR is that the very first invoice has some mistakes with SBP and FSC claims. In the subsequent invoices concerning shipment solely to RWE, Sawmill25 put the correct SBP claim (SBP Controlled biomass) but the wrong text ('FSC Mix Controlled') in the header. 3) Sawmill25 is instructed to put the right text at the invoice for shipment to RWE, viz FSC Controlled Wood; which is the right input/claim to VLE. NCR 01/22 is closed

NC Status:	Closed

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 Gorría
Date of decision:	30 Nov 2021
Other comments:	N/A