

NEPCon Evaluation of Uranium One Holding N.V. Compliance with the SBP Framework: Public Summary Report

Main (Initial) Audit

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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*

Document history

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1 Overview

CB Name and contact:	NEPCon OÜ, Filosoofi 31, 50108 Tartu, Estonia
Primary contact for SBP:	Ondrej Tarabus ot@nepcon.org, +420 606 730 382
Current report completion date:	10/Jul/2019
Report authors: :	Nikolai Tochilov
Name of the Company:	Uranium One Holding N.V. Baxter Building, Rapenburgerstraat 175N 1011VM, Amsterdam, The Netherlands
Company contact for SBP	Mikhail Semenov, certification responsible. Phone: +74955445554 add. 440 or 442, Email semenov.m.s@u1g.ru
Certified Supply Base:	not applicable for trader
SBP Certificate Code:	SBP-07-23
Date of certificate issue:	11/Jul/2019
Date of certificate expiry:	10/Jul/2024

This report relates to the Main (Initial) Audit

2 Scope of the evaluation and SBP certificate

Description of certificate scope: Trading of wood pellets, wood chips and wood briquettes for use in energy production, including transport from Biomass Producers in Russia to different end points all over the world. The certificate scope does not include Supply Base Evaluation.

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 the transportation, storage and deliverance processes

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

Not applicable.

5 Description of Company, Supply Base and Forest Management

5.1 Description of Company

Organisation is a trader with physical possession having legal address in Amsterdam, The Netherlands.

Organisation purchases SBP-certified / FSC-certified biomass (wood pellets, briquettes and wood chips) from biomass producers in Russia (ExWorks, FCA harbour, FOB, CIF, DAP – Incoterms), transports and stores the biomass in harbour, loads and delivers the biomass to customers by vessels. Potentially there may be different harbors in Russia used for biomass shipments by Organisation, but at the moment of this assessment only Ust-Luga harbor is used. All activities in Ust-Luga harbour, related to biomass unloading, handling, storage and loading to vessels are executed by contractor (based on outsourcing agreements). The scope of certificate also includes the possibility of direct transportation of biomass by trucks from biomass producers to Organisation's customers.

Biomass is sold to customers on different Incoterms delivery conditions.

5.2 Description of Company's Supply Base

Not applicable for trader.

5.3 Detailed description of Supply Base

Not applicable for trader.

5.4 Chain of Custody system

Organisation is a trader with physical possession having legal address in Amsterdam, The Netherlands. Organisation has affiliate companies in Russia – Uranium One Group JSC (provides administrative services to maintain FSC and SBP certification) and SPb IZOTOP JSC (provides logistics services and concludes the service agreement with contractor in harbour). All three legal entities are included into FSC CoC multi-site certificate scope held by Organisation (NC-COC-054667). The scope of the certificate includes FSC credit and FSC transfer systems of claims for biomass trade. At the moment of this assessment, FSC certificate scope includes Ust-Luga harbour in Leningrad region of Russia, where all purchased biomass is unloaded, stored, handled and loaded to vessel. All activities in harbour are implemented by contractor based on outsourcing agreement. By default, Organisation will be using FSC Credit system of claims (mixing all incoming biomass), in harbour, but in some specific cases the FSC transfer system of claims may be implemented. In such cases Organisation ensures physical segregation of biomass during its handling, storage and loading to vessel. The scope of certificate also includes the possibility of direct transportation of biomass by trucks from biomass producers to Organisation's customers using transfer system of FSC claims.

Possible FSC input and output for transfer system – FSC 100%, FSC Mix Credit, FSC Recycled, FSC Controlled Wood.

Possible FSC inputs for credit system: FSC 100%, FSC Mix Credit, FSC Recycled, FSC Controlled Wood.
Possible outputs for credit system: FSC Mix Credit and FSC Controlled Wood.

6 Evaluation process

6.1 Timing of evaluation activities

Activity	Location	Date/time
- Opening meeting - Review of FSC procedure, FSC product group schedule, FSC supplier records, FSC credit account - Review of SBP procedures, SBP training records, SBP trademark use, review of sales and transport documents. - Staff interview	Office of Uranium One Group JSC in Moscow	23.05.2019 09:00-12:00
- Onsite visit of contractor at sea harbour Ust-Luga - Interviews with contractor and Organisation staff; documents review - Closing meeting	Ust-Luga, Leningrad region	24.05.2019 11:00-14:00

6.2 Description of evaluation activities

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

After that auditor went through all applicable requirements of the standards covering management system, CoC, recordkeeping/mass balance requirements and emission and energy data, and made staff interviews.

Next day auditor made onsite inspection of contractor at sea harbour Ust-Luga in Leningrad region.

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

Composition of audit team:

Auditor(s), roles	Qualifications
Nikolai Tochilov	Audit team leader. NEPCon SBP lead auditor. He has successfully passed SBP auditor training in Tallinn in January 2015; previous experience with more than 30 SBP assessments and annual audits in Russia and Europe.

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

No stakeholder consultations conducted prior, during and after this assessment (n/a for trader).

7 Results

7.1 Main strengths and weaknesses

Strengths: limited number of staff involved into SBP/FSC certification; credit system of FSC and SBP claims (transfer system is considered but will be used in exceptional cases).

Weaknesses: none.

7.2 Rigour of Supply Base Evaluation

Not applicable.

7.3 Collection and Communication of Data

There were no SBP-certified biomass sales yet, therefore Organisation submitted an example of SREG which they will be using in the future supplies, when required. Energy will be used during biomass transportation from pellet producer to harbours in Russia, biomass unloading and storage at harbours, and further loading to the vessel, as well as sea transport. Organisation and contractor in harbour explained auditor how they will be collecting and justifying the energy use data.

7.4 Competency of involved personnel

Both Organisation and contractors' staff involved into SBP/FSC certification, showed good understanding of all applicable SBP requirements.

7.5 Stakeholder feedback

No stakeholder consultations conducted prior, during and after this assessment (n/a for traders).

7.6 Preconditions

None.

8 Review of Company's Risk Assessments

Not applicable.

9 Review of Company's mitigation measures

Not applicable.

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.*

None.

11 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 Serrano
Date of decision:	10/Jul/2019
Other comments:	<i>Click or tap here to enter text.</i>