

Control Union Certifications B.V. Evaluation of Krex Spółka z o.o. Compliance with the SBP Framework: Public Summary Report

First Surveillance Audit

www.sbp-cert.org



Completed in accordance with the CB Public Summary Report Template Version 1.3

*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: Control Union Certifications; Meeuwenlaan 4-6; P.O.Box 161, 8000AD Zwolle, Netherlands.

Primary contact for SBP: Loek Verwijst; lverwijst@controlunion.com , Tel: +351 235 240 940

Current report completion date: 20/Sep/2018

Report authors: Hubert Jurczyszyn – lead auditor

Name of the Company: Krex Spółka z o.o.

Company contact for SBP: Marek Świstak SBP manager Mobile: +48 510 990 429
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Certified Supply Base: (K Poland, Belarus, regions according to the Supply Base Report

SBP Certificate Code: SBP-06-09

Date of certificate issue: 30/Nov/2017

Date of certificate expiry: 29/Nov/2022

This report relates to the First Surveillance Audit

2 Scope of the evaluation and SBP certificate

Production of wood pellets, for use in energy production, at Krex Spółka z o.o. and trade of wood chips. The scope of the certificate does not include Supply Base Evaluation. The following SBP standards are applicable and form the scope of the evaluation and thus, the SBP certificate: Standard 2, Standard 4 and Standard 5: Producer of wood pellets without a SBE (standard 1) and trader of wood chips. All feedstock is FSC certified.

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 the specified SBP Standards are implemented across the entire scope of certification.

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

Company is located in Eastern Poland. Company is active as a supplier to the Polish energy sector mostly coal but also other fuels. In the middle of 2017 company bought pellet mill and is planning to start industrial pellet production from sawdust. Sawdust is to be bought with FSC 100% claim only. Second part of the process is wood chips trade. Wood chips are bought in Belarus and delivered without processing to the customer. Also chips are to be bought with FSC 100% claim. Company has implemented also sophisticated DDS system in order to meet Polish regulations regarding biomass supply to the energy sector. Company has implemented COC system based on FSC transfer system for both Wood chips and pellet product groups. Company is registered in Bielsk Podlaski where the main office is located but also has pellet mill located in Szepietowo where pellet production takes place.

5.2 Description of Company's Supply Base

Krex sp. z o.o. is FSC certified and is purchasing material from different suppliers who can deliver FSC 100% sawdust. According to the Supply Base Report the Supply Base of the company includes Polish Regional Directorates of State Forests which are FSC certified as well as Belarusian State Forest enterprises which are FSC certified.

5.3 Detailed description of Supply Base

A quantitative description of the Supply Base can be found in the Biomass Producer's Supply Base Report. Supply base covers area of Poland specifically area of State Forests which are FSC certified only as well as the area of Belarus also State Forest Enterprises which are FSC certified only.

5.4 Chain of Custody system

All inputs that are to be used are FSC 100% certified, no uncertified or controlled inputs, all biomass is eligible for being claimed SBP compliant. Company has two chains in the scope one is pellet production from sawdust and this is done at Szepietowo site – pellet mill owned by the company. Sawdust is delivered to the pellet mill on trucks, pellet is produced and delivered by trucks to the port in Gdansk where it is sold. Second channel is trade of wood chips from Belarus directly to the client. Wood chips are loaded on the railway wagons and delivered directly to the port in Klaipeda where the material is sold to the client. Company is operating FSC transfer system for FSC COC and the same system is used for SBP claim establishing. Company has registration office in Bielsk Podlaski and general office is located there. Wood chips trade is supervised from Bielsk Podlaski. Whole production supervision is done on Szepietowo site where the pellet is produced. Company holds valid FSC COC certificate and has both pellets and wood chips in its scope.

6 Evaluation process

6.1 Timing of evaluation activities

The onsite audit was carried out 16.07.2018 by the above mentioned audit team. This report is the result of the findings of a certification evaluation carried out by auditor representing Control Union Certifications. The purpose of the assessment was to evaluate the compliance of the client with respect to the standards used within the scope of the certificate.

Activity	Date	Executed by
Preparation	12-07-2018 (review of the materials sent by BP assessment)	Hubert Jurczyszyn
Stakeholders consultation	No SBE – surveillance assessment	
Desktop review	13-07-2018	Hubert Jurczyszyn
site audit	16-07-2018	Hubert Jurczyszyn
evidence review.	25-09-2018	Hubert Jurczyszyn Loek Verwijst

6.2 Description of evaluation activities

The audit did consist of an opening meeting, during which the scope was confirmed. The auditor has introduced the team which consist of lead auditor Hubert Jurczyszyn who did also explain the methods to be employed during the audit. After this introduction, all relevant requirements of the applicable SBP standard(s) were verified on compliance. All relevant documentation related to pellet production was verified on site together with interviewing key BP staff having SBP tasks delegated. Findings were documented on audit checklists. Audit was also including visit to the production line where pellet is produced. The audit was completed by filling in the audit report and discussing the audit results.

• Names and affiliations of people interviewed	
Name:	Affiliation:
Marek Świsłak	Quality Manager – SBP manager
Sergiusz Zinowczyk	V-ce Chief Executive Officer
Krzysztof Gawryluk	Pellet production manager
Marcin Wojno	Pellet production Director
Marek Szepietowski	Pellet production leader
Mateusz Olęcki	Reception and logistics responsible person

6.3 Process for consultation with stakeholders

The stakeholder consultation was carried out prior to the 2017 main assessment on 27th of June, 2017 by sending email to different stakeholders: representatives of state institutions – State Forestry Districts, local NGOs active in the region, authorities responsible for Forest management planning in the region, local administration bodies, biomass purchasers and other local stakeholders. One positive comment was received, no other comments received.

No further stakeholder consultation was carried out 2018 surveillance evaluation.

7 Results

7.1 Main strengths and weaknesses

The Audit of Krex Sp z o.o. demonstrated a good level of compliance with the required criteria of Standard 2, 4 and 5. There was reasonable evidence provided to support compliance with the applicable SBP standards.

The existence of a Chain of Custody system is in combination with, FSC COC, DDS implemented to meet Polish legal requirements – DDS (SNS) and ENplus are considered a main strength with respect to Krex's overall conformity with the relevant SBP standards. Non conformities defined during main assessment in 2017 are settled.

7.2 Rigour of Supply Base Evaluation

As Krex only sources FSC-certified materials (FSC 100%) of the total input volume they will deliver SBP compliant biomass thus no SBE is needed in order to increase the amount of SBP compliant biomass at this moment in time. Krex is promoting very strong FSC certification and put emphasis on this issue regarding sourcing.

7.3 Collection and Communication of Data

Company is able to provide all necessary data for GHG calculations and emissions as well as is able to collect such information from it's suppliers which was verified during audit onsite.

7.4 Competency of involved personnel

No SBE was completed.

All personnel that is involved with SBP have received appropriate training whereby all relevant procedures and requirements have been covered. All training and instructions are based on the procedures as identified in company manuals, and training is provided by internal resources and recorded accordingly. Key personnel showed good knowledge of SBP requirements.

7.5 Stakeholder feedback

See 7.2. Since no SBE has been performed also no stakeholder consultation was done as part of the SBE process.

Consultation with stakeholders was done during main assessment in 2017 by Certification body only as a part of the SBP accreditation requirements.

7.6 Preconditions

Organization is following SBP standards in their scope of the certification in sufficient way that is why certificate may be maintained without further preconditions.

8 Review of Company's Risk Assessments

Describe how the Certification Body assessed risk for the Indicators. Summarise the CB's final risk ratings in Table 1, together with the Company's final risk ratings. Default for each indicator is 'Low', click on the rating to change. Note: this summary should show the risk ratings before AND after the SVP has been performed and after any mitigation measures have been implemented.

No SBE is carried out only FSC certified and PEFC certified inputs.

Table 1. Final risk ratings of Indicators as determined BEFORE the SVP and any mitigation measures.

Indicator	Risk rating (Low or Specified)	
	Producer	CB
1.1.1	Low	Low
1.1.2	Low	Low
1.1.3	Low	Low
1.2.1	Low	Low
1.3.1	Low	Low
1.4.1	Low	Low
1.5.1	Low	Low
1.6.1	Low	Low
2.1.1	Low	Low
2.1.2	Low	Low
2.1.3	Low	Low
2.2.1	Low	Low
2.2.2	Low	Low
2.2.3	Low	Low
2.2.4	Low	Low
2.2.5	Low	Low
2.2.6	Low	Low
2.2.7	Low	Low
2.2.8	Low	Low
2.2.9	Low	Low
2.3.1	Low	Low
2.3.2	Low	Low

Indicator	Risk rating (Low or Specified)	
	Producer	CB
2.3.3	Low	Low
2.4.1	Low	Low
2.4.2	Low	Low
2.4.3	Low	Low
2.5.1	Low	Low
2.5.2	Low	Low
2.6.1	Low	Low
2.7.1	Low	Low
2.7.2	Low	Low
2.7.3	Low	Low
2.7.4	Low	Low
2.7.5	Low	Low
2.8.1	Low	Low
2.9.1	Low	Low
2.9.2	Low	Low
2.10.1	Low	Low

Table 2. Final risk ratings of Indicators as determined AFTER the SVP and any mitigation measures.

Indicator	Risk rating (Low or Specified)	
	Producer	CB
1.1.1	Low	Low
1.1.2	Low	Low
1.1.3	Low	Low
1.2.1	Low	Low
1.3.1	Low	Low
1.4.1	Low	Low
1.5.1	Low	Low
1.6.1	Low	Low
2.1.1	Low	Low
2.1.2	Low	Low
2.1.3	Low	Low
2.2.1	Low	Low
2.2.2	Low	Low
2.2.3	Low	Low
2.2.4	Low	Low
2.2.5	Low	Low
2.2.6	Low	Low
2.2.7	Low	Low
2.2.8	Low	Low
2.2.9	Low	Low
2.3.1	Low	Low
2.3.2	Low	Low

Indicator	Risk rating (Low or Specified)	
	Producer	CB
2.3.3	Low	Low
2.4.1	Low	Low
2.4.2	Low	Low
2.4.3	Low	Low
2.5.1	Low	Low
2.5.2	Low	Low
2.6.1	Low	Low
2.7.1	Low	Low
2.7.2	Low	Low
2.7.3	Low	Low
2.7.4	Low	Low
2.7.5	Low	Low
2.8.1	Low	Low
2.9.1	Low	Low
2.9.2	Low	Low
2.10.1	Low	Low

9 Review of Company's mitigation measures

No SBE is carried out only FSC certified and PEFC certified inputs.

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.*

Organization is following SBP standards in their scope of the certification in sufficient way that is why certificate may be maintained without further preconditions. No non-conformities or observations were raised during 2018 SBP surveillance assessment. For open minor Non-conformities raised during 2017 evaluation corrective actions were presented supported with sufficient evidences to close them.

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):	Loek Vervijst
Date of decision:	15/Oct/2018
Other comments:	<i>Click or tap here to enter text.</i>