

NEPCon Evaluation of TimberHof GmbH Compliance with the SBP Framework: Public Summary Report

Third Surveillance Audit

www.sbp-cert.org



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

Version 1.0: published 26 March 2015

Version 1.1: published 30 January 2018

Version 1.2: published 4 April 2018

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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:	08/Apr/2020
Report authors: :	Natalia Zaladinova
Name of the Company:	TimberHof GmbH, 31 Jägerhofstraße, 40479 Düsseldorf, Germany
Company contact for SBP:	Marina Sutter, Finance and accounting; phone: +4921152289997; Email: m.sutter@timberhof.de
Certified Supply Base:	not applicable for trader
SBP Certificate Code:	SBP-01-60
Date of certificate issue:	16/Mar/2017
Date of certificate expiry:	15/Mar/2022

This report relates to the Third Surveillance Audit

2 Scope of the evaluation and SBP certificate

Certificate scope: Trading of wood pellets 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.

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

Organization is a biomass trader sourcing the biomass from one pellet producer in Russia (MLT Ltd). The Organization has implemented the FSC transfer system with biomass (wood pellets) in the scope of the certificate - NC-COC-017117. The process covers trade with biomass without physical possession. The material is delivered by one supplier (MLT Ltd) by train to S.Petersburg sea port and sold to Organization, which then sells it to its customer. Delivery conditions are FCA, S.Petersburg sea port.

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

The Organization has implemented the FSC transfer system with biomass (wood pellets) in the scope of the certificate - NC-COC-017117. The process covers trade with biomass without physical possession. See more explanations in 5.1 above.

6 Evaluation process

6.1 Timing of evaluation activities

Desk evaluation was conducted on December, 24, 2019; January, 13, 2020. Evaluation activities included documents review at NEPCon office and staff interviews by skype and phone.

Activity	Location	Date/time
Review documentation before the audit	Office NEPCon	24/12/2019 14.00-18.00
Opening meeting by skype	Office NEPCon	13/01/2020 13.45-14.00
Staff interviews by skype and phone	Office NEPCon	13/01/2020 14.00 – 16.00
Closing meeting by skype	Office NEPCon	13/01/2020 16.00 – 16.15

In the reporting period the organization stopped selling pellets through the port in Latvia - Liepaja. At the time of the audit the organization sells SBP - certified pellets without physically possessing to one buyer. Therefore, it was decided to conduct the desk audit.

6.2 Description of evaluation activities

Composition of audit team:

Auditor(s), roles	Qualifications
Natalia Zaladinova	Lead auditor NEPCon SBP lead auditor. She successfully passed SBP auditor training course in December 2016 in Amsterdam and participated in a number of SBP assessments and annual audits in Russia.

This was a desk audit conducted by telephone and via Skype. Prior to the audit the Organization provided the auditor with documentation related to SBP certification. The auditor reviewed and analyzed the received documents, interviewed responsible staff members and finally provided preliminary results of the audit.

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 audit.

7 Results

7.1 Main strengths and weaknesses

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

Weaknesses: no weaknesses identified.

7.2 Rigour of Supply Base Evaluation

Not applicable.

7.3 Collection and Communication of Data

At the moment of the audit, the management system is in place: documented procedures related to SBP certification are developed and implemented; responsible staff appointed.

7.4 Competency of involved personnel

All staff involved into SBP certification and interviewed during assessment showed good understanding of the requirements in relation to SBP certification and of the FSC CoC system.

7.5 Stakeholder feedback

No stakeholder consultations conducted prior, during and after this audit.

7.6 Preconditions

None

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.

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.

NC number 01/19	NC Grading: Minor
Standard & Requirement:	SBP Instruction Note 4B, requirement 1.3: The SBP trademarks shall not be used in a way that could cause confusion, misinterpretation or loss of credibility to the SBP. SBP reserves the right to suspend or terminate permission to use the SBP trademarks if the organization is failing to comply with the SBP trademark requirements as set out in this document. The interpretation of these rules is at the sole discretion of SBP.
Description of Non-conformance and Related Evidence:	
Organisation posted SBP certificate at their homepage http://timberhof.de/products/wooden-pellets/ - the title of the link leading to certificate is "Sustainable Partnership Biomass", which is not correct and may cause confusion. Организация разместила сертификат SBP на своей домашней странице http://timberhof.de/products/wooden-pellets/ - его можно увидеть, пройдя по ссылке "Sustainable Partnership Biomass", что не является правильным и может ввести в заблуждение.	
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:	Letters on trademark approval with SBP
Findings for Evaluation of Evidence:	The organization has approved with SBP to use the trademark at their homepage. http://timberhof.de/products/wooden-pellets/
NC Status:	Close

NC number 02/19	NC Grading: Minor
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Standard & Requirement:	SBP Trademark License Agreement (V2-0), section 7.2: As and when required by the Licensor, the Licensee shall send to the Licensor for its prior written approval, the text and layout of any material relating to Products containing the Mark. In the event that the Licensor disapproves of such material, it shall give written notice of such disapproval to the Licensee within 5 days of receipt by the Licensor of the material. The Licensee shall not use any material with the Mark (including but not limited to advertising, marketing or promotion of Products) that has not been approved by the Licensor. In the absence of a written notice of non-approval within 5 days of receipt of such materials, the materials shall be deemed to have been approved by the Licensor.
Description of Non-conformance and Related Evidence:	
Organisation posted SBP certificate at their homepage http://timberhof.de/products/wooden-pellets/ - the title of the link leading to certificate is "Sustainable Partnership Biomass", which is not correct and may cause confusion. Promotional use of SBP trademark furthermore has not been sent to Licensor for approval. Организация разместила сертификат SBP на своей домашней странице http://timberhof.de/products/wooden-pellets/ - его можно увидеть, пройдя по ссылке "Sustainable Partnership Biomass", что не является правильным и может ввести в заблуждение. Использование товарного знака SBP в целях продвижения не было согласовано с SBP.	
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:	Letters on trademark approval with SBP
Findings for Evaluation of Evidence:	The organization has approved with SBP to use the trademark at their homepage. http://timberhof.de/products/wooden-pellets/
NC Status:	Close

NC number 05/19	NC Grading: Minor
Standard & Requirement:	SBP Instruction Document 5B, requirement 6.1.5: If transport fuels are blended with biofuels, the share of biofuel shall be reported.
Description of Non-conformance and Related Evidence:	
According to legal requirements in Latvia ("Regulations on assessment of compliance of petrol and diesel fuel" #332 by Cabinet of Ministers, dated of 26/09/2000, with updates from 23/01/2018), share of biofuel in diesel during the warm season (April 15 – October 31) shall be at least 4,5%. This is, however, not specified in SREG. Согласно действующему законодательству в Латвии («Правила об оценке соответствия бензина и дизельного топлива» №332, утвержденные Кабинетом Министров 26.09.2000, с изменениями от 23.01.2018), примесь биотоплива в дизельном топливе в теплое время года (15 апреля – 31 октября) должна составлять как минимум 4,5%. Это, однако, не указано в документе SREG.	

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:	SBP procedure; Instruction Doc. 5E
Findings for Evaluation of Evidence:	Energy use reporting is not required from Organisation any more – biomass is delivered by suppliers at DAP delivery conditions, and sold by Organisation at FCA delivery conditions of Incoterms. SBP ID 5E does not require reporting the energy use data related to biomass storage and shipping. Организации больше не требуется отчетность об использовании энергии - биомасса доставляется поставщиками на условиях поставки DAP и продается Организацией на условиях поставки FCS Инкотермс. SBP ID 5E не требует представления данных об использовании энергии, связанных с хранением и доставкой биомассы.
NC Status:	Closed

NC number 06/19	NC Grading: Minor
Standard & Requirement:	SBP Instruction Document 5B, requirement 6.1.7: Fuel consumption of the vehicle (mass or volume per metric tonne and per km) used for transport should be recorded where this will have a significant effect on the GHG balance. In this situation, the following approaches can be applied. The data and methodology used shall be justified to the CB, and the methodology and justification shall be recorded in the SAR or SREG, as appropriate. • Reference fuel consumption can be collected from the transport company including backhaul: • for sea vessels it is usually expressed in fuel consumption per day at sea and number of days at sea between both harbours; and • for trucks, fuel consumption is usually specified in litre of diesel per 100 km. • Actual fuel records (tank level and uplifts) for each vehicle or vessel along the relevant travel route can be reported.
Description of Non-conformance and Related Evidence:	
SREG contains information on diesel consumption by train during biomass transportation from Zilupe railway station to Liepaja port – 0,65 litre / tonne. This figure, however, could not be confirmed by Organization, neither relevant justification included into SREG. Representative of stevedore company explained that they got this figure from Latvian railways verbally. Документ SREG содержит информацию о расходе дизельного топлива тепловозом при доставке биомассы от станции Zilupe до порта Лиепая – 0,65 л / тонну. Эта цифра, однако, не была	

подтверждена Организацией, и соответствующее объяснение не включено в документ SREG. Представитель компании-стивидора объяснил, что получил ее в устной форме от Латвийских железных дорог.	
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:	SBP procedure; Instruction Doc. 5E
Findings for Evaluation of Evidence:	Energy use reporting is not required from Organisation any more – biomass is delivered by suppliers at DAP delivery conditions, and sold by Organization at FCA delivery conditions of Incoterms. SBP ID 5E does not require reporting the energy use data related to biomass storage and shipping. Организации больше не требуется отчетность об использовании энергии - биомасса доставляется поставщиками на условиях поставки DAP и продается Организацией на условиях поставки FCS Инкотермс. SBP ID 5E не требует представления данных об использовании энергии, связанных с хранением и доставкой биомассы.
NC Status:	Close

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):	Ondrej Tarabus
Date of decision:	08/Apr/2020
Other comments:	<i>Click or tap here to enter text.</i>