

NEPCon Evaluation of JJK Forest OÜ Compliance with the SBP Framework: Public Summary Report

Main (Initial) 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

Version 1.3: published 10 May 2018

Version 1.4: published 16 August 2018

© Copyright The Sustainable Biomass Program Limited 2018

Table of Contents

1	Overview
2	Scope of the evaluation and SBP certificate
3	Specific objective
4	SBP Standards utilised
4.1	SBP Standards utilised
4.2	SBP-endorsed Regional Risk Assessment
5	Description of Company, Supply Base and Forest Management
5.1	Description of Company
5.2	Description of Company's Supply Base
5.3	Detailed description of Supply Base
5.4	Chain of Custody system
6	Evaluation process
6.1	Timing of evaluation activities
6.2	Description of evaluation activities
6.3	Process for consultation with stakeholders
7	Results
7.1	Main strengths and weaknesses
7.2	Rigour of Supply Base Evaluation
7.3	Compilation of data on Greenhouse Gas emissions
7.4	Competency of involved personnel
7.5	Stakeholder feedback
7.6	Preconditions
8	Review of Company's Risk Assessments
9	Review of Company's mitigation measures
10	Non-conformities and observations
11	Certification recommendation

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:	21/May/2020
Report authors:	Asko Lust
Name of the Company:	JJK Forest OÜ
Company contact for SBP:	Jeffrey Cohen
Certified Supply Base:	N/A
SBP Certificate Code:	SBP-08-03
Date of certificate issue:	25/May/2020
Date of certificate expiry:	24/May/2025

This report relates to the Main (Initial) Audit

2 Scope of the evaluation and SBP certificate

Audit scope description: Trading and transportation of fuel logs and wood chips for use in energy production to Europe. Company does not take physical possession of traded materials. The scope of the certificate 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
 - GHG data collection analysis;

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

N/A

5 Description of Company, Supply Base and Forest Management

5.1 Description of 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. 2 employees are working in the company. Total financial turnover in 2019 was 2 700 000 EUR.

5.2 Description of Company's Supply Base

N/A

5.3 Detailed description of Supply Base

N/A

5.4 Chain of Custody system

The organization has implemented the FSC transfer system for biomass (fuel logs and chips) in the scope of the certificate (TT-COC-003257). 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.

6 Evaluation process

6.1 Timing of evaluation activities

The assessment audit was carried out on May 15, 2020. One audit day was needed for the audit – 0,5 for documentation review and 0,5 for interviews and audit of the organization.

Activity	Location	Auditors	Date/time
Opening meeting*	Skype	AL, GSA	10:00-10:15
Interview with SBP responsible person; other responsible staff <i>Overview of procedures, training documents</i> Interviews with the responsible staff members for different sections of the SBP control system (purchase, shipping, sales, volume records, SREG)	Skype	AL, GSA	10:15-13:00
Internal team meeting	Skype	AL, GSA	13:00-13:15
Closing meeting*	Skype	AL, GSA	13:15-13:30

6.2 Description of evaluation activities

Audit started with an opening meeting attended by manager Jeffrey Cohen and accountant Ülle Tammesalu. The audit was conducted through Skype.

Lead auditor introduced himself, provided information about audit plan, methodology and aim of the assessment 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. 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, the lead auditor presented the outcome of the audit and further actions to be taken were discussed.

Composition of audit team:

Auditor(s), roles	Qualifications
Asko Lust Lead auditor Evaluation against all applicable requirements	BSc in Forest Industry. He joined NEPCon at the beginning of 2011. He has passed the SmartWood lead assessor training course in Forest Management and Chain of Custody certification. Has participated in over 20 FSC forest management audits and has conducted over 200 Chain of Custody audits in Estonia, Latvia and Norway. He has previous work experience in Environmental Board of Estonia.
Georg Sten Andrejev Auditor in training	BSc in Forest Industry. Works for NEPCon since august 2019. He has passed NEPCons chain of custody and forest management lead auditors training. Has working experience in timber industry.

6.3 Process for consultation with stakeholders

N/A

7 Results

7.1 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 not take place.

Weaknesses – see NCR below.

7.2 Rigour of Supply Base Evaluation

N/A

7.3 Collection and Communication of Data

JKK 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.

7.4 Competency of involved personnel

The main responsible person in the company is Jeffrey Cohen, manager. He has years long of experience in biomass trading market. The overall responsible person showed very good understanding of the requirements in relation to SBP certification and FSC CoC system. All other interviewed staff showed good competence, good awareness of standard requirements and own responsibilities.

7.5 Stakeholder feedback

N/A

7.6 Preconditions

N/A

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.

N/A

9 Review of Company's mitigation measures

N/A

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 01/20	NC Grading: Major
Standard & Requirement:	Standard #4 V1.0 - Chain of Custody; p 5.1.2
Description of Non-conformance and Related Evidence:	
Before the assessment organization sent procedures to certification body. Auditor reviewed the procedures and it came out that procedures didn't comply with the applicable standard requirements. Procedures contained mainly copy-paste standard requirements. Several points and process descriptions required by the SBP and FSC CoC standards were missing. For example, chapters for trademark, complaints, corruption, material storage etc were not described as needed or were missing at all. Auditor decided to raise major non-conformance.	
Timeline for Conformance:	Prior to (re)certification
Evidence Provided by Company to close NC:	Updated procedures, interviews with responsible staff.
Findings for Evaluation of Evidence:	Procedures were updated to meet standard requirements and also responsible staff had full overview and understanding of the requirements.
NC Status:	Closed

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:	21/May/2020
Other comments:	<i>Click or tap here to enter text.</i>