



Control Union Certifications BV Evaluation of Zvezda Trade Food Compliance with the SBP Framework: Public Summary Report

Scope Change Audit

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1 Overview

Certification Body (CB) Name:	Control Union Certifications BV
Primary CB contact for SBP:	Robin Rosendahl
Primary CB contact email:	rrosendahl@controlunion.com
Audit team leader:	Lennart Holm
Audit team members:	Lennart Holm
Name of the Company:	Zvezda Trade Eood
Company legal address:	51b, Bulgaria Blvd, floor 7, Office V21, 1404 Sofia, Bulgaria
Company contact for SBP:	Leonid Bondar
Company contact email:	l.bondar@zvezda-trade.com
Company website:	N/A
SBP Certificate Code:	SBP-06-42
Date of certificate issue:	01 May 2020
Date of certificate expiry:	30 Apr 2025
Audit closing meeting date:	19 Feb 2021
Audit cycle:	Scope Change 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:	Primary, 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: CU-COC-876257 CU-CW-876257	☐
	Transfer	☐

2.1 Description of the company

ZVEZDA TRADE EOOD is a wood pellet trading company registered in Sofia, Bulgaria. The company was founded in 2002. Business model of ZVEZDA TRADE EOOD is purchase and sales of SBP-compliant biomass and SBP-controlled biomass based on the following conditions: • Non-physical trade • Physical trade and storage of biomass in Sea Fish port in St. Petersburg, Russia and the port of Vyborg, Russia. Possible incoterms conditions for trade: FCA, DAP, DAF, DDP, DPU, CIP, FOB, CIF, CPT, CFR.

2.2 Detailed description of the Chain of Custody system

The organization has implemented FSC Chain of Custody systems with biomass (wood pellets) in the scope of their certificate. FSC certificate of Zvezda: CU-COC-876257 and corresponding CU-CW-8762574, valid to 30/09/2023. The process covers trade of biomass with physical possession. Valid FSC system description and other documents exist. As a trading company, they export biomass (wood pellets) by sea mainly CIF, with storage. Based on the company's internal records, the amount of incoming and delivered material flow is clearly documented.

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 to the storage and shipping locations is implemented with respect to the storage contracting, inventory management, segregation and health & safety instructions at the port of Vyborg.

4 Evaluation process

4.1 Timing of evaluation activities

<i>Audit Level of Effort (LoE)</i>		
Activity	Auditors	Auditor hours
1. Preparation	Lennart Holm	4,0
2. On-site (excl. travel time)	Remote audit: Lennart Holm	4,0
3. Report writing	Lennart Holm	4,0
4. Other	N/A	N/A

<i>Audit Schedule</i>			
Activity	Location	Auditor name	Date/time
<i>Opening Meeting</i>	Skype	Lennart Holm	19 Feb 2021/9:00
<i>social, health and safety requirements</i>	Skype	Lennart Holm	19 Feb 2021/09:15
<i>material claims and raw material registration</i>	Skype	Lennart Holm	19 Feb 2021/09:30
<i>GHG data registrations</i>	Skype	Lennart Holm	19 Feb 2021/10:30

<i>Chain of Custody registrations</i>	Skype	Lennart Holm	19 Feb 2021/11:00
<i>Outstanding issues and next steps</i>	Skype	Lennart Holm	19 Feb 2021/12:00
<i>Closing Meeting</i>	Skype	Lennart Holm	19 Feb 2021/12:30

Auditor qualification		
Auditor name	Role	Qualification
Lennart Holm	Lead Auditor	Lead SBP, GGL, SDE+ and FSC and PEFC FM/COC auditor and successfully passed the SBP auditor training programme

4.2 Description of evaluation activities

This was a remote audit due to COVID-19 restrictions and was being undertaken following SBP COVID-19 guidance of 13 March, 2020 and COVID-19 Normative Requirements of 22 April, 2020.

In this remote audit, Control Union used information and communication technology (ICT) to evaluate all requirements from the annual audit plan to the extent possible. The audit was conducted on the basis of virtual meetings / interviews with relevant people of the certificate holder, relevant documents and records, and other best available information.

This remote audit consisted of an opening meeting, during which the scope was confirmed. The auditor also explained the methods to be employed during the audit.

After this introduction, all relevant requirements of the applicable SBP standard(s) were verified on compliance through the use of a report template and checklists. Procedures for ports included in the scope

of Zvezda were reviewed remotely. All relevant requirements for storage locations at the port of Vyborg was evaluated and found to be sufficiently managed.

The audit was completed by filling in the audit report and discussing the audit results.

Critical Control points were evaluated and found to be sufficiently managed and a closing meeting performed.

4.3 Sampling methodology

N/A

4.4 CB stakeholder engagement

Not applicable

4.5 Stakeholder feedback

Not applicable

5 Results

5.1 Main strengths and weaknesses

The audit of Zvezda Trade demonstrated a good level of compliance with the required criteria of Standard 4 and 5. There was reasonable evidence provided to support compliance where a Non-Conformity was not detected. The existence of a FSC Chain of Custody system are considered a strength with respect to Zvezda Trade overall conformity with the relevant SBP standards. No weaknesses were identified

5.2 Rigour of Supply Base Evaluation

Not applicable

5.3 Collection and communication of data

Zvezda Trade assures the completeness of incoming documentation to forward to their buyers. Zvezda is a trader with physical possession, and thus, does handle with the purchased biomass. Zvezda forwards to its customer the energy use data, received from their suppliers, supported by the production of the applicable SREG.

5.4 Competency of involved personnel

The company consist of a biomass trading desk of which one has the main responsibility related to the SBP system. All personnel that is involved with SBP have received appropriate training where all relevant procedures and requirements have been covered. The SBP responsible staff has shown good understanding of the requirements in relation to SBP certification and of the already implemented FSC CoC system. Considering the size of the company, there were no risks detected related to the competency of involved personnel.

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**

N/A

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):	Robin Rosendahl
Date of decision:	20 Feb 2021
Other comments:	N/A