



Preferred by Nature OÜ Evaluation of CellMark SA Compliance with the SBP Framework: Public Summary Report

Third Surveillance Audit

www.sbp-cert.org



The promise of good biomass



Completed in accordance with the CB Public Summary Report Template Version 1.8

*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

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Table of Contents

1	Overview
2	Scope of the evaluation and SBP certificate
2.1	Description of the company
2.2	Detailed description of the Chain of Custody system
3	Specific objective
4	Evaluation process
4.1	Timing of evaluation activities
4.2	Description of evaluation activities
4.3	Sampling methodology
4.4	CB stakeholder engagement
4.5	Stakeholder feedback
5	Results
5.1	Main strengths and weaknesses
5.2	Rigour of Supply Base Evaluation
5.3	Collection and communication of data
5.4	Competency of involved personnel
6	Review of company's risk assessments
6.1	Overview of company's risk assessments and mitigation measures
6.2	Specified risk indicators and mitigation measures
7	Non-conformities and observations
8	Certification decision

1 Overview

Certification Body (CB) Name:	Preferred by Nature OÜ
Primary CB contact for SBP:	Pilar Gorria Serrano
Primary CB contact email:	pgorria@preferredbynature.org
Audit team leader:	Mikhail Rai
Audit team members:	Roman Kurakin
Name of the Company:	CellMark SA
Company legal address:	Rue Pedro-meylan 1, 1208 Geneve, Switzerland
Company contact for SBP:	Malin Borjesson
Company contact email:	malin.borjesson@cellmark.com
Company website:	N/A
Installation date:	N/A
(production of heat, cooling or electricity from biomass has started)	
SBP Certificate Code:	SBP-08-36
Date of certificate issue:	26 Mar 2021
Date of certificate expiry:	25 Mar 2026
Audit closing meeting date:	28 Feb 2024
Audit cycle:	Third Surveillance 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; Instruction Document 5E: Collection and Communication of Energy and Carbon Data 1.5; SBP Framework Instruction Document REDII: Bridging requirements of the SBP scheme for meeting REDII v1.0	☐
Includes Supply Base Evaluation (SBE):	No	☐
Includes REDII scheme	Yes	☐
Includes REDII SBE	No	☐
Includes communication of Dynamic Batch Sustainability Data (DBSD)	Yes	☐
Includes Group Scheme	No	☐
Products	Pellets, Chips	☐

Feedstock types:		☐
Feedstock origin (countries):		☐
SBP-endorsed Regional Risk Assessments used: Public link: https://sbp-cert.org/documents/standards-documents/risk-assessments/	Not applicable	☐
Chain of custody system implemented:	PEFC, FSC: DNV-COC-001902, DNVSE-PEFC-COC-307	☐
	Transfer	☐

2.1 Description of the company

CellMark is a privately owned, independent marketing and supply chain service company providing products, services and solutions to customers and suppliers all over the world. We facilitate trade and business development across multiple industries using our many local offices and professional expertise. Through a network of 70-plus offices in 30-plus countries, CellMark provide a full suite of services: sourcing, sales and marketing, exclusive representation, finance, logistics, regulatory compliance, business development and custom chemicals manufacturing. CellMark also partner with clients to identify new business opportunities that add value to their processes and products or serve purely as an external sales or sourcing division. CellMark does not have any storage places in scope yet. Possible incoterms conditions for trade are FCA, DAP, DDP, DPU, CIP, EXW, FOB, CIF, CPT, or CFR.

2.2 Detailed description of the Chain of Custody system

The Organization is a trader without physical possession. The purchase documents are received and saved under the IT system. Responsible person shown good performance in evaluating suppliers' invoices. CellMark SA purchases and sells wood pellets and wood chips with the SBP-compliant biomass, or SBP-controlled biomass claims. CellMark is an FSC and PEFC certified trader. Complementary all material is received with FSC or PEFC Claim. Claims used are: FSC Controlled Wood, FSC Mix and FSC 100%. As well as PEFC x% Certified. Transfer system is implemented. All SBP transactions are of shiploads without physical possession, no storage is used by the organization. Since February 2024 SBP-REDII sustainability criteria are included in the scope of the certificate. SBP-REDII compliant claim communicated with the physical separation (transfer) system complementary to SBP compliant or controlled claims.

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 Trader's management procedures;
- Review of CoC system control points, analysis of the existing FSC and PEFC systems;
- Interviews with responsible staff;
- Review of the records;
- Assessment of compliance with ID 5E, DTS;
- DBSD and REDII related procedures.

4 Evaluation process

4.1 Timing of evaluation activities

Audit Level of Effort (LoE)		
Activity	Auditors	Auditor hours
1. Preparation	Mikhail Rai	1.0
2. On-site (excl. travel time)	Mikhail Rai, Roman Kurakin	5.0
3. Report writing	Mikhail Rai	4.0
4. Other	N/A	

Audit Schedule			
Activity	Location	Auditor name	Date/time
<i>Opening meeting</i>	Remotely via Teams	Mikhail Rai, Roman Kurakin	28 Feb 2024/09:00
<i>General system and scope overview</i>	Remotely via Teams	Mikhail Rai, Roman Kurakin	28 Feb 2024/09:15
<i>CoC. Purchase and sales. Documents examples</i>	Remotely via Teams	Mikhail Rai, Roman Kurakin	28 Feb 2024/10:00
<i>ID5E, DTS.</i>	Remotely via Teams	Mikhail Rai, Roman	28 Feb 2024/10:20

		Kurakin	
<i>REDII</i>	Remotely via Teams	Mikhail Rai, Roman Kurakin	28 Feb 2024/10:40
<i>Business integrity, trademark</i>	Remotely via Teams	Mikhail Rai, Roman Kurakin	28 Feb 2024/11:00
<i>Closing meeting</i>	Remotely via Teams	Mikhail Rai, Roman Kurakin	28 Feb 2024/11:15

Auditor qualification		
Auditor name	Role	Qualification
Mikhail Rai	Audit team leader	Preferred by Nature lead auditor for FSC, PEFC, SBP, and LegalSource certification schemes. Expert on timber legality, supply chains and trademarks. Mikhail holds BSc in Forestry. He successfully completed NEPCon FSC forest management and chain of custody lead auditor training courses in 2017, LegalSource and Controlled Wood training in 2018. SBP auditor training in 2019. In 2022, he attended a course on the ISO 45001:2018 standard "Development, implementation and internal audit of the occupational health and safety". Previous experience with more than 150 audits in different schemes worldwide.
Roman Kurakin	Observer, trainee	Preferred by Nature lead auditor. Roman passed SBP lead auditor training course in December 2016 in Amsterdam and participated in several SBP assessments and audits.

4.2 Description of evaluation activities

The audit was conducted remotely due to the nature of the activities of the Organization as a trader without physical possession.

The audit was carried on February 28, 2024 and was focused on management system evaluation: division of the responsibilities, record keeping, input material classification (reception and registration), analysis of the existing CoC systems and control points as well as sustainability data availability, mass balance system.

During the opening meeting, the audit team was introduced, the certification scope was clarified, information about the audit plan, methodology, auditors' qualification, confidentiality issues, assessment methodology, and other applicable Preferred by Nature policies and procedures was provided.

After that, during interviews and documentation review all applicable requirements of the SBP standards were evaluated. In the course of the audit, the overall responsible person for the SBP system and other staff were interviewed. Critical control points at the stage of biomass support between sellers and buyers were evaluated. Following evaluation of records and documents included observation of procedures, documents reflecting traceability and preparedness to work with the DTS system.

At the end of the audit, the findings were summarized, and preliminary audit conclusions based on the use of 3 angle evaluation method were provided to the Organization's management and SBP responsible person. A good performance was found, and a positive certification decision was concluded at the closing meeting.

4.3 Sampling methodology

The Organization did not have any transactions since the certificate had been issued. Two previous surveillance audits had been waived and the purpose of this audit was to evaluate robustness of the management system for future work. The sampling included interviews with responsible staff, evaluation of proforma documents, and actuality of the procedures. On top of this as the Organization included SBP-REDII framework in the scope of the certificate, applicable requirements of the SBP-REDII bridging document were evaluated (procedures, training, internal audit, traceability and communication of data in the DTS),

4.4 CB stakeholder engagement

Not applicable for a trader

4.5 Stakeholder feedback

Not applicable for a trader

5 Results

5.1 Main strengths and weaknesses

Strengths: Cellmark was involved in trading activities long time ago and materialize this long lasting experience. It is only a small group of people that will work with SBP related activities and the responsible staff showed good knowledge about the SBP system and how it will be implemented in the organization.

Weaknesses: Lack of continuous experience and minor gaps in relation to REDII framework.

5.2 Rigour of Supply Base Evaluation

Not applicable

5.3 Collection and communication of data

Standard 5 and ID5E are included in the scope of certification. The Organization uses PBId's declared by suppliers and completes SREGs (if required) to communicate further energy and carbon data to customers. DBSD including REDII is also reshared as other data in the transactions.

5.4 Competency of involved personnel

The Organization has a documented management system reflected in set of documented procedures related to certification. Four persons are in charge of the management system implementation and maintenance. A good awareness of the requirements was shown during interview and documentation review.

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:

N/A

Indicator:

N/A

Specific risk description:

N/A

Mitigation measure:

N/A

7 Non-conformities and observations

NC number NC-004232 (01/21)	NC Grading: Minor
Standard:	SBP Standard 4: Chain of Custody
Requirement:	6.1.4 SBP certificate holders shall comply with all trade and customs requirements including payment of any fees and duties. N/A N/A N/A
Description of Non-conformance and Related Evidence:	
The company representatives are well aware about the applicable laws and regulations in countries where it conducts business. The interview has revealed that there is good knowledge about the legislation applicable for Cellmark and the organization has a procedure for compliance with trade and customs law. During the audit, justification about compliance with payment of any fees and duties was requested, the organization request documentation from the tax agency but at the time of the closing meeting the documentation has not been provided.	
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:	Record from the Tax Office and interview with the financial department in the organization
Findings for Evaluation of Evidence:	Responsible staff has demonstrated to have good understanding on the requirements and obligations regarding trade and customs. Prior to close this report has provided the official communication from the tax office where it is stated that the organization has no pending payments of any duties and fees.
NC Status:	Closed

NC number NC-004430 (01/24)	NC Grading: Minor
Standard:	SBP Framework Instruction Document REDII: Bridging requirements of the SBP scheme for meeting REDII v1.0
Requirement:	8.1.7 The procedure for the annual internal audit process shall be documented. N/A N/A N/A
Description of Non-conformance and Related Evidence:	
The commitment to implement and maintain the mass balance requirement is not documented and not available to interested parties. The Trader included procedures related to mass balance in the	

documented handbook. The handbook itself does not include commitment, but guidance for staff. The handbook is internal document and available for staff. During interview the Trader stated that the handbook is available to any third party upon request, but the BP did not declare publicly about availability of the handbook. Thus, such commitment is practically not available for third parties. Considering the above, a minor NCR is raised.	
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:	N/A
Findings for Evaluation of Evidence:	N/A
NC Status:	Open

NC number NC-004431 (02/24)	NC Grading: Minor
Standard:	SBP Framework Instruction Document REDII: Bridging requirements of the SBP scheme for meeting REDII v1.0
Requirement:	8.1.7 The procedure for the annual internal audit process shall be documented. N/A N/A N/A
Description of Non-conformance and Related Evidence:	
The Trader's procedures related to annual internal audits do not include requirements to mass balance evaluation. Considering the mass balance procedure is a part of the document and as of the audit date the persons responsible for developing and maintaining mass balance system showed good awareness of the process, a minor NCR was raised.	
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:	N/A
Findings for Evaluation of Evidence:	N/A
NC Status:	Open

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):	Pilar Gorria Serrano
Date of decision:	29 Apr 2024
Other comments:	N/A