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**LegalSource™**  
**Certification Assessment**  
**Report for:**

**Bord na Mona Biomass**  
**in**  
**Leabeg, Boora, Co. Offaly, Ireland**

Report Finalized:	8 <sup>th</sup> September 2016
Report Format:	Confidential
Audit Dates:	19th July 2016
Audit Team:	Oliver Cupit

Type of Evaluation:	Single
Certificate code:	NC-LS-025845
Certificate issued:	14 September 2016
<i>Report based on Standard(s):</i>	LegalSource Standard Version 1, dated 8 January 2013

Organisation Contact:	Eamonn Lee
Address:	Bord na Móna, Leabeg, Co. Offaly, Ireland

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## **1. INTRODUCTION**

The purpose of this report is to document conformance with the requirements of the LegalSource standard by Bord na Mona Biomass, hereafter referred to as "Organisation". The report presents findings of NEPCon auditors who have evaluated organisation systems and performance against the applicable requirements. Section below provides the audit conclusions and any necessary follow-up actions by the organisation.

Dispute resolution: If NEPCon clients encounter organisations or individuals having concerns or comments about NEPCon and our services, these parties are strongly encouraged to contact relevant NEPCon regional office. Formal complaints and concerns should be sent in writing.

## 2. EVALUATION FINDINGS

### Key findings and recommendations

The Organisation has implemented a due diligence system in compliance with LegalSource Standard requirements. No non-conformances are issued. However, a number of observations are raised and should be addressed prior to the next annual LegalSource audit in order to avoid future non-conformances.

### Audit Recommendation

**Based on Organisation's conformance with LegalSource requirements, the auditor makes the following recommendation:**

<input checked="" type="checkbox"/>	Certification approved: No NCRs issued
<input type="checkbox"/>	Certification not approved: Conformance with MAJOR NCR(s) required
Additional comments:	

### Non-conformity Reports (NCRs)

*Note: NCRs describe evidences of Organisation non-conformances identified during audits. NCRs include defined timelines for the Organisation to demonstrate conformance. MAJOR NCRs issued during assessments/reassessments shall be closed prior to issuance of certificate. MAJOR NCRs issued during surveillance audits shall be closed within timeline or result in suspension.*

☒ No NCR(s)

### Observations

*Note: Observations are issued for the early stages of a problem which does not of itself constitute a non-conformance, but which the auditor considers may lead to a future non-conformance if not addressed by the organization; observations may lead to direct non-conformances if not addressed.*

☐ No observations

<b>OBS: 12166</b>	<b>Standard &amp; Requirement:</b>	LegalSource Standard (V1-0) 2.3 The organisation shall designate individual responsibilities for all applicable elements of this standard.
	<b>Report Section</b>	Appendix B
<b>Description of findings leading to observation:</b>	Review of the Organisation's Due Diligence Manual (exhibit 2)	
<b>Observation:</b>	It was discussed during the audit that the Head of Biomass has visited the Supplier Verdo and during this visit was involved in checking certain legality aspects. It is recommended that the Organisation expand its responsibilities section to include all staff involved in the due diligence system – in this case the Head of Biomass has contributed to collection of supply chain information through (informal) supplier audit.	

<b>OBS: 12167</b>	<b>Standard &amp; Requirement:</b>	LegalSource Standard (V1-0) 7.1 The organisation shall assess and specify the level of risk of illegal forest products entering the supply chain...
	<b>Report Section</b>	Appendix B
<b>Description of findings leading to observation:</b>	<ul style="list-style-type: none"> <li>• Interview with the Project Manager</li> <li>• Review of the Organisation's Due Diligence Manual (exhibit 2)</li> <li>• Review of the Organisation's Risk Assessments (Exhibit 3 and 4)</li> </ul>	
<b>Observation:</b>	The Organisation should be aware that Version 2 of the LegalSource Standard will include specific requirements for LegalSource certified Organisation's to conduct an evaluation of each Certification Scheme used as part of the risk assessment. This applies to the FSC certification scheme used by the Organisation. An evaluation of this scheme (and any other certification schemes used) should be in place by the time of the next annual audit. The Organisation may utilise the new tool in the revised LegalSource due diligence system (DD-13) to conduct this assessment and should be aware of the requirements which will be used for assessment at the next audit (LS-18).	

<b>OBS: 12168</b>	<b>Standard &amp; Requirement:</b>	LegalSource Standard (V1-0) 7.5 The organisation shall document the risk assessment process and provide justification for the degree of risk identified for each product or supply chain.
	<b>Report Section</b>	Appendix B
<b>Description of findings leading to</b>	<ul style="list-style-type: none"> <li>• Interview with the Project Manager</li> <li>• Review of the Organisation's Due Diligence Manual (exhibit 2)</li> <li>• Review of the Organisation's Risk Assessments (Exhibit 3 and 4)</li> </ul>	

<b>observation:</b>	
<b>Observation:</b>	This is adequate to meet the terms of the requirement but could be improved by collating all information in one document as an overview, not only of the risk assessment outcome, but also the detail of the risk assessment process. This was discussed with the Project Manager during the audit as the UK Competent Authority (CA) has highlighted the lack of well-documented risk assessments by EUTR Operators. The Project Manager agreed remarked that it may be useful to have a detailed risk assessment report for each supply chain for presentation to the Irish CA and for internal purposes. The Project Manager should review the Risk Identification Checklist Template (DD-08) in the revised LegalSource Due Diligence system for this purpose.

### Actions taken by Organisation Prior to Report Finalization

None

## 3. COMPANY DETAILS

### Contacts

#### Primary contact for Coordination with NEPCon

Primary Contact, Position:	Eamonn Lee, Project Manager
Address:	Bord na Móna Plc, Leabeg, Boora, Co. Offaly, Ireland.
Tel/Fax/Web/Email:	Tel: +353 (0)86 3830244 Email: <a href="mailto:Eamon.lee@bnm.ie">Eamon.lee@bnm.ie</a>
Jurisdiction of primary legal entity:	Ireland

#### Billing Contact

☒ Same as shown for "primary contact"

### Scope

Scope item	Check all that apply to the certificate scope		Change in scope (N/A for assessments)
<b>Certificate type:</b>	<input checked="" type="checkbox"/> Single Organisation	<input type="checkbox"/> Group of Organisations	<input type="checkbox"/>
<b>Activity:</b>	Primary: Broker/trader with physical	Additional: -	<input type="checkbox"/>
<b>Description of scope:</b> <ul style="list-style-type: none"> <li><b>The product scope:</b> Woodchips (CN 4401 Fuel wood, in logs, in billets, in twigs, in faggots or in similar forms; wood in chips or particles; sawdust and wood waste and scrap, whether or not agglomerated in logs, briquettes, pellets or similar forms)</li> </ul>			

- **Supply chain scope:** 3 supply chains – all purchased from the same direct (Tier 1) supplier and subnational region of South Africa.
- **Species scope:** *Pine (Pinus ellioti)* and *Eucalyptus (Eucalyptus camaldulensis and Eucalyptus grandis x Urophylla)*
- **Origin scope:** Kwazulu Natal, South Africa

#### Site details

Organisation Site(s)	Address Tel/Fax/Email	Type of operation	Product groups placed on the market (include brief description)	Visited during this audit (mark the length in hours and auditor if applicable)
BNM, Leabeg	Bord na Móna Plc, Leabeg, Boora, Co. Offaly, Ireland. Tel: 086 3830244 Email: <a href="mailto:Eamon.lee@bnm.ie">Eamon.lee@bnm.ie</a>	Energy Producer	CN 4401 Fuel wood, in logs, in billets, in twigs, in faggots or in similar forms; wood in chips or particles; sawdust and wood waste and scrap, whether or not agglomerated in logs, briquettes, pellets or similar forms	Yes

☐ In place of above table, details are found in Exhibit

## 4. EVALUATION PROCESS

### Evaluation Team

Auditor(s)	Qualifications
Oliver Cupit	Oliver is a Forest Legality Specialist working for the LegalSource Assurance team. He is also an FSC Chain of Custody lead auditor and FSC trademark agent with over 2 years of experience. Oliver holds a BA in Biological Sciences and an MSc in Sustainable Tropical Forestry.

### Description of Evaluation Process

The evaluation occurred following receipt of LegalSource training by NEPCon Forest Legality Specialist (Debora van Boven-Flier) on 5<sup>th</sup> April 2016.

The auditor visited the Organisation's offices in Leabeg on 19<sup>th</sup> July and was welcomed by Eamonn Lee, Project Manager. The Project Manager provided an introduction to the company and an overview of the Organisation's due diligence to the auditor. The audit proceeded with a review of the Organisation's due diligence procedures and risk assessment results for supply chains. Discussion was had regarding the supply chain

structure and the role of FSC certification in the Organisation's due diligence system before a closing meeting. The Biomass Manager resent documents with some small amendments following the audit and the auditor confirmed receipt of these via email.

## Description of the Organisation

The Organisation is a part-public-owned company dealing in the import of woodchips for use as a biomass feedstock in a number of facilities across the country. The Organisation is part of Bord na Mona Plc, along with 5 other daughter companies, variously dealing in waste, fossil fuels, biomass, power generation, horticulture and land and property). The Project Manager, Eamonn Lee, is charged with maintaining the Organisation's due diligence system. He does this relatively autonomously, along with input from Patrick Madigan (Sourcing Manager) who has also been involved in supplier visits, in-country, which included verification of some aspects relevant to the due diligence system.

Bord na Mona Biomass wishes to use wood biomass to meet its energy production needs and as such has implemented a due diligence system (DDS) and requested the LegalSource certification assessment to provide 3<sup>rd</sup>-party oversight of its DDS. The Organisation expected to import trial shipments from the supplier in August but this was postponed. As yet the Organisation has not yet imported any materials included within the scope of the EUTR. As the tier 1 supplier is a company based within Europe for all supply chains included within the scope of the LegalSource certificate, the Organisation is classed as a Trader and not an Operator for these supply chains.



