

NEPCon Evaluation of GRANTOP-EXPORT LLC Compliance with the SBP Framework: Public Summary Report

Second Surveillance Audit

www.sbp-cert.org



Completed in accordance with the CB Public Summary Report Template Version 1.0

*For further information on the SBP Framework and to view the full set of documentation see
www.sbp-cert.org*

Document history

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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

Report completion date: 17/Jan/2018

Report authors: Nikolai Tochilov

Certificate Holder: GRANTOP-EXPORT LLC

Office address: 32 Chelyuskintsev street, Vologda 160009 Russia

Production site address: Kalichye, Termengskiy selskiy sovet, Verkhovazhskiy district, Vologda region, Russia

Producer contact for SBP: Aleksandr Sinitsyn, export department manager, tel. +7(921)0705700, Email: Alexsin1989@yandex.ru , grantop35@yandex.ru

Certified Supply Base: Sourcing from Russia

SBP Certificate Code: SBP-01-31

Date of certificate issue: 23/Aug/2016

Date of certificate expiry: 22/Aug/2021

Indicate where the current audit fits within the certification cycle				
Main (Initial) Audit	First Surveillance Audit	Second Surveillance Audit	Third Surveillance Audit	Fourth Surveillance Audit
<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

2 Scope of the evaluation and SBP certificate

Before this annual audit the SBP certificate was held by BioLesProm LLC. Prior to this audit, pellet production of BioLesProm LLC was included into FSC CoC certificate scope of GRANTOP-EXPORT LLC <https://info.fsc.org/details.php?id=a023300000azFuUAAU&type=certificate> . According to the outsourcing agreement, GRANTOP-EXPORT LLC purchases the feedstock and delivers it to pellet production site, where the pellets are produced and then sold in the name of GRANTOP-EXPORT LLC. Neither the feedstock, nor pellets belong to BioLesProm LLC at any stage of production; BioLesProm LLC acts exclusively as contractor. As a result of this SBP annual audit, the SBP certificate will be held by GRANTOP-EXPORT LLC, and this company will bear the full responsibility for SBP certificate maintenance.

Organisation purchases secondary feedstock (sawdust and woodchips) from 3 FSC certified suppliers. The feedstock has either FSC 100% certified or FSC Mix Credit claim. Origin of the feedstock is Komi Republic, Arkhangelsk, Vologda, Kirov and Yaroslavl regions; potentially the feedstock may originate from any region of Russia – therefore BP included the whole forest territory of Russia into their Supply Base.

Scope description: Production of wood pellets, for use in energy production, at pellet production site in Kalichie village, Verkhovazhkiy district of Vologda region, Russia and transportation by truck to St Petersburg harbour (FCA delivery conditions of Incoterms). The scope of the certificate does not include Supply Base Evaluation.

Scope Item	Check all that apply to the Certificate Scope				Change in Scope (N/A for Assessments)
Approved Standards:	SBP Standard #2 V1.0 SBP Standard #4 V1.0 SBP Standard #5 V1.0 https://sbp-cert.org/documents				<input type="checkbox"/>
Primary Activity:	Pellet producer				<input type="checkbox"/>
Input Material Categories:	<input type="checkbox"/> SBP-Compliant Primary Feedstock	<input checked="" type="checkbox"/> SBP-Compliant Secondary Feedstock			<input type="checkbox"/>
	<input type="checkbox"/> Controlled Feedstock	<input type="checkbox"/> SBP non-Compliant Feedstock			
	<input type="checkbox"/> SBP-Compliant Tertiary biomass	<input type="checkbox"/> Post-consumer Tertiary Feedstock			
	<input type="checkbox"/> SBP-approved Recycled Claim	<input type="checkbox"/> Post-consumer Tertiary Feedstock			
	<input checked="" type="checkbox"/> FSC	<input type="checkbox"/> PEFC	<input type="checkbox"/> SFI	<input type="checkbox"/> GGL	<input type="checkbox"/>

Chain of custody system implemented:	<input checked="" type="checkbox"/> Transfer	<input type="checkbox"/> Percentage	<input type="checkbox"/> Credit	<input type="checkbox"/>
Points of sales	<input type="checkbox"/> Harbour – Permanent storage (Storage site)	<input type="checkbox"/> Harbour – Temporarily storage (Logistic site)	<input checked="" type="checkbox"/> Other point of sale (e.g. gate of the BP, boarder, railway station etc.)	<input type="checkbox"/>
Provide name of all points of sales			Saint-Petersburg (harbour, FCA train)	
Use of SBP claim:	<input checked="" type="checkbox"/> Yes		<input type="checkbox"/> No	<input type="checkbox"/>
SBE Verification Program:	<input type="checkbox"/> Low risk sources only	<input type="checkbox"/> Sources with unspecified/ specified risk		<input type="checkbox"/>
	New districts approved for SBP-Compliant inputs:			
Sub-scopes				<input type="checkbox"/>
Specify SBP Product Groups added or removed:				
Comments:				

3 Specific objective

The specific objective of this evaluation was to confirm that the Biomass Producer'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 BP's management procedures;
- Review of the production processes, production site visit;
- Review of FSC system control points, analysis of the existing FSC CoC system;
- Interviews with responsible staff;
- Review of the records, calculations and conversion coefficients;
- GHG data collection analysis

4 SBP Standards utilised

4.1 SBP Standards utilised

Verification of SBP-compliant Feedstock, SBP Standard 2, Version 1.0, March 2015

Chain of Custody, SBP Standard 4, Version 1.0, March 2015

Collection and Communication of Data, SBP Standard 5, Version 1.0, March 2015

Collection and Communication of Data, SBP Standard 5, Version 1.0, March 2015, accompanied by Instructions 5A, 5B, 5C, Version 1.1 October 2016

Standards and instructions are available at SBP homepage: <https://sbp-cert.org/documents>

4.2 SBP-endorsed Regional Risk Assessment

Not applicable.

5 Description of Biomass Producer, Supply Base and Forest Management

5.1 Description of Biomass Producer

GRANTOP-EXPORT LLC (hereafter referred as Biomass Producer, or BP) is a pellet producer situated in Vologda region, Russia. Only secondary feedstock with FSC Mix Credit and FSC 100% claims is sourced. FSC transfer system of claims is used for pellet production (all pellets have FSC 100% or FSC Mix claim). The final product is transported by truck to S.Petersburg sea port on FCA conditions of Incoterms.

Total annual production capacity of pellet plant is 30000 tones. Pellet production belongs to the other legal entity and BP uses contractor agreement for biomass production. Feedstock and biomass all the time belong to BP, and other legal entity only provides services on pellet production. There are no other contractors, i.e. other (certified or non-certified) feedstock is not delivered to production site and biomass belonging to the other legal entities is not produced.

5.2 Description of Biomass Producer's Supply Base

BP purchases secondary feedstock of three suppliers (sawmills) holding valid FSC certificates. The suppliers in their turn buy the primary feedstock/sawlogs from Republic of Komi, Arkhangelsk, Vologda, Kirov, Yaroslavl regions and other regions of Russia, so the description of the supply base is given nationwide.

The total area of forest lands in Russia is 764 mln. ha, accounting for about 21% of the world standing timber. Coniferous species makes up 68,4%, hard-wooded broadleaved species – 2,4%, soft-wooded broadleaved species – 19,3%. Other tree species makes up less than 1%.

In accordance with Russian legislation all forest lands are state owned. Legal entities can use forest areas in lease and short-term use. Lease relations are the dominant legal form of forest use. The lease term may continue from 10 to 49 years.

Entering into the lease agreement of forest lands or sale contracts of forest plantations is carried out at the auction for selling the right to enter into such agreements. Forest areas for a lease must pass a state cadastral registration. According to the Forestry Code of the Russian Federation every forest user taking a lease forest land is obliged:

- to implement measures on forest conservation, protection and regeneration,
- to provide annual forest declaration
- to provide annual forest declaration
- to provide a report on the forests use, their conservation, protection and regeneration.

High quality reproduction of forest resources and protective forestation is a prerequisite for forest management. All reforestation activities within leased forest areas are planned and carried out by forest users at their own expense in accordance with the forest exploitation projects.

The forest complex of the Russian Federation including forestry as well as wood harvesting and wood processing industries, plays an important role in Russian economy. About 60 000 of large-scale, medium-sized and small enterprises in all regions of the country are involved in Russian forest complex. The total number of employees in the forest complex of Russia is about 1 mln. people.

Forest certification is an effective tool for combating illegal wood harvesting and wood trade. The system of FSC (Forest Stewardship Council) certification is widely used in Russia. Certified forests area in Russia is about 40 mln. ha, or 30% of the total number of leased forests. The dynamics of forest certification in Russia shows the ever-increasing activity of wood companies which indicates the responsibility to ensure the legality of wood harvested and compliance with environmental and other requirements

The supply base of “GRANTOP-EXPORT” LLC

The supply base of BP is the total area of forest land of Russia on the whole. The total area of the supply base is 764 mln. ha.

Coniferous forests (pine, spruce), which are not included in CITES and international agreements on environment protection, form the most part of the supply base.

Forest management is based on achievement of inexhaustible sustainable use of forest resources according to the requirements of forest laws and forest certification principles, if applicable. Rotation period is 60-120 years. One or two thinnings and clearcut of mature forest with forest regeneration are made during rotation period. Seedlings planting or natural forest regeneration can be used for forest regeneration. Inexhaustible use of forest resources is also implemented. Inexhaustible use of forest resources is based on 15 – 20-year cycle of harvesting with selective harvesting and viable young growth retaining.

Intact forests and wetlands of international importance are located at the territory of Russia. Small-numbered indigenous nations live here. So in order to minimize the risk of wood of unknown origin in FSC Chain of Custody, BP buys only FSC certified feedstock from FSC certified suppliers.

BP works with three suppliers of FSC certified saw-milling waste. At the moment BP receives feedstock with FSC Mix Credit claim from one supplier, and feedstock with FSC 100% claim – from the two supplier. This feedstock refers to the category - SBP-compliant feedstock.

Under current conditions BP has an opportunity to produce pellets with SBP-compliant biomass claim. All supplied resources belong to the category of “SBP-compliant secondary feedstock”. Sawdust, wood chips and bark for production and heat generation are used as feedstock.

Proportion of the species of supplied resources is 70 % - pine (*Pinus sylvestris*), 30% - spruce (*Picea abies*). “GRANTOP-EXPORT” LLC is of a great socio-economic importance in Vologda region. The company is involved in charity events, provides financial support for sociocultural objects and organisations, sport organisations (rural settlements, schools, museums, churches, veterans’ communities).

Forest industry in Russia is one of the leading industries speaking from the perspective of working population involved and the volume of tax deductions to all budget levels.

Detailed information about the supply base region (general description of the forest resources and forest management practices within the Supply Base) is publicly available at the BP’s homepage:

<http://bio-teplo.com/about/>

5.3 Detailed description of Supply Base

Total Supply Base area (ha):	464 mln. ha
Tenure by type (ha):	public 764 mln. ha
Forest by type (ha):	boreal 764 mln. ha
Forest by management type (ha):	managed natural 764 mln. ha
Certified forest by scheme (ha):	43,5 mln. ha FSC-certified forest

5.4 Chain of Custody system

BP holds valid FSC CoC certificate, using FSC transfer system of claims. Incoming secondary feedstock may have the claims FSC 100% and FSC Mix Credit. Incoming material is mixed, and therefore all pellets are produced with FSC MIX claim. The system is based on non-acceptation of non certified material.

6 Evaluation process

6.1 Timing of evaluation activities

Onsite audit was conducted on December 06-07, 2017 (12 h). Audit activities included documents review at office, inspection of production facilities and staff interviews.

Activity	Location	Date/time
Opening meeting*	Office	06/12/2017 09.00-09.30
Documents and procedures review, Inputs review, GHG calculation review,	Office	06/12/2017 09.30-17.00
Chain of custody review (site tour); interview with the chief of pellet production	Production facilities	07/12/2017 09.00-11.00
Documents and procedures review; staff interview.	Office	07/12/2017 11.00-12.30
Closing meeting*	Office	07/12/2017 12.30-13.00
End of the evaluation		07/12/2017 13.00

6.2 Description of evaluation activities

Composition of audit team:

Auditor(s), roles	Qualifications
Nikolai Tochilov	Audit team leader. NEPCon SBP lead auditor. He passed SBP auditor training in Tallinn in January 2015; previous experience with more than 20 SBP assessments and annual audits in Russia.

The annual audit visit was focused on management system evaluation: division of the responsibilities, document and system, input material classification (reception and registration), analysis of the existing FSC system and FSC system control points as well as GHG data availability, efforts to meet issued NCRs.

Description of the audit:

Audit started with an opening meeting attended by the SBP responsible person and the Director General of the organization.

Auditor introduced the audit team, provided information about audit plan, methodology, auditors qualification, confidentiality issues, and assessment methodology and clarified certification scope.

After that auditor went through all applicable requirements of the SBP standards nr.2, 4, 5 and instruction documents 5a, 5b, 5c covering input clarification, existing chain of custody system, management system, CoC, recordkeeping/mass balance requirements, emission and energy data and categorisation of input and verification of SBP compliant biomass. During the process overall responsible person for SBP system, Director General were interviewed.

After a roundtrip around BP's pellet production was undertaken. During the site tour, reception process was observed, applicable records were reviewed, pellet production chief was interviewed and FSC system critical control points were analysed.

At the end of the audit finding were summarised and audit conclusion based on use of 3 angle evaluation method were provided to the Director General and SBP responsible person.

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 consultation was conducted for this surveillance audit.

7 Results

7.1 Main strengths and weaknesses

Strength: use of the FSC transfer system. Effective recordkeeping system. Small number of the management staff and clearly designated responsibilities within the staff members.

Weaknesses: No weaknesses identified during the audit.

7.2 Rigour of Supply Base Evaluation

Not applicable.

7.3 Compilation of data on Greenhouse Gas emissions

Energy use data for pellet production site (electricity; diesel consumption by loaders) is based on actual information. As for feedstock and biomass transportation, BioGrace values are taken by BP.

7.4 Competency of involved personnel

The SBP responsible person as well as all staff representatives involved into SBP certification and interviewed by auditor, showed good understanding of the requirements in relation to SBP certification and FSC CoC system.

7.5 Stakeholder feedback

No stakeholder comments are received.

7.6 Preconditions

No preconditions to this certification identified.

8 Review of Biomass Producer's Risk Assessments

Not applicable.

9 Review of Biomass Producer's mitigation measures

Not applicable.

10 Non-conformities and observations

OBS: 01/18	Standard & Requirement:	SBP Standard # 2 requirement 19.3
	Report Section	Appendix A, p. 12.3
Description of findings leading to observation:	<p>The Supply Base Report has been published at BP's homepage. External peer review has not been conducted.</p> <p>Отчет о ресурсной базе был размещен на веб-сайте Организации. Внешнее рецензирование отчета не проводилось.</p>	
Observation:	<p>Prior to finalisation, the draft SBR should be peer reviewed by an independent and competent party.</p> <p>До финализации отчета о ресурсной базе его рекомендуется передавать на рецензирование независимой и компетентной третьей стороне.</p>	

OBS: 02/18	Standard & Requirement:	SBP Standard # 4 requirement 6.1.4
	Report Section	Appendix B, p. 5.4
Description of findings leading to observation:	<p>BP does not have debts on taxes and fees, which was confirmed by the State Tax Service. BP contractor has submitted the document from State Tax Service (#48971 dated of 01/11/2017) – there is an insignificant debt on withholding tax. Senior managers of contractor explained auditor that this is current debt, and it is to be fully paid by the end of December 2017.</p> <p>Организация не имеет задолженности по налогам, что подтверждено справкой из налоговой инспекции. Подрядчик также предоставил справку из налоговой инспекции №48971 от 01.11.2017, согласно которой у него имеются незначительные задолженности по НДФЛ. Руководство подрядчика пояснило аудитору, что это текущие задолженности, которые будут погашены до конца декабря 2017 г.</p>	
Observation:	<p>It is recommended to avoid current debts both by BP and contractor.</p> <p>Как Организации, так и ее подрядчику рекомендуется избегать текущих задолженностей по налогам.</p>	

EVALUATION OF NON-CONFORMANCES RAISED DURING ANNUAL AUDIT 2017

NCR: 01/17	NC Classification: minor
Standard & Requirement:	SBP Standard # 2 requirement 2C 5.1

	The SBR shall be formally updated every year. Each annual update shall provide actual values for the previous 12 months and forecast values for the following 12 months
Description of Non-conformance and Related Evidence:	
<p>The requirement is specified in “Instruction of SBP responsible”, section 4. The BP has upload a new SBR version from December 2016 but the information included in the document is not updated. The BP has not included forecast for following 12 months, feedstock over the previous months or any other applicable change.</p> <p>Данное требование отражено в инструкции (Инструкция ответственного по SBP), раздел 4. Организация обновила в отчет о ресурсной базе. Однако в отчете организация не предоставила данные по прогнозируемым объемам на будущие 12 месяцев.</p>	
Corrective action request:	<p>Organisation shall implement corrective actions to demonstrate conformance with the requirement(s) referenced above.</p> <p>Note: Effective corrective actions focus on addressing the specific occurrence described in evidence above, as well as the root cause to eliminate and prevent recurrence of the non-conformance.</p>
Timeline for Conformance:	By the next annual surveillance audit, but not later than 12 months from report finalisation date
Evidence Provided by Organisation:	Supply Base Report, version 07.12.2017
Findings for Evaluation of Evidence:	Supply Base Report submitted to auditor contains projected figures for feedstock over the next 12 months.
NCR Status:	CLOSED

NCR: 02/17	NC Classification: minor
Standard & Requirement:	<p>SBP Standard # 4 requirement 4B 1.7</p> <p>Only the SBP logo artwork provided directly from the SBP secretariat shall be used.</p>
Description of Non-conformance and Related Evidence:	
<p>Section 9, Annex 4 of SBP procedure describes this requirement. The BP use SBP trademarks on new internet site http://www.biolesprom.com/ . But the BP didn't provide evidence that SBP logo artwork was provided directly from SBP secretariat.</p> <p>Раздел 9, Приложение 4 процедуры SBP включает данное требование. Организация использовала SBP торговые знаки не сайте http://www.biolesprom.com/. При этом не было предоставлено доказательств, что логотип SBP был получен от секретариата SBP напрямую.</p>	



Corrective action request:	Organisation shall implement corrective actions to demonstrate conformance with the requirement(s) referenced above. Note: Effective corrective actions focus on addressing the specific occurrence described in evidence above, as well as the root cause to eliminate and prevent recurrence of the non-conformance.
Timeline for Conformance:	By the next annual surveillance audit, but not later than 12 months from report finalisation date
Evidence Provided by Organisation:	http://www.biolesprom.com/
Findings for Evaluation of Evidence:	All references to SBP have been removed from BioLesProm LLC homepage. GRANTOP-EXPORT LLC staff is aware that any promotional use of SBP trademark shall be approved by SBP.
NCR Status:	CLOSED

NCR: 03/17	NC Classification: minor
Standard & Requirement:	SBP Standard # 4 requirement 4B 3.3 When used on a non-white background a white space must be retained around the SBP logo artwork to clearly differentiate it from the background
Description of Non-conformance and Related Evidence:	
Section 11, Annex 4 of SBP procedure describes this requirement. The BP use SBP trademarks on new internet site http://www.biolesprom.com/ . White space is not retained around the SBP logo artwork to clearly differentiate it from the background. Раздел 9, Приложение 4 процедуры SBP включает данное требование. Организация использовала SBP торговые знаки не сайте http://www.biolesprom.com/ . При этом не было оставлено белое пространство вокруг логотипа, чтобы выделить логотип на заднем фоне.	



Corrective action request:	Organisation shall implement corrective actions to demonstrate conformance with the requirement(s) referenced above. Note: Effective corrective actions focus on addressing the specific occurrence described in evidence above, as well as the root cause to eliminate and prevent recurrence of the non-conformance.
Timeline for Conformance:	By the next annual surveillance audit, but not later than 12 months from report finalisation date
Evidence Provided by Organisation:	http://www.biolesprom.com/
Findings for Evaluation of Evidence:	All references to SBP have been removed from BioLesProm LLC homepage. GRANTOP-EXPORT LLC staff is aware that any promotional use of SBP trademark shall be approved by SBP.
NCR Status:	CLOSED

NCR: 04/17	NC Classification: minor
Standard & Requirement:	SBP Standard # 4 requirement 4B 3.4 The following are specifically not allowed: (4B, 3.4) a) Changing the SBP logo artwork including its colors, transparency, font or its proportions. b) Making the SBP logo art work appear to be part of other information such as environmental claims not relevant to SBP certification. c) Changing the shape or color of the border or background. d) Rotating the SBP logo art work to anything other than a horizontal alignment
Description of Non-conformance and Related Evidence:	
Section 12, Annex 4 of SBP procedure describes this requirement. Section 11, Annex 4 of SBP procedure describes this requirement. The BP use SBP trademarks on new internet site http://www.biolesprom.com/ . The BP changed SBP logo artwork, colors, transparency.	

Раздел 9, Приложение 4 процедуры SBP включает данное требование. Организация использовала SBP торговые знаки на сайте <http://www.biolesprom.com/>. При этом организация изменила цвета логотипа, его прозрачность.



Corrective action request:	Organisation shall implement corrective actions to demonstrate conformance with the requirement(s) referenced above. Note: Effective corrective actions focus on addressing the specific occurrence described in evidence above, as well as the root cause to eliminate and prevent recurrence of the non-conformance.
Timeline for Conformance:	By the next annual surveillance audit, but not later than 12 months from report finalisation date
Evidence Provided by Organisation:	http://www.biolesprom.com/
Findings for Evaluation of Evidence:	All references to SBP have been removed from BioLesProm LLC homepage. GRANTOP-EXPORT LLC staff is aware that any promotional use of SBP trademark shall be approved by SBP.
NCR Status:	CLOSED

NCR: 05/17	NC Classification: MAJOR
Standard & Requirement:	SBP Standard # 5A requirement 2.1.1 The BP shall determine a post-production end-point for biomass at which point the biomass is still in the legal ownership of the BP. For each reporting period this point will be given a unique reference number, the SBP GHG and profiling data scope reference number.
Description of Non-conformance and Related Evidence:	
Post-production end-point is S. Petersburg harbour where pellets are passed to their customer. BP procedures (Annex 1, section 4) include requirement on using SBP GHG and profiling data scope reference number. In revision period organization used SBP-01-31- 01 SBP GHG and profiling data scope reference number. The BP has prepared new SBP datasheet for new reporting period, but unique 2 digit integer unique to the reporting period and the post-production end-point for biomass remain the same - 01.	

Corrective action request:	Organisation shall implement corrective actions to demonstrate conformance with the requirement(s) referenced above. Note: Effective corrective actions focus on addressing the specific occurrence described in evidence above, as well as the root cause to eliminate and prevent recurrence of the non-conformance.
Timeline for Conformance:	1 month from report finalization, or certificate will face immediate suspension
Evidence Provided by Organisation:	Updated SBP datasheet
Findings for Evaluation of Evidence:	During period of report preparation, the BP has updated SBP datasheet. Reviewing of new SBP datasheet confirmed that the BP used correct 2 digit integer unique to the reporting period and the post-production end-point for biomass.
NCR Status:	CLOSED

NCR: 06/17	NC Classification: minor
Standard & Requirement:	SBP Standard # 5A requirement 4.2.2 Ideally, there should be a measurement of moisture content for each delivery or batch of raw material (truck deliveries) and/or regular measurement for continuous delivery of raw material
Description of Non-conformance and Related Evidence:	
According to procedure the BP shall measure the moisture of raw material once per day. There are 3 reasons for such frequency of measurement: <ul style="list-style-type: none"> - BP does not store large volumes of feedstock prior to pellet production, i.e. all feedstock is processed in short time after reception - Moisture content for the feedstock from BP's sawmill and from external supplier are the same - Moisture content of the feedstock may vary only at different seasons of the year. During audit the BP didn't provide auditor with evidence that in the revision period the BP measured moisture of raw material.	
Corrective action request:	Organisation shall implement corrective actions to demonstrate conformance with the requirement(s) referenced above. Note: Effective corrective actions focus on addressing the specific occurrence described in evidence above, as well as the root cause to eliminate and prevent recurrence of the non-conformance.
Timeline for Conformance:	By the next annual surveillance audit, but not later than 12 months from report finalisation date
Evidence Provided by Organisation:	E-mail from the BP with video of moisture measurements log (where responsible for measurements show one side of log with measurements reviewed by auditor and back side of the log with measurements of moisture of raw materials and pellets which was not showed to auditor).
Findings for Evaluation of Evidence:	During the period from closing meeting to report finalisation the BP has sent e-mail to auditor with evidence of moisture measurements during revision period. The BP responsible

	explained that worker was under big stress during audit and forgot to show back side of the log with measurements of raw material and pellets. The video confirms that BP follow own procedure of moisture measurement (ones per day).
NCR Status:	Closed

NCR: 0717	NC Classification: Major
Standard & Requirement:	SBP Standard # 5A requirement 4.2.4 In the absence of continuous monitoring the legal owner will have to justify the frequency of moisture measurements to the auditor
Description of Non-conformance and Related Evidence:	
The BP didn't provide justification of the absence of continuous monitoring.	
Corrective action request:	Organisation shall implement corrective actions to demonstrate conformance with the requirement(s) referenced above. Note: Effective corrective actions focus on addressing the specific occurrence described in evidence above, as well as the root cause to eliminate and prevent recurrence of the non-conformance.
Timeline for Conformance:	3 month from report finalization, or certificate will face immediate suspension
Evidence Provided by Organisation:	E-mail from the BP with video of moisture measurements log (where responsible for measurements show one side of log with measurements reviewed by auditor and back side of the log with measurements of moisture of raw materials and pellets which was not showed to auditor).
Findings for Evaluation of Evidence:	During the period from closing meeting to report finalisation the BP has sent e-mail to auditor with evidence of moisture measurements during revision period. The BP responsible explained that worker was under big stress during audit and forgot to show back side of the log with measurements of raw material and pellets. The video confirm that BP follow own procedure of moisture measurement (ones per day).
NCR Status:	Closed

NCR: 08/17	NC Classification: minor
Standard & Requirement:	SBP Standard # 5A requirement 4.2.5 All the measurements should be recorded in a database and a weighted average calculated.
Description of Non-conformance and Related Evidence:	
In accordance with procedure measurements of volume shall be recorded by BP in special log and weighted average shall be calculated. But in fact there were no any log provided to auditors. It was said that organization started measurements before assessment but by some reason stop to do it later.	
Corrective action request:	Organisation shall implement corrective actions to demonstrate conformance with the requirement(s) referenced above. Note: Effective corrective actions focus on addressing the specific occurrence described in evidence above, as well as the

	root cause to eliminate and prevent recurrence of the non-conformance.
Timeline for Conformance:	By the next annual surveillance audit, but not later than 12 months from report finalisation date
Evidence Provided by Organisation:	E-mail from the BP with video of moisture measurements log (where responsible for measurements show one side of log with measurements reviewed by auditor and back side of the log with measurements of moisture of raw materials and pellets which was not showed to auditor).
Findings for Evaluation of Evidence:	During the period from closing meeting to report finalisation the BP has sent e-mail to auditor with evidence of moisture measurements during revision period. The BP responsible explained that worked was under big stress during audit and forgot to show back side of the log with measurements of raw material and pellets. The video confirm that BP follow own procedure of moisture measurement (ones per day). Average moisture was calculated
NCR Status:	Closed

NCR: 09/17	NC Classification: Major
Standard & Requirement:	SBP Standard # 5A requirement 4.4.1 The legal owner shall provide the data necessary to calculate the average moisture content of the processed feedstock leaving the plant
Description of Non-conformance and Related Evidence:	
<p>In accordance with procedure wood pellet moisture shall be measured minimum once per shift. BP considers this sufficient, because the main indicator of the management of production process is measurement of biomass after dryer. During audit organization, didn't provide evidence of recorded measurements done during revision period.</p> <p>В соответствии с процедурой измерение влажности пеллет должно происходить не менее одного раза за смену. Организация считает это достаточным, т.к. основным индикатором при производстве является влажность биомассы после сушки. Во время аудита организация не предоставила записи измерений влажности за прошедший период.</p>	
Corrective action request:	Organisation shall implement corrective actions to demonstrate conformance with the requirement(s) referenced above. Note: Effective corrective actions focus on addressing the specific occurrence described in evidence above, as well as the root cause to eliminate and prevent recurrence of the non-conformance.
Timeline for Conformance:	3 month from report finalization (dd/mm/yyyy), or certificate will face immediate suspension
Evidence Provided by Organisation:	E-mail from the BP with video of moisture measurements log (where responsible for measurements show one side of log with measurements reviewed by auditor and back side of the log with measurements of moisture of raw materials and pellets which was not showed to auditor).

Findings for Evaluation of Evidence:	E-mail from the BP with video of moisture measurements log (where responsible for measurements show one side of log with measurements reviewed by auditor and back side of the log with measurements of moisture of raw materials and pellets which was not showed to auditor). The video confirm that BP follow own procedure of moisture measurement (ones per shift). The calculations are consistent with data provided in GHG datasheet.
NCR Status:	Closed

NCR: 10/17	NC Classification: Minor
Standard & Requirement:	<p>SBP Standard # 5A requirement 7.1</p> <p>The BP shall categorise the feedstock into one or more Product Groups. A Product Group comprises feedstock which share basic input and output characteristics and thus can be combined for the purpose of the SBP Chain of Custody, mass balance calculations and invoice management. Details of the Product Groups are found in SBP Instruction Document Collection and Communication of Data. The Product Groups available are: (5a, 7.1)</p> <ol style="list-style-type: none"> 1. Primary Feedstock certified under an SBP approved Forest Management Scheme (specifically FSC) 2. Primary Feedstock certified under an SBP approved Forest Management Scheme (specifically PEFC-endorsed schemes) 3. SBP-compliant primary feedstock (excluding anything in Product Group 1 or 2 above) 4. Secondary Feedstock supplied under a claim under an SBP approved controlled feedstock claim (specifically FSC) 5. Secondary Feedstock supplied under a claim under an SBP approved controlled feedstock claim (specifically PEFC-endorsed schemes) 6. SBP-compliant secondary feedstock (excluding anything in Product Groups 4 and 5 above) 7. Other Feedstock. Includes all feedstock not included in 1-6 above
Description of Non-conformance and Related Evidence:	
<p>BP determined in SBP datasheet document one product group - Other Feedstock (Group 7, includes all feedstock not included in 1-6 above.). However according to SBP classification, the feedstock with FSC claims (100% and Mix Credit) shall be included in other group.</p> <p>Организация в документе SBP datasheet одну группу продукции – Другая биомасса (группа 7, включая всю биомассу не включенную в группу 1-6). Однако, организация неверно классифицировала группу продукции.</p>	
Corrective action request:	<p>Organisation shall implement corrective actions to demonstrate conformance with the requirement(s) referenced above.</p> <p>Note: Effective corrective actions focus on addressing the specific occurrence described in evidence above, as well as the</p>

	root cause to eliminate and prevent recurrence of the non-conformance.
Timeline for Conformance:	By the next annual surveillance audit, but not later than 12 months from report finalisation date
Evidence Provided by Organisation:	SAR
Findings for Evaluation of Evidence:	According to SAR submitted by BP (Section A), all feedstock belongs to one type - wood industry residues (secondary feedstock), and includes 3 physical forms: wood chips, wood barks and sawdust.
NCR Status:	CLOSED

NCR: 11/17	NC Classification: Minor
Standard & Requirement:	Standard #2: Verification of SBP-compliant feedstock 6.5 The BP shall record the place of harvesting and the identity of the primary wood processor responsible for the supply of inputs classified as SBP-compliant Secondary Feedstock.
Description of Non-conformance and Related Evidence:	
<p>Primary wood processor which supplies inputs as SBP-compliant secondary feedstock is either BioLesProm itself. http://info.fsc.org/details.php?id=a023300000ZZdajAAD&type=certificate&return=certificate.php , or Velskaya lesnaya kompaniya. Place of harvesting – Vologda and Akhrhangelsk regions. Allocation of harvest sites of BioLesProm is known; Allocation of FSC certified harvest sites of Velskaya lesnaya kompaniya is also known. Information about the forest management units (supply base) can also be found in the public versions of the reports in FSC DB www.info.fsc.org. Both companies are certified by NEPCon. But the BP have no records of origin of feedstock of FSC certified suppliers of Velskaya lesnaya kompaniya. Первичные производители, которые поставляют SBP соответствующую биомассу это либо Биолеспром http://info.fsc.org/details.php?id=a023300000ZZdajAAD&type=certificate&return=certificate.php либо Вельская лесная компания. Место заготовки – Вологодская и Архангельская области. Места заготовки Биолеспром известны. FSC сертифицированные лесозаготовительные участки Вельской лесной компании также известны. Информация о лесных участках также может быть найдена в публичных версиях отчетов в базе данных FSC www.info.fsc.org. Обе компании сертифицированы НЭПКон. Однако производитель биомассы не смог предоставить данные о местах происхождения материалов, поставленных Вельской лесной компании ее FSC сертифицированными поставщиками.</p>	
Corrective action request:	Organisation shall implement corrective actions to demonstrate conformance with the requirement(s) referenced above.

	Note: Effective corrective actions focus on addressing the specific occurrence described in evidence above, as well as the root cause to eliminate and prevent recurrence of the non-conformance.
Timeline for Conformance:	By the next annual surveillance audit, but not later than 12 months from report finalisation date
Evidence Provided by Organisation:	Explanations from SBP responsible person.
Findings for Evaluation of Evidence:	<p>BP gets all secondary feedstock from FSC certified sawmills: https://info.fsc.org/details.php?id=a023300000ZZdajAAD&type=certificate https://info.fsc.org/details.php?id=a023300000fPz3cAAC&type=certificate https://info.fsc.org/details.php?id=a0240000005tYy8AAE&type=certificate</p> <p>All three sawmills are located in Vologda region, close to BP. One of them supplies the feedstock with FSC Mix Credit claim. FSC Mix Credit feedstock may physically contain both FSC 100% and FSC Controlled Wood wood material. FSC 100% wood material is harvested within supplier's own FSC certified forest territories, as well as purchased from other FSC certified timber harvesting companies. For FSC Controlled Wood inputs, which is in fact controlled material supplies, the sawmill have implemented their own program of verification of controlled material suppliers and provided to BP the information about the regions where Roundwood is sourced from (Arkhangelsk, Vologda, Yaroslavl, Kirov regions and Komi Republic).</p> <p>As for the other two sawmills, they supply the feedstock with FSC 100% claim (Roundwood originates from their own FSC certified forest territory).</p> <p>All three suppliers claim that upon request from BP they can submit comprehensive information about their suppliers, including forest concession agreements, forest declarations etc. Detailed information about FSC certified FMUs where Roundwood is purchased from, may be found in the public summaries of the forest management audit reports for certificate holders, publicly available at www.info.fsc.org.</p>
NCR Status:	CLOSED

11 Certification decision

Based on Organisation's conformance with SBP requirements, the auditor makes the following recommendation:	
<input checked="" type="checkbox"/>	Certification approved: Without NCRs
<input type="checkbox"/>	Certification not approved:
Based on auditor's recommendation and NEPCon quality review following certification decision is taken:	
NEPCon certification decision: It is recommended to maintain this certification	
Certification decision by: Ondrej Tarabus	
Date of decision: 17.01.2018	
Next surveillance audit should take place:	<input checked="" type="checkbox"/> within 12 months <input type="checkbox"/> more frequently (please specify)

12 Surveillance updates

12.1 Evaluation details

Please see in a section: p.6.2. Description of evaluation activities.

12.2 Significant changes

The certificate holder has changed after this audit. Please see Section 2 above in this report for more details.

12.3 Follow-up on outstanding non-conformities

See information about the NCR reviewed during the surveillance audit is section 10 of the report. 10. Nonconformities and observations.

12.4 New non-conformities

No new non-conformities identified during this annual audit.

12.5 Stakeholder feedback

No comments or comments from the stakeholders had been received.

12.6 Conditions for continuing certification

No preconditions are identified. List of open NCR is available is section 10. Non-conformities and observations of the report.

12.7 Certification recommendation

It is recommended to maintain certification of the organisation.

13 Evaluation details

Primary Responsible Person: (Responsible for control system at site(s))	Aleksandr Sinitsyn, SBP certification responsible, export department manager
Auditor(s):	Nikolai Tochilov
People Interviewed, Titles:	Alexey Zenkov, vice director general Aleksandr Sinitsyn, SBP certification responsible, export department manager Natalia Bezzubova, accountant Nikolai Lapin, pellet production chief (BioLesProm LLC) Nina Zavyalova, dispatcher (BioLesProm LLC) Alexander Korotkov, chief power engineer (BioLesProm LLC) Lyubov Khalina, H&S engineer (BioLesProm LLC)
Brief Overview of Audit Process for this Location:	See section 6.2
Comments:	