

SBP

Sustainable Biomass Program

NEPCon Evaluation of Company Group Vologodskiye Lesopromishlenniki JSC 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

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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 |
| Current report completion date: | 17/Jan/2019 |
| Report authors: : | Nikolai Tochilov |
| Name of the Company: | Company Group Vologodskiye Lesopromishlenniki JSC. Address: 107 Zosimovskaya street, Vologda 160009, Russian Federation |
| Company contact for SBP: | Mrs. Natalia Khoroshun, SBP responsible. Email: n.khoroshun@volwood.ru; |
| Phone: +7 8172 597720 | |
| Certified Supply Base: | not applicable for trader |
| SBP Certificate Code: | SBP-07-14 |
| Date of certificate issue: | 31/Jan/2019 |
| Date of certificate expiry: | 30/Jan/2024 |

This report relates to the Main (Initial) Audit

2 Scope of the evaluation and SBP certificate

Description of certificate scope: Trading of wood pellets for use in energy production, including transport from Biomass Producers to different harbors in Russia (FCA, Incoterms).

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;
- Review of the transportation, storage and deliverance processes

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

Not applicable.

5 Description of Company, Supply Base and Forest Management

5.1 Description of Company

Organization is a biomass trader sourcing the biomass from one pellet producer in Russia. The biomass is sold by Organisation based on commission agreement with pellet producer. However, in invoices the Organisation is specified as seller. Therefore, the decision has been taken to obtain a separate SBP certificate for Organisation. Biomass will be delivered to different harbors in Russia (FCA, Incoterms).

5.2 Description of Company's Supply Base

Not applicable for trader.

5.3 Detailed description of Supply Base

Not applicable for trader.

5.4 Chain of Custody system

The Organization has implemented the FSC transfer system with biomass (wood pellets) in the scope of the certificate - NC-COC-014123 <https://info.fsc.org/details.php?id=a0240000005tKcqAAE&type=certificate>. The process covers trade with biomass (FSC Mix Credit and FSC Controlled Wood claims), without physical possession. Non-certified biomass (other biomass) is not accepted. Please also see comments in section 5.1 above.

6 Evaluation process

6.1 Timing of evaluation activities

| Activity | Location | Date/time |
|--|-------------------|-------------------------------|
| <ul style="list-style-type: none"> - Opening meeting - Review of FSC product group schedule, FSC supplier records. FSC volume data - Review of SBP internal procedures, SBP training records, SBP trademark use, review of sales and transport documents. - Staff interview - Closing meeting | Office in Vologda | 11.01.2019 10:00-16:00 |

6.2 Description of evaluation activities

Audit started with opening meeting. Auditor introduced himself, provided information about audit plan, methodology and aim of the assessment. CB’s accreditation related issues and confidentiality issues were covered as well.

After that auditor went through all applicable requirements of the standard covering management system, CoC, recordkeeping/mass balance requirements, emission and energy data and verification of SBP compliant feedstock and made staff interviews.

During the closing meeting auditor explained the results of the audit and further actions were discussed.

Composition of audit team:

| Auditor(s), roles | Qualifications |
|-------------------|--|
| Nikolai Tochilov | Audit team leader. NEPCon SBP lead auditor. He has successfully passed SBP auditor training in Tallinn in January 2015; previous experience with more than 30 SBP assessments and annual audits in Russia and Europe. |

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 consultations conducted prior, during and after this assessment (n/a for trader).

7 Results

7.1 Main strengths and weaknesses

Strengths: limited number of staff; transfer system of FSC and SBP claims.

Weaknesses: none.

7.2 Rigour of Supply Base Evaluation

Not applicable.

7.3 Collection and Communication of Data

Organisation has prepared an example of SREG which they will be using in the future supplies. Energy will be used only during biomass transportation from pellet producer to harbour in Russia. The delivery distances by railway are obtained from Russian Railways. Organisation expects using the reference consumption values for diesel and electric train from ID 5B.

7.4 Competency of involved personnel

Overall, BP staff showed good understanding of knowledge of all applicable SBP requirements. BP was supported by external consultant, who also have provided relevant training to BP staff.

7.5 Stakeholder feedback

No stakeholder consultations conducted prior, during and after this assessment (n/a for traders).

7.6 Preconditions

None.

8 Review of Company's Risk Assessments

Not applicable.

9 Review of Company's mitigation measures

Not applicable.

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.*

None.

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: | 17/Jan/2019 |
| Other comments: | Annual audits can be conducted desk based |