

# NEPCon Evaluation of Krasnoyarskiy Centr Stroitelstva LLC Compliance with the SBP Framework: Public Summary Report

Main (Initial) Audit

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## 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](http://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:	07/Feb/2020
Report authors: :	Roman Kurakin
Name of the Company:	Krasnoyarskiy Centr Stroitelstva LLC
Company contact for SBP:	Tamara Gaisina, Lawyer, tamara@terrasib.ru, +73953551100
Certified Supply Base:	Krasnoyarsk region, Russia
SBP Certificate Code:	SBP-07-53
Date of certificate issue:	11/Feb/2020
Date of certificate expiry:	10/Feb/2025

This report relates to the Main (Initial) Audit

## 2 Scope of the evaluation and SBP certificate

The certificate scope covers the production site and office in Ust-Ilimsk, Irkutsk region, Russia.

Scope description: Production of wood pellets, for use in energy production, at Krasnoyarskiy Centr Stroitelstva LLC and transportation to Saint Petersburg harbour (Russia). The scope of the certificate does not include Supply Base Evaluation. The organization uses the FSC transfer system.

The end points:

FCA Ust-Ilimsk

FCA St. Petersburg, Noviy Port (train station)

FCA Rybatskoe, St. Petersburg (train station)

Scope of the evaluation is indicated in the table below:

Scope Item	Check all that apply to the Certificate Scope			Change in Scope (N/A for Assessments)	
<b>Approved Standards:</b>	SBP Standard #2 V1.0 SBP Standard #4 V1.0 SBP Standard #5 V1.0 <a href="https://sbp-cert.org/documents">https://sbp-cert.org/documents</a>			<input type="checkbox"/>	
<b>Primary Activity:</b>	Pellet producer			<input type="checkbox"/>	
<b>Input Material Categories:</b>	<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			
<b>Chain of custody system implemented:</b>	<input checked="" type="checkbox"/> FSC	<input type="checkbox"/> PEFC	<input type="checkbox"/> SFI	<input type="checkbox"/> GGL	<input type="checkbox"/>
	<input checked="" type="checkbox"/> Transfer	<input type="checkbox"/> Percentage	<input type="checkbox"/> Credit		<input type="checkbox"/>

<b>Points of sales</b>	<input checked="" type="checkbox"/> Harbour – Permanent storage (Storage site)	<input type="checkbox"/> Harbour – Temporally storage (Logistic site)	<input checked="" type="checkbox"/> Other point of sale (e.g. gate of the BP, boarder, railway station etc.)	
			- FCA St. Petersburg, Noviy Port (train station) - FCA Rybatskoe, St. Petersburg (train station)	
<b>Provide name of all points of sales</b>				<input type="checkbox"/>
<b>Use of SBP claim:</b>	<input checked="" type="checkbox"/> Yes		<input type="checkbox"/> No	<input type="checkbox"/>
<b>SBE Verification Program:</b>	<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:			
<b>Sub-scopes</b>				<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;
- Review ID5E

## 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

BP is a pellet producer situated in Ust-Ilimsk, Irkutsk region, Russia. Only secondary feedstock with FSC 100% is sourced. FSC transfer system of claims is used for pellet production. The final product is transported by train to S.Petersburg sea port.

Total annual production capacity of pellet plant is 12 000 tones. Pellet production has been commissioned in 2019.

### 5.2 Description of Company's Supply Base

The Limited Liability Company Krasnoyarskiy Centr Stroitelstva (KCS LLC) is one of the large logging companies in Krasnojarsk region that holds a forest leased area. KCS LLC carries out a full cycle of wood processing, from timber harvesting to shipment of finished products to end customers. FSC certified feedstock currently come from Amira LLC, also the holder of the forest leased area. KCS LLC is currently in the process of FSC forest management certification of a forest leased area.

The supply base is located in the Krasnoyarsk region, from where round timber is delivered from latter two forest lease areas for processing to a plant in the Irkutsk Region. For the production of pellets, the company uses sawmill residues from its own sawmill - SBP-compliant secondary feedstock.

Krasnoyarsk region has one of the largest forest resources among Russian regions. The territory of the forest fund of the region is 158,7 million hectares. The total stock of forests amounts to 11,7 billion m<sup>3</sup> - this is about 1/3 of the Siberian Federal District reserves and 1/7 of the total Russian forest stock. In the structure of forest stands of the Krasnoyarsk Krai coniferous stands prevail, the share of which is about 76%.

In accordance with the legislation of the Russian Federation, all lands of the forest fund are in state ownership. Legal entities receive forest plots for use for a period of 10 to 49 years on loan (with the possibility of their prolongation). Long-term rental relations are the dominant legal form for obtaining the right to harvest timber on stem. The conclusion of lease agreements for forest plots or purchase and sale agreements for forest stands is carried out at auctions for the sale of the right to conclude such agreements. Land leased, must pass a state cadastral registration.

The Forest Code of the Russian Federation obliges each tenant to develop a forest development plan for 10 years (based on taxation and forest regulation), implement measures for the conservation, protection and reproduction of forests, submit a forest declaration and make addendums to it about the planned way of forest resources use. Once a quarter, tenants are required to submit a forest declaration containing a report on the implemented measures and logging volumes of felling for a calendar year with a cumulative total.

Within the Supply Base, forest management practices are based on the achievement of renewable sustainable forest management in accordance with the requirements of forest legislation and the principles of forest certification. The rotation period is 60-120 years. Only clear cuts are used as a method of wood harvesting at the maturity stage with subsequent reforestation. Sanitary felling is also possible. The maximum cutting area is limited to 50 ha. Reforestation can be done with planting seedlings or the promotion

of natural regeneration. Ensuring high-quality reproduction of forest resources and protective afforestation is a prerequisite for the use of forests. To do this, a Forest Development Project is being developed, the measures in which are aimed at improving the forestry characteristics of the forest area, and the implementation of continuous and sustainable forest management.

The composition of the forests of the Krasnoyarsk region includes Scots pine (*Pinus sylvestris*), Siberian larch (*Larix sibirica*), Siberian cedar pine (*Pinus sibirica*), Siberian spruce (*Picea obovate*), Siberian fir (*Abies sibirica*), and Silver birch (*Betula pibirula*), aspen (*Populus tremula*), a tree-shaped willow (*Salix* spp.) is found.

When harvesting wood, according to the forest legislation species listed in the Red Book, as well as their habitats, are subject to conservation. Harvesting of valuable, endangered and specially protected species of trees is prohibited. On the territory of the Krasnoyarsk region there are such types of trees listed in the Red Book as Small-leaved Birch (*Betula microphylla* Bunge), Pseudocossack Juniper (*Juniperus pseudosabina* Fisch. & C.A. Mey.). Areas with a predominance of Siberian cedar pine (*Pinus sibirica*) are prohibited for cutting in the Irkutsk region.

KCS LLC does not procure and does not purchase tree species listed in the Red Book or CITES list.

KCS LLC performs an important socio-economic function in the region. The company pays taxes to the local budget, gives preference to the employment of local population, sponsors social projects.

### 5.3 Detailed description of Supply Base

Total Supply Base area (ha):	715 813 ha
Tenure by type (ha):	100%, state
Forest by type (ha):	715 813 ha, boreal
Forest by management type (ha):	715 813 ha, natural, managed according to lease Agreements.
Certified forest by scheme (ha):	30 403 ha, FSC certified

### 5.4 Chain of Custody system

The BP is holding valid FSC Chain of Custody

FC-COC-001256

<https://info.fsc.org/details.php?id=a02f300000k5tiKAAQ&type=certificate>

BP is implementing FSC transfer system. FSC 100%.

After the reception, incoming secondary feedstock (sawdust) is registered in BP's database and submit to pellet production.

Conversion factors are established and regularly revised based on actual production data. Pellets are produced of the secondary feedstock (sawdust).

## 6 Evaluation process

### 6.1 Timing of evaluation activities

Onsite main assessment was conducted on 27.12.2019 (8 h). Assessment activities included documents review at office, inspection of production facilities and staff interviews. The next plan was planned.

Activity	Location	Date/time
Opening meeting*	Office	27/12/2019 10.00-10.30
Documents and procedures review, staff interview.	Office	10.30-12.00
Break		12.00-12.30
Chain of custody review (site tour); interview with the chief of pellet production	Production facilities	12.30-14:00
Documents and procedures review; staff interview.	Office	14.00-18.30
Closing meeting*	Office	18.30-18.45
End of the evaluation	Office	19.00

## 6.2 Description of evaluation activities

Composition of audit team:

Auditor(s), roles	Qualifications
Roman Kurakin	NEPCon, auditor. He passed SBP lead auditor training course in Dec. 2016 in Amsterdam and participated in SBP assessment in Russia in training purposes. Role at the audit: lead auditor

The assessment 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.

Description of the annual audit evaluation:

All SBP related documentation connected to the SBP as well as FSC CoC system of the organisation, including SBP Procedure, SAR and GHG data calculations, Supply Base Report and FSC system description was provided by the company in the beginning of the audit. Audit started with an opening meeting attended by the SBP responsible person.

Auditor introduced himself, provided information about audit plan, methodology, auditor qualification, confidentiality issues, and assessment methodology and clarified certification scope. During the opening meeting the auditor explained CB's approval related issues.

After that auditor went through all applicable requirements of the SBP standards nr. 2, 4, 5 and instruction documents 5a-5d 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 and other staff were interviewed.

## 6.3 Process for consultation with stakeholders

27/11/2019 the information letter (e-mail) was sent to the stakeholders. More than 100 stakeholders was informed about the assessment. No feedback has been received from them. A list of FSC Russia stakeholders has been used.

## 7 Results

### 7.1 Main strengths and weaknesses

Strength: The organization is FSC certified. All raw materials for the production of pellets (wood chips for furnace, sawdust,) at the time of the audit come as FSC 100%.

Weaknesses: Not found.

### 7.2 Rigour of Supply Base Evaluation

Not applicable.

### 7.3 Collection and Communication of Data

During the main assessment the BP has already implemented all the requirements for collection of energy data.

### 7.4 Competency of involved personnel

The SBP responsible staff has shown 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

None.

## 8 Review of Company's Risk Assessments

*Describe how the Certification Body assessed risk for the Indicators. Summarise the CB's final risk ratings in Table 1, together with the Company's final risk ratings. Default for each indicator is 'Low', click on the rating to change. Note: this summary should show the risk ratings before AND after the SVP has been performed and after any mitigation measures have been implemented.*

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.*

Not found.



## 11 Certification decision

<b>Based on the auditor’s recommendation and the Certification Body’s quality review, the following certification decision is taken:</b>	
<b>Certification decision:</b>	Certification approved
<b>Certification decision by (name of the person):</b>	Pilar Gorría Serrano
<b>Date of decision:</b>	07/Feb/2020
<b>Other comments:</b>	<i>Click or tap here to enter text.</i>