

# NEPCon Evaluation of Research and Production Enterprise “ECOFUEL” LLC Compliance with the SBP Framework: Public Summary Report

Reinstatement audit

First Surveillance Audit

[www.sbp-cert.org](http://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](http://www.sbp-cert.org)*

### *Document history*

*Version 1.0: published 26 March 2015*

*Version 1.1: published 30 January 2018*

*Version 1.2: published 4 April 2018*

*Version 1.3: published 10 May 2018*

*Version 1.4: published 16 August 2018*

© Copyright The Sustainable Biomass Program Limited 2018

# Table of Contents

<b>1</b>	<b>Overview</b>
<b>2</b>	<b>Scope of the evaluation and SBP certificate</b>
<b>3</b>	<b>Specific objective</b>
<b>4</b>	<b>SBP Standards utilised</b>
4.1	SBP Standards utilised
4.2	SBP-endorsed Regional Risk Assessment
<b>5</b>	<b>Description of Company, Supply Base and Forest Management</b>
5.1	Description of Company
5.2	Description of Company's Supply Base
5.3	Detailed description of Supply Base
5.4	Chain of Custody system
<b>6</b>	<b>Evaluation process</b>
6.1	Timing of evaluation activities
6.2	Description of evaluation activities
6.3	Process for consultation with stakeholders
<b>7</b>	<b>Results</b>
7.1	Main strengths and weaknesses
7.2	Rigour of Supply Base Evaluation
7.3	Compilation of data on Greenhouse Gas emissions
7.4	Competency of involved personnel
7.5	Stakeholder feedback
7.6	Preconditions
<b>8</b>	<b>Review of Company's Risk Assessments</b>
<b>9</b>	<b>Review of Company's mitigation measures</b>
<b>10</b>	<b>Non-conformities and observations</b>
<b>11</b>	<b>Certification recommendation</b>

# 1 Overview

CB Name and contact:	NEPCon OÜ, Filosoofi 31, 50108 Tartu, Estonia
Primary contact for SBP:	Ondrej Tarabus otarabus@nepcon.org, +420 606 730 382
Current report completion date:	02/Mar/2020
Report authors: :	Nikolai Tochilov
Name of the Company:	Research and Production Enterprise "ECOFUEL" LLC
Company contact for SBP:	Alexey Zagulyaev, executive director. Phone: +7 911 856 0165; Email: <a href="mailto:zak-alex@inbox.ru">zak-alex@inbox.ru</a>
Certified Supply Base:	n/a – all input material is tertiary feedstock (post-consumer wood)
SBP Certificate Code:	SBP-07-10
Date of certificate issue:	08/Jan/2019
Date of certificate expiry:	07/Jan/2024

This report relates to the Reinstatement audit & the First Surveillance Audit

## 2 Scope of the evaluation and SBP certificate

Scope description: Production of wood pellets in Kaliningrad, Russia, for use in energy production and its transportation to different end points all over the world. The scope of the certificate does not include Supply Base Evaluation (all input material is tertiary feedstock - post-consumer wood). The scope includes communication of Dynamic Batch Sustainability Data.

### 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

The scope of the reinstate audit included review of corrective actions developed and implemented by BP in order to re-instate SBP certificate. The scope of the reinstate audit also included BP's evaluation against ID 5E.

## 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

Research and Production Enterprise “ECOFUEL” LLC is a Biomass Producer (BP) located in the city of Kaliningrad, Russia. The BP was founded in 2018. The pellet production line has been launched in April 2019. The establishment of the company is a result of a sustainability program of the car producer “Autotor”. BP has an exclusive, long-term contract for wood waste utilization with Autotor. BP accumulates substantial volumes of post-consumer untreated recycled material as a feedstock for the production of SBP-compliant biomass. The feedstock consists of pallets and wooden boxes made of untreated wood of low-value tree species. The pallets and wooden boxes are specially made for the car parts which Autotor procures (at different locations). The pallets and boxes are for single use and do not undergo chemical treatment; they do not contain for instance glue. Nevertheless, the feedstock is checked continuously upon receipt. If any veneer or compressed boards like OSB, or HDF are found, they are to be segregated from pellet production. Production capacity of the pellet plant is app. 7600 tones/year.

### 5.2 Description of Company’s Supply Base

Not applicable - all input material is tertiary feedstock (post-consumer wood).

### 5.3 Detailed description of Supply Base

Not applicable - all input material is tertiary feedstock (post-consumer wood).

### 5.4 Chain of Custody system

The BP holds FSC CoC certificate

<https://info.fsc.org/details.php?id=a02f300000gKf3nAAC&type=certificate>. The company accumulates substantial volumes of post-consumer untreated tertiary feedstock for production of SBP-compliant biomass (used pallets and wooden boxes). The feedstock is checked upon receipt and used then in pellet production. Other feedstock is not accepted and not used by the company. All biomass may be sold with FSC Recycled 100% claim (transfer system of FSC claims). Until now, there were no FSC-certified sales.

Based on results of the FSC CoC annual audit, conducted along with this SBP annual audit, FSC CoC certificate was suspended by NEPCon because of complete failure of the management and monitoring system.

Based on results of FSC CoC certification reinstate audit, conducted along with the SBP certification reinstate audit, it was recommended to reinstate BP’s FSC CoC certificate.



## 6 Evaluation process

### 6.1 Timing of evaluation activities

Onsite annual audit was conducted on 25-26.11.2019 (16 h). Evaluation activities included documents review at office, inspection of production facilities and feedstock storages and staff interviews.

Onsite reinstate audit conducted on 05.02.2020 (7 h). Evaluation activities included documents review, staff interviews and inspection of production site.

Activity	Location	Date/time
Opening meeting	Office	25/11/2019 09.00-09.30
FSC CoC documents and procedures review, staff interview.	Office	25/11/2019 09.30-13.00
Break		25/11/2019 13.00-14.00
Inspection of intermediate storages of the feedstock	Intermediate storages in Kaliningrad and out of the town ('Cepurus', 'Rosban', 'Podubnoye', 'Prigorskiy')	25/11/2019 14.00-17.00
Review of SBP related documentation (SBP Procedure, SBR), feedstock input records	Office	26/11/2019 09.00-11.00
Review of energy use data (SAR), staff interview	Office	26/11/2019 11.00-13.00
Break		26/11/2019 13.00-14.00
Chain of custody review (site tour); staff interview; discussion of conversion factor establishment	Production facilities	26/11/2019 14.00-15.00

Review of energy use data (SAR), staff interview	Office	26/11/2019 15.00-17.00
Closing meeting	Office	26/11/2019 17.00-17.30

Reinstate audit:

Activity	Location	Date/time
Opening meeting	Office	05/02/2020 09.00-09.30
Review of corrective actions developed and implemented by BP (including documents review, staff interview and onsite visit at pellet production site)	Office	05/02/2020 09.30-15.30
Closing meeting	Office	05/02/2020 15.30-16.00

## 6.2 Description of evaluation activities

Composition of audit team

Auditor(s), roles	Qualifications
Nikolai Tochilov, audit team leader	NEPCon SBP lead auditor. He has successfully passed SBP auditor training in Tallinn in January 2015; previous experience with more than 40 SBP assessments and annual audits in Russia and Europe.

The evaluation 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 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 partly during the first day, and partly during the second day of the audit. Audit started with an opening meeting attended by the representatives from Organisation's management and staff.

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 the applicable requirements of the SBP standards nr. 2 and 4 (along with the applicable requirements of FSC standards), covering the existing chain of custody management system and feedstock inputs. During the process, overall responsible person for SBP system and other staff were interviewed. In the afternoon of the first day it occurred that the BP has four intermediate storages of the feedstock, and the rest time of the working day was spent to visit all the storages. The next day auditor spent mostly on reviewing the energy use data and its reporting in SAR document. Roundtrip at the pellet plant and final product storage was undertaken in the afternoon, and the rest of the time was spent again to review the available energy use data and staff interview.

At the end of the audit findings were summarised and audit conclusions based on use of 3 angle evaluation method were provided to the management.

The same auditing activities have been undertaken by auditor during reinstate audit.

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 to, during, or after this annual audit.

Furthermore, no stakeholder consultations conducted prior, during, or after reinstate audit.

## 7 Results

### 7.1 Main strengths and weaknesses

Strengths: use of transfer system of claims; only one category of incoming feedstock - post-consumer wood.

Weaknesses annual audit 2019: complete failure of the SBP/FSC management and monitoring system; lack of justification of conversion factor used in pellet production. Certificate is recommended for immediate suspension.

Weaknesses reinstate audit 2020: no weaknesses identified.

### 7.2 Rigour of Supply Base Evaluation

Not applicable - all input material is tertiary feedstock (post-consumer wood).

### 7.3 Collection and Communication of Data

During annual audit 2019 Biomass Producer faced difficulties in understanding what kind of information, in which form (measurement units) and for which reporting period should be collected, justified and reported in SAR. This finally led to non-approval of SAR by NEPCon auditor.

Prior to reinstate audit 2020, Biomass Producer has updated its management and monitoring system, including energy use data. Information included into SAR is actual and justified. Biomass Producer uses electricity for biomass production, as well as diesel for feedstock delivery and handling, and diesel for biomass handling and transport to customer.

### 7.4 Competency of involved personnel

Annual audit 2019: There were significant changes both in staff and management of the Organisation in the reporting period. Relevant training of staff has not been conducted, staff was not aware of the applicable requirements of SBP Standards and Instruction Documents which led to complete failure of the SBP/FSC management and monitoring system with subsequent suspension recommendation by NEPCon auditor.

Reinstate audit 2020: Biomass Producer has significantly improved its management and monitoring system, and conducted additional staff training. All staff interviewed by auditor demonstrated clear awareness of their responsibilities related to implementation of SBP certification requirements.

### 7.5 Stakeholder feedback

No stakeholder consultations conducted prior to, during, or after annual audit 2019, as well as reinstate audit 2020.

## 7.6 Preconditions

See section 10 below. Immediate suspension was recommended by NEPCon auditor based on annual audit findings.

During reinstate audit it was confirmed that Biomass Producer has successfully addressed all gaps in its management and monitoring system, and major non-conformities have been closed and certificate reinstatement was recommended by auditor.

## 8 Review of Company's Risk Assessments

Not applicable.

## 9 Review of Company's mitigation measures

Not applicable.

## 10 Non-conformities and observations



<b>NC number</b> 01/20	<b>NC Grading: Major</b>
<b>Standard &amp; Requirement:</b>	SBP Framework Standard 2: Verification of SBP-compliant Feedstock, requirement 7.1: The BP shall prepare a Supply Base Report (SBR) which shall be made readily accessible on the BP's website. Commercially sensitive and confidential information may be excluded from the SBR
<b>Description of Non-conformance and Related Evidence:</b>	
Supply Base Report has been prepared but not made readily accessible at BP's website. than Отчет о ресурсной базе подготовлен, но не размещен на веб-сайте Организации	
<b>Timeline for Conformance:</b>	Before reinstatement of certificate  До восстановления действия сертификата
<b>Evidence Provided by Company to close NC:</b>	<a href="http://www.ecofuelkld.ru/%D0%B8%D0%BD%D1%84%D0%BE%D1%80%D0%BC%D0%B0%D1%86%D0%B8%D1%8F">http://www.ecofuelkld.ru/%D0%B8%D0%BD%D1%84%D0%BE%D1%80%D0%BC%D0%B0%D1%86%D0%B8%D1%8F</a> Pending / Находится на рассмотрении <a href="http://www.ecofuelkld.ru/%D0%B8%D0%BD%D1%84%D0%BE%D1%80%D0%BC%D0%B0%D1%86%D0%B8%D1%8F">http://www.ecofuelkld.ru/%D0%B8%D0%BD%D1%84%D0%BE%D1%80%D0%BC%D0%B0%D1%86%D0%B8%D1%8F</a>
<b>Findings for Evaluation of Evidence:</b>	Biomass Producer has published the Supply Base Report, both in Russian and English, at their website / Организация разместила на своем сайте отчет о ресурсной базе, на русском и английском языке.
<b>NC Status:</b>	Closed / Закрыто

<b>NC number</b> 02/20	<b>NC Grading: Major</b>
<b>Standard &amp; Requirement:</b>	SBP Framework Standard 2: Verification of SBP-compliant Feedstock, Instruction Note 2C: Supply Base Report – Requirements for Biomass Producers, requirement 4.1 The report shall be concise, covering the most important features, and shall be completed using the latest versions of the SBR Template for Biomass Producers downloaded from the SBP website
<b>Description of Non-conformance and Related Evidence:</b>	
The SBR contains a certain number of mistakes, specifically: <ul style="list-style-type: none"> <li>- Section 1 Overview: Company's website not specified; close of last CB audit date is incorrect; main (initial) evaluation indicated instead of the first surveillance</li> <li>- Section 2.1 General description: in English version it is stated that the pellet production line is launched in March 2019. Russian version of SBR includes the table which is missing in English version. One of the product groups mentioned in this table is 'Controlled feedstock – 100%', which is non-relevant for this SBP certificate scope</li> </ul>	

- Section 2.5 Quantification of the Supply Base: total volume of the feedstock received in the reporting period is specified as 8000 tones, which is not correct
- Peer review section of SBR is missing in English version of the SBR and is not filled out in Russian version of SBR
- Section 11 Approval of Report: date of approval is specified as November 15, 2019, which is in contradiction with the Date report finalized (November 26, 2019) specified in Section 1 Overview
- The last section of SBR (Updates): actual figures for feedstock over the previous 12 months are not specified.

Отчет о ресурсной базе содержит ряд ошибок, в том числе:

- Раздел 1 Обзор: Не указан адрес веб-сайта Организации в английской версии; указана неверная дата закрытия последнего аудита, проведенного органом сертификации; неверно указана основная оценка вместо первого контроля (первого ежегодного аудита)
- Раздел 2.1 Общее описание: в английской версии указано, что пеллетное производство запущено в марте 2019 г. Русская версия отчета включает таблицу, которой нет в английской версии. Одна из групп продукции, указанных в этой таблице – «контролируемое сырье – 100%», что никак не связано с областью действия сертификата SBP
- Раздел 2.5 Количественное определение ресурсной базы: общий объем сырья, полученного в отчетном периоде, указан в количестве 8000 тонн, что не является корректным
- Раздел «Рецензирование отчета» в английской версии удален, а в русской версии – не заполнен
- Раздел 11 Утверждение отчета: указанная дата утверждения отчета (15 ноября 2019) противоречит дате подготовки отчета (26 ноября 2019), указанной в Разделе 1 Обзор
- Последний раздел отчета (Обновления): актуальные данные по поступившему сырью за последние 12 месяцев не указаны

<b>Timeline for Conformance:</b>	Before reinstatement of certificate  До восстановления действия сертификата
<b>Evidence Provided by Company to close NC:</b>	Updated SBR / Обновленный отчет о ресурсной базе
<b>Findings for Evaluation of Evidence:</b>	BP submitted updated SBR, which includes correct information, all mistakes have been addressed. / Организация предоставила обновленный отчет о ресурсной базе. Все ошибки в его содержании были устранены.
<b>NC Status:</b>	Closed / Закрыто

<b>NC number</b> 03/20	<b>NC Grading:</b> Major
<b>Standard &amp; Requirement:</b>	SBP Framework Standard 2: Verification of SBP-compliant Feedstock, requirement 15.1 The BP shall implement a management and monitoring system to maintain compliance with the requirements of this and all other relevant SBP Standards, together with a process of review and feedback into planning
<b>Description of Non-conformance and Related Evidence:</b>	
<ul style="list-style-type: none"> <li>- No evidence has been provided to auditor that SBP responsible (executive director) implements the management and monitoring system to maintain compliance with the SBP requirements. For</li> </ul>	

example, there were significant changes since the SBP assessment (December 2018), because the pellet production has been commissioned only in June 2019. None of the changes have been addressed in SBP documented procedure

- There were significant changes in BP's staff and management, but the new employees have not been trained in relation to applicable SBP requirements, which finally led to complete failure of the SBP/FSC CoC management and monitoring system implementation. Neither interviewed staff could confirm that they got any SBP-related training, nor training records could be provided to auditor. Poor knowledge of SBP-related responsibilities was demonstrated by the staff and management of Organisation
- At the beginning of the audit, the BP has suffered the difficulties to provide the auditor an updated Supply Base Report, and when provided, it contained a number of mistakes and out-of-date information (see major NCRs 01/20 and 02/20)
- SAR document provided to auditor, contained misleading information, and was not approved by NEPCoN auditor (please see NCR 09/20)
- BP uses SBP trademark at their website, but no confirmation/approval for that have been received from SBP (please see NCR 08/20), as it is required in SBP procedure

All aspects mentioned above demonstrate that there is a major failure in BP's management and monitoring system in relation to SBP.

- Не было предоставлено свидетельств того, что ответственный за сертификацию SBP (исполнительный директор) поддерживает систему управления и мониторинга для обеспечения соответствия требованиям SBP. В частности, с момента основной оценки SBP (декабрь 2018) в работе Организации произошли существенные изменения – т.к. пеллетное производство было запущено только в июне 2019 г. Никакие изменения не были отражены или учтены в документированной процедуре (руководстве) SBP
- В штате Организации произошли существенные изменения (включая обычных работников и руководство) – однако вновь принятые сотрудники не прошли какого-либо обучения применимым для них требованиям SBP, что в конечном итоге привело к полному провалу системы менеджмента и мониторинга в отношении SBP и FSC CoC. Опрошенные сотрудники не могли подтвердить, что с ними проводилось какое-либо обучение в отношении требований; не было представлено каких-либо записей, подтверждающих проведение такого обучения. Опрошенные сотрудники и представители руководства продемонстрировали слабое понимание применимых для них требований SBP сертификации
- В начале аудита Организация испытывала затруднения в предоставлении аудитору обновленного отчета о ресурсной базе. Когда же он был предоставлен, то содержал ряд ошибок и устаревшую информацию (см. значительные NCR 01/20 и 02/20)
- Документ SAR, предоставленный аудитору, содержал вводящую в заблуждение информацию и не был одобрен аудитором NEPCoN (см. значительное NCR 09/20)
- Организация использует товарный знак SBP на своем веб-сайте, но на это не было получено одобрения от SBP (см. значительное NCR 08/20), как того требует документированная процедура (руководство) SBP

<p>Все перечисленные выше аспекты указывают на полный провал в системе управления и мониторинга Организации в отношении сертификации SBP.</p>	
<p><b>Timeline for Conformance:</b></p>	<p>Before reinstatement of certificate  До восстановления действия сертификата</p>
<p><b>Evidence Provided by Company to close NC:</b></p>	<p>Revised SBP procedure; training records; SBR; SAR; staff interviews / Обновленное руководство SBP; записи об обучении; SBR; SAR; пояснения сотрудников</p>
<p><b>Findings for Evaluation of Evidence:</b></p>	<p>The content of SBP documented procedure, including division of responsibilities among staff members, was revised and updated. Additional training provided to staff involved into SBP certification. Updated Supply Base Report and SAR document include correct and actual information. Biomass Producer has removed any information about their SBP certification from the website, except the Supply Base Report which is required by SBP standard 2. Staff explained that they would apply for prior approval directly to SBP in case they would decide to use SBP trademark off-product. Auditor considered the actions implemented to address the gaps and to maintain the management and monitoring system as successful. / Содержание письменного руководства по SBP, включая распределение ответственности между сотрудниками было пересмотрено и обновлено. Проведено дополнительное обучение задействованного персонала. Представленные аудитору обновленные отчет о ресурсной базе и документ SAR содержат актуальную информацию. Организация удалила всю информацию о сертификации SBP со своего веб-сайта, за исключением отчета о ресурсной базе, который размещен там согласно требованиям SBP стандарта 2. Сотрудники Организации пояснили, что они обратятся в SBP за предварительным одобрением, в случае, если решать использовать товарный знак SBP в целях продвижения. Действия, предпринятые сотрудниками Организации для устранения выявленных пробелов, и поддержания системы управления и мониторинга сертификацией SBP, признаны аудитором успешными.</p>
<p><b>NC Status:</b></p>	<p>Closed / Закрыто</p>

<p><b>NC number</b> 04/20</p>	<p><b>NC Grading:</b> Major</p>
<p><b>Standard &amp; Requirement:</b></p>	<p>SBP Framework Standard 2: Verification of SBP-compliant Feedstock, requirement 19.2: The SBR shall be signed off by senior management in all cases.</p>
<p><b>Description of Non-conformance and Related Evidence:</b></p>	
<p>SBR has not been signed off by senior management.</p>	

Отчет о ресурсной базе не подписан руководством.	
<b>Timeline for Conformance:</b>	Before reinstatement of certificate До восстановления действия сертификата
<b>Evidence Provided by Company to close NC:</b>	Supply Base Report / Отчет о ресурсной базе
<b>Findings for Evaluation of Evidence:</b>	Supply Base Report has been signed off by senior management / Отчет о ресурсной базе подписан руководством
<b>NC Status:</b>	Closed / Закрыто

<b>NC number 05/20</b>	<b>NC Grading: Major</b>
<b>Standard &amp; Requirement:</b>	SBP Framework Standard 2: Verification of SBP-compliant Feedstock, requirement 20.1: The BP shall ensure that all comments or complaints regarding any aspect of the SBR, SBE and SBP certification are documented and promptly investigated, with remedial action being taken where appropriate.
<b>Description of Non-conformance and Related Evidence:</b>	
<p>Procedure of addressing comments and complaints is described in SBP procedure section 8. The procedure is detailed enough. There were no comments and/or complaints from any third party, however the log where comments or complaints could be registered (as it is required by SBP Procedure) has not been provided to auditor.</p> <p>Процедура рассмотрения комментариев и жалоб описана в руководстве по SBP, в разделе 8. Процедура достаточно детальна. Не было получено комментариев и/или жалоб от кого-либо, однако журнал, в котором комментарии или жалобы следует регистрировать (как это требуется в руководстве по SBP) не был предоставлен аудитору.</p>	
<b>Timeline for Conformance:</b>	Before reinstatement of certificate До восстановления действия сертификата
<b>Evidence Provided by Company to close NC:</b>	Comments and complaints log / Журнал регистрации комментариев и жалоб
<b>Findings for Evaluation of Evidence:</b>	Comments and complaints log submitted to auditor / Журнал регистрации комментариев и жалоб был предоставлен аудитору.
<b>NC Status:</b>	Closed / Закрыто

<b>NC number 06/20</b>	<b>NC Grading: Major</b>
------------------------	--------------------------

<b>Standard &amp; Requirement:</b>	SBP Framework Standard 4: Chain of Custody, requirement 5.1.2: The legal owner shall implement all aspects of the SBP approved CoC system requirements for the SBP feedstock or biomass. Where there is a conflict between the requirements in the SBP-approved CoC system requirements and those specified in the SBP standards, the SBP standards shall have precedence.
<b>Description of Non-conformance and Related Evidence:</b>	
<p>The FSC CoC annual audit has been conducted lead auditor jointly with this SBP annual audit and resulted to FSC CoC certificate suspension (complete failure of FSC CoC management and monitoring system).</p> <p>Ежегодный аудит цепи поставки FSC проводился аудитором параллельно с ежегодным аудитом SBP. По результатам аудита действие сертификата цепи поставки FSC было приостановлено (полный провал системы управления и мониторинга в отношении сертификации цепи поставки FSC).</p>	
<b>Timeline for Conformance:</b>	<p>Before reinstatement of certificate</p> <p>До восстановления действия сертификата</p>
<b>Evidence Provided by Company to close NC:</b>	Documents review, staff interview, onsite inspection of the pellet plant / Обзор документации, опрос персонала, инспекция пеллетного производства
<b>Findings for Evaluation of Evidence:</b>	FSC CoC reinstate audit was conducted by auditor at the same time with SBP reinstate audit. During the audit, it was confirmed that all gaps in FSC CoC management and monitoring system have been successfully addressed by BP, and FSC CoC certificate was recommended for reinstatement. / Аудит восстановления действия сертификата FSC CoC проводился аудитором одновременно с аудитом восстановления действия сертификата SBP. В ходе аудита было подтверждено, что Организация успешно устранила все пробелы в системе управления и мониторинга сертификации цепи поставки FSC. Сертификат цепи поставки был рекомендован к восстановлению.
<b>NC Status:</b>	Closed / Закрыто

<b>NC number 07/20</b>	<b>NC Grading: Major</b>
<b>Standard &amp; Requirement:</b>	SBP Framework Standard 4: Chain of Custody, requirement 5.3.1: All requirements of the relevant chain of custody control system specified in the SBP-approved CoC system shall be implemented to calculate outputs.
<b>Description of Non-conformance and Related Evidence:</b>	
Supplier specifies in his transport and sales documents the amount of sold feedstock in cubic meters (solid). Part of the supplied feedstock is rejected by BP, as it can not be used in pellet production (vener,	

wood panels, metal). Part of the feedstock is first transported to intermediate storages, and afterwards delivered to pellet plant (no measurement of the volume or weight is done prior or after such delivery). Pellet production chief during interview explained that the average feedstock consumption is 1,3 tone/tone biomass (including 1,1 tone for pellet production and 0,2 tone for heating). However auditor was not provided with specific calculations or logical justifications for conversion factor, considering all mentioned above. Based on the data received from accountancy regarding the amount of the feedstock used in production and the amount of produced biomass in the reporting period, auditor obtained the result of 1,06 tone feedstock/tone biomass (including consumption for heating).

Поставщик сырья указывает его количество в товаросопроводительной и торговой документации в кубических метрах (плотных). Часть получаемого сырья отбраковывается Организацией (т.к. не может быть использована в производстве – фанера, древесная плита, металл). Часть получаемого сырья сначала отвозится на склады промежуточного хранения, и уже после этого доставляется на пеллетное производство – при этом взвешивание сырья перед транспортировкой или после него не производится. Начальник производства в интервью указал, что норма расхода сырья составляет в среднем 1,3 тонны на 1 тонну пеллет (включая 1,1 тонны на пеллетирование и 0,2 тонны на теплогенерацию). Тем не менее, аудитору не было предоставлено конкретных расчетов или логичных обоснований коэффициента выхода/норм расхода с учетом всего изложенного выше. Основываясь на данных бухгалтерии об объемах сырья, израсходованного в производстве, и объемах произведенной продукции за отчетный период, аудитор получил результат 1,06 тонн сырья/тонну пеллет (с учетом расхода сырья для теплогенерации).

<b>Timeline for Conformance:</b>	Before reinstatement of certificate  До восстановления действия сертификата
<b>Evidence Provided by Company to close NC:</b>	Input volume calculations; staff explanations; delivery notes and acceptance acts. / Расчеты объемов входящего сырья; пояснения работников; товарные накладные и приемо-сдаточные акты, предоставляемые поставщиком сырья
<b>Findings for Evaluation of Evidence:</b>	Biomass Producer has revised its management and monitoring system within SBP certification, and updated the calculations on input volumes and energy use data in pellet production. April 1 – October 31, 2019 was accepted as a reporting period. In this reporting period, almost all feedstock was submitted to pellet production without prior drying. Only during 25-31 October, 2019, feedstock was dried, because it had higher moisture value. Organisation also explained that the feedstock which was earlier delivered to intermediate storages, is not used in pellet production, and there is no such intention in the future. Thus, only the feedstock directly delivered from supplier to production site, is used in pellet production. Feedstock supplier measures the weight of the feedstock for each truck (i.e. the feedstock weight is known from the beginning). But in transport and sales documents the amount of delivered feedstock is specified in solid m3. To convert the tones into solid m3 supplier implements one and always the same average factor established by him. At the same time, delivery note is also accompanied by acceptance act, where the delivered amount is specified both in solid m3 and tones. Thus, it may always be confirmed that the amount of feedstock specified by supplier in solid m3 in delivery notes and sales documents, always corresponds to actual weight (tonnage). The delivered feedstock includes such non-compliant elements as metal, plastic, pieces of veneer or OSB, and

therefore BP makes feedstock sorting prior to its submission to pellet production. All sorted wastes are store separately and afterwards submitted to specialized organization which undertakes wastes utilization. The weight of wasted submitted for utilization is known and registered by BP. The difference between delivered weight and wastes weight is therefore known. Amount of biofuel used for feedstock drying, was registered by BP based on actual measurements (in solid m3 with subsequent conversion to tones). The final result of the feedstock consumption in the reporting period (including the feedstock used as biofuel) is 1,107 tone/tone biomass, including 0,008 tone biofuel/tone biomass used for burning. Auditor considers the activities implemented by BP as sufficient to address the major NCR. Auditor considers furthermore, that Organisation has developed and implemented the credible measurement system which allows to compare the inputs and outputs in mass balance.

Организация пересмотрела свою систему управления и мониторинга сертификации SBP, и актуализировала расчеты по затратам сырья и энергии при производстве пеллет. В качестве отчетного был принят период с 01.04.2019 по 31.10.2019. В указанном отчетном периоде почти все сырье было подано в производство без предварительной сушки. Лишь в период с 25.10 по 31.10.2019 производилась сушка сырья, т.к. оно имело повышенную влажность. Организация пояснила, что сырье, ранее размещенное на складах временного (промежуточного) хранения в производстве пеллет не используется, и отсутствует намерение по его использованию в перспективе. Таким образом, в производстве пеллет используется только сырье, которое привозится напрямую от поставщика на производственную площадку. Поставщик сырья взвешивает каждую загруженную машину (то есть масса груза известна изначально), но в своей транспортной и торговой документации указывает количество поставляемого сырья в плотных м3. Для перевода количества сырья из тонн в плотные м3 поставщик использует установленный им один и тот же усредненный коэффициент. При этом, к каждой товарной накладной (т.е. к каждой машине) прилагается приемосдаточный акт, в котором количество сырья указано как в тоннах, так и в плотных м3. Таким образом, можно всегда подтвердить, что количество сырья в плотных м3, указанное поставщиком в товароспроводительной и торговой документации, соответствует актуальной массе (тоннажу). Поскольку сырье от поставщика имеет некондиционную составляющую (куски древесной плиты и фанеры, пластик, металл), перед подачей полученного сырья в производство Организация производит его сортировку. Все отходы складировются отдельно и затем передаются специализированной компании для последующей утилизации. Масса переданных на утилизацию отходов Организации известна и регистрируется ею. Разница между полученным от поставщика количеством сырья (в тоннах) и количеством некондиционной составляющей, таким образом, известна. Количество сырья (биотоплива), использованного для теплогенерации, Организацией в отчетном периоде регистрировалось на



	<p>основании актуальных данных (количество в плотных м3 с последующим переводом в тонны). Итоговое значение расхода сырья в отчетном периоде (с учетом теплогенерации) за указанный отчетный период составило 1,107 тонны/тонну пеллет, в том числе 0,008 тонны/тонну пеллет было потрачено на теплогенерацию. Аудитор посчитал действия, предпринятые Организацией, достаточными для устранения значительного несоответствия. Аудитор считает, что Организация разработала и внедрила адекватную систему учета, которая позволяет сопоставить баланс материала на входе и выходе.</p>
<b>NC Status:</b>	Closed / Закрыто

<b>NC number</b> 08/20	<b>NC Grading:</b> Major
<b>Standard &amp; Requirement:</b>	SBP Certification Trademark License Agreement, section 7.2: As and when required by the Licensor, the Licensee shall send to the Licensor for its prior written approval, the text and layout of any material relating to Products containing the Mark.
<b>Description of Non-conformance and Related Evidence:</b>	
<p>In the reporting period BP used SBP trademark at their website, for example, here <a href="http://www.ecofuelkld.ru/about">http://www.ecofuelkld.ru/about</a>. No prior approval has been received from SBP on that use (responsible staff was not aware of such requirement).</p> <p>В отчетном периоде Организация использовала товарный знак SBP на своем веб-сайте, например, здесь <a href="http://www.ecofuelkld.ru/about">http://www.ecofuelkld.ru/about</a>. Предварительное одобрение на использование товарного знака не было получено от SBP (ответственные сотрудники не знали о данном требовании).</p>	
<b>Timeline for Conformance:</b>	<p>Before reinstatement of certificate</p> <p>До восстановления действия сертификата</p>
<b>Evidence Provided by Company to close NC:</b>	BP's website; staff comments / Сайт Организации, комментарии сотрудников
<b>Findings for Evaluation of Evidence:</b>	<p>Producer has removed any information about their SBP certification from the website, except the Supply Base Report which is required by SBP standard 2. Staff explained that they would apply for prior approval directly to SBP in case they would decide to use SBP trademark off-product. / Организация удалила всю информацию о сертификации SBP со своего веб-сайта, за исключением отчета о ресурсной базе, который размещен там согласно требованиям SBP стандарта 2. Сотрудники Организации пояснили, что они обратятся в SBP за предварительным одобрением, в случае, если решать использовать товарный знак SBP в целях продвижения.</p>
<b>NC Status:</b>	Closed / Закрыто

<b>NC number</b> 09/20	<b>NC Grading: Major</b>
<b>Standard &amp; Requirement:</b>	SBP Instruction Document 5.b, requirement 3.1.1: BPs shall record data in an ‘SBP Audit Report for Energy and GHG data’ (SAR), using the latest version of the template from the SBP website. The SAR shall be complemented with validation comments and photographs from a CB.
<b>Description of Non-conformance and Related Evidence:</b>	
<p>SAR document provided to auditor contained a number of mistakes, and therefore could not be approved:</p> <ul style="list-style-type: none"> <li>- new SDIs have not been allocated for the new reporting period in SAR (as well as in SBP static biomass profiling data sheet)</li> <li>- SAR is not complemented with photographs of the relevant production stages</li> <li>- other than 12 months reporting period is used, but no justification for that provided in SAR</li> <li>- the feedstock is grouped in SAR into two groups: 97% of the feedstock delivered from maximum and average distance of 12 km with the average load per vehicle 3,7 metric tone; 3% of the feedstock delivered from maximum and average distance of 30 km with the average load pe vehicle 3,1 metric tone. No evidences provided to auditor to justify the above mentioned percentage, distances and load</li> <li>- a part of the feedstock is used as a fuel in the dryer, but ‘biofuel primary energy’ section is not filled out in SAR (deleted)</li> <li>- diesel consumption value (at pellet production site) in SAR is not specified in required measurement units (litres/tone biomass and MJ/tone biomass). According to accountancy data, a certain amount of gasoline was used in the reporting period (electricity generator), but the value is not reported in SAR</li> <li>- electricity consumption in the reporting period has not been stated in SAR as kWh per tonne biomass output; furthermore, a number of electric meters is incorrectly specified in SAR as 1</li> <li>- effective biomass production amount in the reporting period is incorrectly stated in SAR as 8000 tone</li> <li>- average moisture values (feedstock prior to dryer; feedstock after dryer; pellets) are recorded in SAR, however no justification or any calculations have been provided to auditor</li> </ul> <p>Документ SAR, предоставленный аудитору, содержит ряд ошибок, а потому не может быть утвержден аудитором:</p> <ul style="list-style-type: none"> <li>- новые индикаторы статических данных (SDI) не определены для нового отчетного периода в SAR (а также в SBP static biomass profiling data sheet)</li> <li>- в SAR не включены фотографии основных стадий производства</li> <li>- в качестве отчетного использован другой (не 12-месячный) период, но объяснение этому не приведено в SAR</li> <li>- входящее сырье объединено в две группы: 97% сырья поставляется при максимальной и средней дистанции доставки 12 км и средней загрузке транспорта 3,7 тонн; 3% сырья поставляется при максимальной и средней дистанции доставки 30 км и средней загрузке транспорта 3,1 тонн. Аудитору не представлено соответствующих расчетов или других обоснований процентного соотношения сырья, дистанций и загрузки транспорта</li> <li>- часть сырья используется в качестве биотоплива в теплогенераторе, но раздел ‘biofuel primary energy’ в SAR не заполнен (удален)</li> <li>- данные о расходе дизеля (на пеллетном производстве) в SAR не указаны в требуемых единицах измерения (литров/тонну пеллет и МДж/тонну пеллет). Согласно данным бухгалтерии, в отчетном периоде было использовано определенное количество бензина (в электрогенераторе), но эти сведения отсутствуют в SAR.</li> <li>- данные о расходе электричества в отчетном периоде не указаны в кВтч/тонну пеллет; указано неверное количество установленных счетчиков электропотребления (1)</li> <li>- приведены некорректные данные об актуальном объеме производства пеллет в отчетном периоде (8000 тонн)</li> <li>- средние значения влажности (сырье до сушки и после сушки; готовая продукция) приведены в SAR, однако аудитору не были предоставлены соответствующие расчеты или обоснования</li> </ul>	

<b>Timeline for Conformance:</b>	Before reinstatement of certificate До восстановления действия сертификата
<b>Evidence Provided by Company to close NC:</b>	Updated SAR document / Обновленный документ SAR.
<b>Findings for Evaluation of Evidence:</b>	Updated SAR document, submitted to auditor, was verified and it was confirmed that it contains the correct information, and all mistakes have been addressed. BP used new version of SAR template, which is in accordance with ID 5E requirements. / Предоставленный аудитору обновленный документ SAR был проверен, и было подтверждено, что он содержит верную информацию, а все ошибки были устранены. Использована новая форма документа SAR, которая соответствует требованиям ID 5E.
<b>NC Status:</b>	Closed / Закрыто

Observations/Наблюдения

<b>OBS / Наблюдение:</b>	<b>Standard &amp; Requirement:</b>	-
<b>01/20</b>	<b>Report Section</b>	-
<b>Description of findings leading to observation:</b>	<p>Organisation uses 4 sites for intermediate storage of the purchased feedstock, and have very approximate knowledge of the amount of the feedstock stored there. This is not considered as non-conformity to SBP requirements, as it does not influence directly on pellet production. Auditor raised Observation.</p> <p>Организация использует четыре склада промежуточного хранения закупленного сырья, и имеет весьма приблизительное представление о хранящихся там объемах сырья. В данном случае это не расценивается как несоответствие требованиям SBP, поскольку прямо не влияет на производство пеллет. Аудитор выставил Наблюдение.</p>	
<b>Observation:</b>	<p>BP is recommended to implement the system of registration of the amount of feedstock stored at intermediate storage sites.</p> <p>Организации рекомендуется наладить систему учета объемов сырья, хранящегося на промежуточных складах.</p>	

## 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>	Ondrej Tarabus
<b>Date of decision:</b>	02/Mar/2020
<b>Other comments:</b>	