Sustainable Biomass Program

NEPCon Evaluation of "DOK "Enisey", LTD Compliance with the SBP Framework: Public Summary Report

Scope Change 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
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Current report completion date:	05/Nov/2019
Report authors: :	Nikolai Tochilov, Mikhail Rai
Name of the Company:	“DOK “Enisey”, LTD
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Certified Supply Base:	Russia, Krasnoyarsk region
SBP Certificate Code:	SBP-01-59
Date of certificate issue:	09/Feb/2017
Date of certificate expiry:	08/Feb/2022

This report relates to the Third Surveillance Audit and Scope Change Audit

2 Scope of the evaluation and SBP certificate

Production of wood pellets in Berezovka, Krasnoyarskiy krai, Russia, for use in energy production and its transportation to any end point all over the world. The scope of the certificate does not include Supply Base Evaluation. The scope of the certificate 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

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 located in Berezovka, Krasnoyarskiy krai of Russia, with annual pellet production capacity of 100 000 metric tones. Incoming feedstock is sawdust and wood chips from its own sawmilling located at the same production site. Final product is transported in containers by railway to station Ust-Luga Exportnaya. Round wood with FSC 100% claim is delivered from company's own FSC certified forest management units in Krasnoyarsk region, its share is about 69% in total supplies. The rest 31% of supplies are non-certified and included into Organization's own program of field verification of controlled material sources under FSC certification. There are no non-controlled inputs of the feedstock.
The BP has implemented FSC credit system and produced biomass is sold with FSC Mix Credit claim (SBP-compliant biomass) or FSC Controlled Wood claim (SBP-controlled biomass). In the reporting period (January 1, 2018-December 31, 2018) no biomass was sold with SBP-compliant biomass' claim.
Since March 2020, FSC transfer system of claims is implemented by BP.

5.2 Description of Company's Supply Base

Total area of forest lands on the territory of the Russian Federation is 764 million hectares that is approximate 21% of the world's forest yields. The areas busied with woodlands of the main forest forming species remain rather stable during last decades. Soft woods account 68.4%, hard-wooded broadleaved species – 2.4%, soft-wooded broadleaved species – 19.3%. other wood species are equal to less than 1%.

The use of annual cut on the whole in the country does not exceed 35%.The percent of forest with difficult areas in the country is high and almost everywhere the infrastructure is less developed.

In accordance with the RF's legislation all lands of forest fund are in a state property. Legal bodies get forest plots to be used on a leasehold basis and short-term use. Lease relations are the dominated legal form of wood's use. Term of lease can be 10- 49 years.

Conclusion of agreements on the lease of forest plots or agreements of sale and purchase of woodlands are made at the auctions on the sale of right to conclude such agreements. Plots being leased should pass State cadastral registration. Each forest user who gets forest plot in a lease in accordance with the Forest Code should:

- implement measures to safeguard, protection and forest reproduction;
- submit forest declaration annually;
- to draw the plan of forest exploitation;
- to provide the report on forest use, it's safe, protection and reproduction.

The obligatory term of forest use is providing with qualitative forest resources reproduction and protective regeneration. All regeneration works at forest plots being leased should be planned and done by forest users with own money in accordance with forest exploitation plan.

When logging forest in accordance with the Forest legislation species put in the Red Book and their habitats are to be saved. Cutting of valued, endangered and specially protected species is forbidden.

Forest complex of the Russian Federation that includes forestry and forest branches on cutting and milling of wood takes an important place in the country's economics. Approximately 60 thousand of large-scale, middle-scale and small-scale enterprises are busy in the forest complex of the RF. Total quantity of people engaged in forest complex is about 1 million.

Area of the FSC-certified forests in the Russian Federation is about 44.16 million hectares (25% of total forest quantity being leased). It is the greatest world country judging by the area of FSC certified wood, it takes the second place after Canada. The first FSC certificates have been issued over 10 years ago.

Resource base of «DOK «Enisey», LTD

Total forest area of forest fund in Krasnoyarsk region is 158734.8 thousand hectares or 96.82% of total region forest area.

The following forests not included into forest fund are:

- forests situated at the lands of defense and safety – 55.9 thousand hectares (0.03% of region forests);
- forests situated at lands specially protected natural areas – 5028.1 thousand hectares (3.07% of region forests);
- forests situated at lands of settlement (urban forests) – 64.0 thousands hectares (0.04% of region forests)
- forests at the lands of other categories – 61.2 thousand hectares (0.04% of region forests).

From total area of forest fund lands of Krasnoyarsk region (158734.8 thousand hectares) wooded lands occupy 105053.7 thousand hectares or 66.2% of forest fund lands. Unwooded lands occupy 9.1% (14406.5 thousand hectares) from total area of forest fund lands, as well as natural open forests – 7%, burn and died forests – 1.7%, cuttings, glades, waste lands, open forest crops and nursery gardens – 0.4%, including swamplands – 12.5%, water – 1.3%, plowing lands, haymakings, pasture lands, roads, clearings, estates – 0.2% and other lands – 10.7%.

Forests of Krasnoyarsk region in the forest fund lands and lands of other categories according to the Forest Code of the Russian Federation for the intended purpose are divided into protective (36%), exploitative (37.5%) and reserve (26.4%).

The territory of resource base of «DOK «Enisey», LTD is 14 municipal districts of Krasnoyarsk region: Achinskiy, Abanskiy, Berezovskiy, Bolshemurtinskiy, Birilyusskiy, Dzerzhinskiy, Emelyanovskiy, Ilanskiy, Irbeyskiy, Manskiy, Partizanskiy, Rybinskiy, Severo-Eniseyskiy, Suhobuzimskiy, Taseevskiy, Uyarskiy. The FSC-certified by the forest management lease forests of «DOK «Enisey», LTD are situated in Manskiy and Severo-Eniseyskiy districts. In other districts 10-15 controlled suppliers harvest timber.

At the territory of resources base areas of high conservation value forests (HCVF) of different types are separated. There are indigenous small ethnic communities in areas and forestries included in resources base of «DOK «Enisey», LTD. Own program of suppliers control provides analysis of timber harvest areas from which timber comes from on the existence of HCVF of different types and the existence of indigenous small ethnic communities. If a threat to HCVF occurs or if there exists severe conflict with representatives of indigenous small ethnic communities in the forest area then the relations with supplier are terminated.

"DOK "Enisey", Ltd in its business activity does not use plants included in CITES and IUCN.

«DOK «Enisey», LTD has leased forest plots to harvest timber. Time of lease is 49 years, area – 315 417 hectares, with an annual cut 521.2 thousand cubic meters at this all area of forest plots is certified by system FSC forestry management (FC-FM/COC-643095). Also, our plant has bought round timber from other supplier LTD "SibLesCom" (general supplier). In June 2015 «DOK «Enisey», LTD included this supplier into own verification program (FC-COC/CW-643114). «DOK «Enisey», LTD buys only controlled materials. «DOK «Enisey», LTD refused to buy uncontrolled materials and do not intend to buy it. The general supplier has supply chain (10-15 companies and 14 controlled forest management units).

At forest management units given for lease 3-4 bonitet prevails on the average. To do forest cuts at the forest plots «DOK «Enisey», LTD uses rational approach to organization of clear-cutting. Each year the quantity of small-scale cuttings increases after those reforestation works are done using all means we have.

Based on analyses in order to follow the requirements of the Russian National Standard FSC, «DOK «Enisey», LTD has worked out the plan of movement from large-scale clear-cutting with area more than 30 hectares to small-scale cuttings. The plan provides a reduction of its part to 60% in the period till 2019. Also the company actively makes selective cuttings, improvement cuttings at all forest plots in accordance with forest exploitation plan.

All raw materials for pellets production and combustion in heat generators comes on pellets manufacture site as wastes (wood industry residues) from timber sawing plant and wood-working plant that produce main product of the plant – details of construction from timber.

In the reported period raw material for pellets production and combustion in heat generator was divided into the following groups:

- 31% Controlled feedstock (FSC controlled wood) - 1 supplier from June 2015;

- 69% SBP-compliant secondary feedstock (FSC-100%-claimed)- supplies from the own leases base.

All material for pellets production and combustion in heat generators can be classified as the secondary feedstock.

The main forest forming species (according to our purchase investigation) are:

- 81% Pinus Sylvestris,

- 9% Larix Sibirica,

- < 1% Pinus Sibirica,

- < 5% Picea Obovata,

- < 5% Abies Sibirica.

Production capacity of wood pellets is 100 000 ton per year.

«DOK «Enisey», LTD takes 4-5 place in the region in terms of the leased area and timber production. In terms of processing logs «DOK «Enisey», LTD refers to the enterprises of the above average class. In terms of pellet production «DOK «Enisey», LTD has become the first in the region and is still among the leaders.

5.3 Detailed description of Supply Base

Total Supply Base area (ha):	9 802 829 ha
Tenure by type (ha):	100% state owned
Forest by type (ha):	100% boreal
Forest by management type (ha):	100% natural
Certified forest by scheme (ha):	315 763 ha FSC-certified forest

Quantitative description of the Supply Base can be found in the Biomass Producer's Supply Base Report available at http://www.dok-enisey.ru/ru/certificate.html, specifically here: https://yadi.sk/d/xytc3t5-38iUNu

5.4 Chain of Custody system

The BP holds valid FSC Chain of Custody and FSC Controlled wood certificate http://info.fsc.org/details.php?id=a024000000EP14tAAD&type=certificate&return=certificate.phpcovering primary (sawmilling and woodworking) and secondary (pellet production) processing.

Annual audit 2019: BP implements FSC credit system for pellet production, maintaining the relevant credit accounts. Conversion factors are established and regularly revised. In case of the FSC and/ or SBP sales the volume of sold pellets are withdrawn from the credit account. Non-certified part of the feedstock is verified according to the BP's own Controlled wood verification system. Relevant suppliers list is maintained, suppliers harvest timber within Krasnoyarskiy krai. Non-certified and non-controlled feedstock is not accepted.

Scope change audit June 2020: Since March 2020 BP implements FSC transfer system of claims for pellet production. Only FSC 100% secondary feedstock is used by the pellet plant – sawdust and wood shavings for pellet production, and mixture of wood chips and barks as biofuel for dryer). Non-certified secondary feedstock generated by Organisation's sawmilling and woodworking facilities is not used by pellet plant, including dryer. It is used in boiler house, which is not related to pellet production.

6 Evaluation process

6.1 Timing of evaluation activities

Onsite audit was conducted on October 07, 2019 (7.5 h). Audit activities included documents review at office, inspection of production facilities and staff interviews.

Scope change audit conducted desk-based on June 18, 2020 (4 hours). Audit activities included documents review and phone interview with FSC/SBP responsible.

Activity	Location	Date/time
Opening meeting onsite	Office	07/10/2019 08.00-08.15
Documents and procedures review (feedstock inputs, SBR, CoC control system and critical points, compliance with legal requirements, H&S), energy use data. Staff interview.	Office	07/10/2019 08.15-13.00
Break		07/10/2019 13/00-13/30
Documents and procedures review. Inputs review, energy use calculations review	Office	07/10/2019 13:30-14.30
Chain of custody review (site tour); staff interview	Pellet production site	07/10/2019 14.30-15.30
Internal team meeting	Office	07/10/2019 15.30-15.45
Closing meeting	Office	07/10/2019 15.45-16.00
End of the evaluation		07/10/2019

		16.00
Opening meeting; documents review and FSC/SBP responsible phone interview; closing meeting	Desk-based	18/06/2020 10.00-14.00

6.2 Description of evaluation activities

Composition of audit team:

Auditor(s), roles	Qualifications
Nikolai Tochilov	Role: Audit team leader Qualification: 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.
Mikhail Rai	Role: Auditor in training Qualification: NEPCon FSC COC lead auditor. He has successfully passed SBP auditor training course in September 2019 in Germany. No previous experience of SBP auditing.

Composition of audit team at scope change audit:

Auditor(s), roles	Qualifications
Nikolai Tochilov	Role: Audit team leader Qualification: 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 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.

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, SBP Profiling data and Supply Base Report and FSC system description was provided by the company at the beginning of the audit. Audit started with an opening meeting attended by the SBP responsible person and the management of the organization.

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

After that auditors 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 and controlled biomass. During the process overall responsible person for SBP system and other staff were interviewed.

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

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 and SBP responsible person.

Scope change audit was conducted desk-based, and included documents review and phone interview with FSC/SBP responsible. Scope change audit was focused on communication of Dynamic Batch Sustainability Data, verification of critical control points in FSC transfer system, verification of new SDIs added by BP to SAR.

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 and scope change audit.

7 Results

7.1 Main strengths and weaknesses

Strength: Use of the FSC transfer system. Effective recordkeeping system. Clearly designated responsibilities within the staff members. Non-certified secondary feedstock is not used in pellet production, neither in dryer as biofuel.

Weaknesses: no weaknesses identified during and scope change audit.

7.2 Rigour of Supply Base Evaluation

Not applicable.

7.3 Collection and Communication of Data

The following energy sources are used by BP: electricity for pellet production; diesel for feedstock delivery, handling and shipping; diesel and electricity for biomass transportation to customer. Diesel consumption value by loaders is based on actual refuelling data obtained in accountancy. Electricity consumption value is based on actual data taken from electric meters installed at pellet production. For biomass transportation by truck and railway BP expects that customer will be using reference consumption values from ID 5B.

7.4 Competency of involved personnel

Overall, BP staff showed good understanding of knowledge of all applicable SBP requirements. The following key staff members are involved to SBP certification are: SBP certification responsible, chief accountant, chief power engineer, pellet production chief, pellet production operators, chief of sales department, H&S engineer. Prior to SBP audit, staff involved to SBP certification passed the regular training conducted by SBP responsible.

7.5 Stakeholder feedback

Not applicable.

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.*

No non-conformities identified during and scope change audit. No open non-conformities from previous audit.

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:	18/Jun/2020
Other comments:	*Click or tap here to enter text.*