



NEPCon Evaluation of Lesosibirskiy LDK №1 Compliance with the SBP Framework: Public Summary Report

Second Surveillance 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

Document history

Version 1.0: published 26 March 2015

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Table of Contents

| | |
|-----------|--|
| 1 | Overview |
| 2 | Scope of the evaluation and SBP certificate |
| 3 | Specific objective |
| 4 | SBP Standards utilised |
| 4.1 | SBP-endorsed Regional Risk Assessment |
| 5 | Description of Company, Supply Base and Forest Management |
| 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 |
| 6 | Evaluation process |
| 6.1 | Timing of evaluation activities |
| 6.2 | Description of evaluation activities |
| 6.3 | Process for consultation with stakeholders |
| 7 | Results |
| 7.1 | Main strengths and weaknesses |
| 7.2 | Rigour of Supply Base Evaluation |
| 7.3 | Collection and Communication of Data |
| 7.4 | Competency of involved personnel |
| 7.5 | Stakeholder feedback |
| 7.6 | Preconditions |
| 8 | Review of Company's Risk Assessments |
| 9 | Review of Company's mitigation measures |
| 10 | Non-conformities and observations |
| 11 | Certification decision |

1 Overview

CB Name and contact: NEPCon OÜ, Filosoofi 31, 50108 Tartu, Estonia

Primary contact for SBP: Ondrej Tarabus ot@nepcon.org, +34 605 638 383

Current report completion date: 16/Nov/2020

Report authors: Nikolai Tochilov, Natalia Burova

Name of the Company: Lesosibirskiy LDK №1. Address: 16E, Belinskogo street, Lesosibirsk, Krasnoyarskiy kray 662543 Russian Federation

Company contact for SBP: Natalya Bulgakova, Leading certification specialist. Tel.: +73914561791, e-mail: Bulgakova_NS@segezha-group.com

Certified Supply Base: not applicable for trader

SBP Certificate Code: SBP-07-09

Date of certificate issue: 27/Dec/2018

Date of certificate expiry: 26/Dec/2023

This report relates to the Second Surveillance Audit

2 Scope of the evaluation and SBP certificate

Certificate scope: Trading of wood pellets for use in energy production, including transport from Biomass Producers in Russia to different end points all over the world. The certificate scope does not include Supply Base Evaluation.

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.

4 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)

4.1 SBP-endorsed Regional Risk Assessment

Not applicable.

5 Description of Company, Supply Base and Forest Management

5.1 Description of Company

The Organization is the lumber producer located in Lesosibirsk, Russia. However within the frame of SBP certification the Organization acts as a trader with physical possession of the material. Pellets are purchased from the Biomass Producer (FCA factory gate) and delivered by railway to Lesosibirsk railway station. At this stage, customer takes possession on certified biomass (FCA Lesosibirsk railway station). Potentially, biomass may be delivered by Organisation to customer to any end point all over the world, and this option is considered in description of the SBP certificate scope above.

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 implements the FSC transfer system with biomass (wood pellets) trading in the scope of the certificate <https://info.fsc.org/details.php?id=a023300000XAln2AAH&type=certificate>. The process covers trade with biomass with physical possession. See more explanations in 5.1 above.

6 Evaluation process

6.1 Timing of evaluation activities

Onsite audit was conducted during the week October 05-10, 2020 (totally app. 6 h). Evaluation activities included documents review at office and staff interviews.

| Activity | Location | Date/time |
|--|----------|---------------------------|
| Opening meeting | Office | 05/10/2020 10.00-10.30 |
| Documents and procedures review (FSC CoC control system and critical points), staff interview | Office | 05/10/2020 14.00-16.00 |
| Documents and procedures review (SBP Procedure), staff interview. Energy use data review. Radix. | Office | 08/10/2020 14.00-17.00 |
| Closing meeting | Office | 10/10/2019 13.00-13.30 |

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 50 SBP assessments and annual audits in Russia, Belarus, Portugal, Netherlands, Belgium, Germany, Latvia, Lithuania and Vietnam. |
| Natalia Burova, trainee auditor | NEPCon FSC CoC lead auditor. She has successfully passed online SBP auditor training organised by SBP in August 2020. No previous experience in SBP auditing. |

The evaluation visit was focused on management system evaluation: division of the responsibilities, document and system, inputs and outputs classification and registration, analysis of the existing FSC system and FSC system control points, as well as GHG data availability.

Description of the audit evaluation:

The SBP audit was joint with FSC CoC audit of the Organisation. The scope of FSC CoC audit covered also sawmilling, and this audit was conducted in 6 days, therefore SBP audit was split in time and took several hours during these days.

All SBP related documentation connected to the SBP as well as FSC CoC system of the organisation, including SBP Procedure, SREG and GHG data calculations and FSC system description was provided by the company in the beginning of the audit. Audit started with an opening meeting attended by the Organisation's senior management and staff.

Audit team leader introduced audit team, provided information about audit plan, methodology, auditors' qualifications, confidentiality issues, and eva methodology and clarified certification scope. During the opening meeting the auditor explained CB's accreditation related issues.

The next days audit team made review of documented FSC CoC control system and critical control points, SBP documented procedure and responsible staff interviews. Furthermore, audit team went through all applicable requirements of the SBP standards nr. 4, 5 and applicable requirements of instruction document 5E. During the process, overall responsible person for SBP system and other staff were interviewed.

Pellets are purchased from the Biomass Producer (FCA factory gate) and delivered by railway to Lesosibirsk railway station. At this stage, customer takes possession on certified biomass (FCA Lesosibirsk railway station). Therefore, there are no any storages which could be visited during the audit. Physical possession occurs only during biomass transportation from pellet plant to Lesosibirsk railway station.

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.

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6.3 Process for consultation with stakeholders

No stakeholder consultations conducted prior to, during and after this annual audit.

7 Results

7.1 Main strengths and weaknesses

Strengths: Use of the FSC transfer system. Effective recordkeeping system. Clearly designated responsibilities within the staff members.

Weaknesses: no weaknesses identified during this audit.

7.2 Rigour of Supply Base Evaluation

Not applicable for trader.

7.3 Collection and Communication of Data

In the reporting period Organisation supplied the purchased biomass to customer, and the only energy use data was related to biomass transportation by railway (diesel) from biomass producer to Lesosibirsk railway station. The transportation distance was reported by Organisation in SREG documents and confirmed to NEPCoN audit team during the current annual audit. No other energy sources used by Organisation during biomass transportation. Storage and handling are not applicable.

7.4 Competency of involved personnel

Mainly, Certification manager is the key person in maintaining SBP certification of the Organisation. Her main responsibility is development, implementation, maintenance, monitoring and modification of the management system both for SBP and FSC CoC; preparation of SREG documents for new delivery routes; resolution of the comments and/or complaints on SBP certification (when applicable). She is supported by economist who registers the amount of shipped biomass, registers the information related to outcoming biomass in Radix, performs outcoming invoices and transport documents. During this audit, SBP responsible staff demonstrated appropriate qualifications. Organisation is continuously supported by external consultant Tatiana Savelyeva (Biomass Consult).

7.5 Stakeholder feedback

No stakeholder consultations conducted prior, during and after this annual audit.

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 open NCRs based on results of this audit.

No NCRs raised during the 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): | Olesja Puišo |
| Date of decision: | 16/Nov/2020 |
| Other comments: | <i>Click or tap here to enter text.</i> |