



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

First 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](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*

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# 1 Overview

|                                 |  |
|---------------------------------|--|
| CB Name and contact:            | Control Union Certifications; Meeuwenlaan 4-6; P.O.Box 161, 8000AD Zwolle, Netherlands |
| Primary contact for SBP:        | Andrea Ferrazzo; aferrazzo@controlunion.com; Tel: +310384260100                        |
| Current report completion date: | 05/Jan/2021  |
| Report authors:                 | Bernd Slesazeck – lead auditor   |
| Name of the Company:            | Krasnoyarskiy Centr Stroitelstva LLC   |
| Company contact for SBP:        | Alexander Tarasov; manager of certification; tarasov@terrasib.ru, +79500874649         |
| 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 First Surveillance Audit

## 2 Scope of the evaluation and SBP certificate

Scope description:

- Production of wood pellets, for use in energy production, at Krasnoyarskiy Centr Stroitelstva LLC and transportation to Saint Petersburg harbour (Russia).
- The certificate scope covers the production site and office in Ust-Ilimsk, Irkutsk region, Russia.
- The scope covers SBP standards 2, 4 and 5.
- Input: SBP-Compliant Secondary Feedstock (100% FSC certified)
- Sales with SBP claim
- 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)

The scope of the certificate does not include Supply Base Evaluation.

### 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 purchases mostly pine (*Pinus sylvestris*) and larch (*Larix sibirica*).

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): 715,813 ha  
Forest by type (ha): boreal forests  
Forest by management type (ha): managed natural forests  
Certified forest by scheme (ha): 715,813 ha FSC

## 5.4 Chain of Custody system

The BP is holding valid FSC Chain of Custody ([info.fsc.org](http://info.fsc.org)).

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

| Activity                                  | Site   | Date / Time                    |
|---|--------|--------------------------------|
| Preparing audit plan                      | Remote | 22 <sup>nd</sup> December 2020 |
| Preparing document review                 | Remote | 23-24 December 2022            |
|   |        | 28 <sup>th</sup> December 2020 |
| Opening meeting                           | Remote | - 8:00 CET                     |
| Review documents, samples, registrations, | Remote | - 9:00 CET                     |
|   |        | 29 <sup>th</sup> December 2020 |
| Interview key-responsible people          | Remote | - 8:00 CET                     |
| Final discussion and Closing meeting      | Remote | - 12:00 CET                    |

*During the remote audit information could be shared by email and by sharing screens in video-calls. Video calls were also used for interviews of key-responsible people.*

### 6.2 Description of evaluation activities

The audit consist of an opening meeting, during which the scope was confirmed. The auditor has introduced the team which consist of lead auditor (Bernd Slesazeck) and the local expert and translator (Tatiana Kolosovskaia). After this introduction, all relevant requirements of the applicable SBP standard(s) were verified on compliance. All relevant documentation related to pellet production was verified on site together with interviewing key BP staff having SBP tasks delegated. Remote audit techniques used include photo evidence of the production and storage facilities. Video calls were used to interview key-responsible staff and the screen was shared to review supporting documents and information. Findings were documented on audit checklists. The audit was completed by filling in the audit report and discussing the audit results.

Interviewed staff and their responsibilities

Alexander Tarasov      SBP manager

Igor Panov              Quality manager / Foremen pellet mill

### 6.3 Process for consultation with stakeholders

Not applicable

# 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

As KCS LCC only sources FSC-certified materials (FSC 100%) of the total input volume they will deliver SBP compliant biomass thus no SBE is needed in order to increase the amount of SBP compliant biomass at this moment in time.

## 7.3 Collection and Communication of Data

Company is able to provide all necessary data for GHG calculations and emissions as well as is able to collect such information from it's suppliers which was verified during audit onsite.

## 7.4 Competency of involved personnel

All personnel that is involved with SBP have received appropriate training whereby all relevant procedures and requirements have been covered. All training and instructions are based on the procedures as identified in company manuals, and training is provided by internal resources and recorded accordingly. Key personnel showed good knowledge of SBP requirements.

## 7.5 Stakeholder feedback

No stakeholder feedback has been received.

## 7.6 Preconditions

NC against SBP STD 5. indicator 5.1 All data submissions must be supported by appropriate evidence. NC: "Supporting documents could not be shown during the audit."

## 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

No SBE is carried out only FSC certified inputs.

# 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.

| NC number <i>Enter number</i>  | NC Grading: Major   |
|--|---|
| <b>Standard &amp; Requirement:</b>   | SBP standard 5 requirement 5.1<br><br>All data submissions must be supported by appropriate evidence. |
| <b>Description of Non-conformance and Related Evidence:</b>  |   |
| Actual documents that were needed to verify information provided by the Certificate holder in SAR are not available during the audit. (note: Overviews are available. Templates are also available). |   |
| <b>Timeline for Conformance:</b>   | 3 months from the report finalisation   |
| <b>Evidence Provided by Company to close NC:</b>   |   |
| <b>Findings for Evaluation of Evidence:</b>  | <i>Click or tap here to enter findings for evaluation of evidence by the auditor.</i>                 |
| <b>NC Status:</b>  | Open  |

## 11 Certification decision

Based on the auditor's recommendation and the Certification Body's quality review, the following certification decision is taken:

|  |  |
|--|--|
| <b>Certification decision:</b>                         | Certification not approved   |
| <b>Certification decision by (name of the person):</b> | Hubert Jurczyszyn  |
| <b>Date of decision:</b>                               | 29/Mar/2021  |
| <b>Other comments:</b>                                 | Due to the fact that non- conformity was not closed on time CUC has no other way then suspend this SBP certificate |