



NEPCon Evaluation of Research and Production Enterprise “ECOFUEL” LLC 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

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1 Overview

CB Name and contact:	NEPCon OÜ, Filosoofi 31, 50108 Tartu, Estonia
Primary contact for SBP:	Ondrej Tarabus otarabus@preferredbynature.org, +34 605 638 383
Current report completion date:	23/Feb/2021
Report authors:	Nikolai Tochilov
Name of the Company:	Research and Production Enterprise “ECOFUEL” LLC. Legal and mailing address: Russia 236010, Kaliningrad, Kashtanovaya alleya street 1a, liter C, office 37. Production site address: Russia 236010, Kaliningrad, Pravaya naberezhnaya street, 25 bld. 2
Company contact for SBP:	Alexander Derznovenko, Director General, Tel: +7 926 204 55 44, Email: derznovenko@gmail.com
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 Second 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 and assessment of compliance with ID 5E ver. 1.3.

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 Organisation was founded in 2018. The pellet production line has initially been commissioned in April 2019. In 2020, after moving to another production site and heavy reconstruction, the pellet plant has been commissioned again in mid October, 2020, with production capacity of app. 21600 tones biomass/year.

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, or metal parts are found, they are to be segregated from pellet production.

The feedstock is delivered to pellet plant by trucks; the produced biomass may be delivered to customer by sea transport, or by trucks on different Incoterms delivery conditions.

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).

The Supply Base Report is available at company’s website <http://ecofuelkld.ru/> - specifically following the link <http://ecofuelkld.ru/%D0%B8%D0%BD%D1%84%D0%BE%D1%80%D0%BC%D0%B0%D1%86%D0%B8%D1%8F/>.

5.4 Chain of Custody system

The BP holds FSC CoC certificate

<https://info.fsc.org/details.php?id=a02f300000gKf3nAAC&type=certificate>. The BP 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 BP. All biomass may be sold with FSC Recycled 100% claim (transfer system of FSC claims). Until now, there were no FSC-certified sales.

6 Evaluation process

6.1 Timing of evaluation activities

Onsite audit was conducted on December 25-26, 2020 (app. 10 h). Audit activities included documents review at office, inspection of production facilities and staff interviews.

Activity	Location	Date/time
Opening meeting	Office in Kaliningrad	25/12/2020 09.30-09.45
Documents and procedures review (feedstock inputs, SBR, CoC control system and critical points, compliance with legal requirements, H&S), staff interview.	Office in Kaliningrad	25/12/2020 10.45-13.00
Documents and procedures review (SAR and energy use primary data); staff interview	Office in Kaliningrad	25/12/2020 14.00-16.15
Chain of custody review (site tour); staff interview	Pellet production in Kaliningrad	25/12/2020 16.15-17.00
Onsite inspection of intermediate storage 'Rosban', where the feedstock is sorted and chipped	Intermediate storage 'Rosban' in Kaliningrad	26/12/2020 11.00-11.45
SAR and energy use primary data review; staff interview	Office in Kaliningrad	26/12/2020 12.15-14.00
Closing meeting	Office	26/12/2020 14.00-14.15

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, Portugal, Germany, Netherlands, Belgium, Latvia, Belarus and Vietnam.

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 at the beginning of the audit, which started with an opening meeting attended by the representatives from Organisation’s management and staff.

During the opening meeting, audit team leader 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 accreditation related issues.

After that auditor went through all applicable requirements of the SBP standards nr. 2, 4, 5 and instruction document 5E covering input clarification, existing chain of custody system implementation was reviewed focusing in the Critical Control Points, in particular it was verified reception of the material and it’s classification, identification of feedstock origin, production process with the conversion factors associated, mass balance, final product storage and sales, emission and energy data and categorisation of input and verification of SBP-compliant biomass. During the process, overall responsible person for SBP system and other staff were interviewed.

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.

In addition, the intermediate storage site ‘Rosban’ in Kaliningrad was inspected by auditor.

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 consultations conducted with stakeholders prior to, during or after this annual audit.

7 Results

7.1 Main strengths and weaknesses

Strengths: use of the FSC transfer system; only post-consumer recycled material (SBP-compliant tertiary feedstock) is sourced; other feedstock is not accepted. Effective recordkeeping system. Small number of the management staff and clearly designated responsibilities within the staff members.

Weaknesses: none.

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, preparation (chopping) and handling; diesel for biomass handling and transportation to customer; biofuel for drying the feedstock. Energy use values are based on actual consumption records maintained by BP in the reporting period.

It should be stressed that because of movement of the pellet production to another site, and its heavy reconstruction in 2020, BP has actual energy use data only for one month - November 2020. These data are reported in SAR.

7.4 Competency of involved personnel

Overall, BP staff showed very good understanding of all applicable SBP requirements. Generally, very few staff members are involved into SBP certification: SBP/FSC responsible person (SBP and FSC CoC procedures and systems development, update and monitoring; SAR; SBR; comments/complaints resolution); leading accountant (registration of the inputs and outputs volumes; registration of electricity and diesel consumption; performance of transport and sales documents; DTS); H&S specialist (H&S); chief of logistics department (determination of biomass transportation distances; production of wood chips from post-consumer recycled material). BP is furthermore permanently supported by independent consultant Tatiana Savelyeva (Biomass Consult).

7.5 Stakeholder feedback

No consultations conducted with stakeholders prior to, during or 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

No non-conformities raised during this audit. There are no open NCRs since the previous audit.

Observations:

NC number 01/21	NC Grading: Observation
Standard & Requirement:	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.
Description of Non-conformance and Related Evidence:	
<p>Wood chips chopped at intermediate storage by shredder are loaded to the trucks and delivered to the pellet plant. According to one testing measurement done by Organisation in November 2020, the weight of wood chips loaded to one truck is 7,03 MT (all used trucks are similar). Organisation claimed that in the new reporting period, the weight of the trucks delivering the wood chips to the pellet plant will be measured more often, but could not explain, how regular it will be done.</p>	
<p>Щепа, произведенная шредером на промежуточном складе, грузится в щеповозы и перевозится на пеллетное производство. Согласно одному контрольному замеру, сделанному Организацией в ноябре 2020 г., вес щепы, загруженной в щеповоз, составляет 7,03 тонны (все щеповозы одинаковые). Организация заявила, что в новом отчетном периоде вес щеповозов, доставляющих щепу на производство, будет замеряться чаще, но не смогла пояснить, с какой регулярностью это будет делаться.</p>	
Timeline for Conformance:	Other
Evidence Provided by Company to close NC:	-
Findings for Evaluation of Evidence:	-
NC Status:	Open

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):	Pilar Gorría Serrano
Date of decision:	23/Feb/2021
Other comments:	<i>Click or tap here to enter text.</i>