



NEPCon OÜ Evaluation of MLT Ltd Compliance with the SBP Framework: Public Summary Report

Re-assessment

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1 Overview

Certification Body (CB) Name:	NEPCon OÜ
Primary CB contact for SBP:	Ondrej Tarabus
Primary CB contact email:	otarabus@preferredbynature.org
Audit team leader:	Nikolai Tochilov
Audit team members:	-
Name of the Company:	MLT Ltd
Company legal address:	office 314, premises 120-H, 14A, Bolshaya Morskaya street, 191186 Saint-Petersburg, Russia
Company contact for SBP:	Elena Firsova
Company contact email:	efirsova@mltlvl.ru
Company website:	N/A
SBP Certificate Code:	SBP-01-46
Date of certificate issue:	20 Oct 2016
Date of certificate expiry:	19 Oct 2021
Audit closing meeting date:	16 Mar 2021
Audit cycle:	Re-assessment

2 Scope of the evaluation and SBP certificate

Scope Item	Check all that apply to the Certificate Scope	Change in scope (N/A for Assessments)
Primary Activity:	Biomass Producer	<input type="checkbox"/>
Approved Standards:	SBP Standard 2: Verification of SBP-compliant Feedstock; SBP Standard 4: Chain of Custody; SBP Standard 5: Collection and Communication of Data Instruction; Instruction Document 5E: Collection and Communication of Energy and Carbon Data 1.3	<input type="checkbox"/>
Includes Supply Base Evaluation (SBE):	No	<input type="checkbox"/>
Includes communication of Dynamic Batch Sustainability Data (DBSD)	Yes	<input type="checkbox"/>
Includes Group Scheme	No	<input type="checkbox"/>
Products	Pellets	<input type="checkbox"/>

Feedstock types:	Secondary	<input type="checkbox"/>
Feedstock origin (countries):	Russia	<input type="checkbox"/>
SBP-endorsed Regional Risk Assessments used:	Not applicable	<input type="checkbox"/>
Public link: https://sbp-cert.org/documents/standards-documents/risk-assessments/		<input type="checkbox"/>
Chain of custody system implemented:	FSC: NC-COC-014124	<input type="checkbox"/>
	Transfer	<input type="checkbox"/>

2.1 Description of the company

Organisation is a timber harvesting and primary and secondary wood processing company located in Tver region, Russia. Organisation runs both pellet production and laminated veneer lumber (LVL) production, which supplies secondary feedstock with FSC 100% claim to the pellet plant. Total annual production capacity of pellet plant is 40.000 tones. Produced biomass is shipped to customers by railway (bulk) or by road (big bags).

2.2 Detailed description of the Chain of Custody system

Organisation holds valid FSC CoC certificate <http://info.fsc.org/details.php?id=a0240000005sVW9AAM&type=certificate&return=certificate.php>, using FSC transfer system of claims. Incoming secondary feedstock has FSC 100% claim and is supplied from Organisation's LVL production (primary manufacturing) located at the same production site. BP implements FSC transfer system of claims and all amount of produced biomass may be sold with FSC 100% claim (SBP-compliant biomass). BP's FSC certificate scope also includes inputs of the feedstock with the FSC Controlled Wood claim, but BP does not produce wood pellets with FSC Controlled Wood claim and does not include it into SBP certificate scope. There were no supplies of the feedstock (primary and/or secondary) with FSC Controlled Wood claim in the reporting period. Organisation purchases some share of non-certified roundwood for using in LVL production, but non-certified secondary feedstock generated as wood industry residues in LVL production is never supplied to biomass production. Such feedstock is always used only as a fuel in boiler house which is not related to pellet production.

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

4 Evaluation process

4.1 Timing of evaluation activities

<i>Audit Level of Effort (LoE)</i>		
Activity	Auditors	Auditor hours
1. Preparation	Nikolai Tochilov	0,5
2. On-site (excl. travel time)	Nikolai Tochilov	10,0
3. Report writing	Nikolai Tochilov	4,0
4. Other	N/A	N/A

Audit Schedule			
Activity	Location	Auditor name	Date/time
<i>Opening meeting</i>	BP office in Torzhok	Nikolai Tochilov	15 Mar 2021/09:30
<i>Review of the Supply Base</i>	BP office in Torzhok	Nikolai Tochilov	15 Mar 2021/10:00
<i>Management and monitoring system review</i>	BP office in Torzhok	Nikolai Tochilov	15 Mar 2021/10:30
<i>Evaluation of FSC CoC critical control points</i>	BP office in Torzhok	Nikolai Tochilov	15 Mar 2021/12:00

<i>Evaluation of anticorruption policy, payment of taxes, due diligence system</i>	BP office in Torzhok	Nikolai Tochilov	15 Mar 2021/12:30
<i>Evaluation of SAR and primary data on energy use</i>	BP office in Torzhok	Nikolai Tochilov	15 Mar 2021/13:00
<i>Interview with H&S specialist</i>	BP office in Torzhok	Nikolai Tochilov	15 Mar 2021/15:00
<i>Onsite inspection of the pellet production</i>	Pellet plant in Torzhok	Nikolai Tochilov	15 Mar 2021/15:20
<i>Summing up the results of the first day</i>	BP office in Torzhok	Nikolai Tochilov	15 Mar 2021/16:50
<i>Evaluation of SAR and primary data on energy use</i>	BP office in Torzhok	Nikolai Tochilov	16 Mar 2021/08:00
<i>Closing meeting</i>	BP office in Torzhok	Nikolai Tochilov	16 Mar 2021/10:50
<i>End of stakeholder consultations process</i>	Desk	Nikolai Tochilov	20 Mar 2021/08:00

Auditor qualification

Auditor name	Role	Qualification
Nikolai Tochilov	Audit team leader	Preferred by Nature 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.
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4.2 Description of evaluation activities

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 in the beginning of the reassessment, which started with an opening meeting attended by the representatives from Organisation's management and staff.

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

After that audit team leader 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, management and monitoring system, emission and energy data and categorisation of input and verification of SBP-compliant biomass. Chain of Custody 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. 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 reassessment, 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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4.3 Sampling methodology

Staff interviews: all key staff involved in SBP certification was interviewed during the reassessment. Onsite inspection: during onsite inspection, auditor went through the whole production, starting with feedstock delivery by conveyor belt and ending with the storage of the biomass and its shipping to customers. Documents review: auditor has verified all records related to feedstock input and biomass output; moisture measurements; electricity and natural gas consumption. Special attention was paid to justification of conversion factor for pellet production, established by Organisation annually.

4.4 CB stakeholder engagement

The stakeholder consultation was carried out on February 20, 2021 by sending direct email to different stakeholder categories. No comments from the stakeholders have been received. List of informed stakeholders is the same which is used for FSC FM/COC assessments notification in Russia. This list was compiled by FSC Russia; it is available at FSC Russia homepage <https://ru.fsc.org/ru-ru> and includes such groups of stakeholders as FSC National Initiative, environmental and social NGOs, FSC-certified companies in the region, scientific and educational entities, indigenous peoples' communities (where applicable), state forestry authorities, trade unions etc.

4.5 Stakeholder feedback

No feedback received from stakeholders during the consultation period February 20 - March 20, 2021.

5 Results

5.1 Main strengths and weaknesses

Strengths: use of the FSC transfer system; only FSC 100% secondary feedstock is sourced; non-certified feedstock is not accepted. Effective recordkeeping system. Small number of the management staff and clearly designated responsibilities within the staff members.

Weaknesses: no weaknesses identified. Please also see Observation 01/21 raised during this reassessment.

5.2 Rigour of Supply Base Evaluation

Not applicable.

5.3 Collection and communication of data

All steps where energy use occurs are included in the management system. The following energy sources are used by BP: electricity for feedstock delivery and pellet production; natural gas for drying the feedstock; diesel for biomass handling, shipping and transportation to customer. Electricity and natural gas consumption values are based on actual consumption results. Diesel and feedstock consumption values are based mostly on engineering calculations.

5.4 Competency of involved personnel

Interviewed staff was well familiar with their responsibilities, during the reassessment, certification engineer has explained the role of each involved staff member in details.

Director is having overall responsibility for SBP certification and controls implementation of anti-corruption policy;

Chief technologist is responsible for compliance of the technological processes with SBP requirements;

Certification engineer is responsible for: SBP documented procedure maintenance and updates; staff training; SBP trademark use; maintaining the list of SBP-certified customers; complaints registration; SBR and SAR completion.

Chief of the pellet production is responsible for registration of production volumes and for H&S.

Foreman of the pellet production is responsible for moisture value measurements; registration of the working time of the front-end loader (if applicable, in case it delivers the feedstock to the pellet production).

Engineer of the planning and dispatching department is responsible for gathering and forwarding the information on inputs and outputs at the pellet plant.

Chief of the product storage site is responsible for performance of transport documents (in case of road transport).

Chief of the railway transport department is responsible for performance of transport documents (in case of railway transport).

Power engineer is responsible for electricity and gas consumption monitoring.

Organisation is furthermore permanently supported by external expert Tatiana Savelyeva (Biomass Consult).

6 Review of company's risk assessments

6.1 Overview of company's risk assessments and mitigation measures

Not applicable.

6.2 Specified risk indicators and mitigation measures

Country/Area	Indicator	Specified risk description	Mitigation measure
N/A	N/A	N/A	N/A

7 Non-conformities and observations

NC number NC-000095	NC Grading: Observation
Standard:	Instruction Document 5E: Collection and Communication of Energy and Carbon Data 1.3
Requirement:	6.10.2 When transport is by pipe or conveyor belt (continuous delivery) from a neighbouring location, the conveyed mass should be recorded based on either invoices or, preferably, in-line measurement devices. When BPs have a system for direct measurement of the feedstock with a batch metering system, the total recorded feedstock input for each Feedstock Group can be aggregated throughout the Reporting Period. The energy used to transfer secondary feedstock by a conveying system (such as a pipeline or conveyor belt) from a sawmill is considered to be part of normal sawmill operations and does not need to be recorded if the cost of the corresponding energy use is covered within the sawmill.
Description of Non-conformance and Related Evidence:	
Feedstock is transported to the pellet plant by conveyor belt from neighboring location (Organisations's LVL production), and no inline measurement devices installed there. BP annually implements engineering calculation to establish conversion factor and determine the amount of feedstock needed for production of wood pellets. BP is recommended to record the amount of conveyed feedstock using the in-line measurement device.	
Timeline for Conformance:	N/A
Evidence Provided by Company to close NC:	N/A
Findings for Evaluation of Evidence:	N/A
NC Status:	N/A

8 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 Gorriá
Date of decision:	19 Mar 2021
Other comments:	N/A