



Supply Base Report: Research and production enterprise "Ecofuel" LLC

Second Surveillance Audit

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Completed in accordance with the Supply Base Report Template Version 1.3

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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Contents

| | | |
|-----------|---|-----------|
| 1 | Overview | 1 |
| 2 | Description of the Supply Base | 2 |
| 2.1 | General description..... | 2 |
| 2.2 | Actions taken to promote certification amongst feedstock supplier..... | 2 |
| 2.3 | Final harvest sampling programme..... | 2 |
| 2.4 | Flow diagram of feedstock inputs showing feedstock type [optional]..... | 3 |
| 2.5 | Quantification of the Supply Base..... | 3 |
| 3 | Requirement for a Supply Base Evaluation | 4 |
| 4 | Supply Base Evaluation | 5 |
| 4.1 | Scope..... | 5 |
| 4.2 | Justification..... | 5 |
| 4.3 | Results of Risk Assessment..... | 5 |
| 4.4 | Results of Supplier Verification Programme..... | 5 |
| 4.5 | Conclusion..... | 5 |
| 5 | Supply Base Evaluation Process | 6 |
| 6 | Stakeholder Consultation | 7 |
| 6.1 | Response to stakeholder comments..... | 7 |
| 7 | Overview of Initial Assessment of Risk | 8 |
| 8 | Supplier Verification Programme | 9 |
| 8.1 | Description of the Supplier Verification Programme..... | 9 |
| 8.2 | Site visits..... | 9 |
| 8.3 | Conclusions from the Supplier Verification Programme..... | 9 |
| 9 | Mitigation Measures | 10 |
| 9.1 | Mitigation measures..... | 10 |
| 9.2 | Monitoring and outcomes..... | 10 |
| 10 | Detailed Findings for Indicators | 11 |
| 11 | Review of Report | 12 |
| 11.1 | Peer review..... | 12 |
| 11.2 | Public or additional reviews..... | 12 |
| 12 | Approval of Report | 13 |
| 13 | Updates | 14 |
| 13.1 | Significant changes in the Supply Base..... | 14 |
| 13.2 | Effectiveness of previous mitigation measures..... | 14 |
| 13.3 | New risk ratings and mitigation measures..... | 14 |

13.4 Actual figures for feedstock over the previous 12 months 14

13.5 Projected figures for feedstock over the next 12 months..... 14

1 Overview

Producer name: Research and Production Enterprise "ECOFUEL" LLC ("NPP "ECOFUEL" LLC)

Producer location: 236010, Kaliningrad, Pravaya naberezhnaya, 25 bld. 2, Russia

Geographic position: N 54,7032198 E 20,4409479

Primary contact: Alexandr Derznoenko, 236010, Kaliningrad, Kashtanovaya alleya, 1a, litter C, office 37, Russia, derznoenko@gmail.com, +79262045544

Company website: ecofuelkld.ru

Date report finalised: 24/Dec/2020

Close of last CB audit: 26/Dec/2020, Kaliningrad

Name of CB: Preferred by Nature (NEPCon)

Translations from English: Yes

SBP Standard(s) used: Standard 2 version 1.0,
Standard 4 version 1.0,
Standard 5 version 1.0

Weblink to Standard(s) used: <https://sbp-cert.org/documents>

SBP Endorsed Regional Risk Assessment: not applicable

Weblink to SBE on Company website: not applicable

| Indicate how the current evaluation fits within the cycle of Supply Base Evaluations | | | | |
|--|--------------------------|---------------------|--------------------------|--------------------------|
| Main (Initial) Evaluation | First Surveillance | Second Surveillance | Third Surveillance | Fourth Surveillance |
| <input type="checkbox"/> | <input type="checkbox"/> | X | <input type="checkbox"/> | <input type="checkbox"/> |

2 Description of the Supply Base

2.1 General description

Research and Production Enterprise "ECOFUEL" LLC is a Biomass Producer (BP) located in the city of Kaliningrad, Russia. The company was founded in 2018. The pellet production line is to be launched April 2019. In June 2020, this plant was shut down and dismantled. Instead, a new plant was launched at a different address. The new plant was launched in mid-October 2020. The production capacity of the plant has increased by about 2,5 times compared to the previous plant.

The establishment of the company NPP ECOFUEL LLC is a result of a sustainability program of the car producer Holding Autotor. NPP ECOFUEL LLC has an exclusive, long-term contract for wood waste utilization with Holding Autotor. NPP ECOFUEL LLC will only be using feedstock of the Holding Autotor.

NPP ECOFUEL LLC holds a FSC CoC certificate for FSC Recycled material.

NPP ECOFUEL LLC accumulates substantial volumes of post-consumer recycled material for the production of SBP-compliant biomass (see Table 1). The feedstock consists of pallets and wooden boxes made of low-value tree species.

The pallets and wooden boxes are specially made for the car parts Autotor procures. 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 are found, they are to be segregated from pellet production.

Feedstock used in pellet production

Table 1

| <i>SBP Product group</i> | <i>Share in the incoming feedstock during reporting period</i> | <i>Number of suppliers</i> | <i>Tree species</i> |
|--|--|----------------------------|---------------------|
| <i>Controlled feedstock</i> | <i>0%</i> | | |
| <i>SBP-compliant primary feedstock</i> | <i>0%</i> | | |
| <i>SBP-compliant secondary feedstock</i> | <i>0%</i> | | |
| <i>SBP-compliant tertiary feedstock</i> | <i>100%</i> | <i>1</i> | <i>Mixed wood</i> |
| <i>Non-SBP feedstock</i> | <i>0%</i> | | |

2.2 Actions taken to promote certification amongst feedstock supplier

The supplier of feedstock Holding Autotor is not a company in the forest sector and does not plan to obtain an FSC certificate.

2.3 Final harvest sampling programme

N/A, only post-consumer recycled material is used.

2.4 Flow diagram of feedstock inputs showing feedstock type [optional]

| | | |
|--|----------------------------------|---|
| One feedstock Supplier: <i> Holding JSC "Autotor"</i> | ➔ | <i>BP: Research and Production Enterprise "ECOFUEL" LLC</i> |
| Sustainability program on disposable packaging materials | 100% post-consumer recycled wood | Assessment of every delivery of recycled wood |

2.5 Quantification of the Supply Base

Supply Base

- a. Total Supply Base area (ha): N/A
- b. Tenure by type (ha): N/A
- c. Forest by type (ha): N/A
- d. Forest by management type (ha): N/A
- e. Certified forest by scheme (ha): N/A

Feedstock

- f. Total volume of Feedstock: 925,85 tons;
- g. Volume of primary feedstock: N/A;
- h. List percentage of primary feedstock (g), by the following categories. Subdivide by SBP-approved Forest Management Schemes:
 - Certified to an SBP-approved Forest Management Scheme – N/A;
 - Not certified to an SBP-approved Forest Management Scheme - N/A;
- i. List all species in primary feedstock, including scientific name - N/A;
- j. Volume of primary feedstock from primary forest - N/A;
- k. List percentage of primary feedstock from primary forest (j), by the following categories. Subdivide by SBP-approved Forest Management Schemes:
 - Primary feedstock from primary forest certified to an SBP-approved Forest Management Scheme - N/A;
 - Primary feedstock from primary forest not certified to an SBP-approved Forest Management Scheme - N/A;
- l. Volume of secondary feedstock: specify origin and type - N/A;
- m. Volume of tertiary feedstock: 925,85 tons (post-consumer wood).

3 Requirement for a Supply Base Evaluation

| SBE completed | SBE not completed |
|--------------------------|-------------------|
| <input type="checkbox"/> | X |

Only post-consumer tertiary feedstock is used for SBP-compliant biomass production, SBE is not applicable.

4 Supply Base Evaluation

4.1 Scope

Not applicable.

4.2 Justification

Not applicable.

4.3 Results of Risk Assessment

Not applicable.

4.4 Results of Supplier Verification Programme

Not applicable.

4.5 Conclusion

Not applicable.

5 Supply Base Evaluation Process

Not applicable.

6 Stakeholder Consultation

Not applicable.

6.1 Response to stakeholder comments

Not applicable.

7 Overview of Initial Assessment of Risk

Not applicable.

8 Supplier Verification Programme

8.1 Description of the Supplier Verification Programme

Not applicable.

8.2 Site visits

Not applicable.

8.3 Conclusions from the Supplier Verification Programme

Not applicable.

9 Mitigation Measures

9.1 Mitigation measures

Not applicable.

9.2 Monitoring and outcomes

Not applicable.

10 Detailed Findings for Indicators

Not applicable.

11 Review of Report



11.1 Peer review

No peer review conducted this year.

11.2 Public or additional reviews

The Resource Base report is available on the company's website and on the SBP website. All interested parties can send their comments to the General Director Alexandr Derznovenko at derznovenko@gmail.com.

12 Approval of Report

| Approval of Supply Base Report by senior management | | | |
|--|---|-------------------------|-------------------|
| Report Prepared by: | <i>Alexandr Derznoenko</i>  | <i>General director</i> | <i>24/12/2020</i> |
| | Name | Title | Date |
| The undersigned persons confirm that I/we are members of the organisation's senior management and do hereby affirm that the contents of this evaluation report were duly acknowledged by senior management as being accurate prior to approval and finalisation of the report. | | | |
| Report approved by: | <i>Alexandr Derznoenko</i>  | <i>General director</i> | <i>24/12/2020</i> |
| | Name | Title | Date |

13 Updates

13.1 Significant changes in the Supply Base

There were no significant changes in the supply base. The changes that have taken place concern the location and capacity of the plant: the address of the plant has changed and the capacity has increased approximately by 2,5 times compared to the old plant.

13.2 Effectiveness of previous mitigation measures

Not applicable.

13.3 New risk ratings and mitigation measures

Not applicable.

13.4 Actual figures for feedstock over the previous 12 months

925,85 tons of tertiary feedstock (post consumer wood material) - during a reporting period that is equal to 1 month after the launch of a new production.

13.5 Projected figures for feedstock over the next 12 months

20 000 tons of tertiary feedstock.