



Forest Certification LLC Evaluation of Kraslesinvest JSC Compliance with the SBP Framework: Public Summary Report

Main (Initial) Audit

www.sbp-cert.org



The promise of good biomass



Table of Contents

- 1 Overview**
- 2 Scope of the evaluation and SBP certificate**
 - 2.1 Description of the company
 - 2.2 Detailed description of the Chain of Custody system
- 3 Specific objective**
- 4 Evaluation process**
 - 4.1 Timing of evaluation activities
 - 4.2 Description of evaluation activities
 - 4.3 Sampling methodology
 - 4.4 CB stakeholder engagement
 - 4.5 Stakeholder feedback
- 5 Results**
 - 5.1 Main strengths and weaknesses
 - 5.2 Rigour of Supply Base Evaluation
 - 5.3 Collection and communication of data
 - 5.4 Competency of involved personnel
- 6 Review of company's risk assessments**
 - 6.1 Overview of company's risk assessments and mitigation measures
 - 6.2 Specified risk indicators and mitigation measures
- 7 Non-conformities and observations**
- 8 Certification decision**

1 Overview

Certification Body (CB) Name:	Forest Certification LLC
Primary CB contact for SBP:	Aleksei Savulidi
Primary CB contact email:	alexey.savulidi@fcert.ru
Audit team leader:	Nikolai Stashkevich
Audit team members:	Nikolai Stashkevich
Name of the Company:	Kraslesinvest JSC
Company legal address:	Molokova str., 37 «a», office 3-20, 660135 Krasnojarsk region, Krasnojarsk, Russia
Company contact for SBP:	Aleksei Savulidi
Company contact email:	alexey.savulidi@fcert.ru
Company website:	N/A
SBP Certificate Code:	SBP-09-09
Date of certificate issue:	20/May/2021
Date of certificate expiry:	19/May/2026
Audit closing meeting date:	26/Mar/2021
Audit cycle:	Main (Initial) Audit

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 1.4	<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:	PEFC: FC-PEFC-0098	<input type="checkbox"/>
	Transfer	<input type="checkbox"/>

2.1 Description of the company

Kraslesinvest JSC is implementing a priority investment project in the field of forest development "Boguchany. Timber industry complex. Sawmill" within the framework of the state program "Comprehensive development of the Lower Angara region". The enterprise is located on the left bank of the Angara River, 16 km from the village of Boguchany, 563 km from Krasnoyarsk. The central office of Kraslesinvest JSC is located in Krasnoyarsk. The production site (sawmill) is located at the address: Krasnoyarsk Territory, Boguchansky District, 23 km. highway Boguchany-Manzya, 3 km. east of the village of Yarki. The company has a number of separate divisions in Krasnoyarsk and St. Petersburg. The main activity of Kraslesinvest JSC is logging. Additional activities of the company also include: wholesale of timber, production of wooden building structures, including prefabricated wooden buildings, sawing and planing of wood, pellet production. The pellet plant was launched in October 2019. The plant uses SBP-compliant secondary feedstock (sawdust and wood chips) for biomass production and PEFC-certified chips and bark for heat generation. All feedstock and wood fuel are the residues from own sawmill. The Supply Base of Kraslesinvest JSC is own PEFC-certified leased concession in Krasnojarsk region (5 FMUs, certificate FC-PEFC-0096). Company also has valid PEFC COC certificate: FC-PEFC-0098. Kraslesinvest JSC also buys non-certified raw material for sawmilling from 1 supplier, but its processing and storage physically segregated from PEFC-certified. Single PEFC category - 100% PEFC certified - is allowed. The company uses a physical separation method (separation of certified and non-certified raw materials is provided).

2.2 Detailed description of the Chain of Custody system

BP holds valid PEFC CoC certificate <https://www.pefc.org/find-certified/company/1271597> covering the pellet production. Only secondary 100% PEFC certified feedstock (wood chips and sawdust) is used for pellet production and physical separation method is implemented. BP ensures that for the production of certified pellets only certified wood residues from own sawmill are used; non-certified residues are not used for pellet production – these requirements are regulated in the SBP Manual. The feedstock goes by front loader from

the pockets of the sawmill and heaps to the pellet production. Internal PEFC chain of custody certification guide clearly regulates the need for constant separation of materials in order to avoid the ingress of feedstock of other certifications and non-certified feedstock for the production of PEFC product groups (these requirements are relevant for the production of sawn timber, but will also apply to pellets, in the event of a possible decision to use uncertified feedstock for their production). This request is known to the interviewed employees. Key specialists are aware of the need for separate storage of certified and non-certified raw materials and products, separate accounting for these categories of materials. At this moment, the organization has determined that Kraslesinvest JSC uses not only PEFC certified feedstock, but also certified wood fuel - bark and chips with a 100% PEFC Certified claim - in the boiler house in the process of drying feedstock for the production of SBP-certified biomass.

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 PEFC system control points, analysis of the existing PEFC CoC system;
- Interviews with responsible staff;
- Review of the records, calculations and conversion coefficients;
- GHG data collection analysis;
- Assess compliance against Instruction Document 5E: Collection and Communication of Energy and Carbon Data (Version 1.4 March 2021).

4 Evaluation process

4.1 Timing of evaluation activities

Audit Level of Effort (LoE)		
Activity	Auditors	Auditor hours
1. Preparation	Nikolai Stashkevich	4,0
2. On-site (excl. travel time)	Nikolai Stashkevich	16,0
3. Report writing	Nikolai Stashkevich	24,0
4. Other	N/A	N/A

Audit Schedule			
Activity	Location	Auditor name	Date/time
<i>Opening meeting</i>	Office	Nikolai Stashkevich	25 Mar 2021/08:00
<i>Interviews with management and leading specialists of the enterprise.</i>	Office, production site	Nikolai Stashkevich	25 Mar 2021/08:30
<i>Analysis of the resource base report.</i>	Office	Nikolai Stashkevich	25 Mar 2021/09:30

<i>Analysis of the internal documentation of the enterprise developed as part of the SBP certification.</i>	Office, production site	Nikolai Stashkevich	25 Mar 2021/10:00
<i>Visit to the production site of the enterprise, places of acceptance, storage, processing of incoming raw materials and manufactured products.</i>	Production site	Nikolai Stashkevich	25 Mar 2021/13:00
<i>Validation of an SBP enterprise supply chain system.</i>	Office, production site	Nikolai Stashkevich	25 Mar 2021/15:00
<i>Interviews with employees.</i>	Office, production site	Nikolai Stashkevich	25 Mar 2021/15:30
<i>Work with enterprise documentation. Fill out a checklist for applicable</i>	Office, production site	Nikolai Stashkevich	26 Mar 2021/08:00
<i>Validation of the collection of SBP data on GHG, energy, carbon and stability characteristics.</i>	Office, production site	Nikolai Stashkevich	26 Mar 2021/08:00
<i>Preparation of preliminary audit findings.</i>	Office	Nikolai Stashkevich	26 Mar 2021/16:00
<i>Closing meeting. Summing up the preliminary results of the audit.</i>	Office	Nikolai Stashkevich	26 Mar 2021/16:30

Auditor qualification		
Auditor name	Role	Qualification
Nikolai Stashkevich	audit team leader	Forest Certification SBP lead auditor. He has successfully passed SBP auditor training in Berlin on 3-4 September 2019. Auditor had more than

		100 audit-days in each of last years (2016-2020) on FSC and PEFC as a lead auditor or as an auditor (without desk-audits). SBP accreditation audit has been successfully completed.
--	--	---

4.2 Description of evaluation activities

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 PEFC system and PEFC 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 PEFC CoC system of the organisation, including SBP Manual, SAR and GHG data calculations, Supply Base Report and PEFC system description was provided by the company prior to the assessment and lead auditor had enough time to review it and get well prepared for onsite visit. Assessment started with an opening meeting attended by the representatives from Organisation's management. Auditor 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 approval 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, management system, CoC, recordkeeping/mass balance requirements, emission and energy data and categorisation of input and verification of SBP-compliant biomass. During the process, overall responsible person for SBP system - the head of the pellet production was interviewed.

After a roundtrip around BP's pellet production and Kraslesinvest's sawmill was undertaken. During the site tour, applicable records were reviewed, staff was interviewed and PEFC system critical control points were analysed.

The second day of the audit was spent on checking accounting materials, documentary evidence of the data indicated in them (including in the SAR), discussing the indicated values, keeping records with the employees responsible for accounting. In parallel with the above, checklists were filled in based on the results of the audit.

At the end of the assessment findings were summarised and assessment were provided to the management and SBP responsible person.

4.3 Sampling methodology

During the office and field assessment (checking the production of pellets and feedstock sources), the primary accounting documents (production logs), data accounting in the excel forms (on the volume and moisture content of feedstock, pellets, on the consumption of diesel, electricity, biofuel) were checked), 1C accounting. The OHAS materials were evaluated. Employees were interviewed, whose responsibility is registered in the SBP Manual. The supply chain was passed, starting from visiting sawmill producing the feedstock (chips and sawdust), pockets and heaps of feedstock near the sawmill, as well as heaps near the pellet production. The pellet plant was checked, starting from the input of feedstock in production, the entire production process was traced to the release and storage of finished products (pellets in big bags). According to the comments of SBP responsible person, pellets can be stored in big bags and containers at the railway siding in Karabula village. The railway siding was visited during the main audit - no pellets are currently stored there. Questions were asked on the collection of data on energy consumption, on accounting, on the control of critical control points, on the requirements of the applicable SBP standards and the internal procedures developed on their basis. As part of the sample of records, all excel-accounting forms were considered, data from which were taken for the SAR. Sampling of personnel according to the survey - all employees involved in the management of the chain were interviewed, whose responsibility is enshrined in the SBP Manual of the company. The selection of objects to be visited, personnel to be interviewed and documents to be checked is due to the methodology regulated in FC-SBP-PRC-BP-4.2 v.1.4 Certification assessment according to the SBP system.

4.4 CB stakeholder engagement

26/02/2021 the information letter (e-mail) was sent to the stakeholders. More than 10 stakeholders was informed about the assessment. List of informed stakeholders includes such groups of stakeholders as FSC National Initiative, environmental and social NGOs, PEFC-certified companies in the region, scientific and educational entities, state forestry authorities, trade unions etc. 2 responses were received.

4.5 Stakeholder feedback

During the consultations, 2 responses were received:

- from the administration of the Yenisei district of the Krasnoyarsk Region, an answer was received that the organization does not carry out its activities within this district. This stakeholder response does not require any reaction / feedback.
- a response was received from the Family Tribal Community of the Indigenous Minorities of the North "Kunnoir" (The Calling One) with references to evidence of violations by Kraslesinvest JSC during logging activities. The comments received are not related to pellet production, they are related to the forest management of Kraslesinvest JSC. Similar information was previously received by Kraslesinvest JSC from this stakeholder and it was taken into account in the framework of forest management certification (communication with the stakeholder is underway). The comments received from the stakeholder were taken into account in the PEFC forest management audit this year (certificate FC-PEFC-0096).

5 Results

5.1 Main strengths and weaknesses

Strengths: Effective work within the PEFC certification. Reducing the risk by using feedstock from timber processing only from own PEFC-certified forest areas (FMU) on single own sawmill.

Weaknesses:

- the absence of separate explanations / notes on the SAR data - Condition-02.
- lack of accounting for some data - C-01, 03.

5.2 Rigour of Supply Base Evaluation

Not applicable.

5.3 Collection and communication of data

The following energy sources are used by BP: electricity for pellet production; diesel for feedstock handling; diesel for biomass handling and shipping; diesel and electricity for biomass transportation to customer. Diesel consumption value by vehicles used at pellet plant is based on actual refuelling data obtained in accountancy; electricity consumption value by pellet plant is based on invoices issued by electricity supplier on a monthly basis.

Wood chips and bark are used for drying (burning). Production operators provide daily moisture measurements (feedstock before and after drying, as well as produced pellets). All the above data are summarized in the form of a single Excel file with appropriate tabs for all characteristics. The correctness of the indicated values is checked and confirmed by the primary forms of accounting (special logs and additional excel-files).

All SAR values were explained and confirmed by the responsible person (links to sources were given, confirming values from the summary Excel file and related documents were demonstrated).

5.4 Competency of involved personnel

The following key staff members are involved to SBP certification:

- SBP in-charge (SBP manager - head of the pellet production). He maintains the organization's compliance with applicable SBP requirements, supervises the SBP management system, analyzes procedures, evaluates and updates the management system, discusses improvements with staff and company management - ensures that the SBP staff are adequately qualified, conducts SBP training with a record in the training protocol. He also verifies the implementation of procedures by the staff involved in the SBP system, updates SBP Guidelines, SBR and SAR, provides preparation of SAR data, processes received comments or complaints in accordance with the Complaints Procedure and checks the correct use of the SBP trademark.
- head of the commercial and logistics department and head of the commercial department. They provides information at the request of buyers in accordance with the European law EUTR on the legality of wood, registers the transactions in DTS as well as collects data for SAR on shipping routes.

- pellet quality controllers. They measure the moisture content of feedstock before and after drying, moisture content of fuel for the boiler room, moisture content of pellets.
- chief power engineer. He provides the provision of data on energy consumption for the production of pellets and provides data on the transfer of energy from the boiler house to feedstock drying.
- head of the transport department ensures the provision of data on diesel consumption by loaders for the production of pellets.
- head of the labor protection department monitors compliance with labor protection requirements and the implementation of labor protection measures.
- CEO appoints SBP Certification Manager, assists in improving the SBP management system, ensures compliance with applicable laws (trade, customs, legality laws).

The protocol of SBP certification training Kraslesinvest JSC from 2021 was provided, according to which the above-mentioned responsible persons were trained in accordance with the requirements of the applicable SBP standards and the internal SBP Guide by an invited consultant. The interviews confirmed the competence of all responsible persons.

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-000319		NC Grading: Minor
Standard:	SBP Standard 4: Chain of Custody	
Requirement:	5.2.5 For all feedstock inputs the BP will keep input records. In addition to meeting the requirements specified in the SBP-approved CoC system being implemented, the input records will contain at least: a) Invoice reference(s) or other transaction number b) A description of the physical properties of the feedstock c) The volume of physical input d) The supplier e) Transaction date f) The certificate numbers of any certified suppliers For legal owners downstream of the biomass production process: Biomass inputs	
Description of Non-conformance and Related Evidence:		
<p>According to section 2.1 SAR and the results of a visit to the production site of Kraslesinvest JSC, it was found that sawdust and chips are used as input feedstock for the pellet production. According to the audit evidence and the comments of the responsible employees, chips and sawdust are delivered to the pellet production by a front loader from the pockets of the sawmill of Kraslesinvest JSC and heaps of feedstock (chips and sawdust), where it comes from the pockets. The company's specialists demonstrated invoices for the internal movement of chips and sawdust from the sawmill to the area for the production of fuel pellets (from 31.10.2020, 30.11.2020, 31.12.2020); considered invoices contain data in accordance with clauses b-e, but do not include the number of the said invoices (clause a) and the certificate number of Kraslesinvest JSC (clause f). Due to the fact that the feedstock supplied to the pellet production (chips and sawdust) come only from our own sawmill and are only certified, taking into account the absence of risk, it was decided to mark this moment as a minor condition.</p>		
Timeline for Conformance:	By the next surveillance audit, but no later than 12 months from report finalisation date	
Evidence Provided by Company to close NC:	Pending	
Findings for Evaluation of Evidence:	Pending	
NC Status:	Open	

NC number NC-000320		NC Grading: Minor
Standard:	Instruction Document 5E: Collection and Communication of Energy and Carbon Data 1.4	

Requirement:	6.2.5 If the total number of days that the data relates to is not exactly the same as the Reporting Period (e.g. because of meter readings, or inventory/invoicing periods) an adjustment to match the data to the Reporting Period shall be made (e.g. using a simple proportional relationship). Whatever method is used it shall be recorded in the SAR.
Description of Non-conformance and Related Evidence:	
The entire 2020 (from 01.01 to 31.12.2020) was chosen as the applicant for the certificate as the reporting period. Within the framework of the summary Excel file and accompanying forms, the registration of data on all required SAR characteristics (volume and moisture content of feedstock, finished products, waste consumption for burning (drying), consumption of diesel fuel and electricity) was demonstrated. With the only exception - to assess the moisture content of feedstock, measurements were taken from 12.11.2020 to 13.02.2021, i.e. those related and not related to the reporting year 2020. The employee responsible for the certification explained that this was done to confirm the reliability of the humidity value (a larger number of values allows an average value to be given with greater accuracy). The difference between the SAR value and the average moisture content of feedstock for 2020 is minimal (2%), but this clarification is not included in the SAR. A decision was made to assess the revealed condition as minor.	
Timeline for Conformance:	By the next surveillance audit, but no later than 12 months from report finalisation date
Evidence Provided by Company to close NC:	Pending
Findings for Evaluation of Evidence:	Pending
NC Status:	Open

NC number NC-000321		NC Grading: Minor
Standard:	Instruction Document 5E: Collection and Communication of Energy and Carbon Data 1.4	
Requirement:	6.3.3 For each Feedstock Group the following parameters are recorded: a) Feedstock Group ID b) Feedstock Type c) Origin d) Physical Description e) Country of harvest (new row for each country) f) Raw mass as received in metric tonnes g) Moisture as received (weighted average, single figure) h) Weighted average distance (km) , i) Maximum distance (km) j) Type of vehicle used k) Fuel or driving force used by the vehicle, l) Weighted average truckload, m) Any pre-processing occurring outside the BP plant (chipping, drying, none)	
Description of Non-conformance and Related Evidence:		
According to section 2.1 SAR and the results of a visit to the production site of Kraslesinvest JSC, it was found that sawdust and chips are used as input feedstock for the production of pellets. The table in section 2.1 SAR contains data according to paragraphs a-g of Instruction 5E for the groups of feedstock used. According to the evidence of the audit and the comments of the responsible employees, chips and		

sawdust are delivered to the pellet production by a front loader from the pockets of the sawmill of Kraslesinvest JSC and heaps of feedstock, where it comes from the pockets. At the same time, information on the feedstock transportation by a front loader is not taken into account - information according to clause h-l is not included in table 2.1. The employee responsible for SBP certification explained that the specified data are not included in the SAR due to the impossibility to select the front loader as a transport in item j and duplication of the diesel consumption data in SAR if they are indicated in section 2.1 SAR (diesel consumption for operation front loader accounted for in Section 3.3 SAR). Taking into account the above and in view of a temporary omission, it was decided to assess the revealed condition as minor.

Timeline for Conformance:	By the next surveillance audit, but no later than 12 months from report finalisation date
Evidence Provided by Company to close NC:	Pending
Findings for Evaluation of Evidence:	Pending
NC Status:	Open

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):	Artem Kornilov
Date of decision:	20 May 2021
Other comments:	N/A