



# Forest Certification LLC Evaluation of PIK-BIO LLC Compliance with the SBP Framework: Public Summary Report

First Surveillance Audit

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**The promise of good biomass**



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# 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:	PIK-BIO LLC
Company legal address:	territory PIK-BIO LLC, Promplohchadka UI LPK, Irkutsk region, 666684 Ust-Ilimsk, Russia
Company contact for SBP:	Evgeny Eroshkin
Company contact email:	erchkin@list.ru
Company website:	N/A
SBP Certificate Code:	SBP-09-08
Date of certificate issue:	31 Mar 2020
Date of certificate expiry:	30 Mar 2025
Audit closing meeting date:	05 Mar 2021
Audit cycle:	First Surveillance 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)
<b>Primary Activity:</b>	Biomass Producer	<input type="checkbox"/>
<b>Approved Standards:</b>	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"/>
<b>Includes Supply Base Evaluation (SBE):</b>	No	<input type="checkbox"/>
<b>Includes communication of Dynamic Batch Sustainability Data (DBSD)</b>	Yes	<input type="checkbox"/>
<b>Includes Group Scheme</b>	No	<input type="checkbox"/>
<b>Products</b>	Pellets	<input type="checkbox"/>

<b>Feedstock types:</b>	Secondary	<input type="checkbox"/>
<b>Feedstock origin (countries):</b>	Russia	<input type="checkbox"/>
<b>SBP-endorsed Regional Risk Assessments used:</b>	Not applicable	<input type="checkbox"/>
<b>Public link:</b> <a href="https://sbp-cert.org/documents/standards-documents/risk-assessments/">https://sbp-cert.org/documents/standards-documents/risk-assessments/</a>		<input type="checkbox"/>
<b>Chain of custody system implemented:</b>	FSC: FC-COC-001273, FC-CW-001273	<input type="checkbox"/>
	Transfer	<input type="checkbox"/>

## 2.1 Description of the company

PIK-BIO LLC is a secondary processor (biomass producer) with production capacity of 27000 tone pellets/year, located in Ust-Ilimsk, Irkutsk region of Russia. The pellet plant was commissioned in the beginning of 2019. The BP holds valid FSC CoC/CW certificate (FC-COC-001273, FC-CW-001273) covering biomass production and uses only FSC 100% and FSC Controlled Wood secondary feedstock for pellet production (sawdust and wood chips) and heating (barks and wood chips). All feedstock is purchased from FSC certified suppliers (a list of FSC 100% and FSC Controlled Wood feedstock suppliers is maintained). Feedstock is delivered to production site by conveyor belt and by front loader. Pellets - is the only declared product group within the scope of SBP certification. The description of the organization, as well as the main SBP documents, are posted on the official website of the certificate holder - [http://pik-bio.com/?page\\_id=45](http://pik-bio.com/?page_id=45)

## 2.2 Detailed description of the Chain of Custody system

BP holds valid FSC CoC certificate <https://info.fsc.org/details.php?id=a02f300000k62rLAAQ&type=certificate> covering the pellet production. Only secondary feedstock with FSC 100% and FSC Controlled Wood claims is used for pellet production and FSC transfer system of claims is implemented. Physical segregation (production in different batches) is ensured to produce pellets with FSC 100% claim and FSC Controlled Wood claim. BP ensures that production line is completely cleaned out when switching from production of FSC Controlled Wood biomass to FSC 100% biomass. The feedstock goes by conveyor belt directly to the production. Also, feedstock (chips and sawdust purchased from certified suppliers) come from heaps stored near the pellet production using a front loader. The acceptance of feedstock (chips and sawdust come by cars), its unloading, placement and use in pellet production is controlled by the shift foreman. The Supply chain FSC procedure of PIK-BIO LLC 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 FSC product groups. This request is known to the interviewed employees (shift foreman and operators at the pellet production site). Certified and non-certified biomass is kept separately in big bags. The accounting materials also ensure the separation of materials of different categories (FSC 100% and FSC Controlled

Wood).

### 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;
- Assess compliance against Instruction Document 5E: Collection and Communication of Energy and Carbon Data (Version 1.4 March 2021);
- Evaluation of DTS transactions, their comparison with excel-accounting data, trade and transport documents.

## 4 Evaluation process

### 4.1 Timing of evaluation activities

<i>Audit Level of Effort (LoE)</i>		
<b>Activity</b>	<b>Auditors</b>	<b>Auditor hours</b>
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	44,0

<b>Audit Schedule</b>			
<b>Activity</b>	<b>Location</b>	<b>Auditor name</b>	<b>Date/time</b>
<i>Opening meeting</i>	Office	Nikolai Stashkevich	04 Mar 2021/08:00
<i>Interviews with management and leading specialists of the enterprise.</i>	Office, production site	Nikolai Stashkevich	04 Mar 2021/08:30
<i>Analysis of the resource base report.</i>	Office	Nikolai Stashkevich	04 Mar 2021/09:30
<i>Analysis of the internal</i>	Office, production site	Nikolai Stashkevich	04 Mar 2021/10:00



<i>documentation of the enterprise developed as part of the SBP certification.</i>			
<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	04 Mar 2021/13:00
<i>Validation of an SBP enterprise supply chain system.</i>	Office, production site	Nikolai Stashkevich	04 Mar 2021/15:00
<i>Interviews with employees.</i>	Office, production site	Nikolai Stashkevich	04 Mar 2021/15:30
<i>Work with enterprise documentation. Fill out a checklist for applicable</i>	Office, production site	Nikolai Stashkevich	05 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	05 Mar 2021/08:00
<i>Preparation of preliminary audit findings.</i>	Office	Nikolai Stashkevich	05 Mar 2021/16:00
<i>Closing meeting. Summing up the</i>	Office	Nikolai Stashkevich	05 Mar 2021/16:30

<i>preliminary results of the audit.</i>			
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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 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 Guidance, SAR and GHG data calculations, Supply Base Report and FSC 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, responsible person for SBP system, company's director and the master of pellet production workshop 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.

The heaps of sawdust and wood chips located in the adjacent territory were inspected. The site of the sawdust exit at the adjacent to the pellet production site sawmill of one of the certified suppliers (Vychegzhanin D.V. IP) was also examined.

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 yards (in heaps)), the accounting documents (data sheets, accounting registers), 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 Guidance. The supply chain was passed, starting from the heaps of sawmill residues (wood chips and sawdust) and its output on the nearest supplier's production site, to its delivery to the pellet production area and entering production, to the output and storage of finished products (pellets in big bags). 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. Thus, within the framework of sampling, due to the degree of risk, all chain of custody was observed. As part of the sample of records, all excel-accounting forms were considered, data from which were taken for the SAR, as well as 1-2 examples of primary documents, on the basis of which Excel accounting forms are filled out. Sampling of personnel according to the survey - all employees involved in the management of the chain were interviewed, whose responsibility is enshrined in the internal SBP Guidance. 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**

N/A for SA

### **4.5 Stakeholder feedback**

No feedback has been received from stakeholders.

## 5 Results

### 5.1 Main strengths and weaknesses

Strengths: use of the FSC transfer system; FSC 100% and FSC Controlled Wood secondary feedstock is sourced and processed separately. Effective recordkeeping system. Small number of the management staff and clearly designated responsibilities within the staff members.

Weaknesses:

- discrepancies of data in different sources - C-02, C-03, C-09, C-11;
- not all data is promptly updated / collected / taken into account - C-01, C-02, C-08, C-08, C-09, C-10, C-11;
- omissions regarding COC - C-06, C-07.

### 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.

During the verification of the data on electricity consumption (section 3.2 SAR) and diesel (section 3.4 SAR), and their reconciliation with the excel file of accounting and primary accounting data, minor discrepancies were confirmed due to rounding error (in relation to electricity) and omission in data summing (in relation to the diesel) - Condition-08 and Condition-11 were exposed.

### 5.4 Competency of involved personnel

The following key staff members are involved to SBP certification:

- SBP in-charge (SBP manager). He maintains the organization's compliance with applicable SBP requirements, oversees the SBP management system, analyzes procedures, evaluates and updates the SBP management system, SBP documents and procedures. For SBRs he requests from suppliers the information on the regions of feedstock origin. SBP manager ensures sufficient qualifications of employees responsible for SBP, conducts SBP training with a record in the training protocol, processes received comments or complaints in accordance with the Complaints Procedure. He also checks the implementation of procedures by the staff involved in the SBP system, provides customers with the latest approved SAR version (if not already loaded automatically into DTS).

- workshop foreman. He provides preparation of data for SAR.

- director, responsible for labor protection. He ensures compliance with labor protection standards, collects data for SAR on shipping routes (starting and ending points of the route, type of vehicle, distance traveled, vehicle load) and provides storage of documentation.

The training requirements for personnel within the SBP requirements are specified in Section 5 of the SBP Guidance. It provides for annual training of responsible persons in the framework of certification requirements. No evidence of staff training was provided in 2021 – see C-05.

SBP in-charge provided the Protocol of the internal SBP training (dated February 18, 2020), according to which the employee responsible for the certification (SBP manager, deputy director) trained the director, chief accountant and shift foreman. During the audit, the actual responsibility of the head of the sales department for entering transactions into the DTS was established (the responsibility of this specialist is not spelled out in the SBP management – also see C-04); the interviewed employee knows and fulfills the requirements for accounting for transactions in the DTS. All interviewed employees know their responsibilities according to SBP requirements.

## 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-000263	NC Grading: Minor
<b>Standard:</b>	SBP Standard 2: Verification of SBP-compliant Feedstock
<b>Requirement:</b>	IN2C; 4.1 The report shall be concise, covering the most important features, and shall be completed using the latest version of the SBR template for Biomass Producers downloaded from the SBP website.
<b>Description of Non-conformance and Related Evidence:</b>	
<p>The certificate holder provided SBRs in Russian and English, prepared for the main audit. For the first surveillance audit, an updated SBR in English, performed on the SBP portal (corresponds to the current SBR form) was prepared and submitted to the auditor. During the assessment of the current SBR, the following omissions were identified: - in section 1 SBR the certification body NEPCon OU is indicated, while at the time of the first surveillance audit (taken into account in section 1 SBR) the certification body is already Forest Certification LLC; - Section 2.1 SBR states that the pellet production initially received chips and sawdust from one supplier, and is currently purchasing chips. According to the List of Certified Suppliers and the comments of the employee responsible for certification, in the reporting period, chips and sawdust were supplied from various FSC-certified suppliers, which is not taken into account in Section 2.2 of the SBR. - according to section 2.4 SBR Feedstock, SBP primary feedstock was used for the production of pellets (according to clause b - all feedstock is primary, according to the table after clause n - 29% of feedstock is primary) and SBP secondary feedstock (according to clause m - all feedstock is secondary; the use of sawdust for the production of pellets is not indicated) - the data contradict each other and section 2.1 SAR (where only chips and sawdust are indicated - SBP secondary feedstock). SBR does not say anything about the proportions of using SBP-compliant secondary feedstock and SBP-controlled secondary feedstock for pellet production. When checking the current (provided on the audit, updated) SBR client, single omissions were identified, assessed as minor condition.</p>	
<b>Timeline for Conformance:</b>	By the next surveillance audit, but no later than 12 months from report finalisation date
<b>Evidence Provided by Company to close NC:</b>	Pending
<b>Findings for Evaluation of Evidence:</b>	Pending
<b>NC Status:</b>	Open

NC number NC-000264	NC Grading: Minor
<b>Standard:</b>	SBP Standard 2: Verification of SBP-compliant Feedstock

<b>Requirement:</b>	15.4 The management system shall identify the personnel responsible for implementing systems and procedures.
<b>Description of Non-conformance and Related Evidence:</b>	
The personnel involved in SBP certification are defined in section 5 of the SBP Guidance; some of the responsibilities of the responsible persons are enshrined in other sections of the SBP Guidance. During the audit, the actual responsibility of the head of the sales department for entering transactions into the DTS was established (the responsibility of this specialist is not spelled out in the SBP Guidance); the interviewed employee knows and fulfills the requirements for accounting for transactions in DTS.	
<b>Timeline for Conformance:</b>	By the next surveillance audit, but no later than 12 months from report finalisation date
<b>Evidence Provided by Company to close NC:</b>	Pending
<b>Findings for Evaluation of Evidence:</b>	Pending
<b>NC Status:</b>	Open

<b>NC number NC-000272</b>	<b>NC Grading: Minor</b>
<b>Standard:</b>	SBP Standard 2: Verification of SBP-compliant Feedstock
<b>Requirement:</b>	6.2 The BP shall record the place of harvesting and the identity of the primary wood processor responsible for the supply of inputs classified as SBP-compliant secondary feedstock.
<b>Description of Non-conformance and Related Evidence:</b>	
The certificate holder demonstrated the List of certified suppliers of PIK-BIO LLC, which includes suppliers of secondary feedstock declared in SBR and SAR: sawdust and wood chips. As part of the assessment, documentary evidence of harvesting sites and identification data of primary wood processors responsible for the supply of incoming materials classified as SBP-compliant secondary feedstock were requested. The identification data of the suppliers is taken into account in the contracts for the feedstock supply. Records of harvesting sites of primary wood processors responsible for the supply of incoming materials classified as SBP-compliant secondary feedstock were not provided for suppliers (not provided for holders of certificates FC-COC-001523, FC- COC-001256). Due to partial non-compliance with the requirements of the paragraph of the standard, it was decided to assess the condition as minor.	
<b>Timeline for Conformance:</b>	By the next surveillance audit, but no later than 12 months from report finalisation date
<b>Evidence Provided by Company to close NC:</b>	Pending



<b>Findings for Evaluation of Evidence:</b>	Pending
<b>NC Status:</b>	Open

<b>NC number NC-000267</b>	<b>NC Grading: Minor</b>
<b>Standard:</b>	SBP Standard 2: Verification of SBP-compliant Feedstock
<b>Requirement:</b>	8.5 In all cases the BP shall implement all relevant aspects of this Standard including sections: 6. Determination of origin, 7. Supply Base Report, 15. Management system, 19. Credibility of the SBR, and 20. Comments or complaints.
<b>Description of Non-conformance and Related Evidence:</b>	
<p>SBR Section 2.1 specifies that biomass (pellets) is produced from wood processing waste (sawdust and wood chips) from one supplier who receives wood from one FSC certified forest management site and 21 controlled areas; PIK-BIO LLC uses SBP-compliant secondary feedstock for the production of SBP-compliant biomass from feedstock with FSC 100% claim and SBP-controlled secondary feedstock for the production of SBP-controlled biomass from feedstock with FSC Controlled Wood. During the assessment of the current SBR, the following omissions were identified: - Section 2.1 SBR states that the pellet production initially received chips and sawdust from one supplier, and is currently purchasing chips. According to the List of Certified Suppliers and the comments of the employee responsible for certification, in the reporting period, chips and sawdust were received from different FSC-certified suppliers, which is not taken into account in Section 2.2 of the SBR. - according to section 2.4 SBR Feedstock, SBP primary feedstock was used for the production of pellets (according to clause b - all feedstock is primary, according to the table after clause n - 29% of feedstock is primary) and SBP secondary feedstock (according to clause m - all feedstock is secondary; the use of sawdust for the production of pellets is not indicated) - the data contradict each other and section 2.1 SAR (where only chips and sawdust are indicated - SBP secondary feedstock). SBR says nothing about the proportions of using SBP-compliant secondary feedstock and SBP-controlled secondary feedstock for pellet production. Taking into account the discrepancy in information in different sources (parts of the SBR), a decision was made to assess the revealed condition as minor.</p>	
<b>Timeline for Conformance:</b>	By the next surveillance audit, but no later than 12 months from report finalisation date
<b>Evidence Provided by Company to close NC:</b>	Pending
<b>Findings for Evaluation of Evidence:</b>	Pending
<b>NC Status:</b>	Open

NC number NC-000271	NC Grading: Minor
<b>Standard:</b>	SBP Standard 4: Chain of Custody
<b>Requirement:</b>	5.1.2 The legal owner shall implement all aspects of the SBP-approved CoC system requirements for the SBP feedstock and biomass. Where there is a conflict between the requirements in the SBP-approved CoC system requirements and those specified in the SBP standards, the SBP standards shall have precedence. Note: SBP feedstock or biomass will not necessarily enter into the scope of the SBP-approved CoC system certification, but the SBP-approved CoC system CoC processes and requirements shall extend to SBP feedstock and biomass.
<b>Description of Non-conformance and Related Evidence:</b>	
<p>During the verification of the supply chain, from the receipt of feedstock to its processing, storage and shipment of finished products, PIK-BIO LLC was confirmed to comply with the basic requirements for FSC chain of custody certification, with the exception of the following - minor conditions were identified at 1SA FSC COC that were not eliminated before current 1SA SBP concerning: - FSC-STD-40-004 V3-0, clause 4.1 - yield factors (different documents indicated different yield factors; explanations regarding the discrepancies between the values of the coefficients from different sources were not received; not a methodology for calculating the coefficients was demonstrated, which would make it possible to confirm their correctness and relevance), - FSC-STD-40-004 V3-0, clauses 5.1, 5.3 - preparation of documents for the sale of certified products (shortcomings in the indication of certificate codes and FSC claims). As a result of the above and partial non-compliance with the requirements of the paragraph of the standard, it was decided to assess the condition as minor.</p>	
<b>Timeline for Conformance:</b>	By the next surveillance audit, but no later than 12 months from report finalisation date
<b>Evidence Provided by Company to close NC:</b>	Pending
<b>Findings for Evaluation of Evidence:</b>	Pending
<b>NC Status:</b>	Open

NC number NC-000266	NC Grading: Minor
<b>Standard:</b>	SBP Standard 4: Chain of Custody
<b>Requirement:</b>	6.3.1 The legal owner shall implement the requirements of either: PEFC 2002:2013 Section 9: Social, Health and Safety requirements in CoC, Or FSC-STD-40-004 V2-1 EN Section 1.6: Occupational Health and Safety Or the latest versions of these documents

<b>Description of Non-conformance and Related Evidence:</b>	
<p>The certificate holder provided evidence of compliance with the labor protection and safety requirements stipulated in clause 1.4 of FSC-STD-40-004 V3-0: documentary evidence of the appointment of an employee responsible for labor protection, availability of procedures and instructions for labor protection and safety, briefing with personnel within the framework of the requirements of labor protection, safety and fire safety (introductory, primary, repeated). During the visit to the production site, no violations of the clause of the standard were detected, with the exception of the following (fire safety requirements (clause 481-484 of the Resolution of the Government of the Russian Federation of April 25, 2012 N 390), affecting health and safety): - one of the fire shields closest to the operator's room is cluttered with metal barrels and cylinders; - indicators on some of the fire extinguishers at the production site are in the red zone; - the fire panel at the pellet warehouse is not complete and is full of big bags. Taking into account the above and the risk assessment, a decision was made on the need to assess this situation as a minor condition.</p>	
<b>Timeline for Conformance:</b>	By the next surveillance audit, but no later than 12 months from report finalisation date
<b>Evidence Provided by Company to close NC:</b>	Pending
<b>Findings for Evaluation of Evidence:</b>	Pending
<b>NC Status:</b>	Open

<b>NC number NC-000269</b>	<b>NC Grading: Minor</b>
<b>Standard:</b>	SBP Standard 5: Collection and Communication of Data Instruction
<b>Requirement:</b>	5.1 All data submissions must be supported by appropriate evidence.
<b>Description of Non-conformance and Related Evidence:</b>	
<p>During the audit, the holder of the certificate provided SBR (in Russian and English) and SAR with up-to-date data. On request, most of the SAR values have been clarified and certified. However, some of the values were not confirmed: - Section 2.1 SAR specifies 2 categories of incoming raw materials: sawdust and wood chips. During the audit, it was confirmed that sawdust is supplied by a conveyor from a neighboring sawmill, sawdust and wood chips are supplied from certified suppliers (delivery by road on terms ex-warehouse of the buyer). At the same time, information on sawdust in cells with transport, used power supply and load (J-L) is not indicated; lack of information is not justified. Also, the load on the frontal loader moving the chips was not substantiated (confirmed). - Section 2.3 SAR provides the rationale for the values for Table 2.1 SAR. The presented values are taken from the consolidated excel file of the company accounting. The responsible employee explained (demonstrated using the excel file) all the indicated values, with the exception of the mass density of the feedstock 0.8163 t / m3. - Section 3.5 SAR indicates the mass of biofuel (wood waste) used for drying (burning), as well as its consumption in MJ / metric ton and in kg / metric ton of biomass. The last 2 meanings were not explained by the certification officer. - Section 4.1 SAR indicates the adopted SDIs. The values shown in the table have been clarified (confirmed), with the exception of a distance of 17.3 km (one of the track segments in all SDIs). - SAR Appendix 2 describes the manufacturing process. Some of the data was not taken into</p>	

account delivery of feedstock by a front loader During the verification of the data on electricity consumption (section 3.2 SAR) and diesel (section 3.4 SAR), and their reconciliation with the excel file of accounting and primary accounting data, minor discrepancies were confirmed due to round-off error (in relation to electricity) and omission when folded (in relation to a diesel engine). Taking into account the identified omissions and their temporary nature, a decision was made to assess the revealed condition as minor.	
<b>Timeline for Conformance:</b>	By the next surveillance audit, but no later than 12 months from report finalisation date
<b>Evidence Provided by Company to close NC:</b>	Pending
<b>Findings for Evaluation of Evidence:</b>	Pending
<b>NC Status:</b>	Open

<b>NC number NC-000270</b>	<b>NC Grading: Minor</b>
<b>Standard:</b>	Instruction Document 5E: Collection and Communication of Energy and Carbon Data 1.4
<b>Requirement:</b>	5.1.1 All transactions shall be recorded in the DTS.
<b>Description of Non-conformance and Related Evidence:</b>	
Compliance with the clause of the standard is provided in accordance with the Guidance of PIK-BIO LLC approved by SBP. The head of the sales department, responsible for entering transactions into DTS, downloaded all transactions in excel format. When verifying it with the documents for the sold certified pellets, it was found that part of the supply of SBP-certified pellets (indicating the SBP certificate) was not accounted for in the DTS: for example, shipments under invoices No. 126 dated 24.09.2020, No. 127 dated 24.09.2020 , No. 100 of 17.07.2020, No. 95 of 07.07.2020, in which the SBP-07-77 certificate is indicated, were not taken into account in the provided DTS unloading (shipment data was not entered into DTS as transactions). As a result of the above and taking into account the partial non-compliance with the paragraph of the standard, it was decided to assess the revealed condition as minor.	
<b>Timeline for Conformance:</b>	By the next surveillance audit, but no later than 12 months from report finalisation date
<b>Evidence Provided by Company to close NC:</b>	Pending
<b>Findings for Evaluation of Evidence:</b>	Pending
<b>NC Status:</b>	Open

NC number NC-000265	NC Grading: Minor
<b>Standard:</b>	Instruction Document 5E: Collection and Communication of Energy and Carbon Data 1.4
<b>Requirement:</b>	6.3.1 All feedstock processed by the BP in the Reporting Period for making the biomass product shall be grouped. It may be grouped in a way that makes operational sense to the BP. In the case of multiple transport steps for a Feedstock Group record data by adding one line and merging other columns.
<b>Description of Non-conformance and Related Evidence:</b>	
<p>According to section 2.1 SAR, sawdust and wood chips are used as input feedstock for the production of pellets. According to the documents provided and the comments of the interviewed management of PIK-BIO LLC, it was established that sawdust comes from a neighboring sawmill by conveyor, sawdust and chips are purchased from third-party suppliers and supplied by suppliers by road (on terms of the buyer's warehouse), crushing of incoming wood waste is allowed (from a neighboring sawmill) into chips. Moreover, according to 2.1 SAR, all chips are supplied by a front loader; for sawdust, information on their method and route of entry into production (cells J-L) is not included in SAR. In fact, sawdust comes into production in two ways: by means of a conveyor and by means of a front loader from heaps; their characteristics according to the specified methods and routes of arrival according to F-L will differ. Taking into account the above, a decision was made to assess the revealed condition as minor.</p>	
<b>Timeline for Conformance:</b>	By the next surveillance audit, but no later than 12 months from report finalisation date
<b>Evidence Provided by Company to close NC:</b>	Pending
<b>Findings for Evaluation of Evidence:</b>	Pending
<b>NC Status:</b>	Open

NC number NC-000268	NC Grading: Minor
<b>Standard:</b>	Instruction Document 5E: Collection and Communication of Energy and Carbon Data 1.4
<b>Requirement:</b>	6.5.3 The BP shall justify the data and methodology used for reporting energy and carbon data and this shall be recorded in the SAR and verified by the CB.
<b>Description of Non-conformance and Related Evidence:</b>	
<p>During the audit, the holder of the certificate provided SBR (in Russian and English) and SAR with up-to-date data. On request, most of the SAR values have been clarified and certified. However, some of the</p>	

values were not confirmed: - Section 2.1 SAR specifies 2 categories of incoming feedstock: sawdust and wood chips. During the audit, it was confirmed that sawdust is supplied by a conveyor from a neighboring sawmill, sawdust and wood chips are supplied from certified suppliers (delivery by road on terms ex-warehouse of the buyer). At the same time, information on sawdust in cells with transport, used power supply and load (J-L) is not indicated; lack of information is not justified. Also, the load on the frontal loader moving the chips was not substantiated (confirmed). - Section 2.3 SAR provides the rationale for the values for Table 2.1 SAR. The presented values are taken from the consolidated excel file of the company accounting. The responsible employee explained (demonstrated using the excel file) all the indicated values, with the exception of the mass density of the feedstock 0.8163 t / m<sup>3</sup>. - Section 3.5 SAR indicates the mass of biofuel (wood waste) used for drying (burning), as well as its consumption in MJ / metric ton and in kg / metric ton of biomass. The last 2 meanings were not explained by the certification officer. - Section 4.1 SAR indicates the adopted SDIs. The values shown in the table have been clarified (confirmed), with the exception of a distance of 17.3 km (one of the track segments in all SDIs). - SAR Appendix 2 describes the production process. Some of the data was not included in the delivery of feedstock by a front loader. During the verification of the data on electricity consumption (section 3.2 SAR) and diesel (section 3.4 SAR), and their reconciliation with the excel file of accounting and primary accounting data, minor discrepancies were confirmed due to round-off error (in relation to electricity) and omission when folded (in relation to a diesel engine). During the audit, the SAR was updated. Taking into account the identified omissions and their temporary nature, a decision was made to assess the revealed condition as minor.

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

<b>NC number NC-000280</b>	<b>NC Grading: Minor</b>
<b>Standard:</b>	SBP Standard 2: Verification of SBP-compliant Feedstock
<b>Requirement:</b>	15.7 Relevant personnel shall be informed promptly of any changes to management systems.
<b>Description of Non-conformance and Related Evidence:</b>	
<p>The certificate holder provided the Protocol of the training on the SBP certification requirements (dated February 18, 2020), according to which the employee responsible for the certification (deputy director) trained the director, chief accountant and shift foreman. SBP Guidance of PIK-BIO LLC provides for annual training of responsible persons within the framework of certification requirements. No evidence of staff training was provided in 2021. As part of the audit, the auditor voiced the requirement to provide the access to PIK-BIO LLC transactions in DTS for their assessment. Section 10 of SBP Guidance PIK-BIO LLC provides a link to the SBP-DTS-User-Guide, section 3.4 of which explains how this access can be provided. During the audit, the certificate holder provided the auditor with access to the DTS in order to verify its correct use during the SBP surveillance audit.</p>	

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

## 8 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 approved
<b>Certification decision by (name of the person):</b>	Artem Kornilov
<b>Date of decision:</b>	30 Apr 2021
<b>Other comments:</b>	N/A