

Forest Certification LLC Evaluation of Kata CJSC Compliance with the SBP Framework: Public Summary Report

Main (Initial) Audit

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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:	Kata CJSC
Company legal address:	Promploshchadka, 666685 r.p. Zheleznodorozhniy, Russia
Company contact for SBP:	Vyacheslav Rudominsky
Company contact email:	kata_ilim@mail.ru
Company website:	N/A
SBP Certificate Code:	SBP-09-10
Date of certificate issue:	01 Jun 2021
Date of certificate expiry:	31 May 2026
Audit closing meeting date:	20 Feb 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	
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	
Includes Supply Base Evaluation (SBE):	No	
Includes communication of Dynamic Batch Sustainability Data (DBSD)	Yes	
Includes Group Scheme	No	
Products	Pellets	

Feedstock types:	Secondary	
Feedstock origin (countries):	Russia	
SBP-endorsed Regional Risk Assessments used: Public link: https://sbp- cert.org/documents/standards- documents/risk-assessments/	Not applicable	
Chain of custody system	FSC: FC-COC-001523	
Implemented:	Transfer	

2.1 Description of the company

KATA CJSC is a secondary manufacturer located in the city Ust-Ilimsk in the Irkutsk region of Russia. The company was registered in 1993. For pellet production, the company uses sawmill and wood industry residues (sawdust, wood chips and shavings) supplied by own sawmill production (3 workshops) and from subcontractor's site (Alliance LLC, included in FSC COC certification scope) where the FSC-certified KATA's materials are processed. There are no FSC certified suppliers; receipt of FSC-certified raw materials from other sources is not conducted. The source of raw materials is 6 own rent forest areas (FMUs), certified by FSC (FC-FM/COC-001522). Company has valid FSC-certificate: FC-COC-001523 since 2020.

2.2 Detailed description of the Chain of Custody system

The incoming raw materials for the production of pellets are sawdust, wood chips and shavings. Supply of feedstock single FSC category - FSC 100% - is allowed. The company uses a transfer control system (separation of certified and non-certified raw materials is provided). The SBP KATA's Manual defines that non-certified raw materials are not involved in the production of pellets. According to the accounting data and open data of EGAIS, the purchase of third-party raw materials is not carried out. At the same time, the FSC Manual do not restrict the flow of non-certified raw materials into the FSC chain for sawmill production; in this case, the Manual clearly regulates the separation of certified and non-certified materials. At the time of the audit, trial lots of pellets were produced. The produced pellets are packed in big bags and stored in a closed warehouse and in the open air on the territory of the pellet production. At the time of the audit, no pellets were being shipped. Accounting for the volume of raw materials (accounting sheets, logbooks). The declared delivery route is from the production site to the Ust-Ilimsk-15 Promishlennaya railway station or Railway siding , KATA CJSC (by trucks) and next with several intermediate points (registered in SAR) to the Novy port station, Sea harbour of St. Petersburg

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 1.3 November 2020)

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	Nikolai Stashkevich	4,0

Audit Schedule			
Activity	Location	Auditor name	Date/time
Opening meeting	Office	Nikolai Stashkevich	19 Feb 2021/08:00
Interviews with management and leading specialists of the enterprise.	Office, production site	Nikolai Stashkevich	19 Feb 2021/08:30
Analysis of the resource base report.	Office	Nikolai Stashkevich	19 Feb 2021/09:30
Analysis of the internal	Office, production site	Nikolai Stashkevich	19 Feb 2021/10:00

documentation			
of the enterprise			
developed as			
part of the SBP			
certification.			
Visit to the	production site	Nikolai	19 Feb 2021/13:00
production site		Stashkevich	
of the			
enterprise,			
places of			
acceptance,			
storage,			
processing of			
incoming raw			
materials and			
manufactured			
products.			
Validation of an	Office, production	Nikolai	19 Feb 2021/15:00
SBP enterprise	site	Stashkevich	
supply chain			
system.			
Interviews with	Office, production	Nikolai	19 Feb 2021/15:30
emplovees.	site	Stashkevich	
Work with	Office, production	Nikolai	20 Feb 2021/08:00
enterprise	site	Stashkevich	
documentation.			
Fill out a			
checklist for			
applicable			
Validation of the	Office production	Nikolai	20 Feb 2021/08:00
collection of	site	Stashkevich	
SBP data on		Claorine Violi	
GHG. energy.			
carbon and			
stability			
characteristics.			
	0///		
Preparation of	Office	Nikolai	20 Feb 2021/16:00
preliminary audit		Stashkevich	
tinaings.			
Closing meeting.	Office	Nikolai	20 Feb 2021/16:30
Summing up the		Stashkevich	
1			

preliminary results of the audit.			
Additional audit - the assessment of corrective actions to eliminate significant conditions of the main audit	Remotely	Nikolai Stashkevich	28 May 2021/08:00

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 Manual, 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.

19.02.2021, 08:00-08:30 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.

19.02.2021, 08:30-12:00 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 and head of the pellet production workshop were interviewed.

19.02.2021, 13:00-17:00 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.

Next sites were visited:

- the production sites (the shops) of KATA CJSC to check the source of sawmill residues; the manager of shop no. 3, who leads the excel file for the accounting of diesel fuel consumption, and the chief power engineer, recording the power consumption, were interviewed.

- the production site of the contractor Alliance LLC, which processes KATA's timber. The source of the incoming sawmill residues was assessed, wood chip trucks delivering raw materials to the pellet production were visually assessed.

20.02.2021, 08:00-16:00. 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.

20.02.2021, 16:00-17:00. At the end of the assessment findings were summarised and assessment were provided to the management and SBP responsible person.

28.05.2021, 08:00-12:00. The person responsible for SBP certification provided updated SBR, SAR and evidence of corrective actions. During this day, several phone calls were made, in which the responsible person explained the updated values and changes in key documents.

4.3 Sampling methodology

During the office and field assessment (checking the production of pellets and feedstock sources), the primary accounting documents (data sheets, accounting logbooks), data accounting in the form of 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 sawmills (shops) 1-3 and the contractor's site (inspecting heaps of residues from these industries), 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

sources of feedstock were selected for verification (3 workshops of CJSC KATA, from which the supply of sawmill and woodworking residues is carried out, as well as the site of the contractor LLC Alliance, where wood of CJSC "KATA" is processed, and the residues from which also goes to the pellet production. 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 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

15/01/2021 the information letter (e-mail) was sent to the stakeholders. More than 15 stakeholders was informed about the assessment. List of informed stakeholders includes such groups of stakeholders as FSC National Initiative, environmental and social NGOs, FSC-certified companies in the region, scientific and educational entities, state forestry authorities, trade unions etc. No responses received from stakeholders.

4.5 Stakeholder feedback

No feedback has been received from stakeholders.

5 Results

5.1 Main strengths and weaknesses

Strength: Effective work within one certification cycle in FSC certification. Reducing risk due to usage raw materials only from their own FSC-certified forest sites (FMUs).

Weaknesses:

- indication of incorrect values in SBP documents (contradicting each other) MC-01, C-04, 08, 10;
- lack of confirmations for many specified values in the SBP documents MC-01, 02, C-08, 13;
- lack of accounting for some data C-04, 09, 11, 12.

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 and rail transportation of biomass; diesel for feedstock delivery, handling and pellet transportation to the rail stations; biomass fuel (sawmill residues and bark) for burner (for drying).

The applicant for the certificate indicated the total power capacity of the installed equipment is 909.9 kW / h. This value has not been confirmed - see MC-01. The company started an Excel-file for accounting of energy consumption; at the time of the main audit, the file includes data for January.

KATA has an Excel-accounting of diesel fuel consumption at the sites of Sawmill shop No. 3 and Alliance LLC (the contractor's site – one of the supply source of sawmill residues to the pelleting production. When checking SAR and accounting files, it was not confirmed that diesel was included in the costs (in SAR) for wood chips delivering sawmill residues from Sawmill shops No. 1, 2 and 3 to the pellet production site – see MC-01.

As part of Excel accounting, the separation of the costs of a front-lift loader was not demonstrated when it works at Sawmill shop No. 3, and when - at the pellet production site – see also C-08.

The volumes of incoming raw materials and produced pellets are registered in the internal Excel accounting and logbook. The same accounting is used for volumes of sawmill residues which burn for feedstock drying.

The following forms were introduced: daily sheets-reports of accounting for the moisture of feedstock before drying, after drying and produced pellets (entry every hour); logbook of the supplied feedstock with a record of the values of feedstock moisture 2 times a day. Full accounting started from February 2021.

The types of applicable vehicles are recorded in the internal documents. Distances to endpoints were demonstrated using google and similar maps.

During additional audit (28.05.2021) all MCs and some Cs were closed in reviewing client-supplied evidence of corrective actions.

5.4 Competency of involved personnel

The following key staff members are involved to SBP certification:

- SBP responsible (certification specialist). He is responsible for development, updating and implementation of internal documents and procedures for SBP; collection of data and the formation of a general monthly accounting and an annual report on SBP (SBR, SAR, Profiling Data); development, implementation, maintenance, monitoring and modification of the management system; registration of invoices for payment in the DTS system; consideration of claims and comments; development, updating and implementation of internal documents and procedures for the FSC supply chain; monitoring compliance with the FSC principles at the enterprise; collecting information on the company's own lease plots for the SBR.

- head (master) of pellet production shop. He controls the inputs of sawmilling and woodworking residues to the pellet shop, accounting for the number of products produced; monthly provides within 10 working days after the end of the reporting month to the person responsible for certification in accordance with the SBP standard of moisture measurements of sawdust and pellets. He is responsible for the production of fuel pellets, measuring the moisture content of feedstock before and after the drying drum and pellets. He performs all checks and analyzes of the quality of feedstock and pellets, registers the necessary data in logs, controls the quality of feedstock during loading, provides the necessary data to the SBP responsible.

- sales manager. His duties according to the SBP Manual are: registration of invoices for payment in the DTS system; registration of commodity and transport documentation; providing information on the railway and road transport used during the reporting period for the delivery of biomass to buyers.

- head of OHAS department. He controls the compliance with applicable laws on labor protection and industrial safety.

The training requirements for personnel within the SBP requirements are specified in Section 4 of the SBP Manual. During the audit, the SBP Training Log, instructions for the operator, senior operator, power engineer (in terms of data collection for SBP) and a bucket loader driver (in terms of SBP requirements) were demonstrated with the signatures of the familiarized employees. During a survey of responsible employees, their awareness of the SBP requirements was confirmed, with the exception of the sales manager - section 3.2 of the SBP Manual assigns to the employee the responsibility for registering invoices in the DTS system and processing shipping documents. Also, the SBP Training Log does not indicate an employee responsible for checking documents for incoming timber (the interviewed specialist is aware of his responsibilities under this requirement; according to clause 2.4 of the SBP Manual, KATA CJSC does not purchase timber from third-party suppliers) – see C-05.

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-000215	NC Grading: Minor
Standard:	SBP Standard 2: Verification of SBP-compliant Feedstock
Requirement:	IN2C; 1 General requirements
Description of Non-conformanc	e and Related Evidence:
The applicant for the certificate has website of the organization (http:// was confirmed, but not in the lates	is prepared SBR in Russian and English. When checking the official /www.katawood.com/), the presence of SBR on it in Russian and English st edition. It was decided to assess it as a minor condition.
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:	The current version of the SBR in English is published on the official website of the company (http://www.katawood.com/). The company's SBR is written in accordance with the template (Version 1.4 published on 22 October 2020), and is generated on the portal https://portal.sbp-cert.org/, and meets all the requirements.
Findings for Evaluation of Evidence:	The SBP portal (https://portal.sbp-cert.org/index) contains the SBR, made according to the current version - Version 1.4 published on October 22, 2020. This version is also posted on the official website of KATA CJSC (http: //www.katawood.com/21.pdf). The proven SBR is concise and covers the most important features: using 100% SBP- compliant secondary feedstock (FSC 100%) as input from their sawmill and wood processing plant residues; wood for these plants comes from 6 own FSC-certified leased forest areas (FC-FM/COC-001522). SBR meets the requirements of the clause of the standard, which indicates the elimination of the main audit comments. Based on the above, this condition can be closed.
NC Status:	Closed

NC number NC-000109	NC Grading: Major
Standard:	SBP Standard 5: Collection and Communication of Data Instruction
Requirement:	5.1 All data submissions must be supported by appropriate evidence.

Description of Non-conformance and Related Evidence:

The applicant for the certificate was provided by the SBP Audit Report (SAR) on Energy and Carbon Data for Pellets for Biomass Producers producing pellets. The SAR audit did not provide evidence on the following points: - in section 2.1 SAR it is indicated that the production of 23 000 tons of pellets (given in section 3.1 SAR) will require 40 020 tons of sawdust and chips, and 1 917 tons of shavings (total: 41 937 tons of feedstock; the table incorrectly indicated m3 per- one hundred tons required by the table form). According to the approved Methodology for calculating production indicators for the SAR re-port, 2.5 tons of feedstock are required to produce 1 ton of pellets. Those, to produce 23 000 tons of pellets, 57 500 tons of feedstock is needed (the difference of 15 563 tons of feedstock is not justified). According to paragraph 2.3 SAR, 90% of pellets were produced from chips and sawdust, and the remaining 10% was produced from shavings; taking into account the commentary from the Methodology, from 40 020 tons of sawdust and chips, 20 700 tons of pellets were obtained (1,9 tons of sawdust and chips per 1 ton of pellets), and from 1917 tons of chips 2300 tons of pellets (0,8 tons of chips per 1 ton pellets) - these calculations also differ from those stated in the Methodology. Also, the values of wood density specified in the Methodology were not explained (800 kg / m3 for wet pine, 500 kg / m3 for dry pine); the reference to the standard of the Republic of Belarus STB 1867-2009 is not explained. - the energy consumption value of 909,9 kWh for the pellet production has not been confirmed (section 3.2 SAR); - the sources of data on the specified moisture content of feedstock before and after drying, as well as the moisture of pellets, were not shown (accord-ing to 3.3.1 SAR, the data presented are based on theoretical calculations). section 3.4 SAR specifies the diesel consumption for the operation of front-lift and fork-lift loaders operating in the pellet production. The head of shop No. 3 (the KATA's site adjacent to the pellet production, from which the sawmill residues are supplied to produce pellets), demonstrated Excelaccounting of diesel consumption in this workshop. At the same time, it has not been confirmed that the diesel fuel (for SAR) is included in the costs of wood chips delivering sawmill waste from shops No. 1, 2 and 3 to the pellet production. - not all distances and transport capacities have been confirmed for the values specified in section 4.1 SAR. The revealed nonconformity concerns a significant part of the applicable control system and does not allow achieving compliance with the requirement of the clause of the standard, in this regard, it was decided to assess it as a major condition.

Timeline for Conformance:	Prior to (re)certification
Evidence Provided by Company to close NC:	The current SAR is based on the SBP Audit Report (SAR) on Energy and Carbon Data for Wood Pellets, version 2.1, 5 March 2021. The document template is taken from the site: https://sbp- cert.org/documents/standards-documents/templates/. Due to the fact that the plant has only recently started producing pellets, some of the parameters were determined on the basis of technical calculations, some were taken on the basis of real measurements. Report period adopted: 01.02.2020 - 31.01.2021 The data on the basis of which the report is completed is confirmed by the following documents: p.2.1: - Methodology for calculating indicators for the SAR v-2 report - summary of the pelletizing workshop January - GOST 33103.1-2017 Solid biofuel. Technical characteristics and fuel classes. Part 1 - CPL 1,2 - Pellet plant Kata - CPL 3- pellet plant Kata p. 3.1 - Methodology for calculating indicators for the SAR v-2 report - summary of the pelletizing workshop January - GOST 33103.1-2017 Solid biofuel. Technical characteristics and fuel classes. Part 1 - CPL 1,2 - Pellet plant Kata - CPL 3- pellet plant Kata p. 3.1 - Methodology for calculating indicators for the SAR v-2 report - summary of the pelletizing workshop January - GOST 33103.1-2017 Solid biofuel. Technical characteristics and fuel classes. Part 1 p.3.2: - summary of the pelletizing workshop January - Act on payment for electricity No. 1955 dated 31.01.21 p.3.3a: - summary of the pelletizing workshop January - GOST 33103.1-2017 Solid biofuel. Technical characteristics
	January p.3.4: - Methodology for calculating indicators for the SAR v-2 report p.3.5: - Methodology for calculating indicators for the SAR v-2 report - summary of the pelletizing workshop January p.4.1: - Industrial

	plant-station - Dead-end - factory (big bags) - Auto_Shassi_KAMAZ - Etran Art. Industrial-station Ust-Ilimsk - Railway deadlock CJSC KATA- Station Promyshlennaya - Etran st.Ust-Ilimsk-st.Novy port
Findings for Evaluation of	KATA CJSC has been provided with an updated SAR based on the
Evidence:	current version 2.1, as well as related materials confirming the values specified in the SAR. The person in-charge by phone explained the values indicated in the SAR, links were given to the data sources (both theoretical and materials for recording actual measurements). No discrepancies were found in the materials provided and SAR. Taking into account the sufficiency of corrective actions, it was decided to close MC-01.
NC Status:	Closed

NC number NC-000110	NC Grading: Minor
Standard:	Instruction Document 5E: Collection and Communication of Energy and Carbon Data 1.3
Requirement:	6.5.1 The BP shall operate a management system including logbooks or electronic code/card systems to allocate the use of fossil fuel to processing or transport.
Description of Non-conformance and Related Evidence:	

According to the provided evidence, a front-lift and a fork-lift loaders are used on the territory of the sawmill shop. The consumption of diesel fuel for wood chips trucks should also be considered. The applicant for the certificate demonstrated Excel-accounting of diesel fuel consumption at the sites of shop No. 3 and Alliance LLC (the contractor's site where only KATA timber is processed and which is included in the certificate FC-COC-001523 KATA CJSC), from which the supply of sawmill residues to the pelleting production is carried out. When checking SAR and accounting files, it was not confirmed that diesel was included in the costs (in SAR) for wood chips delivering sawmill residues from shopsNo. 1, 2 and 3 to the pellet production. As part of Excel-accounting, the separation of the costs of a front loader diesel engine was not demonstrated when it works at the shop No. 3, and when - at the pellet production site.

Timeline for Conformance:	By the next surveillance audit, but no later than 12 months from report
	finalisation date
Evidence Provided by	The current SAR report is based on the SBP Audit Report (SAR) on
Company to close NC:	Energy and Carbon Data for Wood Pellets, version 2.1, 5 March 2021. The document template is taken from the site: https://sbp- cert.org/documents/standards-documents/templates/. Due to the fact that the plant has only recently started producing pellets, some of the parameters were determined on the basis of technical calculations, some were taken on the basis of real measurements. Report period changed and adopted: 01.02.2020 - 31.01.2021.
Findings for Evaluation of	KATA CJSC has been provided with an updated SAR based on the
Evidence:	current version 2.1, as well as related materials confirming the values

	specified in the SAR. The person in charge by phone explained the values indicated in the SAR, links were given to the data sources (both theoretical and materials for recording actual measurements). No discrepancies were found in the materials provided and SAR. Taking into account the sufficiency of corrective actions, it was decided to close C-11.
NC Status:	Closed

NC number NC-000111	NC Grading: Major
Standard:	Instruction Document 5E: Collection and Communication of Energy and Carbon Data 1.3
Requirement:	6.8.4 Where data is not available (such as during the commissioning of the plant), estimates from design values can be used. The BP shall justify the use of those design values to the CB, and this shall be recorded in the SAR.
Description of Non-conformanc	e and Related Evidence:
According to the SAR and the comments of the responsible staff interviewed, the SAR data were taken based on theoretical values or calculations based on these values. Some of the values were justified. At the same time: - the energy consumption value of 909.9 kWh for the pellet production has not been confirmed (section 3.2 SAR); - the sources of data on the specified moisture of feedstock before and after drying, as well as the moisture of pellets, were not shown (according to 3.3.1 SAR, the data presented are based on theoretical calculations) section 3.4 SAR specifies the diesel consumption for the operation of front-lift and fork-lift loaders operating in the pellet production. The head of shop No. 3 (the KATA's adjacent site to the pellet production site, from which the sawmill residues are supplied for the production of pellets), demonstrated Excel-accounting of diesel consumption in this workshop. At the same time, it has not been confirmed that the diesel fuel (for SAR) is included in the costs of trucks delivering sawmill residues from shops No. 1, 2 and 3 to the pellet production site. The revealed nonconformity concerns a significant part of the applicable con-trol system and does not allow achieving compliance with the	
Timeline for Conformance:	Prior to (re)certification
Evidence Provided by Company to close NC:	The current SAR report is based on the SBP Audit Report (SAR) on Energy and Carbon Data for Wood Pellets, version 2.1, 5 March 2021. The document template is taken from the site: https://sbp- cert.org/documents/standards-documents/templates/. Due to the fact that the plant has only recently started producing pellets, some of the parameters were determined on the basis of technical calculations, some were taken on the basis of real measurements. Report period changed and adopted: 01.02.2020 - 31.01.2021
Findings for Evaluation of Evidence:	KATA CJSC has been provided with an updated SAR based on the current version 2.1, as well as related materials confirming the values specified in the SAR. The person in charge by phone explained the

	values indicated in the SAR, links were given to the data sources (both theoretical and materials for recording actual measurements). No discrepancies were found in the materials provided and SAR. Taking into account the sufficiency of corrective actions, it was decided to close MC-04.
NC Status:	Closed

NC number NC-000213	NC Grading: Minor
Standard:	SBP Standard 4: Chain of Custody
Requirement:	5.3.2 The BP shall calculate the proportions of biomass outputs with specific sustainability characteristics and batch specific data required in SBP Standard 5: Collection and Communication of Data by applying the relevant chain of custody control system specified in the SBP-approved CoC system
Description of Non-conformance and Related Evidence:	
The applicant for the certificate submitted the List of FSC product groups of KATA CJSC, containing percentage outputs by product groups, incl. by pellets. When comparing the Excel report on the movement of products and feedstock (maintained by the head of the pellet production site; contains data for the period from December 2020 to February 2021) with the coefficient from the List, their discrepancy was revealed. The coefficient from the List does not consider that different units of measurement are used for feedstock and products within Excel accounting (m3 and tons, respectively). Due to a temporary omission, 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-000113	NC Grading: Minor
Standard:	Instruction Document 5E: Collection and Communication of Energy and Carbon Data 1.3

Requirement:	3.1.2 Each Legal Owner shall record data as specified in this Instruction Document (5E)
Description of Non-conformanc	e and Related Evidence:
The applicant for the certificate has provided for the registration of aggregated data in the form of SAR; the current form of the report was selected in accordance with the certification scope of KATA CJSC. At the time of the audit, SAR represents predominantly theoretical values. The head of the pellet production site demonstrated the Excel-accounting forms: - to account for incoming feedstock in the pellet production (started in December 2020); - to account for the movement of feedstock and products (started in December 2020); - to account for the movement of feedstock and products (started in December 2020); - to account for energy consumption (contain data for January 2021). The applicant for the certificate demonstrated Excel accounting of diesel fuel consumption at the shop No. 3 and Alliance LLC's site (the contractor's site, where only the wood of KATA is processed and which is included in the certificate FC-COC-001523 of KATA), from which the supply of sawmill residues to the pellet production site is carried out. When checking SAR and accounting files, it was not confirmed that a diesel (in SAR) was included in the expenses for wood chips trucks delivering sawmill residues from shops No. 1, 2 and 3 to the pellet production site. As part of Excel accounting, the separation of the diesel costs of a front loader was not demonstrated when it works at the shop no. 3, and when - at the pellet production site. There was also no evidence of a record of energy consumption 909.9 kWh per pellet production site (SAR, section 3.2). Section 4.1 of the SAR does not contain data on fuel use in liters; there is no information if the vehicles return to the starting point empty / loaded. Due to a temporary omission, 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:	The current SAR report is based on the SBP Audit Report (SAR) on Energy and Carbon Data for Wood Pellets, version 2.1, 5 March 2021. The document template is taken from the site: https://sbp- cert.org/documents/standards-documents/templates/. Due to the fact that the plant has only recently started producing pellets, some of the parameters were determined on the basis of technical calculations, some were taken on the basis of real measurements. Report period changed and adopted: 01.02.2020 - 31.01.2021
Findings for Evaluation of Evidence:	KATA CJSC has been provided with an updated SAR based on the current version 2.1, as well as related materials confirming the values specified in the SAR. The person in charge by phone explained the values indicated in the SAR, links were given to the data sources (both theoretical and materials for recording actual measurements). No discrepancies were found in the materials provided and SAR. All omissions taken into account in the "objective evidence" have been eliminated. Taking into account the sufficiency of corrective actions, it was decided to close C-08.
NC Status:	Closed

NC number NC-000114	NC Grading: Minor
Standard:	Instruction Document 5E: Collection and Communication of Energy and Carbon Data 1.3

Requirement:	6.4.1 All feedstock processed by the BP in the Reporting Period for making the biomass product shall be grouped. It should 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.
Description of Non-conformanc	e and Related Evidence:
In accordance with section 2.1 SAR, wood chips, sawdust and shavings are used to produce pellets by the applicant for the certificate. The grouping is due to the difference in the volumes of incoming raw materials and their moisture. According to the data in columns H and I, supplies of sawmill residues from both sites (KATA CJSC and the contractor Alliance CJSC) are taken into account. At the same time, the supply chain of feedstock includes the supply of residues from the shops to the pellet production site (unloading into heaps) but does not include the movement of feedstock from the heaps before entering processing. At the same time, in column J, only a front-lift loader is indicated as transport, and chip trucks that provide the supply of feedstock are not considered. There is no separation of lines, considering both above points. Due to a temporary omission, a decision was made to assess the revealed condition as	
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:	The current SAR report is based on the SBP Audit Report (SAR) on Energy and Carbon Data for Wood Pellets, version 2.1, 5 March 2021. The document template is taken from the site: https://sbp- cert.org/documents/standards-documents/templates/. Due to the fact that the plant has only recently started producing pellets, some of the parameters were determined on the basis of technical calculations, some were taken on the basis of real measurements. Report period changed and adopted: 01.02.2020 - 31.01.2021
Findings for Evaluation of Evidence:	KATA CJSC has been provided with an updated SAR based on the current version 2.1, as well as related materials confirming the values specified in the SAR. The person in charge by phone explained the values indicated in the SAR, links were given to the data sources (both theoretical and materials for recording actual measurements). No discrepancies were found in the materials provided and SAR. All omissions taken into account in the "objective evidence" have been eliminated. Taking into account the sufficiency of corrective actions, it was decided to close C-09.
NC Status:	Closed

NC number NC-000216	NC Grading: Minor
Standard:	Instruction Document 5E: Collection and Communication of Energy and Carbon Data 1.3

Requirement:	6.9.1 If feedstock is not dried, then the corresponding Table 3.3.a of the SAR must be completed and justification must be recorded.
Description of Non-conformanc	e and Related Evidence:
According to table 3.3a and audit shavings) is not dried. The table s produced biomass. An indication documen-tary evidence of these v omission, a decision was made to	evidence, one of the declared product groups (see section 2.1 SAR - shows the initial moisture of the feedstock and the moisture of the is given that the values are based on theoretical calculations. No values was provided at the request of the auditor. Due to a temporary 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:	The current SAR report is based on the SBP Audit Report (SAR) on Energy and Carbon Data for Wood Pellets, version 2.1, 5 March 2021. The document template is taken from the site: https://sbp- cert.org/documents/standards-documents/templates/. Due to the fact that the plant has only recently started producing pellets, some of the parameters were determined on the basis of technical calculations, some were taken on the basis of real measurements. Report period changed and adopted: 01.02.2020 - 31.01.2021
Findings for Evaluation of Evidence:	KATA CJSC has been provided with an updated SAR based on the current version 2.1, as well as related materials confirming the values specified in the SAR. The person in charge by phone explained the values indicated in the SAR, links were given to the data sources (both theoretical and materials for recording actual measurements). No discrepancies were found in the materials provided and SAR. All omissions taken into account in the "objective evidence" have been eliminated. Taking into account the sufficiency of corrective actions, it was decided to close the C-13.
NC Status:	Closed

NC number NC-000115	NC Grading: Minor
Standard:	SBP Standard 2: Verification of SBP-compliant Feedstock
Requirement:	15.7 Relevant personnel shall be informed promptly of any changes to management systems.
Description of Non-conformance and Related Evidence:	
The training requirements for personnel within the SBP requirements are specified in Section 4 of the SBP Manual. Personnel involved in implementing SBP requirements are covered in Section 3.2 of the SBP	

Manual. During the audit, the SBP Training Log, instructions for the operator, senior operator, power engineer (in terms of data collection for SBP) and a bucket loader driver (in terms of SBP requirements) were demonstrated with the signatures of the familiarized employees. During a survey of responsible employees, their aware-ness of the SBP requirements was confirmed, with the exception of the sales manager - section 3.2 of the SBP Manual assigns to the employee the responsi-bility for registering invoices in the DTS system and processing shipping doc-uments. Also, the SBP Training Log does not indicate an employee responsible for checking documents for incoming timber (the interviewed specialist is aware of his responsibilities under this requirement; according to clause 2.4 of the SBP Manual, KATA CJSC does not purchase timber from third-party sup-pliers). Due to a temporary omission, a decision was made to assess the identified 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-000116	NC Grading: Minor
Standard:	SBP Standard 4: Chain of Custody
Requirement:	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
Description of Non-conformance and Related Evidence:	
The applicant for the certificate provided documents supporting the fulfillment of labor protection requirements in accordance with 1.4 FSC-STD-40-004 V3-0: list of appointment of an employee responsible for labor protection, labor protection procedures and instructions, instruction logs on labor protection and fire safety (with the exception of the logs of introductory instruction on labor protection and fire safety) and certificates of employees who have undergone training in labor protection and a fire-technical minimum. During the inspection of the pellet production site and the adjacent territory (storage sites for feedstock and finished products), compliance with labor protection, safety and fire safety requirements was confirmed at the site except the next one - there are no required operating fire extinguishing equipment in the pellet warehouse (paragraph 481-484 of the Government Decree of the Russian Federation from 25.04.2012 N 390). Due to a temporary omission, 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	Pending
Company to close NC:	

Findings for Evaluation of Evidence:	Pending
NC Status:	Open

NC number NC-000296	NC Grading: Minor
Standard:	SBP Standard 2: Verification of SBP-compliant Feedstock
Requirement:	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.
Description of Non-conformanc	e and Related Evidence:
The applicant for the certificate has of SBR on the line "Weblink to SB (taken into account below, in sect 2.1 SBR takes into account that "o thousand tons per year", i.e. 23 m SBR, there is no breakdown by ty of shavings as input feedstock. Al feedstock type in section 13.5 (SE the non-conformity as a minor cor Timeline for Conformance: Evidence Provided by Company to close NC:	as prepared a Resource Base Report in Russian and English. Section 1 BE on Company website" does not indicate that SBE is not relevant ion 3), but provides a link to SBR on the organization's website. Section capacity for the production of wood fuel pellets (pellets): 23,000 nillion tons per year - the value is clearly overestimated. In section 2.51 pe of secondary feedstock and origin. SBR says nothing about the use so not considered (missing) in SBR: diagram in section 2.4 and 3P-compliant secondary feedstock). The decision was made to assess notition. By the next surveillance audit, but no later than 12 months from report finalisation date The current version of the SBR in English is published on the official website of the company (http://www.katawood.com/). The company's
	SBR is written in accordance with the template (Version 1.4 published on 22 October 2020), and is generated on the portal https://portal.sbp- cert.org/, and meets all the requirements.
Findings for Evaluation of Evidence:	The SBP portal (https://portal.sbp-cert.org/index) contains the SBR, made according to the current version - Version 1.4 published on October 22, 2020. This version is also posted on the official website of KATA CJSC (http: //www.katawood.com/21.pdf). The proven SBR is concise and covers the most important features: using 100% SBP- compliant secondary feedstock (FSC 100%) as input from their sawmill and wood processing plant residues; wood for these plants comes from 6 own FSC-certified leased forest areas (FC-FM/COC-001522). SBR meets the requirements of the clause of the standard, which indicates the elimination of the main audit comments. Based on the above, C-04 can be closed.
NC Status:	Closed

NC number NC-000295	NC Grading: Minor
Standard:	Instruction Document 5E: Collection and Communication of Energy and Carbon Data 1.3
Requirement:	6.4.5 For reporting mass F, the total mass of material processed during the Reporting Period for biomass production must be recorded including the share that is diverted as biomass fuel. If part (or optionally the totality) of the Feedstock Group is diverted as biomass fuel, then consider the total mass as received in F and add also a corresponding line in Table 3.5 of the SAR where the raw tonnage is reported for the share used as biomass fuel (see paragraph 6.9.5).
Description of Non-conformanc	e and Related Evidence:
According to the tables in Section used for drying (burning). When c and for drying (the first table in se pellets (the second table in section sawdust) was used for drying (bur tables in section 2.1 SAR for dryin SAR (8 387 t and 8 280 m3, respective the identified condition as minor.	s 2.1 and 3.5 SAR, sawmill waste (chips and sawdust) and bark are omparing the total mass of feedstock used for the production of pellets ction 2.1 SAR), with the mass of feedstock used for the production of n 2.1 SAR), a difference was obtained - 8 387 tons of waste (chips and rning). The volume of chips and sawdust calculated according to the ng (for combustion) differs from the same volume indicated in Table 3.5 ectively). Due to a temporary omission, a decision was made to assess
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:	The current SAR report is based on the SBP Audit Report (SAR) on Energy and Carbon Data for Wood Pellets, version 2.1, 5 March 2021. The document template is taken from the site: https://sbp- cert.org/documents/standards-documents/templates/. Due to the fact that the plant has only recently started producing pellets, some of the parameters were determined on the basis of technical calculations, some were taken on the basis of real measurements. Report period changed and adopted: 01.02.2020 - 31.01.2021
Findings for Evaluation of Evidence:	KATA CJSC has been provided with an updated SAR based on the current version 2.1, as well as related materials confirming the values specified in the SAR. The person in charge by phone explained the values indicated in the SAR, links were given to the data sources (both theoretical and materials for recording actual measurements). No discrepancies were found in the materials provided and SAR. All omissions taken into account in the "objective evidence" have been eliminated. Taking into account the sufficiency of corrective actions, it was decided to close C-10.
NC Status:	Closed

NC number NC-000297	NC Grading: Minor
Standard:	Instruction Document 5E: Collection and Communication of Energy and Carbon Data 1.3
Requirement:	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.
Description of Non-conformanc	e and Related Evidence:
The SAR audit did not provide evi kWh for the pellet production site the diesel consumption for the ope The head of workshop No. 3 (the timber production wastes are sup diesel consumption in this worksh SAR) is included in the costs of w workshop.	dence on the following points: - the energy consumption value of 909.9 has not been confirmed (section 3.2 SAR); - Section 3.4 SAR specifies eration of front loaders and forklifts operating in the pelletizing workshop. site of CJSC KATA adjacent to the pelletizing workshop, from which the blied for the production of pellets), demonstrated excel accounting of op. At the same time, it has not been confirmed that the diesel fuel (for ood chips, delivering sawmill waste from CPs No. 1, 2 and 3 to the pellet
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:	The current SAR report is based on the SBP Audit Report (SAR) on Energy and Carbon Data for Wood Pellets, version 2.1, 5 March 2021. The document template is taken from the site: https://sbp- cert.org/documents/standards-documents/templates/. Due to the fact that the plant has only recently started producing pellets, some of the parameters were determined on the basis of technical calculations, some were taken on the basis of real measurements. Report period changed and adopted: 01.02.2020 - 31.01.2021
Findings for Evaluation of Evidence:	KATA CJSC has been provided with an updated SAR based on the current version 2.1, as well as related materials confirming the values specified in the SAR. The person in charge by phone explained the values indicated in the SAR, links were given to the data sources (both theoretical and materials for recording actual measurements). No discrepancies were found in the materials provided and SAR. Taking into account the sufficiency of corrective actions, it was decided to close C-12.
NC Status:	Closed

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:	01 Jun 2021	
Other comments:	BP should inform CB immediately when stable operations of the pellets production have been reached during three (3) consecutive months. An additional audit is required after receiving this information from BP.	