



NEPCon OÜ Evaluation of Region-les LLC (Shenkursk division) Compliance with the SBP Framework: Public Summary Report

Second Surveillance Audit

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Completed in accordance with the CB Public Summary Report Template Version 1.5

For further information on the SBP Framework and to view the full set of documentation see www.sbp-cert.org

Document history

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1 Overview

Certification Body (CB) Name:	NEPCon OÜ
Primary CB contact for SBP:	Ondrej Tarabus
Primary CB contact email:	otarabus@preferredbynature.org
Audit team leader:	Nikolai Tochilov
Audit team members:	-
Name of the Company:	Region-les LLC (Shenkursk division)
Company legal address:	office 20, 163 Leningradskiy prospekt, 163015 Arkhangelsk, Russia
Company contact for SBP:	Anton Studentsov
Company contact email:	studencov_a@regionlesm.ru
Company website:	https://www.rl-group.net/en
SBP Certificate Code:	SBP-07-40
Date of certificate issue:	16 Dec 2019
Date of certificate expiry:	15 Dec 2024
Audit closing meeting date:	10 Dec 2021
Audit cycle:	Second 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)
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 1.5	☐
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 implemented:	FSC: NC-COC-024574	☐
	Transfer	☐

2.1 Description of the company

Region-les LLC is one of the largest companies in the timber industry of Arkhangelsk region, with the central office in Arkhangelsk, Russia. Organisation includes the sawmilling and pellet production facilities in Shenkursk district of Arkhangelsk region and the new pellet production in Arkhangelsk, commissioned in November 2020. Organisation furthermore has created the group association, with the aim of promoting and assisting logging organizations (suppliers) in meeting the requirements of national and international FSC standards. This group association currently includes four timber harvesting companies located in the middle and southern parts of Arkhangelsk region. The scope of this evaluation covers the pellet plant in Shenkursk district of Arkhangelsk region, which has annual production capacity of 14 400 tones.

2.2 Detailed description of the Chain of Custody system

BP holds valid FSC CoC certificate

<https://info.fsc.org/details.php?id=a023300000YLYgnAAH&type=certificate> covering sawmill and pellet production in Shenkursk district of Arkhangelsk region, and the new pellet production in Arkhangelsk. The scope of this certification covers pellet production in Shenkursk district of Arkhangelsk region. Only secondary feedstock (sawdust + wood chips for pellets and wood chips + barks for the dryer) with FSC 100% claim from Organisation's sawmill located at the same production site in Chashinskaya village is used for pellet production and FSC transfer system of claims is implemented (all pellets have FSC 100% claim). Non-certified feedstock is not processed by pellet plant, neither used in dryer.

3 Specific objective

The specific objective of this evaluation was to confirm that the Biomass Producer's management system is capable of ensuring that all requirements of specified SBP Standards are implemented across the entire scope of certification.

The scope of the evaluation covered:

- Review of the BP's management procedures;
- Review of the production processes, production site visit;
- Review of FSC system control points, analysis of the existing FSC CoC system;
- Interviews with responsible staff;
- Review of the records, calculations and conversion coefficients;
- GHG data collection analysis and assessment of compliance with ID 5E.

4 Evaluation process

4.1 Timing of evaluation activities

<i>Audit Level of Effort (LoE)</i>		
<i>Activity</i>	<i>Auditors</i>	<i>Auditor hours</i>
1. Preparation	Nikolai Tochilov	1,0
2. On-site (excl. travel time)	Nikolai Tochilov	8,0
3. Report writing	Nikolai Tochilov	4,0
4. Other	N/A	N/A

<i>Audit Schedule</i>			
<i>Activity</i>	<i>Location</i>	<i>Auditor name</i>	<i>Date/time</i>
<i>Opening meeting</i>	Chashinskaya village, office	Nikolai Tochilov	06 Dec 2021/11:00
<i>Supply Base review</i>	Chashinskaya village, office	Nikolai Tochilov	06 Dec 2021/11:15
<i>Management and monitoring system review</i>	Chashinskaya village, office	Nikolai Tochilov	06 Dec 2021/12:00
<i>CoC system review</i>	Chashinskaya village, office	Nikolai Tochilov	06 Dec 2021/12:30

<i>Onsite inspection of the pellet production, H&S</i>	Chashinskaya village, pellet plant	Nikolai Tochilov	06 Dec 2021/13:30
<i>Energy use data review</i>	Chashinskaya village, office	Nikolai Tochilov	06 Dec 2021/14:30
<i>End of the day</i>	Chashinskaya village, office	Nikolai Tochilov	06 Dec 2021/17:30
<i>Anticorruption policy, tax payments</i>	Arkhangelsk, head office	Nikolai Tochilov	10 Dec 2021/11:00
<i>Review of DTS, invoices</i>	Arkhangelsk, head office	Nikolai Tochilov	10 Dec 2021/12:00
<i>Closing meeting</i>	Arkhangelsk, head office	Nikolai Tochilov	10 Dec 2021/12:30

Auditor qualification		
Auditor name	Role	Qualification
Nikolai Tochilov	Audit team leader	NEPCon SBP lead auditor. He has successfully passed SBP auditor training in Tallinn in January 2015; previous experience with more than 60 SBP assessments and annual audits in Russia, Portugal, Germany, Netherlands, Belgium, Latvia, Belarus and Vietnam.

4.2 Description of evaluation activities

All SBP related documentation connected to the SBP as well as FSC CoC system of the Organisation, including SBP Procedure, SAR and GHG data calculations, Supply Base Report and FSC system description was provided by the company at the beginning of the audit, which started on December 06,

2021 with an opening meeting attended by the representatives from Organisation's management and staff at production site in Chashinskaya village.

During the opening meeting, audit team leader 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 accreditation 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, recordkeeping/mass balance requirements, emission and energy data and categorisation of input and verification of SBP-compliant biomass. Chain of Custody implementation was reviewed focusing in the Critical Control Points, in particular it was verified reception of the material and it's classification, identification of feedstock origin, production process with the conversion factors associated, mass balance, final product storage and sales. During the process, overall responsible person for SBP system and other staff were interviewed.

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

On December 10, 2021, documents review and interviews were conducted at central office in Arkhangelsk with the staff representatives responsible for performance of transport and sales documents. After that, findings were summarised and audit conclusions based on use of 3 angle evaluation method were provided to SBP responsible person.

4.3 Sampling methodology

Staff interviews: the key staff involved in SBP certification was interviewed during the audit. Onsite inspection: during onsite inspection, auditor went through the whole production, starting with feedstock delivery to the pellet plant and ending with the storage of the biomass and its shipping to customers.

Documents review: auditor has verified all records related to feedstock input and biomass output; moisture measurements; electricity and diesel consumption. Special attention was paid to justification of conversion factor for pellet production, established by Organisation annually.

4.4 CB stakeholder engagement

N/A

4.5 Stakeholder feedback

N/A

5 Results

5.1 Main strengths and weaknesses

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

Weaknesses: none.

5.2 Rigour of Supply Base Evaluation

N/A

5.3 Collection and communication of data

The following energy sources are used by BP: electricity for pellet production; diesel for feedstock handling at pellet production site; diesel for biomass handling and transportation to customer; biofuels for the dryer. Energy use values are based on actual consumption records maintained by BP.

5.4 Competency of involved personnel

Overall, BP staff showed good understanding of knowledge of all applicable SBP requirements. Generally, very few staff members are involved into SBP certification: SBP/FSC responsible person (SBP procedures and systems updates, SAR, SBR, DTS, comments/complaints resolution), chief and foreman of pellet production (registration of the inputs and outputs volume, moisture measurements, performance of transport documents in case of selling at internal market), mechanic (diesel consumption), power engineer (electricity consumption), H&S engineer, export manager (registration of shipped volumes, invoices performance).

6 Review of company's risk assessments

6.1 Overview of company's risk assessments and mitigation measures

N/A

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**

N/A

8 Certification decision

Based on the auditor's recommendation and the Certification Body's quality review, the following certification decision is taken:	
Certification decision:	Certification approved
Certification decision by (name of the person):	Pilar Gorría Serrano
Date of decision:	18 Mar 2022
Other comments:	N/A