



Forest Certification LLC Evaluation of Sumitomo Corporation Central Eurasia LLC Compliance with the SBP Framework: Public Summary Report

Main (Initial) Audit

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Completed in accordance with the CB Public Summary Report Template Version 1.4

*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

CB Name and contact: Forest Certification LLC, 121096, Russia, Moscow, Vasilisy Kozhinoy, bld. 1, office 17

Primary contact for SBP: Director of certification programs Savulidi Alexey. Phone/fax +7 (812) 384-69-88. Mobile phone +7 (911) 921-74-65. E-mail: Alexey.Savulidi@fcert.ru

Current report completion date: 14/Dec/2020

Report authors: Stashkevich Nikolai

Name of the Company: Sumitomo Corporation Central Eurasia LLC (125009, Russia, Moscow, Vozdvizhenka street, 4/7, building 2)

Company contact for SBP: Manager Trubnikova Svetlana. Tel .: +79688134861. E-mail: svetlana.trubnikova@sumitomocorp.com

Certified Supply Base: Not applicable for trader

SBP Certificate Code: SBP-09-05

Date of certificate issue: 25/Dec/2020

Date of certificate expiry: 24/Dec/2025

This report relates to the Main (Initial) Audit

2 Scope of the evaluation and SBP certificate

Scope description: Trading of woodchips and wood pellets for use in energy production, including transport from Biomass Producers in Russia to different end points in EU countries. Trading of woodchips and wood pellets without physical possession on FOB, CIF Incoterms conditions. The certificate scope does not include Supply Base Evaluation.

The scope of the evaluation and the certificate scope covers the office in Moscow, Vozdvizhenka st., 4/7, building 2, Russia.

3 Specific objective

The specific objective of this evaluation was to confirm that the Biomass Trader'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 Biomass Trader's management procedure;
- Review of FSC system control points, analysis of the existing FSC CoC system;
- Interviews with responsible staff;
- Review of the records and calculations.

4 SBP Standards utilised

4.1 SBP Standards utilised

Please select all SBP Standards used during this evaluation. All Standards can be accessed and downloaded from <https://sbp-cert.org/documents/standards-documents/standards>

- ☐ SBP Framework Standard 1: Feedstock Compliance Standard (Version 1.0, 26 March 2015)
- ☐ SBP Framework Standard 2: Verification of SBP-compliant Feedstock (Version 1.0, 26 March 2015)
- ☒ SBP Framework Standard 4: Chain of Custody (Version 1.0, 26 March 2015)
- ☒ SBP Framework Standard 5: Collection and Communication of Data (Version 1.0, 26 March 2015)

4.2 SBP-endorsed Regional Risk Assessment

Not applicable.

5 Description of Company, Supply Base and Forest Management

5.1 Description of Company

SUMITOMO CORPORATION CENTRAL EURASIA LLC is a trading company registered in Moscow, Russia. The company was founded in 2011. SUMITOMO CORPORATION CENTRAL EURASIA LLC is a subsidiary company of Sumitomo Corporation (Japan) based in Tokio. LLC Sumitomo Corporation Central Eurasia also has offices in St. Petersburg and Vladivostok which can be involved in the purchase and sales of woodchips and wood pellets, but all the communication is controlled by SBP manager.

Sumitomo Corporation Central Eurasia LLC acts as an exporter of biomass (woodchips and wood pellets) to the territory of the European Union. The company works without physical possession and can purchase and sell biomass on FOB or CIF incoterms conditions.

SBP Management System regards the requirements on:

- Purchase of biomass (wood pellets and wood chips) with FSC and SBP claims;
- Sale of biomass (wood pellets and wood chips) with FSC and SBP claims;
- Provision of data on energy data and carbon emissions from suppliers;
- Corporate policies.

5.2 Description of Company's Supply Base

Not applicable for trader.

5.3 Detailed description of Supply Base

Not applicable for trader.

5.4 Chain of Custody system

The organization has valid FSC certificate FC-COC-001367 / FC-CW-001367

(<https://info.fsc.org/details.php?id=a02f300000jmW09AAE&type=certificate>) and PEFC certificate FC-PEFC-0097 (<https://www.pefc.org/find-certified/company/1269734>). FSC CoC system was chosen by organisation to be used for SBP evaluation. The organization implements the FSC transfer system with biomass (wood pellets and wood chips) trading.

In the approved SBP Handbook, SUMITOMO CORPORATION CENTRAL EURASIA LLC regulates the purchase and sale of biomass (wood pellets and wood chips) with FSC and SBP claims. The possibility of SBP-compliant biomass and SBP-controlled biomass is stipulated.

The process covers biomass trading without physical possession. See more explanations in 5.1 above.

6 Evaluation process

6.1 Timing of evaluation activities

Onsite audit was conducted on 25.11.2020 (8 h). Assessment activities included documents review at office, inspection of storage site and staff interviews.

<i>Date</i>	<i>Activities</i>	<i>Location</i>
25.11.2020	• Opening meeting. • Interviews with management and leading specialists of the enterprise. • Analysis of the internal documentation of the enterprise developed as part of the SBP certification. • Validation of an SBP enterprise supply chain system. • Interviews with employees. • Work with enterprise documentation. Fill out a checklist for applicable SBP certification standards. • Preparation of preliminary audit findings. • Closing meeting. Summing up the preliminary results of the audit.	Office

6.2 Description of evaluation activities

Composition of audit team:

Auditor(s), role	Qualifications
Stashkevich Nikolai, 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 (2016-2019) on FSC and PEFC as a lead auditor or as an auditor (without desk-audits). SBP accreditation audit has been successfully completed.

The evaluation visit was focused on management system evaluation: division of the responsibilities, document and system, inputs and outputs classification 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 Handbook, corresponding procedures and FSC Manual were provided by the company in the beginning of the audit. Audit started with an opening meeting attended by the Organisation's representative manager.

Audit team leader introduced himself, provided information about audit plan, methodology, auditor's qualification, confidentiality issues, and clarified certification scope. During the opening meeting the auditor explained CB's accreditation related issues.

After the opening meeting auditor made review of documented FSC CoC control system and critical control points, SBP documented procedure and responsible manager interview. Furthermore, auditor went through all applicable requirements of the SBP standards nr. 4, 5 and applicable requirements of instruction document 5E.

At the closing meeting, findings were summarised and audit conclusions were provided to the SBP responsible person.

Impartiality commitment: Please see Forest certification LLC impartiality commitment on the web-site https://en.fcrt.ru/about/conflict_of_interests/

6.3 Process for consultation with stakeholders

Not applicable for trader.

7 Results

7.1 Main strengths and weaknesses

Strengths: Use of the FSC transfer system. All SBP responsibilities are assigned to the only responsible employee.

Weaknesses: single omissions related to OHAS and competence of the responsible employee.

7.2 Rigour of Supply Base Evaluation

Not applicable.

7.3 Collection and Communication of Data

According to SBP Handbook SUMITOMO CORPORATION CENTRAL EURASIA LLC, in case of physical possession, the 'Audit report on Energy and GHG Data for Supplied Biomass' (SREG) needs to be filled in for inland delivery of the biomass. The SREG states the energy and carbon data, regarding the new biomass transportation route in question. When the delivery includes also sea transportation, and the buyer asks for this data, the relevant template of SREG for inland and sea transportation must be used.

No fulfilled SREGs were provided during the main audit due to the lack of biomass supplies and the company's lack of a SBP certificate.

SBP Handbook also stipulates that SBP manager registers the relevant invoices and biomass volumes in the SBP DTS system.

7.4 Competency of involved personnel

The main responsible person for SBP-certification has been appointed a manager who performs:

- Maintain the organization's compliance with applicable SBP requirements.
- Executes Due Diligence system
- Monitor the SBP management system; analyse procedures, evaluate and update the management system.

Discuss improvements with the company management.

- Check the documentation on incoming and outgoing invoices on FSC/SBP indication
- Finalise annually, before the SBP audit, an update of SBP Handbook;
- Ensure sufficient qualification of employees on SBP.
- Handle received comments or complaints according the procedure.
- Ensure compliance with the law and in specific the EU Timber Regulation (EUTR)
- Ensure and check the correct use of the SBP trademark.
- In case of physical possession, if needed, provide an SREG, covering the new trade route.
- Submit the SBP sales transaction information to the SBP Data Transfer System (DTS), when needed also the Dynamic Batch Data (DBSD). If needed, provide the latest approved version of the SREGs to clients via DTS.
- Maintain the FSC and SBP transfer systems.

During this audit, SBP responsible manager demonstrated appropriate qualifications except single inaccuracies (see Minor 02). The client's comments received during the writing of the report regarding this Minor 02 do not contain an analysis of the reasons for the non-compliance, descriptions and evidence of corrective actions by the applicant for the certificate - at the moment U-02 cannot be removed / closed.

7.5 Stakeholder feedback

Not applicable for trader.

7.6 Preconditions

None.

8 Review of Company's Risk Assessments

Not applicable.

9 Review of Company's mitigation measures

Not applicable.

10 Non-conformities and observations

Identify all non-conformities and observations raised/closed during the evaluation (a tabular format below may be used here). Please use as many copies of the table as needed. For each, give details to include at least the following:

- applicable requirement(s)
- grading of the non-conformity (major or minor) or observation with supporting rationale
- timeframe for resolution of the non-conformity
- a statement as to whether the non-conformity is likely to impact upon the integrity of the affected SBP-certified products and the credibility of the SBP trademarks.

NC number 01	NC Grading: Minor
Standard & Requirement:	SBP Framework Standard 4: Chain of Custody, V.1.0, March 2015; p. 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 submitted OHAS documents (training journals (introductory, primary and repeated at the workplace, as well as on fire protection), a report on a special assessment of working conditions). At the same time, next documentary evidence was not provided upon request: the appointment of an employee responsible for health and safety, the availability of procedures / instructions for health and safety, as well as certificates confirming the training of specialists and managers in health in the amount of 40 hours. The audited journals did not observe the required frequency of trainings. Due to a temporary omission, it was decided to assess the 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:	<i>Click or tap here to enter description provided by Company to close the NC.</i>
Findings for Evaluation of Evidence:	<i>Click or tap here to enter findings for evaluation of evidence by the auditor.</i>
NC Status:	Open

NC number 02	NC Grading: Minor
Standard & Requirement:	SBP Instruction Document 5E: Collection and Communication of Energy and Carbon Data, V1.1, November 2019; p. 3.1.4 Each Legal Owner shall operate a Management System to ensure that data recorded are compliant with the requirements specified in this Instruction Document (5E).
Description of Non-conformance and Related Evidence:	
The management system used by the applicant for the certificate is taken into account in the developed SBP Handbook SUMITOMO CORPORATION CENTRAL EURASIA LLC. The SBP Handbook regulates the collection of data within SREG, its transmission via DTS, and compliance with other requirements under the applicable SBP standards. During the audit, the interviewed manager responsible for SBP certification confirmed his competence in the implementation of certification requirements, with the exception of the following: - The SBP Handbook instructs that, in the case of physical possession, the Supplied Biomass Energy and Greenhouse Gas Data Audit Report (SREG) must be completed for internal biomass delivery. The interviewed SBP Certification representative person was unable to cite a specific requirement that exempts traders without physical possession from having to fill out an SREG (point to the specific SBP requirement governing this point). In general, the requirements for filling out the SREG are taken into account in section 8 of the SBP Handbook presented.- the concepts of Transaction, Transaction Batch and Production Batch are explained in the developed SBP Handbook SUMITOMO CORPORATION CENTRAL EURASIA LLC. The employee responsible for SBP certification interviewed did not clarify that:- a batch of a transaction can be split and provided in more than one DTS BP transaction (a comment was received that transactions cannot split a batch) (see clause 4.1.4 of Instruction 5E).- one DTS transaction may include several transaction batches, including batches from more than one biomass producer (see clause 4.1.5 of Instruction 5E). Due to a temporary omission in terms of insufficient implementation of the system and incomplete understanding by the responsible employee of the above points, 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:	<i>Click or tap here to enter description provided by Company to close the NC.</i>
Findings for Evaluation of Evidence:	<i>Click or tap here to enter findings for evaluation of evidence by the auditor.</i>
NC Status:	Open

11 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:	25/Dec/2020
Other comments:	-