



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

First 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:	Forest Certification LLC
Primary CB contact for SBP:	Aleksei Savulidi
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Audit team leader:	Nikolai Stashkevich
Audit team members:	Nikolai Stashkevich
Name of the Company:	Sumitomo Corporation Central Eurasia LLC
Company legal address:	2 Vozdvizhenka Street, 4/7, 125009 Moscow, Russia
Company contact for SBP:	Svetlana Trubnikova
Company contact email:	svetlana.trubnikova@sumitomocorp.com
Company website:	N/A
SBP Certificate Code:	SBP-09-05
Date of certificate issue:	25 Dec 2020
Date of certificate expiry:	24 Dec 2025
Audit closing meeting date:	24 Nov 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)
Primary Activity:	Trader	☐
Approved Standards:	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, Chips	☐

Feedstock types:	N/A	☐
Feedstock origin (countries):	N/A	☐
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: FC-COC-001367, FC-CW-001367	☐
	Transfer	☐

2.1 Description of the 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. Office of LLC Sumitomo Corporation Central Eurasia in Moscow also has branches (divisions) in St. Petersburg and Vladivostok. 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.

2.2 Detailed description of the Chain of Custody system

The organization has valid FSC COC certificate with CW code FC-COC-001367 / FC-CW-001367 (<https://info.fsc.org/details.php?id=a02f300000jmW09AAE&type=certificate>). 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.

3 Specific objective

The specific objective of this evaluation was to confirm that the 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 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;
- Verification of transactions in the DTS.

4 Evaluation process

4.1 Timing of evaluation activities

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

<i>Audit Schedule</i>			
Activity	Location	Auditor name	Date/time
<i>Opening meeting</i>	Office	Nikolai Stashkevich	24 Nov 2021/9:00
<i>Interviews with management and leading specialists of the enterprise</i>	Office	Nikolai Stashkevich	24 Nov 2021/9:15
<i>Analysis of the internal documentation of the enterprise developed as part of the SBP</i>	Office	Nikolai Stashkevich	24 Nov 2021/9:35

<i>certification.</i>			
<i>Validation of an SBP enterprise supply chain system</i>	Office	Nikolai Stashkevich	24 Nov 2021/10:00
<i>Interviews with employees</i>	Office	Nikolai Stashkevich	24 Nov 2021/11:00
<i>Work with enterprise documentation. Fill out a checklist for applicable SBP certification standards</i>	Office	Nikolai Stashkevich	24 Nov 2021/12:00
<i>Preparation of preliminary audit findings</i>	Office	Nikolai Stashkevich	24 Nov 2021/12:30
<i>Closing meeting. Summing up the preliminary results of the audit</i>	Office	Nikolai Stashkevich	24 Nov 2021/12:45

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 (2016-2021) 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 (in the company's office) 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.

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.

DTS data confirmed that the organization had no transactions with SBP certified biomass for the reporting period. For a trader without physical possession, the risks of mixing are controlled by the suppliers/buyers; there is a risk of false claims for the certificate holder.

Critical control points (CCPs) were assessed - due to the fact that the certificate holder is a trader without physical possession, CCPs should include checking documents for purchased materials and processing documents (indicating the certified status in them) for materials sold. The company documented the absence of the purchase and sale of materials in the reporting period.

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

The most time was spent on reviewing the certificate holder's internal documentation.

4.3 Sampling methodology

During the office assessment, the SBP and FSC compliance documents were reviewed and assessed. The available OHAS materials were evaluated. Employees were interviewed, whose responsibility is registered in the SBP Handbook. 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 SBP Handbook developed on their basis. The interviews were with the current Certification manager, the specialist who was a Certification manager at the last (main) audit (interviewed by phone) and the Chief Accountant. Documents were requested for the purchase and sale of the declared SBP product groups - according to the comments of the interviewed responsible employees and the provided certificate, the organization did not have the purchase and sale of biomass (the organization is a trader without physical ownership) for the reporting period. The data on transactions in the DTS were checked - the absence of the purchase and sale of certified biomass was confirmed. 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.1.5 Certification assessment according to the SBP system.

4.4 CB stakeholder engagement

Not applicable for trader.

4.5 Stakeholder feedback

Not applicable for trader.

5 Results

5.1 Main strengths and weaknesses

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

Weaknesses: N/A.

5.2 Rigour of Supply Base Evaluation

Not applicable.

5.3 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 audit due to the lack of biomass supplies and outputs in the reporting period.

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

DTS review confirmed the absence of transactions with SBP certified biomass.

5.4 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 systems.

During this audit, SBP responsible manager demonstrated appropriate qualifications in SBP requirements.

According to the Training journal, external training was conducted by an outsourced expert on Oct, 12 and Nov, 19 2021 (the key employees of the organization were involved in the SBP training).

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-000971 (01)	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 submitted documents on labor protection and safety (OHS) (instruction logs (introductory, primary and repeated at the workplace, as well as fire safety), a report on a special assessment of working conditions). At the same time, documentary evidence was not provided upon request: the appointment of an employee responsible for occupational health and safety, the availability of occupational health and safety procedures / instructions, as well as certificates confirming the training of occupational health and safety specialists and managers in the amount of 40 hours . In the audited journals, the required frequency of briefings was not observed. Due to a temporary omission, a decision was made 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:	Additional training of personnel was carried out, a responsible person was appointed, a certificate of completion of the 40th course in occupational health and safety was received.
Findings for Evaluation of Evidence:	The certificate holder provided: - Order No. 11/2-a dated February 25, 2021 on the establishment of a commission to investigate the reasons for the absence of the instructing person's signature; - act dated 05.03.2021 on the results of the investigation; - Order No. 13-a dated 03/09/2021 on the implementation of measures to eliminate violations of labor protection requirements in the organization; - Order No. 11-a dated February 25, 2021 on the organization of briefings at the workplace; - registration log of introductory briefing; - approved Program for conducting briefings at the workplace at Sumitomo Corporation Central Eurasia LLC; - logbook of briefing at the workplace; - Certificates of the General Director and two employees, confirming their training in OHAS and testing knowledge of OHAS requirements in the amount of 40 hours; - Order No. 10-a dated February 16, 2021 on the appointment of a person responsible for organizing work on labor protection; - Appendix No. 1 to Order No. 17-a dated March 31, 2021 List of professions and positions of employees exempted from primary briefing at the workplace. During the audit at the office of the organization, the following were demonstrated: - register of instructions on labor protection at the workplace; - approved program of briefings at the workplace; - order No. SPBZZ-160505/bn on the appointment of an employee responsible for labor protection; - a certificate confirming that the chief accountant has completed OHAS

	training and tested knowledge of OHAS requirements in the amount of 40 hours. The obtained materials testify to the elimination of the cause of the condition identified at the main audit, confirm compliance with the requirements of the standard for health and safety. A decision was made to close C-01.
NC Status:	Closed

NC number NC-000972 (02)	NC Grading: Minor
Standard:	Instruction Document 5E: Collection and Communication of Energy and Carbon Data 1.5
Requirement:	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:	
This condition was exposed under p. 3.1.4 SBP Instruction Document 5E: Collection and Communication of Energy and Carbon Data, V1.1, November 2019. At the moment, the SBP portal does not allow you to select previous versions of Instruction 5E, therefore, in this table, the closest instruction item is selected. 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 governs the collection of data under the SREG, its transmission through the DTS, and compliance with other requirements under applicable SBP standards. During the audit, the interviewed SBP Certification Manager confirmed his competence in implementing the certification requirements except for the following: - The SBP Handbook specifies that, in the case of physical ownership, the Energy and Greenhouse Gas Data Audit Report for Delivered Biomass (SREG) must be completed for domestic delivery of biomass. The SBP certifier interviewed was unable to cite a specific requirement exempting traders without physical possession from having to complete the SREG (point to the specific SBP requirement governing this). In general, the requirements for completing the SREG are taken into account in section 8 of the presented SBP Handbook. - the concepts of Transaction, Transaction Batch and Production Batch are explained in the developed SBP Handbook SUMITOMO CORPORATION CENTRAL EURASIA LLC. The interviewed person responsible for SBP certification did not explain that: - transaction batch can be split and provided in more than one DTS BP transaction (comment received that transaction batch cannot be split) (see 4.1.4 of Instruction 5E). - one DTS transaction may include several batches of transactions, 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 of the above points by the responsible employee, 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:	Additional training for the SBP Instruction 5E requirements was provided
Findings for Evaluation of Evidence:	In the reporting period, the certificate holder changed the employee responsible for SBP certification. According to the current SBP Handbook of SUMITOMO CORPORATION CENTRAL EURASIA LLC (internal guidance governing compliance with SBP certification requirements in an organization), the SBP manager is the person responsible for SBP certification. The provided Training journal

	confirms the training of employees of the organization (including the current and past person responsible for SBP certification of specialists) according to the requirements of SBP by an external consultant. During the SBP survey of the manager, his competence was confirmed within the current scope of certification; answers to the questions indicated in the "objective evidence" were received. In view of the foregoing, a decision was made on the sufficiency of corrective actions to confirm the elimination of non-compliance and the closure of C-02.
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:	28 Jan 2022
Other comments:	N/A