Sustainable Biomass Partnership

NEPCon Evaluation of Stroi-Alians LLC Compliance with the SBP Framework: Public Summary Report

www.sustainablebiomasspartnership.org

Completed in accordance with the CB Public Summary Report Template Version 1.0

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

Document history

Version 1.0: published 26 March 2015

Contents

1 Overview

CB Name and contact: NEPCon OÜ, Filosoofi 31, 50108 Tartu, Estonia]

Primary contact for SBP: Ondrej Tarabus ot@nepcon.net, +420 606 730 382

Report completion date: 18/Aug/2016

Report authors: Nikolai Tochilov, Valery Magda

Certificate Holder: Stroi-Alians LTD

Legal and mailing address: office 81, building 132, Nevskiy prospect, Saint-Petersburg 191036, Russia

Address of production site: 1, Naberezhnaya street, Kirovsk, Leningrad region, Russia

Producer contact for SBP: Sergei Antonov, plavimsneg@yandex.ru, mob: +79119982602

Certified Supply Base: Sourcing from Russia, Leningrad region

SBP Certificate Code: SBP-01-38

Date of certificate issue: 03/Oct/2016

Date of certificate expiry: 02/Oct/2021

Indicate where the current audit fits within the certification cycle				
Main (Initial) Audit	**First Surveillance Audit**	**Second Surveillance Audit**	**Third Surveillance Audit**	**Fourth Surveillance Audit**
X	☐	☐	☐	☐

2 Scope of the evaluation and SBP certificate

The certificate scope covers the production site and office in Kirovsk, Leningrad region.

The BP holds valid FSC Chain of Custody, covering pellet production.

The input material used by the organisation for biomass production (both as raw material for pellet production and feedstock used into dryer) contains only primary feedstock supplied by local FSC certified supplier with FSC 100% claim. Secondary feedstock can also potentialy be used, but during the last year BP used only primary feedstock in pellet production. BP has FSC Controlled wood verification system, however during the last year, there have been only supplies of the feedstock with FSC 100% claim from Leningrad region, Russia. Post production end point is Saint Petersburg harbour (truck, FCA, Incoterms 2010) – BP is only responsible for delivering the product to the harbour (terminal).

Supply Base Evaluation is not included into the scope of the evaluation.

Scope of the evaluation is indicated in the table below:

Scope Item	Check all that apply to the Certificate Scope				Change in Scope (N/A for Assessments)
Approved Standards:	*SBP Standard #2 V1.0 SBP Standard #4 V1.0 SBP Standard #5 V1.0* http://www.sustainablebiomasspartnership.org/documents				☐
Primary Activity:	Pellet producer				☐
Input Material Categories:	☒ SBP-Compliant Primary Feedstock	☐ SBP-Compliant Secondary Feedstock			☐
	☐ Controlled Feedstock	☐ SBP non-Compliant Feedstock			
	☐ SBP-Compliant Tertiary biomass	☐ Post-consumer Tertiary Feedstock			
	☐ SBP-approved Recycled Claim	☐ Post-consumer Tertiary Feedstock			
Chain of custody system implemented:	☒ FSC	☐ PEFC	☐ SFI	☐ GGL	☐
	☐ Transfer	☐ Percentage	☒ Credit		☐

Points of sales	☐ Harbour (including own handling of material)	☒ Harbour (e.g. FOB incoterms) legal owner is not responsible for handling of material at the harbor	☐ Other point of sale (e.g. gate of the BP, boarder, railway station etc.)	☐
Provide name of all points of sales	-	S. Petersburg harbour	-	
Use of SBP claim:	☒ Yes	☐ No		☒
SBE Verification Program:	☐ Low risk sources only	☐ Sources with unspecified/ specified risk		☐
	New districts approved for SBP-Compliant inputs: SBE not applicable			
Sub-scopes	-			☐
Specify SBP Product Groups added or removed:				
Comments:				

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; and
- GHG data collection analysis.

4 SBP Standards utilised

4.1 SBP Standards utilised

Verification of SBP-compliant Feedstock, SBP Standard 2, Version 1.0, March 2015

Chain of Custody, SBP Standard 4, Version 1.0, March 2015

Collection and Communication of Data, SBP Standard 5, Version 1.0, March 2015

Instruction document 5A Collection and Communication of Data version 1.0. March 2015 was utilised for the evaluation as well.

http://www.sustainablebiomasspartnership.org/documents

4.2 SBP-endorsed Regional Risk Assessment

Not applicable.

5 Description of Biomass Producer, Supply Base and Forest Management

5.1 Description of Biomass Producer

BP is relatively small company having legal address in Saint-Petersburg and production site in Kirovsk, Leningrad region, Russia. Total number of staff is 15. Maximum possible production capacity is 12 000 tonnes of pellets / year, whereas the actual production volume is in average 7 000 tonnes / year.

BP sources primary feedstock (low-quality roundwood) from logging company allocated in the neighbourhood of BP production site. Average distance from production site to the forest is 60 km and material is always delivered by trucks. In prospect, BP intends to use residues from sawmilling in the future(for example, slabs).

The BP is implementing FSC credit system. The amount of the biomass produced according to FSC credit system may be sold as SBP-compliant biomass.

After the production pellets are transported into the S.Petersburg harbour where the pellets ownership is possessed to customer.

5.2 Description of Biomass Producer's Supply Base

The company uses round pulpwood of soft wood and hard wood for pellet manufacturing. The supply region is Leningrad Region of the Russian Federation.

The forests of the Leningrad region constitute a part of the middle and southern taiga of the North-West of Russia, the source of supply of timber for construction, pulp and paper and chemical industries. A significant part of high-quality softwood and birch is exported to a number of European countries.

Timber complex retains an important place in the economy of the Leningrad region. St. Petersburg and Leningrad region far exceed the richer the forest regions of the North-West in the number of wood enterprises.

The development of timber complex in the Leningrad region administration is associated with downstream processing of wood raw materials, increase of the product competitiveness. The government plans to expand the use of wood-based energy as alternative fuel sources.

Rational regional government policy in the field of forest management arrangement allows to increase the volumes of timber, providing regional woodworking and pulp and paper enterprises with raw materials, to meet the needs of the Leningrad region in timber.

The exploitable volume of the Leningrad region forests is 360 million cubic meters. The calculated felling rate for the main use is 9.8 million cubic meters, the volume allowed for intermediate use is 2.5 million cubic meters per year. The production capacities created in the Leningrad region are able to process more than 7.5 million.

The species composition of the forests of the Leningrad Region is not very diverse. The main tree species are: pine, which occupies about 38% of the total forest area of the region, spruce - 31%; birch - 24%; aspen - 6%. And only 1% comes from the forests with other species.

In accordance with the Russian legislation, all forest lands are state-owned. Legal entities receive forest land for use on a leasehold basis and short-term use. Each forest user who receives lease forest area, according to the Forest Code of the Russian Federation shall:

- carry out measures for conservation, protection and reproduction of forests

- provide annual forest use report

- make the forest exploitation project

- submit a report on the use of forests, their conservation, protection and reproduction.

High quality reproduction of forest and protective wood cultivation is a prerequisite for use of forests. All reforestation operations in the leased forest areas the forest users shall carry out at their own expense in accordance with the forest exploitation projects. The natural regeneration of forests (regrowth) by saving of the viable undergrowth in the course of harvesting, providing harvesting with breeding sources andsoil treatment for better growth and seedling growth shall prevail in the plans. Forest users also implement a set of fire-prevention measures aimed at preventing and reducing of the effects of forest fires in summer.

When harvesting, in accordance with the forest legislation of the Russian Federation, subject to the preservation of species contained in the endangered species list, as well as their habitats. Felling of valuable and especially protected species is prohibited.

Consumers of forest products in environmentally sensitive markets require from their suppliers to refuse to participate in the harvesting, processing and sale of timber of dubious origin.

Forest certification is an effective tool to counteract illegal logging and illegal timber trade. The area of the certified forests in Russia is more than 41 million ha, or 30% of the total amount of forests under lease.

Dynamics of development of the forest certification in Russia points to the constantly increasing activity of forest companies which proves the responsible approach to ensuring the legality of timber harvested, compliance with environmental and social requirements of the Forest Stewardship Council (FSC). The same trend in respect of development of the forest certification is also characteristic of the Leningrad region.

One of the timber land lease takers in the Leningrad region and the largest timber land lease taker within the limits of Kirovsk, Kirishi and Lyuban districts is “Trust Les” LLC – feedstock supplier of the “Stroy-Alliance” LLC.

In 2009-2011, “Trust Les” LLC has concluded 9 timber land lease agreements with the Leningrad region nature resources committee for the period of 49 years.

The area of the leased forests of the company makes 267,301.4 ha, where 50,325.0 ha (18.83%) is occupied by HCVF, in these forests no felling is carried out by the company. The established volume of annual forest use (calculated felling rate) of the company is 304,558 m3.

The company carries out timber harvesting by own efforts and fulfills the whole package of forestry measures recommended by Forest exploitation projects (measures for forest protection against fires and illegal felling, forest protection and regeneration, intermediate cuttings), carries out maintenance and repair of forestry roads.

The plans of the “Trust Les” LLC forest administration contain the following strategic purposes:

- stable and profitable work,
- introduction of advanced technologies and development of new harvesting technology;
- pursuing a "transparent" forest policy;
- strict observance of Russian forest legislation;
- preservation and improvement of environmental and social functions of forests;
- saving and augmentation of forest biodiversity;
- ensuring social guarantees and safe working conditions of employees;
- pursuing employment policy in respect of mostly the local population;
- participation in the development of social sphere of the enterprise activites;
- taking into consideration of long-term interests of the local population in the activities of the enterprise;
- forest management in accordance with the FSC Principles and Criteria.

Soft-wooded broadleaved plantings prevail in the lease timber land (174,973.3 ha or 63 % of the wooded lands), area of the hardwood plantings is 102,762.1 ha.

The average forest yield within the borders of the lease timber land is 172 м³/га, maturity and overmaturity stands – 227 m3/ha. The average wood increment is 2,8 – 3 m3/ha.

Since September 2012 “Trust Les” LLC is the holder of the FSC certificate (FC-FM/CoC-643080).

There are no undisturbed forests on the certified area, no indigenous native minorities on the lease area of LLC "LesTrans", the company does not stock the species, falling within the scope of CITES Convention and included in the IUCN lists.

From the total volume supplied to “Stroy Alliance” LLC the share of the of certified feedstock makes in average 90%.

100% of the incoming to the company feedstock is SBP-compliant primary feedstock.

Detailed information about the supply base region (general description of the forest resources and forest management practices within the Supply Base) is publically available at the BP’s homepage:

http://www.spb-pellets.ru/download/report_ru.pdf

http://www.spb-pellets.ru/download/report_en.pdf

5.3 Detailed description of Supply Base

Total Supply Base area (ha):	267 301,4 ha
Tenure by type (ha):	100% state owned, 100% private management
Forest by type (ha):	Boreal 267 301,4 ha
Forest by management type (ha):	100% Natural

Certified forest by scheme (ha): 267 301,4 ha

5.4 Chain of Custody system

BP holds valid FSC CoC certificate http://info.fsc.org/details.php?id=a023300000W6zbFAAR&type=certificate&return=certificate.php , using FSC Credit system of claims. Incoming wood may have the claims FSC 100% and FSC Controlled Wood (wood material included into BP's own program of verification of controlled material suppliers against Annex 3 of FSC-STD-40-005). In case non-certified material would be procured, it would be kept separated during the storage and production process. In fact, during the last year, BP purchased only FSC 100% roundwood. But since certificate scope covers only FSC Credit system of claims, all product was sold as FSC Mix Credit. BP during the next regular FSC CoC annual audit intends to change the scope of certificate and include option of using FSC Mix % claim, and possibly FSC 100% claim (transfer system).

6 Evaluation process

6.1 Timing of evaluation activities

Onsite assessment was conducted on May 23-24, 2016 (16h). Assessment activities included documents review at office, inspection of production facilities and staff interviews.

Activity	Location	Date/time
Opening meeting*	Office	23/05/2016 09.00-09.30
Documents and procedures review. Inputs review	Office	23/05/2016 09:30-12.15
Break		23/05/2016 12:15-13:00
GHG calculation review	Office	23/05/2016 13:00-17:00
Presentation of the results of the first day of assessment	Office	23/05/2016 17:00-17:30
Opening meeting	Office	24/05/2016 08:00-08:15
Chain of custody review (site tour); interview with the chief of pellet production	Production facilities	24/05/2016 8:15 – 10:00
Documents and procedures review; staff interview.	Office	24/05/2016 10:00 – 16:00
Closing meeting*	Office	24/05/2016 16:00 – 17:00
End of the evaluation		24/05/2016 17:00

6.2 Description of evaluation activities

Composition of audit team:

Auditor(s), roles	Qualifications
Nikolai Tochilov Lead auditor	NEPCon SBP lead auditor. He passed SBP auditor training in Tallinn in January 2015; previous experience with a number of SBP assessments in Russia.
Valery Magda Auditor in training	NEPCon FSC FM/COC and COC lead auditor. Participated in this evaluation for the training purposes

The assessment 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 assessment evaluation:

All SBP related documentation connected to the SBP as well as FSC CoC system of the organisation, including SBP Procedure, GHG data calculations/ data sheet, Supply Base Report and FSC system description was provided by the company prior to the assessment. Audit started with an opening meeting attended by the SBP responsible person and the Director of the organization.

Auditor introduced himself, provided information about audit plan, methodology, auditor qualification, confidentiality issues, and assessment methodology and clarified certification scope. During the opening meeting the auditor explained CB's approval related issues.

After that auditor went through all applicable requirements of the SBP standards nr.2, 4, 5 and instruction document 5a 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, Director General and chief accountant were interviewed.

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

At the end of the audit finding were summarised and audit conclusion based on use of 3 angle evaluation method were provided to the Director General and SBP responsible person.

6.3 Process for consultation with stakeholders

The stakeholder consultation was carried out on 15th of April, 2016 by sending direct email to different stakeholder categories. The announcement was also published at NEPCon homepage http://www.nepcon.org/ru/%D0%BD%D0%BE%D0%B2%D0%BE%D1%81%D1%82%D0%B8/%D0%BF%D1%83%D0%B1%D0%BB%D0%B8%D1%87%D0%BD%D0%BE%D0%B5-

%D1%83%D0%B2%D0%B5%D0%B4%D0%BE%D0%BC%D0%BB%D0%B5%D0%BD%D0%B8%D0%B5-15042016

No comments from the stakeholders were received.

7 Results

7.1 Main strengths and weaknesses

Strength: Small number of the management staff and clearly designated responsibilities within the staff members. Limited number of feedstock suppliers, and the major supplier is FSC certified.

Weaknesses: see non-conformity reports below in this report.

7.2 Rigour of Supply Base Evaluation

Not applicable.

7.3 Compilation of data on Greenhouse Gas emissions

The BP has involved external consultant who helped with implementation of the system for collection of the emission and energy data. Most of the energy use data is based on actual information.

7.4 Competency of involved personnel

The SBP responsible person was supported by external consultant who was closely involved in preparation of internal procedures and helping to set up the management system. The SBP responsible person has shown good understanding of the requirements in relation to SBP certification and of the already implemented FSC CoC system.

7.5 Stakeholder feedback

No stakeholder comments are received.

7.6 Preconditions

No preconditions identified during this evaluation.

8 Review of Biomass Producer's Risk Assessments

Not applicable.

9 Review of Biomass Producer’s mitigation measures

Not applicable.

10 Non-conformities and observations

Non-conformities

NCR: 01/16	NC Classification: minor	
Standard & Requirement:	SBP Standard # 2, requirement 7.3, requirement 2C 4.1	
Description of Non-conformance and Related Evidence:		
BP used the out-of-date version of Supply Base Report template. The latest available version 1.2 has not been used. Организация использовала устаревшую форму отчета о ресурсной базе. Доступная новая версия (1.2) формы отчета о ресурсной базе не была использована		
Corrective action request:	Organisation shall implement corrective actions to demonstrate conformance with the requirement(s) referenced above. Note: Effective corrective actions focus on addressing the specific occurrence described in evidence above, as well as the root cause to eliminate and prevent recurrence of the non-conformance.	
Timeline for Conformance:	By the next surveillance audit	
Evidence Provided by Organisation:	PENDING	
Findings for Evaluation of Evidence:	PENDING	
NCR Status:	**OPEN**	
Is the non-conformity likely to impact upon the integrity of the affected SBP-certified products and the credibility of the SBP trademarks?		Yes ☐ No ☒

NCR: 02/16	NC Classification: minor
Standard & Requirement:	SBP Standard #2, requirement 2C, 4.1
Description of Non-conformance and Related Evidence:	
BP used out-of-date version of Supply Base Report template. The following information is missing in section 2.1: socio-economic conditions and profile of adjacent lands for supply base. Total area of supply base in the Supply Base Report, Sections 2.1, 2.5 (267301,4 ha) does not correspond to total area in FSC database http://info.fsc.org/details.php?id=a024000000AzY81AAF&type=certificate&return=certificate.php (277735,4 ha). Specification of the proportions of SBP feedstock product groups at the end of the section 2.1 is written with the mistake – "*100% of the incoming to the company feedstock is SBP Complying Primary feedstock*". Section 2.5e does not specify certification scheme (FSC or PEFC). Section 2.5 (Feedstock) specifies that during the last year BP purchased and used 11694,6 m3 of slab wood for pellet production, and section 13.4 states that BP consumed 13195,8 m3 of the feedstock during the same time. However section 2.3 of Supply Base Report states that during the reporting period only Roundwood was used (1501,19 m3), and this information was verified and confirmed by auditor during the evaluation. Reference to pages numbers in section "Contents" is incorrect. Some text in section 2.1 is typed with incorrect font. Section 2.3 states that 100% of feedstock, received by the company for own sawmilling and pellet manufacturing, comes from final harvesting (mature and overmature forest harvesting). However guidelines in this section require to provide a description of the process and results from the sampling programme undertaken to determine the proportion of final fellings which ends up in biomass compared to other end uses.	

Организация использовала устаревшую версию формы отчета о ресурсной базе. В разделе 2.1 отсутствует информация о социально-экономических условиях ресурсной базы, а также описание прилегающих к ней земель. Общая площадь ресурсной базы в отчете, разделы 2.1 и 2.5, (267301,4 га) не совпадает с общей площадью, указанной в базе данных FSC http://info.fsc.org/details.php?id=a024000000AzY81AAF&type=certificate&return=certificate.php (277735,4 га). При указании пропорций групп SBP сырья в конце раздела 2.1 допущена ошибка «*100% входящего на предприятие сырья являются SBP **Complaing Praymery fid stok***». В разделе 2.5е не указана сертификационная схема (FSC или PEFC). Раздел 2.5 (Feedstock) указывает, что за последний год организация купила и использовала в производстве пеллет 11694,6 м3 горбыля, а в разделе в разделе 2.3 указано, что в отчетном периоде использовался только круглый лес в объеме 1501,19 м3, и эта информация была проверена и подтверждена аудитором во время оценки. Ссылки на номера страниц в разделе «Содержание» некорректны. В разделе 2.1 часть текста напечатана некорректным размером шрифта. В разделе 2.3 указано, что 100 % сырья, поступающего на предприятие для собственного лесопиления и производства пеллет, происходит от финальных рубок (рубок спелых и перестойных насаждений). Однако указания к заполнению раздела требуют привести описание процесса и результатов выборочной проверки для определения доли заготовленной при финальной рубке древесины, использованной в производстве пеллет, относительно доли древесины, использованной в других видах переработки.

Corrective action request:	Organisation shall implement corrective actions to demonstrate conformance with the requirement(s) referenced above. Note: Effective corrective actions focus on addressing the specific occurrence described in evidence above, as well as the root cause to eliminate and prevent recurrence of the non-conformance.
Timeline for Conformance:	By the next surveillance audit
Evidence Provided by Organisation:	PENDING
Findings for Evaluation of Evidence:	PENDING
NCR Status:	**OPEN**
Is the non-conformity likely to impact upon the integrity of the affected SBP-certified products and the credibility of the SBP trademarks?	Yes ☐ No ☒

NCR: 03/16	**NC Classification: minor**
Standard & Requirement:	SBP Standard #2, requirement 15.7
Description of Non-conformance and Related Evidence:	
Staff training records have been submitted to auditor (protocol dated of 14.04.2016), however signature of pellet production foreman was missing there. Аудитору были предоставлены записи об обучении персонала (протокол от 14.04.2016), однако в протоколе отсутствовала подпись мастера пеллетного производства.	
Corrective action request:	Organisation shall implement corrective actions to demonstrate conformance with the requirement(s) referenced above. Note: Effective corrective actions focus on addressing the specific occurrence described in evidence above, as well as the root cause to eliminate and prevent recurrence of the non-conformance.
Timeline for Conformance:	By the next surveillance audit

Evidence Provided by Organisation:	PENDING	
Findings for Evaluation of Evidence:	PENDING	
NCR Status:	**OPEN**	
Is the non-conformity likely to impact upon the integrity of the affected SBP-certified products and the credibility of the SBP trademarks?		Yes ☐ No ☒

NCR: 04/16	**NC Classification: minor**	
Standard & Requirement:	SBP Standard #4, requirement 5.1.2	
Description of Non-conformance and Related Evidence:		
The following non-compliances identified in FSC CoC systems and procedures: - BP does not properly check the content of incoming waybills. One of the waybills checked by auditor did not contain the date of preparation. FSC claim in two waybills was specified in the wrong way – 100% instead of FSC 100%. - BP uses non-certified and non-controlled wood material for pellet production and although the staff is very well aware the process of separation of material the FSC CoC documented procedure does not contain the description and instruction for physical segregation of certified material from non-certified.В системах и процедурах FSC отмечены следующие недостатки: - организация недостаточно тщательно проверяет входящие товаросопроводительные документы. В одной из ТТН, проверенных аудитором, отсутствовала дата составления документа. В проверенных ТТН было неверно указано заявление FSC – 100%, вместо FSC 100%. - организация использует не сертифицированный и неконтролируемый материал в пеллетном производстве, однако процедура физического отделения сертифицированного материала от несертифицированного не описана в письменной процедуре FSC, хотя сотрудники отлично знают ее.		
Corrective action request:	Organisation shall implement corrective actions to demonstrate conformance with the requirement(s) referenced above. Note: Effective corrective actions focus on addressing the specific occurrence described in evidence above, as well as the root cause to eliminate and prevent recurrence of the non-conformance.	
Timeline for Conformance:	By the next surveillance audit	
Evidence Provided by Organisation:	PENDING	
Findings for Evaluation of Evidence:	PENDING	
NCR Status:	**OPEN**	
Is the non-conformity likely to impact upon the integrity of the affected SBP-certified products and the credibility of the SBP trademarks?		Yes ☐ No ☒

NCR: 05/16	**NC Classification: minor**
Standard & Requirement:	SBP Standard #4 requirement 6.2.1
Description of Non-conformance and Related Evidence:	

It is not specified in SBP procedure that energy and carbon data are collected using the latest version of SBP Standard 5. В процедуре SBP не указано, что информация о затратах энергии должна собираться с использованием самой последней версии стандарта SBP № 5.		
Corrective action request:	Organisation shall implement corrective actions to demonstrate conformance with the requirement(s) referenced above. Note: Effective corrective actions focus on addressing the specific occurrence described in evidence above, as well as the root cause to eliminate and prevent recurrence of the non-conformance.	
Timeline for Conformance:	By the next surveillance audit	
Evidence Provided by Organisation:	PENDING	
Findings for Evaluation of Evidence:	PENDING	
NCR Status:	**OPEN**	
Is the non-conformity likely to impact upon the integrity of the affected SBP-certified products and the credibility of the SBP trademarks?		Yes ☐ No ☒

NCR: 06/16	**NC Classification: minor**
Standard & Requirement:	SBP Instruction #5a requirement 3.3.1
Description of Non-conformance and Related Evidence:	
BP submitted estimate figures of diesel and petrol consumption for forestry operations: - Harvester and forwarder – 3,125 litres/tonne of feedstock (diesel) - Soil preparation and planting – 0,072 litres/tonne of feedstock (diesel) and 0,018 litres/tonne of feedstock (petrol) Totally – 3,2 litres/tonne of feedstock (diesel) and 0,018 litres/tonne (petrol). According to auditor experience above mentioned figures are reasonable, however BP could not give any documented evidence of how fuel consumption was calculated. Information was received by BP orally from roundwood supplier. Организация представила следующие данные о расходе дизельного топлива и бензина при ведении лесного хозяйства: - Харвестер и форвардер – 3,125 л/тонну древесины (дизель) - Подготовка почвы и посадка лесных культур – 0,072 л/тонну древесины (дизель) и 0,018 л/тонну древесины (бензин). Итого – 3,2 л/тонну древесины (дизель) и 0,018 л/тонну древесины (бензин). Исходя из имеющегося опыта аудитор считает эти цифры приемлемыми, однако Организация не предоставила никакого документального подтверждения того, как эти цифры были посчитаны. Информация была получена ею от поставщика древесины в устной форме.	
Corrective action request:	Organisation shall implement corrective actions to demonstrate conformance with the requirement(s) referenced above. Note: Effective corrective actions focus on addressing the specific occurrence described in evidence above, as well as the root cause to eliminate and prevent recurrence of the non-conformance.
Timeline for Conformance:	By the next surveillance audit
Evidence Provided by Organisation:	PENDING

Findings for Evaluation of Evidence:	PENDING	
NCR Status:	**OPEN**	
Is the non-conformity likely to impact upon the integrity of the affected SBP-certified products and the credibility of the SBP trademarks?		Yes ☐ No ☒

NCR: 07/16	**NC Classification: minor**	
Standard & Requirement:	SBP Instruction #5a requirement 4.4.1	
Description of Non-conformance and Related Evidence:		
After production of each batch of pellets (22 tonnes, full load for truck), BP measures the moisture of pellets in big-bags and if it exceeds 8%, pellets are not shipped to CM Biomass. Therefore BP considers that the average moisture of its pellets is always 8%. Data necessary to calculate the average moisture content of the processed feedstock leaving the plant are not collected and therefore have not been submitted to auditor. После производства каждой партии пеллет (22 тонны, полная загрузка автомобиля), организация измеряет влажность пеллет в биг-бэгах, и если она превышает 8%, пеллеты не отгружаются СМ Биомасс. Поэтому организация считает, что средняя влажность ее пеллет всегда 8%. Данные, необходимые для расчета средней влажности пеллет, отправляемых с производства, не собираются, и поэтому не были предоставлены аудитору.		
Corrective action request:	Organisation shall implement corrective actions to demonstrate conformance with the requirement(s) referenced above. Note: Effective corrective actions focus on addressing the specific occurrence described in evidence above, as well as the root cause to eliminate and prevent recurrence of the non-conformance.	
Timeline for Conformance:	By the next surveillance audit	
Evidence Provided by Organisation:	PENDING	
Findings for Evaluation of Evidence:	PENDING	
NCR Status:	**OPEN**	
Is the non-conformity likely to impact upon the integrity of the affected SBP-certified products and the credibility of the SBP trademarks?		Yes ☐ No ☒

Observations

OBS: 01/16	**Standard & Requirement:**	SBP Instruction # 5a, requirement 4.3.1
	Report Section	Appendix C
Description of findings leading to observation:	Organization does not measure the moisture content of the material at the exit of the dryer. From previously gained experience, BP knows that biomass moisture prior to granulator shall be 8-9%, otherwise pellets can not be granulated. Организация не измеряет влажность высушенного материала перед гранулированием. Из имеющегося производственного опыта организация знает, что влажность биомассы перед гранулированием должна составлять 8-9%, в противном случае пеллеты не будут прессоваться.	

Observation:	BP is recommended to ensure continuous measurement of moisture content of the feedstock at the exit of the dryer to generate an annual average. Организации рекомендуется обеспечить постоянное измерение влажности сырья после сушилки, для того, чтобы можно было сделать расчет среднегодовой влажности.

11 Certification decision

Based on Organisation's conformance with **SBP requirements, the auditor makes the following recommendation:**	
☒	Certification approved: Upon acceptance of NCR(s) issued above
☐	Certification not approved:
Based on auditor's recommendation and NEPCon quality review following certification decision is taken:	
NEPCon certification decision: **The Biomass Producer has been certified by NEPCon as meeting the requirements of the specified SBP Standard, the certificate can be issued immediately after SBP technical committee will approve the report. The expiration of the certificate will be then 5 years.**	
Certification decision by: Ondrej Tarabus	
Date of decision: 18th August 2016	

12 Surveillance updates

Not applicable.

13 Evaluation details

Primary Responsible Person: (Responsible for control system at site(s))	Sergey Tikhomirov, chief power engineer
Auditor(s):	Nikolai Tochilov – lead auditor Valery Magda – auditor in training
People Interviewed, Titles:	Sergey Antonov, director general Sergey Tikhomirov, chief power engineer Konstantin Mironov, chief of pellet production
Brief Overview of Audit Process for this Location:	See section 6.2
Comments:	none