NEPCon OÜ Evaluation of Sokol Timber Company, JSC Compliance with the SBP Framework: Public Summary Report

Second Surveillance Audit

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The promise of good biomass

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

Version 1.0: published 26 March 2015

Version 1.1: published 30 January 2018

Version 1.2: published 4 April 2018

Version 1.3: published 10 May 2018

Version 1.4: published 16 August 2018

Version 1.5: published 22 October 2020

Table of Contents

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:	Roman Kurakin
Audit team members:	-
Name of the Company:	Sokol Timber Company, JSC
Company legal address:	1 Lugovaya ulitsa, Vologda oblast, 162132 Sokol, Russia
Company contact for SBP:	Tatyana Generalova
Company contact email:	generalova_tn@segezha-group.com
Company website:	www.sokoldok.ru
SBP Certificate Code:	SBP-07-36
Date of certificate issue:	15 Nov 2019
Date of certificate expiry:	14 Nov 2024

Audit closing meeting date:	27 Oct 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	☐
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-014254	☐
	Credit	☐

2.1 Description of the company

Organisation is a wood processing company (primary and secondary) located in Vologda region, Russia. The round wood used at sawmilling (logs for primary production) originates from European Russia (Arkhangelsk, Vologda, Ivanovo, Kirov, Kostroma, Leningrad, Nizhniy Novgorod, Novgorod, Pskov, Tver, Yaroslavl regions and Karelia Republic) and has FSC 100% and FSC Controlled Wood claims, or included into Organisation's own program of FSC controlled material sources verification according to FSC-STD-40-005 (3-1). Organisation furthermore sources sawn wood from FSC-certified suppliers in Siberia (Irkutsk region and Krasnoyarsk krai) with FSC 100%, FSC Mix Credit and FSC Controlled Wood claims. Most of the sawn material (produced or purchased) is then processed at Organisation's woodworking plant which produces wooden houses (house components), glued laminated timber (GLULAM) and planks. Dry wood residues (sawdust and shavings) from woodworking plant are used for pellet production. Total annual production capacity of pellet plant is 65000 tones. Pellet plant was commissioned in August 2018. Before the 2021 audit, BP opened a new plant next to the old one. The old one doesn't work. The new pellet plant at the time of the audit was in the stage of commissioning and debugging.

2.2 Detailed description of the Chain of Custody system

The BP holds valid FSC Chain of certificate https://info.fsc.org/details.php?id=a0240000005sRBGAA2&type=certificate Till this annual audit Organisation implemented FSC credit system of claims using the dry shavings and sawdust (residues from Organisation's woodworking plan) with FSC Mix Credit claim to produce pellets. FSC credit account was maintained, and biomass sold with FSC Mix claim was withdrawn from account on a monthly basis. Non-certified feedstock is not accepted by Organisation.

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, DTS, calculations and conversion coefficients;

- GHG data collection analysis and assessment of compliance with ID 5E

4 Evaluation process

4.1 Timing of evaluation activities

Audit Level of Effort (LoE)		
Activity	***Auditors***	**Auditor hours**
1. Preparation	Roman Kurakin	12,0
2. On-site (excl. travel time)	Roman Kurakin	12,0
3. Report writing	Roman Kurakin	16,0
4. Other	N/A	N/A

Audit Schedule			
Activity	**Location**	**Auditor name**	**Date/time**
Opening meeting	Vologda, BP's office	Roman Kurakin	27 Oct 2021/9:00
SBP-related documents review (SBP Procedure, SBR); interview with SBP and FSC CoC responsible	Sokol, BP's office	Roman Kurakin	27 Oct 2021/9:15
Interview with H&S specialist, H&S documents	Sokol, BP's office	Roman Kurakin	27 Oct 2021/12:30

review			
Evaluation of critical control points in FSC CoC system	Sokol, BP's office	Roman Kurakin	27 Oct 2021/13:00
Inspection of the production facilities (chain of custody review), documents review and staff interview onsite	Sokol, pellet plant	Roman Kurakin	27 Oct 2021/15:00
Information in Radix – staff interview and documents review	Sokol, BP's office	Roman Kurakin	27 Oct 2021/16:00
SBP-related documents review (SAR, primary calculations of GHG data); interview with SBP responsible	Sokol, BP's office	Roman Kurakin	27 Oct 2021/16:30
SBP-related documents review (SAR, primary calculations of GHG data); interview with SBP responsible	By phone	Roman Kurakin	31 Oct 2021/10:30
Closing meeting	By phone	Roman Kurakin	31 Oct 2021/13:30

Auditor qualification

Auditor name	Role	Qualification
Roman Kurakin	audit team leader	He passed SBP lead auditor training course in Dec. 2016 in Amsterdam and participated in several SBP assessments and audits in Russia.

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:

Annual audit started the opening meeting in with the staff responsible for FSC CoC and SBP certification.

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, CoC, recordkeeping/mass balance requirements, emission and energy data and categorisation of input and verification of SBP-compliant and SBP-controlled biomass. Critical Control Point were specifically verified: identification of inputs, input claims, purchase volumes, segregation needs, production, conversion factors, storage and sales. During[PGS1] [RK2] the process, overall responsible person for SBP system and other staff members were interviewed. Furthermore, the audit activities included roundtrip at the pellet plant and staff interviews, mostly focusing on verification of energy use data included in SAR.

Finally, at the end of the audit, findings were summarised and conclusions based on use of 3 angle evaluation method were provided to SBP responsible person, during the closing meeting.

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4.3 Sampling methodology

A random sample of documents for April 2021, as well as including review of records of training, labor protection, DTS transactions, staff interviews, visiting factory.

4.4 CB stakeholder engagement

n/a

4.5 Stakeholder feedback

no feedback received from stakeholders prior to, during or after this annual audit

5 Results

5.1 Main strengths and weaknesses

Credit system. Own raw materials

Weaknesses: not found

5.2 Rigour of Supply Base Evaluation

n/a

5.3 Collection and communication of data

During the audit the BP has already implemented all the requirements for collection of energy data. See additional information about energy data in the SAR and body of the report. PB fully collects all energy costs including: diesel, electricity, fuel for the heat generator. The auditor got supporting documents. A survey of responsible employees and a physical inspection of the plant confirmed the data.

5.4 Competency of involved personnel

The SBP responsible staff has shown good understanding of the requirements in relation to SBP certification and FSC CoC system. See additional details in the body of the report. BP has appointed responsible employees. The principal responsibility lies with the director. Technical Director - accounting of raw materials, products and diesel consumption, FSC requirements. Accountant - keeps records and stores primary documentation, draws up invoices. Operator - measures the moisture content of the raw material. Accounting controller - accepts raw materials.

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

NC number NC-001133 (01/21)	NC Grading: Observation
Standard:	Instruction Document 5E: Collection and Communication of Energy and Carbon Data 1.5
Requirement:	6.3.5 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). Example: stemwood producing roundwood for pellets and bark from debarking for biomass fuel.
Description of Non-conformance and Related Evidence:	
To use 31654 tn to dry 38016 tn is too much. BP need to use real calculation to provide more accurate value. CH has used a very conservative approach. Использовать 31654 тн для сушки 38016 тн это слишком много. BP необходимо использовать реальный расчет, чтобы обеспечить более точное значение. BP использовал очень консервативный подход.	
Timeline for Conformance:	N/A
Evidence Provided by Company to close NC:	N/A
Findings for Evaluation of Evidence:	N/A
NC Status:	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
Date of decision:	08 Mar 2022
Other comments:	N/A