



NEPCon OÜ Evaluation of Lesosibirskiy LDK No.1 Compliance with the SBP Framework: Public Summary Report

Third 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

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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:	Alexandra Paikacheva
Name of the Company:	Lesosibirskiy LDK No.1
Company legal address:	Belinskogo street, 16E, 66254 Lesosibirsk, Krasnoyarskiy kray, Russia
Company contact for SBP:	Natalia Bulgakova
Company contact email:	Bulgakova_NS@segezha-group.com
Company website:	N/A
SBP Certificate Code:	SBP-07-09
Date of certificate issue:	27 Dec 2018
Date of certificate expiry:	26 Dec 2023
Audit closing meeting date:	16 Oct 2021
Audit cycle:	Third 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 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-032069	☐
	Transfer	☐

2.1 Description of the company

The Organization is the lumber producer located in Lesosibirsk, Russia. However within the frame of SBP certification the Organization acts as a trader with physical possession of the material. Pellets are purchased from the Biomass Producer (FCA factory gate) and delivered by railway to Lesosibirsk railway station. At this stage, customer takes possession on certified biomass (FCA Lesosibirsk railway station). Potentially, biomass may be delivered by Organisation to customer to any end point all over the world, and this option is considered in description of the SBP certificate scope above.

2.2 Detailed description of the Chain of Custody system

The Organization implements the FSC transfer system with biomass (wood pellets) trading in the scope of the certificate <https://info.fsc.org/details.php?id=a023300000XAIn2AAH&type=certificate>. The process covers trade with biomass with physical possession.

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 procedures;
- Review of FSC system control points, analysis of the existing FSC CoC system;
- Interviews with responsible staff;
- Review of the records and calculations.

4 Evaluation process

4.1 Timing of evaluation activities

<i>Audit Level of Effort (LoE)</i>		
Activity	Auditors	Auditor hours
1. Preparation	Nikolai Tochilov	0,5
2. On-site (excl. travel time)	Nikolai Tochilov	6,0
3. Report writing	Nikolai Tochilov	4,0
4. Other	N/A	N/A

<i>Audit Schedule</i>			
Activity	Location	Auditor name	Date/time
<i>Opening meeting</i>	Office in Lesosibirsk	Nikolai Tochilov	11 Oct 2021/10:00
<i>Documents and procedures review (FSC CoC control system and critical points), staff interview</i>	Office in Lesosibirsk	Nikolai Tochilov	14 Oct 2021/10:00
<i>Documents and procedures review (SBP Procedure), staff</i>	Office in Lesosibirsk	Nikolai Tochilov	15 Oct 2021/10:00

<i>interview. Energy use data review. Radix.</i>			
<i>Closing meeting</i>	Office in Lesosibirsk	Nikolai Tochilov	16 Oct 2021/13:00

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 50 SBP assessments and annual audits in Russia, Belarus, Portugal, Netherlands, Belgium, Germany, Latvia, Lithuania and Vietnam.
Alexandra Paikacheva	Trainee auditor	Alexandra passed online SBP auditor training and participated in several SBP assessments and annual audits for biomass producers in Russia.

4.2 Description of evaluation activities

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.

The SBP audit was joint with FSC CoC audit of the Organisation. The scope of FSC CoC audit covered also sawmilling, and this audit was conducted in 6 days, therefore SBP audit was split in time and took several hours during these days.

All SBP related documentation connected to the SBP as well as FSC CoC system of the organisation, including SBP Procedure, SREG and GHG data calculations and FSC system description was provided by the company in the beginning of the audit. Audit started with an opening meeting attended by the Organisation's senior management and staff.

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

The next days audit team made review of documented FSC CoC control system and critical control points, SBP documented procedure and responsible staff interviews. Furthermore, audit team went through all applicable requirements of the SBP standards nr. 4, 5 and applicable requirements of instruction document 5E. During the process, overall responsible person for SBP system and other staff were interviewed.

Pellets are purchased from the Biomass Producer (FCA factory gate) and delivered by railway to Lesosibirsk railway station. At this stage, customer takes possession on certified biomass (FCA Lesosibirsk railway station). Therefore, there are no any storages which could be visited during the audit. Physical possession occurs only during biomass transportation from pellet plant to Lesosibirsk railway station.

At the end of the audit, findings were summarised and audit conclusions based on use of 3 angle evaluation method were provided to the management and SBP responsible person.

4.3 Sampling methodology

Audit team reviewed the documentation related to the audit, as well as interviewed the staff involved in SBP certification.

4.4 CB stakeholder engagement

Not applicable.

4.5 Stakeholder feedback

Not applicable.

5 Results

5.1 Main strengths and weaknesses

Strengths: Use of the FSC transfer system. Effective recordkeeping system. Clearly designated responsibilities within the staff members.

Weaknesses: Please see minor NCR 01/21.

5.2 Rigour of Supply Base Evaluation

Not applicable.

5.3 Collection and communication of data

In the reporting period Organisation supplied the purchased biomass to customer, and the only energy use data was related to biomass transportation by railway (diesel) from biomass producer to Lesosibirsk railway station. The transportation distance was reported by Organisation in SREG documents and confirmed to NEPCo audit team during the current annual audit. No other energy sources used by Organisation during biomass transportation. Storage and handling are not applicable.

5.4 Competency of involved personnel

Mainly, Certification manager is the key person in maintaining SBP certification of the Organisation. Her main responsibility is development, implementation, maintenance, monitoring and modification of the management system both for SBP and FSC CoC; preparation of SREG documents for new delivery routes; resolution of the comments and/or complaints on SBP certification (when applicable). She is supported by economist who registers the amount of shipped biomass, registers the information related to outgoing biomass in Radix, performs outgoing invoices and transport documents. During this audit, SBP responsible staff demonstrated appropriate qualifications.

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-000959 (01/21)	NC Grading: Minor
Standard:	Instruction Document 5E: Collection and Communication of Energy and Carbon Data 1.5
Requirement:	5.5.2 Flanders restricted biomass from processing residues restricted to sawdust
Description of Non-conformance and Related Evidence:	
Only sawdust is used for biomass production by the Organisation's biomass supplier (producer). However, in DTS produced biomass was categorized as all three available options (Flanders restricted biomass from processing residues; Flanders restricted biomass from processing residues restricted to sawdust; and Flanders restricted biomass from processing residues restricted to sawdust and shavings).	
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:	Pending
Findings for Evaluation of Evidence:	Pending
NC Status:	Open

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:	19 Jan 2022
Other comments:	N/A