NEPCon OÜ Evaluation of SPLG LTD Compliance with the SBP Framework: Public Summary Report

NCR-verification audit

www.sbp-cert.org

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:	Nik
Name of the Company:	SPLG LTD
Company legal address:	Tikhvin, Leningrad Oblast, Russia, 187556, 187556 Tikhvin, Russia
Company contact for SBP:	Andrey Martynenko
Company contact email:	5967586@mail.ru
Company website:	N/A
SBP Certificate Code:	SBP-07-49
Date of certificate issue:	06 Feb 2020
Date of certificate expiry:	05 Feb 2025
Audit closing meeting date:	25 May 2021
Audit cycle:	NCR-verification 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; Instruction Document 5E: Collection and Communication of Energy and Carbon Data 1.3	☐
Includes Supply Base Evaluation (SBE):	No	☐
Includes communication of Dynamic Batch Sustainability Data (DBSD)	No	☐
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: FC-COC-643246	☐
	Percentage	☐

2.1 Description of the company

BP is relatively small company having legal address in Saint-Petersburg and production site in Tikhvin, Leningrad region, Russia. Total number of staff is app. 20. The pellet plant production capacity is 30 000 tonnes/year. The following feedstock inputs have been delivered to the pellet plant in the reporting period: - Sawdust from external supplier (sawmill); - Biomass (defective wood pellets) which could not be sold by the other biomass producer due to poor quality characteristics; - Twigs and other wood residues (except stumps) generated during timber harvesting, chopped in the forest and delivered to the pellet plant in the form of wood chips. In fact, for SBP-certified production, only some share of defective pellets has been used as a feedstock. Final product is usually packed in big bags and transported by trucks to S.Petersburg harbor. All certified feedstock types mentioned above have been purchased with FSC 100% claim.

2.2 Detailed description of the Chain of Custody system

The certificate scope covers the office in S.Petersburg and pellet production site in Tikhvin, Leningrad region. BP holds valid FSC CoC certificate http://info.fsc.org/details.php?id=a023300000WUaEwAAL&type=certificate&return=certificate.php . BP implements FSC percentage system of claims. Potentially, the feedstock inputs may have the following claims: FSC 100%, FSC Mix Credit, FSC Mix %, FSC Controlled Wood. The possible output claims are FSC Mix % and FSC Controlled Wood. In fact, in the reporting period BP was sourcing only FSC 100% inputs (please see section 5.1 above for inputs details). Certified biomass was sold with FSC Mix 100% claim. BP also sources non-certified and non-controlled secondary feedstock, which is handled and processed physically separate from certified feedstock. It is also not used as a biofuel for certified feedstock drying.

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;

- GHG data collection analysis and assessment of compliance with ID 5E ver. 1.3.

4 Evaluation process

4.1 Timing of evaluation activities

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

Audit Schedule			
Activity	**Location**	**Auditor name**	**Date/time**
Evaluation of corrective actions implemented by BP to address the major NCRs; interview with SBP responsible	Desk based	NT	25 May 2021/9:00

Auditor qualification		
Auditor name	**Role**	**Qualification**

Nikolai Tochilov	Lead auditor	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, Portugal, Germany, Netherlands, Belgium, Latvia, Belarus and Vietnam

4.2 Description of evaluation activities

After the annual audit, BP submitted the corrective actions implemented in order to address the major NCRs raised during the audit. On May 25, 2021 the corrective actions were reviewed and SBP responsible staff member was interviewed by auditor.

4.3 Sampling methodology

In the Corrective Action Verification audit records connected to feedstock verification and origin were selected: Supplier contracts, delivery documents, certification origin in FSC database, etc. All type of feedstock were samples: defective pellets and sawdust

4.4 CB stakeholder engagement

N/A

4.5 Stakeholder feedback

N/A

5 Results

5.1 Main strengths and weaknesses

Strengths: Only FSC 100% secondary feedstock is used for SBP-certified pellet production; small number of the management staff and clearly designated responsibilities within the staff members.

Weaknesses: Please see NCRs in Section 10 of the report below ad PSR from he annual audit with minor NCRs

5.2 Rigour of Supply Base Evaluation

N/A

5.3 Collection and communication of data

The following energy sources are used by BP: electricity for pellet production; diesel for feedstock handling at pellet production site; diesel for biomass handling and transportation to customer. Energy use values are based on combination of actual consumption records (electricity) and engineering calculations (diesel).

5.4 Competency of involved personnel

Interviewed staff was well familiar with their responsibilities, during the audit overall responsible person described the role of each involved staff member in detail. Standartization engineer is having overall responsibility for SBP certification (including SBR and SAR completion), DDS and complaints resolution. Chief of the pellet plant is responsible for feedstock and biomass moisture measurements and registration; feedstock input and biomass output registration; biofuels consumption registration. Chief power engineer is responsible for electricity consumption registration. Dispatcher is responsible for diesel consumption registration at pellet productions site.

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-000395 (01/21)	NC Grading: Major
Standard:	SBP Standard 2: Verification of SBP-compliant Feedstock
Requirement:	5 Supply Base
Description of Non-conformance and Related Evidence:	
There is no sufficient assurance in place that the material comes from the defined SB (Leningrad and Novgorod regions of Russia). Two suppliers of the feedstock (sawdust and defective pellets) could not provide to BP any documented evidence describing the area encompassing all places where the feedstock was harvested from (i.e. the location of the tree stump). Considering that information on wood material origin is lacking for 90% of the total certified feedstock supplies in the reporting period, major NCR has been raised.	
Timeline for Conformance:	3 months from the report finalisation
Evidence Provided by Company to close NC:	Letter from the supplier of defective pellets (dated of 16/03/2021) Explanations by Organisation's staff
Findings for Evaluation of Evidence:	Supplier of the defective pellets based on Organisation's request (12/03/2021) submitted the information on wood supply chain up to the level of the forest management units. Supplier has purchased the sawmilling wastes from a single FSC-certified primary processor, who in its turn sourced the roundwood (sawlogs) from a single forest manager holding valid FSC FM/COC certificate. Certified forest management units are located in Leningrad region. Specific names of the suppliers in the supply chain are not included into the report public summary, as this information is considered confidential. As for the FSC-certified sawdust supplier, Organisation was not able to obtain the information on wood origin. According to explanations by Organisation, this was purchase of a single batch, and the contacts with the supplier have been lost. Sawdust was delivered with FSC 100% claim in amount of 58,8 MT. In Organisation's opinion, the route cause of the non-conformity is insufficient understanding of the relevant SBP requirement. As a corrective action, Organisation explained that since now they will request the information on wood origin prior to signing the supply contract. Since the sawdust was supplied in insignificant amount, and had FSC 100% claim, and considering that the route cause analysis was conducted by Organisation, and corrective action was implemented, auditor decided to close the NCR.
NC Status:	Closed

NC number NC-000396 (04/21)	NC Grading: Major
Standard:	SBP Standard 4: Chain of Custody
Requirement:	5.3.1 All requirements of the relevant chain of custody control system specified in the SBP-approved CoC system shall be implemented to calculate outputs.
Description of Non-conformance and Related Evidence:	
In SBP Procedure, Section 3.2.1, it is specified that based on production results in the previous reporting period, it is required 3,22 bulk m3 of woodchips/sawdust for production of 1 MT of biomass. Engineering calculations, however, show the following: Conversion factor for wood chips (from bulk to solid m3) is 0,36 – according to Russian state standard GOST 15815-83. 3,22 bulk m3 x 0,36 = 1,16 solid m3. According to BP, in the reporting period the feedstock composition was ½ pine and ½ spruce, and the average moisture value of the feedstock was 50% (w.b.). According to Wood Fuels Handbook (Pristina, 2015), the average mass of such feedstock with 50% moisture value is 0,8095 MT/solid m3. 1,16 solid m3 x 0,8095 MT/solid m3 = 0,93 MT (100-50%)/(100-8%) = 0,54, Where 50% is the average moisture of the feedstock, and 8% is the average moisture of the biomass. 0,93 MT feedstock x 0,54 = 0,50 MT feedstock (would be required to produce 1 MT of the biomass). This can not be true.	
Timeline for Conformance:	3 months from the report finalisation
Evidence Provided by Company to close NC:	Updated SBP Procedure / Обновленное руководство SBP Explanations by Organisation's staff / Пояснения сотрудников Организации.
Findings for Evaluation of Evidence:	Updated SBP procedure (section 3.2.1) includes corrected calculation of the conversion factor, based on which, from 1 MT of the feedstock with specified moisture value and species mix, 0,54 MT of wood pellets may be produced. Engineering calculations of the mass balance done by auditor confirmed this conversion factor. Organisation also explained that the initial conversion factor was specified in SBP procedure with mistakes. But in any case, to confirm the mass balance (and conversion factor) it is necessary to use the actual data o feedstock inputs and biomass outputs, specified in SAR.
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):	Pilar Gorría
Date of decision:	08 Jun 2021
Other comments:	N/A