

NEPCon Evaluation of “Postavsky Furniture Center”, PMUE 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 1.4

*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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Table of Contents

1	Overview
2	Scope of the evaluation and SBP certificate
3	Specific objective
4	SBP Standards utilised
4.1	SBP Standards utilised
4.2	SBP-endorsed Regional Risk Assessment
5	Description of Company, Supply Base and Forest Management
5.1	Description of Company
5.2	Description of Company's Supply Base
5.3	Detailed description of Supply Base
5.4	Chain of Custody system
6	Evaluation process
6.1	Timing of evaluation activities
6.2	Description of evaluation activities
6.3	Process for consultation with stakeholders
7	Results
7.1	Main strengths and weaknesses
7.2	Rigour of Supply Base Evaluation
7.3	Collection and Communication of Data
7.4	Competency of involved personnel
7.5	Stakeholder feedback
7.6	Preconditions
8	Review of Company's Risk Assessments
9	Review of Company's mitigation measures
10	Non-conformities and observations
11	Certification decision

1 Overview

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

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Current report completion date: 19/Jan/2020

Report authors: : Aliaksandr Zubkevich

Name of the Company: Private Manufacturing Unitary Enterprise “Postavsky Furniture Center”, 28, Ozernaya str, Postavy, Vitebsk Region, 211871, The Republic of Belarus

Company contact for SBP: Artemy Grebennikov (Technic-technologist), Ozernaya, 28, Postavy, 211871, Belarus, telephone: +375 29 895 27 03, email: grebearaty@gmail.com

Certified Supply Base: Sourcing from Republic of Belarus

SBP Certificate Code: SBP-07-08

Date of certificate issue: 27/Dec/2018

Date of certificate expiry: 26/Dec/2023

This report relates to the First Surveillance Audit

2 Scope of the evaluation and SBP certificate

The certificate scope covers production of wood pellets, for use in energy production, at PPUE Postavsky Furniture Center and transportation by rail to Belarusian/Latvian border, Bigosovo railway station, Belarusian/Lithuanian border, Gudogai railway station and FCA Postavy (gate of the BP). The scope of the certificate does not include Supply Base Evaluation. The scope includes communication of Dynamic Batch Sustainability Data.

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
- Communication of Dynamic Batch Sustainability Data

4 SBP Standards utilised

4.1 SBP Standards utilised

Please select all SBP Standards used during this evaluation. All Standards can be accessed and downloaded from <https://sbp-cert.org/documents/standards-documents/standards>

- SBP Framework Standard 1: Feedstock Compliance Standard (Version 1.0, 26 March 2015)
- SBP Framework Standard 2: Verification of SBP-compliant Feedstock (Version 1.0, 26 March 2015)
- SBP Framework Standard 4: Chain of Custody (Version 1.0, 26 March 2015)
- SBP Framework Standard 5: Collection and Communication of Data (Version 1.0, 26 March 2015)

4.2 SBP-endorsed Regional Risk Assessment

Not applicable. Supply Base Evaluation is not covered by the Scope of the Evaluation

5 Description of Company, Supply Base and Forest Management

5.1 Description of Company

The certificate scope covers the pellet production site in city Postavy, Belarus.

The Organisation holds valid FSC Chain of Custody certificate with FSC credit system in the scope. The FSC certificate scope covers primary processing (sawmill) and secondary wood processing (production of doors and pellet production).

For pellet production, the Organisation is using secondary production residues, which are sourced from their own sawmill, as well as from other FSC certified sawmills.

Wood offcuts and sawdust are used for the pellet production. Slab wood and woodchips are used for biomass drying.

5.2 Description of Company's Supply Base

All feedstock is originating from Belarus.

In Belarus, forest land covers 9.58 million ha. Forests are quite evenly spread over the country's six regions with the average value of the forest cover (ratio between the stocked forest land and the total land) being 39.3%. The size of agricultural land is 8.7 million ha.

The area covered by forest is increasing. The expansion happens both naturally and by afforestation of infertile land unsuitable for agriculture. Within the last decade, the timber production in Belarus has fluctuated approx., 19 million cubic metres (<http://www.mlh.by> 2018.)

Forest area of Belarus consists: forests- 7,89 million ha, Other wooded land 0.91 million ha.

The main wood species in Belarus are: pine 50,4%, spruce 9,2%; birch 23,1%; black alder 3,3%; grey alder 3,3 %: aspen 2,1%; other species 3,3%.

The forests in the Republic of Belarus are state property. Forests under the jurisdiction of the Ministry of Forestry (Minleshoz) cover 86% of the forest fund. Besides, a significant share of the forest fund is managed by the Administration of the President of the Republic of Belarus (8%) and by the Ministry of Emergency Situations of the Republic of Belarus (2%).

Belarus has been a signatory of the CITES Convention since 1995. CITES requirements are respected in forest management, although there are no species included in the CITES lists in Belarus.

Forest regeneration is carried out annually over an area of 32,000 ha, including 81% of the forest planting and seeding and 19% by natural regeneration. There are 2 strictly protected Nation reserves and 4 National

parks present in Belarus at the moment. Area of National reserves accounts 2,98 million ha and area of National parks is 3,98 million ha.

Forestry and the forest industry are essential parts of the republic's economy. The share of forest sector in GNP is 4-5% , 3.2% of local inhabitants are employed in forest sector.

The forest area is certified by PEFC certification scheme: 7,9 million. ha (93 forestry's) and FSC certification scheme app 7,1 million. ha (90 forestry's)

For details see the BP internet site: <http://pmc.by/o-kompanii/sertifikaty>

5.3 Detailed description of Supply Base

Total Supply Base area (ha): 9.58 million ha

Tenure by type (ha): 9,58 million ha state ownership, 0 million ha private forests and 0 million ha other ownership types.

Forest by type (ha): 9.58 million ha temperate forests

Forest by management type (ha): 9.58 million ha managed semi-natural

Certified forest by scheme (ha): FSC - total certified area 9,2 million ha

Quantitative description of the Supply Base can be found in the Supply Base Report of the Biomass Producer (<http://pmc.by/o-kompanii/sertifikaty>)

5.4 Chain of Custody system

The Organisation holds valid FSC Chain of Custody certificate (TT-COC-005327). Critical control points of the FSC CoC system were evaluated during the SBP audit as well.

The Organisation has implemented FSC credit system. Starting from December 2017 the organization buys only FSC certified input material both for sawmill and for pellet production. The organization does not use any imported material. Incoming wood reception register, and supplier list are maintained. All material is checked during the arrival and correctly recorded in the internal system. If needed physical separation may be implemented (in case of non-certified material will be sourced). The company use one credit account for SBP and FSC. If they sell FSC material this amount of material is automatically deducted as SBP credit as well.

6 Evaluation process

6.1 Timing of evaluation activities

Onsite audit was conducted on October 21, 2019 (8h). Audit activities included documents review at office, inspection of production facilities and staff interviews.

Action	Place	Auditor	date/ time
Introduction meeting (Appr at 09.00-09.15)	Office	Aliaksandr Zubkevich	21.10.2019 09.30-12.30; 13.30-17.30
Analyse of the organization SBP system; Staff interview; Documents review procedure, instructions, training minutes, product group list, suppliers list and etc. Analyse of FSC COC system. Checking of critical points. Review of GHG date calculation, interview with staff Visit of pellet factory, staff interview, review of records	Office Pellet factory		
Lunch time 12.30-13.30	Office		
Final meeting 17.00-17:30	Office		
Review of updated SAR			06.11.2019

6.2 Description of evaluation activities

The audit 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 the collection of the energy and emission data.

Description of the audit evaluation:

All SBP related documentation connected to the SBP as well as FSC system of the organisation, including SBP Procedures, GHG related data, Supply Base Reports, were evaluated during the audit.

Auditor was welcomed in the company. Audit started with an opening meeting attended by the deputy director.

Auditor introduced himself, provided information about audit plan, methodology, auditor qualification, confidentiality issues, and audit methodology and clarified verification 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 documents 5a, 5b, 5c, 5d 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 feedstock/ biomass. During the process, overall responsible person for SBP system and as well as other persons having key responsibilities within the system were interviewed.

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

At the end audit findings were summarised and audit conclusion based on use of 3 angle evaluation method were provided to the representative of the company.

Composition of audit team:

Auditor(s), roles	Qualifications
Aliaksandr Zubkevich Lead auditor Evaluation against all applicable requirements	Mr Aliaksandr Zubkevich has education of engineer-economist in timber industry. He had postgraduate study at the Belarusian State Technological University. A. Zubkevich has passed FSC CoC/ FM lead auditor training course, Legal Source, ISO 14001 and SBP training coursed. Previous experience in woodworking industry and SBP pre-assessment and assessments in Belarus.

Impartiality commitment: NEPCon commits to using impartial auditors and our clients are encouraged to inform NEPCon management if violations of this are noted. Please see our Impartiality Policy here: <http://www.nepcon.org/impartiality-policy>

6.3 Process for consultation with stakeholders

No Consultation was conducted for this surveillance audit

7 Results

7.1 Main strengths and weaknesses

Strengths: use of FSC credit system. Robust recordkeeping system. Good awareness of certification requirements by involved staff.

Weaknesses: please see NCRs below in this report.

7.2 Rigour of Supply Base Evaluation

N/A

7.3 Collection and Communication of Data

BP has robust system of measuring and recordkeeping of energy use data related to biomass production, handling and transport.

7.4 Competency of involved personnel

Responsible staff showed good awareness of requirements of applicable SBP standards and Instruction Documents.

7.5 Stakeholder feedback

No stakeholder consultations conducted prior to, during or after this audit.

7.6 Preconditions

None.

8 Review of Company's Risk Assessments

Not applicable

9 Review of Company's mitigation measures

Not applicable

10 Non-conformities and observations

Identify all non-conformities and observations raised/closed during the evaluation (a tabular format below may be used here). Please use as many copies of the table as needed. For each, give details to include at least the following:

- applicable requirement(s)
- grading of the non-conformity (major or minor) or observation with supporting rationale
- timeframe for resolution of the non-conformity
- a statement as to whether the non-conformity is likely to impact upon the integrity of the affected SBP-certified products and the credibility of the SBP trademarks.

NC number 02/18	NC Grading: Major
Standard & Requirement:	Standard #2c: 4.1. The report shall be concise, covering the most important features, and shall be completed using the latest versions of the SBR Template for Biomass Producers downloaded from the SBP website
Description of Non-conformance and Related Evidence:	
Organization submitted updated SBR to auditor. Organization used newest template. During review of SBR it was found out that data about feedstock used are incorrect. The organization didn't provide in section 2.3 of the SBR 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.	
Timeline for Conformance:	3 months from the report finalisation
Evidence Provided by Company to close NC:	Data from accounting program, SBR
Findings for Evaluation of Evidence:	In the reporting period the organization used for pellet production only secondary feedstock. It was explained by SBP responsible person that only secondary feedstock is planned to be used for biomass production further. The BP has provided updated SBR, but in section 2.1 states the total FSC certified area in Belarus as 7,1 mln ha and 9,4 mln ha in section 2.5.. NCR is upgraded to Major NCR
NC Status:	Open

NC number 01/19	NC Grading: Minor
Standard & Requirement:	Standard #2: Verification of SBP-compliant feedstock

	<p>6.2 The BP shall record the place of harvesting and the identity of the primary wood processor responsible for the supply of inputs classified as SBP-compliant Secondary Feedstock.</p> <p>6.3 1.4 The BP shall ensure that the place of harvesting is within the defined SB</p>
Description of Non-conformance and Related Evidence:	
<p>The part of sawdust volume originates from sawmill of the BP. All roundwood to sawmill come from forest management units. It is confirmed by reviewing of purchase agreements with these FMUs. The BP also sources sawdust from other sawmills. The responsible for SBP was not able to provide records of place of harvest for several primary wood processors responsible for the supply of inputs classified as SBP-compliant Secondary Feedstock. Due to small volume supplied by this suppliers and low probability that wood may be out form the Republic of Belarus auditor raised minor non conformance</p>	
Timeline for Conformance:	By the next surveillance audit, but no later than 12 monhts from report finalisation date
Evidence Provided by Company to close NC:	Pending
Findings for Evaluation of Evidence:	Pending
NC Status:	Open

NC number 02/19	NC Grading: Major
Standard & Requirement:	<p>Standard #2: Verification of SBP-compliant feedstock</p> <p>7.1. The BP shall prepare a Supply Base Report (SBR) which shall be made readily accessible on the BP’s website. Commercially sensitive and confidential information may be excluded from the SBR.</p>
Description of Non-conformance and Related Evidence:	
<p>The BP was not made publicly available SBR report for revision period on own website http://www.pmc.by/?text_section_id=6</p>	
Timeline for Conformance:	3 months from the report finalisation
Evidence Provided by Company to close NC:	Pending
Findings for Evaluation of Evidence:	Pending
NC Status:	Open

NC number 03/19	NC Grading: Minor
Standard & Requirement:	Standard #2: Verification of SBP-compliant feedstock 7.3. The SBR shall be completed using the latest version of the SBR template, which is available from the SBP website.
Description of Non-conformance and Related Evidence:	
Not the latest template of Supply Base Report has been used by BP.	
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

NC number 04/19	NC Grading: Minor
Standard & Requirement:	Standard #2: Verification of SBP-compliant feedstock 15.1 The BP shall implement a management and monitoring system to maintain compliance with the requirements of this and all other relevant SBP Standards, together with a process of review and feedback into planning.
Description of Non-conformance and Related Evidence:	
The BP has developed a management and monitoring system. The main responsible is deputy director. Technician-technologist explained that he conducts annually SBP system review and prepare "Inside inspection report". Interview with Technician-technologist as well as review of "Inside inspection report" and other SBP audit related documents (SAR, SBR) showed that monitoring system is not well developed: SAR and supportive document were not fully prepared and contain mistakes. In fact, technician-technologist involved in managing of SBP system and do monitoring, while deputy director is not involved in SBP system review and monitoring. Taking in account that the BP has well developed procedure, staff is trained and good in understanding of relevant SBP requirements the minor NCR is issued	
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

NC number 05/19	NC Grading: Major
Standard & Requirement:	Standard #4: Chain of Custody 5.3.3 All calculations, including data of inputs and outputs, must be site specific and shall not be combined between different sites. A 'site' is defined as 'one geographical location with precise boundaries within which products can be mixed'. A site is not a collection of facilities that are located in different geographical locations, even if that is in the same region. A site can include multiple silos or tanks in the same physical location
Description of Non-conformance and Related Evidence:	
The BP has two pellet plants. This certificate include in scope only factory located at 28, Ozernaya str, Postavy, Vitebsk Region. It was found out that the BP maintains one credit account for two pellet factories..	
Timeline for Conformance:	3 months from the report finalisation
Evidence Provided by Company to close NC:	Pending
Findings for Evaluation of Evidence:	Pending
NC Status:	Open

NC number 06/19	NC Grading: Minor
Standard & Requirement:	Instruction document 5B 2.2.1.The BP shall define Static Data Identifiers (SDIs) as specified in Instruction Document 5A and shall ensure that the relevant Energy and GHG Data is clearly associated with each SDI"
Description of Non-conformance and Related Evidence:	
During audit it was found that the BP used the same Static Data Identifiers for different single Scope End-Points. For example, in the invoice # 3228 dated 18.10.2019 biomass was supplied to Lithuania (SDI SBP 07-08-02), but in invoice SDI is SBP 07-08-01 for Latvia (Bigosovo).	
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

Closed NCR:

NC number 01/18	NC Grading: Minor
Standard & Requirement:	<p>Standard #2: Verification of SBP-compliant feedstock</p> <p>6.1 The BP shall record the place of harvesting of inputs classified as SBP-compliant Primary Feedstock.</p> <p>The BP shall keep records of the origin of any feedstock supplied with certification claims from either an SBP-approved Forest Management Scheme or an SBP-approved Controlled Feedstock System</p>
Description of Non-conformance and Related Evidence:	
<p>Some volume of logs is sold by forestry manager’s directly to the sawmill, some part the organization buy from other FSC certified companies. The feedstock supplied by FSC certified logging companies are not accompanied by documents which prove the origin of feedstock. The BP has not requested from such suppliers documents which may confirm the origin of supplied feedstock. Procurement agreements are signed with each supplier. Due to small volume supplied by this suppliers and low probability that wood may be out form the Republic of Belarus auditor issued minor non conformance.</p>	
Timeline for Conformance:	By the next surveillance audit, but no later than 12 monhts from report finalisation date
Evidence Provided by Company to close NC:	Data from accounting program
Findings for Evaluation of Evidence:	In the reporting period the organization used for pellet production only secondary feedstock. It was explained by SBP responsible person that only secondary feedstock is planned to be used for biomass production further. Due to indicator 6.1 is not more applicable auditor recommends closing this NCR.
NC Status:	Closed

11 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):	Nikolai Tochilov
Date of decision:	19/Jan/2020
Other comments:	<i>Click or tap here to enter text.</i>