

SBP

Sustainable Biomass Program

NEPCon OÜ Evaluation of Basic Timber Company Compliance with the SBP Framework: Public Summary Report

Second Surveillance Audit

www.sbp-cert.org



Completed in accordance with the CB Public Summary Report Template Version 1.2

*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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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
Current report completion date:	19/Jun/2018
Report authors:	Aliaksandr Zubkevich
Name of the Company:	Basic Timber Company , urochishe Dubino (171 km of road Lithuanian border- Lida- Slonim,Bitin) Brest region,Ivacevichi district, 225250 Belarus
Company contact for SBP:	Natalya Aleksandrovna Shimanchik, sales engineer
Certified Supply Base:	sourcing from Republic of Belarus
SBP Certificate Code:	SBP-01-25
Date of certificate issue:	08/Aug/2016
Date of certificate expiry:	07/Aug/2021

This report relates to the Second Surveillance Audit

2 Scope of the evaluation and SBP certificate

The certificate scope covers the production site and production office facility in urochishe Dubino (171 km of road Lithuanian border- Lida- Slonim, Bytin) Brest region, Ivacevichi district, Republic of Belarus

The Organisation holds valid FSC Chain of Custody certificate (NC-COC-013431), covering FSC certified (FSC 100%) pellet production.

The input material used by the organisation for biomass production contains secondary feedstock only coming from own primary production and supplied by three local suppliers. Company is also using primary feedstock in a form of firelogs, these are used for biomass drying.

All inputs materials delivered to the pellet production plant are FSC certified. Feedstock used in the biomass production originates from Belarus only.

Description of the scope: The certificate scope covers production of wood pellets, for use in energy production, at Basic timber company and transportation by rail to Belarusian/Latvian border, Bigosovo railway station and Belarusian/Lithuanian border, Benyakoni railway station and FCA Dubino (gate of the BP). The scope of the certificate does not include Supply Base 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		<input type="checkbox"/>
Primary Activity:	Pellet producer		<input type="checkbox"/>
Input Material Categories:	<input type="checkbox"/> SBP-Compliant Primary Feedstock	<input checked="" type="checkbox"/> SBP-Compliant Secondary Feedstock	<input checked="" type="checkbox"/>
	<input type="checkbox"/> Controlled Feedstock	<input type="checkbox"/> SBP non-Compliant Feedstock	
	<input type="checkbox"/> SBP-Compliant Tertiary biomass	<input type="checkbox"/> Post-consumer Tertiary Feedstock	

	<input type="checkbox"/> SBP-approved Recycled Claim	<input type="checkbox"/> Post-consumer Tertiary Feedstock			
Chain of custody system implemented:	<input checked="" type="checkbox"/> FSC	<input type="checkbox"/> PEFC	<input type="checkbox"/> SFI	<input type="checkbox"/> GGL	<input type="checkbox"/>
	<input checked="" type="checkbox"/> Transfer	<input type="checkbox"/> Percentage		<input type="checkbox"/> Credit	<input checked="" type="checkbox"/>
Points of sales	<input type="checkbox"/> Harbour – Permanent storage (Storage site)	<input type="checkbox"/> Harbour – Temporally storage (Logistic site)	<input checked="" type="checkbox"/> Other point of sale (e.g. gate of the BP, boarder, railway station etc.)		
Provide name of all points of sales	-	-	DAP Bigosovo railway station		<input type="checkbox"/>
	-	-	- DAP Benyakoni railway station		
	-	-	-FCA Dubino		
Use of SBP claim:	<input checked="" type="checkbox"/> Yes			<input type="checkbox"/> No	<input type="checkbox"/>
SBE Verification Program:	<input type="checkbox"/> Low risk sources only		<input type="checkbox"/> Sources with unspecified/ specified risk		<input type="checkbox"/>
	New districts approved for SBP-Compliant inputs:				
Sub-scopes					<input type="checkbox"/>
Specify SBP Product Groups added or removed:					
Comments: Controlled feedstock removed from scope. Chain of custody system changed from credit to transfer. Added one point of sale - FCA Dubino (gate of the BP)					

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;

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

Basic timber company is a biomass producer with a production site, production office located Urochishe Dubino (171 km of road Lithuanian border- Lida- Slonim, Bitin) Brest region, Ivacevichi district, Belarus

Basic timber company is producing industrial quality wood pellets.

BP is sourcing primary and secondary feedstock for its pellet production. Pellets are produced from secondary feedstock: (wood industry residues: wet sawdust, wood chips) . Primary feedstock (fuel wood) are used in the biomass drier.

All Feedstock types are delivered to the pellet plant using road transport. There is a railway near the production site, which is used for transportation of pellets only, but was not used for the feedstock supply.

Incoming feedstock used in the production and in biomass drier is FSC 100%. The BP is having 2 production lines situated at the same location. Feedstock used into both production lines are the same, moisture measurements are done and production volumes are accounted for each line separately.

Origin information is available in the delivery documents for the primary feedstock,

The BP is implementing FSC transfer system.

After the production, pellets are stored in small BP production storage or transported directly to buyers by railway. Ownership rights to the biomass are transferred to buyer at the time railway wagon reaches Belarus/Latvia or Belarus/Lituania border.

5.2 Description of Company's Supply Base

BP is sourcing secondary feedstock only for biomass production and primary feedstock for biomass drying . All feedstock is delivered by companies registered and also originating from Republic of Belarus.

Republic of Belarus:

In Belarus, forest land covers 9.5 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% . Area of Agricultural area 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., 11 million cubic metres (<http://www.mlh.by> 2015.)

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.

All forest area is certified by PEFC certification scheme: 8.1 million. ha (83 forestry's) and FSC certification scheme app 8.3 million. ha (94 forestry's)

For details see the BP internet site <http://www.basic timber.com/en/certificats.php>

5.3 Detailed description of Supply Base

Supply Base

- Total Supply Base area (ha): 9,5 million ha
- Tenure by type (ha): 9,5 million ha state ownership
- Forest by type (ha): 9,5 million ha temperate forest
- Forest by management type (ha): 9,5 million ha managed semi-natural, natural
- Certified forest by scheme (ha): 8,3 million ha- FSC-certified forest ,
- 8,8 million ha- PEFC -certified forest

5.4 Chain of Custody system

The Organisation holds valid FSC Chain of Custody (NC-COC-013431), covering FSC certified (FSC 100%) pellet production.

<http://info.fsc.org/details.php?id=a024000005sTOVAA2&type=certificate&return=certificate.php>

The Organisation is implementing FSC transfer system. Supplier list is maintained. After the reception, incoming feedstock is unloaded in specially designated places according to type of feedstock and is registered into the recordkeeping system. In case of the FSC and / or SBP sales, the volume of sold pellets are withdrawn from the credit account.

6 Evaluation process

6.1 Timing of evaluation activities

Onsite audit was conducted on May 22, 2018 (5h). Audit activities included documents review at office, inspection of production facilities and staff interviews.

Action	Place	Auditor	date/ time
Introduction meeting (Appr at 10.00-10.15)	Office	Aliksandr Zubkevich	22.05.2018 12.00-13.00; 13.30-17.30
Analysis of the organization SBP system; Staff interview; Documents review: procedure, instructions, training minutes, group products 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 and laboratory, staff interview, review of records List of reviewed processes (visited departments): 1) purchase and acceptance of raw material 2) moisture measurement of raw material and products (operator); 3) production and accounting (bookkeeping); 4) Use of resources (electrician, mechanic); 5) Realisation and sales. Work with clients	Office, Production facilities		
Lunch time 1.300-13.30	office		
Final meeting 17.00-17:30	Office		

6.2 Description of evaluation activities

The surveillance audit 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 surveillance audit:

Auditor team was welcomed in Basic Timber Company Ltd. office in Ivacevichi. Audit started with an opening meeting attended by all management staff of the Organisation.

Auditors introduced himself, provided information about audit plan, methodology, auditor qualification, confidentiality issues, and assessment methodology and clarified verification scope.

After that auditor went through all applicable requirements of the SBP standards nr.2, 4, 5 and instruction documents 5a, 5B, 5C covering input clarification, existing chain of custody and controlled wood system, management system, CoC, recordkeeping/mass balance requirements, emission and energy data and categorisation of input and verification of SBP compliant and SBP Controlled feedstock/ biomass. During the process overall responsible person for SBP system and over responsible staff having key responsibilities within the system were interviewed.

After wagon loading facility was visited and roundtrip around BP’s pellet production was undertaken. During the site tour reception, recordkeeping, production process were observed, applicable records were reviewed, pellet factory staff 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 Organisation.

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.

6.3 Process for consultation with stakeholders

No Consultation was conducted for this surveillance audit and no comments were received during the aduit period.

7 Results

7.1 Main strengths and weaknesses

Strength: Use of production residuals only with FSC 100% claim. All elements of SBP system are implemented. Use of the FSC transfer system and control of all incoming materials at the level of sawdust reception and production process.

Weaknesses: Not identified

7.2 Rigour of Supply Base Evaluation

Not applicable

7.3 Collection and Communication of Data

The BP has sytem of data collection implemented. The data were complete and accurate. During the surveillance audit the organization has energy data recorded and prepared for audit.

7.4 Competency of involved personnel

The SBP responsible person in the company is sales engineer Natalya Aleksandrovna Shimanchik. 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 were received

7.6 Preconditions

No preconditions to this certification were identified at the time of the this surveillance audit.

8 Review of Company’s Risk Assessments

Describe how the Certification Body assessed risk for the Indicators. Summarise the CB’s final risk ratings in Table 1, together with the Company’s final risk ratings. Default for each indicator is ‘Low’, click on the rating to change. Note: this summary should show the risk ratings before AND after the SVP has been performed and after any mitigation measures have been implemented.

Not applicable

Table 1. Final risk ratings of Indicators as determined BEFORE the SVP and any mitigation measures.

Indicator	Risk rating (Low or Specified)	
	Producer	CB
1.1.1	Low	Low
1.1.2	Low	Low
1.1.3	Low	Low
1.2.1	Low	Low
1.3.1	Low	Low
1.4.1	Low	Low
1.5.1	Low	Low
1.6.1	Low	Low
2.1.1	Low	Low
2.1.2	Low	Low
2.1.3	Low	Low
2.2.1	Low	Low
2.2.2	Low	Low
2.2.3	Low	Low
2.2.4	Low	Low
2.2.5	Low	Low
2.2.6	Low	Low
2.2.7	Low	Low
2.2.8	Low	Low
2.2.9	Low	Low
2.3.1	Low	Low
2.3.2	Low	Low

Indicator	Risk rating (Low or Specified)	
	Producer	CB
2.3.3	Low	Low
2.4.1	Low	Low
2.4.2	Low	Low
2.4.3	Low	Low
2.5.1	Low	Low
2.5.2	Low	Low
2.6.1	Low	Low
2.7.1	Low	Low
2.7.2	Low	Low
2.7.3	Low	Low
2.7.4	Low	Low
2.7.5	Low	Low
2.8.1	Low	Low
2.9.1	Low	Low
2.9.2	Low	Low
2.10.1	Low	Low

Table 2. Final risk ratings of Indicators as determined AFTER the SVP and any mitigation measures.


Indicator	Risk rating (Low or Specified)	
	Producer	CB
1.1.1	Low	Low
1.1.2	Low	Low
1.1.3	Low	Low
1.2.1	Low	Low
1.3.1	Low	Low
1.4.1	Low	Low
1.5.1	Low	Low
1.6.1	Low	Low
2.1.1	Low	Low
2.1.2	Low	Low
2.1.3	Low	Low
2.2.1	Low	Low
2.2.2	Low	Low
2.2.3	Low	Low
2.2.4	Low	Low
2.2.5	Low	Low
2.2.6	Low	Low
2.2.7	Low	Low
2.2.8	Low	Low
2.2.9	Low	Low
2.3.1	Low	Low
2.3.2	Low	Low

Indicator	Risk rating (Low or Specified)	
	Producer	CB
2.3.3	Low	Low
2.4.1	Low	Low
2.4.2	Low	Low
2.4.3	Low	Low
2.5.1	Low	Low
2.5.2	Low	Low
2.6.1	Low	Low
2.7.1	Low	Low
2.7.2	Low	Low
2.7.3	Low	Low
2.7.4	Low	Low
2.7.5	Low	Low
2.8.1	Low	Low
2.9.1	Low	Low
2.9.2	Low	Low
2.10.1	Low	Low

9 Review of Company's mitigation measures

Not applicable

10 Non-conformities and observations

Identify all non-conformities and observations raised during the evaluation (a tabular format below may be used here). Please use as many copies of the table as needed. Click on the  symbol on the right bottom corner of the table to repeat the table. 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 <i>Enter number</i>	NC Grading: <i>Choose grading.</i>
Standard & Requirement:	<i>Click to enter SBP standard and requirement reference</i>
Description of Non-conformance and Related Evidence:	
<i>Click or tap here to enter NC description.</i>	
Timeline for Conformance:	<i>Choose NC timeline.</i>
Evidence Provided by Company to close NC:	<i>Click or tap here to enter description provided by Company to close the NC.</i>
Findings for Evaluation of Evidence:	<i>Click or tap here to enter findings for evaluation of evidence by the auditor.</i>
NC Status:	<i>Choose status.</i>

CLOSED NON-CONFORMANCES:

NCR: 01/17	NC Classification: minor
Standard & Requirement:	Instruction-Document-5A-Collection-and-Communication-of-Data-v1-1-Oct16, requirement 2.1.3 Each Legal Owner shall operate a management system to ensure that data recorded is consistently compliant with the requirements specified in SBP Standards and Instruction documents
Description of Non-conformance and Related Evidence:	
The organization has management system in place. The SBP procedure was prepared and implemented. Data recorded is in compliant with latest relevant SBP Standards and Instruction documents. However, procedures provide misleading information which may lead to misinterpretation of the customer. Interviewed staff demonstrated understanding of the standard requirements. The procedure contains wrong references to old version of instruction 5a, in procedure used outdated terms and definitions, some parts of procedure not relevant for the organization	

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 annual surveillance audit, but not later than 12 months from report finalisation date
Evidence Provided by Organisation:	Updated procedure
Findings for Evaluation of Evidence:	The BP has updated procedure in revision period. Review of procedure as well as interview conducted confirmed that management system in place: procedure is updated and meet requirements, staff trained.
NCR Status:	CLOSED

NCR: 02/17	NC Classification: minor
Standard & Requirement:	Instruction-Document-5A-Collection-and-Communication-of-Data, requirement 4.1 Transactions shall be recorded in the DTS
Description of Non-conformance and Related Evidence:	
Transactions have been recorded in the DTS. Records from the transactions are recorded by the bookkeeper. During audit it was found out that due to mistake done by responsible while entering data some data was not accepted by DTS. Considering the fact that this was isolated case and there is no repeated occurrence of such mistake this non-conformity is considered as minor.	
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 annual surveillance audit, but not later than 12 months from report finalisation date
Evidence Provided by Organisation:	Report from DTS, invoices
Findings for Evaluation of Evidence:	Interview with responsible for recording of transaction as well as review of data in DTS system confirmed that all volume sold with SBP claim is recorded in DTS system correctly.
NCR 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):	Ondřej Tarabus
Date of decision:	19/06/2018
Other comments:	<i>Click or tap here to enter text.</i>

12 General information

Dispute resolution: If NEPCon clients encounter organisations or individuals having concerns or comments about NEPCon services, these parties are strongly encouraged to contact the relevant NEPCon regional office or any member of the NEPCon Chain of Custody Programme. Formal complaints and concerns should be sent in writing.

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>