

NEPCon Evaluation of Ecolin and K Compliance with the SBP Framework: Public Summary Report

Third 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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1 Overview

CB Name and contact:	NEPCon OÜ, Filosoofi 31, 50108 Tartu, Estonia
Primary contact for SBP:	Ondrej Tarabus ot@nepcon.org, +420 606 730 382
Current report completion date:	25/Apr/2019
Report authors: :	Aliaksandr Zubkevich
Name of the Company:	Ecolin and K, LLC, AVM "Ubolotye" building, k1., 223134, v. Ubolotye, Minsk region, Logoisk district, Belarus
Company contact for SBP:	Titov Andrei, deputy director, 375177471704/ekolinik@tut.by
Certified Supply Base:	sourcing from Republic of Belarus
SBP Certificate Code:	SBP -01-42
Date of certificate issue:	07/Oct/2016
Date of certificate expiry:	07/Oct/2021

This report relates to the Third Surveillance Audit

2 Scope of the evaluation and SBP certificate

The certificate scope covers the production site in v. Uboloty, Belarus.

The Organisation holds valid FSC Chain of Custody certificate with FSC transfer system in the scope. The FSC certificate contains both the sawmill and the pellet production.

The Organisation is sourcing logs for their own sawmill production. BP is using primary production residues, from their own sawmill production and part of their secondary feedstock is sourced from external suppliers. Secondary feedstock: sawdust and wood chips is used for the pellet production. Fuelwood logs is used for biomass drying.

In reporting period feedstock was:

- SBP-compliant Secondary Feedstock from own production 18.8% (FSC 100%)
- SBP-compliant Secondary Feedstock from external production 56.5% (FSC 100%)
- SBP compliant primary feedstock – 22.8% (FSC 100%)

Quantity of Suppliers – 3

- SBP-non compliant Secondary feedstock from external production – 1,9% (not certified). This material is used for non-certified production. Before its use, the production site, warehouse and silos are cleaned. Then non certified production takes place, it is sold in the local market and it is considered out of the SBP scope. Before the SBP production starts all facilities are cleaned again to ensure a proper segregation in time.

Quantity of Suppliers – 1

Species: Species: *Picea abies* (L.) H. Karst.); *Pinus sylvestris* (L.);

Feedstock for FSC 100% and SBP- compliant pellets is secondary feedstock from only FSC 100% wood. Feedstock used in the biomass production originates only from Belarus.

Supply Base Evaluation is not included into the scope of the evaluation.

Scope description: The certificate scope covers production of wood pellets, for use in energy production, at Ecolin and K and transportation by rail to Belarusian/Latvian border, Bigosovo railway station. The scope of the certificate does not include Supply Base Evaluation

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

BP is a biomass producer with a production situated in v. Ubolotye, Belarus

BP is sourcing both secondary, coming from its own primary production as well from another sawmill, and primary feedstock.

Logs for the primary production (sawmill) are bought from state sales agent or local forestry management units. In both cases logs are delivered directly from the forest with harvesting permit. Logs are originating from Belarus.

The incoming feedstock in revision period is almost all FSC certified (98,1%). The segregation system is in place. Origin information at FMU level (forestry) is available on the delivery documents both logs and secondary feedstock from external suppliers.

The BP is implementing FSC transfer system. Biomass is transported by railway transport and are sold at Belarusian – Latvian border, Bigosovo railway station

5.2 Description of Company's Supply Base

The supply base of the organization is Belarus. Incoming feedstock is sawdust from external sawmill located in the same region, 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 39.8% . 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., 19 million cubic metres (<http://www.mlh.by> 2018.)

Forest area of Belarus consists: covered by forests- 8.26 million ha, Other wooded land 0.46 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: 7,7 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://ecolin.by/news>

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 8.3 million ha

Quantitative description of the Supply Base can be found in the Supply Base Report of the Biomass Producer (site <http://ecolin.by/news>)

5.4 Chain of Custody system

The Organisation holds valid FSC Chain of Custody certificate. Critical control points of the FSC CoC system were evaluated also during SBP audit. The Organisation has implemented FSC transfer system. Almost all the input materials are received are with FSC certified claim. Incoming wood reception register and supplier list are maintained. All material is checked during the arrival and correctly recorded in the internal system. The physical segregation of non FSC certified feedstock is implemented. To segregate the certified and non-certified feedstock the company paint not certified log butt.

6 Evaluation process

6.1 Timing of evaluation activities

Onsite audit was conducted on February 26 (documents review 1,5 hours), 28 of February 2019 (field audit, almost 5h). Audit activities included documents review at office, inspection of production facilities and staff interviews.

Action	Place	Auditor	date/ time
Documents review	Minsk	Aliaksandr Zubkevich	26.02.2019
Introduction meeting (Appr at 10.00-10.15)			18-19.30
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 of Ecolin and K, pellet factory		28.02.2019 10.00-12.30; 13.30-16.30
Lunch time 12.30-13.30			
Final meeting 16.30-17:00	Office of Ecolin and K, pellet factory		

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 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.

6.3 Process for consultation with stakeholders

No Consultation was conducted for this surveillance audit Strength: Use of production residuals. All elements of SBP system are implemented at the time of the audit. Use of the FSC transfer system and control of all incoming materials at the level of sawdust reception and production process.

Weaknesses: See the non-conformities below

7 Results

7.1 Main strengths and weaknesses

Strength: Use of production residuals. 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: See the non-conformities below

7.2 Rigour of Supply Base Evaluation

Not applicable

7.3 Collection and Communication of Data

The BP has system 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

No stakeholder comments were received

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

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 01/19	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:	
Organization has prepared SBR using outdated template.	
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:	Updated SBR
Findings for Evaluation of Evidence:	During audit the BP responsible updated SBR using newest template. Review of updated SBR confirmed that latest template was used.
NC Status:	Closed

NC number 02/19	NC Grading: Minor
Standard & Requirement:	Instruction document 5A 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:	

<p>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 provides misleading information. which may lead to misinterpretation of the workers. The procedure contains wrong references on old version of instruction 5a, outdated terms and definitions. Организация имеет систему управления, которая гарантирует, что данные регистрируются в соответствии с требованиями SBP. Процедура SBP разработана и внедрена. Данные учитываются в соответствии с последними применимыми требованиями SBP. Однако процедура включает ошибочную информацию, которая может ввести в заблуждение сотрудников. Процедура содержит ссылки на старую версию инструкции 5а, требуется подготовка отчетов, которые уже не актуальны, используются устаревшие термины и определения.</p>	
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:	Standard #4: Chain of Custody req. 5.1.2 The legal owner shall implement all aspects of the SBP approved CoC system requirements for the SBP feedstock or biomass. Where there is a conflict between the requirements in the SBP-approved CoC system requirements and those specified in the SBP standards, the SBP standards shall have precedence
Description of Non-conformance and Related Evidence:	
<p>SBP system of the BP is integrated into the existing FSC COC certification. The scope of the existing FSC Chain of Custody system is sufficient and does not contradict with SBP system requirements. The Organisation has implemented FSC transfer system. All the input materials are received with FSC certified claim. 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. To segregate company paint not certified log butt. During audit it was found out that the BP has used for heating both FSC certified and non-certified fuel wood. It is not contradicting FSC COC system, but conflict with requirement of SBP Standard 2 (Scope). Taking in account that proportion of non-certified wood is low and that not certified wood was used only for heating sporadically during revision period auditor has issued minor NCR.</p>	
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:	Data from accounting
Findings for Evaluation of Evidence:	The BP has provided data from accounting as evidence that during revision period only FSC certified material was used both for FSC and SBP certified biomass and heating.
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):	Pilar Gorriá Serrano
Date of decision:	25/Apr/2019
Other comments:	<i>Click or tap here to enter text.</i>