SBP

Sustainable Biomass Program

# NEPCon Evaluation of PRB Industry, Limited Liability Company Compliance with the SBP Framework: Public Summary Report

Main (Initial) Audit

www.sbp-cert.org

# 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*

*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*

# Table of Contents

# 1 Overview

| | |
|---|---|
| CB Name and contact: | NEPCon OÜ, Filosoofi 31, 50108 Tartu, Estonia |
| Primary contact for SBP: | Ondrej Tarabus otarabus@nepcon.org, +420 606 730 382 |
| Current report completion date: | 07/Feb/2020 |
| Report authors: : | Aliaksandr Zubkevich |
| Name of the Company: | 211460, Republic of Belarus, Vitebsk region, Rossonsky district, ag Klyastitsy, ul. Shcolnaya, 45 |
| Company contact for SBP: | lmfkliast@gmail.com |
| Certified Supply Base: | sourcing from Republic of Belarus |
| SBP Certificate Code: | SBP-07-52 |
| Date of certificate issue: | 10/Feb/2020 |
| Date of certificate expiry: | 09/Feb/2025 |

This report relates to the Main (Initial) Audit

# 2 Scope of the evaluation and SBP certificate

The certificate scope covers the office and production site Vitebsk region, Rossonsky district, ag Klyastitsy, Belarus.

Scope description: Production of wood pellets Vitebsk region, Rossonsky district, ag Klyastitsy, Belarus, for use in energy production and sell at a factory gate (FCA Shklovdrev). 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
- Assess compliance against Instruction Document 5E: Collection and Communication of Energy and Carbon 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

# 5 Description of Company, Supply Base and Forest Management

## 5.1 Description of Company

BP is a wood processing (primary) company located in Vitebsk region, Belarus. Design production capacity of pellet plant is 8000 tones.
Company runs pellet production, as well as lumber production, which supplies secondary feedstock with FSC 100% claim to the pellet plant. Sawdust is used in pellet production. Primary feedstock (dead wood, low quality stem wood) with FS 100% claims is used for the drier.
The round wood used for primary production originates from Belarus and has FSC 100% claim.
The BP implements FSC transfer system and produced biomass is sold with FSC 100% claim.
Pellet plant was commissioned in December 2019.

## 5.2 Description of Company's Supply Base

The BP is a privately owned middle size company, established in 2019. It's main activity is production of rounded wood. This production was followed by the decision to operate in the field of wood pellets production. The wood supply base for production processes is located in the Republic of Belarus.
Feedstock is:
SBP--compliant secondary feedstock, 100% (Wood industry residues from own production). Primary feedstock is used only for the drier.

Wood species: Pinus sylvestris (L.); Picea Abies

In the Republic of Belarus, forests are one of the main renewable natural resources and the most important national wealth. The total land area of the forest fund is 9.582 million hectares. Forest-covered lands occupy 8.26 million hectares. Forest cover of the territory of the Republic of Belarus reached 39.8%. The total standing stock of wood stands at 1,796 million cubic meters, including 296 million cubic meters of ripe and mature plantings. As a result of focused work on the reproduction of forests, the area covered by forests is increasing. So, over the past 60 years, the forest cover of the republic has almost doubled and reached its maximum values for more than a century. The increase is occurring both naturally and due to afforestation of badlands unsuitable for agriculture. In Belarus, along with an increase in the total area of the forest fund, a steady growth in the areas of ripening, ripe and overripe stands is observed. The share component of ripe and mature forests is 14.7%. The average age of stands is 56 years.

In the forests of Belarus 28 species of trees and about 70 species of shrubs grow. The most common tree species are: ordinary pine - 50.3%, birch - 23.2%, European spruce - 9.2%, black alder - 8.5%, oak - 3.4%, aspen - 2.1%.

Depending on the functions performed, the lands of the forest fund are divided into forests of the first and second groups. The first group includes specially protected natural territories, the share of which is 52%, the second group includes production forests intended for timber harvesting (48%).

In accordance with the legislation of the Republic of Belarus, all the lands of the forest fund are in state ownership and transferred to the use and management of state forestry institutions. Forest management in

Belarus is carried out according to the principle continuity and inexhaustibility. The average annual wood harvest is about 18 million cubic meters per year, of which:

• main cutting (in ripe stands) 40%;

• thinning and sanitary felling (in young, middle-aged and ripening stands 48%);

• other felling 12%.

Ensuring high-quality reproduction of forest resources and protective afforestation is a prerequisite for the use of forests. So in 2018 reforestation and afforestation carried out on a total area of 41.82 thousand hectares, including 34.8 thousand ha of new forests laid due to sowing and planting forests.

When harvesting wood, according to the forest legislation of the Republic of Belarus, individuals listed in the Red Book and their habitats are subject to conservation. Cutting of valuable, endangered and specially protected tree species is prohibited.

In Belarus there are two republican reserves - the Berezinsky Biosphere Reserve (85.2 thousand ha) and the Polessky State Radiation and Ecological Reserve (216.1 thousand ha), and four national parks - BelovezhskayaPushcha (152.962 thousand ha), Braslav Lakes (69.115 thousand hectares), Narochansky (93.3 thousand hectares) and Pripyatsky (85.841 thousand hectares), 334 reserves of republican and local significance and 874 natural monuments ..

Forest certification is an effective tool to combat illegal logging and illegal timber trafficking. Two schemes of forest certification have found their place in the Republic of Belarus - the forest certification system FSC (Forest Stewardship Council) and the forest certification system of the National Conformity Certification System, recognized by the Pan-European Forest Certification Council (PEFC). Taking into account the requirements of the international scheme of the Forest Stewardship Council (FSC), 9.027 million hectares of forest fund are certified (94.2% of the total forest fund). PEFC certified forest management and forest management systems of 105 legal entities conducting forestry on an area of 9,027million hectares of forest fund.

In Belarus, the forest industry consists of forestry (13.5%), woodworking (69.5%) and pulp and paper industry (16.4%). The woodworking industry is one of the largest industries in Belarus. Woodworking accounts for approximately 2% of the total manufacturing industry of the Republic of Belarus. Forest share industry in the country's GDP is approximately 1.1%. Timber products and services are exported to 30 countries.

## 5.3 Detailed description of Supply Base

Total Supply Base area (ha): 9,582 mln. ha
Tenure by type (ha): public 9,582 mln. ha
Forest by type (ha): temperate 9,582 mln. ha
Forest by management type (ha): managed natural 9,582 mln. ha
Certified forest by scheme (ha): 9,027 mln. ha FSC-certified forest

Detailed information about BP's supply base may be found in their Supply Base Report available in Internet: https://www.facebook.com/groups/863721774087496/?source_id=112894023590364

## 5.4 Chain of Custody system

The BP holds valid FSC Chain of certificate

https://info.fsc.org/details.php?id=a02f300000jT6njAAC&type=certificate

BP implements FSC transfer system of claims – all round wood for primary processing is sourced with FSC 100% claim. FSC 100%  material is used into the drier as well.

After the reception, incoming volume of the primary feedstock (saw logs) is registered in Organisation's database and processed. Pellets are produced of the FSC 100% secondary feedstock (sawdust, shavings), originating from own primary processing. Roundwood (dead wood, low quality stem wood) is used for the drier.

# 6 Evaluation process

## 6.1 Timing of evaluation activities

Onsite assessment was conducted on 24.01.2020 (8 h). Evaluation activities included documents review at office, inspection of production facilities and staff interviews.

| Activity | Location | Date/time |
|---|---|---|
| Opening meeting and brief documents review. | Office | 24/01/2020<br>9.30-10.00 |
| Documents and procedures review (feedstock inputs, SBR, CoC control system and critical points, compliance with legal requirements, H&S), staff interview. | Office | 24/01/2020<br>10.00-13.00 |
| Chain of custody review (site tour); staff interview | Production facilities | 24/01/2020<br>13.00-14.00 |
| Documents and procedures review (SAR and energy use primary data); staff interview | Office | 24/01/2020<br>14.00-16.30 |
| Closing meeting | Office | 24/01/2020<br>16.30-17.00 |

## 6.2 Description of evaluation activities

Composition of audit team:

| Auditor(s), roles | Qualifications |
|---|---|
| Aliaksandr Zubkevich<br>Lead auditor<br>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. |

The evaluation 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 GHG data availability.

Description of the audit evaluation:

All SBP related documentation connected to the SBP as well as FSC CoC system of the organisation, including SBP Procedure, SAR and GHG data calculations, Supply Base Report and FSC system description was provided by the company in the beginning of the assessment. Assessment started with an opening meeting attended by the representatives from Organisation's management and staff.

Audit team leader introduced audit team, provided information about audit plan, methodology, auditor qualification, confidentiality issues, and assessment methodology and clarified certification 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 document 5E 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 biomass as well as CCP analysis. During the process, overall responsible person for SBP system and other staff were interviewed.

After a roundtrip around BP's pellet production was undertaken. During the site tour, applicable records were reviewed, staff was interviewed and FSC system critical control points were analysed. Audit continued in office in Mogilev where data in accountant program was verified.

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

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

The stakeholder consultation was carried out on 22/12/r, 2019 by sending direct email to different stakeholder categories (more than 120 recipients). No comments from the stakeholders have been received. List of informed stakeholders includes such groups of stakeholders as FSC National Initiative, environmental and social NGOs, FSC-certified companies in the region, scientific and educational entities, indigenous peoples' communities (where applicable), state forestry authorities, trade unions etc.

# 7 Results

## 7.1 Main strengths and weaknesses

Strengths: Use of the FSC transfer system. Effective recordkeeping system. Small number of the management staff and clearly designated responsibilities within the staff members.

Weaknesses: No significant weaknesses identified by auditor, see also minor NCR below. Ther are no actual data for GHG calculation and use by the BP of the technical and imperial data.

## 7.2 Rigour of Supply Base Evaluation

Not applicable.

## 7.3 Collection and Communication of Data

The following energy sources are used by BP: electricity for pellet production; diesel for feedstock handling, shipping and for biomass transportation to customer. Electricity consumption value is based on metering; diesel consumption value is mostly based on theoretical calculations.

## 7.4 Competency of involved personnel

Overall, BP staff showed good understanding of knowledge of all applicable SBP requirements. The following key staff members are involved to SBP certification: SBP related staff responsibilities are presented in Section 3 of the SBP Procedure. Interviewed staff was well familiar with their responsibilities. Generally, very few staff members are involved into SBP certification: SBP responsible/deputy director (maintaining of the management system, staff training, trademark use), chief of pellet plant (moisture measurements, volumes), chief accountant (verification of incoming invoices and transport documents, performance of outcoming invoices and transport documents). Prior and during SBP assessment, BP was supported by external consultant, who also have provided relevant training to BP staff.

## 7.5 Stakeholder feedback

No feedback from stakeholders have been received prior, during and after this assessment.

## 7.6 Preconditions

None

# 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** 01/20 | **NC Grading:** Minor |
| **Standard & Requirement:** | Standard ǂ2: Verification of SBP-compliant feedstock. Instruction document 2C<br><br>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:** | |
| During review of SBR several mistakes were found. For example, but may not restricted by: 1) in p 1.1 the description do not include the presence of any CITES species, 2) in 2.4 stated that the BP use only secondary feedstock both for drier and biomass production, but in fact for drier primary feedstock was used, 3) points j-h in section 2.5 is not marked propely/ При проверке отчета о ресурсной базе были обнаружены ошибки. Например, но может не ограничиться этим: 1) в п. 1.1 не указано есть ли в ресурсной базе виды CITES 2) в п. 2.4 указано, Что использовалось только вторичное сырье для производства пеллет и теплогенератора, однако для теплогенератора использовалось первичное сырье, 3) пункты j-h в разделе 2.5 не отмечены правильно. | |
| **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:** | Updated SBR |
| **Findings for Evaluation of Evidence:** | Prior to report finalization the BP has updated and sent updated SBR to auditor. Report review confirmed that report is concise and the most important features. |
| **NC Status:** | Closed |

| **NC number** 02/20 | **NC Grading:** Minor |
|---|---|
| **Standard & Requirement:** | Standard #4: Chain of Custody<br><br>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:** | |
| BP is applying FSC transfer system. The following average conversion factor was established by BP based on factual measurements: 2,13 solid m3 of secondary feedstock (sawdust) for production of 1 tone pellets; 0.37 solid m3 of secondary feedstock (wood chips) for the drier for production of 1 tone pellets. It was explained by the BP staff that coefficients are received on factual measurements. The BP didn't provide auditor with any documented evidence of such factual measurements. Due to detailed explanation of how coefficients were received during interview and that coefficients looks reasonable for such type of production, minor noncompliance report was formulated by auditor.<br>Организация применяет переводную систему. Следующие переводные коэффициенты были установлены организацией основываясь на фактических замерах: 2.13 плотных м3 опилок для производства 1 тонны пеллет и 0.37 плотных м3 для теплогенератора на производство 1 тонны пеллет. Однако аудитору не предоставили документального подтверждения того, как были получены эти коэффициенты. Принимая во внимание, что процесс получения коэффициентов был детально описан во время интервью и, что коэффициент выглядит обоснованным для такого производства, было выставлено незначительное несоответствие. | |
| **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:** | |
| **Findings for Evaluation of Evidence:** | |
| **NC Status:** | Open |

| **NC number** 03/20 | **NC Grading:** Minor |
|---|---|
| **Standard & Requirement:** | Instruction document 4B<br><br>1.7 Only the SBP logo artwork provided directly from the SBP secretariat shall be used |
| **Description of Non-conformance and Related Evidence:** | |
| Annex 2 of SBP Procedure contains SBP trademarks requirement and BP is aware of this SBP requirement. The SBP logo artwork was used by the BP on Facebook https://www.facebook.com/groups/863721774087496/?source_id=112894023590364 prior certificate issuance and this logo was not provided by SBP secretariat. В приложении 2 процедуры есть описание по работе с товарными знаками SBP. На странице в Facebook | |

| | |
|---|---|
| https://www.facebook.com/groups/863721774087496/?source_id=112894023590364 был использован логотип SBP до выдачи сертификата и данные логотип не был предоставлен секретариатом SBP. | |
| **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:** | *Click or tap here to enter description provided by Company to close the NC.* |
| **Findings for Evaluation of Evidence:** | *Click or tap here to enter findings for evaluation of evidence by the auditor.* |
| **NC Status:** | Open |

| | |
|---|---|
| **NC number** 04/20 | **NC Grading:** Minor |
| **Standard & Requirement:** | Instruction document 4B<br><br>3.3 When used on a non-white background a white space must be retained around the SBP logo artwork to clearly differentiate it from the background |
| **Description of Non-conformance and Related Evidence:** | |
| The SBP logo art is used on Facebook page https://www.facebook.com/groups/863721774087496/?source_id=112894023590364. White space was not retained around the SBP logo artwork to clearly differentiate it from the background/ На странице в Facebook https://www.facebook.com/groups/863721774087496/?source_id=112894023590364 был использован логотип SBP. Вокруг логотипа не было оставлено пространство, чтобы логотип можно было отделить от фона. | |
| **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:** | *Click or tap here to enter description provided by Company to close the NC.* |
| **Findings for Evaluation of Evidence:** | *Click or tap here to enter findings for evaluation of evidence by the auditor.* |
| **NC Status:** | Open |

# 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):** | Olesja Puiso |
| **Date of decision:** | 07/Feb/2020 |
| **Other comments:** | *Click or tap here to enter text.* |