Sustainable Biomass Program

NEPCon Evaluation of ECOGRAN-PROM PLUS, LLC 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

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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:	11/Mar/2020
Report authors: :	Aliaksandr Zubkevich
Name of the Company:	LLC “ECOGRAN-PROM PLUS”
Company contact for SBP:	Denis Shachenok, head of marketing department Tel. +375 29 331 16 21, e-mail: ecogran@tut.by
Certified Supply Base:	sourcing from Republic of Belarus
SBP Certificate Code:	SBP-07-64
Date of certificate issue:	11/Mar/2020
Date of certificate expiry:	10/Mar/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 located in Bobruisk, Mogilev region, Belarus.

Scope description: Production of wood pellets in Mogilev region, Belarus, for use in energy production and its transportation by rail to Belarusian/Latvian border, Bigosovo railway station, and Belarusian/Lituanian border, Gudogai railway station and FCA Bobruisk (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
- 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 pellet producing company located in Mogilev region, Belarus. Total annual production capacity of pellet plant is expected to be 6000 tones.
Company runs pellet production and production of compound feed. Sawdust is used in pellet production as well as used for the drier.
The secondary feedstock used for pellet production originates from Belarus and is both FSC certified (FSC mix 100%) and non FSC certified. The BP produces both FSC certified and not certified pellets.
The BP implements FSC transfer system and produced biomass was sold with FSC mix 100% claim. Non certified feedstock is stored separately with sign “Not FSC” and is segregated during all the production and storage processes.
The biomass is expected to be transported by rail to Belarusian/Latvian border, Bigosovo railway station and Belarusian/Lithuanian border, Gudogai railway station as well as sold at factory gate.
Pellet plant was commissioned in 2002.

5.2 Description of Company’s Supply Base

The BP is a privately-owned company, established in 2002. It’s main activity is production of pellet and production of compound feed. The BP uses both certified and non-certified feedstock. Non-certified raw materials are used for the production of fuel pellets on the domestic market.
For the production of certified pellets certified raw materials are used (100% of feedstock (sawdust) with an FSC mix 100%. from 1 supplier. SBP-compliant secondary feedstock – 62% of the total amount of raw materials purchased during revision period.
The following tree species are used: Alnus spp.; Betula pendula; Picea abies; Pinus sylvestris; Populus tremula

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).

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. No CITES species are identified within the supply base.

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): 9,4 mln. ha FSC-certified forest

Detailed information about BP's supply base may be found in their Supply Base Report available in Internet: http://www.ecogran.by/sertifikaty

5.4 Chain of Custody system

The BP holds valid FSC Chain of certificate

https://info.fsc.org/details.php?id=a023300000WKytxAAD&type=certificate

BP implements FSC transfer system of claims. The input material used by the Organisation for biomass production contains only secondary feedstock - sawdust for pellet production and for dryer. Secondary feedstock (sawdust) was sourced during reporting period only from one external supplier with FSC mix 100% claim. The BP sourced for pellet production both FSC certified feedstock and non-certified feedstock. The organization has the segregation system in place. Physical separation is implemented – FSC certified raw material is stored in special place and processed separately in time when production line is cleaned of non-certified product, final products are segregated also. Incoming sawdust reception register and supplier list are maintained. All material is checked during the arrival.

The calculated feedstock volume (theoretically calculated by auditor if moisture of feedstock is 50% and pellet is 8,5%) is much higher than was reported by the BP. Major non-compliance report concerning volume recording and conversion factors was formulated by the auditor. Prior finalization of report the BP has conducted have changed recording procedures and conducted several measurements and came up with conversion factor 1,85 solid m3 of sawdust per tonne pellet including 0,25 solid m3 for the drier per tonne pellet.

6 Evaluation process

6.1 Timing of evaluation activities

Onsite assessment was conducted on 31.01.2020 (8 h). Evaluation activities included documents review at office, inspection of production facilities and staff interviews. Document review was conducted during 2 hours on 30.01.2020.

Activity	Location	Date/time
Opening meeting and brief documents review.	Office	31/01/2020 9.00-09.20
Documents and procedures review (feedstock inputs, SBR, CoC control system and critical points, compliance with legal requirements, H&S), staff interview.	Office	31/01/2020 09.20-15.00
Chain of custody review (site tour); staff interview	Production facilities	31/01/2020 15.00-16.30
Closing meeting	Production facilities	31/01/2020 16.30-17.00

6.2 Description of evaluation activities

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.

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 himself, 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. 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.

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.

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6.3 Process for consultation with stakeholders

The stakeholder consultation was carried out on 19.12.20 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: Major non-compliance report concerning volume recording and conversion factors was formulated by the auditor.

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 invoicing from supplier; diesel consumption value is based on accounting system.

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 4 of the SBP Procedure. Interviewed staff was well familiar with their responsibilities. Generally, very few staff members are involved into SBP certification: SBP responsible/ head of marketing department (maintaining of the management system, staff training, volume recording, invoicing, DTS), chief of production of pellet plant (moisture measurements, weight of biomass produced). Prior SBP assessment, BP was supported by external consultant.

7.5 Stakeholder feedback

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

7.6 Preconditions

Major non-compliance report concerning volume recording and conversion factors was formulated by the auditor. Prior finalization of report the BP has conducted have changed recording procedures and conducted several measurements. Precondition was solved/ closed.

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 #2: Verification of SBP-compliant feedstock 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.
Description of Non-conformance and Related Evidence:	
The BP sources sawdust from one state owned supplier. The BP has showed list of sub suppliers provided by this one supplier. It was found out that sub suppliers are both forest state enterprises and wood processing companies with further supply chain. The responsible for SBP was not able to provide records of place of harvest for these wood processing companies with further supply chain. 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	
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 02/20	**NC Grading:** Minor
Standard & Requirement:	Standard #2: Verification of SBP-compliant feedstock. Instruction document 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:	
The BP has prepared SBR and submitted both Russian and English version prior the assessment. Review of reports showed that some information is not correct, f.e. about number of suppliers and volumes of feedstock, formatting of Russian version of report leads to misunderstanding of some data. Minor NCR was issued.	
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 SBRs
Findings for Evaluation of Evidence:	Prior finalization of report the BP have corrected SBR. Review of reports confirmed that they concise and cover the most important features.
NC Status:	Closed

NC number 03/20	**NC Grading:** Minor
Standard & Requirement:	Standard ǂ4: Chain of Custody 5.2.4. When feedstock or biomass is received with an SBP-approved Chain of Custody (CoC) Systems partial claim (for example a % claim) the BP shall calculate the proportion of the feedstock or biomass that is SBP-compliant feedstock and the corresponding proportion that is Controlled feedstock in-line with the SBP-approved CoC system being implemented by the BP to determine output claims.
Description of Non-conformance and Related Evidence:	
During reporting period, the BP sourced feedstock with FSC mix 100% claim. Interview with head of marketing department confirmed that he knows requirement to calculate the proportion of the feedstock or biomass that is SBP-compliant feedstock and the corresponding proportion that is Controlled feedstock when feedstock or biomass is received with FSC mix X% (partial) claim. It was found out that SBP procedure do not include this requirement and it is not clear from interview how in practice it will be done.	
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 04/20	**NC Grading:** Major
Standard & Requirement:	Standard #4: Chain of Custody 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:	
The following average conversion factor was established by BP: 1,2 solid m3 of secondary feedstock (sawdust) for production of 1 tone pellets including drier in summer time and 1,51 solid m3 of sawdust in winter time, moisture of feedstock was not measured and accepted as having 50%. The manager could not explain how the conversion factor is received. The calculated feedstock volume (theoretically calculated by auditor if moisture of feedstock is 50% and pellet is 8,5%) is about 9438 solid m3 ((100-8,5)/(100-50)*5157,423 tonne of pellet) much higher than was reported by the BP – 7658 solid m3. Major non-compliance report was formulated by the auditor.	
Timeline for Conformance:	Prior to (re)certification
Evidence Provided by Company to close NC:	The order #38 dated 10.02.2020 “About sawdust conversion factor approval” Records of feedstock weight dated 06.02.2020 and moisture measurements
Findings for Evaluation of Evidence:	Prior finalization of report the BP have changed procedures of feedstock acceptance and conversion factor calculation. In accordance with the order #38 dated 10.02.2020 “About sawdust conversion factor approval” starting from 2020 year once per quarter the BP plan to do control weight measurements of income feedstock and correct conversion factor if needed. The SBP manager have sent documents to auditor confirming that such measurements were already done. The BP came up with conversion factor 1,85 solid m3 of sawdust per tonne pellet including drier with feedstock moisture 32,5 %. The conversion factor 0,25 solid m3 for the drier per tonne pellet was received using theoretical calculation.
NC Status:	Closed

NC number 05/20	**NC Grading:** Minor
Standard & Requirement:	Instruction document 5E

	6.2.2 The BP must inform its CB when a significant change in the operations occurs, resulting in a variation of electricity use or fossil fuel use greater than 25%. In that case, a new audit shall be required as soon as stable operations have been reached during three (3) consecutive months after the change has occurred
Description of Non-conformance and Related Evidence:	
There are no requirement in SBP procedure to inform CB when a significant change in the operations occurs, resulting in a variation of electricity use or fossil fuel use greater than 25%.	
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:	11/Mar/2020
Other comments:	*Click or tap here to enter text.*