

# NEPCon Evaluation of Euroindex JLLC Compliance with the SBP Framework: Public Summary Report

Main (Initial) 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](http://www.sbp-cert.org)*

### *Document history*

*Version 1.0: published 26 March 2015*

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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:	16/Apr/2020
Report authors: :	Siarhei Minkevich
Name of the Company:	Eurolindex JLLC, Legal and production site address: letter A1 / P (building of OJSC "October") Krasnopolie village, Berezinsky district, Minsk region, 223311, Republic of Belarus.
Company contact for SBP:	Jurij Zavadskij, Director. Mob.: +375296290041; Email: evrolindeks@mail.ru
Certified Supply Base:	Republic of Belarus
SBP Certificate Code:	SBP-07-89
Date of certificate issue:	16/Apr/2020
Date of certificate expiry:	15/Apr/2025

This report relates to the Main (Initial) Audit

## 2 Scope of the evaluation and SBP certificate

Scope of certificate includes production of wood pellets for use in energy production and its transportation by different means of transport to different end points in Belarus. The scope of the certificate does not include Supply Base Evaluation. The scope of the certificate 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 and assessment of compliance with ID 5E ver. 1.0.

## 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

Eurolindex JLLC is a secondary processor (biomass producer) with production capacity of 7250 tone pellets/year, located in Minsk region, Belarus. BP was established in 2004 and has 14 staff members. The BP holds valid FSC CoC certificate covering biomass production (sawdust pellets and sawdust briquettes) only and uses only FSC 100%-certified secondary feedstock (wet sawdust) for pellet production and heating. All feedstock is purchased from external suppliers which are state forest management enterprises (in Belarus normally each state forest management enterprise has its own sawmill) as well as FSC certified private and state companies, etc. Feedstock is delivered to production site by trucks of contractors. Biomass is delivered to the customer by means of railway service (railway wagons). Occasionally the deliveries can be made by the trucks (however it is not common mean of deliveries for export, but more typical transport for the internal market).

### 5.2 Description of Company's Supply Base

“Eurolindex” is a joint limited liability company founded in 2004. The company has several activities. The main activity is production of wood briquettes, the secondary – production of wood pellets. The company also offers loader services. The timber supply base for the pellets production processes is located in the Republic of Belarus.

During the reporting period, the company produced wood pellets mostly from SBP-non-compliant secondary feedstock – sawdust (wood processing industry waste). The reason for this is that the company received FSC certificate only in November 2019. In the production process, for drying, the company also uses sawdust (wood processing industry waste).

SBP-compliant secondary feedstock – 22% (sawdust - wood processing industry waste)

SBP-non compliant secondary feedstock – 78% (sawdust - wood processing industry waste)

This report will take into account the total volumes of raw materials. The factory has approximately 13 feedstock suppliers. The wood species - *Picea abies*; *Pinus sylvestris*.

In the Republic of Belarus forests are one of the main renewable natural resources and the major national wealth. The woods and forest resources are of great importance for sustainable social and economic development of the country, ensuring its economic, energy, ecological and food security. For a number of the key indicators characterizing forest fund (woodiness of the territory, the area of the woods and stock of growing wood in terms of per capita), Belarus is among the top ten forest states of Europe.

Forests in the Republic of Belarus are the exclusive property of the State, which means that all produced timber origins from state managed forests. The Forest Code (Forest Code of the Republic of Belarus of 2015 No. 332-Z) states that Belarusian forests are divided into 4 categories according to the management



purpose: conservation forests, recreation and health forests, protective forests, and managed forests. Harvesting of timber is allowed depending on the management and protection regime assigned based on the forest category.

Forestry of Belarus, successfully implementing the principles of sustainable multipurpose forest management, is important for stable functioning of the forest sector of the country and contributes to the development of allied industries of economy, making a significant contribution to the implementation of the signed international treaties at the global level in the field of environmental protection. Its economic, environmental and social role has been steadily increasing. All this gives grounds to say that in modern conditions the forestry sector from traditional commodity industry turns into infrastructural and one of the key sectors of the national economic complex, especially in the rural areas of the country.

As a result of purposeful work on reproduction of the woods and forest growing, positive dynamics of forest fund is reached. So from 1994 the key quantitative and qualitative indexes of the forests improved:

- forest area increased by 889,2 thousand hectares from 7371,7 to 8260,9 thousand hectares;
- the area under forest of the Republic reached 39.8 per cent (increased by 4.3%);
- the total stock of standing timber increased by 702,8 million cubic meters and amounted to 1796,0 million cubic meters (including in Mature and overmature stands - 250,4 million cubic meters and constituted – 296,0 million cubic meters);
- the stock per 1 ha. of forested land increased by 69 cubic meters and amounted to 217 cubic meters per 1 ha.; the stock of mature and overmature plantings increased by 54 cubic meters and reached 267 cubic meters per 1 ha.;
- average age of plantings increased from 44 to 56 years

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.

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

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 8.8 million hectares of forest fund.

## 5.3 Detailed description of Supply Base

Total Supply Base area (ha):	9,582 mln ha
Tenure by type (ha):	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 8,8 mln. ha PEFC certified forest

Detailed information about BP's supply base may be found in their Supply Base Report available in Internet at <https://www.facebook.com/groups/225861798819826/> and will be uploaded to SBP website in company profile as SBP certificate holder.

## 5.4 Chain of Custody system

BP holds valid FSC CoC certificate <https://info.fsc.org/details.php?id=a02f300000k60XOAY&type=certificate> covering the secondary (pellet production) wood processing. Only secondary feedstock (sawdust) with FSC 100% claim will be used for pellet production and FSC transfer system of claims is implemented (all pellets will have FSC 100% claim). Some amount of biomass is produced from non-certified secondary feedstock, and in this case BP ensures physical segregation of such non-certified wood material from certified wood material at all stages.

## 6 Evaluation process

### 6.1 Timing of evaluation activities

Onsite assessment was conducted on March 27, 2020 (app. 8,5 working hours). Assessment activities included documents review at office, inspection of production facilities and staff interviews.

Activity	Location	Date/time
Opening meeting	Office	27/03/2020 08.15-08.45
Chain of custody review (site tour); staff interview; document review	Production facilities	27/03/2020 08.45-10.45
Documents and procedures review (feedstock inputs, SBR, CoC control system and critical points, compliance with legal requirements, H&S), staff interview.	Office	27/03/2020 10.45-13.00
Documents and procedures review (SAR and energy use primary data); staff interview	Office	27/03/2020 14.00-17.00
Closing meeting	Office	27/03/2020 17.00-17.30

### 6.2 Description of evaluation activities

Composition of audit team:

Auditor(s), roles	Qualifications
Siarhei Minkevich, SBP auditor	NEPCon SBP lead auditor, FSC FM/COC and FSC CoC/CW lead auditor. He has successfully passed SBP lead auditor training in Germany in September 2019 and participated in several SBP assessments in Belarus and Lithuania.

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, which started with an opening meeting attended by the representatives from Organisation's management and staff.

Auditor 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.

A roundtrip around BP's pellet production was undertaken. During the site tour, applicable records and documents were reviewed, staff was interviewed and FSC system critical control points were analysed.

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.

At the end of the audit, findings were summarised, and audit 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 February 12, 2020 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; FSC 100% secondary feedstock is sourced. Effective recordkeeping system. Small number of the management staff and clearly designated responsibilities within the staff members.

Weaknesses: please see minor NCR in section 10 below.

### 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; biofuel for burner; diesel for feedstock delivery and handling; diesel for biomass handling (from production line to warehouse), shipping and transportation to customer. Diesel consumption value by vehicles used at pellet plant is based on calculation of fuel consumption per vehicle and data obtained in accountancy; electricity consumption value by pellet plant is based on invoices issued by electricity supplier on a monthly basis.

### 7.4 Competency of involved personnel

Overall, BP staff showed good understanding of knowledge of all applicable SBP requirements. Generally, very few staff members are involved into SBP certification: SBP responsible person/director (SBP procedures and systems updates, SBR, complaints, conversion factor updates, DTS), logistician and production master (SAR and energy use data collection). Prior to and during SBP assessment, BP was supported by external consultant from partner organisation, who also has provided relevant training to BP staff.

### 7.5 Stakeholder feedback

No comments received from stakeholders prior to, during or after this assessment.

### 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.

<b>NC number</b> 01/20	<b>NC Grading:</b> Minor / Незначительное несоответствие
<b>Standard &amp; Requirement:</b>	<p>SBP Instruction Document 5E V.1.1, 6.9.6 Different types of fuels may be used for drying. Either fossil fuels, such as:</p> <ul style="list-style-type: none"> <li>- natural gas;</li> <li>- industrial gas;</li> <li>- diesel oil;</li> <li>- propane; or</li> <li>- waste heat fossil boiler.</li> </ul> <p>Or biomass fuels, such as:</p> <ul style="list-style-type: none"> <li>- wood pellets – imported or diverted from the biomass product</li> <li>- wood residues – imported or diverted from feedstock groups;</li> <li>- bark – diverted from debarked round wood in feedstock groups, or imported;</li> <li>- other biomass residues; or</li> <li>- other (specify).</li> </ul> <p>For every type of fuel used, specify fuel consumption in MJ / metric tonne and in one of these units:</p> <ul style="list-style-type: none"> <li>- litres / metric tonne biomass;</li> <li>- kg / metric tonne biomass; or</li> <li>- Nm<sup>3</sup> / metric tonne biomass. (5E, 6.9.6)</li> </ul>
<b>Description of Non-conformance and Related Evidence:</b>	
<p>The organization does not have the accounting of sawdust, which is used as fuel for drying incoming biomass. There is data on the approximate use of sawdust for heat generation, based on the current experience of a responsible employee in production.</p> <p>В организации не налажен учет опилок, которые используются в качестве топлива для сушки входящей биомассы. Имеются данные по примерному использованию опилок на теплогенерацию, исходя из сложившегося опыта ответственного сотрудника на производстве.</p>	
<b>Timeline for Conformance:</b>	By the next surveillance audit, but no later than 12 months from report finalisation date



	До следующего ежегодного аудита, но не позднее 12 месяцев с даты утверждения отчета
<b>Evidence Provided by Company to close NC:</b>	-
<b>Findings for Evaluation of Evidence:</b>	-
<b>NC Status:</b>	Open

## 11 Certification decision

<b>Based on the auditor’s recommendation and the Certification Body’s quality review, the following certification decision is taken:</b>	
<b>Certification decision:</b>	Certification approved
<b>Certification decision by (name of the person):</b>	Nikolai Tochilov
<b>Date of decision:</b>	16/Apr/2020
<b>Other comments:</b>	<i>Click or tap here to enter text.</i>