

NEPCon Evaluation of Limited Liability Company “GantsevichiDrevStroy” Compliance with the SBP Framework: Public Summary Report

Scope Change 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 otarabus@nepcon.org, +420 606 730 382
Current report completion date:	16/Apr/2020
Report authors: :	Aliaksandr Zubkevich
Name of the Company:	Limited Liability Company “GantsevichiDrevStroy”, Montazhnikov, 3a of.8,9, Gantsevichi, Brest region 225432Belarus
Company contact for SBP:	Shulga Alexander Vasilievich, director +375164660208, email: gancevichidrev@mail.ru.
Certified Supply Base:	Sourcing from Republic of Belarus
SBP Certificate Code:	SBP -01-90
Date of certificate issue:	12/Dec/2018
Date of certificate expiry:	11/Jan/2023

This report relates to the Scope Change Audit

2 Scope of the evaluation and SBP certificate

The certificate scope covers production of wood pellets, for use in energy production, at Limited Liability Company “GantsevichiDrevStroy” and transportation by rail to Belarusian/Latvian border, Bigosovo railway station and Belarusian/Lithuanian border, Gudogai railway station. The certificate scope cover also trading and transportation of wood pellets, for use in energy production, to Europe. 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. This 3rd annual audit is also used as re-instatement audit because the certificate is currently suspended.

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;
- Review of procedure regarding adding into the scope of Instruction Document 5D: Dynamic Batch Sustainability Data v1.1.
- Scope expansion: Review of procedure regarding adding into the scope SBP trader activity

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 Gantsevichi, Belarus. SBP trader activity is added during this scope change audit.

BP is sourcing secondary feedstock coming from its own primary production as well as from two other sawmills located in Belarus and owned by FMUs.

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. Feedstock purchased is sawdust (used in the production). Own sawmill residues (off-cuts) are used in the dryer.

All incoming feedstock is FSC certified. Documents confirming origin of feedstock at FMU level (forestry) is available with all delivery documents.

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

5.2 Description of Company's Supply Base

BP is sourcing secondary feedstock (sawdust) only for biomass production. All feedstock is delivered by companies registered and originating from Republic of Belarus. SBP trader activity is added during this scope change audit. The BP intend to buy biomass produced in the Republic of Belarus, supply base remain the same.

Republic of 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.)

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).

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

5.4 Chain of Custody system

The Organisation holds valid FSC COC certificate

(<http://info.fsc.org/details.php?id=a023300000Z94E8AAJ&type=certificate&return=certificate.php>). Critical control points of the FSC CoC system were evaluated also during SBP audit.

The Organisation has implemented FSC transfer system. The input material used by the Organisation for biomass production contains secondary feedstock (sawdust). Starting from the date of receiving of FSC certificate all feedstock is FSC certified. Most of the material comes as wood industry residues from own sawmill, some part of sawdust organization buys from other 2 sawmills but this is also FSC certified. In case non-certified sawmill residues would be delivered the organization will stop buying such material, such material will be stored separately and this material will be sold to others companies. The FSC scope was changed – FSC broker with physical possession was added. The organization plan to store sourced biomass in own warehouse or biomass may go directly from producer to buyer without physical possession.

6 Evaluation process

6.1 Timing of evaluation activities

Onsite audit was conducted on August 23, 2019 (8h). Audit activities included documents review at office, inspection of production facilities and staff interviews. Scope change audit was conducted 15.04.2020 (2 hours) to verify readiness of the company to be SBP trader.

Action	Place	Auditor	date/ time
Introduction meeting (Appr at 09.00-09.15)	Office	Aliaksandr Zubkevich	23.08.2019 09.15-13.00; 13.30-17.00
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 13:00-13.30	office		
Final meeting 16.30-17:00	Office		
Scope change audit	Desk audit	Aliaksandr Zubkevich	15.04.2020

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 office. Audit started with an opening meeting attended by director of the Organisation.

Auditor 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, 5d 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 was 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.

Scope change audit was conducted 15.04.2020 (2 hours) to verify readiness of the company to be SBP trader. The company procedure was reviewed as well as phone interview was conducted with SBP manager.

At the end of the audit finding were summarised and audit conclusion 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 audit 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 feedstock 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 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

Interviewed staff demonstrated awareness of their responsibilities within SBP system. Overall responsible staff was familiar with the SBP requirements but due to weak knowledge of English felt difficulties with filling in all required documents available on SBP website.

7.5 Stakeholder feedback

No stakeholder comments were received

7.6 Preconditions

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

No preconditions to this certification were identified at the time of this scope change 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.*

N/A

11 Certification decision

Second surveillance audit

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 Gorría Serrano
Date of decision:	18/Sep/2019
Other comments:	<i>Click or tap here to enter text.</i>

For scope change audit

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:	16/Apr/2020
Other comments:	<i>Click or tap here to enter text.</i>