



# NEPCon Evaluation of Granpellet LLC 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*

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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, +34 605 638 383

Current report completion date: 19/May/2020

Report authors: Aliaksandr Zubkevich

Name of the Company: Granpellet LLC, Woodworking shop building, 61 km, P-128, Lelchitsy district 247841, Gomel region, BELARUS

Company contact for SBP: Voloshchenko Alexey Alexandrovich, deputy director, +375 29 3137210, buh@gme.by

Certified Supply Base: sourcing from Republic of Belarus

SBP Certificate Code: SBP-08-01

Date of certificate issue: 19/May/2020

Date of certificate expiry: 18/May/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.

## 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 Gomel region, Belarus. Total annual production capacity of pellet plant is expected to be 28000 tones.

Company runs only pellet production. 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 100%) and non FSC certified. The BP has also FSC mix input in FSC certificate scope. In case of FSC mix input material this material will be stored in another place and process separately for FSC mix product group. The FSC mix input will not be used for SBP certified pellet.

The BP implements FSC transfer system and produced biomass sold with FSC 100% claim or as non-certified. FSC certified feedstock is stored separately with sign "FSC" and is segregated during all the production and storage processes is implemented.

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 2020.

## 5.2 Description of Company's Supply Base

The BP is a privately-owned company, established in 2020. It's main activity is production of pellet. 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 FSC certified pellets FSC certified raw materials (100% of feedstock (sawdust) with an FSC 100% supplied by 1 supplier are used. SBP-compliant secondary feedstock – 36% of the total amount of raw materials purchased during revision period.

The following tree species are used: black alder (*Alnus glutinosa*); birch (*Betula pendula*); Norway spruce (*Picea abies*); Scots pine (*Pinus sylvestris*); common aspen (*Pópulus trémula*)

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 Polesky State Radiation and Ecological Reserve (216.1 thousand ha), and four national parks - Belovezhskaya Pushcha (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://granpellet.by/#certificates>

## 5.4 Chain of Custody system

The BP holds valid FSC Chain of certificate

<https://info.fsc.org/details.php?id=a02f300000jmlNKAAY&type=certificate>

BP implements FSC transfer system of claims. The input material used by the Organisation during reporting period for biomass production contains only secondary feedstock - sawdust for pellet production and for dryer. Secondary feedstock (sawdust) is sourced only from external suppliers (sawmills). The BP sourced for pellet production both FSC 100% feedstock and non-certified feedstock. In FSC certificate scope also included FSC mix claim. The SBP manager explained that FSC 100% will be segregated from FSC mix and only FSC 100% claim feedstock will be used for the SBP biomass production.. In case of FSC mix input material this material will be stored in another place and process separately for FSC mix product group. The FSC mix input will not be used for SBP certified pellet. The organization has the segregation system in place. Physical separation is implemented – FSC 100% input 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 and correctly recorded in the internal system.

## 6 Evaluation process

### 6.1 Timing of evaluation activities

Onsite assessment was conducted on 08.05.2020 (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	08/05/2020 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	08/05/2020 09.20-15.00
Chain of custody review (site tour); staff interview	Production facilities	08/05/2020 16.00-16.30
Closing meeting	Production facilities	08/05/2020 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 deputy director.

Lead auditor 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.

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 08.04.20 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 with FSC 100% input secondary feedstock. 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 NCR section of the report.

## 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 and knowledge of all applicable SBP requirements. The following key staff members are involved to SBP certification: SBP related staff responsibilities are presented in Section "SBP team.." of the SBP Procedure. Generally, very few staff members are involved into SBP certification: SBP responsible/deputy director (maintaining of the management system, staff training, volume recording,), director (trademark use), operators of pellet plant (moisture measurements, weight of biomass produced), accountant (performance of outgoing invoices and transport documents). 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

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.*

N/A- SBE is not included in the certificate scope.

## 9 Review of Company's mitigation measures

N/A- SBE is not included in the certificate scope.

## 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 01/20</b>	<b>NC Grading: Major</b>
<b>Standard &amp; Requirement:</b>	<i>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</i>
<b>Description of Non-conformance and Related Evidence:</b>	
The BP has prepared SBR and submitted both Russian and English versions prior the assessment. Review of reports showed that some information is not correct, f.e. about number of suppliers and volumes of feedstock, geographic position and etc.	
<b>Timeline for Conformance:</b>	Prior to (re)certification
<b>Evidence Provided by Company to close NC:</b>	Updated SBRs
<b>Findings for Evaluation of Evidence:</b>	Prior finalization of report the BP have corrected SBR. Review of reports confirmed that they concise and cover the most important features.
<b>NC Status:</b>	Closed

<b>NC number 02/20</b>	<b>NC Grading: Major</b>
<b>Standard &amp; Requirement:</b>	SBP Standard 4: Chain of Custody Instruction Note 4B: Trademark use  1.3 The SBP trademarks shall not be used in a way that could cause confusion, misinterpretation or loss of credibility to the SBP. SBP reserves the right to suspend or terminate permission to use the SBP trademarks if the organization is failing to comply with the SBP trademark requirements as set out in this document. The interpretation of these rules is at the sole discretion of SBP

<b>Description of Non-conformance and Related Evidence:</b>	
Annex 4 of SBP Procedure contains SBP trademarks requirement. It was found out that in procedure used old Logo artwork and name "Sustainable Biomass Partnership". There were only few requirements in SBP procedure regarding using SBP trademarks and reference on SBP Standard 4: Chain of Custody Instruction Note 4B: Trademark use. Interview with SBP manager showed that he do not has mentioned standard and didn't aware of trademark requirements.	
<b>Timeline for Conformance:</b>	Prior to (re)certification
<b>Evidence Provided by Company to close NC:</b>	Updated SBP procedure
<b>Findings for Evaluation of Evidence:</b>	Prior finalization of report the SBP manager has studied standard and updated procedure. Phone interview and review of procedure confirmed that procedure cover applicable requirements of the standard and responsible is aware of requirements.
<b>NC Status:</b>	Closed

<b>NC number 03/20</b>	<b>NC Grading: Major</b>
<b>Standard &amp; Requirement:</b>	Instruction 5E  4.1.8 BPs approved to communicate DBSD shall use AA "99" if including DBSD. Note: The BP may add additional '0' (zero) values in front of the 'AA' values where this facilitates integration with existing data systems
<b>Description of Non-conformance and Related Evidence:</b>	
The use AA "99" if including DBSD was not included in the SBP procedure provided during assessment and staff was not aware about this requirement	
<b>Timeline for Conformance:</b>	Prior to (re)certification  Prior approval of DBSD in the scope
<b>Evidence Provided by Company to close NC:</b>	Updated SBP procedure
<b>Findings for Evaluation of Evidence:</b>	Prior finalization of report the SBP manager has studied standard and updated procedure. Phone interview and review of procedure confirmed that procedure cover applicable requirements of the standard and responsible is aware of requirements. The BP has used correct category 5 in the SAR.
<b>NC Status:</b>	Closed

<b>NC number 04/20</b>	<b>NC Grading: Minor</b>
<b>Standard &amp; Requirement:</b>	Instruction 5E

	<p>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.</p> <p>Examples may result from a change of production process, a plant refurbishment after an incident, a major change in feedstock used (e.g. use of logs instead of saw mill residues), change of fuel for drying (e.g. fossil fuel instead of biomass) etc</p>
<p><b>Description of Non-conformance and Related Evidence:</b></p>	
<p>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%.</p>	
<p><b>Timeline for Conformance:</b></p>	<p>By the next surveillance audit, but no later than 12 months from report finalisation date</p>
<p><b>Evidence Provided by Company to close NC:</b></p>	
<p><b>Findings for Evaluation of Evidence:</b></p>	
<p><b>NC Status:</b></p>	<p>Open</p>

# 11 Certification decision

Based on the auditor’s recommendation and the Certification Body’s quality review, the following certification decision is taken:

<b>Certification decision:</b>	Certification approved
<b>Certification decision by (name of the person):</b>	Olesja Puiso
<b>Date of decision:</b>	19/May/2020
<b>Other comments:</b>	<i>Click or tap here to enter text.</i>