

NEPCon Evaluation of NeAlTom, Private Production Unitary Enterprise 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

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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:	06/May/2020
Report authors :	Siarhei Minkevich
Name of the Company:	NeAlTom, Private Production Unitary Enterprise, Legal address: 10D Moskovskaya str., Krupki, Minsk region, 222001, Republic of Belarus. Production site address: 10 Tsentralnaya str., Proshika village, Krupki district, Minsk region, 222033, Republic of Belarus
Company contact for SBP:	Tobina Inna Leonidovna, Economist. Mob.: +375 33 3004566; Email: kruplesproekt@mail.ru
Certified Supply Base:	Belarus
SBP Certificate Code:	SBP-07-96
Date of certificate issue:	06/May/2020
Date of certificate expiry:	05/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 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

NeAlTom, Private Production Unitary Enterprise is a primary (sawmilling) and secondary processor (biomass producer) with production capacity of 7200 tones pellets/year, located in Minsk region, Belarus. Organisation was established in February 2016 (pellet production commissioned in the second half of 2019) and has in total 65 staff members (sawmill and biomass production), including 20 staff members at biomass production. Biomass production is located in village Proshika, Krupki district, Minsk region, and sawmill production is located in village Khudovtsy, Krupki district, Minsk region. The BP holds valid FSC CoC certificate covering biomass production as well as sawmill production (chips, sawmill products are also in the certificate scope), and uses only FSC 100%-certified feedstock for pellet production. Feedstock is delivered to production site by BP's own trucks as well as by trucks provided by outsourced transport companies. 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

BP defined the forest fund area of the Republic of Belarus as a supply base, as the structure of suppliers can change, but only within the Republic of Belarus.

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, forest area and growing wood stock in terms of per capita), Belarus is among the top ten forest states of Europe.

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.

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.

As a result of purposeful work on reproduction of the woods and forest growing, positive dynamics of forest fund is reached.

So since 1994 the key quantitative and qualitative indices of the forests have improved:

- the forest area has increased by 889.2 thousand hectares from 7371.7 to 8260.9 thousand hectares;
- the area under forest of the Republic has reached 39.8 per cent (increased by 4.3%);
- the total stock of standing timber has increased by 702.8 million cubic meters and amounted to 1796.0 million cubic meters; the total stock in mature and overmature stands has increased by 250.4 million cubic meters and amounted to 296.0 million cubic meters;
- the stock per 1 ha of forested land has increased by 69 cubic meters and amounted to 217 cubic meters per 1 ha; the stock of mature and overmature stands has increased by 54 cubic meters and reached 267 cubic meters per 1 ha;
- the stand average age has increased from 44 to 56 years.

In Belarus, along with an increase in total area of forest fund the sustainable growth of the areas of ripening as well as mature and overmature stands is observed. Over a twenty-year period, the area of mature and overmature stands has increased significantly and amounted to 14.7% of the total forest area.

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), 9.4 million hectares of forest fund are certified (98% 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.

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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 and 8,595 mln ha PEFC-certified

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

5.4 Chain of Custody system

BP holds valid FSC CoC certificate <https://info.fsc.org/details.php?id=a02f300000jT3GIAA0&type=certificate> covering the pellet production and wood processing. BP purchases SBP-compliant primary feedstock (lowgrade roundwood) and secondary feedstock (sawdust and slabs) with FSC 100% claim for pellet production and FSC transfer system of claims is implemented (all pellets will have FSC 100% claim). Some amount of biomass is produced of non-certified primary 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 30, 2020 (app. 8 working hours). Assessment activities included documents review at office, inspection of production facilities and staff interviews.

Activity	Location	Date/time
Opening meeting	Office (Krupki)	30/03/2020 08.00-08.30
Documents and procedures review (feedstock inputs, SBR, CoC control system, compliance with legal requirements, H&S), staff interview.	Office (Krupki)	30/03/2020 08.30-11.00
Chain of custody review (site tour); staff interview. Documents review (feedstock inputs, CoC control system and critical points, records, procedures, instructions, H&S).	Production facilities (Proshika village, Krupki district)	30/02/2020 11.00-13.30
Documents and procedures review (SAR and energy use primary data); staff interview	Office (Krupki)	30/03/2020 14.00-16.45
Closing meeting	Office (Krupki)	30/03/2020 16.45-17.15

6.2 Description of evaluation activities

Composition of audit team:

Auditor(s), roles	Qualifications
Siarhei Minkevich, Audit Team Leader	NEPCon SBP, 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.

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.

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.

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 13, 2020 by sending direct email to different stakeholder categories (more than 120 recipients, List of stakeholders was used that was developed by FSC National Representative in Belarus). 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, local peoples' communities (local representatives), state forestry authorities, trade unions etc.

7 Results

7.1 Main strengths and weaknesses

Strengths: use of the FSC transfer system; FSC 100% primary feedstock is sourced. Effective recordkeeping system. Small number of the management staff and clearly designated responsibilities within the staff members.

Weaknesses: please see minor NCRs 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; diesel for feedstock delivery and handling; diesel for chipping, biomass handling and shipping; diesel for biomass transportation to customer. Diesel consumption value by vehicles used at pellet plant is based on actual refuelling 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, several staff members are involved into SBP certification: SBP responsible person/economist and Production Manager (onsite) (SBP procedures and systems updates, SAR data, SBR, complaints, conversion factor updates, DTS), chief accountant and H&S specialist (labor safety officer) (SAR and energy use data collection, sales data, H&S). Prior to and during SBP assessment, BP was supported by external consultant, 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.

NC number 01/20	NC Grading: Minor / Незначительное несоответствие
Standard & Requirement:	Standard #2: Verification of SBP-compliant feedstock V.1.0: 7.3 The SBR shall be completed using the latest version of the SBR template, which is available from the SBP website. (7.3)
Description of Non-conformance and Related Evidence:	
<p>The organization developed a supply base report (SBR), a report posted on the Internet for the public. An analysis of the contents of the SBR document showed that the organization did not use the latest version of the report template; changes were made to the name of the version of the document (version 1.0 dated January 2020), the history of changes to versions of the document was deleted.</p> <p>Организация разработала отчет о ресурсной базе (ОРБ), отчет размещен в интернет для общественности. Анализ содержания документа ОРБ показал, что организация не использовала последнюю версию шаблона отчета; внесены изменения в наименование версии документа (версия 1.0 от января 2020), история изменений версий документа была удалена.</p>	
Timeline for Conformance:	<p>By the next surveillance audit, but no later than 12 months from report finalisation date</p> <p>До следующего ежегодного аудита, но не позднее 12 месяцев с даты утверждения отчета</p>
Evidence Provided by Company to close NC:	-
Findings for Evaluation of Evidence:	-
NC Status:	Open

NC number 02/20	NC Grading: Minor / Незначительное несоответствие
Standard & Requirement:	Standard #2: Verification of SBP-compliant feedstock V.1.0, Instruction Note 2C: Supply Base Report – Requirements for Biomass Producers, 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. (2C, 4.1)
Description of Non-conformance and Related Evidence:	
<p>The organization developed a supply base report (SBR), a report posted on the Internet for the public. An analysis of the contents of the SBR showed that there were errors in the document; the name Sustainable Biomass Partnership was used; the old version of SBP site is indicated, the description of the sequence of changes in the versions of SBR templates is deleted.</p> <p>Организация разработала отчет о ресурсной базе (ОРБ), отчет размещен в интернет для общественности. Анализ содержания документа ОРБ показал, что в документе имеются неточности; используется название Sustainable Biomass Partnership; указана старая версия вебсайта SBP, удалено описание последовательности изменений версий шаблонов документов ОРБ.</p>	
Timeline for Conformance:	<p>By the next surveillance audit, but no later than 12 months from report finalisation date</p> <p>До следующего ежегодного аудита, но не позднее 12 месяцев с даты утверждения отчета</p>
Evidence Provided by Company to close NC:	-
Findings for Evaluation of Evidence:	-
NC Status:	Open

NC number 03/20	NC Grading: Minor / Незначительное несоответствие
Standard & Requirement:	SBP Instruction Document 5E V.1.1, 6.8.3 In all cases, the BP shall provide full information on power generation and use to the CB, and this shall be reported in the SAR. The metered values used for reporting shall cover not only the biomass production process but also non-biomass related process lines (for example, sawmill or other production facilities)
Description of Non-conformance and Related Evidence:	
BP has reported in SAR the electricity consumption value by pellet plant but did not include electricity consumption in the manager's office at the production site, lighting in the workshop, lighting of the utility	

room at the plant (electricity consumption for lighting is not included in the energy accounting of the pellet production itself). Non-conformity is considered as minor, since the consumption of electricity by lighting devices does not have significant impact on total value of electricity consumption by pellet plant.

Организация указала в документе SAR данные о расходе электроэнергии на пеллетном производстве, но не включила в них расход электроэнергии в офисе ИТР на производстве, освещения в цеху, освещения подсобного помещения (расходы электроэнергии для освещения не включаются в энергеучет самого пеллетного производства). Несоответствие классифицировано как незначительное, поскольку потребление электроэнергии осветительными устройствами не оказывает существенного влияния на общий расход электроэнергии пеллетного завода.

Timeline for Conformance:	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
Evidence Provided by Company to close NC:	-
Findings for Evaluation of Evidence:	-
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):	Nikolai Tochilov
Date of decision:	06/May/2020
Other comments:	Click or tap here to enter text.