



NEPCon Evaluation of Shklovdrev, Private Trade and Production Unitary enterprise Compliance with the SBP Framework: Public Summary Report

First Surveillance 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 ot@nepcon.org, +34 605 638 383

Current report completion date: 28/Jan/2021

Report authors: Aliaksandr Zubkevich

Name of the Company: Shklovdrev, Private Trade and Production Unitary, 213002, Republic of Belarus, Mogilev region, Shklovsky district, 5 km West of Dankovichi village

Company contact for SBP: Evgeniy Sleptsov, Director Tel. +375 29 6851632, e-mail: yauhen83@mail.ru

Certified Supply Base: sourcing from Republic of Belarus

SBP Certificate Code: SBP-07-48

Date of certificate issue: 31/Jan/2020

Date of certificate expiry: 30/Jan/2025

This report relates to the First Surveillance Audit

2 Scope of the evaluation and SBP certificate

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/Lithuanian border, Gudogai railway station and FCA Shklov (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 wood processing (primary) company located in Mogilev region, Belarus. Total annual production capacity of pellet plant is 12000 tones.

Company runs pellet production, as well as lumber production, which supplies secondary feedstock with FSC 100% claim to the pellet plant. Sawdust, wood chips and wood offcuts are used in pellet production. Secondary feedstock (slab wood) is used both for the biomass production and for the drier.

The round wood used for sawmill production originates from Belarus and all has FSC 100% claim.

The BP implements FSC transfer system and produced biomass is sold with FSC 100% claim.

The biomass is transported by rail to Belarusian/Latvian border, Bigosovo railway station and also sell as factory gate (FCA Shklovdrev)

Pellet plant was commissioned in June 2012.

5.2 Description of Company's Supply Base

"Shklovdiv" is a privately owned middle size company, established in 2012. It's main activity is production of sawn timber and glued boards. This production was followed by the decision to operate in the field of wood pellets production.

The wood supply base for Shklovdiv production processes is located in the Republic of Belarus.

SBP-compliant secondary feedstock, 100% (Wood industry residues from own production as well from other sawmills)

The plant has 1 supplier of sawdust.

Wood species: Pinus sylvestris (L.); Picea Abies

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 9.620 million hectares. Forest-covered lands occupy 8.799 million hectares. Forest cover of the territory of the Republic of Belarus reached 39.9%. The general standing stock of wood is 1831.8 million cubic meters. 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 16.7%. 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%.

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.

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.

5.3 Detailed description of Supply Base

Total Supply Base area (ha): 9,621 mln. ha

Tenure by type (ha): public 9,621 mln. ha

Forest by type (ha): temperate 9,621 mln. ha

Forest by management type (ha): managed natural 9,621 mln. ha

Certified forest by scheme (ha): 8.3 mln. ha FSC-certified forest

Detailed information about BP's supply base may be found in their Supply Base Report available in Internet:
<https://www.facebook.com/groups/295917224680685/files>

5.4 Chain of Custody system

The BP holds valid FSC Chain of certificate

<https://info.fsc.org/details.php?id=a02f300000e0ZJOAAM&type=certificate>

BP implements FSC transfer system of claims – all round wood for primary processing is sourced with FSC 100% claim.

After the reception, incoming volume of the primary feedstock (saw logs) is registered in Organisation's database and processed. Pellets are produced of the FSC 100% secondary feedstock (sawdust, shavings and wood offcuts), originating from own primary processing. In the reporting period Organisation also purchased a certain amount of sawdust from one FSC certified supplier.

6 Evaluation process

6.1 Timing of evaluation activities

Onsite audit was conducted on 24.11.2020 (8 h) and 25.11.2020 (3 hours). 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 in Shklovsky district, 5 km West of Dankovichi village	24/11/2020 9.30-10.00
Documents and procedures review (feedstock inputs, SBR, CoC control system and critical points, compliance with legal requirements, H&S), staff interview.	Office Shklovsky district, 5 km West of Dankovichi village	24/11/2020 10.00-13.00
Chain of custody review (site tour); staff interview	Production facilities	24/11/2020 13.00-14.00
Documents and procedures review (SAR and energy use primary data); staff interview	Office in Mogilev	24/11/2020 14.00-16.30
Documents and procedures review (SAR and energy use primary data); staff interview	Office in Mogilev	25/11/2020 9.00-12.00
Closing meeting	Office in Mogilev	25/11/2020 12.30-13.00

6.2 Description of evaluation activities

The 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 audit evaluation:

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

Audit team leader introduced himself, provided information about audit plan, methodology, auditor qualification, confidentiality issues, and audit methodology and clarified certification scope.

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, 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. The auditor reviewed data registered in DTS.

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. Audit continued in office in Mogilev where data in accountant program was verified.

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: <https://preferredbynature.org/impartiality-policy>

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

The stakeholder consultation was not carried out for this audit.

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: See non-conformance report section.

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 recording of moto hours.

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 3 of the SBP Procedure. Interviewed staff was well familiar with their responsibilities. Generally, very few staff members are involved into SBP certification: SBP responsible/director (maintaining of the management system, staff training, trademark use), chief of pellet plant (moisture measurements), chief accountant (verification of incoming invoices and transport documents, performance of outcoming invoices and transport documents).

7.5 Stakeholder feedback

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

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.

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 01/21	NC Grading: Minor
Standard & Requirement:	Standard #2: Verification of SBP-compliant feedstock 7.3. The SBR shall be completed using the latest version of the SBR template, which is available from the SBP website
Description of Non-conformance and Related Evidence:	
SBR has been prepared using the outdated version of the template. Организация подготовила Отчет о ресурсной базе используя устаревший шаблон.	
Timeline for Conformance:	By the next surveillance audit, but no later than 12 months from report finalisation date
Evidence Provided by Company to close NC:	Updated SBR. Обновленный отчет о ресурсной базе
Findings for Evaluation of Evidence:	During the period from closing meeting to report finalization the BP has updated SBR using latest report. В период с момента заключительной встречи и до завершения отчета организация предоставила обновленный отчет, использовав новый шаблон.
NC Status:	Closed

NC number 02/21	NC Grading: Major
Standard & Requirement:	Standard #2: Verification of SBP-compliant feedstock, 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 have prepare SBR using outdated version of the report. During review of the SBR was found that the Supply Base Report is not concise and contain outdated information, for example: 1) Section 2.4 contain wrong information about propotion of sawdust and slabwood 2) In section 2.5 data about total supply area is 9.582 million ha while in section 2.1 is 9620,9 million ha 3) Total volume of feedstock used in section 2.5 is 10 886,1 м3 while in SAR the 10 886,1 tonnes 4) In section 11.2 is wrong information about public consultation 5) In section 13 is stated that this section is not applicable, but section is applicable and shall be filled in.	
Timeline for Conformance:	3 months from the report finalisation by 29.04.2021
Evidence Provided by Company to close NC:	
Findings for Evaluation of Evidence:	
NC Status:	Open

NC number 03/21	NC Grading: Major
Standard & Requirement:	Standard #4: 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:	
<p>BP is applying FSC transfer system. The following average conversion factor are using by the BP: 2,2 solid m3 of secondary feedstock (Slabs and edgings processed in chips) for production of 1 tone pellets; 2,20 solid m3 of secondary feedstock (sawdust) for production of 1 tone pellets. Conversion factor changed from last audit and new conversion factor is not justified. Conversion factor for the drier is 0,43 solid m3 of slabwood in summer time and 0,55 in winter time. During review of record in accounting system was found out that conversion factor for the drier was not used in a proper way. It was found out that the vonversion factor in each reviewed months vary from 0,2 to 1,3. The SBP responsible was not able to justify this difference in confersion factors for the drier.</p> <p>Организация применяет переводную систему. Следующий усредненный переводной коэффициент используется организацией: 2.2 плотных м3 вторичного сырья (обрезки и горбыль в виде щепы) для производства одной тонны пеллет; 2.2 плотных м3 вторичного сырья (опилки) для производства одной тонны пеллет. Переводной коэффициент изменился с прошлого года, обоснование новых переводных коэффициентов не было предоставлено. Переводной коэффициент для теплогенератора 0.43 плотных м3 горбыля в летнее время и 0.55 плотных м3 в зимнее. Во время интервью, а также изучения данных бухгалтертерии было установлено, что переводной коэффициент для теплогенератора применяется неправильно. Было обнаружено, что переводной коэффициент за выборочно проверенные месяцы изменялся от 0.2 до 1.3 плотных м3 на тонну пеллет. Представители организации не могли пояснить почему переводной коэффициент для теплогенератора так изменялся.</p>	
Timeline for Conformance:	3 months from the report finalisation by 29.04.2021
Evidence Provided by Company to close NC:	

Findings for Evaluation of Evidence:	
NC Status:	Open

NC number 04/21	NC Grading: Minor
Standard & Requirement:	SBP ID #5E, requirement 6.5.3 The BP shall justify the data and methodology used for reporting energy and carbon data and this shall be recorded in the SAR and verified by the CB
Description of Non-conformance and Related Evidence:	
BP measures the moisture of the feedstock prior and after drying, as well as the moisture of the pellets with established frequency, and registers the measurements in paper log. Prior to the annual audit BP has not calculated the average moisture values based on obtained measurements, but specified in SAR estimate moisture values.	
Организация с установленной периодичностью осуществляет измерение влажности сырья на входе и после сушки, а также влажности готовой продукции, и регистрирует полученные результаты в журнале. Перед ежегодным аудитом Организация не сделала расчет средних значений влажности на основе полученных за год показателей; вместо этого в документе SAR приведены оценочные показатели влажности.	
Timeline for Conformance:	By the next surveillance audit, but no later than 12 months from report finalisation date
Evidence Provided by Company to close NC:	
Findings for Evaluation of Evidence:	
NC Status:	Open

Closed NCRs:

NC number 02/20	NC Grading: Minor
Standard & Requirement:	Instruction document 5E 6.2.7 The Legal Owner shall record the most operationally specific and detailed data that is practically available. Variable data shall never be older than 18 months. The methodology used and the justification for the data selection shall be recorded in the SAR. All mass and energy flows must be evaluated for the complete Reporting Period. Any derogation must be justified and recorded in the SAR. 6.5.3 The BP shall justify the data and methodology used for reporting energy and carbon data and this shall be recorded in the SAR and verified by the CB
Description of Non-conformance and Related Evidence:	

The BP use loaders both for sawmill and pellet factory. Diesel consumption was calculated based registered moto hours with an assumption that loaders work half a time for pellet factory, half a time for sawmill. But justification of such assumption was not provided to auditor	
Timeline for Conformance:	By the next surveillance audit, but no later than 12 months from report finalisation date
Evidence Provided by Company to close NC:	The order 0111/1-n dated 01.11.2019
Findings for Evaluation of Evidence:	By order of the director No. 0111/1-n dated 01.11.2019 the loader Manitou MLT-X7634 120LSU is assigned to the pellet production. The diesel consumption was calculated based registered moto hours of this loader.
NC Status:	Closed

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:	28/Jan/2021
Other comments:	<i>Click or tap here to enter text.</i>