

NEPCon Evaluation of “Basic Timber Company” Ltd. Compliance with the SBP Framework: Public Summary Report

Fourth 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
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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:	15/Jul/2020
Report authors: :	Siarhei Minkevich
Name of the Company:	Basic Timber Company, 225250, Urochishe Dubino (171 km of road Lithuanian border- Lida- Slonim, Bitin), Ivacevichi district, Brest region, Republic of Belarus.
Company contact for SBP:	Natalya Aleksandrovna Shimanchik, sales engineer
Certified Supply Base:	Republic of Belarus
SBP Certificate Code:	SBP -01-25
Date of certificate issue:	08/Aug/2016
Date of certificate expiry:	07/Aug/2021

This report relates to the Fourth Surveillance Audit

2 Scope of the evaluation and SBP certificate

The certificate scope covers the production site and production office facility in urochishe Dubino (171 km of road Lithuanian border- Lida- Slonim, Bytin) Brest region, Ivacevichi district, Republic of Belarus

The Organisation holds valid FSC Chain of Custody certificate (NC-COC-013431), covering FSC certified (FSC 100%) pellet production.

The input material used by the organisation for biomass production contains secondary feedstock only coming from own primary production and supplied by one local FSC certified supplier. Company is also using primary feedstock in a form of firelogs, these are used for biomass drying.

All inputs materials delivered to the pellet production plant are FSC certified. Feedstock used in the biomass production originates from Belarus only.

Description of the scope: The certificate scope covers production of wood pellets, for use in energy production, at Basic Timber Company and transportation by rail to Belarusian/Latvian border, Bigosovo railway station and Belarusian/Lithuanian border, Benyakoni railway station and FCA Dubino (gate of the BP). 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. 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

Basic timber company is a biomass and sawmill producer with a production site (and manager's office) located in Urochishe Dubino (171 km of road Lithuanian border- Lida- Slonim, Bitin) Brest region, Ivacevichi district, Republic of Belarus. The Company is producing industrial quality wood pellets. The company produces the sawmill products (mainly from FSC product groups classified as W5, W13, also from W6); chips, sawdust originate from organisation own sawmill plant, some part of sawdust volume is also being delivered from a FSC certified sawmill.

BP is sourcing secondary feedstock for its pellet production, namely wood industry residues: wet sawdust, wood chips). Primary feedstock (fuel wood) are used in the biomass drier.

All feedstock types are delivered to the pellet plant using road transport. There is a railway near the production site, which is used for transportation of finished pellets only, but was not used for the feedstock supply.

Incoming feedstock used in the production and in biomass drier is FSC 100%. The BP is having 2 production lines situated at the same location. Feedstock used into both production lines are the same, moisture measurements are done, and production volumes are accounted for each line separately.

Origin information is available in the delivery documents for the primary feedstock (used in sawmill production of the organisation). The BP is implementing FSC transfer system.

After the production, pellets are stored in small BP production storage or transported directly to buyers by the railway. Ownership rights to the biomass are transferred to buyer at the time when a railway wagon reaches Belarus/Latvia or Belarus/Lithuania border, Bigosovo railway station and Belarusian/Lithuanian border, Benyakoni railway station and FCA Dubino (gate of the BP).

5.2 Description of Company's Supply Base

The supply base for raw material for production processes of "Basic Timber Company" Ltd is the whole territory of the Republic of Belarus.

In the Republic of Belarus forests are one of the main renewable natural resources and the most important of natural wealth. Total area of the forest fund in Belarus is about 9.582 million ha. Covered with forest land occupy 8.26 million hectares. The percentage of forest land in Belarus reached 39.8%. The wood resources evaluate for 1796 million m³, including ripe and overripe- 296 million m³. As a result of purposeful work on the reproduction of forests, the area covered by forest increases. So, over the past 60 years the forest covered land of the Republic has almost doubled and reached its maximum value for more than a hundred years. Such increase occurs naturally and due to the afforestation of infertile land which is unsuitable for agriculture. At the same moment we also can see the steady enlargement of the areas with the maturing, mature and overmature forest stands. Percentage of mature and overmature forests (ripe and overripe forests) is 14,7%. Middle age of Belarusian forests is 56 years.

In the forests of Belarus grow 28 species of trees and about 70 species of bushes. The most common tree species are: Scots pine - 50.3%, birch - 23.2%, European spruce - 9.2%, black alder - 8.5%, oak - 3.4%, aspen - 2.1%.

According to the ecological, economic and social significance of forests, their location and functions, forests fall into the following categories: nature conservation, recreational, recreational, protective forests.

In accordance with the Belarusian legislation, all forests are state owned or transferred to the use and management of state forestry institutions «leshoses». In Belarus forest utilization is carrying out according to the principle of continuity and unexhaustion. Average annual timber cutting estimates for 18 mln m³ per year, including:

40% of timber cutting of main utilization (in ripe forests)

48% of timber cutting for care and sanitary cutting (young, middle aged and ripening forests)

12% other cutting.

Ensuring high-quality reproduction of forest resources and protective afforestation is a prerequisite for the use of forests. So, in 2018 reforestation and afforestation were carried out on a total area of 41.82 thousand hectares. And thanks to sowing and planting of forests we can speak about 34.8 thousand hectares of new forests in future.

According to the forest legislation of the Republic of Belarus logging should do no harm to the species listed in the Red Book. It is prohibited to fell valuable and protected species of trees.

On the territory of Belarus there are two republican reserves - the Berezinsky Biosphere Reserve (85.2 thousand hectares) and the Polesye State Radiation-Ecological Reserve (216.1 thousand hectares), and four national parks - Belovezhskaya Pushcha (152,962 thousand hectares), Braslav Lakes (69,115 thousand hectares), Narochansky (93,3 thousand hectares) and Pripyat (85,841 thousand hectares), other 334 preserves of republican and local significance and 874 nature monuments.

Forest certification is an effective tool to counter illegal logging and illegal timber trade. The Republic of Belarus widely uses 2 schemes of forest certification - FSC (Forest Stewardship Council) and PEFC (Program for the Endorsement of Forest Certification),. Considering the requirements of the international scheme of the Forest Stewardship Council Belarus has as FSC certified 9,027 million hectares (94.2% of the forest). PEFC certified 105 state forestry institutions (leshozes) with an area of 8.8 million hectares of forest fund.

Belarusian forest industry consists of forestry (13.5%), woodworking (69.5%) and pulp-and-paper (16.4%). The woodworking industry is one of the largest branches of Belarus. Wood processing is approximately 2% of the total manufacturing industry of the Republic of Belarus. The share of the forest industry in the country's GDP is about 1.1%. Forest products and services exports up to 30 countries of the world.

"Basic Timber Company" Ltd produces products from rounded wood for landscaping and agricultural use. Pellets are being produced from primary production residues. Round wood for primary production comes from cuttings for care of forest found of Republic. If necessary, a small amount of raw materials - secondary raw materials after processing (wood chips), the company buys from external FSC certified supplier.

“Basic Timber Company” has the ability to produce pellets with SBP-complaint biomass claim, because to produce them they use sawmill residues:

- SBP-compliant secondary feedstock (wood chips) – residues of own production from the manufacture of rounded products from timber, FSC certified (FSC 100%).

- SBP-compliant secondary feedstock (sawdust, wood chips) – Secondary raw materials from certified suppliers, supplied with the 100% FSC.

The main raw material species are Scots pine (*Pinus sylvestris*) - 97%, Spruce (*Picea abies*) - 3%.

For details see the BP internet site <http://www.basictimber.com/en/certificats.php> (ENG version), and <http://www.basictimber.com/ru/certificats.php> (RUS version)

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 <http://www.basictimber.com/en/certificats.php> (ENG version), and <http://www.basictimber.com/ru/certificats.php> (RUS version).

5.4 Chain of Custody system

The BP holds valid FSC Chain of Custody (NC-COC-013431), covering FSC certified (FSC 100%) pellet production <http://info.fsc.org/details.php?id=a0240000005sTOVAA2&type=certificate&return=certificate.php>. The Organisation has implemented FSC transfer system. The input material used by the Organisation for biomass production contains only secondary feedstock - wood industry residues: wet sawdust, wood chips. All input materials delivered to the pellet production plant is FSC certified. The organization has the segregation system in place in case when a noncertified material will be supplied. The organization does not use any imported material from outside Belarus. Incoming wood material is registered upon reception, and supplier list are maintained. All material is checked during the arrival and recorded in the internal system. In the reporting period non-certified wood material was not purchased, so that procedure of physical segregation of non-certified wood material from certified wood material was not used (only certified wood material).

6 Evaluation process

6.1 Timing of evaluation activities

Onsite assessment was conducted on April 30, 2020 (app. 6 working hours). Assessment activities included documents review at office, inspection of production facilities and staff interviews.

Activity	Location	Date/time
Opening meeting	Office	30/04/2020 09.30-09.45
Chain of custody review (site tour); staff interview; document review	Production facilities	30/04/2020 09.45-11.30
Documents and procedures review (feedstock inputs, SBR, CoC control system and critical points, compliance with legal requirements, H&S), staff interview.	Office	30/04/2020 11.30-13.00
Documents and procedures review (SAR and energy use primary data); staff interview	Office	30/04/2020 14.00-16.45
Closing meeting	Office	30/04/2020 16.45-17.10

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 audit, 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

No Consultation was conducted for this surveillance audit and no comments were received during the reporting period.

7 Results

7.1 Main strengths and weaknesses

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

Weaknesses: Not identified.

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/sales engineer (SBP procedures and systems updates, SBR, complaints, conversion factor updates, DTS), director (work with suppliers), production manager (SAR and energy use data collection). Prior to SBP assessment (in 2016), BP was supported by external consultant. Relevant training were provided to BP staff in 2019, and 2020 (new 5E Instruction).

7.5 Stakeholder feedback

No comments received from stakeholders.

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.

No open non-conformities and observations

Non-conformities identified during the previous audit:

NC number 02/19	NC Grading: Minor
Standard & Requirement:	Standard #2: Verification of SBP-compliant feedstock 6.2 The BP shall record the place of harvesting and the identity of the primary wood processor responsible for the supply of inputs classified as SBP-compliant Secondary Feedstock
Description of Non-conformance and Related Evidence:	
During the procurement document verification, it was observed that sawdust is delivered from one FSC certified supplier. Information about the forestry (FMU Level) is not recorded on regular basis and available only by the request. Во время проверки документов на поставку сырья было установлено, что опилки поставлялись одним FSC сертифицированным поставщиком. Информация о происхождении сырья на уровне леса не собирается на постоянной основе, а может быть получена только по запросу.	
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:	Waybills. Copies of Agreements (purchase of round wood via BUTB (Belarusian Universal Commodity Exchange)). List of Suppliers (Forest management institutions).
Findings for Evaluation of Evidence:	In the accounting period, the organization had supplies of secondary feedstock (wood chips) from only one organization (FSC certified primary producer). Interviews with personnel, verification of

	documentation showed that the organization has waybills, copies of exchange contracts, list of suppliers of wood raw materials. The certified primary producer (supplier of wood chips) purchases certified wood raw materials from certified Belarusian forestries (purchases through exchange trading).
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):	Nikolai Tochilov
Date of decision:	15/Jul/2020
Other comments:	<i>Click or tap here to enter text.</i>