



NEPCon Evaluation of SWOODS export FLLC 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

Version 1.0: published 26 March 2015

Version 1.1: published 30 January 2018

Version 1.2: published 4 April 2018

Version 1.3: published 10 May 2018

Version 1.4: published 16 August 2018

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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:	25/Aug/2020
Report authors:	Aliaksandr Zubkevich
Name of the Company:	“SWOODS export” FLLC, Demina 11a, Borisov, 222518, Minsk region, Belarus,
Company contact for SBP:	Valery Kovel, Quality Department Chief, +375 29 648 89 75, e-mail: valery.kovel@swse.by
Certified Supply Base:	sourcing from Republic of Belarus
SBP Certificate Code:	SBP-01-05
Date of certificate issue:	10/Jul/2019
Date of certificate expiry:	09/Jul/2024

This report relates to the First Surveillance 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 both the Biomass Producer's management system are capable of ensuring that all requirements of specified SBP Standards are implemented across the entire scope of certification.

The scope of the audit 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

The Organisation holds valid FSC Chain of Custody certificate with FSC transfer system in the scope. The FSC certificate contains the sawmill, furniture and pellet mills.

The Organisation is sourcing logs for their own production. For pellet production only waste from own production is used (no raw material for pellet production is bought) in reporting period. SBP compliant biomass – 82.2%, SBP compliant tertiary feedstock 11.8%.

Secondary and tertiary feedstock: sawdust and wood chips are used for the pellet production. Secondary feedstock is used into drier. All feedstock used for pellet production in the last reporting periods originates from Belarus and was FSC 100% certified. The organization may source feedstock with FSC mix credit claim. In that case all feedstock will be mixed and biomass will be sold with FSC mix credit claim.

5.2 Description of Company's Supply Base

The supply base of the organization is Belarus. All the material, which is used in the biomass production is coming from the own sawmill, furniture mill, which is a part of the same organization. All feedstock is originating from Belarus.

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

See more detailed information of web site of the BP: <https://vmg.eu/ru/sertifikaty/sbp-sertifikaty/57>

5.4 Chain of Custody system

The Organisation holds valid FSC Chain of Custody certificate ([NC-COC-013395](#)). Critical control points of the FSC CoC system were evaluated during the SBP audit as well.

The Organisation has implemented FSC transfer system. The organization does not use any imported material. In audit period, only feedstock (own production residues) with claim FSC 100% was used. The organization may source feedstock with FSC mix credit claim. In that case all feedstock will be mixed and biomass will be sold with FSC mix credit claim.

6 Evaluation process

6.1 Timing of evaluation activities

Onsite assessment was conducted on 27.05.2020 (7 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	27/05/2020 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	27/05/2020 09.20-15.00
Chain of custody review (site tour); staff interview	Production facilities	27/05/2020 16.00-16.30
Closing meeting	Office	27/05/2020 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 annual 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 gathering system.

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 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 not carried during surveillance audit.

7 Results

7.1 Main strengths and weaknesses

Strengths: Use of the FSC transfer system with FSC input secondary and tertiary feedstock after own sawmill and furniture mill (expected that FSC 100% will be used in most cases, but FSC FSC mix credit claim is also possible). Effective recordkeeping system, clearly designated responsibilities within the staff members.

Weaknesses: See 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 metering; 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. SBP related staff responsibilities are presented in different sections of the SBP Procedure. Training was provided for all staff involved in SBP certification process.

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.

NC number 01/20	NC Grading: Major
Standard & Requirement:	<p><i>Standard #2: Verification of SBP-compliant feedstock. Instruction document 2C</i></p> <p><i>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></p> <p><i>5.2 Updates shall include, as a minimum, a description of any significant changes in the Supply Base, and where appropriate mitigation measures or risk ratings</i></p>
Description of Non-conformance and Related Evidence:	
<p>The BP has prepared SBR and submitted both Russian and English versions prior the audit. Review of reports showed that some information is not correct and not concise, f.e. 1) on page 3 is mentioned that 8,98 mlh ha is FSC certified, but on page 6 – 9,4 mlh ha; 2) presence of any CITES or IUCN species is not described in the report; 3) overview of the proportions of SBP feedstock product groups (SBP-compliant Secondary Feedstock, SBP-compliant Tertiary Feedstock); 4) on page 5 total annual volume harvested in 2019 year isn't correct; 5) section 13.1 is marked as not applicable, but during annual audit is applicable.</p>	
Timeline for Conformance:	3 months from the report finalisation
Evidence Provided by Company to close NC:	<p>Plan of corrective action (exh 4)</p> <p>SBR both in Russian and English</p>
Findings for Evaluation of Evidence:	The SBP manager has submitted Plan of corrective action, updated SBR both in Russian and English. Review of updated SBR as well as interview with SBP responsible confirmed that th BP has sufficient steps to close non conformance and all issues mentioned above are closed
NC Status:	Closed

NC number 02/20	NC Grading: Minor
Standard & Requirement:	Standard #2: Verification of SBP-compliant feedstock 15.5 Records pertaining to SBP Standards shall be kept for at least five years
Description of Non-conformance and Related Evidence:	
The BP has updated SBP procedure (VMG ПП 22 dated 04.05.2020). In the updated procedure requirement to keep records at least five years is not included anymore.	
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

NC number 03/20	NC Grading: Major
Standard & Requirement:	Standard #2: Verification of SBP-compliant feedstock 19.2 The SBR shall be signed off by senior management in all cases
Description of Non-conformance and Related Evidence:	
SBR has not been signed off by senior management.	
Timeline for Conformance:	3 months from the report finalisation
Evidence Provided by Company to close NC:	Plan of corrective action (exh 4) SBR both in Russian and English
Findings for Evaluation of Evidence:	The SBP manager has submitted Plan of corrective action, updated and signed SBR both in Russian and English. Review of updated SBR as well as interview with SBP responsible confirmed that the BP has sufficient steps to close non conformance.
NC Status:	Closed

NC number 04/20	NC Grading: Minor
Standard & Requirement:	Instruction Note 4B 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
Description of Non-conformance and Related Evidence:	
Procedure of trademark use (exhibit 1 p. 4.61-4.73) describes the requirements to SBP trademark use. It was found out that SBP procedure (exh 1, p 4.6.1-4.6.2) refer to outdated trademark "Sustainable Biomass Partnership".	
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 SBP procedure (exh 1)
Findings for Evaluation of Evidence:	The SBP manager has submitted Plan of corrective action, updated SBP procedure with latest SBP Trademark. Review of updated procedure (exh 1 p.4.64-4.65) as well as interview with SBP responsible confirmed that the BP has sufficient steps to close non conformance.
NC Status:	Closed

NC number 05/20	NC Grading: Major
Standard & Requirement:	Instruction 5E <i>5.2.4 Where DBSD is recorded in the DTS, the BPs shall use a PBid 'AA' value of '99' to indicate that DBSD is included with the transaction</i>
Description of Non-conformance and Related Evidence:	
It was found out that in reporting period the BP use a PBid 'AA' value of '99' (for period 29.07.2020-09.12.2019), but DBSD template was not filled in DTS.	
Timeline for Conformance:	3 months from the report finalisation
Evidence Provided by Company to close NC:	
Findings for Evaluation of Evidence:	
NC Status:	Open

NC number 06/20	NC Grading: Minor
Standard & Requirement:	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>
Description of Non-conformance and Related Evidence:	
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%.	
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 SBP procedure (exh 1)
Findings for Evaluation of Evidence:	The SBP manager has submitted Plan of corrective action, updated SBP procedure. Review of updated procedure (added p. 4.63) as well as interview with SBP responsible confirmed that the BP has sufficient steps to close non conformance.
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:	25/Aug/2020
Other comments:	<i>Click or tap here to enter text.</i>