



NEPCon Evaluation of Lambermil-plus 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 otarabus@nepcon.org, +34 605 638 383
Current report completion date:	20/Jan/2021
Report authors:	Siarhei Minkevich
Name of the Company:	Lambermil-plus. Pellet plant and Central office: Teplivody village, Baranovichi District, Brest Region, 225320, Republic of Belarus
Company contact for SBP:	Laisha Dzimitri Siargeevich, director. Phone: +375-163-43-32-48; email: lambermil@inbox.ru.
Certified Supply Base:	The forest area of the Republic of Belarus
SBP Certificate Code:	SBP-07-34
Date of certificate issue:	13/Nov/2019
Date of certificate expiry:	12/Nov/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 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. 1.1.

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

Lambermil-plus is a private enterprise. BP is a wood processing (primary and secondary) company located in Brest region, Belarus. Total annual production capacity of pellet plant is 4380 tones, and organisation expects it expansion to 8760 tones.

Company runs both pellet and 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.

The round wood used at lumber production line (logs for primary production) originates from Belarus and has FSC 100% claim.

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

The biomass is transported by railway to the border of Lithuania and Latvia (DAP delivery conditions of Incoterms). Pellet plant was commissioned in October 2009.

5.2 Description of Company's Supply Base

The wood supply base for the production processes of the Private Enterprise "Lambermil-plus" is located on the territory of the Republic of 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 is 1,796 million cubic meters including 296 million cubic meters of ripe and overripe 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 value for more than a century. The increase occurs both naturally and due to the afforestation of infertile land 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: common 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 of state forestry institutions for the use and management. Forest management in Belarus is based on the principle of continuity and sustainability. The average annual wood harvest is about 18 million cubic meters per year, of which:

- Final felling (in mature forest stands) 40%;
- Tending felling and sanitary felling (in young, middle-aged and ripening stands) 48%;

- Other types of felling 12%.

Ensuring of high-quality reproduction of forest resources and protective afforestation are prerequisites for the use of forests. So in 2018, reforestation and afforestation were carried out on a total area of 41.82 thousand hectares, including 34.8 thousand hectares of new forests laid due to sowing and planting forests.

When harvesting wood, according to the forest legislation of the Republic of Belarus, species listed in the Red Book and their habitats are subject to preservation. Cutting of valuable, endangered and specially protected tree species are prohibited.

There are two republican reserves on the territory of Belarus - the Berezinsky Biosphere Reserve (85.2 thousand hectares) and the Polesie State Radiation and 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 Pripyatsky (85.841 thousand hectares), 334 reserves of national 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 Council (PEFC). 9.027 million hectares of forest fund are certified taking into account the requirements of the international scheme of the Forest Stewardship Council (FSC) (94.2% of the total forest fund). Forest management and forest using systems of 105 legal entities that conduct forestry on an area of 8.8 million hectares of forest fund are certified according to the PEFC scheme.

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. The share of the forest industry in the country's GDP is approximately 1.1%. Forest products and services are exported to 30 countries of the world.

Private enterprise "Lambermil-plus" is engaged in the production of regularized round timber, which is used in landscape design and agriculture. Waste products from own wood processing are used for the production of pellets. Round timber for the main production comes from tending felling of the forest fund of the Republic of Belarus. If necessary, a small amount of raw materials - secondary raw materials after processing (wood chips), the company buys from FSC a certified supplier - LLC "Profitsystem".

The private enterprise "Lambermil-plus" has the opportunity to produce pellets with the statement of SBP-compliant biomass since they use sawmill waste:

- SBP-compliant secondary feedstock (sawdust) – own-produced waste from the manufacture of regularized round products from timber, FSC certified (FSC 100%).
- SBP-compliant secondary feedstock (wood chips, sawdust) – recycled materials from certified suppliers, supplied with a statement FSC 100%.

The main species of raw materials are: common pine (*Pinus sylvestris*) – 100%.

5.3 Detailed description of Supply Base

Total Supply Base area (ha):	9,582 mln ha
Tenure by type (ha):	9,582 mln: state owned
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 9,027 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://lambermil.by/o-kompanii/sertifikaty/> and will be uploaded to SBP website in company profile as SBP certificate holder.

5.4 Chain of Custody system

The BP holds valid FSC Chain of certificate

<https://info.fsc.org/details.php?id=a023300000XW2tqAAD&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 at sawmilling facilities. Conversion factors are established based on actual production data. Pellets are produced of the FSC 100% secondary feedstock (sawdust, shavings and wood offcuts), originating from own sawmill. In the reporting period Organisation also purchased a certain amount of secondary feedstock (wood chips) with FSC 100% claim from the neighboring external supplier.

Non-certified wood material is not accepted by Organisation.

6 Evaluation process

6.1 Timing of evaluation activities

Preparation took 3 hours (review of documents, telephone interview). Onsite audit was conducted in October 22 2020, see below in the table (app. 9 working hours). Audit activities included documents review at office, inspection of production facilities and staff interviews.

Activity	Location	Date/time
Document review	Review of submitted documentation	22/10/2020 08.30-11.00
Opening meeting	Office	22/10/2020 09.30-09.45
Chain of custody review (site tour); staff interview; document review	Production facilities	22/10/2020 09.45-13.00
Documents and procedures review (feedstock inputs, SBR, CoC control system and critical points, compliance with legal requirements, H&S), staff interview.	Office	22/10/2020 14.00-16.00
Documents and procedures review (SAR and energy use primary data); staff interview	Office	22/10/2020 16.00-16.45
Closing meeting	Office	22/10/2020 16.45-17.15

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 and FSC PEFC system of the organisation, including SBP Procedure, SAR and GHG data calculations, Supply Base Report, FSC and PEFC 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.

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, CoC 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 before main assessment in 2019 by sending direct email to different stakeholder categories (more than 120 recipients) (List of SHs proposed by FSC Belarus was used). 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, state forestry authorities, trade unions etc.

It was not required before this audit to carry out SH consultation. No comments from the stakeholders have been received before the audit 2020.

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: please see minor NCR 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 preparation (chipping), delivery, handling and shipping; diesel and electricity for biomass transportation to customer. Diesel consumption value by loader and chipper is based on actual refuelling data. For biomass transportation by railway BP expects that customer will be using reference consumption values for trains from ID 5B. Electricity consumption value is based on testing measurements.

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: director (SBP responsible, development and updating of SBP Procedure and related documents); chief engineer (energy use data collection, preparation of SBR); foreman (moisture measurements), chief accountant (verification of incoming invoices and waybills, performance of outgoing invoices and waybills). Division of responsibilities may be changed during the next reporting period, based on actual experience obtained.

7.5 Stakeholder feedback

No comments received from stakeholders prior to, during or 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 01/20	NC Grading: Minor
Standard & Requirement:	<p>SBP Instruction Document 5E V.1.1,</p> <p>6.4.3 For each Feedstock Group the following parameters are recorded:</p> <ul style="list-style-type: none"> a) ID b) Feedstock Type c) Origin d) Physical Description e) Country of harvest (new row for each country) f) Raw mass as received in metric tonnes g) Moisture as received (weighted average, single figure) h) Weighted average distance (km) , i) Maximum distance (km) j) Type of vehicle used k) Fuel or driving force used by the vehicle, l) Weighted average truckload, m) Any pre-processing (chipping, drying, none)
Description of Non-conformance and Related Evidence:	
<p>The office of the organization has data on the assessment of the moisture content of feedstock and fuel pellets. According to the workers, several measurements (repetitions) are performed with a moisture meter during one shift (feedstock before drying, after drying and finished granules). The auditor was provided with a register of the results of moisture measurements. During the audit, it was found that there are errors in the calculations of the average moisture content. For different types of feedstock, virtually the same data (40%) were obtained on the moisture content of feedstock. The auditor raised a minor nonconformance, since in general the organization has implemented a system for assessing the moisture content of feedstock (before drying, after drying), finished pellets.</p> <p>В офисе организации имеются данные по оценке влажности сырья до сушки, сырья после сушки, топливных пеллет. Со слов работников – выполняется несколько измерений (повторений) влагомером в течение одной смены (сырье до сушки, после сушки и готовые гранулы). Аудитору предоставлен журнал регистрации результатов измерений влажности. В процессе аудита установлено, что в расчетах средней величины влажности имеются ошибки. Для разных видов сырья получены фактически одинаковые данные (40%) по влажности сырья. Аудитор составил отчет о</p>	

незначительном несоответствии, так как в целом в организации внедрена система оценки влажности сырья, готовых пеллет.	
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

NC number 02/20	NC Grading: Minor
Standard & Requirement:	SBP 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
Description of Non-conformance and Related Evidence:	
<p>The Supply Base report contains outdated forest classification data (classification into two forest groups according to the old Forest Code). There is also no data on the presence or absence of CITES or IUCN animal and plant species in the supply base nor a comparison of the scale of harvesting compared to other forest based industries in the region. The number of suppliers for each group of feedstock and tree species composition are not indicated (see clause 2.1 General description in the SBP Template of the Supply Base Report (Supply-Base-Report-Template-for-BPs-v1.3)).</p> <p>В отчете о ресурсной базе присутствуют устаревшие данные по классификации лесов (классификация на две группы лесов согласно старого Лесного Кодекса). Также отсутствуют данные о наличии либо отсутствии в ресурсной базе CITES или IUCN видов животных и растений. Отсутствуют сравнительные данные объемов лесозаготовок в сравнении с данными других отраслей в стране, связанных с лесным хозяйством. Не указано количество поставщиков по каждой группе сырья и древесные породы (см. п. 2.1 Общие сведения в SBP форме Отчета о ресурсной базе (Supply-Base-Report-Template-for-BPs-v1.3)).</p>	
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

Evaluation of open non-conformities from assessment 2019:

NC number 01/19	NC Grading: Minor
Standard & Requirement:	SBP Instruction Document 5B V.1.1 p. 5.5.3 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 meter(s) 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:	
<p>Organisation has determined that during one working shift (12 hours) average electricity consumption is 1600 kWh, and 12 tones of biomass are produced in average during the shift. 1600 kWh/12 tones = 133,3 kWh/tonne biomass.</p> <p>Organisation however did not have any documented evidence on conducted measurements of electricity consumption. Organisation senior management also confirmed that in the next reporting period they are going to install a separate electric meter for pellet production, to ensure proper registration of electricity consumption.</p> <p>Note: According to the organization to determine the electricity consumption value, primary processing was stopped (5 working shifts per 12 hours/shift), and electricity consumption by pellet plant was registered from electric meter.</p> <p>Организация определила, что в течение одной рабочей смены (12 часов) среднее потребление электричества составляет 1500 кВтч, и при этом производится в среднем 12 тонн биотоплива. 1600 кВтч/12 тонн = 133,3 кВтч/тонну биомассы.</p> <p>Организация, однако, не смогла предоставить никаких документированных свидетельств проведенный измерений расхода электроэнергии. Руководство Организации также пояснило, что в следующем отчетном периоде Организация намеревается установить отдельный электросчетчик на пеллетное производство, для того, чтобы обеспечить соответствующую регистрацию расхода электроэнергии.</p> <p>Примечание: Организация определила расход электроэнергии на основании данных, полученных в период, когда основное (первичное) производство было остановлено, и работал только пеллетный цех (5 рабочих смен, каждая по 12 часов).</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:	Monthly data on electricity consumption. Monthly electricity bills. The protocol of the measurements of the energy consumption (only for the pellet production (primary processing was not working)) / Ежемесячные данные по потреблению электроэнергии. Ежемесячные счета на оплату электроэнергии. Протокол проведенных измерений расхода

	<p>электроэнергии (только пеллетным производством (первичное производство не работало)).</p>
<p>Findings for Evaluation of Evidence:</p>	<p>The organization has one electric meter for sawmill and pellet production. In order to determine the energy consumption of the pellet production in the organization, the energy consumption of the pellet production was measured. Electricity consumption measurements for the pellet production were carried out during three night shifts (the sawmill did not work during the night shifts). The organization provided documented evidence of the measurements of the energy consumption of the pellet production. The report of measurements by the commission is provided. The audit showed that the organization is completing the modernization of the pellet production, which will use a separate electric meter for pellet production.</p> <p>Note: The organization determined the energy consumption based on the data obtained during the period when the main (sawmill) production was stopped, and only the pellet shop was operating (3 work shifts, each 12 hours).</p> <p>Организация имеет один электрический счетчик для лесопильного завода и пеллетного производства. Для того, чтобы определить энергопотребление пеллетным производством в организации выполнены измерения расхода электроэнергии пеллетным производством. Измерения расхода электроэнергии пеллетным производством выполнены в течение трех ночных смен (лесопильный завод не работал). Организация предоставила документированные свидетельства проведенных измерений расхода электроэнергии пеллетным производством. Предоставлен Протокол измерений комиссией. Проверка показала, что в организации завершается модернизация пеллетного производства, на котором будет использоваться отдельный электрический счетчик для пеллетного производства.</p> <p>Примечание: Организация определила расход электроэнергии на основании данных, полученных в период, когда основное (первичное) производство было остановлено, и работал только пеллетный цех (3 рабочие смены, каждая по 12 часов).</p>
<p>NC Status:</p>	<p>Closed / Закрыто</p>

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):	Pilar Gorría Serrano
Date of decision:	20/Jan/2021
Other comments:	<i>Click or tap here to enter text.</i>