



NEPCon OÜ Evaluation of BIOHITENERGY, Limited Liability Company Compliance with the SBP Framework: Public Summary Report

First Surveillance Audit

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1 Overview

Certification Body (CB) Name:	NEPCon OÜ
Primary CB contact for SBP:	Ondrej Tarabus
Primary CB contact email:	otarabus@preferredbynature.org
Audit team leader:	Aliaksandr Zubkevich
Audit team members:	Aliaksandr Zubkevich
Name of the Company:	BIOHITENERGY, Limited Liability Company
Company legal address:	96/13 Sovetskya street, 247841 Lelchici, Gomel region, Belarus
Company contact for SBP:	Yuri Moskalevich
Company contact email:	biohit2018@yandex.by
Company website:	N/A
SBP Certificate Code:	SBP-07-57
Date of certificate issue:	26 Feb 2020
Date of certificate expiry:	25 Feb 2025
Audit closing meeting date:	22 Jan 2021
Audit cycle:	First Surveillance Audit

2 Scope of the evaluation and SBP certificate

Scope Item	Check all that apply to the Certificate Scope	Change in scope (N/A for Assessments)
Primary Activity:	Biomass Producer	<input type="checkbox"/>
Approved Standards:	SBP Standard 2: Verification of SBP-compliant Feedstock; SBP Standard 4: Chain of Custody; SBP Standard 5: Collection and Communication of Data Instruction; Instruction Document 5E: Collection and Communication of Energy and Carbon Data 1.4	<input type="checkbox"/>
Includes Supply Base Evaluation (SBE):	No	<input type="checkbox"/>
Includes communication of Dynamic Batch Sustainability Data (DBSD)	Yes	<input type="checkbox"/>
Includes Group Scheme	No	<input type="checkbox"/>
Products	Pellets	<input type="checkbox"/>

Feedstock types:	Secondary	<input type="checkbox"/>
Feedstock origin (countries):	Belarus	<input type="checkbox"/>
SBP-endorsed Regional Risk Assessments used:	Not applicable	<input type="checkbox"/>
Public link: https://sbp-cert.org/documents/standards-documents/risk-assessments/		<input type="checkbox"/>
Chain of custody system implemented:	FSC: NC-COC-057468	<input type="checkbox"/>
	Transfer	<input type="checkbox"/>

2.1 Description of the company

BP is a pellet and briquet producing company located in Gomel region, Belarus. Total annual production capacity of pellet plant is 12000 tones. Company runs pellet production, as well as briquet production. Secondary feedstock (Sawdust, wood chips, off-cuts, shavings) are used in pellet production as well as used for the drier. The secondary feedstock used for pellet production originates from Belarus, Gomel region and has FSC 100% claim. The BP has sourced 79% of feedstock with FSC 100% and 21% as not certified. The BP implements FSC transfer system and produced biomass is sold both with FSC 100% claim and as not certified. The SBP biomass was transported by rail to Belarusian/Latvian border, Bigosovo railway station in reporting period. Pellet plant was commissioned in June 2019.

2.2 Detailed description of the Chain of Custody system

BP implements FSC transfer system of claims. The input material used by the Organisation for biomass production contains only secondary feedstock – sawdust, shavings, off-cuts and wood chips (for pellet production and for dryer). Secondary feedstock (sawdust and wood chips) is sourced only from external suppliers (sawmills). The BP sourced for pellet production both FSC 100% feedstock and not certified, major part of non-certified feedstock was used for briquet production. The organization has the segregation system in place. Physical separation is implemented – FSC certified material is stored in special place and processed separately in time when production line is cleaned of non-certified product. The organization does not use any imported material. Incoming material reception register and supplier list are maintained. All material is checked during the arrival and correctly recorded in the internal system.

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 Evaluation process

4.1 Timing of evaluation activities

<i>Audit Level of Effort (LoE)</i>		
Activity	Auditors	Auditor hours
1. Preparation	Aliaksandr Zubkevich	2,0
2. On-site (excl. travel time)	Aliaksandr Zubkevich	8,0
3. Report writing	Aliaksandr Zubkevich	8,0
4. Other	N/A	N/A

Audit Schedule			
Activity	Location	Auditor name	Date/time
<i>Opening meeting</i>	office in Mozyr	Aliaksandr Zubkevich	22 Jan 2021/9:00
<i>Documents and procedures review</i>	office in Mozyr	Aliaksandr Zubkevich	22 Jan 2021/9:20
<i>Chain of custody review</i>	pellet mill	Aliaksandr Zubkevich	22 Jan 2021/16:00
<i>Closing meeting</i>	office in Mozyr	Aliaksandr Zubkevich	22 Jan 2021/16:30

Auditor qualification		
Auditor name	Role	Qualification
Aliaksandr Zubkevich	team leader	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

4.2 Description of evaluation activities

Audit started in office in Mozyr 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.

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. Chain of Custody implementation was reviewed focusing in the Critical Control Points, in particular it was verified reception of the material and it's classification, identification of feedstock origin, production process with the conversion factors associated, final product storage and sales.

After a roundtrip around BP's pellet production was undertaken. Roundtrip was conducted via mobile phone of the master of pellet plant. During the site tour, staff was interviewed and FSC system critical control points were analysed.

At the end of the audit findings were summarised and assessment conclusions based on use of 3 angle evaluation method were provided to the management and SBP responsible person

4.3 Sampling methodology

Recording in accountant program was reviewed, records were compared with documents for several transaction for several months. All responsible for SBP system staff were interviewed. Auditor checked documentation in office in Moryz and pellet mill in Lelchitsy.

4.4 CB stakeholder engagement

Stakeholder consultation was not conducted for this audit

4.5 Stakeholder feedback

None

5 Results

5.1 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 NCR

5.2 Rigour of Supply Base Evaluation

Not applicable

5.3 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 accounting system

5.4 Competency of involved personnel

Overall, BP staff showed good understanding of knowledge of all applicable SBP requirements. 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/deputy director (maintaining of the management system, staff training, volume recording,), chief of production of pellet plant (moisture measurements, weight of biomass produced), accountant (performance of outgoing invoices and transport documents, SAR preparation).

6 Review of company's risk assessments

6.1 Overview of company's risk assessments and mitigation measures

Not applicable

6.2 Specified risk indicators and mitigation measures

Country/Area	Indicator	Specified risk description	Mitigation measure
N/A	N/A	N/A	N/A

7 Non-conformities and observations

NC number NC-000238	NC Grading: Major
Standard:	SBP Standard 2: Verification of SBP-compliant Feedstock
Requirement:	IN2C; 4.1 The report shall be concise, covering the most important features, and shall be completed using the latest version of the SBR template for Biomass Producers downloaded from the SBP website.
Description of Non-conformance and Related Evidence:	
The Supply Base Report is concise and contains all information required by SBP. But there are some mistake in the SBR, for example in section 2.5 there are no information about area in ha in points b)-d)	
Timeline for Conformance:	3 months from the report finalisation
Evidence Provided by Company to close NC:	Corrected report for previous reporting period (http://biohitenergy.by/%D0%9E-%D0%BD%D0%B0%D1%81/) Supply Base Report on Audit portal
Findings for Evaluation of Evidence:	The BP has corrected report prepared during assessment and uploaded corrected version on own Internet site. The BP has prepared SBR for last reporting period using Audit portal. During review it was found out that some information is missed: 1) section 3.4 was not filled in. The NCR was upgraded to Major. During period from closing meeting to report approval the BP has updated SBR ou audit portal. Review of the report has conformed that report is concise and cover the most important features.
NC Status:	Closed

NC number NC-000236	NC Grading: Minor
Standard:	Instruction Document 5E: Collection and Communication of Energy and Carbon Data 1.4
Requirement:	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%. 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. 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.
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:	SBP procedure
Findings for Evaluation of Evidence:	The BP has updated procedure. During review it was confirmed that requirement 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% is included in the procedure. There are no such changes In reporting period.
NC Status:	Closed

NC number NC-000239	NC Grading: Major
Standard:	SBP Standard 4: Chain of Custody
Requirement:	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:	
The following average conversion factor for reporting period was received as: 2,0 solid m3 of secondary feedstock for production of 1 tone pellets and 0,2 solid m3 of wood chips for drier per 1 tonne of pellet. The deputy director explained that the conversion factor is received based on measurement of volume of input feedstock (quantity of loader shovel) and biomass produced which is conducted each day. During review of accountant records it was found out that conversion factor for both certified and non certified biomass is 2,2, but for FSC certified is only 2,0 while the feedstock with the same characteristic was used for non certified biomass. Taking in account recorded average moisture of feedstock (which is 50%) and input volume of feedstock auditor via theoretical calculation came to significant difference (15,7%) between theoretically calculated volume of biomass and recorded volume of produced biomass. The methodology of conversion factor is clearly explained by the deputy director	
Timeline for Conformance:	Other

Evidence Provided by Company to close NC:	N/A
Findings for Evaluation of Evidence:	N/A
NC Status:	Open

NC number NC-000237	NC Grading: Minor
Standard:	SBP Standard 2: Verification of SBP-compliant Feedstock
Requirement:	15.3 The BP management system shall document all necessary procedures.
Description of Non-conformance and Related Evidence:	
All necessary procedures are documented. It was found out that procedure is not completely up to date: 1) in Annex 7 of the SBP procedure the BP still using outdated name "Sustainable Biomass Partnership"; 2) reference in the procedure to outdated version of SBP documents (f.e Instruction document 5C in annex 1 p.4 and 8), reference to Profiling, Batch, and Energy data code in annex 5.	
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:	All necessary procedures are documented. It was found out that procedure is not completely up to date: 1) in Annex 7 of the SBP procedure the BP still using outdated name "Sustainable Biomass Partnership"; 2) reference in the procedure to outdated version of SBP documents (f.e Instruction document 5C in annex 1 p.4 and 8), reference to Profiling, Batch, and Energy data code in annex 5.
Findings for Evaluation of Evidence:	N/A
NC Status:	Open

8 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:	14 Apr 2021
Other comments:	N/A