



NEPCon OÜ Evaluation of BelaBio-Group, 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:	Siarhei Minkevich
Audit team members:	Siarhei Minkevich
Name of the Company:	BelaBio-Group, Limited Liability Company
Company legal address:	ul. Lesnaya 13, a.g Gatsuk, Minsk region, 220113 Slutsk district, Belarus
Company contact for SBP:	Yuri Sidorenko
Company contact email:	belabio2018@gmail.com
Company website:	N/A
SBP Certificate Code:	SBP-07-75
Date of certificate issue:	27 Mar 2020
Date of certificate expiry:	26 Mar 2025
Audit closing meeting date:	28 Feb 2020
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 1.3	<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:	Primary, 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: N/A	<input type="checkbox"/>
	Transfer	<input type="checkbox"/>

2.1 Description of the company

BelaBio-Grupp LLC is a primary processor (biomass producer) with production capacity of 10000 tones pellets/year, located in Minsk region, Belarus. BP was established in 2018 and has 12 staff members. The BP holds valid FSC CoC certificate covering biomass production only and uses only FSC 100%-certified secondary feedstock (sawdust) and primary feedstock (firewood) for pellet production and firewood for heating (burner). All feedstock is purchased from external suppliers which are state forest management enterprises (in Belarus normally each state forest management enterprise has its own sawmill but the feedstock is delivered to the BP directly from the forest). Feedstock is delivered to production site by BP's own trucks. Biomass is delivered to the customer by means of railway service (railway wagons). Occasionally the deliveries can be made by the trucks (however it is not common mean of deliveries for export, but more typical transport for the internal market).

2.2 Detailed description of the Chain of Custody system

BP holds valid FSC CoC certificate <https://info.fsc.org/details.php?id=a02f300000k3nH9AAI&type=certificate> covering the secondary (pellet production) wood processing. Secondary feedstock (sawdust) with FSC 100% claim as well as primary feedstock with FSC 100% claim is used for pellet production and FSC transfer system of claims is implemented (all certified pellets have FSC 100% claim). Some amount of biomass can be produced from non-certified secondary and primary feedstock, and in this case BP ensures physical segregation of such non-certified wood material from certified wood material at all stages. During the audit 2021 no NCRs were raised on the procedure and performance of chain of custody 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 and assessment of compliance with ID 5E ver. 1.3.

4 Evaluation process

4.1 Timing of evaluation activities

<i>Audit Level of Effort (LoE)</i>		
Activity	Auditors	Auditor hours
1. Preparation	SM	3,0
1. Preparation	SM	3,0
2. On-site (excl. travel time)	SM	12,0
2. On-site (excl. travel time)	SM	12,0
3. Report writing	SM	6,0
3. Report writing	SM	6,0
4. Other	N/A	N/A

Audit Schedule			
Activity	Location	Auditor name	Date/time
<i>Opening meeting</i>	Office	SM	24 Feb 2021/14:00
<i>Documents and</i>	Office	SM	24 Feb 2021/14:15

<i>procedures review and staff interview</i>			
<i>Chain of custody review (site tour)</i>	Production facilities	SM	24 Feb 2021/15:15
<i>Documents and procedures review</i>	Office	SM	09 Mar 2021/8:30
<i>STD 5 review - SAR data</i>	Office	SM	09 Mar 2021/14:00
<i>Closing meeting</i>	Office	SM	09 Mar 2021/16:00

Auditor qualification		
Auditor name	Role	Qualification
Siarhei Minkevich,	Lead 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

4.2 Description of evaluation activities

Composition of audit team:

Auditor(s), roles

Siarhei Minkevich, SBP auditor

Qualifications

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 assessment, which started with an opening meeting attended by the representatives from Organisation's management and staff.

Audit team leader introduced the audit team, provided information about audit plan, methodology, auditors qualification, confidentiality issues, and assessment methodology and clarified certification scope. During the opening meeting the audit team leader explained CB's approval related issues.

After that auditors 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 audit special attention was paid to the following specific critical control points: reception, identification of material, segregation, volumes recording / accounting, conversion factor and sales. 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 audit, findings were summarised, and audit conclusions based on use of 3 angle evaluation method were provided to the management and SBP responsible person.

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4.3 Sampling methodology

Production facilities were checked without any exclusion. Sampling has applied at the feedstock entry level and some entries were verified considering type of feedstock and suppliers. Also sampling was used for energy data several months were randomly selected (waybills and invoices for the selected months). All responsible personnel was interviewed.

4.4 CB stakeholder engagement

N/A for annual audit.

The stakeholder consultation was carried out on January 21, 2020 by sending direct email to different stakeholder categories (more than 120 recipients). No comments from the stakeholders have been received. 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, indigenous peoples' communities (where applicable), state forestry authorities, trade unions etc.

4.5 Stakeholder feedback

No comments received

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.

5.2 Rigour of Supply Base Evaluation

See section "Non-conformities and observations".

5.3 Collection and communication of data

The following energy sources are used by BP: electricity for pellet production; diesel for finished pellet handling, 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. The following key staff members are involved to SBP certification: SBP related staff responsibilities are presented in Section 4 of the SBP Procedure. Interviewed staff was well familiar with their responsibilities. Generally, very few staff members are involved into SBP certification: SBP responsible/ head of marketing department (maintaining of the management system, staff training, volume recording, invoicing, DTS), chief of production of pellet plant (moisture measurements, weight of biomass produced).

6 Review of company's risk assessments

6.1 Overview of company's risk assessments and mitigation measures

N/A

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-000381	NC Grading: Major
Standard:	Instruction Document 5E: Collection and Communication of Energy and Carbon Data 1.3
Requirement:	6.4.5 For reporting mass F, the total mass of material processed during the Reporting Period for biomass production must be recorded including the share that is diverted as biomass fuel. If part (or optionally the totality) of the Feedstock Group is diverted as biomass fuel, then consider the total mass as received in F and add also a corresponding line in Table 3.5 of the SAR where the raw tonnage is reported for the share used as biomass fuel (see paragraph 6.9.5).
Description of Non-conformance and Related Evidence:	
<p>The organization keeps records of the receipt and consumption of feedstock and biofuel for the production of fuel pellets. In accordance with national requirements, the amount of sawdust is estimated using approved ratios. The calculation of the volume of sawdust is carried out by the geometric method using the coefficient of conversion of the bulk volume into dense (according to STB 1867-2017). The volume of firewood is determined on the basis of the geometric method using the full-wood percentage in accordance with STB 1512-2012. The finalized data reported in the SAR for feedstock and moisture shows that the organization produced 471 tonnes more than the theoretical calculations indicate using the dry weight balance method. Calculation of the mass balance: Theoretical production = $3127.01 \times 0.50 / (1 - 6.3\%) = 1668 \text{ t}$. Biomass produced in the reporting period (granules): 2140.54. The difference is -471 t. The organization uses a computer accounting system. The auditor reviewed the accounting records. The volume of supplies of feedstock corresponds to the indicated figures. The difference is due to the volume of the warehouse stock of feedstock at the beginning and end of the reporting period and the low accuracy of the geometric method for determining the volume of sawdust in accordance with the standard. The auditor has raised a major nonconformance.</p>	
Timeline for Conformance:	3 months from the report finalisation
Evidence Provided by Company to close NC:	N/A
Findings for Evaluation of Evidence:	N/A
NC Status:	Open

NC number NC-000382	NC Grading: Major
Standard:	SBP Standard 2: Verification of SBP-compliant Feedstock

Requirement:	7.1 The BP shall prepare a Supply Base Report (SBR) which shall be made readily accessible on the BP's website. Commercially sensitive and confidential information may be excluded from the SBR.
Description of Non-conformance and Related Evidence:	
The updated version of Supply Base Report (SBR) was provided to the auditor in Word format. BP used Supply Base Report Template for Biomass Producers: Local Translations from website https://sbpcert.org/documents/standards-documents/templates/ The updated SBR 2021 not found on organization's updated website http://belabio.com/ The organization did not post the Supply Base Report on the SBP online Audit Portal.	
Timeline for Conformance:	3 months from the report finalisation
Evidence Provided by Company to close NC:	N/A
Findings for Evaluation of Evidence:	N/A
NC Status:	Open

NC number NC-000383	NC Grading: Minor
Standard:	SBP Standard 2: Verification of SBP-compliant Feedstock
Requirement:	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:	
The Supply Base Report (RBR) was provided to the auditor in Word format. BP used Supply Base Report Template for Biomass Producers: Local Translations from website https://sbpcert.org/documents/standards-documents/templates/ The organization did not post the Supply Base Report on the SBP online Audit Portal. The last SBR version is not used	
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:	N/A
Findings for Evaluation of Evidence:	N/A
NC Status:	Open

NC number NC-000384	NC Grading: Minor
Standard:	SBP Standard 2: Verification of SBP-compliant Feedstock
Requirement:	IN2C; 5.1 The SBR shall be formally updated every year (i.e. every 12 months). Each annual update shall provide actual values for the previous 12 months and forecast values for the following 12 months.
Description of Non-conformance and Related Evidence:	
<p>Requirement is included into section 8 of SBP Procedure. Relevant requirement is known to SBP responsible person. The SBR report in general meets requirements. Organisation has used the previous SBR from 2020. The review of the report showed that some data in SBR was not updated properly. The report contains outdated data. For example, the old classification of forests by functional purpose is given: forests of the first group, forests of the second group. At the same time, a new forest classification (new forest categories) is in force. In online SBR some data from the former SBR was used and therefore not all applicable new fields are filled in properly. The SBR was not updated as it is required. Supplier data are available in the BP Guidance.</p>	
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:	N/A
Findings for Evaluation of Evidence:	N/A
NC Status:	Open

NC number NC-000385	NC Grading: Major
Standard:	Instruction Document 5E: Collection and Communication of Energy and Carbon Data 1.3
Requirement:	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.

Description of Non-conformance and Related Evidence:	
<p>The organization has indicated feedstock data in the SAR document. When supplying feedstock, the seller indicates the volume of material in solid m3. For firewood, the SAR document indicates that the weight of each delivery of roundwood (firewood) is indicated in the waybill, these data were used in the calculations. Checking the documentation, consultations with specialists of forestry institutions showed that the figure of the weight of the truck is not indicated on the basis of the weighting of the timber truck, but the approximate value is indicated (at the request of the transport control service). In addition, verification of the documentation showed that the timber trucks are loaded in forest warehouses (loading point in forest conditions), where there are no technical and technological capabilities for weighing of a timber truck. The audit showed that the data for estimating the weight of the cargo are not quite correct, and they do not allow to correctly assess the balance of the volume and tonnage of the feedstock. The non-conformance is classified as minor, since in general the accounting for volume and weight indicators in the organization is established (e.g. the difference in the estimated and calculated value in tonnes (between raw material and finished pellets) is not big (around 9%)).</p>	
Timeline for Conformance:	3 months from the report finalisation
Evidence Provided by Company to close NC:	Waybills. Accounting data. Used reference book of conversion factors (m3-tonnes). Feedstock tonnage calculation data.
Findings for Evaluation of Evidence:	<p>During the reporting period, the organization purchased feedstock and biofuel. The waybill indicates the volume of cargo (in m3), as well as the approximate tonnage (weight) of the cargo (without the weight of the vehicle). Since the waybill indicates the approximate tonnage of wood (sawdust; firewood), the organization clarified the calculation methodology (calculation of the tonnage based on the volumetric data (m3), which are indicated in the waybill). To calculate the tonnage of wood (based on conversion factors (m3 - tonnes)), the organization used data from the directory (FAO Wood Fuel Handbook, Pristina 2015) (Mass and bulk density of the main tree species). The data on the tonnage of wood indicated in the waybill were used for comparative analysis of the data (data on the tonnage in the waybill and calculation data through conversion factors (m3 - tonnes)). The organization in the reporting period clarified the tonnage calculation methodology. However, analysis of the data on the delivered feedstock and the tonnage of produced pellets (mass balance) showed that there is a significant difference (tonnage of incoming feedstock and tonnage of produced pellets). The nonconformity has been upgraded to a major one.</p>
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):	Pilar Gorriá
Date of decision:	04 Jun 2021
Other comments:	SAR has not been approved due to Major NCR identified that may affect to the accuracy of SAR data