



# NEPCon OÜ Evaluation of Profitsystem Ltd Branch No.2 Compliance with the SBP Framework: Public Summary Report

Re-assessment

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# Completed in accordance with the CB Public Summary Report Template Version 1.5

*For further information on the SBP Framework and to view the full set of documentation see [www.sbp-cert.org](http://www.sbp-cert.org)*

## *Document history*

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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:	Nikolai Tochilov
Audit team members:	-
Name of the Company:	Profitsystem Ltd Branch No.2
Company legal address:	27 Dostoevskogo street, 220040 Minsk, Belarus
Company contact for SBP:	Aleksey Fedorinchik
Company contact email:	phedorinchik@gmail.com
Company website:	N/A
SBP Certificate Code:	SBP-01-34
Date of certificate issue:	15 Sep 2016
Date of certificate expiry:	14 Sep 2021
Audit closing meeting date:	12 Apr 2021
Audit cycle:	Re-assessment

## 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)
<b>Primary Activity:</b>	Biomass Producer	<input type="checkbox"/>
<b>Approved Standards:</b>	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"/>
<b>Includes Supply Base Evaluation (SBE):</b>	No	<input type="checkbox"/>
<b>Includes communication of Dynamic Batch Sustainability Data (DBSD)</b>	Yes	<input type="checkbox"/>
<b>Includes Group Scheme</b>	No	<input type="checkbox"/>
<b>Products</b>	Pellets	<input type="checkbox"/>

<b>Feedstock types:</b>	Secondary	<input type="checkbox"/>
<b>Feedstock origin (countries):</b>	Belarus	<input type="checkbox"/>
<b>SBP-endorsed Regional Risk Assessments used:</b>	Not applicable	<input type="checkbox"/>
<b>Public link:</b> <a href="https://sbp-cert.org/documents/standards-documents/risk-assessments/">https://sbp-cert.org/documents/standards-documents/risk-assessments/</a>		<input type="checkbox"/>
<b>Chain of custody system implemented:</b>	FSC: NC-COC-013425	<input type="checkbox"/>
	Transfer	<input type="checkbox"/>

## 2.1 Description of the company

Profytsystem LLC is a primary (machine-rounded wood products) and secondary (wood pellets) manufacturer with the head office located in the city of Minsk, and three production sites located in Berezino (Branch 1), Ivatsevichi (Branch 2) and Pleshchenitsy (Branch 3). The SBP certificate scope covers the production site in Ivatsevichi as well as head office in Minsk, Belarus. The Organisation holds valid FSC Chain of Custody certificate with FSC transfer system in the scope and sources roundwood (logs) for machine-rounded wood production. Organisation's own wood processing residues are used as a feedstock for pellet production. Logs for the primary processing are purchased from state sales agent or local forestry management units. In both cases logs originate from Belarus only. Origin information at FMU level (forestry) is available on the delivery notes. Organisation may also use non-certified primary feedstock (roundwood for primary processing) as input for the sawmill. The secondary feedstock (wood wastes) then is never used in biomass production, including dryer. Such feedstock is used in boiler house not related to biomass production, or sold to other companies. Produced biomass is transported by railway and sold at Bigosovo and Benyakoni railway stations (DAF Incoterms). Pellet plant production capacity is 11000 tones biomass/year.

## 2.2 Detailed description of the Chain of Custody system

The Organisation holds valid FSC Chain of Custody multi-site certificate <https://info.fsc.org/details.php?id=a0240000005sRMiAAM&type=certificate> which scope covers the central office in Minsk and three production sites - Berezino (Branch 1), Ivatsevichi (Branch 2) and Pleshchenitsy (Branch 3). The Organisation implements FSC transfer system and uses FSC 100% certified input material for primary and secondary processing. Some roundwood for primary processing may be obtained without FSC claim as non-certified. Such wood is handled separately. Non-certified secondary feedstock (wood wastes generated during primary processing) is never used in pellet production, including dryer - it is physically diverted after primary manufacturing and kept in separate piles. Organisation does not purchase

secondary feedstock from other suppliers for biomass production.

### 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.



## 4 Evaluation process

### 4.1 Timing of evaluation activities

<i>Audit Level of Effort (LoE)</i>		
<b>Activity</b>	<b>Auditors</b>	<b>Auditor hours</b>
1. Preparation	Nikolai Tochilov	0,5
2. On-site (excl. travel time)	Nikolai Tochilov	9,0
3. Report writing	Nikolai Tochilov	3,0
4. Other	N/A	N/A

<b>Audit Schedule</b>			
<b>Activity</b>	<b>Location</b>	<b>Auditor name</b>	<b>Date/time</b>
<i>Stakeholders' notification</i>	Desk-based	Nikolai Tochilov	01 Mar 2021/09:00
<i>End of stakeholders' consultations</i>	Desk-based	Nikolai Tochilov	01 Apr 2021/09:00
<i>Opening meeting</i>	Central office in Minsk	Nikolai Tochilov	05 Apr 2021/08:30
<i>Supply Base Report evaluation</i>	Central office in Minsk	Nikolai Tochilov	05 Apr 2021/09:00

<i>Evaluation of critical control points in CoC system</i>	Central office in Minsk	Nikolai Tochilov	05 Apr 2021/10:00
<i>SBP documented procedures review</i>	Central office in Minsk	Nikolai Tochilov	05 Apr 2021/11:00
<i>Energy use data review (SAR)</i>	Central office in Minsk	Nikolai Tochilov	05 Apr 2021/15:00
<i>Evaluation of H&amp;S procedures</i>	Branch 2, Ivatsevichi	Nikolai Tochilov	07 Apr 2021/11:00
<i>Onsite inspection, documents review and staff interviews</i>	Branch 2, Ivatsevichi	Nikolai Tochilov	07 Apr 2021/11:30
<i>SBP-certified biomass sales</i>	Branch 2, Ivatsevichi	Nikolai Tochilov	07 Apr 2021/12:30
<i>Energy use data review (SAR)</i>	Central office in Minsk	Nikolai Tochilov	12 Apr 2021/11:00
<i>Closing meeting</i>	Central office in Minsk	Nikolai Tochilov	12 Apr 2021/17:00

<b>Auditor qualification</b>		
<b>Auditor name</b>	<b>Role</b>	<b>Qualification</b>
Nikolai Tochilov	Audit team leader	NEPCon SBP lead auditor. He has successfully passed SBP auditor training in Tallinn in January 2015; previous experience with more than 50 SBP assessments and annual audits in Russia, Europe and Asia.

## 4.2 Description of evaluation activities

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.

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 at the beginning of the audit, which started with an opening meeting attended by the representatives from Organisation's management and staff.

During the opening meeting, 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 accreditation 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 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, mass balance, final product storage and sales, 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 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

Staff interviews: the key staff involved in SBP certification was interviewed during the audit. Onsite inspection: during onsite inspection, auditor went through the whole production, starting with feedstock delivery to the pellet plant and ending with the storage of the biomass and its shipping to customers. Documents review: auditor has verified all records related to feedstock input and biomass output; moisture measurements; electricity and diesel consumption. Special attention was paid to justification of conversion factor for pellet production.

## **4.4 CB stakeholder engagement**

The stakeholder consultation was carried out on March 1, 2021 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 feedback received from stakeholders prior to, during and after the reassessment.

## **5 Results**

### **5.1 Main strengths and weaknesses**

Strengths: use of FSC transfer system. Robust recordkeeping system. Good awareness of certification requirements by involved staff.

Weaknesses: please see major NCR 01/21 below in this report.

### **5.2 Rigour of Supply Base Evaluation**

not applicable.

### **5.3 Collection and communication of data**

BP has robust system of measuring and recordkeeping of energy use data related to biomass production, handling and transport. The following energy sources are used by BP: electricity for pellet production; biofuel for drying the feedstock; diesel for feedstock delivery and handling; diesel for biomass handling, shipping and transport to customer; electricity for biomass transport to customer.

### **5.4 Competency of involved personnel**

Responsible staff showed good awareness of requirements of applicable SBP standards and Instruction Documents. Sales and logistics department deputy manager holds overall responsibility for maintaining the SBP system; he is supported by production chief (feedstock delivery and consumption; moisture measurements; pellets production); accountancy manager (electricity and diesel consumption) and sales manager (performance of sales documents).

## 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

<b>NC number NC-000421</b>	<b>NC Grading: Major</b>
<b>Standard:</b>	SBP Standard 4: Chain of Custody
<b>Requirement:</b>	6.3.1 The legal owner shall implement the requirements of either: PEFC 2002:2013 Section 9: Social, Health and Safety requirements in CoC, Or FSC-STD-40-004 V2-1 EN Section 1.6: Occupational Health and Safety Or the latest versions of these documents
<b>Description of Non-conformance and Related Evidence:</b>	
During the reassessment (which was conducted by auditor at the same time with the FSC CoC annual audit) it was observed that the pellet production chief and shift foreman at roundwood sorting site did not wear work clothes. Chief of the shift at wood processing site did not use work boots. Since it was not a single violation of internal H&S requirements, non-conformity was classified as systematic.	
<b>Timeline for Conformance:</b>	3 months from the report finalisation
<b>Evidence Provided by Company to close NC:</b>	Protocol of examination of the knowledge of H&S requirements #82 dd of 29.04.2021 in Branch #2 Protocol of examination of the knowledge of H&S requirements #86 dd of 20.05.2021 in Branch #2 Explanatory statements by Branch #2 staff members
<b>Findings for Evaluation of Evidence:</b>	Prior to report finalization, Organisation has conducted the analysis and determined that the reason that the staff members did not use personal protection equipment because they did not completely follow their job duties described in their working instructions; the other reason was insufficient control of their work by production chief and chief engineer of the Branch #2. All staff members are provided with personal protection equipment to the full extent, according to the 'Norms of free provision of the personal protection equipment to staff members of Profitsystem', approved by director general on 11.03.2021. As a corrective action, the commission (including director general, chief engineer, leading H&S engineer and leading engineer-technologist) has conducted extraordinary examination of the knowledge of H&S requirements by staff members of Branch #2. The commission furthermore obtained written explanatory statements from staff members that did not use personal protection equipment. Staff members confirmed that they have violated the working instructions, because of overloading at the work, and preparation for FSC audit. FSC responsible also explained to auditor that they have strengthened the control over the H&S in Branch #2 at all management levels.
<b>NC Status:</b>	Closed

NC number NC-000464	NC Grading: Minor
<b>Standard:</b>	SBP Standard 2: Verification of SBP-compliant Feedstock
<b>Requirement:</b>	15.3 The BP management system shall document all necessary procedures.
<b>Description of Non-conformance and Related Evidence:</b>	
SBP Procedure contains some out-of-date information, for example: reference to out-of-date address of FSC public database of certificate holders in Internet, reference to FSC-STD-40-004 (V.2-1); reference to SBP Instruction Documents 5C. During the previous SBP audit, relevant Observation was raised by auditor, but ignored by BP. SBP responsible is aware that the SBP Procedure needs updates, but explained that he did not have time to do it.	
<b>Timeline for Conformance:</b>	By the next surveillance audit, but no later than 12 months from report finalisation date
<b>Evidence Provided by Company to close NC:</b>	SBP Procedure
<b>Findings for Evaluation of Evidence:</b>	During this reassessment, BP has submitted SBP Procedure, which, in auditor opinion, documents all applicable procedures and is up-to-date.
<b>NC Status:</b>	Closed



## 8 Certification decision

Based on the auditor's recommendation and the Certification Body's quality review, the following certification decision is taken:	
<b>Certification decision:</b>	N/A
<b>Certification decision by (name of the person):</b>	N/A
<b>Date of decision:</b>	17 Jun 2021
<b>Other comments:</b>	N/A