



# NEPCon OÜ Evaluation of Bio Wood UAB 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 1.5

*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:	Povilas Misierauskas
Audit team members:	None
Name of the Company:	Bio Wood UAB
Company legal address:	Palangos pl. 23, Vigantiškių k., LT-88438 Telšių raj., Lithuania
Company contact for SBP:	Neda Monstavičiūtė
Company contact email:	uab.biowood@gmail.com
Company website:	N/A
SBP Certificate Code:	SBP-01-06
Date of certificate issue:	24 Feb 2021
Date of certificate expiry:	23 Feb 2026
Audit closing meeting date:	25 May 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)
<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>	Lithuania, Latvia	<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-022170	<input type="checkbox"/>
	Transfer	<input type="checkbox"/>

## 2.1 Description of the company

UAB "Bio wood" is a biomass producer with production sites situated in Vigantiskiai village, Telsiai r. (with the office) and Kruciai village, Mazeikiai distr., Lithuania. In this certificate only Vigantiskiai site is included, Mazeikiai production site is included in separate SBP certificate scope. BP is sourcing secondary feedstock for its production. Heating pellets are produced from secondary feedstock: wood industry residues and sawdust originating from FSC certified local suppliers in Lithuania and other suppliers from Latvia. All Feedstock types are delivered to the pellet plant by road transport. The sales points are trough Klaipeda port (under DAP) and Liepaja port (under DAP). Production capacity 85 000 metric tons. The BP is having FSC transfer system designated in its FSC system. For pallets production only FSC certified material is used (with claim FSC Mix Credit) from 2 suppliers (one from Lithuania and one from Latvia). The amount of biomass produced according to FSC transfer system might be sold as SBP-compliant. After the production pellets are stored in BP's production storage.

## 2.2 Detailed description of the Chain of Custody system

The Organisation holds valid FSC Chain of Custody NC-COC-022170 certificate covering pellet production. FSC transfer system is used for materials received as FSC certified. Feedstock from Latvia and Lithuania is delivered by FSC certified suppliers. Supplier list is maintained. Number of suppliers is small (2). After the reception, incoming feedstock is unloaded into piles according to type of feedstock and load is registered into the recordkeeping system. All data is maintained in the recordkeeping system of the Organisation. Their product groups for the FSC CoC certification include wood pellets and briquets, however for SBP certified products only industrial pallets are considered.

### 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. Evaluation of the practical implementation of the requirements of the applicable standards.

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 critical control points, analysis of the existing FSC CoC system;
- Interviews with responsible staff;
- Review of the records, calculations and conversion coefficients;
- Review of the updated Supply Base Report;
- Evaluation of mitigation measures implemented for secondary feedstocks;
- SAR and profiling data collection analysis;
- Instruction Document 5E Dynamic Batch Sustainability Data

## 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	Povilas Misierauskas	4,0
2. On-site (excl. travel time)	Povilas Misierauskas	7,5
3. Report writing	Povilas Misierauskas	14,0
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>Opening meeting</i>	Office	Povilas Misierauskas	25 May 2021/09:00
<i>Documents and procedures review Inputs and outputs review</i>	Office	Povilas Misierauskas	25 May 2021/09:30
<i>Energy use calculations review</i>	Office and production facilities	Povilas Misierauskas	25 May 2021/10:30
<i>Chain of custody review (site)</i>	Office and production	Povilas Misierauskas	25 May 2021/14:00



<i>tour), interview with responsible persons</i>	facilities		
<i>Staff interviews</i>	Office and production facilities	Povilas Misierauskas	25 May 2021/15:00
<i>Closing meeting</i>	Office	Povilas Misierauskas	25 May 2021/16:00

Auditor qualification		
Auditor name	Role	Qualification
Povilas Misierauskas	SBP auditor	P. Misierauskas is NEPCon certification manager (auditor – apprentice). P. Misierauskas hold Bachelor degree in Ecology and Environment and Master in Forest Ecology. He graduated from the Lithuanian University of Agriculture. Mr Misierauskas taught laboratory work to Forest Ecology faculty dendrology discipline’s students Forest Ecology faculty, implemented planting and green space inventory. He assessed green areas in 22 town and region municipalities. P. Misierauskas has a lot of experience in assessing preserved trees, identifying their state and value and implementing dendrological (decorative trees and bushes) expertise. He has been working as certification manager at NEPCon since 2013. Completed SBP auditor training course and acquired SBP auditor qualification in 2020.

## 4.2 Description of evaluation activities

The 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 availability.

Description of the audit:

May 25, 2021.

Auditor was welcomed in UAB Bio wood office in Vygantiskiai, Telsiai r. Auditor started with an opening meeting attended by Commercial Manager and Chief Accountant. Auditor provided information about audit plan, methodology, auditor qualification, confidentiality issues, auditing methodology and clarified the audit scope.

During the audit, the auditor evaluated existing production. After that auditor went through all applicable requirements of the SBP standards No. 2, 4, 5, existing chain of custody and management system, CoC, record keeping / mass balance requirements, emission, energy data, and categorization of input and verification of SBP compliant feedstock/ biomass. During the process, overall responsible person for SBP system and over responsible staff having key responsibilities within the system were interviewed and critical control points were evaluated.

After a roundtrip around BP's pellet production was undertaken. During the production site tour applicable records were reviewed, production staff was interviewed. At the end of the day the preliminary results were presented.

### **4.3 Sampling methodology**

Production facilities were checked without any exclusion. Reviewing of documents was based on sampling approach - several months were randomly selected (waybills and invoices for the selected months). All responsible personnel was interviewed.

### **4.4 CB stakeholder engagement**

Stakeholder consultation was not carried out for this audit

### **4.5 Stakeholder feedback**

None

## **5 Results**

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

Main strengths: all processes have been well documented; main database for material balances is well maintained and all relevant information can be reported. Small number of suppliers. Efficient recordkeeping system. Small number of the management staff and clearly designated responsibilities within the staff members.

Weaknesses: Not all input is SBP-compliant feedstock and company keep it separately, see NCR 01/22

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

Not applicable.

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

BP has a system to gather and record Greenhouse Gas emissions. During the audit, BP made detailed overview of the systems and databases to gather and record such data. Evidence was provided to auditors.

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

Overall responsible person for implementing SBP is Commercial Manager. SBR was reviewed by Director and Commercial Manager. The peer review of SBR was done by Janis Rozitis, Pasaules Dabas Fonds (WWF associated partner)- experience in sustainable forestry practice and Sigitas Girdziušas- Lithuanian Agricultural University, Master of Forestry, forestry specialists.

Overall responsible person has all required competences, education and work experience from timber and industry sector, but these requirements are not described in procedures.

According to interviews, review of biomass producer sales manager's CV and set of procedures and documents that were composed for the SBP system, auditors evaluated the competency of main responsible staff to be sufficient.

## 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-000448 (01/22)</b>	<b>NC Grading: Minor</b>
<b>Standard:</b>	SBP Standard 4: Chain of Custody
<b>Requirement:</b>	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.
<b>Description of Non-conformance and Related Evidence:</b>	
<p>BP has FSC transfer system procedures in place, describing all required requirements. Conversion factor data were reviewed during the audit and it was found that received dry feedstock and produced dry biomass difference was about 12 %. BP explained that it happened due moisture measurement methodology, which shall be revised and improved. In addition, company calculates general conversion factor with sawdust and wood chips but not separately for each feedstock, which could have influence to conversion factor calculation error. Taking into account that wood chips feedstock consisted about 21% and comparing conversion factor with Mazeikiai production site where only sawdust was used for wood pellets production, it was found that conversion factor difference is 0,01 (6,43 vs. 6,44). Moreover, from this year company uses only sawdust as feedstock and do not plant to purchase wood chips as feedstock. Auditor has decided to issue minor NCR.</p>	
<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>	N/A
<b>Findings for Evaluation of Evidence:</b>	N/A
<b>NC Status:</b>	Open

## 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>	Certification approved
<b>Certification decision by (name of the person):</b>	Olesja Puiso
<b>Date of decision:</b>	12 Jul 2021
<b>Other comments:</b>	N/A