



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

Main (Initial) 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

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:	Aliaksandr Zubkevich
Audit team members:	Aliaksandr Zubkevich
Name of the Company:	Spillhard, Additional Liability Company
Company legal address:	3rd pereulok Gagarina 3, 213561 Krasnopolye, Belarus
Company contact for SBP:	Sergey Remualdovich Troyanov
Company contact email:	spillhard@mail.ru
Company website:	N/A
SBP Certificate Code:	SBP-08-52
Date of certificate issue:	14 Sep 2021
Date of certificate expiry:	13 Sep 2026
Audit closing meeting date:	01 Sep 2021
Audit cycle:	Main (Initial) 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):	Yes	<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: Public link: https://sbp-cert.org/documents/standards-documents/risk-assessments/	Not applicable	<input type="checkbox"/>
Chain of custody system implemented:	FSC: NC-COC-060970	<input type="checkbox"/>
	Transfer	<input type="checkbox"/>

2.1 Description of the company

The organization is a biomass producer, sawn wood producer with a production situated in Krasnopolie, Belarus. Logs for the primary production are originating from Belarus. The BP is FSC certified <https://info.fsc.org/details.php?id=a02f300000IQ7EhAAK&type=certificate> Certificate Code NC-COC-060970. BP is sourcing secondary feedstock, coming from its own production, as well as secondary feedstock from 4 FSC certified sawmills. The BP is implementing FSC transfer system. Design capacity of pellet plant is 15000 tone. Plant was commissioned in september 2020. Biomass are expected to be sold at factory gate (FCA Krasnopolie)

2.2 Detailed description of the Chain of Custody system

The BP is FSC certified <https://info.fsc.org/details.php?id=a02f300000IQ7EhAAK&type=certificate> Certificate Code NC-COC-060970 covering primary wood processing and pellet production, see FSC Certificate Scope for details. Critical control points of the FSC CoC system were evaluated during the SBP audit as well. The Organisation has implemented FSC transfer system with FSC 100% claim only. The organization does not use any imported material. Incoming wood reception register, and supplier list are maintained. All material is checked during the arrival and correctly recorded in the internal system. If needed physical separation may be implemented (in case of non-certified material will be sourced). In the reporting period there were no need in physical segregation of wood material as all material is FSC certified.

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. 1.4.

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	11,0
3. Report writing	Aliaksandr Zubkevich	8,0
4. Other	Aliaksandr Zubkevich	4,0

<i>Audit Schedule</i>			
Activity	Location	Auditor name	Date/time
<i>Opening meeting</i>	Office, Krasnopolie	Aliaksandr Zubkevich	28 May 2021/09:30
<i>Chain of custody review (site tour); staff interview; document review</i>	pellet mill, Krasnopolie	Aliaksandr Zubkevich	28 May 2021/09:45
<i>Documents and procedures review (feedstock inputs, SBR,</i>	Office, Krasnopolie	Aliaksandr Zubkevich	28 May 2021/11:00

<i>CoC control system and critical points, compliance with legal requirements, H&S)</i>			
<i>Closing meeting</i>	Office, Krasnopolie	Aliaksandr Zubkevich	28 May 2021/16:30
<i>Review of updated SAR and supporting documents. Final closing meeting</i>	Desc, Minsk	Aliaksandr Zubkevich	01 Sep 2021/10:00

Auditor qualification		
Auditor name	Role	Qualification
Aliaksandr Zubkevich	lead auditor	Mr Aliaksandr Zubkevich has an education of engineer-economist in timber industry. He finished a postgraduate at the Belarusian State Technological University Mr. Zubkevich passed the FSC FM/CoC Lead Auditor, the Legal Source, ISO 14001 and SBP training courses. He has experience in assessing woodworking companies and SBP(pre-) assessments in in Belarus.

4.2 Description of evaluation activities

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, FSC system description was provided by the company prior the audit. Audit 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, 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.. 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.

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.

Due to missed or wrong information from accountant proving data in a SAR reporting was delayed. In August the company representative finally has provided all required information. Interview with responsible as well as review of provided documents were conducted 1 of September. After that final conclusions were provided to the BP.

4.3 Sampling methodology

Auditor visited office and pellet mill as well as sawmill of the organization. All responsible for SBP were interviewed. Sales documentation (including feedstock waybills, contracts with suppliers) was randomly reviewed.

4.4 CB stakeholder engagement

The stakeholder consultation was carried out on 28th of March, 2021 by sending direct email to different stakeholder categories: state institutions, local NGOs, authorities, government bodies, forest owners associations, academic and research institutions. No comments from the stakeholders were received. The stakeholder notification letter is added as an Exhibit to this report.

4.5 Stakeholder feedback

None

5 Results

5.1 Main strengths and weaknesses

Strengths: use of FSC transfer system. Small number of responsible persons. Good awareness of certification requirements by involved staff.

Weaknesses: please see NCR in section below

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; electricity. Diesel consumption value by vehicles used at pellet plant is based on theoretical calculation of fuel consumption per vehicle; electricity consumption value by pellet plant is based on electricity meters recorded on a monthly basis

5.4 Competency of involved personnel

Overall, BP staff showed good understanding of knowledge of all applicable SBP requirements. Only several staff members are involved into SBP certification: lead engineer (SBP responsible person) (complaints, SBP procedures and systems updates, SAR data, conversion factor updates, overall control of the production and material flows, H&S), economist (accounting system, sales, DTS), operators of pellet production (moisture, volumes).

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-000628 (01/21)	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 was prepared on Audit portal. During review it was found out that the Supply Base Report is not concise and contains mistakes: 1) wrong information about suppliers 2) section 3.4 was not filled in properly and so on	
Timeline for Conformance:	Prior to (re)certification
Evidence Provided by Company to close NC:	Updated SBR
Findings for Evaluation of Evidence:	During the period from audit closing meeting and report finalization the BP has updated SBR on Audit portal. Review confirmed that SBR is concise and cover the most important features
NC Status:	Closed

NC number NC-000629 (02/21)	NC Grading: Minor
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:	

<p>The following average conversion factor was established by BP: 2.4 solid m3 of secondary feedstock (sawdust and chips) for production of 1 tone pellets, and 0,5 solid m3 for the drier. The SBP manager explained that the coefficient was received by monitoring actual usage of wood chips for drying, and confirmed in company internal order. During the monitoring period, the company was measuring the quantity of feedstock, used up in a bunker of chips for burner, proportionally measuring the bunker of feedstock for production. The BP has not provided documented evidence of conducted measurements. Taking in account that received conversion factor is close to average in the branch auditor have raised minor</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-000658 (03/21)	NC Grading: Major
Standard:	Instruction Document 5E: Collection and Communication of Energy and Carbon Data 1.4
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 BP has prepared SAR prior the assessment. During the review of the SAR and supporting evidence were found mistakes in volumes, mistakes in diesel and electricity calculations. Due to inconsistency of data a Major NCR is issued</p>	
Timeline for Conformance:	Prior to (re)certification
Evidence Provided by Company to close NC:	Updated SAR
Findings for Evaluation of Evidence:	During the period from audit closing meeting and report finalization the BP has updated SAR. Review of updated SAR, supporting documents as well as interview with responsible person confirmed that SAR is meet standard requirements, methodology and calculation are correct.
NC Status:	Closed

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 Gorría
Date of decision:	13 Sep 2021
Other comments:	N/A