NEPCon OÜ Evaluation of Postavsky Furniture Center PMUE 2 Compliance with the SBP Framework: Public Summary Report

Third Surveillance Audit

www.sbp-cert.org

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

Version 1.0: published 26 March 2015

Version 1.1: published 30 January 2018

Version 1.2: published 4 April 2018

Version 1.3: published 10 May 2018

Version 1.4: published 16 August 2018

Version 1.5: published 22 October 2020

Table of Contents

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:	Postavsky Furniture Center PMUE 2
Company legal address:	Leninskaya, 272a, 211871 Postavy, Belarus
Company contact for SBP:	Evgeniy Ginko
Company contact email:	pmc_konstr@tut.by
Company website:	N/A
SBP Certificate Code:	SBP-07-08
Date of certificate issue:	27 Dec 2018
Date of certificate expiry:	26 Dec 2023
Audit closing meeting date:	18 Nov 2021
Audit cycle:	Third 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	☐
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 1.5	☐
Includes Supply Base Evaluation (SBE):	No	☐
Includes communication of Dynamic Batch Sustainability Data (DBSD)	Yes	☐
Includes Group Scheme	No	☐
Products	Pellets	☐

Feedstock types:	Secondary, Primary	☐
Feedstock origin (countries):	Belarus	☐
SBP-endorsed Regional Risk Assessments used: **Public link:** https://sbp-cert.org/documents/standards-documents/risk-assessments/	Not applicable	☐
Chain of custody system implemented:	FSC: TT-COC-005327	☐
	Credit	☐

2.1 Description of the company

The certificate scope covers the pellet production site in city Postavy, Belarus. The Organisation holds valid FSC Chain of Custody certificate with FSC credit system in the scope. The FSC certificate scope covers primary processing (sawmill) and secondary wood processing (production of doors and pellet production). For pellet production, the Organisation is using secondary production residues and primary feedstock, which are sourced from their own sawmill, as well as from other FSC suppliers. Wood offcuts and sawdust are used for the pellet production. Slab wood and woodchips are used for biomass drying

2.2 Detailed description of the Chain of Custody system

The Organisation holds valid FSC Chain of Custody certificate (TT-COC-005327). Critical control points of the FSC CoC system were evaluated during the SBP audit as well. FSC certificate cover both production sites. The Organisation has implemented FSC credit system. Starting from December 2017 the organization buys only FSC certified input material both for sawmill and for pellet production. 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). The company use one credit account for SBP and FSC. If they sell FSC material this amount of material is automatically deducted as SBP credit as well.

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;
- Communication of Dynamic Batch Sustainability Data;
- Sales data evaluation and DTS.

4 Evaluation process

4.1 Timing of evaluation activities

Audit Level of Effort (LoE)		
Activity	***Auditors***	**Auditor hours**
1. Preparation	Aliaksandr Zubkevich	2,0
2. On-site (excl. travel time)	Aliaksandr Zubkevich	7,0
3. Report writing	Aliaksandr Zubkevich	7,0
4. Other	N/A	N/A

Audit Schedule			
Activity	**Location**	**Auditor name**	**Date/time**
Opening meeting	Office, Postavy	Aliaksandr Zubkevich	18 Nov 2021/09:00
Documents review procedure, instructions, training minutes, product group list, suppliers list and etc	Office, Postavy	Aliaksandr Zubkevich	18 Nov 2021/09:15
visit of pellet factory	Pellet mill, Postavy	Aliaksandr Zubkevich	18 Nov 2021/15:00

Closing meeting	Office, Postavy	Aliaksandr Zubkevich	18 Nov 2021/16:30

Auditor qualification		
Auditor name	**Role**	**Qualification**
Aliaksandr Zubkevich	Auditor 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

The audit 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 the collection of the energy and emission data.

Description of the audit evaluation:

All SBP related documentation connected to the SBP as well as FSC system of the organisation, including SBP Procedures, GHG related data, Supply Base Reports, were evaluated prior the audit.

Audit started with an opening meeting attended by management representative.

Auditor introduced himself, provided information about audit plan, methodology, auditor qualification, confidentiality issues, and audit methodology and clarified verification 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 documents 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 feedstock/ biomass. During the process, overall responsible person for SBP system and as well as other persons having key responsibilities within the system 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.

After that roundtrip around BP’s pellet production was undertaken. During the site tour reception process were observed, applicable records were reviewed, pellet factory staff was interviewed and FSC system critical control points were analysed.

At the end audit findings were summarised and audit conclusion based on use of 3 angle evaluation method were provided to the representative of the company.

4.3 Sampling methodology

Auditor visited office and pellet mill. Responsible for SBP both in office and pellet mill were interviewered. Documents were sampled for two months.

4.4 CB stakeholder engagement

No Consultation was conducted for this surveillance audit

4.5 Stakeholder feedback

None

5 Results

5.1 Main strengths and weaknesses

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

Weaknesses: See NCR 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, shipping and for biomass transportation to customer. Electricity consumption value is based invoicing from supplier; diesel consumption value is based on accounting system data

5.4 Competency of involved personnel

The following key staff members are involved to SBP certification: SBP related staff responsibilities are presented in Section 4 of the SBP Procedure. Generally, very few staff members are involved into SBP certification: SBP responsible/ technologist (maintaining of the management system, staff training, SAR, trademark use etc), chief of pellet plant (volumes acceptance, checking and recording), pellet shift master (moisture measurements, weight of biomass produced).

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-000979 (01/19)	NC Grading: Major
Standard:	SBP Standard 2: Verification of SBP-compliant Feedstock
Requirement:	6.2 The BP shall record the place of harvesting and the identity of the primary wood processor responsible for the supply of inputs classified as SBP-compliant secondary feedstock.
Description of Non-conformance and Related Evidence:	
The part of sawdust volume originates from sawmill of the BP. All roundwood to sawmill come from forest management units. It is confirmed by reviewing of purchase agreements with these FMUs. The BP also sources sawdust from other sawmills. The responsible for SBP was not able to provide records of place of harvest for several primary wood processors responsible for the supply of inputs classified as SBP-compliant Secondary Feedstock. Due to small volume supplied by this suppliers and low probability that wood may be out form the Republic of Belarus auditor raised minor non conformance	
Timeline for Conformance:	3 months from the report finalisation
Evidence Provided by Company to close NC:	Audit 2020 Not provided CVA Audit 2021 Non-conformance correction report (exh 1) Letter from supplier (exh 2)
Findings for Evaluation of Evidence:	Audit 2020 The BP has not undertaken steps to close this non conformance, NCR is upgraded to Major CVA Audit 2021 SBP manager has provided Non-conformance correction report where root cause of non-conformance was defined as:1) poor understanding of requirements of responsible. To eliminate root cause additional training was conducted with responsible. Information from supplier was requested. In accordance with SBP procedure the person in charge must, before concluding a supply contract, ensure that there is documentation for the country and region of origin of the supplied timber. Phone interview with responsible for work with suppliers confirmed his understanding of the requirement.
NC Status:	Closed

NC number NC-000980 (04/19)	NC Grading: Major
Standard:	SBP Standard 2: Verification of SBP-compliant Feedstock
Requirement:	15.1 The BP shall implement a management and monitoring system to maintain compliance with the requirements of this and all other relevant SBP Standards, together with a process of review and feedback into planning (CPET S6b).

Description of Non-conformance and Related Evidence:	
The BP has developed a management and monitoring system. The main responsible is deputy director. Technic-technologist explained that he conducts annually SBP system review and prepare “Inside inspection report’. Interview with Technic-technologist as well as review of “Inside inspection report’ and other SBP audit related documents (SAR, SBR) showed that monitoring system is not well developed: SAR and supportive document were not fully prepared and contain mistakes. In fact, technik-technologist involved in managing of SBP system and do monitoring, while deputy director is not involved in SBP system review and monitoring. Taking in account that the BP has well developed procedure, staff is trained and good in understanding of relevant SBP requirements the minor NCR is issued	
Timeline for Conformance:	3 months from the report finalisation
Evidence Provided by Company to close NC:	Audit 2020 Not provided, NCR is upgraded to Major. CVA Audit 2021 Non-conformance correction report (exh 3) Document “Functional control of the SBP system in the plan” dated 05.04.2021 (exh 4)
Findings for Evaluation of Evidence:	Audit 2020 The BP has not undertaken steps to close this non conformance CVA Audit 2021 SBP manager has provided Non-conformance correction report where root cause of non-conformance was defined as: 1) the SBP's internal control system has been developed. But it was not developed properly in order to work well. A supervisor has not been appointed and supervisor instructions have not been developed to supervise the SBP responsible. To eliminate root cause document “Functional control of the SBP system in the plan” dated 05.04.2021 was developed. A person was appointed to supervise the SBP responsible and conduct internal audit of the SBP system.
NC Status:	Closed

NC number NC-000981 (01/21)	**NC Grading: Major**
Standard:	SBP Standard 2: Verification of SBP-compliant Feedstock
Requirement:	6.2 The BP shall record the place of harvesting and the identity of the primary wood processor responsible for the supply of inputs classified as SBP-compliant secondary feedstock.
Description of Non-conformance and Related Evidence:	
The part of sawdust volume originates from sawmill of the BP. All roundwood to sawmill come from forest management units. It is confirmed by reviewing of purchase agreements with these FMUs. The BP also sources sawdust from sawmills. The responsible for SBP was not able to provide records of place of harvest for several primary wood processors responsible for the supply of inputs classified as SBP-compliant Secondary Feedstock. Due to Major non-conformance was issued in 2019 for the same indicator auditor raised Major non-conformance.	
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-000982 (03/21)	**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 BP has prepared SBR using the latest versions of the SBR Template for Biomass Producers. During review it was found out that: 1) the description of forest resources is outdated 2) not included a comparison of the scale of harvesting compared to other forest based industries in the region (describe what share of the harvested timber in the region is used in bioenergy sector) 3) description of primary feedstock is with mistakes..	
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-000983 (03/21)	**NC Grading: Major**
Standard:	Instruction Document 5E: Collection and Communication of Energy and Carbon Data 1.5
Requirement:	6.3.3 For each Feedstock Group the following parameters are recorded: a) Feedstock Group ID b) Feedstock Type c) Origin d) Physical Description e) Country of harvest (new row for each country) f) Raw mass as received in metric tonnes g) Moisture as received (weighted average, single figure) h) Weighted average distance (km) , i) Maximum distance (km) j) Type of vehicle used k) Fuel or driving force used by the vehicle, l) Weighted average truckload, m) Any pre-processing occurring outside the BP plant (chipping, drying, none)

Description of Non-conformance and Related Evidence:	
. It was explained by the SBP responsible that feedstock is measured at least ones per day. Responsible – pellet shop master. The records then accumulated by technologist in excel sheet. The average moisture of feedstock for reporting period is 62.8% which is too high taking in account that feedstock is transported over the long distances and then stored under shelter. This lack or incorrect measurement has important consequences on the SAR redibility data, because moisture content may affect on the total energy use within the pellets production process. Incoming mass flow of feedstock and outgoing products can not be reconciliated together with this high moiture content. For these reasons the NCR is considered major and the SAR can not be approved.	
Timeline for Conformance:	3 months from the report finalisation
Evidence Provided by Company to close NC:	New moisture equipment. New moistures measurement on the feedstock used for production 02-07/02/2022
Findings for Evaluation of Evidence:	As root cause analysis the CH has conclded that the moisture equipment used was not working proposerly and the BP has purchased new moisture measurement equipment (AND ML-50). The measurements records from the period 02-07.02.2022 were provided to auditor. Average moisture of feedstock was received as 52,9%, moisture of feedstock at the dryer outlet – 11.25%, moisture of pellet – 7,3. These new values were used in this SAR
NC Status:	Closed

NC number NC-001011 (02/21)	**NC Grading: Major**
Standard:	SBP Standard 2: Verification of SBP-compliant Feedstock
Requirement:	6.3 The BP shall ensure that the place of harvesting is within the defined SB.
Description of Non-conformance and Related Evidence:	
The part of sawdust volume originates from sawmill of the BP. All roundwood to sawmill come from forest management units. It is confirmed by reviewing of purchase agreements with these FMUs. The BP also sources sawdust from sawmills. The responsible for SBP was not able to provide records of place of harvest for several primary wood processors responsible for the supply of inputs classified as SBP-compliant Secondary Feedstock. Due to Major non-conformance was issued in 2019 for the same indicator auditor raised Major non-conformance. .	
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-001012 (05/21)	**NC Grading: Minor**
Standard:	Instruction Document 5E: Collection and Communication of Energy and Carbon Data 1.5
Requirement:	6.10.3 At least one of the following options shall be used for the drying process, where applicable: Option 1 – Specify energy use of dryer, when applicable. - If a heat meter is installed, calculate how much heat energy from the boiler is provided to the dryer and provide details of the calculation; - Specify heat consumption in kWh per metric tonne dried feedstock and the corresponding period for this evaluation. Option 2 – Specify input moisture content of feedstock. - The preferred method in 6.9.2 is the weighted average moisture content based on moisture evaluation per shipment for all Feedstock Group. - When measurement of moisture of incoming feedstock is not determined on receipt of feedstock, the moisture content shall be measured and recorded as soon as possible in the production process. For example, in the case of the receipt of logs, moisture should be measured after debarking and processing to chips. - In the absence of moisture monitoring as specified above, the methodology used and the values recorded shall be justified to the CB, and the justification shall be recorded in the SAR.
Description of Non-conformance and Related Evidence:	
The BP uses for drier a belt drier. Drier use hot water producted in a closed facility from same company. Feedstock used for the drier is wood chips. The BP has provided in the SAR the energy calculation based on theretical documentation and efficiency of the installed machinery but for calculations used 50% moisture content of wood chips. This value is also an estimated value and the BP has not provided evidences of its measurement.	
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

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:	09 Feb 2022
Other comments:	See Major NCR with short deadline