



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

NCR-verification 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:	Aliaksandr Zubkevich
Audit team members:	Aliaksandr Zubkevich
Name of the Company:	BIOHITENERGY, Limited Liability Company
Company legal address:	96/13 Sovetskaya street, 247841 Lelchici, Gomel region, Belarus
Company contact for SBP:	Yuri Moskalevich
Company contact email:	biohit2018@yandex.by
Company website:	N/A
SBP Certificate Code:	SBP-07-57
Date of certificate issue:	26 Feb 2020
Date of certificate expiry:	25 Feb 2025
Audit closing meeting date:	26 Apr 2021
Audit cycle:	NCR-verification 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 1.4	☐
Includes Supply Base Evaluation (SBE):	No	☐
Includes communication of Dynamic Batch Sustainability Data (DBSD)	Yes	☐
Includes Group Scheme	No	☐
Products	Pellets	☐

Feedstock types:	Secondary	☐
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: NC-COC-057468	☐
	Transfer	☐

2.1 Description of the company

BP is a pellet and briquet producing company located in Gomel region, Belarus. Total annual production capacity of pellet plant is 12000 tones. Company runs pellet production, as well as briquet production. Secondary feedstock (Sawdust, wood chips, off-cuts, shavings) are used in pellet production as well as used for the drier. The secondary feedstock used for pellet production originates from Belarus, Gomel region and has FSC 100% claim. The BP has sourced 79% of feedstock with FSC 100% and 21% as not certified. The BP implements FSC transfer system and produced biomass is sold both with FSC 100% claim and as not certified. The SBP biomass was transported by rail to Belarusian/Latvian border, Bigosovo railway station in reporting period. Pellet plant was commissioned in June 2019.

2.2 Detailed description of the Chain of Custody system

BP implements FSC transfer system of claims. The input material used by the Organisation for biomass production contains only secondary feedstock — sawdust, shavings, off-cuts and wood chips (for pellet production and for dryer). Secondary feedstock (sawdust and wood chips) is sourced only from external suppliers (sawmills). The BP sourced for pellet production both FSC 100% feedstock and not certified, major part of non-certified feedstock was used for briquet production. The organization has the segregation system in place. Physical separation is implemented – FSC certified material is stored in special place and processed separately in time when production line is cleaned of non-certified product. The organization does not use any imported material. Incoming material reception register and supplier list are maintained. All material is checked during the arrival and correctly recorded in the internal system.

3 Specific objective

The objective of the audit was to check the actions taken by the BP to close major non-conformances. The first phase was to check documents sent by the BP. Employees were surveyed via mobile phone. Documents and their practical implementation were checked.

4 Evaluation process

4.1 Timing of evaluation activities

Audit Level of Effort (LoE)		
Activity	Auditors	Auditor hours
1. Preparation	Aliaksandr Zubkevich	1,0
2. On-site (excl. travel time)	Aliaksandr Zubkevich	2,0
3. Report writing	Aliaksandr Zubkevich	0,5
4. Other	N/A	N/A

Audit Schedule			
Activity	Location	Auditor name	Date/time
<i>Documents review, phone interview</i>	Minsk	Aliaksandr Zubkevich	26 Apr 2021/10:00

Auditor qualification		
Auditor name	Role	Qualification
Aliaksandr Zubkevich	lead auditor	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
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4.2 Description of evaluation activities

The first phase was to check documents sent by the BP. Employees were surveyed via mobile phone. Documents and their practical implementation were checked.

4.3 Sampling methodology

Tables of accounting of actually consumed raw materials and manufactured products for March 2021 were provided, as well as balance sheets from the 1C accounting program. Phone interview with accountant and SBP reponsible was conducted.

4.4 CB stakeholder engagement

None

4.5 Stakeholder feedback

None

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.

Weaknesses: not identified during this audit

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 recording of moto hours

5.4 Competency of involved personnel

Overall, BP staff showed good understanding of knowledge of all applicable SBP requirements. SBP related staff responsibilities are presented in Section 3 of the SBP Procedure. Interviewed staff was well familiar with their responsibilities. Generally, very few staff members are involved into SBP certification: SBP responsible/deputy director (maintaining of the management system, staff training, volume recording,), chief of production of pellet plant (moisture measurements, weight of biomass produced), accountant (performance of outcoming invoices and transport documents, SAR preparation).

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-000291	NC Grading: Major
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:	
The following average conversion factor for reporting period was received as: 2,0 solid m3 of secondary feedstock for production of 1 tone pellets and 0,2 solid m3 of wood chips for drier per 1 tonne of pellet. The deputy director explained that the conversion factor is received based on measurement of volume of input feedstock (quantity of loader shovel) and biomass produced which is conducted each day. During review of accountant records it was found out that conversion factor for both certified and non certified biomass is 2,2, but for FSC certified is only 2,0 while the feedstock with the same characteristic was used for non certified biomass. Taking in account recorded average moisture of feedstock (which is 50%) and input volume of feedstock auditor via theoretical calculation came to significant difference (15,7%) between theoretically calculated volume of biomass and recorded volume of produced biomass. The methodology of conversion factor is clearly explained by the deputy director.	
Timeline for Conformance:	Other
Evidence Provided by Company to close NC:	Analysis of the root cause for the non-conformity (exh 1) Tables of accounting of actually consumed raw materials and manufactured products for March 2021 (exh 2) Balance sheets from the 1C accounting program for March (exh 3)
Findings for Evaluation of Evidence:	The SBP responsible reported that an analysis was made of the root cause for the non-conformity. As possible reasons, it was assumed that the volumes of raw materials used are measured inaccurately, as well as errors in moisture measurement are possible. The organization re-measured the loader bucket and came to the conclusion that 1 dense m3 of raw material fits into the bucket. Also, the moisture meter was put to the test. It was explained that thorough control for front loader operator was implemented. The every shift control of the calculation of the buckets loaded by the loader makes it possible to more accurately calculate the consumption of feedstock. The operator's log entries are monitored every day by the responsible person and transferred to a spreadsheet on the computer. At the end of the month, the responsible person calculates the consumed raw materials per ton of products. The data is transferred to the accounting department for writing off raw materials upon the fact of work for a month (previously, feedstock was written off at an approved conversion factor for a year). The organization has implemented new system of recording from March 2021. Tables of accounting of actually consumed raw materials and

	manufactured products for March 2021 were provided, as well as balance sheets from the 1C accounting program. The actual conversion factor was received as 2 m3 of raw material per 1 ton of pellets and 0.3 m3 of raw material per heat generator, which give minor (5%) difference with theoretically calculated volumes.
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):	Asko Lust
Date of decision:	27 Apr 2021
Other comments:	N/A