



NEPCon OÜ Evaluation of Pelletizer, Limited Liability Company 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

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:	Siarhei Minkevich
Audit team members:	none
Name of the Company:	Pelletizer, Limited Liability Company
Company legal address:	Arched building in the area of the village Oleshkovichi, Moschanytsky village council 5, Belarus Mogilev region, Belynichy district, Belarus
Company contact for SBP:	Darya Karankevich
Company contact email:	buhgalter@bepellet.by
Company website:	N/A
SBP Certificate Code:	SBP-07-66
Date of certificate issue:	17 Mar 2020
Date of certificate expiry:	16 Mar 2025
Audit closing meeting date:	26 Feb 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)
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 1.3	☐
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: SCS-COC-008124	☐
	Transfer	☐

2.1 Description of the company

Pelletizer LLC is a secondary processor (biomass producer) with production capacity of 7000 tone pellets/year, located in Mogilev region, Belarus. BP was established in 2012 and has 29 staff members. The BP holds valid FSC CoC certificate covering biomass production only, and uses only FSC 100%-certified feedstock for pellet production (sawdust, wet and sometimes dry) and heating (firewood). All feedstock is purchased from external suppliers which are state forest management enterprises (in Belarus normally each state forest management enterprise has its own sawmill). Feedstock is delivered to production site by BP's own trucks. Biomass is delivered to the customer by means of railway service (railway wagons). Occasionally the deliveries can be made by the trucks (however it is not common mean of deliveries for export, but more typical transport for the internal market).

2.2 Detailed description of the Chain of Custody system

BP holds valid FSC CoC certificate <https://info.fsc.org/details.php?id=a02f300000jTEECA4&type=certificate> covering the secondary (pellet production) wood processing. Only secondary feedstock (sawdust) with FSC 100% claim will be used for pellet production and FSC transfer system of claims is implemented (all pellets will have FSC 100% claim). Some amount of biomass is produced of non-certified secondary feedstock, and in this case BP ensures physical segregation of such non-certified wood material from certified wood material at all stages. During the audit 2021 no NCRs were raised on the procedure and performance of chain of custody system.

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. 1.3.

4 Evaluation process

4.1 Timing of evaluation activities

Audit Level of Effort (LoE)		
Activity	Auditors	Auditor hours
1. Preparation	Siarhei Minkevich	1,0
2. On-site (excl. travel time)	Siarhei Minkevich	8,0
3. Report writing	Siarhei Minkevich	2,0
4. Other	N/A	N/A

Audit Schedule			
Activity	Location	Auditor name	Date/time
<i>Opening meeting</i>	Office	Siarhei Minkevich	24 Feb 2021/08:30
<i>Chain of custody review (site tour); staff interview; document review</i>	Production facilities	Siarhei Minkevich	24 Feb 2021/08:45
<i>Documents and procedures review, staff interview.</i>	Office	Siarhei Minkevich	26 Feb 2021/08:45

<i>Documents and procedures review (SBR, SBP procedures and critical points, energy use primary data), SAR data, staff interview.</i>	Office	Siarhei Minkevich	26 Feb 2021/14:15
<i>Closing meeting</i>	Office	Siarhei Minkevich	26 Feb 2021/16:30

Auditor qualification		
Auditor name	Role	Qualification
Siarhei Minkevich	SBP auditor	NEPCon SBP auditor, FSC FM/COC and FSC CoC/CW lead auditor. He has successfully passed SBP lead auditor training in Germany in September 2019 and participated in several SBP assessments in Belarus and Lithuania

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 and FSC system description was provided by the company in the beginning of the assessment, which started with an opening meeting attended by the representatives from Organisation's management and staff.

Audit team leader introduced the audit team, provided information about audit plan, methodology, auditors qualification, confidentiality issues, and assessment methodology and clarified certification scope. During the opening meeting the audit team leader explained CB's approval related issues.

After that auditors 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/mass balance requirements, emission and energy data and categorisation of input and verification of SBP-compliant biomass. During the audit special attention was paid to the following specific

critical control points: reception, identification of material, segregation, volumes recording / accounting, conversion factor and sales. 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.

Impartiality commitment: NEPCon commits to using impartial auditors and our clients are encouraged to inform NEPCon management if violations of this are noted. Please see our Impartiality Policy here: <http://www.nepcon.org/impartiality-policy>.

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

The stakeholder consultation was carried out on January 03, 2020 (before assessment 2020) 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 comments received from stakeholders prior to, during or after this audit.

5 Results

5.1 Main strengths and weaknesses

Strengths: 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: No significant weaknesses identified by auditor. See also chapter "Non-conformities and observations"

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 delivery and handling; diesel for biomass handling and shipping; diesel for biomass transportation to customer. Diesel consumption value by vehicles used at pellet plant is based on actual refuelling data obtained in accountancy; electricity consumption value by pellet plant is based on invoices issued by electricity supplier on a monthly basis.

5.4 Competency of involved personnel

Overall, BP staff showed good understanding of knowledge of all applicable SBP requirements. Generally, very few staff members are involved into SBP certification: SBP responsible person/chief accountant (SBP procedures and systems updates, SBR, complaints, conversion factor updates, DTS) and engineer-technologist (SAR and energy use data collection). Prior to and during SBP assessment 2020, BP was supported by external consultant, who also has provided relevant training to BP staff.

6 Review of company's risk assessments

6.1 Overview of company's risk assessments and mitigation measures

N/a

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-000360 (NC number 01/21)	NC Grading: Minor
Standard:	Instruction Document 5E: Collection and Communication of Energy and Carbon Data 1.3
Requirement:	6.4.5 For reporting mass F, the total mass of material processed during the Reporting Period for biomass production must be recorded including the share that is diverted as biomass fuel. If part (or optionally the totality) of the Feedstock Group is diverted as biomass fuel, then consider the total mass as received in F and add also a corresponding line in Table 3.5 of the SAR where the raw tonnage is reported for the share used as biomass fuel (see paragraph 6.9.5).
Description of Non-conformance and Related Evidence:	
The organization keeps records of the receipt and consumption of sawdust for the production of fuel pellets. PB registers feedstock and biofuels. In accordance with national requirements, the amount of sawdust is estimated using approved ratios (conversion factors). The volume of firewood (biofuel) is determined on the basis of a geometric method using the full-wood percentage in accordance with STB 1512-2012. The volume of sawdust is determined using conversion factors. The calculation of the volume of sawdust is carried out by the geometric method using the coefficient of conversion of the bulk volume to solid volume (according to STB). The following consumption rates are adopted: 2.0 m3 of feedstock (sawdust) per ton of pellets; 0.43 m3 of biofuel for heat generation. During the audit, it was found that the data on feedstock moisture content contain errors; moisture measurement technology needs to be improved. There were errors in the feedstock data (received volume), before the completion of the report BP made changes to the general data on the received of feedstock, taking into account the receipt of feedstock by the transport of the contractor. The final data provided in the SAR document for feedstock amounts and moisture shows that the BP produced 565.96 tn more than the theoretical calculation used the dry mass balance approach this difference represent 9.5% of the production. Mass balance calculation: Feedstock: $11396.7 \times 0.43 = 4900.58$ tn. Biomass (pellets): $5929.01 \times 0.922 = 5466.544$ tn. The difference is 565.96 t (9.5% out total production). The organization has developed and used computer based accounting system. Auditor checked the accounting records. The volume of supplies of feedstock corresponds to the indicated figures. There are errors in the technology for measuring moisture and calculating average moisture values. The results of moisture assessment have a significant influence on the tonnage of feedstock. The auditor raised a report on a minor nonconformance, since in general, the organization has implemented the technology for measuring the moisture content of feedstock. Feedstock and biomass accounting is carried out in a computer accounting program.	
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
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NC number NC-000362 (NC number 02/21)	NC Grading: Minor
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:	
SBR has been prepared by BP and made publicly available on the BP website https://belpellet.by/about/ BP has started to work with SBP Audit Portal but due to internal technical circumstances they have not completed the publishing the SBR at SBP Audit Portal. The report in general meets requirements. However not all applicable fields are filled in: Describe the harvesting type which best describes how your material was sourced Was the forest in the Supply Base managed for a purpose other than for energy markets? For the forests in the Supply Base, is there an intention to retain, restock or encourage natural regeneration within 5 years of felling? Was the feedstock used in the biomass removed from a forest as part of a pest/disease control measure or a salvage operation? SBR does not have explanation on the following questions (see Description in SBR Template): Include a comparison of the scale of harvesting compared to other forest based industries in the region. The description must include a description of the forestry management practices or land management practices used.	
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-000361 (NC number 03/21)	NC Grading: Minor
Standard:	SBP Standard 2: Verification of SBP-compliant Feedstock
Requirement:	15.3 The BP management system shall document all necessary procedures.

Description of Non-conformance and Related Evidence:	
The organization has developed SBP guidelines. During the revision period, the organization did not update section 15. Use of the SBP trademark. (see requirements for "SBP Certification Mark and Trade Mark Use. Guidance for Certificate Holders and Certification Bodies", v.1.2).	
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-000376 (NC number 04/21)	NC Grading: Minor
Standard:	SBP Standard 2: Verification of SBP-compliant Feedstock
Requirement:	7.3 The SBR shall be completed using the latest version of the SBR template, which is available from the SBP website.
Description of Non-conformance and Related Evidence:	
SBR has been prepared by BP and made publicly available on the BP website https://belpellet.by/about/ BP has started to work with SBP Audit Portal but due to internal technical circumstances they have not completed the publishing the SBR at SBP Audit Portal. The report in general meets requirements.	
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 Gorria Serrano
Date of decision:	27 May 2021
Other comments:	N/A