NEPCon OÜ Evaluation of Shklovdrev, Private Trade and Production Unitary Compliance with the SBP Framework: Public Summary Report

Second Surveillance Audit

www.sbp-cert.org

The promise of good biomass

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:	-
Name of the Company:	Shklovdrev, Private Trade and Production Unitary
Company legal address:	5 km west of the village of Dankovichi, Mogilev region, 213002 Shklovsky district, Belarus
Company contact for SBP:	Evgeniy Sleptsov
Company contact email:	yauhen83@mail.ru
Company website:	N/A
SBP Certificate Code:	SBP-07-48
Date of certificate issue:	31 Jan 2020
Date of certificate expiry:	30 Jan 2025
Audit closing meeting date:	26 Nov 2021
Audit cycle:	Second 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	☐
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-030010	☐
	Transfer	☐

2.1 Description of the company

BP is a wood processing (primary) company located in Mogilev region, Belarus. Total annual production capacity of pellet plant is 12000 tones. Company runs pellet production, as well as lumber production, which supplies secondary feedstock with FSC 100% claim to the pellet plant. Sawdust, wood chips and wood offcuts are used in pellet production. Secondary feedstock (slab wood) is used both for the biomass production and for the drier. The round wood used for sawmill production originates from Belarus and all has FSC 100% claim. The BP implements FSC transfer system and produced biomass is sold with FSC 100% claim. The biomass is transported by rail to Belarusian/Latvian border, Bigosovo railway station and also sell as factory gate (FCA Shklovdrev) Pellet plant was commissioned in June 2012.

2.2 Detailed description of the Chain of Custody system

BP implements FSC transfer system of claims – all round wood for primary processing is sourced with FSC 100% claim. After the reception, incoming volume of the primary feedstock (saw logs) is registered in Organisation's database and processed. Pellets are produced of the FSC 100% secondary feedstock (sawdust, shavings and wood offcuts), originating from own primary processing. In the reporting period Organisation also purchased a certain amount of sawdust from one FSC certified supplier.

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
- Assess compliance against Instruction Document 5E: Collection and Communication of Energy and Carbon Data
- DTS data review

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	8,0
3. Report writing	Aliaksandr Zubkevich	8,0
4. Other	N/A	N/A

Audit Schedule			
Activity	**Location**	**Auditor name**	**Date/time**
Opening meeting and brief documents review	Mogilev, office	Aliaksandr Zubkevich	26 Nov 2021/09:00
Documents and procedures review (feedstock inputs, SBR, CoC control system and critical points,	Mogilev, office	Aliaksandr Zubkevich	26 Nov 2021/09:20
Chain of custody review (site	Production facilities	Aliaksandr Zubkevich	26 Nov 2021/15:40

tour); staff interview			
Closing meeting	Production facilities	Aliaksandr Zubkevich	26 Nov 2021/16:40

Auditor qualification		
Auditor name	**Role**	**Qualification**
Aliaksandr Zubkevich	audit 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 evaluation 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 GHG data availability.

Description of the audit evaluation:

Audit started with an opening meeting attended by the representatives from Organisation's management and staff.

Audit team leader introduced himself, 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.

After that auditor went through all applicable requirements of the SBP standards nr. 2, 4, 5 and instruction document 5E covering input clarification, 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. 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. The data in DTS was reviewered. 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 assessment conclusions based on use of 3 angle evaluation method were provided to the management and SBP responsible person.

4.3 Sampling methodology

Auditor has visited office in Mogilev and pellet mill in Shklovsky district, 5 km West of Dankovichi village. People responsible for SBP certification were interviewed. Records for two months (October 2021, June 2021) were reviewed. Transaction in DTS were checked and compared with sample of sales cocumentation.

4.4 CB stakeholder engagement

The stakeholder consultation was not carried out for this audit

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: See non-conformance report section

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

The following key staff members are involved to SBP certification: 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/director (maintaining of the management system, staff training, trademark use), chief of pellet plant (moisture measurements), chief accountant (verification of incoming invoices and transport documents, performance of outcoming invoices and transport documents).

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-000919 (02/21)	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 have prepare SBR using outdated version of the report. During review of the SBR was found that the Supply Base Report is not concise and contain outdated information, for example:1) Section 2.4 contain wrong information about propotion of sawdust and slabwood 2) In section 2.5 data about total supply area is 9.582 million ha while in section 2.1 is 9620,9 million ha 3) Total volume of feedstock used in section 2.5 is 10 886,1 м3 while in SAR the 10 886,1 tonnes 4) In section 11.2 is wrong information about public consultation 5) In section 13 is stated that this section is not applicable, but section is applicable and shall be filled in.	
Timeline for Conformance:	3 months from the report finalisation
Evidence Provided by Company to close NC:	Updated SBR
Findings for Evaluation of Evidence:	The BP has corrected SBR. The review of updated report confirmed that report is concise and cover the most important figures
NC Status:	Closed

NC number NC-000920 (03/21)	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:	
BP is applying FSC transfer system. The following average conversion factor are using by the BP: 2,2 solid m3 of secondary feedstock (Slabs and edgings processed in chips) for production of 1 tone pellets; 2,20 solid m3 of secondary feedstock (sawdust) for production of 1 tone pellets. Convertion factor	

changed from last audit and new conversion factor is not justified.Conversion factor for the dier is 0,43 solid m3 of slabwood in summer time and 0,55 in winter time. During review of record in accounting system was found out that conversion factor for the drier was not used in a proper way. It was found out that the vonversion factor in each reviewered months vary from 0,2 to 1,3. The SBP responsible was not able to justify this difference in confersion factors for the drier.	
Timeline for Conformance:	3 months from the report finalisation
Evidence Provided by Company to close NC:	Shift reports Month report for February, March
Findings for Evaluation of Evidence:	The SBP manager explained that new system of volume measurements was implemented. The number of shovels is measured each shift as well as volume of biomass produced. Shift master fill in shift report and submit to pellet chief. Monthly report is prepared based on shift reports and submitted to accountant. In March 2021 the conversion factor was received as 2,3 solid m3 of feedstock pet tone pellet and 0.3 solid m3 of slab wood for the drier which is in line with branch average
NC Status:	Closed

NC number NC-001055 (01/22)	**NC Grading: Major**
Standard:	Instruction Document 5E: Collection and Communication of Energy and Carbon Data 1.5
Requirement:	6.5.3 The BP shall justify the data and methodology used for reporting energy and carbon data and this shall be recorded in the SAR and verified by the CB.
Description of Non-conformance and Related Evidence:	
BP measures the moisture of the feedstock prior and after drying, as well as the moisture of the pellets with established frequency, and registers the measurements in paper log. Prior to the annual audit BP has not calculated the average moisture values based on obtained measurements, but specified in SAR estimate moisture values.	
Timeline for Conformance:	Other
Evidence Provided by Company to close NC:	Moisture measurements records on paper jornal
Findings for Evaluation of Evidence:	The BP has provided records of moisture measurements on paper. During review it was found out that average for month were not calculated, but rather assumed. For example in records for November average moisture is accepted as 50%, but in fact 48.8%. The NCR is updated to Major
NC Status:	Open

NC number NC-001056 (01/22)	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 have prepare. During review of the SBR was found that the Supply Base Report is not concise and contain outdated information, for example: 1) Section 3.1 do not contain description of supply base, only listed suppliers 2) In section 3.4 data about total supply area is 9.58 million ha which is outdated data 3) Reporting period is wrong 4) The BP use in reporting period only secondary feedstock while SBR was filled in for primary too 5) In section 4 marked SBE applicable while SBE is not appliacable 6)Section 2. Not all the standarts are listed; 7)Supply base tenure right information is missing 8)There is no information about the shared of harvested timber in the region used in energy sector.	
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-001057 (02/22)	NC Grading: Major
Standard:	Instruction Document 5E: Collection and Communication of Energy and Carbon Data 1.5
Requirement:	6.1.1 BPs shall record data in an "SBP Audit Report (SAR) for Energy and Carbon data" using the latest version of the SAR appropriate to the production process.
Description of Non-conformance and Related Evidence:	
The BP used for preparation of SAR outdated template. SAR is not approved	
Timeline for Conformance:	3 months from the report finalisation

Evidence Provided by Company to close NC:	Updated SAR
Findings for Evaluation of Evidence:	The BP has provided updated SAR using latest template
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):	Olesja Puiso
Date of decision:	25 Feb 2022
Other comments:	N/A