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

Second 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

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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:	Nikolai Tochilov
Audit team members:	-
Name of the Company:	PRB Industry, Limited Liability Company
Company legal address:	45 Schcolnaya str., 211460 ag. Klyastitsy, Rossonsky district, Vitebsk region, Belarus
Company contact for SBP:	Aleksandr Girdyuk
Company contact email:	girdyuk.aleksandr@gmail.com
Company website:	N/A
SBP Certificate Code:	SBP-07-52
Date of certificate issue:	10 Feb 2020
Date of certificate expiry:	09 Feb 2025
Audit closing meeting date:	25 Jan 2022
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-056150	☐
	Transfer	☐

2.1 Description of the company

BP is a wood processing (primary) company located in Vitebsk region, Belarus. Design production capacity of pellet plant is 12000 tones. Company runs pellet production, as well as lumber production, which supplies secondary feedstock (sawdust and offcuts) with FSC 100% claim to the pellet plant; some amount of sawdust and chips is also sourced from external suppliers (with FSC 100% claim). Only secondary feedstock is used for pellet production. Primary feedstock (salvage wood, low quality stem wood) is also sourced with FSC 100% claim, and used for the dryer as biofuels. The BP implements FSC transfer system and produced biomass was sold with FSC 100% claim and as not certified. Pellet plant was commissioned in December 2019.

2.2 Detailed description of the Chain of Custody system

BP implements FSC transfer system of claims and ensures physical segregation of certified and non-certified wood material – certified and non-certified feedstock at all production stagesis stored in separate piles, and processed in different production batches. Production line is completely cleaned out prior to switching from non-certified to certified pellet production . Only secondary feedstock (originating from own sawmill as well as from external suppliers) is used in pellet production, whereas primary feedstock (low grade roundwood) is used for heating the dryer.

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. 1.5.

4 Evaluation process

4.1 Timing of evaluation activities

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

Audit Schedule			
Activity	**Location**	**Auditor name**	**Date/time**
Opening meeting	BP office	Nikolai Tochilov	25 Jan 2022/08:00
Review of the Supply Base	BP office	Nikolai Tochilov	25 Jan 2022/08:30
Review of the management and monitoring system	BP office	Nikolai Tochilov	25 Jan 2022/09:30
Review of the FSC CoC critical control points	BP office	Nikolai Tochilov	25 Jan 2022/10:00

Tax payment, anticorruption policy, legal compliance	BP office	Nikolai Tochilov	25 Jan 2022/11:00
Evaluation of H&S system	BP office	Nikolai Tochilov	25 Jan 2022/11:30
DTS	BP office	Nikolai Tochilov	25 Jan 2022/12:00
Onsite inspection of the pellet plant	Pellet plant	Nikolai Tochilov	25 Jan 2022/12:30
Energy use data review	BP office	Nikolai Tochilov	25 Jan 2022/13:30
Closing meeting	BP office	Nikolai Tochilov	25 Jan 2022/16:00

Auditor qualification		
Auditor name	**Role**	**Qualification**
Nikolai Tochilov	Audit team leader	Preferred by Nature - NEPCon SBP lead auditor. He has successfully passed SBP auditor training in Tallinn in January 2015; previous experience with more than 60 SBP assessments and annual audits in Russia, Europe and Asia.

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.

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 at the beginning of the audit, which started with an opening meeting attended by the representatives from Organisation's management and staff.

During the opening meeting, 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 accreditation 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, existing chain of custody system 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, mass balance, final product storage and sales, 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.

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.

4.3 Sampling methodology

Staff interviews: the key staff involved in SBP certification was interviewed during the audit. Onsite inspection: during onsite inspection, auditor went through the whole production, starting with feedstock delivery to the pellet plant and ending with the storage of the biomass and its shipping to customers. Documents review: auditor has verified all records related to feedstock input and biomass output; moisture measurements; electricity and diesel consumption. Special attention was paid to justification of conversion factor for pellet production, established by Organisation annually.

4.4 CB stakeholder engagement

N/A

4.5 Stakeholder feedback

N/A

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 major NCR 04/21.

5.2 Rigour of Supply Base Evaluation

N/A

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, and biomass handling and shipping to customer; biofuels for feedstock drying. Electricity consumption value is based on metering; biofuels consumption is based on actual production data; diesel consumption value is mostly based on engineering calculations.

5.4 Competency of involved personnel

Interviewed staff was well familiar with their responsibilities. Generally, only two staff members are involved into SBP certification: SBP responsible/deputy director (maintaining of the management system, staff training, trademark use, collection of energy use data, volume recording, Radix, outcoming invoices and transport documents), and chief of pellet plant (moisture measurements).

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-001262 (02/21)	NC Grading: Major
Standard:	SBP Standard 4: Chain of Custody
Requirement:	5.1.2 The legal owner shall implement all aspects of the SBP-approved CoC system requirements for the SBP feedstock and biomass. Where there is a conflict between the requirements in the SBP-approved CoC system requirements and those specified in the SBP standards, the SBP standards shall have precedence. Note: SBP feedstock or biomass will not necessarily enter into the scope of the SBP-approved CoC system certification, but the SBP-approved CoC system CoC processes and requirements shall extend to SBP feedstock and biomass.
Description of Non-conformance and Related Evidence:	
The BP holds valid FSC Chain of Custody certificate and implements FSC transfer system. Roundwood is received both with FSC 100% claim and non certified. Relevant supplier list is maintained. After the reception, incoming primary feedstock (saw logs) is registered in BP's database and processed at sawmilling facilities. Pellets are produced of the secondary feedstock both from own sawmill and from suppliers. The BP do not measure the volume of secondary feedstock from own sawmill used in pellet production.	
Timeline for Conformance:	3 months from the report finalisation
Evidence Provided by Company to close NC:	Feedstock consumption register (exh 2)
Findings for Evaluation of Evidence:	The BP informed that starting from May new feedstock volume measuring approached was implemented. The BP has started to measure number of loaded shovels with feedstock. The measured total volume then recorded in accounting records.
NC Status:	Closed

NC number NC-001263 (03/21)	NC Grading: Major
Standard:	SBP Standard 4: Chain of Custody
Requirement:	5.2.5 For all feedstock inputs the BP will keep input records. In addition to meeting the requirements specified in the SBP-approved CoC system being implemented, the input records will contain at least: a) Invoice reference(s) or other transaction number b) A description of the

	physical properties of the feedstock c) The volume of physical input d) The supplier e) Transaction date f) The certificate numbers of any certified suppliers For legal owners downstream of the biomass production process: Biomass inputs
Description of Non-conformance and Related Evidence:	
The BP record feedstock input in Excel sheet. It was found out that roundwood input was recorded in Excel (2020-2021), but secondary feedstock from suppliers during reporting period was not recorded	
Timeline for Conformance:	3 months from the report finalisation
Evidence Provided by Company to close NC:	Updated record in Excel (exh 1)
Findings for Evaluation of Evidence:	The BP has provided updated records of input and output material. The review of provided documents as well interview with SBP manager confirmed that input material was registered correctly.
NC Status:	Closed

NC number NC-001264 (04/21)	**NC Grading: Major**
Standard:	SBP Standard 4: Chain of Custody
Requirement:	6.3.1 The legal owner shall implement the requirements of either: PEFC 2002:2013 Section 9: Social, Health and Safety requirements in CoC, Or FSC-STD-40-004 V2-1 EN Section 1.6: Occupational Health and Safety Or the latest versions of these documents
Description of Non-conformance and Related Evidence:	
H&S specialist is appointed in Organisation. Safety instructions have been developed and staff training is conducted when applicable (training logs have been reviewed by auditor). It was found out that not all protective equipment were issued to workers. / Специалист по охране труда имеется в организации	
Timeline for Conformance:	3 months from the report finalisation
Evidence Provided by Company to close NC:	No evidence provided to auditor.
Findings for Evaluation of Evidence:	NCR upgraded from minor to major with 3 months deadline.
NC Status:	Open

NC number NC-001265 (02/20)	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 was established by BP based on factual measurements: 2,13 solid m3 of secondary feedstock (sawdust) for production of 1 tone pellets; 0.37 solid m3 of secondary feedstock (wood chips) for the drier for production of 1 tone pellets. It was explained by the BP staff that coefficients are received on factual measurements. The BP didn't provide auditor with any documented evidence of such factual measurements. Due to detailed explanation of how coefficients were received during interview and that coefficients looks reasonable for such type of production, minor noncompliance report was formulated by auditor.	
Timeline for Conformance:	3 months from the report finalisation
Evidence Provided by Company to close NC:	Audit 2020 - Not provided. Audit 2021 - feedstock consumption register
Findings for Evaluation of Evidence:	Audit 2020 The BP has not provided evidences to close this non conformance.The NCR is upgraded to Major Audit 2021 The BP informed that starting from May new feedstock volume measuring approached was implemented. The BP has started to measure number of shovels. Based on several day measurments conversion factors were recieved as: 1.95 solid m3 of feedstock (with moisture 33%) per tonne of pellet and 0,33 solid m3 per tonne of pellet for the drier. The difference with theoretically calculated volume is 5% which is acceptable. BP keeps doing further regular measurements in the new reporting period.
NC Status:	Closed

NC number NC-001266 (03/20)	NC Grading: Minor
Standard:	SBP Standard 4: Chain of Custody
Requirement:	IN 4B; 1.7 Only the SBP logo artwork provided directly from the SBP secretariat shall be used.

Description of Non-conformance and Related Evidence:	
Annex 2 of SBP Procedure contains SBP trademarks requirement and BP is aware of this SBP requirement. The SBP logo artwork was used by the BP on Facebook https://www.facebook.com/groups/863721774087496/?source_id=112894023590364 prior certificate issuance and this logo was not provided by SBP secretariat	
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:	Facebook page https://www.facebook.com/groups/863721774087496/about
Findings for Evaluation of Evidence:	The SBP manager informed that SBP trademark was deleted from Facebook. It was confiemd by reviewing Facebook page of the BP.
NC Status:	Closed

NC number NC-001267 (04/20)	NC Grading: Minor
Standard:	SBP Standard 4: Chain of Custody
Requirement:	IN 4B; 3.3 When used on a non-white background a white space must be retained around the SBP logo artwork to clearly differentiate it from the background.
Description of Non-conformance and Related Evidence:	
The SBP logo art is used on Facebook page https://www.facebook.com/groups/863721774087496/?source_id=112894023590364. White space was not retained around the SBP logo artwork to clearly differentiate it from the background/	
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:	Facebook page https://www.facebook.com/groups/863721774087496/about
Findings for Evaluation of Evidence:	The SBP manager informed that SBP trademark was deleted from Facebook. It was confiemd by reviewing Facebook page of the BP.
NC Status:	Closed

NC number NC-001268 (01/22)	NC Grading: Observation
Standard:	Instruction Document 5E: Collection and Communication of Energy and Carbon Data 1.5

Requirement:	6.10.2 If feedstock is dried, then the following data shall be recorded in the corresponding Tables 3.5.2 of the SAR. Initial moisture of the feedstock, as received, and method for its evaluation: - weighted average of moisture measurements performed on all Feedstock Groups; - typical value based on some measurements (frequency of measurements, - supplier / process specifications); or - default value, e.g. for round wood. Type of dryer: - drum dryer; - belt dryer; or - other (specify). Energy carrier: - steam; - hot water; - hot air / flue gases; or - other (specify) Heat consumption if a meter is installed Origin of the heat: - burner; - conventional burner; or - CHP
Description of Non-conformance and Related Evidence:	
Weighted average moisture value of the different types of feedstock was confirmed during the audit. Auditor, however, considers that it makes sense to try to measure the feedstock moisture with the other moisture meter, otherwise the moisture meter should be calibrated, as it is recommended by the manual.	
Timeline for Conformance:	N/A
Evidence Provided by Company to close NC:	N/A
Findings for Evaluation of Evidence:	N/A
NC Status:	N/A

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):	Ondrej Tarabus
Date of decision:	22 Apr 2022
Other comments:	Major NCR shall be closed within a deadline