



NEPCon Evaluation of Beltingberggroup, 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 1.4

*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

CB Name and contact: NEPCon OÜ, Filosoofi 31, 50108 Tartu, Estonia

Primary contact for SBP: Ondrej Tarabus otarabus@nepcon.org, +34 605 638 383

Current report completion date: 01/Feb/2021

Report authors: Siarhei Minkevich

Name of the Company: Beltimbergroup, Limited Liability Company. Legal and production site address: Pereseltsi village, Grodno district, Grodno, 231742, Belarus

Company contact for SBP: Alexander Vecher, phone: +375 29 398 93 10, email: beltimber2106@mail.ru

Certified Supply Base: Republic of Belarus

SBP Certificate Code: SBP-07-33

Date of certificate issue: 11/Nov/2019

Date of certificate expiry: 10/Nov/2024

This report relates to the First Surveillance Audit

2 Scope of the evaluation and SBP certificate

Scope of certificate includes production of wood pellets for use in energy production and its transportation by different means of transport to different end points in Belarus. The scope of the certificate does not include Supply Base Evaluation. The scope of the certificate includes communication of Dynamic Batch Sustainability Data.

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. 1.0.

4 SBP Standards utilised

4.1 SBP Standards utilised

Please select all SBP Standards used during this evaluation. All Standards can be accessed and downloaded from <https://sbp-cert.org/documents/standards-documents/standards>

- ☐ SBP Framework Standard 1: Feedstock Compliance Standard (Version 1.0, 26 March 2015)
- ☒ SBP Framework Standard 2: Verification of SBP-compliant Feedstock (*Version 1.0, 26 March 2015*)
- ☒ SBP Framework Standard 4: Chain of Custody (*Version 1.0, 26 March 2015*)
- ☒ SBP Framework Standard 5: Collection and Communication of Data (*Version 1.0, 26 March 2015*)

4.2 SBP-endorsed Regional Risk Assessment

Not applicable

5 Description of Company, Supply Base and Forest Management

5.1 Description of Company

BP is a wood processing (primary and secondary) company located in Grodno region, Belarus. Total annual production capacity of pellet plant is 7200 tones, and Organisation expects its expansion to 12000 tones. Company runs pellet production, as well as lumber and glued board production, which supplies secondary feedstock with FSC 100% claim to the pellet plant. Sawdust, wood chips and wood offcuts are used in pellet production.

The round wood used for primary production originates from Belarus and has FSC 100% claim.

The BP implements FSC transfer system and produced biomass is sold with FSC 100% claim.

The biomass is transported by truck to harbours in Latvia and Lithuania (DAP delivery conditions of Incoterms). Pellet plant was commissioned in June 2012.

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).

5.2 Description of Company's Supply Base

"Beltimbergroup" is a privately owned middle size company, established in 2012. Its main activity is production of sawn timber and glued boards. This production was followed by the decision to operate in the field of wood pellets production. The wood supply base for Beltimbergroup production processes is located in the Republic of Belarus.

The company produces wood pellets from SBP-compliant secondary feedstock – sawdust, slabs (wood processing industry waste). In the production process, for drying process, the company also uses firewood, sawdust, bark and other small fraction residues (wood processing industry waste). The company also receives non-compliant secondary feedstock – sawdust, that is used for production of wood pellets intended for internal market.

SBP-compliant secondary feedstock, 91% (sawdust, slabs, wood industry residues from own production)

SBP-noncompliant feedstock: 5%

SBP-compliant primary feedstock + SBP-noncompliant primary feedstock (firewood) used as fuel for drying 4%

This report will account for total feedstock volumes but will not include a SBE (controlled material). Certified e.g. SBP-Compliant material accounts for 91% of all production feedstock.

The plant has around 7 stable suppliers.

Wood species: Pinus sylvestris (L.); Picea abies

Belarus Forest Resources

Source (<https://www.mlh.by/en/our-main-activities/forestry/forests/>)

In the Republic of Belarus forests are one of the main renewable natural resources and the major national wealth. The woods and forest resources are of great importance for sustainable social and economic development of the country, ensuring its economic, energy, ecological and food security. For a number of the key indicators characterizing forest fund (woodiness of the territory, the area of the woods and stock of growing wood in terms of per capita), Belarus is among the top ten forest states of Europe.

Forests in the Republic of Belarus are the exclusive property of the State, which means that all produced timber originates from state managed forests. The Forest Code (Forest Code of the Republic of Belarus of 2015 No. 332-Z) states that Belarusian forests are divided into 4 categories according to the management purpose: conservation forests, recreation and health forests, protective forests, and managed forests. Harvesting of timber is allowed depending on the management and protection regime assigned based on the forest category.

Forestry of Belarus, successfully implementing the principles of sustainable multipurpose forest management, is important for stable functioning of the forest sector of the country and contributes to the development of allied industries of economy, making a significant contribution to the implementation of the signed international treaties at the global level in the field of environmental protection. Its economic, environmental and social role has been steadily increasing. All this gives grounds to say that in modern conditions the forestry sector from traditional commodity industry turns into infrastructural and one of the key sectors of the national economic complex, especially in the rural areas of the country.

As a result of purposeful work on reproduction of the woods and forest growing, positive dynamics of forest fund is reached.

So from 1994 the key quantitative and qualitative indexes of the forests improved:

- forest area increased by 889,2 thousand hectares from 7371,7 to 8260,9 thousand hectares;
- the area under forest of the Republic reached 39.8 per cent (increased by 4.3%);
- the total stock of standing timber increased by 702,8 million cubic meters and amounted to 1796,0 million cubic meters (including in Mature and overmature stands - 250,4 million cubic meters and constituted – 296,0 million cubic meters);
- the stock per 1 ha. of forested land increased by 69 cubic meters and amounted to 217 cubic meters per 1 ha.; the stock of mature and overmature plantings increased by 54 cubic meters and reached 267 cubic meters per 1 ha.;
- average age of plantings increased from 44 to 56 years

Dynamics of indices of forest Fund of the Republic of Belarus:

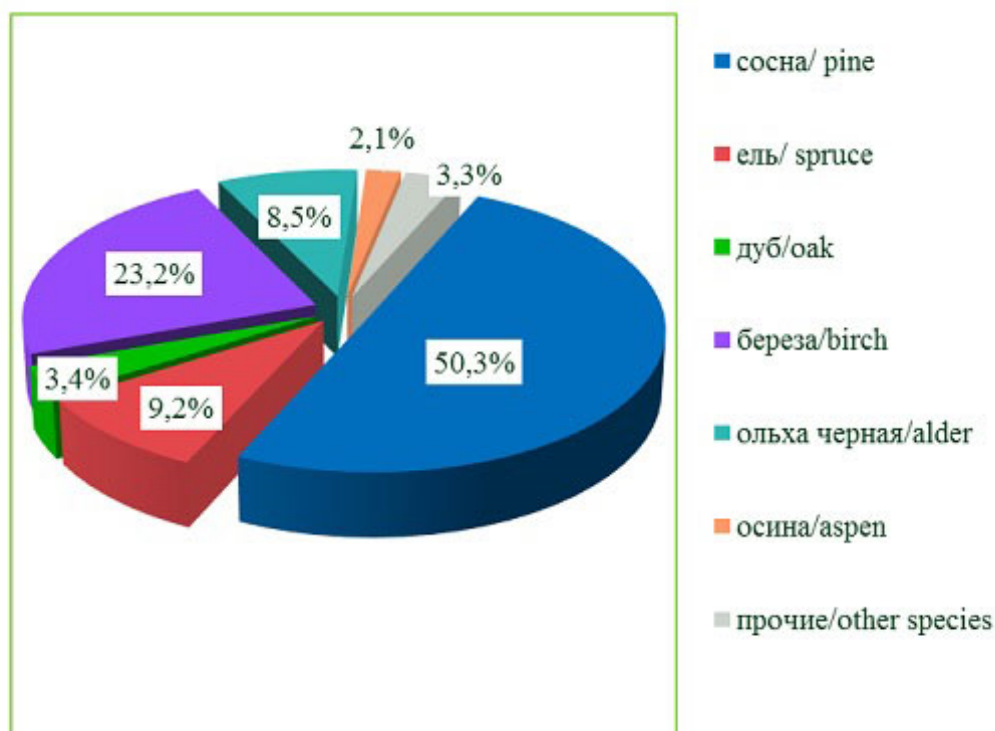
Name of indicator	unit of measure	Index as at			
		1994	2001	2010	2018
1. The total area of forest fund lands	thousand hectares	8676,1	9247,5	9416,6	9582,0
1.1 Forest lands	thousand hectares	7775,9	8275,7	8598,2	8724,1
	%	89,6	89,4	91,3	91,0
1.2 Forested land – in all	thousand hectares	7371,7	7850,6	8002,4	8260,9
	%	85	85,0	85,0	86,2
mature and overmature	thousand hectares	350,1	623	804,4	1215,4
	%	4,7	7,9	10,1	14,7
2. Area under forest	%	35,5	37,8	38,5	39,8
3. The General stock of stands – in all	million m3	1093,2	1339,9	1566,1	1796,0
4. The total average inventory change	million m3	24,9	28,2	30,2	32,7
5. The average stock of plantations	m3/hectar	148	171	196	217
5.1. Mature and overmature	m3/hectar	213	220	244	267
6. The average age	years	44	48	52	56

In Belarus along with increase in total area of forest fund also the sustainable growth of the areas of ripening as well as mature and overmature plantings is observed.

All forests in Belarus are the exclusive property of the state.

Name of the ministries, organizations	Area, thousand ha.	The percent of total area	The number of the legal entities conducting forestry
The Ministry of Forestry	8434,8	88,0	98
The Ministry of defence	89,7	0,9	2
Ministry of Emergency Situations	216,1	2,3	1
Ministry of education	27,5	0,3	2;
Administrative Department of the President of the Republic of Belarus	757,2	7,9	7
The national Academy of Sciences of Belarus	41,5	0,4	3
Local executive and administrative bodies	14,9;	0,2	5
In all	9582,0	100,0	118

Породная структура лесов/ Species composition of forests



Belarus has been a signatory of the CITES Convention since 1995. CITES requirements are respected in forest management, although there are no species included in the CITES lists in Belarus.

When harvesting wood, according to the forest legislation of the Republic of Belarus, individual species Listed in the Red Book and their habitats are subject to conservation. Cutting of valuable, endangered and protected tree species is prohibited.

Forest certification is an effective tool to combat illegal logging and illegal timber trafficking. Two schemes of forest certification have found their place in the Republic of Belarus – the forest certification system FSC (Forest Stewardship Council) and the forest certification system of the National Conformity Certification System, recognized by the Pan-European Forest Certification Council (PEFC). Taking into account the requirements of the international scheme of the Forest Stewardship Council (FSC), 9.4 million hectares of forest fund are certified (98% of the total forest fund). PEFC certified forest management and forest management systems of 105 legal entities conducting forestry on an area of 8.8 million hectares of forest fund.

5.3 Detailed description of Supply Base

Total Supply Base area (ha):	9,582 mln ha
Tenure by type (ha):	9,582 mln ha state owned forests
Forest by type (ha):	9,582 mln ha temperate forest
Forest by management type (ha):	9,582 mln ha managed semi-natural, natural
Certified forest by scheme (ha):	9,027 mln ha FSC certified forest 8,8 mln ha PEFC certified forest

Detailed information about BP's supply base may be found in their Supply Base Report available in Internet at <http://www.beltimbergroup.by/o-nas.html> and is uploaded to SBP website in company profile as SBP certificate holder.

5.4 Chain of Custody system

The BP holds valid FSC Chain of certificate

<https://info.fsc.org/details.php?id=a02f300000e0spQAAQ&type=certificate>

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 secondary feedstock from non-certified suppliers, and produced non-certified biomass (physical segregation at all stages). During FSC CoC audit 2019, which was conducted at the same time by NEPCon team, two minor NCRs have been identified in relation to physical segregation of the secondary feedstock. During the audit 2020 no NCRs were raised on the procedure and performance of chain of custody system.

6 Evaluation process

6.1 Timing of evaluation activities

Preparation before audit took 2 hours. Audit was conducted in October 15, 27 (app. 9,5 working hours). Audit activities included documents review at office, inspection of production facilities and staff interviews.

Activity	Location	Date/time
Opening meeting	Office	15/10/2020 08.30-08.45
Chain of custody review (site tour); staff interview; document review	Production facilities	15/10/2020 08.45-12.15
Documents and procedures review (feedstock inputs, SBR, CoC control system and critical points, compliance with legal requirements, H&S), SAR data, staff interview.	Office	15/10/2020 13.15-16.00
Documents and procedures review (SBR, SAR and energy use primary data); staff interview	Office	27/10/2020 09.00-12.30
Closing meeting	Office	27/10/2020 12.30-13.000

6.2 Description of evaluation activities

Composition of audit team:

Auditor(s), roles	Qualifications
Siarhei Minkevich, SBP auditor	NEPCon SBP lead 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.

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:

All SBP related documentation connected to the SBP as well as FSC CoC and FSC PEFC system of the organisation, including SBP Procedure, SAR and GHG data calculations, Supply Base Report, FSC and PEFC 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.

Auditor 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.

A roundtrip around BP's pellet production was undertaken. During the site tour, applicable records and documents were reviewed, staff was 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, mass balance, 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/mass balance requirements, 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.

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>.

6.3 Process for consultation with stakeholders

The stakeholder consultation was carried out before assessment in 2019 (August 08, 2019) 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. No comments from the stakeholders have been received before audit 2020.

7 Results

7.1 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..

7.2 Rigour of Supply Base Evaluation

Not applicable

7.3 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 on engineering calculations and tests performed by BP; diesel consumption value is mostly based on actual refuelling data obtained in accountancy or from contractor (transport company).

7.4 Competency of involved personnel

Overall, BP staff showed good understanding of knowledge of all applicable SBP requirements. The following key staff members are involved to SBP certification: SBP related staff responsibilities are presented in Section 4 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), export manager (collection of energy use data), chief of pellet plant (moisture measurements), chief accountant (verification of incoming invoices and transport documents, performance of outgoing invoices and transport documents). Prior and during SBP audit 2020, BP was supported by external consultant, who also have provided relevant training to BP staff.

7.5 Stakeholder feedback

No comments received from stakeholders prior to, during or after this audit.

7.6 Preconditions

None

8 Review of Company's Risk Assessments

Describe how the Certification Body assessed risk for the Indicators. Summarise the CB's final risk ratings in Table 1, together with the Company's final risk ratings. Default for each indicator is 'Low', click on the rating to change. Note: this summary should show the risk ratings before AND after the SVP has been performed and after any mitigation measures have been implemented.

Not applicable

9 Review of Company's mitigation measures

Not applicable

10 Non-conformities and observations

Identify all non-conformities and observations raised/closed during the evaluation (a tabular format below may be used here). Please use as many copies of the table as needed. For each, give details to include at least the following:

- applicable requirement(s)
- grading of the non-conformity (major or minor) or observation with supporting rationale
- timeframe for resolution of the non-conformity
- a statement as to whether the non-conformity is likely to impact upon the integrity of the affected SBP-certified products and the credibility of the SBP trademarks.

NC number 01/20	NC Grading: Minor
Standard & Requirement:	SBP Standard 2: Verification of SBP-compliant Feedstock V.1.0, Instruction Note 2C: Supply Base Report – Requirements for Biomass Producers 4.1 The report shall be concise, covering the most important features, and shall be completed using the latest versions of the SBR Template for Biomass Producers downloaded from the SBP website
Description of Non-conformance and Related Evidence:	
The Supply base Report contains technical and multiple grammatical errors, making the text difficult to read. There is no comparative data on the volume of logging in comparison with data from other sectors in the country related to forestry. The forest management practices in Belarus are not fully covered. The number of suppliers for each group of feedstock and tree species mix are not indicated (the approximate number of “stable suppliers” is indicated) (see clause 2.1 General description in the SBP Template of the Supply Base Report (Supply-Base-Report-Template-for-BPs-v1.3)). В отчете о ресурсной базе присутствуют технические и множественные грамматические ошибки, что усложняет восприятие текста. Отсутствуют сравнительные данные объемов лесозаготовок в сравнении с данными других отраслей в стране, связанных с лесным хозяйством. Практика ведения лесного хозяйства в Беларуси не полно освещена. Не указано количество поставщиков по каждой группе сырья и древесные породы (указано примерное количество постоянных поставщиков) (см. п. 2.1 Общие сведения в SBP форме Отчета о ресурсной базе (Supply-Base-Report-Template-for-BPs-v1.3)).	
Timeline for Conformance:	By the next surveillance audit, but no later than 12 months from report finalisation date До следующего ежегодного аудита, но не позднее 12 месяцев с даты утверждения отчета
Evidence Provided by Company to close NC:	-
Findings for Evaluation of Evidence:	-

NC Status:	Open
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11 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:	01/Feb/2021
Other comments:	<i>Click or tap here to enter text.</i>