



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

First 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

© Copyright The Sustainable Biomass Program Limited 2020

Table of Contents

1	Overview
2	Scope of the evaluation and SBP certificate
2.1	Description of the company
2.2	Detailed description of the Chain of Custody system
3	Specific objective
4	Evaluation process
4.1	Timing of evaluation activities
4.2	Description of evaluation activities
4.3	Sampling methodology
4.4	CB stakeholder engagement
4.5	Stakeholder feedback
5	Results
5.1	Main strengths and weaknesses
5.2	Rigour of Supply Base Evaluation
5.3	Collection and communication of data
5.4	Competency of involved personnel
6	Review of company's risk assessments
6.1	Overview of company's risk assessments and mitigation measures
6.2	Specified risk indicators and mitigation measures
7	Non-conformities and observations
8	Certification decision

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:	Siarhei Minkevich
Name of the Company:	Pelleta Bay, Limited Liability Company
Company legal address:	ul. Denisova 2a, room 74, Vitebsk region, 211500 Novopolotsk, Belarus
Company contact for SBP:	Vitaliy Yushchenko
Company contact email:	pelleta-by@tut.by
Company website:	N/A
SBP Certificate Code:	SBP-07-76
Date of certificate issue:	30 Mar 2020
Date of certificate expiry:	29 Mar 2025
Audit closing meeting date:	09 Apr 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 1.4	☐
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:	Not applicable	☐
Public link: https://sbp-cert.org/documents/standards-documents/risk-assessments/		☐
Chain of custody system implemented:	FSC: NC-COC-059413	☐
	Transfer	☐

2.1 Description of the company

Pelleta Bay LLC is a secondary processor (biomass producer) with production capacity of 3600 tone pellets/year, located in Vitebsk region, Belarus. BP was established in 2018 and has 13 staff members. The BP holds valid FSC CoC certificate covering biomass production and uses only FSC 100%-certified feedstock for SBP pellet production (wet sawdust) and heating (firewood, slabs, chips). 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) as well as FSC certified private companies, etc. 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). Some amount of feedstock is non FSC certified wood material. The BP ensures segregation technologies and produces both certified and not certified pellets. The BP implements FSC transfer system and produced biomass was sold with FSC 100% claim. Non certified feedstock is stored separately and is segregated during all the production and storage processes.

2.2 Detailed description of the Chain of Custody system

BP holds valid FSC CoC certificate <https://info.fsc.org/details.php?id=a02f300000k40ohAAA&type=certificate> covering the secondary (pellet production) wood processing. Secondary feedstock (sawdust) with FSC 100% is used for pellet production and FSC transfer system of claims is implemented (all certified pellets have FSC 100% claim). As biofuel BP uses slabs, chips, also firewood (with FSC 100% claim for SBP pellets and non-certified biofuel for the production of non-certified pellets). The organization uses biofuel from certified forestry organisations (firewood, chips) and from wood-working companies (slabs, chips) for heat generation. Some amount of biomass can be produced from non-certified secondary feedstock, and in this case BP ensures physical segregation of such non-certified feedstock from certified wood material at all stages. Some amount of pellets was sold to buyers without SBP certification. During the audit 2021 no NCRs were raised

on the CoC 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. 1.4.

4 Evaluation process

4.1 Timing of evaluation activities

<i>Audit Level of Effort (LoE)</i>		
Activity	Auditors	Auditor hours
1. Preparation	Siarhei Minkevich	3,0
2. On-site (excl. travel time)	Siarhei Minkevich	12,0
3. Report writing	Siarhei Minkevich	5,0
4. Other	N/A	N/A

<i>Audit Schedule</i>			
Activity	Location	Auditor name	Date/time
<i>Opening meeting</i>	Office	Siarhei Minkevich	30 Mar 2021/9:30
<i>Documents and procedures review</i>	Office	Siarhei Minkevich	30 Mar 2021/9:45
<i>Chain of custody review</i>	Production facilities	Siarhei Minkevich	30 Mar 2021/11:00
<i>Energy Data</i>	Office	Siarhei Minkevich	30 Mar 2021/14:00

<i>Closing meeting</i>	Office	Siarhei Minkevich	30 Mar 2021/16:30
<i>Review of submitted by Email updated documents, procedures and additional data</i>	Minsk / Desktop review	Siarhei Minkevich	27 Apr 2021/13:00

Auditor qualification		
Auditor name	Role	Qualification
Siarhei Minkevich	Lead 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

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:

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.

Auditor introduced the audit scope, 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 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 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: Preferred by Nature (NEPCon) commits to using impartial auditors and our clients are encouraged to inform Preferred by Nature management if violations of this are noted. Please see our Impartiality Policy here: <http://www.preferredbynature.org/impartiality-policy>

4.3 Sampling methodology

All sites and relevant staff were audited. Sample was applied for the document evaluation: purchase records and sales. Energy data, moistures, use of fuels, etc were also evaluated on sample basis.

4.4 CB stakeholder engagement

N/A

4.5 Stakeholder feedback

N/A

5 Results

5.1 Main strengths and weaknesses

Strengths: Strengths: Use of the FSC transfer system. FSC 100% secondary (sawdust) feedstock and FSC 100% biofuel (slabs) is used. Effective recordkeeping system. Small number of the management staff and clearly designated responsibilities within the staff members.

Weaknesses: See chapter 11 Non-conformities and observations

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; diesel for biomass handling and shipping; diesel for biomass transportation to customer.

Diesel consumption value by vehicles used at pellet plant is based on calculation of fuel consumption per vehicle and data obtained in accountancy; electricity consumption value by pellet plant is based on invoices issued by electricity supplier on a monthly basis. BP has only pellet production (there is no sawmill).

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/director (SBP procedures and systems updates, SBR, complaints, conversion factor updates, DTS) and vice-director (SAR and energy use data collection). Prior to and during SBP assessment 2020, BP was supported by an experienced consultant from partner organisation, who also has provided relevant training to BP staff. Prior SBP audit, BP was supported by external consultant from a partner organisation (business partner organisation).

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-000743 (01/21)	NC Grading: Major
Standard:	SBP Standard 2: Verification of SBP-compliant Feedstock
Requirement:	7.5 The SBR shall be updated at least annually (i.e. every 12 months).
Description of Non-conformance and Related Evidence:	
Organization has prepared Supply Base Report (SBR) 2021 and made it publicly available on SBP Audit Portal. SBR version 2020 was used as a basis. However, the SBR was not properly updated as the SBR version 2021 consists incomplete data, e.g. the document SBR 2021 does not include a comparison of the scale of harvesting compared to other forest based industries in the region. The report does not provide data on the share of feedstock (in total harvests in the supply base) used for biofuel production. Not all required fields are properly updated in SBR published at SBP online Audit Portal (see field Explanation): 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? Report was not fully filled in, see below. Section 3.1."Description of the supply Base". Country, area/region was not completed. Section "3.3. Feedstock inputs by feedstock type" is also missing. Not all requested fields are marked and the system doesn't allow approve and finish the SBR	
Timeline for Conformance:	3 months from the report finalisation
Evidence Provided by Company to close NC:	N/A
Findings for Evaluation of Evidence:	N/A
NC Status:	Open

NC number NC-000744 (02/21)	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 SBP procedures. The organization's SBP guidance was provided to the auditor. Analysis of the document showed that SBP Guidelines 2021 contains outdated data: in the headers and in the text of the document there are references to the outdated version of Instruction 5 Instruction Document 5E: Collection and Communication of Energy and Carbon Data, version 1.1.); Section 6 contains the already invalid code of the organization's FSC certificate (f. Based on the existing FSC certificate No. TT-COC-007189...), also see section 7; Section 11 contains outdated data on the use of the SBP trademark, the former SBP trademark remains in Section 11 "Use of the SBP trademark" of the document PELLETA BY LTD. SBP System Guidelines, see the requirements of the document "SBP mark use: guidance for Certificate Holders and Certification Bodies "https://sbp-cert.org/documents/guidance-documents/sbp-mark-use-guidance-for-certificate-holders/	
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
Date of decision:	22 Oct 2021
Other comments:	N/A