NEPCon OÜ Evaluation of «Lyes» Sankevicha S.S., Unitary Production Enterprise 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

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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:	Aliaksandr Zubkevich
Audit team members:	Aliaksandr Zubkevich
Name of the Company:	«Lyes» Sankevicha S.S., Unitary Production Enterprise
Company legal address:	ul. Mira 12, Minsk region, 222932 Staryie Dorogi, Belarus
Company contact for SBP:	Sergey Sankevich
Company contact email:	lyos1991@inbox.ru
Company website:	https://les.deal.by
SBP Certificate Code:	SBP-07-99
Date of certificate issue:	15 May 2020
Date of certificate expiry:	14 May 2025

Audit closing meeting date:	14 May 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: **Public link:** https://sbp-cert.org/documents/standards-documents/risk-assessments/	Not applicable	☐
Chain of custody system implemented:	FSC: TT-COC-005699	☐
	Transfer	☐

2.1 Description of the company

The organization has sawmill and two pellet plants, one of which is located in Shapchitsy village and is included in this SBP certificate scope. Total annual production capacity of this pellet plant is 18 000 MT.. Sawdust was used in pellet production and forest residues (low quality roundwood, dead wood) for the drier. The sawdust is soursed only from FSC certified suppliers (external), slabwood was soursed only from own sawmill. All the secondary feedstock used for pellet production originates from Belarus and is FSC certified. Non certified feedstock is processed in other pellet plant of the same organization, these pellets are sold separately. The BP implements FSC transfer system and produced biomass was sold with FSC 100% claim. Non certified feedstock is used in another pellet plant of the same organization and therefore is segregated during all the production and storage processes.

2.2 Detailed description of the Chain of Custody system

The organization implements FSC transfer system of claims. The input material used by the Organisation for biomass production contains only secondary feedstock - sawdust for pellet production. Forest residues (low quality roundwood, dead wood) are used for the drier. The secondary feedstock (sawdust) was sourced from several external suppliers. All the feedstock used in the pellet plant was sourced with FSC 100% claim. The organization has the segregation system in place – non certified feedstock is processed on another pellet plant not included in SBP certificate. Incoming sawdust reception register and supplier list are maintained. All material is checked during the arrival.

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	14,0
3. Report writing	Aliaksandr Zubkevich	8,0
4. Other	Aliaksandr Zubkevich	8,0

Audit Schedule			
Activity	**Location**	**Auditor name**	**Date/time**
Opening meeting	Office, Starye Dorogi	Aliaksandr Zubkevich	20 Apr 2021/09:00
Documents and procedures review	Office, Starye Dorogi	Aliaksandr Zubkevich	20 Apr 2021/09:20
Chain of custody review,CoC control system and critical points	Production facilities, Shapchitsy village	Aliaksandr Zubkevich	20 Apr 2021/15:00
Closing meeting	Office, Starye Dorogi	Aliaksandr Zubkevich	20 Apr 2021/16:30

Review of evidences prepared by the BP to close Major NCRs	Minsk, desc	Aliaksandr Zubkevich	14 May 2021/09:20

Auditor qualification		
Auditor name	**Role**	**Qualification**
Aliaksandr Zubkevich	Lead auditor	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

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. The auditor has reviewered documents provided by the BP, reviewered data in DTS and Audit portal.

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. During the process, overall responsible person for SBP system and other staff were interviewed. The auditor reviewered data registered in DTS. 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 a roundtrip around BP's pellet production was undertaken. During the site tour, staff was interviewed and FSC system critical control points were analysed.

The audit continued with desk review 14.05.2021 to evaluate the compliance with critical issues identified during the the onsite visit – for details see below.

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 Starye Dorogi and production facilities in Shapchitsy village. In total were interviewed 3 people. Auditor randomly checked sales invoices for several months and compared them with data in DTS

4.4 CB stakeholder engagement

Stakeholder consultation was not conducted for this audit

4.5 Stakeholder feedback

None

5 Results

5.1 Main strengths and weaknesses

Strengths: Use of the FSC transfer system. Only FSC certified (FSC 100%) feedstock is used for the pellet plant (BP) included in the scope of the SBP certificate. Small number of the management staff and clearly designated responsibilities within the staff members.

Weaknesses: Accounting system is in Excel sheets and due to this more time need to get data. See NCR below.

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 accounting system

5.4 Competency of involved personnel

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/ deputy (maintaining of the management system, staff training, volume recording, invoicing, DTS), master of pellet plant (moisture measurements, weight of biomass produced). The BP was supported by external consultant.

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-000506 (01/20)	NC Grading: Minor
Standard:	SBP Standard 2: Verification of SBP-compliant Feedstock
Requirement:	6.2 The BP shall record the place of harvesting and the identity of the primary wood processor responsible for the supply of inputs classified as SBP-compliant secondary feedstock.
Description of Non-conformance and Related Evidence:	
The major part of sawdust volume originates from sawmills belonging to forest management enterprises. It is confirmed by reviewing of purchase agreements with these FMUs and waybills. The BP also sources sawdust from FSC certified private sawmill. The responsible for SBP was not able to provide records of place of harvest for this primary wood processor responsible for the supply of inputs classified as SBP-compliant Secondary Feedstock. Due to small volume supplied by this supplier and low probability that wood may be out form the Republic of Belarus auditor raised minor non conformance	
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:	Information from the supplier
Findings for Evaluation of Evidence:	The BP manager has explained that almost most volume of sawdust in the reporting period was sourced from the sawmill which belong to forest management enterprises and work only with wood from own managed forests. Small volume of sawdust was sourced from one FSC certified sawmill. The information about the place of harvesting was provided by request to the BP. The supplier has provided "FSC supplier list" to the BP where all suppliers listed.
NC Status:	Closed

NC number NC-000507 (02/20)	NC Grading: Minor
Standard:	SBP Standard 2: Verification of SBP-compliant Feedstock
Requirement:	20.1 The BP shall ensure that all comments or complaints regarding any aspect of the SBR, SBE and SBP certification are documented and promptly investigated, with remedial action being taken where appropriate.
Description of Non-conformance and Related Evidence:	

Procedure of addressing comments and complaints is not included in SBP Procedure of the BP. The SBP manager is aware about this requirement. There were no any comments received.	
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:	SBP procedure, version 2
Findings for Evaluation of Evidence:	The BP has updated SBP procedure. Procedure of addressing comments and complaints was added into SBP Procedure (exh 1, p. 3.1.2 and annex 2). There were no any compliants received.
NC Status:	Closed

NC number NC-000508 (04/20)	**NC Grading: Minor**
Standard:	SBP Standard 2: Verification of SBP-compliant Feedstock
Requirement:	20.2 The BP shall inform SBP of any substantiated complaints within 30 days of the completion of the BP's analysis of the complaint.
Description of Non-conformance and Related Evidence:	
Procedure of addressing comments and complaints including informing of SBP of any substantiated complaints is not included in SBP Procedure. The SBP manager is aware about this requirement.	
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:	SBP procedure, version 2
Findings for Evaluation of Evidence:	The BP has updated SBP procedure. Procedure of addressing comments and complaints including informing of SBP of any substantiated complaints was added into SBP Procedure (exh 1, p. 3.1.2 and annex 2). There were no any compliants received.
NC Status:	Closed

NC number NC-000509 (06/20)	**NC Grading: Minor**
Standard:	Instruction Document 5E: Collection and Communication of Energy and Carbon Data 1.3
Requirement:	6.2.2 The BP must inform its CB when a significant change in the operations occurs, resulting in a variation of electricity use or fossil fuel use greater than 25%. Examples may result from a change of production process, a plant refurbishment after an incident, a major change in feedstock used (e.g. use of logs instead of saw mill

	residues), change of fuel for drying (e.g. fossil fuel instead of biomass) etc. In that case, a new audit shall be required as soon as stable operations have been reached during three (3) consecutive months after the change has occurred.
Description of Non-conformance and Related Evidence:	
There are no requirement in SBP procedure to inform CB when a significant change in the operations occurs, resulting in a variation of electricity use or fossil fuel use greater than 25%.	
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:	SBP procedure, version 2
Findings for Evaluation of Evidence:	The BP has updated SBP procedure. The requirement to inform CB when a significant change in the operations occurs, resulting in a variation of electricity use or fossil fuel use greater than 25% was added in SBP procedure (exh 1, annex 12). There no significant changes recorded during reporting period.
NC Status:	Closed

NC number NC-000510 (07/20)	**NC Grading: Minor**
Standard:	Instruction Document 5E: Collection and Communication of Energy and Carbon Data 1.3
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:	
The BP has submitted data in SAR, but in some cases didn’t provide justification for data provided, for example: 1) p.3.2.1 – it was not explained in SAR that two electricity meter is installed, and electricity consumption cover also drier of lumber 2) 3.3.1 – it was not mention that moisture was not measured before and that data in SAR is based on moisture records of few days of April, Taking in account that SBP manager was able to explained and document data provided in the SAR and the only question is quality of SAR preparation the minor NCR was issued.	
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:	SAR
Findings for Evaluation of Evidence:	The BP has informed auditor that root cause of this non conformance is competence of SBP responsible. To close this non conformance the BP hired consultant. The consultant has conducted training for the BP staff and has helped with SAR preparation. All justification were recorded in the SAR.

NC Status:	Closed

NC number NC-000511 (01/21)	**NC Grading: Major**
Standard:	SBP Standard 2: Verification of SBP-compliant Feedstock
Requirement:	1 Background
Description of Non-conformance and Related Evidence:	
A conversion factor 0,66 solid m3 of slab wood and dead wood for the drier was received. The total volume of biomass fuel for the drier was calculated using conversion factor 0,66 and is 4341,18 m3 of fuel wood and 1774,36 m3 of slab wood. The BP can confirm by records only 2434,08 of 4341,18 m3 of fuel wood as FSC certified. The SBP manager explained that FSC segregation system is not implemented for own sawmill residues, so FSC certified and non-certified slab wood after own sawmill was mixed and used as a fuel for production of SBP certified pellets.	
Timeline for Conformance:	3 months from the report finalisation
Evidence Provided by Company to close NC:	records of all input material used by own samill Sample of waybills (TTN).
Findings for Evaluation of Evidence:	The SBP manager explained that the key reason of the non-comliance was that he did not understand this requirement of a standard. After analyzing of all data the BP responsible informed that in fact in the reporting period all input material for sawmill was certified and received with a claim FSC 100%, which mean that slab wood after own sawmill was also FSC certified. To prove it the SBP responsible has provided register of all input material used by own samill. Auditor reviewered records and requested sample of waybills to confirmed records. The SBP manager informed that organization intend to buy only FSC certified material in the future. In case non certified material will be sourced segregation system will be implemented for own sawmill residues too.
NC Status:	Closed

NC number NC-000512 (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 Supply Base Report was prepared on Audit portal. During review it was found out that the Supply Base Report is not concise and contains mistakes: 1) wrong information about suppliers 2) section 3.4 was not filled in propelly and so on. /Отчет о ресурсной базе был подготовлен на Audit portal. Во время просмотра было обнаружено, что отчет содержит ошибки: 1) неправильная информация о поставщиках 2) раздел 3.4 не был заполнен полностью и т.д.	
Timeline for Conformance:	Other
Evidence Provided by Company to close NC:	Updated SBR/обновленный Отчет о ресурсной базе
Findings for Evaluation of Evidence:	During the period from audit closing meeting and report finalization the BP has updated SBR on Audit portal. Review confirmed that SBR is concise and cover the most important features / В период с даты завершения аудита и до утверждения отчета организация внесла изменения в Отчет о ресурсной базе на Audit portal. Изучение отчета подтвердило, что он полный и ошибки исправлены
NC Status:	Closed

NC number NC-000513 (03/21)	**NC Grading: Minor**
Standard:	SBP Standard 2: Verification of SBP-compliant Feedstock
Requirement:	15.7 Relevant personnel shall be informed promptly of any changes to management systems.
Description of Non-conformance and Related Evidence:	
Deputy director explained, that in the reporting period training regarding SBP was conducted by him to all involved employes. But the BP didn’t provide any documented evidence of training..	
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:	Training protocol dated 23.04.2021
Findings for Evaluation of Evidence:	The BP has invited consultant to help improve SBP system – improve procedure, conduct training. Training was conducted by consultant 23.04.2021, training protocol was provided to the auditor
NC Status:	Closed

NC number NC-000514 (04/21)	**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:	
SBP manager explained that starting from April 2020 year once/twice per month he do control measurements of conversion factor. The average conversion factor for reporting period was received as 1,91 solid m3 of sawdust per tonne pellet with average moisture 43,66% and 1,05 fuel wood for the drier. During review of the data it was found out that provided data is not consistent, the difference in conversion factor during reporting period varied in 23% with almost the same characteristic (moisture) of input material.	
Timeline for Conformance:	Other
Evidence Provided by Company to close NC:	Feedstock input measurement registry The order 73 dated 02.07.2021 About responsible
Findings for Evaluation of Evidence:	The audit was extended in order to provide the BP with more time to provide response to the issue identified by the auditor." During the period from closing meeting to report approval the BP has taken steps to close the Major NCR. The BP has invited consultant to help improve SBP system. The following corrective actions were developed and implemented: 1) an order was issued appointing responsible persons for keeping records of sawdust consumption for pellet production each shift 2) the log book of the feedstock consumption for production of pellets was developed, it contains the following data: # of shift, date, loaded shovels quantity per shift, signature and name of the tractor driver, volume/weight of sawdust loaded per shift, quantity of pellets produced per shift, name and signature of the head of the workshop. 3) the organization keeps records of the supplied front loader shovels during the month, at the end of the month the volume is summed up and the data is entered into accounting records. After implementing of corrective action a conversion factor for producing 1 ton of pellets was received as 1,63 tone of sawdust or 2.147 m3 and 0,66 solid m3 of slab wood and dead wood for the drier. Taking in account recorded average moisture of feedstock (which is 43,66%) and input volume of feedstock auditor via theoretical calculation came to minor difference (0,57%) between theoretically calculated volume of biomass and recorded volume of produced biomass. The BP has taken sufficient steps to close this nonconformity and to avoid its occurrence in the future.
NC Status:	Closed

NC number NC-000515 (05/21)	**NC Grading: Minor**

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). The protective equipment is described in labour protective instruction. It was found that not all personal protective equipment was provided to workers. The H&S specialist explained that the order for the purchase of personal protective equipment has been formed, however, due to financial difficulties, the purchase has not yet been made.	
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-000516 (06/21)	**NC Grading: Minor**
Standard:	Instruction Document 5E: Collection and Communication of Energy and Carbon Data 1.4
Requirement:	3.1.9 An 'SBP Report on Energy and Carbon (SREG) for Supplied Biomass for inland transport' shall always be completed by BPs and Traders where biomass is supplied using inland transport outside the scope of a Static Data Identifier (SDI). Examples of when this will be required include: • a change of legal ownership occurs outside the scope of a BP's Scope End-point; • a different sea port is used than specified in the SDI; • a different route or mode of transport to the sea port is used than specified in the SDI; and/or • the SDI end point is an inland terminal.
Description of Non-conformance and Related Evidence:	
The BP has determined two Scope End-points for biomass supplied with an SBP Claim: factory gate and train station Gudogai. In reporting period biomass was supplied using inland transport outside the scope of a Static Data Identifier – to end point train station Bigosovo. The BP completed SREG for all such transaction, but SREG Start location in all cases was rail station Starye Dorogi which is not included in SAR as SDI. The BP continue to use SREG template version 1.0 instead of integrated in DTS SREG form	
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):	Ondrej Tarabus
Date of decision:	28 Jul 2021
Other comments:	N/A