

NEPCon Evaluation of Belarustorg (branch Mulyarovka) Compliance with the SBP Framework: Public Summary Report

Third Surveillance Audit

www.sbp-cert.org



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 ot@nepcon.org, +420 606 730 382
Current report completion date:	21/Mar/2019
Report authors: :	Aliaksandr Zubkevich
Name of the Company:	Belarustorg (branch Mulyarovka), Republican Production Trade Unitary Enterprise, 247930 v. Mulyarovka, Petrikov district, Gomel region The Republic of Belarus
Company contact for SBP:	Kalitko Sergei, Director, +375 2350 203-07/ s.kalitsko@mail.ru
Certified Supply Base:	sourcing from Republic of Belarus
SBP Certificate Code:	SBP -01-40
Date of certificate issue:	04/Oct/2016
Date of certificate expiry:	03/Oct/2021

This report relates to the Third Surveillance Audit

2 Scope of the evaluation and SBP certificate

The certificate scope covers the production site and office in Mulyarovka, Republic of Belarus. The organization produce only pellets.

The Organisation holds valid FSC Chain of Custody certificate with FSC transfer system in the scope. The input material used by the Organisation for biomass production contains only secondary feedstock - sawdust (for pellet production and for dryer). Secondary feedstock (sawdust) is sourced from external suppliers (sawmills). 89,52% of input materials delivered to the pellet production plant is FSC 100% certified, and about 10,48% of input material is not certified. The organization has the segregation system in place. The BP sourced input material form 7 suppliers (4 FSC certified, 3 not certified)

Feedstock used in the biomass production originates only from Belarus.

The certificate scope covers production of wood pellets, for use in energy production, at Belarustorg (branch Mulyarovka) and transportation by rail to Belarusian/Latvian border, Bigosovo railway station. The scope of the certificate does not include Supply Base Evaluation. The PB added Instruction Document 5D: Dynamic Batch Sustainability Data v1.1 in the scope.

Scope of the evaluation is indicated in the table below:

Scope Item	Check all that apply to the Certificate Scope		Change in Scope (N/A for Assessments)
Approved Standards:	SBP Standard #2 V1.0 SBP Standard #4 V1.0 SBP Standard #5 V1.0 Instruction Document 5D: Dynamic Batch Sustainability Data v1.1! http://www.sustainablebiomasspartnership.org/documents		☒
Primary Activity:	Pellet producer		☐
Input Material Categories:	☐ SBP-Compliant Primary Feedstock	☒ SBP-Compliant Secondary Feedstock	☐
	☐ Controlled Feedstock	☐ SBP non-Compliant Feedstock	
	☐ SBP-Compliant Tertiary biomass	☐ Post-consumer Tertiary Feedstock	

	☐ SBP-approved Recycled Claim		☐ Post-consumer Tertiary Feedstock		
Chain of custody system implemented:	☒ FSC	☐ PEFC	☐ SFI	☐ GGL	☐
	☒ Transfer		☐ Percentage	☐ Credit	☐
Points of sales	☐ Harbour – Permanent storage (Storage site)	☐ Harbour – Temporally storage (Logistic site)	☒ Other point of sale (e.g. gate of the BP, boarder, railway station etc.)		☐
Provide name of all points of sales	-	-	-DAP Bigosovo railway station		
	-	-			
Use of SBP claim:	☒ Yes		☐ No		☐
SBE Verification Program:	☐ Low risk sources only		☐ Sources with unspecified/ specified risk		☐
	New districts approved for SBP-Compliant inputs:				
Sub-scopes					☐
Specify SBP Product Groups added or removed:					
Comments:					

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;
- Review of procedure regarding adding into the scope of Instruction Document 5D: Dynamic Batch Sustainability Data v1.1.

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. Supply Base Evaluation is not covered by the Scope of the Evaluation

5 Description of Company, Supply Base and Forest Management

5.1 Description of Company

BP is a pellet producer located in Mulyarovka, Gomel region. BP may produce about 7000 tons of wood pellets annually. Incoming feedstock is sawdust from external sawmill located in the same region, Belarus. Final product is transported in big bags to railway station and then is transported in bulk by railway to Belarus/Latvian border. Sawdust with FSC 100%, claim is delivered from FSC certified forest management units in Gomel region, its share is about 89,52% in total supplies in 2018. The rest 10,48 % of supplies are non FSC certified. Non-certified material is kept separately and is also processed separately from FSC certified. Sawdust from with different FSC claims is segregated.

The BP has implemented FSC transfer system and produced biomass was sold with appropriate FSC claim depending on income material (SBP-compliant biomass).

5.2 Description of Company's Supply Base

The supply base of the organization is Belarus. Incoming feedstock is sawdust from external sawmill located in the same region, Belarus.

In Belarus, forest land covers 9.58 million ha. Forests are quite evenly spread over the country's six regions with the average value of the forest cover (ratio between the stocked forest land and the total land) being 39.8% . Area of Agricultural area 8.7 million ha.

The area covered by forest is increasing. The expansion happens both naturally and by afforestation of infertile land unsuitable for agriculture. Within the last decade, the timber production in Belarus has fluctuated approx., 19 million cubic metres (<http://www.mlh.by> 2018.)

Forest area of Belarus consists: covered by forests- 8.26 million ha, Other wooded land 0.46 million ha.

The main wood species in Belarus are: pine 50,4%, spruce 9,2%; birch 23,1%; black alder 3,3%; grey alder 3,3 %: aspen 2,1%; other species 3,3%.

The forests in the Republic of Belarus are state property. Forests under the jurisdiction of the Ministry of Forestry (Minleshoz) cover 86% of the forest fund. Besides, a significant share of the forest fund is managed by the Administration of the President of the Republic of Belarus (8%) and by the Ministry of Emergency Situations of the Republic of Belarus (2%).

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.

Forest regeneration is carried out annually over an area of 32,000 ha, including 81% of the forest planting and seeding and 19% by natural regeneration. There are 2 strictly protected Nation reserves and 4 National parks present in Belarus at the moment. Area of National reserves accounts 2,98 million ha and area of National parks is 3,98 million ha. Forestry and the forest industry are essential parts of the republic's economy. The share of forest sector in GNP is 4-5% , 3.2% of local inhabitants are employed in forest sector. All forest area is certified by PEFC certification scheme: 7,7 million. ha (83 forestry's) and FSC certification scheme app 8.3 million. ha (94 forestry's)

For details see the BP internet site <http://brt.by/production/wood-pellets/#certification>

5.3 Detailed description of Supply Base

Total Supply Base area (ha): 9.58 million ha

Tenure by type (ha): 9,58 million ha state ownership, 0 million ha private forests and 0 million ha other ownership types.

Forest by type (ha): 9.58 million ha temperate forests

Forest by management type (ha): 9.58 million ha managed semi-natural

Certified forest by scheme (ha): FSC - total certified area 8.3 million ha

Quantitative description of the Supply Base can be found in the Supply Base Report of the Biomass Producer <http://brt.by/production/wood-pellets/#certification>

5.4 Chain of Custody system

The Organisation holds valid FSC Chain of Custody certificate (NC-COC-025993). Critical control points of the FSC CoC system were evaluated also during SBP audit.

The Organisation has implemented FSC transfer system. The input material used by the Organisation for biomass production contains only secondary feedstock - sawdust (for pellet production and for dryer). Secondary feedstock (sawdust) is sourced only from external suppliers (sawmills). Approximately 89% of input materials delivered to the pellet production plant is FSC certified, and about 11% of input material is not certified. The organization has the segregation system in place. The organization does not use any imported material. Incoming sawdust reception register and supplier list are maintained. All material is checked during the arrival and correctly recorded in the internal system. Physical separation is implemented – FSC certified material is stored in special place and processed separately in time when production line is cleaned of non-certified product.

6 Evaluation process

6.1 Timing of evaluation activities

Onsite audit was conducted on February 26, 2019 (almost 5h). Audit activities included documents review at office, inspection of production facilities and staff interviews.

Action	Place	Auditor	date/ time
Introduction meeting (Appr at 10.00-10.15)	Mulyarovka branch	Aliaksandr Zubkevich	26.02.2019 10.00-12.30; 13.30-16.30
Analysis of the organization SBP system; Staff interview; Documents review procedure, instructions, training minutes, group products list, suppliers list and etc. Analyse of FSC COC system. Checking of critical points. Review of GHG date calculation, interview with staff Visit of pellet factory and laboratory, staff interview, review of records List of reviewed processes (visited departments): 1) purchase and acceptance of raw material 2) moisture measurement of raw material and products (operator); 3) production and accounting (bookkeeping); 4) Use of resources (electrician, mechanic); 5) Realisation and sales. Work with clients	Mulyarovka branch		
Lunch time 12.30-13.30	Mulyarovka branch		
Final meeting 16.30-17:00	Mulyarovka branch		

6.2 Description of evaluation activities

The audit 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 the collection of the energy and emission data.

Description of the audit evaluation:

All SBP related documentation connected to the SBP as well as FSC system of the organisation, including SBP Procedures, GHG related data, Supply Base Reports, were evaluated during the audit.

Auditor was welcomed in the company. Audit started with an opening meeting attended by the director.

Auditor introduced himself, provided information about audit plan, methodology, auditor qualification, confidentiality issues, and audit methodology and clarified verification 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 documents 5a, 5b, 5c, 5d 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 feedstock/ biomass. During the process overall responsible person for SBP system and as well as other persons having key responsibilities within the system were interviewed.

After that roundtrip around BP's pellet production was undertaken. During the site tour reception process were observed, applicable records were reviewed, pellet factory staff was interviewed and FSC system critical control points were analysed.

At the end audit findings were summarised and audit conclusion based on use of 3 angle evaluation method were provided to the representative of the company

Composition of audit team:

Auditor(s), roles	Qualifications
Aliaksandr Zubkevich Lead auditor Evaluation against all applicable requirements	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.

6.3 Process for consultation with stakeholders

No Consultation was conducted for this surveillance audit

7 Results

7.1 Main strengths and weaknesses

Strength: Use of production residuals. All elements of SBP system are implemented. Use of the FSC transfer system and control of all incoming materials at the level of sawdust reception and production process.

Weaknesses: See the non-conformities below

7.2 Rigour of Supply Base Evaluation

Not applicable

7.3 Collection and Communication of Data

The BP has system of data collection implemented. The data were complete and accurate. During the surveillance audit the organization has energy data recorded and prepared for audit.

7.4 Competency of involved personnel

No stakeholder comments were received

7.5 Stakeholder feedback

No stakeholder comments were received

7.6 Preconditions

NC number 03/19	NC Grading: Major
Standard & Requirement:	Instruction 5d 2.6 Where DBS data is recorded in the DTS the BPs shall use a PBid 'AA' value of '99' to indicate that DBS data is included with the biomass.
Description of Non-conformance and Related Evidence:	
Such requirement about use a PBid 'AA' value of '99' to indicate that DBS data is included with the biomass is not included in procedure. Interview with responsible for DTS showed that responsible person does not know about this requirement. Требование использовать для уникального идентификатора Производственной Партии (PBid) «AA» значение «99», чтобы показать, что Динамические Данные по Устойчивости Партии включены в поставляемую биомассу, не отражены в процедуре. Интервью показало, что ответственный за заполнение DTS не знает данного требования	

Timeline for Conformance:	3 months from the report finalisation and prior to include ID5D in the certification scope
Evidence Provided by Company to close NC:	Procedure dated 21.03.2019 (exh 10)
Findings for Evaluation of Evidence:	During period from final meeting to report approval the BP has provided evidence to close this non-conformance. The BP has added to procedure requirement to use a PBid 'AA' value of '99' to indicate that DBS data is included with the biomass.
NC Status:	Closed

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 01/19	NC Grading: Minor
Standard & Requirement:	Instruction-Document-5A-Collection-and-Communication-of-Data-v1-1-Oct16, requirement 2.1.3 Each Legal Owner shall operate a management system to ensure that data recorded is consistently compliant with the requirements specified in SBP Standards and Instruction documents
Description of Non-conformance and Related Evidence:	
The organization has management system in place. The SBP procedure was prepared and implemented. Data recorded is in compliant with latest relevant SBP Standards and Instruction documents. However, procedures provides misleading information. which may lead to misinterpretation of the workers. The procedure contains references on version 1.0 of instruction 5a, it is required to prepare data using outdated templates, outdated terms and definitions are used in the procedure. Организация имеет систему управления, которая гарантирует, что данные регистрируются в соответствии с требованиями SBP. Процедура SBP разработана и внедрена. Данные учитываются в соответствии с последними применимыми требованиями SBP. Однако процедура включает ошибочную информацию, которая может ввести в заблуждение сотрудников. Процедура содержит ссылки на старую версию инструкции 5а, требуется подготовка отчетов, которые уже не актуальны, используются устаревшие термины и определения.	
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:	Updated procedure/ обновленная процедура
Findings for Evaluation of Evidence:	The BP has updated and sent procedure to auditor after closing meeting and before report finalization. Review of procedure showed that that procedure meet standards requirements. Организация обновила и предоставила процедуру аудитору в период после даты аудита и завершения отчета.

NC Status:	Closed
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NC number 02/19	NC Grading: Major
Standard & Requirement:	Instruction 5a 4.1 Transactions shall be recorded in the DTS
Description of Non-conformance and Related Evidence:	
Review of data in DTS as well as production record showed that BP has recorded in DTS almost on 727 t of pellet more than really sold. It was explained that responsible for DTS maintaining recorded by mistake this volume and didn't know how to correct it. Во время проверки данных в DTS, а также производственных отчетов было установлено, что организация ввела в DTS почти на 727 тонн пеллет больше, чем реально продано. Ответственный за ведение DTS объяснил это тем, что этот объем был введен по ошибке и он не знал как это скорректировать в DTS.	
Timeline for Conformance:	3 months from the report finalisation
Evidence Provided by Company to close NC:	Leter to client №01-03_43 от 18_03_19 - Letter on reversed claim. screen short from DTS (exh 9)
Findings for Evaluation of Evidence:	During period from final meeting to report approval the BP has provided evidence to close this non-conformance. The BP has analysed actual volume sold and volume entered in DTS and found out difference in 1468,8 tone. The BP has created in DTS credit transaction (with minus) and asked client to accept it. The responsible for DTS maintaining studied how to use DTS via video prepared by SBP staff: https://www.youtube.com/watch?v=6sUpTwkKPDU&feature=youtu.be Auditor considers that the corrective action done in th DTS system and the staff training is enough to close the NCR.
NC Status:	Closed

NC number 03/19	NC Grading: Major
Standard & Requirement:	Instruction 5d 2.6 Where DBS data is recorded in the DTS the BPs shall use a PBid 'AA' value of '99' to indicate that DBS data is included with the biomass.
Description of Non-conformance and Related Evidence:	
Such requirement about use a PBid 'AA' value of '99' to indicate that DBS data is included with the biomass is not included in procedure. Interview with responsible for DTS showed that responsible person does not know about this requirement. Требование использовать для уникального идентификатора	

Производственной Партии (PBid) «AA» значение «99», чтобы показать, что Динамические Данные по Устойчивости Партии включены в поставляемую биомассу, не отражены в процедуре. Интервью показало, что ответственный за заполнение DTS не знает данного требования	
Timeline for Conformance:	3 months from the report finalisation and prior to include ID5D in the certification scope
Evidence Provided by Company to close NC:	Procedure dated 21.03.2019 (exh 10)
Findings for Evaluation of Evidence:	During period from final meeting to report approval the BP has provided evidence to close this non-conformance. The BP has added to procedure requirement to use a PBid 'AA' value of '99' to indicate that DBS data is included with the biomass.
NC Status:	Closed

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 Serrano
Date of decision:	21/Mar/2019
Other comments:	<i>Click or tap here to enter text.</i>