



NEPCon OÜ Evaluation of Eurolindex, Joint 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 1.5

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

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:	none
Name of the Company:	Eurolindex, Joint limited liability company
Company legal address:	letter A1 / P (building of OJSC, 223311 Krasnopolye village, Belarus
Company contact for SBP:	Ondrej Tarabus
Company contact email:	otarabus@preferredbynature.org
Company website:	N/A
SBP Certificate Code:	SBP-07-89
Date of certificate issue:	16 Apr 2020
Date of certificate expiry:	15 Apr 2025
Audit closing meeting date:	19 Mar 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: NC-COC-057890	☐
	Transfer	☐

2.1 Description of the company

Eurolindex JLLC is a secondary processor (biomass producer) with production capacity of 7250 tone pellets/year, located in Minsk region, Belarus. BP was established in 2004 and has 14 staff members. The BP holds valid FSC CoC certificate covering biomass production (sawdust pellets and sawdust briquettes) only and uses only FSC 100%-certified feedstock for pellet production (wet sawdust) and heating (wet sawdust). 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 and state companies, etc. Feedstock is delivered to production site by trucks of contractors. 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).

2.2 Detailed description of the Chain of Custody system

BP holds valid FSC CoC certificate <https://info.fsc.org/details.php?id=a02f300000k60XOAAY&type=certificate> covering the secondary (pellet production) wood processing. Only secondary feedstock (sawdust) with FSC 100% claim is used for SBP pellet production and FSC transfer system of claims is implemented (all pellets have FSC 100% claim). Some amount of biomass can be produced from non-certified secondary feedstock, and in this case BP ensures physical segregation of such non-certified wood material from certified wood material at all stages. As biofuel BP uses sawdust, chips produced by chipping slabs and some amount of slabs (all biofuel used for SBP pellets production is with FSC 100% claim and non-certified biofuel was used and for the production of non-certified biomass). 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

Audit Level of Effort (LoE)		
Activity	Auditors	Auditor hours
1. Preparation	Siarhei Minkevich	3,0
2. On-site (excl. travel time)	Siarhei Minkevich	8,0
3. Report writing	Siarhei Minkevich	9,0
4. Other	N/A	N/A

Audit Schedule			
Activity	Location	Auditor name	Date/time
<i>Opening meeting</i>	Office	Siarhei Minkevich	19 Mar 2021/08:30
<i>Chain of custody review (site tour); staff interview; document review</i>	Production facilities	Siarhei Minkevich	19 Mar 2021/08:45
<i>Documents and procedures review, staff interview.</i>	Office	Siarhei Minkevich	19 Mar 2021/11:45

<i>Documents and procedures review (SBR, SBP procedures and critical points, energy use primary data), SAR data, staff interview</i>	Office	Siarhei Minkevich	19 Mar 2021/14:00
<i>Closing meeting</i>	Office	Siarhei Minkevich	19 Mar 2021/17:00

Auditor qualification		
Auditor name	Role	Qualification
Siarhei Minkevich	SBP auditor	Preferred by Nature (NEPCon) SBP 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 first annual 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 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 audit, 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 and FSC system critical control points were analysed.

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.

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4.3 Sampling methodology

Sampling of documents was reviewed, including review of applicable records, procedures, waybills, agreements, invoices, computer accounting data, DTS data. All responsible staff was interviewed. During onsite tour all production facilities were visited

4.4 CB stakeholder engagement

The stakeholder consultation was carried out on February 12, 2020 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.

4.5 Stakeholder feedback

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

5 Results

5.1 Main strengths and weaknesses

Strengths: use of the FSC transfer system; FSC 100% secondary feedstock is sourced. Effective recordkeeping system. Small number of the management staff and clearly designated responsibilities within the staff members.

Weaknesses: please see minor NCRs in section 11 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; biofuel for burner; diesel for feedstock delivery and handling, shipping and transportation to customer, gasoline for biomass handling (from production line to warehouse). 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.

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), logistician and production master (SAR and energy use data collection). Prior to and during SBP assessment and prior to this and during this audit 2021 BP was supported by external consultants from Minsk private consultancy company, who also has provided relevant training to BP staff.

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-000566 (NC number 01/21)	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:	
In the reporting period FSC certified feedstock was delivered from sawmills belonging to certified state forest management enterprises (leshoz) as well as from certified state and private woodworking companies. It is confirmed by reviewing of purchase agreements and waybills (place of feedstock loading is indicated). The SBP responsible SBP is aware of the requirement. The organisation representatives explained that the technology is based on gathering data confirming the location of forest site(s) where the round wood was harvested (agreements, waybills, logging permissions). Organisation has not submitted the records of place of harvesting for other primary wood processors responsible for the supply of inputs classified as SBP-compliant Secondary Feedstock (in case if the primary processor is not a state forest management enterprise (leshoz)).	
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:	pending
Findings for Evaluation of Evidence:	pending
NC Status:	Open

NC number NC-000567 (NC number 02/21)	NC Grading: Minor
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 outdated data, e.g. the point c. Forest by type (million ha): erroneously indicates 9.07 million hectares (Temperate), while points a, b indicate an area of 9.70 million hectares. The Supply Base Report (SBR) 2021 does not include data about the share of harvested wood used in the bioenergy sector. In the subsection Secondary feedstock - physical form of the feedstock, only sawdust (as feedstock) is indicated, while the SAR document states that chips and sawmill waste (slabs) were also used as feedstock in the reporting period. Not all required fields are properly updated in SBR published at SBP online Audit Portal: Describe the harvesting type which best describes how your material was sourced; 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?	
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:	pending
Findings for Evaluation of Evidence:	pending
NC Status:	Open

NC number NC-000582 (03/21)	NC Grading: Minor
Standard:	Instruction Document 5E: Collection and Communication of Energy and Carbon Data 1.4
Requirement:	3.3.2 The characteristics of biomass shall be able to be traced back to the characteristics and quantities of incoming feedstock, taking into account the applicable conversion factors
Description of Non-conformance and Related Evidence:	
During the documentation review auditor calculates the amount of material theoretically produced (biomass) using the mass balance calculation approach. $W_f = W_i (100-MC_i)/(100-MC_f)$. W_f: Weight final, W_i: Weight initial, MC_i: Moisture Content initial, MC_f Moisture Content final. According to the data provided in the SAR, theoretical (4856 tn) production was 8.9% lower than real production (5290 tn). No justification was provided in SAR document of such difference. Во время проверки документации был рассчитан количество теоретически произведенного материала (биомассы), используя метод расчета баланса массы. $W_f = W_i (100-MC_i) / (100-MC_f)$. W_f - окончательный вес, W_i - исходный вес, MC_i - исходный уровень содержания влаги (в древесном сырье), MC_f - окончательный уровень содержания влаги (в готовом продукте). Согласно данным, приведенным в SAR, теоретическая масса (4856 тонн) была на 8,9% ниже реального производства (5290 тонн). В документе SAR не было представлено обоснования такой разницы.	
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 Gorría
Date of decision:	06 Aug 2021
Other comments:	N/A