



NEPCon Evaluation of GLHU Klichevski Ileshoz Compliance with the SBP Framework: Public Summary Report

Main (Initial) 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:	22/Jun/2020
Report authors:	Siarhei Minkevich
Name of the Company:	GLHU Klichevski leshoz. Central office: 213910, 45, Leninskaya str., Klichev, Mogilev region, Republic of Belarus; Production site is located at the following address: 213910, 20, Zarechnaya str., Klichev, Mogilev region, Republic of Belarus
Company contact for SBP:	Aliaksandr Sekko, Chief engineer
Certified Supply Base:	GLHU Klichevski leshoz of the Republic of Belarus
SBP Certificate Code:	SBP-08-07
Date of certificate issue:	22/Jun/2020
Date of certificate expiry:	21/Jun/2025

This report relates to the Main (Initial) 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

GLHU Klichevski leshoz is a state forest management institution who manages state forests. The area of the forest fund managed by the GLHU Klichevski leshoz of Mogilev State Forestry Board is 108.8 thousand ha, including 97.6 thousand ha covered by forest.

In April 2020 the construction of a new pellet plant was finished at the same production site where sawmill plant of leshoz already works. Newly constructed pellet plant uses sawmill residues from their sawmill: chips (also sawdust is going to be used). The feedstock for chips production is slabs and edgings from the sawmill plant. The production capacity is 22800 tone pellets/year. GLHU Klichevski leshoz (biomass producer, BP) is one of the oldest and biggest forest management institution in Belarus, has more than 400 staff members. The BP holds valid FSC FM/CoC certificate covering round wood, firewood, sawmill and biomass products (sawmill products, chips, pellets), and for certified biomass production uses FSC 100%-certified secondary feedstock (chips from the own sawmill plant, also wet sawdust is going to be used as well). All feedstock is from organisation's own sawmill plant, the round wood for sawmill production comes from the forest of GLHU Klichevski leshoz (wood is not purchased from external suppliers). Feedstock is moved from sawmill to production site of pellet plant by frontal loader of the organisation. Biomass will be 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

GLHU Klichevski leshoz is a state forestry institution that manages the forest fund and has its own sawmill plant, and since 2020, a new production of fuel wood pellets. The production of fuel pellets is located at the sawmill in Klichev, Mogilev region, Republic of Belarus. For the production of SBP-compliant biomass, the GLHU Klichevski leshoz uses only SBP-compliant Secondary Feedstock (wood chips (obtained by chopping up wood waste residuals from its own sawmill (slabs and edgings)); also sawdust, shavings from own sawmill are planned for use; perhaps in the future (depending on market demand) chips will be used obtained by crushing low-quality timber (firewood)). Raw materials to the sawmill plant comes only from its own forest fund of GLHU Klichevski leshoz, all wood raw materials have FSC 100% clame.

As the Supply Base, the GLHU Klichevski leshoz has got the area of its own forest fund of the GLHU Klichevski leshoz, since the area and structure of the forest fund make it possible to fully supply raw materials for its own sawmill plant, including a sawmill and pellet production.

All forestry operations are based on the data of the forest management plan, which was compiled for the period 10 years and is subject to revision every 10 years in the process of standlevel forest management inventory by employees of state forest inventory service RUE "Belgosles". The volume and structure of designated forestry activities and final harvesting is regulated in the materials of the forest management plan. Plant species included in CITES or IUCN Lists do not grow on the territory of GLHU Klichevski leshoz. The forest inventory plan (valid until 2026) has been expertised both within the Ministry of Forestry and other organizations, including divisions of the Ministry of Natural Resources and Environmental Protection, etc.

Thus, the supply base is forest fund GLHU Klichevski leshoz, and it is located in the southwestern part of the Mogilev region in the Klichevski and Kirovski administrative regions. The area of the forest fund managed by the GLHU Klichevski leshoz of Mogilev State Forestry Board is 108.6 thousand ha, including 97.6 thousand ha covered with forest. The forestry includes 10 forestries (lesnichestva), a woodworking workshop, a forest nursery. The number of employees in GLHU Klichevski leshoz is more than 376 people.

Table - Distribution of forest area GLHU Klichevski leshoz in accordance with their environmental, economic and social significance

Total area, ha	Distribution of forests depending on their functions			
	environmental forests	recreational forests	protective forests	forests of commercial use
108573.7	25801.2	1132.0	22544.5	59096.0

Coniferous forest stands dominate in the forest fund, including pine and spruce forests; birch, alder, linden, aspen, and oak forest stands also grow in the forest fund, and hardwood stands (oak, ash, maple, elm) are less represented. The average age of forest stands is 57 years. The total growing stock of ripening and ripe forest stands is 10346.42 thousand m³. The estimated harvesting fund (for the whole GLHU Klichevsky leshoz) is 213.9 thousand m³.

On the territory of the forest fund there are specially protected natural territories for which there are relevant conservation documents issued in accordance with the national legislation. The protection regime of these forest territories is set in accordance with the requirements of the security documents.

Forest certification is an effective tool to combat illegal logging and timber trafficking. The forest management system and supply chain of the GLHU Klichevski leshoz is certified according to the requirements of the International Forest Stewardship Council (FSC) scheme, as well as the requirements of the International PEFC scheme.

5.3 Detailed description of Supply Base

Total Supply Base area (ha): 108573.7 ha
 Tenure by type (ha): 108573.7 ha (state owned)
 Forest by type (ha): temperate 108573.7 ha
 Forest by management type (ha): managed natural 108573.7 ha
 Certified forest by scheme (ha): 108573.7 ha FSC-certified forest
 108573.7 ha PEFC certified forest

Detailed information about BP's supply base may be found in their Supply Base Report available in Internet at <https://klichevforest.by/about/sertifikaciya/> and will be uploaded to SBP website in company profile as SBP certificate holder.

5.4 Chain of Custody system

BP holds valid FSC CoC certificate

<https://info.fsc.org/details.php?id=a02f300000gK18WAAS&type=certificate> (NC-FM/COC-017336) covering logging, also primary (round timber sawmill processing) as well as secondary (chips and pellets production) wood processing. Secondary feedstock (chips, sawdust) with FSC 100% claim will be used for pellet production and FSC transfer system of claims is implemented (all pellets have FSC 100% claim). Depending on the market situation and demand, some amount of biomass can also be produced from primary feedstock

in the future (chips that can be produced from round firewood outside the pellet plant site, but for the moment of assessment the organisation has enough secondary feedstock as the sawmill plant recently has got new production sawmill lines). No need in physical segregation of wood material as all material is both FSC and PEFC certified.

6 Evaluation process

6.1 Timing of evaluation activities

Onsite assessment was conducted on June 12, 2020 (app. 7 working hours). Assessment activities included documents review at office, inspection of production facilities and staff interviews.

Activity	Location	Date/time
Opening meeting	Office	12/06/2020 08.30-08.45
Chain of custody review (site tour); staff interview; document review	Production facilities	12/06/2020 08.45-10.45
Documents and procedures review (feedstock inputs, SBR, CoC control system and critical points, compliance with legal requirements, H&S), staff interview.	Office	12/06/2020 10.45-13.00
Documents and procedures review (SAR and energy use primary data); staff interview	Office	12/06/2020 14.00-16.45
Closing meeting	Office	12/06/2020 16.45-17.10

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 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 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 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 on 2020.2.13 by sending direct email to different stakeholder categories (more than 120 recipients) (List of SHs proposed by FSC Belarus was used). 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, state forestry authorities, trade unions etc.

7 Results

7.1 Main strengths and weaknesses

Strengths: use of the FSC transfer system; FSC 100% secondary feedstock is sourced. Effective recordkeeping system. Well structured management staff (divisions and departments, etc) and clearly designated responsibilities within the staff members.

Weaknesses: please see minor NCR in section 10 below.

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; biofuel for burner; diesel for feedstock handling; diesel for biomass handling (from production line to warehouse), shipping and 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 (and some experimental measurements that were undertaken by the organisation staff to clear out the value of electricity consumption specifically by the pellet plant (as it is about newly commissioned pellet plant, the beginning phase of the production has got significant variation in the values of energy consumption). So that some experimental measurements were undertaken and registered for pellet production after having achieved more stable functionality of the plant.

7.4 Competency of involved personnel

Overall, BP staff showed good understanding of knowledge of all applicable SBP requirements. Several staff members are involved into SBP certification: chief engineer (SBP responsible person) (complaints, SBP procedures and systems updates, SAR data); quality engineer (responsible for SBP procedures updates, SAR), chief manager of the sawmill plant (including pellet production) (conversion factor updates, overall control of the production and material flows), manager of export sales (DTS), accountant of the sawmill plant (including pellet production) (accounting system, sales for internal market), head of forestry department (SBR), operators of pellet production (SAR data), engineer of energy (SAR data), master of the production (SAR data, overall control of pellet production, including H&S issues on daily basis), H&S engineer (H&S requirements), head of transport department (SAR data (fuel)). Prior to and during SBP assessment, BP was supported by external consultant, who also has provided relevant training to BP staff.

7.5 Stakeholder feedback

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

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 Instruction Document 5E V.1.1, 6.5.2 Allocation of fossil fuel for production should be based on appropriate metering. The fuel allocation system is especially important where the storage is not dedicated to biomass production and some vehicles or machinery unrelated to the biomass production may also use the fossil fuel from the same storage. In some cases, a practical alternative is to measure and record the specific (hourly) fossil fuel consumption of all the machinery/vehicles used, and the number of operating hours.
Description of Non-conformance and Related Evidence:	
<p>The fuel distribution system takes into account the consumption of fossil fuels by vehicles and mechanisms related to the pellet plant and the production of lumber (without separation). The organization provided data on fossil fuels (consumption by a front loader (tractor) and forklift). The calculations are based on the number of working hours of the loaders and the average fuel consumption of the machines used.</p> <p>Written confirmation of timing data for the hours of operation of the tractor and loaders in the accounting period were provided.</p> <p>At the moment of the assessment data on fuel consumption by machines used for uploading the finished biomass into the transport vehicle was not submitted.</p> <p>The non-conformance is considered minor, since the calculation methodology and fuel consumption data by frontal loader and forklift were provided.</p> <p>Система распределения топлива учитывает потребление ископаемого топлива транспортными средствами и механизмами, связанными с пеллетным заводом и производством пиломатериалов (без разделения). Организация предоставила данные по ископаемому топливу (потребление фронтальным погрузчиком (трактор) и вилочным погрузчиком). Расчеты основаны на количестве моточасов погрузчиков и среднем потреблении топлива используемыми машинами.</p> <p>Предоставлены письменные подтверждения хронометражных данных по часам работы трактора и погрузчика в учетном периоде.</p> <p>На момент оценки не были предоставлены расчеты потребления топлива для техники, задействованной на погрузке готовой биомассы в транспортное средство.</p>	

Несоответствие считается незначительным, поскольку методика расчетов и данные о потреблении топлива трактором и вилочным погрузчиком были предоставлены.	
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

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):	Nikolai Tochilov
Date of decision:	22/Jun/2020
Other comments:	<i>Click or tap here to enter text.</i>