

Supply Base Report: PMUE “Postavsky Furniture Center”

Third Surveillance Audit

www.sbp-cert.org



Completed in accordance with the Supply Base Report Template Version 1.3

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

Producer name: PMUE “Postavsky Furniture Center”, production site POSTAVY
Producer location: Ozernaya, 28, Postavy, 211871, Belarus
Geographic position: 55°7’9”N, 26°48’18”E
Primary contact: Artemy Grebennikov (*Technic-technologist*), Ozernaya, 28, Postavy, 211871, Belarus, telephone: +375 29 895 27 03, email: grebearty@gmail.com
Company website: www.pmc.by
Date report finalised: 25/Mar/2019
Close of last CB audit: 29/Mar/2019
Name of CB: NEPCon UAB
Translation into Russian: Yes
SBP Standard(s) used: Standard 2 version 1.0; Standard 4, version 1.0; Standard 5 version 1.0
Weblink to Standard(s) used: <https://sbp-cert.org/documents/standards-documents/standards>
SBP Endorsed Regional Risk Assessment: not applicable
Weblink to SBE on Company website: not applicable

Indicate how the current evaluation fits within the cycle of Supply Base Evaluations				
Main (Initial) Evaluation	First Surveillance	Second Surveillance	Third Surveillance	Fourth Surveillance
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	X	<input type="checkbox"/>

2 Description of the Supply Base

2.1 General description

PMUE “Postavsky Furniture Center”’s feedstock originating from Belarus and consist of

SBP product group

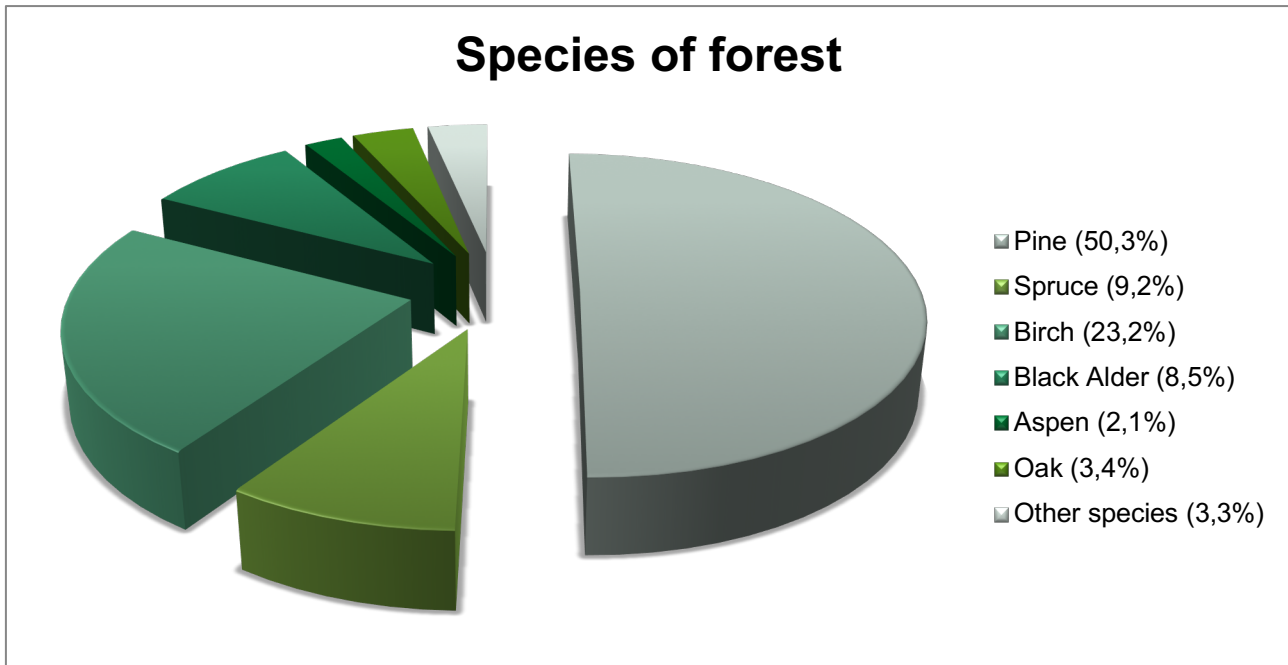
<i>SBP product group</i>	<i>Primary feedstock</i>	<i>Secondary feedstock</i>	<i>Pre-consumer tertiary feedstock</i>	<i>Post-consumer tertiary feedstock</i>	<i>Number of suppliers</i>	<i>Tree species composition</i>	
<i>SBP-compliant feedstock in the total supply (for pellet production): FSC100%</i>	-	57%	43%	-	40	Picea abies Pinus sylvestris Betula pendula Quercus robur Fraxinus excelsior Alnus glutinosa	
<i>SBP-compliant feedstock in the total supply (for pellet production): FSC-controlled</i>	-	-	-	-	-	-	
<i>% of non-SBP feedstock in the total supply</i>	-	-	-	-	-	-	
<i>Total supply in 2018</i>	100%						

Belorussia Forest resources

Indicator name	Unit of measurement	Indicator as of			
		1994 year	2001 year	2010 year	2018 year
1. Total area of the forest fund lands	thousand .Ha	8676,1	9247,5	9416,6	9582,0
1.1. Forest lands	thousand .Ha	7775,9	8275,7	8598,2	8724,1
	%	89,6	89,4	91,3	91,0
1.2. Forest covered land - total	thousand .Ha	7371,7	7850,6	8002,4	8260,9
	%	85	85,0	85,0	86,2
ripe and overripe	thousand .Ha	350,1	623	804,4	1215,4
	%	4,7	7,9	10,1	14,7
2. Woodiness	%	35,5	37,8	38,5	39,8
3. Total stock of plantations - total	million. m3	1093,2	1339,9	1566,1	1796,0
4. Total Average Change in Stock	million. m3	24,9	28,2	30,2	32,7
5. Average stock of plantations	m3/Ha	148	171	196	217
5.1. Ripe and overripe	m3/Ha	213	220	244	267
6. Average age	years	44	48	52	56

Source: <http://www.mlh.by>

Distribution of forests by the dominant species:



Source: <http://www.mlh.by>

Timber production by types of cuts, by volume produced:

The main type of forest harvesting is thinning. Also there is used less popular type final cuts and other types of cuts.

Source: <http://www.mlh.by>

The field of forestry

Management of the state-owned forests is performed by different types of state organizations.

Biological diversity

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.

Source: <http://belstat.gov.by>

There are 2 strictly protected National reserves and 4 National parks present in Belarus at the moment. Area of National reserves accounts 2,98 milj ha and area of National parks is 3,98 milj ha.

Forest and community

In 2018 in all kinds of felling there were harvested 19,5 million m³ marketable timber.

Forest products and export services totaling more than \$ 140 million. USA. USD, accounting for 94% by 2017. In comparable conditions (excluding the sale of timber for export in previous years) due to the development of its own woodworking capacities, export growth was 174%.

In 2017, out of total exports, round timber was sold in value terms - 45%, sawn timber sales - 37%, peeled, cylindrical products - 4% and other products - 14%.

Considering that in 2018, the export of round timber was not carried out, organizations had to export the volumes of wood processing products, which in terms of value showed: sawn products - 56% of total sales for export, cylindrical products - 6% and other products - 36%.

Timber exports in 2018 are expressed in percent by CIS countries: Lithuania - 25%, Latvia - 28%, Germany - 24%, Poland - 15.2%, Belgium - 5.4%, the Netherlands - 3.0%, Romania - 2.0%, Azerbaijan - 1.5%, Sweden - 1.4%, Russia - 1.1%, and others - 1.2%.

Certification

All forest area is certified by PEFC certification scheme. 7,9mil. Ha of total area of the forest fund (93 forestry) are certified according to PEFC.

FSC 7,1 mil. ha of total area of the forest fund (90 forestry) are certified according to FSC FM standards. Both the FSC and PEFC systems have found their way into Belarus.

2.2 Actions taken to promote certification amongst feedstock supplier

Our company have SBP certificate. But we have expanded, and now we have two pellet factories.

According to first factory: during first reporting period, the share of certified feedstock was approx. 14% and this figure was increased during second reporting period up to 84,33%. At 2017 year we had increased level of certified feedstock until 89.81%. In 2018 we have refused from non-certified feedstock fully.

The company's policy is to give a preference to certified suppliers and fully refuse to non-certified suppliers. Supply base is almost always certified among the whole Republic of Belarus. Feedstock (sawdust) consists of sawmill residues from main production of suppliers. Therefore, uncertified and new suppliers are invited to certify their chain of custody and get benefit from utilising their residues.

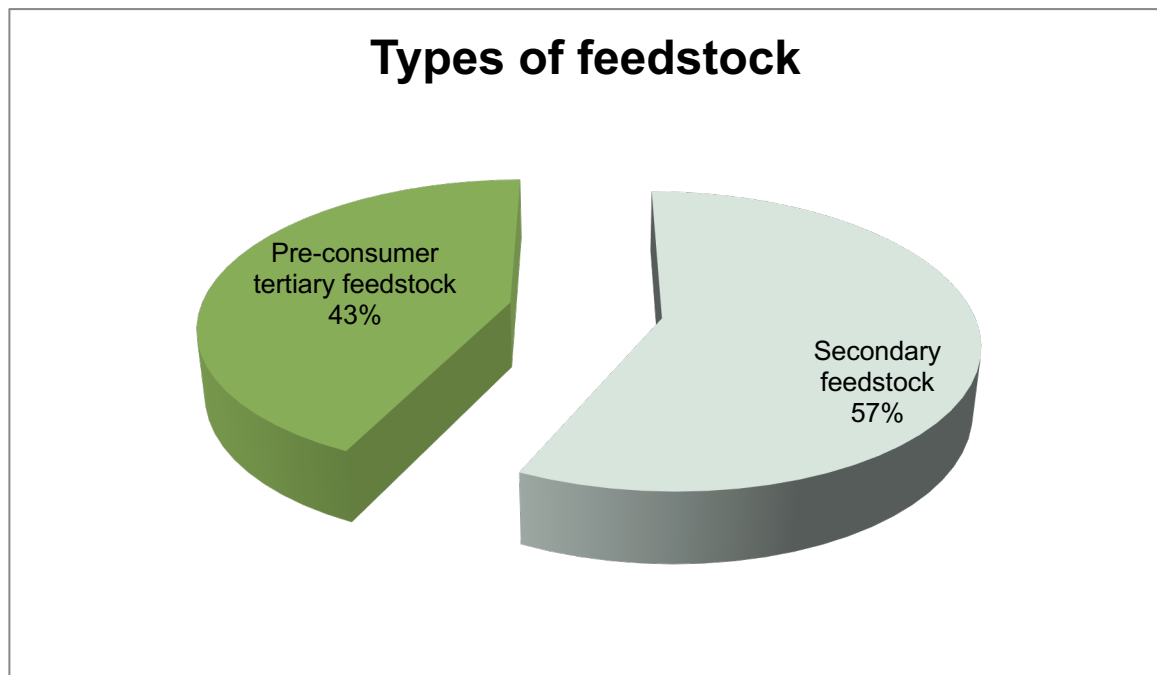
2.3 Final harvest sampling programme

Secondary feedstock (sawdust and woods), using for producing of wood pellets at our factory, delivered from certified suppliers (i.e. forestry and national parks).

In the process of harvesting and subsequent processing at the sawmills waste is separated. In our case it is firewood (i.e., slab, a curve of rotted roundwood).

The calculation of the percentage of incoming raw materials is based on data obtained from the accounting department.

2.4 Flow diagram of feedstock inputs showing feedstock type



2.5 Quantification of the Supply Base

Supply Base

- | | |
|-------------------------------------|--|
| a. Total Supply Base area (ha) | 9,5 mil. ha: Cumulative area of all forest types within SB |
| b. Tenure by type (ha): | 9,5 mil. ha Governmental |
| c. Forest by type (temperate): | 9,5 mil. ha Temperate |
| d. Forest by management type (ha): | 9,5 mil. ha Managed Natural |
| e. Certified forest by scheme (ha): | 7,1 mil. ha FSC and 7,9 mil. ha PEFC certified forest of total area of the forest fund |

Feedstock

- f. Total volume of Feedstock: 27 665.4 tonnes

Focusing on sustainable sourcing solutions

- g. Volume of primary feedstock: 0 tonnes
- h. List percentage of primary feedstock (g), by the following categories. Subdivide by SBP-approved Forest Management Schemes:
 - Certified to an SBP-approved Forest Management Scheme – Not applicable
 - Not certified to an SBP-approved Forest Management Scheme – Not applicable
- i. List all species in primary feedstock: Not applicable
- j. Volume of primary feedstock from primary forest - Not applicable
- k. List percentage of primary feedstock from primary forest (j), by the following categories. Subdivide by SBP-approved Forest Management Schemes:
 - Primary feedstock from primary forest certified to an SBP-approved Forest Management Scheme:
Not applicable
 - Primary feedstock from primary forest not certified to an SBP-approved Forest Management Scheme: Not applicable
- l. Volume of secondary feedstock: 15 708.3 tonnes. Delivered sawdust – 8 732.4 tonnes; Sawmills (wet sawdust) residues – 5 013.0 tonnes; woodchips – 1 962.8 tonnes.
- m. Volume of tertiary feedstock: Own aspiration system (dry sawdust) – 11 957.1 tonnes

3 Requirement for a Supply Base Evaluation

SBE completed	SBE not completed
<input type="checkbox"/>	<input checked="" type="checkbox"/>

SBE was not conducted because all feedstock used in production is FSC certified, all feedstock used for heating is a part of laver feedstock (derived from the certified sources).

4 Supply Base Evaluation

4.1 Scope

Not applicable

4.2 Justification

Not applicable

4.3 Results of Risk Assessment

Not applicable

4.4 Results of Supplier Verification Programme

Not applicable

4.5 Conclusion

Not applicable

5 Supply Base Evaluation Process

Not applicable

6 Stakeholder Consultation

Not applicable

6.1 Response to stakeholder comments

Not applicable

7 Overview of Initial Assessment of Risk

Not applicable

8 Supplier Verification Programme

8.1 Description of the Supplier Verification Programme

Not applicable

8.2 Site visits

Not applicable

8.3 Conclusions from the Supplier Verification Programme

Not applicable

9 Mitigation Measures

9.1 Mitigation measures

Not applicable

9.2 Monitoring and outcomes

Not applicable

10 Detailed Findings for Indicators

Not applicable

11 Review of Report


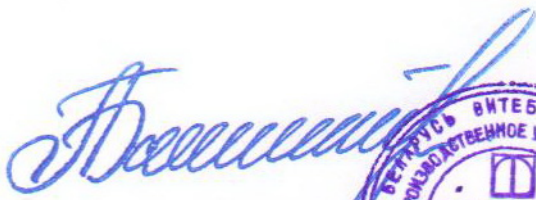

11.1 Peer review

There wasn't any review.

11.2 Public or additional reviews

Not applicable.

12 Approval of Report

Approval of Supply Base Report by senior management			
Report Prepared by:	<p>Artemy Grebennikov</p> 	<p>Technik-technologist</p>	<p>25.03.2019</p>
	Name		
<p>The undersigned persons confirm that I/we are members of the organisation’s senior management and do hereby affirm that the contents of this evaluation report were duly acknowledged by senior management as being accurate prior to approval and finalisation of the report.</p>			
Report approved by:	<p>Anatoly Babichev</p>  	<p>Executive director</p>	<p>25.03.2019</p>
	Name		

13 Updates

13.1 Significant changes in the Supply Base

Our pellet factory has started to use only tertiary feedstock since October 2018.

13.2 Effectiveness of previous mitigation measures

Not applicable

13.3 New risk ratings and mitigation measures

Not applicable

13.4 Actual figures for feedstock over the previous 12 months

27 665.4 tonnes in 2018 year

13.5 Projected figures for feedstock over the next 12 months

- n. Total volume of Feedstock: 12 000 tonnes
- o. Volume of primary feedstock: 0 tonnes
- p. List percentage of primary feedstock (g), by the following categories. Subdivide by SBP-approved Forest Management Schemes:
 - Certified to an SBP-approved Forest Management Scheme – Not applicable
 - Not certified to an SBP-approved Forest Management Scheme – Not applicable
- q. List all species in primary feedstock: Not applicable
- r. Volume of primary feedstock from primary forest - Not applicable
- s. List percentage of primary feedstock from primary forest (j), by the following categories. Subdivide by SBP-approved Forest Management Schemes:
 - Primary feedstock from primary forest certified to an SBP-approved Forest Management Scheme:
Not applicable
 - Primary feedstock from primary forest not certified to an SBP-approved Forest Management Scheme: Not applicable
- t. Volume of secondary feedstock: 0 tonnes
- u. Volume of tertiary feedstock: 12 000 tonnes