

SBP

Sustainable Biomass Partnership

Supply Base Report: Basic Timber Company

First Surveillance Audit

www.sustainablebiomasspartnership.org



Completed in accordance with the Supply Base Report Template Version 1.2

For further information on the SBP Framework and to view the full set of documentation see www.sustainablebiomasspartnership.org

Document history

Version 1.0: published 26 March 2015

Version 1.1 published 22 February 2016

Version 1.2 published 23 June 2016

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1 Overview

Producer name: "Basic Timber Company" Ltd.
Producer location: Brest region, Ivacevichi district, Dubino place, Republic of Belarus
Geographic position: 52°55'01.2"N latitude, 25°27'23.4"E longitude
Primary contact: Natalya Aleksandrovna Shimanchik, Str. Lesnaja , 8a, Ivacevichi, 225295, Belarus +375 1645 24909, production@basictimber.com
Company website: <http://basictimber.com>
Date report finalised: 11/Apr/2017
Close of last CB audit: 21/Apr/2017
Name of CB: UAB NEPCon LT
Translations from English: 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: <http://www.sustainablebiomasspartnership.org/documents>
SBP Endorsed Regional Risk Assessment: not applicable
Weblink to SBE on Company website: <http://basictimber.com/ru/certificats.php>

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"/>	X	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

2 Description of the Supply Base

2.1 General description

The supply base for raw material for production processes of “Basic Timber Company” Ltd is the whole territory of the Republic of Belarus.

In the Republic of Belarus forests are one of the main renewable natural resources and the most important of natural wealth. Total area of the forest fund in Belarus is about 9.5 million ha. Covered with forest land occupy 8.2 million hectares. The percentage of forest land in Belarus reached 39.5%. The wood resources evaluate for 1714 million m³, including ripe and overripe- 263 million m³. As a result of purposeful work on the reproduction of forests, the area covered by forest increases. So, over the past 60 years the forest covered land of the Republic has almost doubled and reached its maximum value for more than a hundred years. Such increase occurs naturally and due to the afforestation of infertile land which is unsuitable for agriculture. At the same moment we also can see the steady enlargement of the areas with the maturing, mature and overmature forest stands. Percentage of mature and overmature forests (ripe and overripe forests) is 12,5%, maturing (ripening forests) - 22.8%, middle-age forests – 46%, saplings (young forests) – 18,7%. Middle age of Belarusian forests is 54 years.

In the forests of Belarus grow 28 species of trees and about 70 species of bushes. The most common tree species are: Scots pine - 50.3%, birch - 23.2%, European spruce - 9.2%, black alder - 8.5%, oak - 3.4%, aspen - 2.1%.

Depending on usage forests are divided into first and second groups. The first group includes protected area -52%, to the second - forests designated for timber production- 48%. Some types of logging activities like thinning, sanitary cutting etc. are allowed in first group of forest.

In accordance with the Belarusian legislation, all forests are state owned or transferred to the use and management of state forestry institutions «leshoses». In Belarus forest utilization is carrying out according to the principle of continuity and unexhaustion. Average annual timber cutting estimates for 11 mln m³ per year, including:

40% of timber cutting of main utilization (in ripe forests)

48% of timber cutting for care and sanitary cutting (young, middle aged and ripening forests)

12% other cutting.

Ensuring high-quality reproduction of forest resources and protective afforestation is a prerequisite for the use of forests. So, in 2016 reforestation and afforestation were carried out on a total area of 34.87 thousand hectares. And thanks to sowing and planting of forests we can speak about 29.73 thousand hectares of new forests in future.

According to the forest legislation of the Republic of Belarus logging should do no harm to the species listed in the Red Book. It is prohibited to fell valuable and protected species of trees.

On the territory of Belarus there are two republican reserves - the Berezinsky Biosphere Reserve (85.2 thousand hectares) and the Polesye State Radiation-Ecological Reserve (216.1 thousand hectares), and four national parks - Belovezhskaya Pushcha (152,962 thousand hectares), Braslav Lakes (69,115 thousand hectares), Narochansky (93,3 thousand hectares) and Pripyat (85,841 thousand hectares), other 334 preserves of republican and local significance and 874 nature monuments.

Forest certification is an effective tool to counter illegal logging and illegal timber trade. The Republic of Belarus widely uses 2 schemes of forest certification - FSC (Forest Stewardship Council) and PEFC (Program for the Endorsement of Forest Certification),. Considering the requirements of the international scheme of the Forest Stewardship Council Belarus has as FSC certified 8,3 million hectares (87% of the forest). PEFC certified 105 state forestry institutions (leshozes) with an area of 8.8 million hectares of forest fund.

Belarusian forest industry consists of forestry (13.5%), woodworking (69.5%) and pulp-and-paper (16.4%). The woodworking industry is one of the largest branches of Belarus. Wood processing is approximately 2% of the total manufacturing industry of the Republic of Belarus. The share of the forest industry in the country's GDP is about 1.1%. Forest products and services exports up to 30 countries of the world.

"Basic Timber Company" Ltd produces products from rounded wood for landscaping and agricultural use. Pellets are being produced from our primary production residues. Round wood for primary production comes from cuttings for care of forest found of Republic. If necessary, a small amount of raw materials - secondary raw materials after processing (sawdust), the company purchases from two FSC certified suppliers - GLHU "Baranovichi Forestry" and GLHU "Slonim Forestry".

"Basic Timber Company" has the ability to produce pellets with a statement SBP-complaint biomass, because to produce them we use sawmill residues:

- SBP-compliant secondary feedstock (sawdust) – residues of own production from the manufacture of rounded products from timber, FSC or PEFC certified (FSC Mix). Note:

1. PEFC certified timber in the FSC chain of custody management system is valued as controlled material.
2. The ratio FSC / PEFC certified timber: FSC - 87.3%, PEFC - 12.7%.

- SBP-compliant secondary feedstock (wood chips) –

Secondary raw materials from certified suppliers, supplied with the 100% FSC.

The main raw material species are Scots pine (*Pinus silvestris*) - 97%, Spruce (*Picea abies*) - 3%.

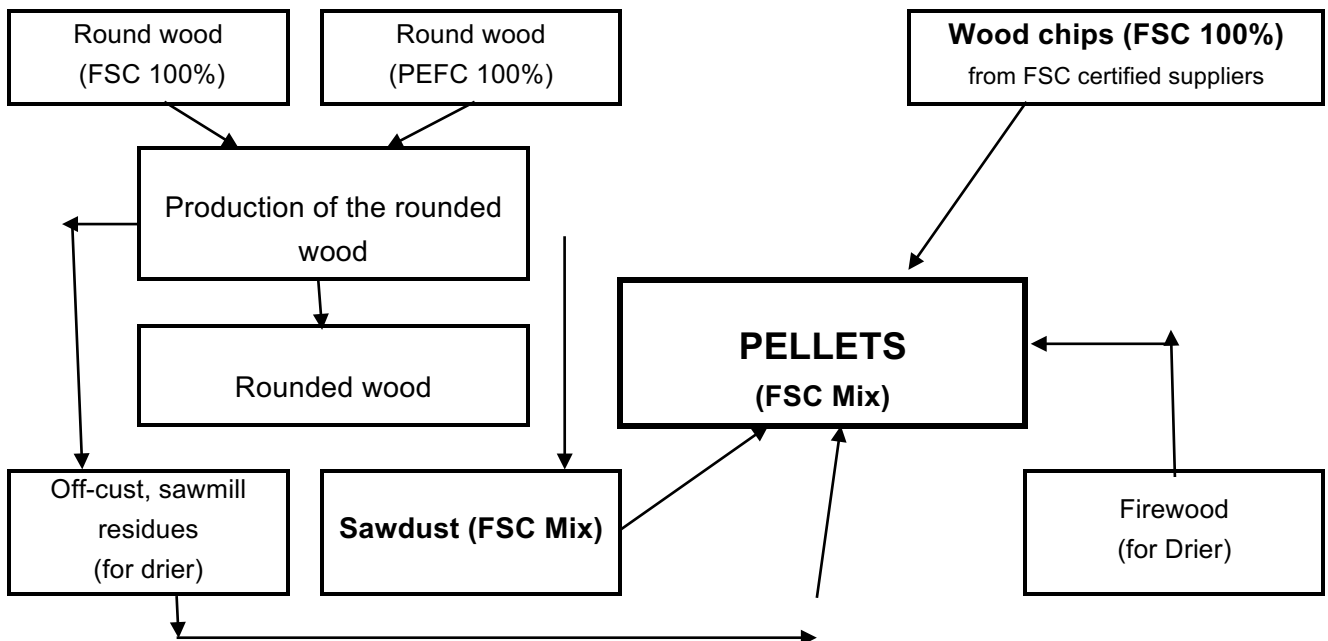
2.2 Actions taken to promote certification amongst feedstock supplier

To produce SBP pellets we use FSC certified material (87.3%), PEFC certified - 12.7%. The company's policy is to use only FSC-certified raw materials in the near future for pellet production. For the main production we buy timber at leshoses, which have FSC certificates for forest management and the supply chain. “Basic Timber Company” has decided not to purchase timber from leshoses not certified by the FSC system. When we communicate with the responsible personnel of such leshoses, we clarify all requirements and significance of voluntary forest certification.

2.3 Final harvest sampling programme

Not applicable.

2.4 Flow diagram of feedstock inputs showing feedstock type [optional]



"Basic Timber Company" for the production of pellets uses:

- SBP-related secondary raw materials - chips of coniferous species obtained from own timber processing
- SBP-related secondary raw materials - softwood sawdust from external suppliers engaged in sawmilling
- firewood and off-cuts after own timber processing, are used for drier

2.5 Quantification of the Supply Base

Supply Base

- | | |
|-------------------------------------|--|
| a. Total Supply Base area (ha): | 9,5 million ha |
| b. Tenure by type (ha): | 9,5 million ha state ownership |
| c. Forest by type (ha): | 9,5 million ha temperate forest |
| d. Forest by management type (ha): | 9,5 million ha managed semi-natural, natural |
| e. Certified forest by scheme (ha): | 8,3 million ha- FSC-certified forest ,
8,8 million ha- PEFC -certified forest |

Feedstock

- f. Total volume of Feedstock:– 5584,7 tones
- g. Volume of primary feedstock: - 0 m3
- h. List percentage of primary feedstock (g), by the following categories. - percentages may be shown in a banding between XX% to YY% if a compelling justification is provided*. Subdivide by SBP-approved Forest Management Schemes:
 - Certified to an SBP-approved Forest Management Scheme
 - Not certified to an SBP-approved Forest Management Scheme
- i. List all species in primary feedstock, including scientific name
- j. Volume of primary feedstock from primary forest
- 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
 - Primary feedstock from primary forest not certified to an SBP-approved Forest Management Scheme
- l. Volume of secondary feedstock: 5584,7 tones (97% of wood chips from own production, 3% of sawdust from external suppliers - sawmills of leshozes). All feedstock originates from Republic of Belarus/
- m. Volume of tertiary feedstock: specify origin and composition - not applicable

3 Requirement for a Supply Base Evaluation

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

Assessment of the resource base is not developed, because all raw materials are from FSC certified forests and/ or PEFC certified forests.

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.

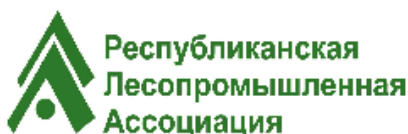
10 Detailed Findings for Indicators

Not applicable.

11 Review of Report

11.1 Peer review

In the new period, significant changes in the resource base did not take place, so the report was not sent for new peer review.



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Исх. № 773 от 24.03.2016

Общество
с ограниченной
ответственностью
«Бейсик Тимбз Компани»

Экспертная оценка отчёта
о ресурсной базе
ООО "Бейсик Тимбз Компани"

Обзор оценки:

«Отчёт о ресурсной базе ООО "Бейсик Тимбз Компани" для получения сертификата SBP».

Место расположения организации:

225250, Республика Беларусь, Брестская область, Ивацевичский район,
участок Дубино (171 километр автодороги граница Литвы-Лида-Слоним-Бытень).

Для производства топливных гранул ООО «Бейсик Тимбз Компани» использует отходы собственного производства (щепа, полученная после оцилиндровки древесины) и отходы (опилки) лесопильных производств, расположенных в Брестской и Гродненской областях Республики Беларусь, сертифицированных по системам FSC и PEFC.

Поставщики (лесхозы) лесоматериалов хвойных пород, указанные в отчёте, сертифицированы по системам лесопромышленного управления FSC и PEFC. Приоритет отдаётся FSC и PEFC сертифицированной древесине. Риск приобретения сырья из сомнительных источников исключается. Перед заключением контрактов с новыми поставщиками ООО «Бейсик Тимбз Компани» настоятельно рекомендует им сертифицировать свои сырьевые и производственные базы.

Для подтверждения предоставленной информации о ресурсной базе, были использованы официальные источники. В описании лесных ресурсов Республики Беларусь включены основные характеристики, такие как общая площадь лесного фонда и площадь покрытая лесом.



Генеральный директор

В.М. Александрович

11.2 Public or additional reviews

The Russian version of the report is available on the company's website <http://basictimber.com> for public inspection of all interested parties. After reading all the interested parties can send their comments, if any, at the company production@basictimber.com.

12 Approval of Report

Approval of Supply Base Report by senior management			
Report Prepared by:	Natallia Shymanchyk 	Sales Manager	11.04.2017
	Name	Title	Date
<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:	Boris Popko 	Director of company	11.04.2017
	Name	Title	Date

13 Updates

13.1 Significant changes in the Supply Base

Significant changes in the resource base did not occur.

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

2016 year - 5584,7 tons

13.5 Projected figures for feedstock over the next 12 months

2017 year – 10000 tons