

Supply Base Report: GLHU Stolbtsovski Leshoz

First Surveillance Audit

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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
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Document history

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1 Overview

Producer name: GLHU Stolbtsovski leshoz
 Producer location: 17 Sentiabria Street, 15, Stolbtsy, Minsk Region, Republic of Belarus, 222666
 Geographic position: 53°28'25.3"N
26°45'20.3"E
 Primary contact: Spilevski Gennadii Stanislavovich 17 Sentiabria Street, 15, Stolbtsy, Minsk Region, Republic of Belarus, 222666
 Tel.+375-1717-78837
 email: stolbzyles@tut.by
 Company website: <http://stolbzyles.by>
 Date report finalized: 22/May/2017
 Close of last CB audit: 23/May/2017
 Name of CB: NEPCon
 Translations from English: Yes
 SBP Standard(s) used: SBP Standard 2: Verification of SBP-compliant Feedstock (Version 1.0, March 2016)
 SBP Standard 4: Chain of Custody (Version 1.0, March 2016)
 SBP Standard 5: Collection and Communication of Data (Version 1.0, March 2016)
 Weblink to Standard(s) used: www.spbo-cert.org/documents
 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 checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

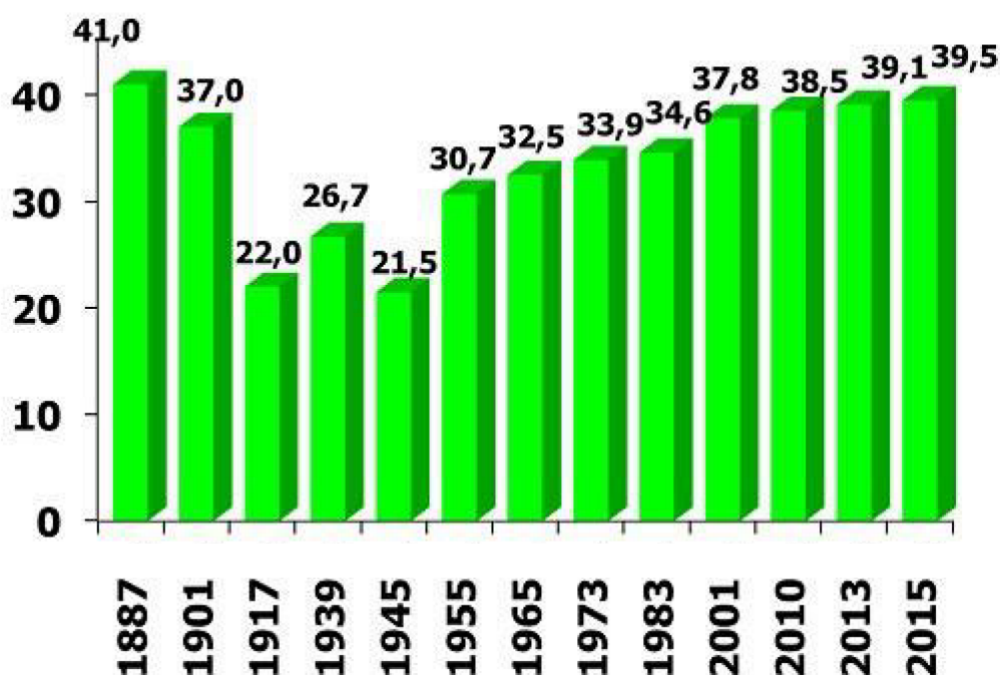
2 Description of the Supply Base

2.1 General description

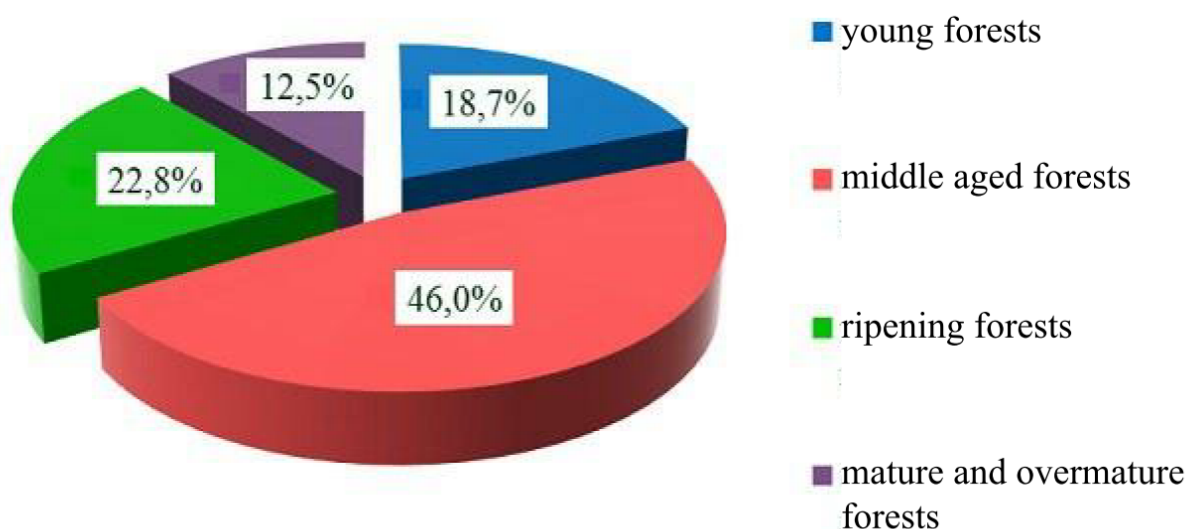
2.1.1 Belarus, forest resources

Forest resources of Belarus as an aggregate of all natural and homogeneous national forests include woodlands and other lands allotted for forestry. Total area of forest resources is 9.5 mln ha, including 8.2 mln ha of forested area (with no glades, hewn or burnt-out places). The percentage of forest lands in Belarus is about 40% that is optimal for our country in general. See evolution in the figure below.

Evolution of the percentage of forest lands in Belarus



Forest resources of Belarus are quite well studied. Experts estimate timber volume in 2015 equal to 1714.3 mln m³ including approximately 263 mln m³ of commercial timber (mature and overmature wood). Total annual forest gain is about 32.1 mln m³. Average age of Belarusian forests is 54 years. Forested area is distributed by age as follows: 18.7% of young growth, 46.0% of middle aged stand, 22.8% of ripening stand, 12.5% of mature and overmature wood (see the figure below).



Forest exploitation in Belarus implies continuity and inexhaustibility. Annual average logging is 10.0 to 11.2 mln m³ including 4.3 to 4.5 mln m³ (40%) of major harvest (in mature stands), 5.4 mln m³ (48%) of maintenance and sanitary cuts (young, middle aged and ripening forests), 1.0 to 2.3 mln m³ (12%) of other felling types. Forest exploitation is expected to intensify in the following potentially to over 16 mln m³ in 2011-2015 and to over 19 mln m³ in 2016-2020. However, it is not going to be unsafe for forests in view of the current annual forest gain in Belarus about 25 mln m³. Moreover, the annual forest gain is getting bigger and bigger as the percentage of forest lands grows and age structure of forests gets more uniform. Forest exploitation practice is primarily dependent on annual allowable cut. Only 70% to 80% of the quota has been used in recent years. Underuse is mainly related to soft-wooded broadleaved species, small merchantable wood and hard-to-reach areas where felling is not reasonable economically. Lack of capital investments limits wood usage in energetics. Average annual forest exploitation rates have been equal to not more than 1.5 to 1.7 m³ per 1 ha of forested area in recent years – that is 2.4 times less than the annual wood gain equal to 3.6 m³/ha.

Forest and woodworking industries

Belarusian forest industry consists of forestry (13.5% of total output), woodworking (69.6% of total output) and pulp-and-paper (16.4% of total output) sectors. Sawmilling has been a major activity historically, and today about 1500 enterprises are certified to produce saw timber. Most of them combine the latter with mechanical woodworking (windows and doors, wood-frame houses) or wood harvesting. State forestry institutions possess their own woodworking facilities dedicated to machining own round timber.

Currently 8,39 mln ha of forests in Republic of Belarus are FSC-certified, and 144 CoC certificates are received.

2.1.2 GLHU Stolbtsovski leshoz

The supply base of the organization is the total territory of GLHU Stolbtsovski leshoz.

Forests are the dominant vegetation type on the territory of the GLHU «Stolbtsovski leshoz». The structure of the FME includes Okinchitskoe, Opechkovskoe, Prudskoe, Nalibokskoe, Kulskoe, Kletischenskoe,

Rubezhevichskoe, Starinskoe and Hotovskoe forestry areas and the logging unit. The FME is located in the western part of the Minsk region, within the Stolbtsy administrative district. The total area of the FME is 90 029 hectares, including 83 005 hectares covered by forest. Compare to last reporting period the supply base area was increased because of acceptance of former agriculture lands into forest fund.

Distribution of forests by groups - Group 1 makes 73.6% and Group 2 makes 26.4%. Distribution by age groups - the young forests make 19.6%, middle forests make 55.4%, maturing forests make 20.2% and over-ripe forests make 4.8%. The distribution by dominant species – coniferous forests make 75.6%, hardwood forests make 0.5% and deciduous forests make 23.9%. Average wood volume is 220 m³ per hectare. Average age of trees is 54 years. The limit of cutting of mature trees is 67,100 cubic meters, including 34,100 cubic meters for coniferous. They are pine – 22,700 m³, spruce – 6,400 m³, aspen – 3,000 m³, birch – 11,900 m³, black alder – 18,100 m³. All clear cuts are planted by trees in the spring or forest plots are left for natural regeneration. All artificial forests are annually under care.

The main objective of forest management in the GLHU «Stolbtsovski leshoz» is to provide the continuous, stable, sustainable, cost-effective, multi-purpose, environmentally responsible and socially oriented forest management that to meet the needs of society in raw materials and to preserve and enhance the ecological functions of forests and to conserve biodiversity in forest ecosystems.

The feedstock for pellet production is classified as SBP-compliant secondary feedstock (FSC 100% SBP compliant secondary feedstock/sawdust, residues) and SBP compliant primary feedstock (for drier only). The main species are Scots pine (*Pinus silvestris*) -86%, Spruce (*Picea abies*) -14%.

Table 1. Distribution of feedstock by types of SBP product groups for the second reporting period.

| SBP product group | % in the total supply | Number of suppliers | Tree species composition |
|-------------------------------------|-----------------------|---------------------------------|--------------------------------------|
| Controlled feedstock | 0% | 0 | - |
| SBP - compliant primary feedstock | 5,6% | Own wood harvesting | 10% Norway Spruce, 90% Scots Pine |
| SBP - compliant secondary feedstock | 94,4 % | Residues of own wood processing | |
| SBP - compliant tertiary feedstock | 0% | 0 | - |
| SBP non-compliant feedstock | 0% | 0 | - |

2.2 Actions taken to promote certification amongst feedstock supplier

Not applicable. GLHU Stolbtsovski leshoz uses only FSC-certified wood grown at company's territories.

2.3 Final harvest sampling programme

GLHU Stolbtsovski leshoz produces fuel pellets of saw dust by own sawing and machining facilities, only. Primary feedstock from clear cuts of 81 year is used for heating purposes. However, these clear cuts are not conducted with the purpose of using this wood as a feedstock for biomass production.

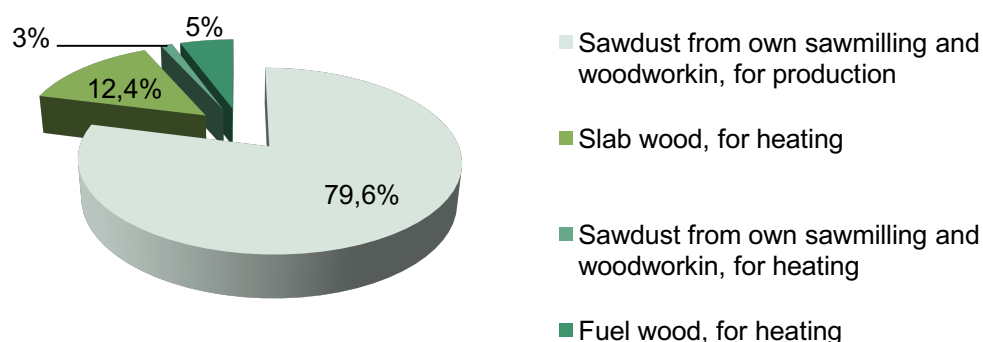
2.4 Flow diagram of feedstock inputs showing feedstock type

GLHU Stolbtsovski leshoz produces fuel pellets of saw dust by own sawing and machining facilities, only, of the following species (according to process data by Okinchitsy production and logging camp):

- 90% of Scotch pine (*Pinus sylvestris*)
- 10% of Norway spruce (*Picea abies*)

| Step | Product flow and checkpoints |
|------|--|
| 1 | Forestry activity at own territory 100% FSC-certified |
| 2 | Timber sawing at own Okinchitsy production and logging camp |
| 3 | Production of fuel pellets of saw dust at Okinchitsy production and logging camp |
| 4 | Vehicles (electric train) for transportation to the Belarus-Latvia border |

Feedstock for pellet production and heating purposes,
%



2.5 Quantification of the Supply Base

Supply Base

a. Total Supply Base Area (ha): 90 029 ha

- b. Tenure by type (ha): 90 029 ha Government of the Republic of Belarus
- c. Forest by type (ha): 90 029 ha Temperate
- d. Forest by management type (ha): 90 029 ha Managed natural
- e. Certified forest by scheme (ha): 90 029 ha FSC
90 029 ha PEFC

Feedstock

- f. Total volume of feedstock 6301,96 m³ per year
- g. Volume of primary feedstock 187m³ per year
- h. List percentage of primary feedstock (g), by the following categories. Subdivide by SBP-approved Forest Management Schemes:
- Large forest holdings certified to an SBP-approved Forest Management Schemes – 100% FSC 100% (fuel wood, as fuel for heat generator)
 - Large forest holdings not certified to an SBP-approved Forest Management Schemes – 0%
- i. List all species in primary feedstock, including scientific name.
- Scotch pine (*Pinus sylvestris*);
 - Norway spruce (*Picea abies*).
- j. Volume of primary feedstock from primary forest. Not applicable (0 m³).
- k. List percentage of primary feedstock from primary forest (i), by the following categories. Subdivide by SBP-approved Forest Management Schemes.
- Primary feedstock from primary forest certified to an SBP-approved Forest Management Schemes
 - Primary feedstock from primary forest not certified to an SBP-approved Forest Management Schemes
- Not applicable (0 m³).
- l. Volume of secondary feedstock: 6114,96 m³ - saw dust by own sawing and woodworking facilities (for production – 5014,18 m³ and for heating – 318,35 m³) and slab wood (for heating – 782,43 m³).
- m. Volume of tertiary feedstock: Not applicable (0 m³)

3 Requirement for a Supply Base Evaluation

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

SBP pellets are produced of FSC-certified wood, i.e. 100% of total pellet production is 100% FSC-certified. Supply Base Evaluation is not required.

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 Conclusions

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

Peer Review of Report on Supply base of State Forestry Institution “Stolbtsy Forestry Enterprise”

28.03.2016

Expert’s qualification: Sergei Vladimirovich Kovalevskii, a 1998 graduate of 1998 from Belarusian State Technological University, Forestry Faculty; a postgraduate from Forest Management department, and a PhD in Agriculture. Mr Kovalevskii is a highly experienced party to the National Forestry Scientific Programme projects related to forest conservation and environmentally friendly forestry.

Expert’s opinion: The Report on Supply base of State Forestry Institution “Stolbtsy Forestry Enterprise” (the Report) was reviewed. Company’s forest resources are located in western Minsk Region, Belarus. The enterprise uses coniferous timber harvested in its own forest resources as feedstock. Therefore the Report briefly describes forest resources of State Forestry Institution “Stolbtsy Forestry Enterprise” and condition thereof. The review revealed no gross violation or figure misinterpretation. The Report refers to official data sources in order to prove given information and conclusions. General description of Belarusian forest resources contains main properties like forest area, gross annual gain, total stand stock, harvesting intensity, range of species, etc. Wood supplies from proper forests, only, imply extremely low risk of purchasing wood from high nature value forests, radionuclide-contaminated wood, and other. FSC-certified wood from proper forests minimizes the risk to purchase wood from a doubtful source.

Reviewer

Forest Management Department Associate Professor

PhD in Agriculture

(signed)

S.V. Kovalevskii

11.2 Public or additional reviews

The Report in Russian is available for public awareness to whom it may concern on GLHU Stolbtsovski leshoz website <http://stolbzyles.by/certification>.

Anyone concerned may provide feedback to e-mail: stolbzyles@tut.by .

12 Approval of Report

| Approval of Supply Base Report by senior management | | | |
|--|--|---|-------------------|
| Report Prepared by: | <i>Evgenij Gennadievich Taleyko</i> | <i>Standardization and certification engineer</i> | <i>22/05/2017</i> |
| | Name | Title | Date |
| 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. | | | |
| Report approved by: | <i>Gennadii Stanislavovich Spilevski</i> | <i>Chief Engineer</i> | <i>22/05/2017</i> |
| | Name | Title | Date |
| Report approved by: | <i>Gennadii Vikentievich Kazhushko</i> | <i>Director</i> | <i>22/05/2017</i> |
| | Name | Title | Date |

13 Updates

Not applicable.

13.1 Significant changes in the Supply Base

Not applicable.

13.2 Effectiveness of previous mitigation measures

Not applicable.

13.3 New risk ratings and mitigation measures

Not applicable.

13.4 Actual values of feedstock over the previous 12 months

6540 tons per year

13.5 Projected values of feedstock over the next 12 months

7000 tons of saw dust are expected to be produced, used and processed.