

Supply Base Report: GLHU Tolochinsky leshoz

Second 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 www.sbp-cert.org

Document history

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1 Overview

Producer name: GLHU «Tolochinsky leshoz»
Producer location: Republic of Belarus, Vitebsk region, 211091,
 Tolochin, Oktjabrskayastreet, 24.
Geographical position: 54 degrees 18 minutes northern latitude
Primary contact: Morozova Natalia Vladimirovna, Tolochin, Oktjabrskayastreet, 24, Vitebsk region, email tol_leshoz@open.by
Company website: <http://tolochinles.by>
Date report finalised: 24/Sep/2018
Close of last CB audit: 24/Sep/2018
Name of CB: UAB NEPcon LT
Translation from English: YES
SBP Standard (s) used: SBP Standards: Standard 2 Version 1.0 : Standard 4 Version 1.0, Standard 5 Version 1.0
Web-reference on used Standards: <https://sbp-cert.org/documents/standards-documents/standards>
Regional risk assessment approved SBP: not applicable»
Weblink to SBE on Company website: <http://tolochinles.by>

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

2 Description of the Supply Base

2.1 General description

GLHU Tolochinsky leshoz source the raw materials as feedstock primary and secondary. Secondary feedstock originating as wood industry residues from own production as well as from external sawmill. Primary feedstock source directly from own forests, Belarus.

Feedstock are:

SBP-compliant Secondary Feedstock, 28%

SBP-compliant Primary Feedstock, 72%

Species: Species: *Picea abies* (L.) H. Karst.); *Pinus sylvestris* (L.); *Betula pendula*

Number of suppliers – appr 2.

2.1.1 Forest resources of the Republic of Belarus

In the Republic of Belarus forests are one of the main renewable natural resources and the major national wealth. The woods and forest resources are of great importance for sustainable social and economic development of the country, ensuring its economic, energy, ecological and food security. For a number of the key indicators characterizing forest fund (woodiness of the territory, the area of the woods and stock of growing wood in terms of per capita), Belarus is among the top ten forest states of Europe.

Forestry of Belarus, successfully implementing the principles of sustainable multipurpose forest management, is important for stable functioning of the forest sector of the country and contributes to the development of allied industries of economy, making a significant contribution to the implementation of the signed international treaties at the global level in the field of environmental protection. Its economic, environmental and social role has been steadily increasing. All this gives grounds to say that in modern conditions the forestry sector from traditional commodity industry turns into infrastructural and one of the key sectors of the national economic complex, especially in the rural areas of the country.

As a result of purposeful work on reproduction of the woods and forest growing, positive dynamics of forest fund is reached.

So from 1994 the key quantitative and qualitative indexes of the forests improved:

- forest area increased by 889,2 thousand hectares from 7371,7 to 8260,9 thousand hectares;
- the area under forest of the Republic reached 39.8 per cent (increased by 4.3%);
- the total stock of standing timber increased by 702,8 million cubic meters and amounted to 1796,0 million cubic meters (including in Mature and overmature stands - 250,4 million cubic meters and constituted – 296,0 million cubic meters);
- the stock per 1 ha. of forested land increased by 69 cubic meters and amounted to 217 cubic meters per 1 ha.; the stock of mature and overmature plantings increased by 54 cubic meters and reached 267 cubic meters per 1 ha.;
- average age of plantings increased from 44 to 56 years

Dynamics of indices of forest Fund of the Republic of Belarus:

Name of indicator	unit of measure	Index as at			
		1994	2001	2010	2018
1. The total area of forest fund lands	thousand hectares	8676,1	9247,5	9416,6	9582,0
1.1 Forest lands	thousand hectares	7775,9	8275,7	8598,2	8724,1
	%	89,6	89,4	91,3	91,0
1.2 Forested land – in all	thousand hectares	7371,7	7850,6	8002,4	8260,9
	%	85	85,0	85,0	86,2
mature and overmatured	thousand hectares	350,1	623	804,4	1215,4
	%	4,7	7,9	10,1	14,7
2. Area under forest	%	35,5	37,8	38,5	39,8
3. The General stock of stands – in all	million m3	1093,2	1339,9	1566,1	1796,0
4. The total average inventory change	million m3	24,9	28,2	30,2	32,7
5. The average stock of plantations	m3/hectar	148	171	196	217
5.1. Mature and overmatured	m3/hectar	213	220	244	267
6. The average age	years	44	48	52	56

In Belarus along with increase in total area of forest fund also the sustainable growth of the areas of ripening as well as mature and overmatured plantings is observed

For 2017 in the system of the Ministry of Forestry from all kinds of cuttings 17,9 million cubic meters of liquid wood were harvested with a planned volume of 12.5 million cubic meters, which amounted to 120% of the reported task.

Today in the organizations of Ministry of Forestry of the Republic of Belarus there are 258 harvesters, 313 forwarders, 711 vehicles for transport of assortments, 1247 load-haul-dump machines and other equipment. For 2017, 20 harvesters, 31 harvesters Vimek, 30 forwarders Vimek, 24 machines for loading and transport Belarus MPT-461.1, 39 vehicles for transport of assortments and other logging equipment for the sum of more than 57,5 million rubles were acquired.

For the year 2017 the industry has reached the level of mechanized timber harvesting from the total amount of preparation of wood to 51%. The total volume of timber harvesting by harvesters in the industry amounted to 5,5 thousand cubic meters.

Currently in the system of the Ministry of Forestry 70 shops and 7 workshops sections carry out woodworking activity.

Within implementation of Program of industrial development of woodworking productions of the Ministry of Forestry of the Republic of Belarus for 2015-2020, approved by the resolution of the Collegium of the Ministry of forestry of 24 December 2014, to technical re-equipment of woodworking productions in 2017 was directed the sum of 14,2 denominated million rubles.

In 2017, 26 projects including the following directions were realized: modernization of sawing productions – 6 projects; installation of the positional equipment – 11 projects; creation of production on release of dried products – 1 project, the installation of equipment for the production of logs (debarked) products -3 projects; the establishment of production facilities for the manufacture of wood fuel - 8 projects.

7,2 thousand cubic meters (143,8%) of wood fuel, including 1,8 thousand cubic meters of fuel chips are prepared. 7 thousand cubic meters of wood fuel, including 1,8 thousand cubic meters of fuel chips are sold

For the year 2017 realization of rounded forest products by forestry enterprises of branch in domestic market amounted to 12,4 million cubic meters (133% compared to the same period last year), including 7,9 million cubic meters of timber or 64% or 65% of total sales, 3.3 thousand cubic meters of firewood, or 35% of total sales.

In comparison with the same period of last year the volume of realization of timber has increased by 2,0 million cubic meters, or for 33 %. Significantly increased the demand in 2017 to paper wood and technological raw wood.

Realization of timber in domestic market for the current year amounted to 415,0 thousand cubic m. and increased compared to the same period last year by 49,1 thousand cubic meters, or 113%

2.1.2 State forest institution «Tolochinsky leshoz»

Supply Base of Tolochinsky leshoz is the whole territory of the Republic of Belarus.

At present leshoz occupies area 59380 ha, including forested area 55599 ha and consists of 6 forest areas. The extension of leshos from the north to the south is 43 km and from west to east 48km.

According to forest and plant division into districts, forests of leshoz relate to Orshansko-Pridneprovski complex of forest land, Orshansko-Mogilevski forest area of deciduous and firry (oak-dark coniferous forest) forests subarea. This complex of forest lands is single in the republic, where spruce forests are predominated (32% of forest area). Distinguishing feature of pine forests of the complex is the predominance of oxalis and adderspit types of forests. Spruce forests are fast replacing by soft-leaved forests. Birch and aspen plantings occupy almost 40% of forest area in leshoz. Black alder-tree and grey alder-tree forests as well as oak forests are not prevailed. Marsh forests occupy 13% of forest area.

Wood harvested in GLHU “Tolochinsky leshoz” is controlled by wood purchasing certificate with marking, labels for removal of logs, waybill.

Climate

The territory of leshoz is in lukewarm, humid climatic area with cold winter, slightly softened by Baltic air masses, lukewarm summer and relatively brief vegetative period.

Predominate winds: in summer – northwestern and western, in winter - south-western and southern.

Following process of soil formation are determined: caespitose, podzol, sod-podzol, marsh, flood-plain. As a result of mentioned soil formations the territory of leshoz has 9 types of soil. Sod-podzol semi- hydromorphic soils, occupying 45.5% of territory, are predominated on the territory of leshoz and confined to low elements of relief.

2.2 Actions taken to promote certification amongst feedstock supplier

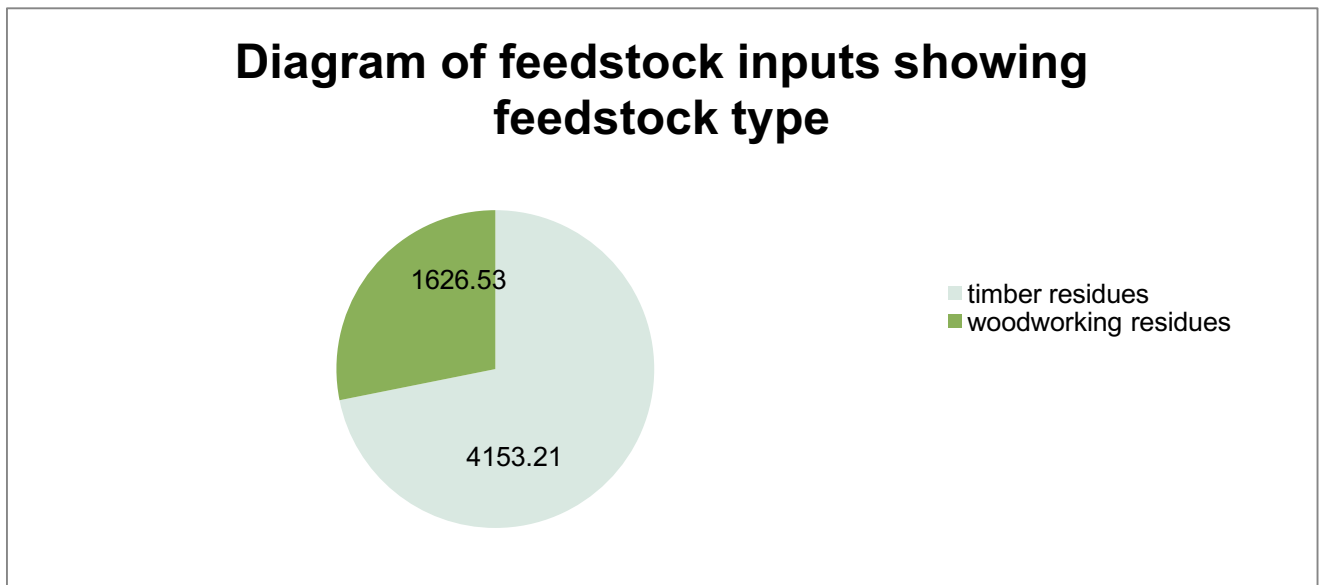
Harvesting is made only on the territory of forest resources of GLHU “Tolochinsky leshoz”. All territory of forest resources of GLHU “Tolochinsky leshoz” is certified 100% by FSC 100 % and 100%PEFC. But in the reporting

period not certified secondary raw materials were used. At the moment of audit leshoz refused to buy raw materials from that suppliers and deal only with FSC certified suppliers.

2.3 Final harvest sampling programme

Not applicable. GLHU “Tolochinsky leshoz” use forest residues (fuel wood and so on) for pellets production. This fuelwood is received from thinning and top parts received from final harvestings. At main harvestings fire woods (top parts) are harvested. They form about 10% of all volume of treatment in pellets production. Stem wood from final harvestings is not used.

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



2.5 Quantification of the Supply Base

Supply Base

- a. Total Supply Base area (ha): 9,582 ha
- b. Tenure by type (ha) 9,582 million ha state ownership, 0 million ha private forests and 0 million ha other ownership types.
- c. Forest by type (ha): 9,582 million ha temperate forests
- d. Forest by management type (ha): 9.582 million ha managed semi-natural
- e. Certified forest by scheme (ha): FSC -- FSC - total certified area 7,7 million ha
PEFC – total certified area 7,9 million ha

Feedstock

- f. Total volume of Feedstock: tonnes or m³ – 5779,74 solid m³*
- g. Volume of primary feedstock: tonnes or m³ – 4153,21 solid 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 100% FSC certified
 - Not certified to an SBP-approved Forest Management Scheme -0%
- i. List all species in primary feedstock, including scientific name
scotch pine (Pinuss ylvestris); spruce fir (Picea abies). birch (Betula pendula)
- j. Volume of primary feedstock from primary forest -0 m³
- 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: 1626,53 t per of sawdust, Belarus*.
- m. Volume of tertiary feedstock:) 0 m³

* Compelling justification would be specific evidence that, for example, disclosure of the exact figure would reveal commercially sensitive information that could be used by competitors to gain competitive advantage. State the reasons why the information is commercially sensitive, for example, what competitors would be able to do or determine with knowledge of the information.

3 Requirement for a Supply Base Evaluation

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

ERB is not developed, as all the raw materials comes from FSC-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

Ministry of natural resources and preservation of the environment of the Republic of Belarus
Vitebsk regional committee of natural resources and preservation of the environment
Tolochin district inspection of natural resources and preservation of the environment
Lenina str., 1, 211092, Tolochin
Tel./fax (802136) 2 16 53. E-mail: tol_eco@vitebsk.by

12.07.2016 No. 111
To No. _____ of _____

Peer review (independent estimation)
of Supply Base of GLHU "Tolochinskyleshoz"

Within the framework of certification of legality and steadiness of feedstock resources which is used for production of fuel granules according to Sustainable Biomass Partnership (SBP).

In the course of harvesting and working out of forest resources GLHU "Tolochinskyleshoz" uses them efficiently. In its activity Leshoz is guided by Forest codex and other normative and legal documents of the Republic of Belarus which are applied on forestry activity. Inexhaustible and renewable forest management and forest exploitation are the main guidelines at forestry managing in GLHU "Tolochinskyleshoz".

All territory of forest resources of GLHU "Tolochinskyleshoz" is certified in accordance with FSC system and PEFC. All requirements and norms for efficient observance of nature-conservative functions are definitely observed.

For production of fuel granules (pellets) primary feedstock (firewood) and secondary feedstock (wood chips, sawdust) are used. For pellets production the primary feedstock is not harvested at felling of main use (plantations over 50 years), firewood is harvested only at felling of intermediate use.

Our inspection tightly coordinates with GLHU "Tolochinskyleshoz" in the field of forest conservation and observance of forest legislation.

Chief of Tolochin district
inspection of natural resources
and preservation of the environment

Signature

V.P.Pryadka

11.2 Public or additional reviews

Report version in Russian is placed on site GLHU "Tolochinskyleshoz" <http://tolochinles.by> for public examination of all stakeholders.

After examination of Report all stakeholders can send their reviews on e-mail of GLHU "Tolochinskyleshoz" tolleshoz@tyt.by

The present report will be placed and send to public organizations.

12 Approval of Report

Approval of Supply Base Report by senior management			
Report prepared by:	<i>Morozova Natalia</i>	<i>Quality engineer of 2 category</i>	<i>24.09.2018</i>
	Name	Title	Date
<p>The undersigned persons confirm that I/we are member of the organization'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 finalization of the report.</p>			
Report approved by:	<i>Mikhail Nikolaevich Galik</i>	<i>Director of GLHU "Tolochinskyleshoz"</i>	<i>24.09.2018</i>
	Name	Title	Date
Report approved by:	<i>Vasili Petrovich Khvashevski</i>	<i>Chief engineer</i>	<i>24.09.2018</i>
	Name	Title	Date

13 Updates

13.1 Significant changes in the Supply Base

significant changes have not occurred

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

5799,74

13.5 Projected figures for feedstock over the next 12 months

4000 tones