

Supply Base Report: PRB Industry, Limited Liability Company

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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: PRB Industry, Limited Liability Company

Producer location: 211460, Republic of Belarus, Vitebsk region, Rossonsky district, ag Klyastitsy, ul. Shcolnaya, 45

Geographic position: 55°52'N/S 28°35 'E/W

Primary contact: Aleksandr Girdyuk, Deputy Director
Tel. +375 29 7162041, e-mail: girdyuk.aleksandr@gmail.com

Company website: [https://www.facebook.com/ ООО "ПРБ индастри"](https://www.facebook.com/ООО_ПРБ_индастри)

Date report finalised: 20/Jan/2020

Close of last CB audit: Not Applicable

Name of CB: UAB NEPCon LT

Translations from English: Yes

SBP Standard(s) used: SBP Standard 2: Verification of SBP-compliant Feedstock
SBP Standard 4: Chain of Custody
SBP Standard 5: Collection and Communication of Data 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
X	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

2 Description of the Supply Base

2.1 General description

The supply base of “PRB industry” is the whole territory of the Republic of Belarus.

All forests in Belarus are in exclusive property of the State. The total area of forest fund is 9.582 million ha of which 8.26 million ha are covered by forest lands. The percentage of forest cover in Belarus reached 39,8%. The total stock of timber is 1796 million m³, including ripe and overripe stands which comprise over 296 million m³.

As a result of conscious efforts on forests' reproduction, during the last 60 years the area covered by forest has doubled and reached its highest value for more than 100-year period. This increase is a result of both natural processes and afforestation of barren lands unsuitable for farming industry. In Belarus along with increase of total area of forest lands, one could witness a sustainable growth of ripening, ripe and overripe stands. The share of ripe and overripe forests is 14,7%. Average age of stands is over 56 years.

In Belarus the main principles of forest managements are based on the following regulatory documents:

- State-run program for 2016-2020 “Belarus forest”
- National strategy on sustainable development of the Republic of Belarus
- Forest Code of the Republic of Belarus.

28 tree species and about 70 species of bushes grow in Belarus. The most widespread are: Scots pine - 50.3%, Birch - 23.2%, European spruce - 9.2%, Black alder - 8.5%, Oak - 3.4%, Aspen - 2.1%

There are two types of forest lands depending on accomplished functions: first and second groups. The first group comprises specially protected nature conservation areas (about 52%), and the second one – exploitable forests for timber harvesting (48%). In accordance with the legislation of the Republic of Belarus all forest lands are in state property and assigned to state forestry enterprises for use. The forest use in Belarus is based on the principle of continuity and sustainability.

Average annual timber harvesting value is about 18 million m³, which include:

- final felling (mature timber) – 40%
- cleaning cuttings and sanitary felling (young, middle-aged and ripening stands – 48%
- other cuttings – 12%.

The main conditions of forests' exploitation are the procurement of forest reproduction and protective afforestation. In 2018 the forest reproduction and afforestation were carried out at the total area of 41,82 thousand ha, including such measures as planting of new forests (about 34,8 thousand ha).

According to the forest legislation of the Republic of Belarus, the endangered species and the places of their habitation included in the Red List are to be protected during timber harvesting processes. There are no any

CITES in the supply base. The cutting of valuable, endangered and specially protected tree species is strictly prohibited.

There are two preserved areas at the territory of Republic of Belarus - Berezinsky Biosphere Reserve (85.2 thousand ha) and Polesie State Radioecological Reserve (216,1 thousand ha) and four national parks - Belovezhskaya Pushcha (152,962 thousand ha), Braslav Lakes (69,115 thousand ha), Narachanski National Park (93,3 thousand ha) and Pripyatsky National Park (85,841 thousand ha) as well as 334 forest Republic and local reserves and 874 monuments of nature.

The forest certification is an effective tool against illegal cuttings and illegal circulation of timber.

There two schemes of forest certification implemented in the Republic of Belarus: FSC (Forest Stewardship Council) and PEFC (Programme for the Endorsement of Forest Certification).

As of 1st of January 2019, 96 forest management units (98,5% of total forest fund that belongs to the Ministry of Forestry) is certified in accordance with the requirements of Forest Stewardship Council (FSC). 93 forest management units (95 % of total forest fund that belongs to the Ministry of Forestry) is certified in accordance with the requirements of PEFC (Programme for the Endorsement of Forest Certification).

In Belarus timber industry comprises of forest management (13,5%), processing of timber (69,5%) and paper-pulp industry 16,4%). Timber processing is one of the largest manufacturing sectors in Belarus Republic and has a share of about 2% from the whole processing sector in Belarus Republic. Timber industry in Belarus makes approximately 1,1% of gross domestic market. Timber-based products are exported to about 30 world countries.

Source: Ministry of Forestry of Republic of Belarus

PRB industry is engaged in the production of cylindrical products. Processing residues (wood chips and sawdust) are used for the production of wood pellets. Roundwood for main production comes from the sanitary felling in the forest fund of Belarus Republic

Roundwood with an FSC 100% claim is procured from the following FMUs:

1. GLHU Rossony leshoz – Vitebsk region (SGS-FM/COC-009553)
2. GLHU Polotski leshoz- Vitebsk region (SGS-FM/COC-009553)
3. GLHU Dretunsky leshoz – Vitebsk region (SGS-FM/COC-009553)
4. GLHU Cherkovsky leshoz – Mogilev region (SGS-FM/COC-009361)
5. GOLHU Starodorozhsky experienced leshoz – Minsk region (SGS-FM/COC-007246)

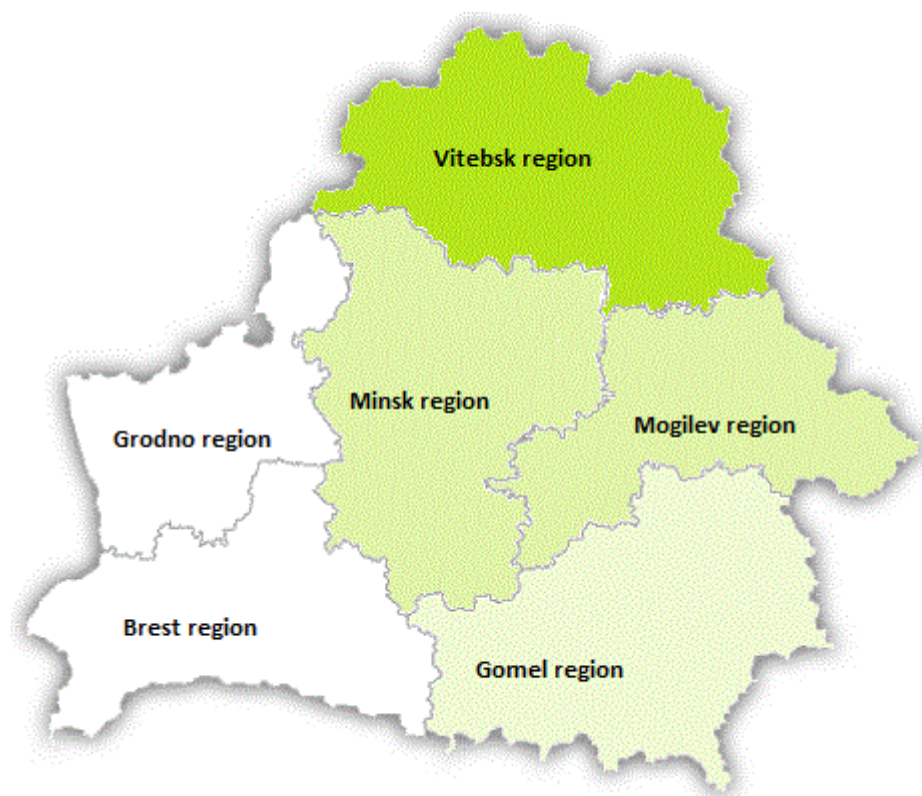


Fig.1 Supply Base of PRB industry – Republic of Belarus

PRB industry uses only certified secondary feedstock in the production of pellets:

- SBP-compliant secondary feedstock - 100%

PRB industry mainly uses own processing residues (sawdust and wood chips).

The following tree species are used:

- Pine (*Pinus silvestris*) – 70%
- Spruce (*Picea abies*) – 30%

2.2 Actions to promote certification among feedstock suppliers

For the production of pellets PRB industry uses FSC certified material. For the main production roundwood is procured from certified Belarus forest management units. PRB industry management has decided to stop the purchase of timber which does not come from FSC certified forests and does not have an FSC claim. When communication with an uncertified FMU / sawmill takes place, PRB industry representatives underline the importance of complying with the existing requirements and promotes voluntary forest certification.

2.3 Final harvest sampling programme

Not applicable.

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

SBP-compliant secondary feedstock – 100 %

2.5 Quantification of the Supply Base

Supply Base

- a. Total Supply Base area (ha): 9,582 ml.
- b. Tenure by type (ha): 9,582 ml. (100% stated owned)
- c. Forest by type (ha): 9,582 ml temperate
- d. Forest by management type (ha): 9,582 ml managed semi natural
- e. Certified forest by scheme (ha): 9,027 ml.– certified by FSC ;
8,8 ml. – certified by PEFC.

Feedstock

- f. Total volume of Feedstock: 862,34 m3
- g. Volume of primary feedstock: not used
- h. List percentage of primary feedstock (g), by the following categories - 0 m3
Subdivide by SBP-approved Forest Management Schemes - 0 m3
 - 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 – n/a
- 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 - 0 m3
- Primary feedstock from primary forest not certified to an SBP-approved Forest Management Scheme - 0 m3

l. Volume of secondary feedstock: 862,34 m3
(100% sawdust from own production).
All feedstock comes from the Republic of Belarus.

m. Volume of tertiary feedstock: not used

3 Requirement for a Supply Base Evaluation

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

PRB industry only uses FSC certified feedstock, no Supply Base evaluation is 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 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

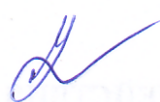

11.1 Peer review

No expert evaluation was carried out.

11.2 Public or additional reviews

No additional assessment was carried out.

12 Approval of Report

Approval of Supply Base Report by senior management			
Report Prepared by:	Aleksandr Girdyuk 	Deputy Director	24/01/2020
	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:	Gints Babris 	Director	24/01/2020
	Name	Title	Date
Report approved by:	[name]	[title]	[date]
	Name	Title	Date
Report approved by:	[name]	[title]	[date]
	Name	Title	Date

13 Updates

13.1 Significant changes in the Supply Base

Not applicable, as this report has been prepared for the primary (main) evaluation.

13.2 Effectiveness of previous mitigation measures

Not applicable

13.3 New risk ratings and mitigation measures

13.4 Actual figures for feedstock over the previous 12 months

- n. m. Total Supply Base area (ha): 9,582 ml.
- o. Tenure by type (ha): 9,582 ml. (100% stated owned)
- p. Forest by type (ha): 9,582 ml temperate
- q. Forest by management type (ha): 9,582 ml managed semi natural
- r. Certified forest by scheme (ha): 9,027 ml.– certified by FSC ;
8,8 ml. – certified by PEFC.

Feedstock

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Subdivide by SBP-approved Forest Management Schemes - 0 m3
 - Certified to an SBP-approved Forest Management Scheme
 - Not certified to an SBP-approved Forest Management Scheme
- v. List all species in primary feedstock, including scientific name – n/a
- w. Volume of primary feedstock from primary forest - 0 m3
- x. 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 - 0 m3
 - Primary feedstock from primary forest not certified to an SBP-approved Forest Management Scheme - 0 m3
- y. Volume of secondary feedstock: 862,34 m3
(100% sawdust from own production).
All feedstock comes from the Republic of Belarus.

z. Volume of tertiary feedstock: not used

13.5 Projected figures for feedstock over the next 12 months

Projected feedstock volume 2020: 17 000 m3.