

Supply Base Report: Pelletizer LLC

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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

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1 Overview

Producer name: LLC Pelletizer
Producer location: 213170, Republic of Belarus, Mogilev region, Belynychy district, Moschanytsky village council, 5, Arched building in the area of the village Oleshkovichi
Geographic position: N 54° 1'46.54"; E 29°37'57.60"
Primary contact: Daria KArankevich, address: 213170, Republic of Belarus, Mogilev region, Belynychy district, Moschanytsky village council, 5, Arched building in the area of the village Oleshkovichi, telephone: +375291598105, buhgalter@bepellet.by
Company website: www.bepellet.by
Date report finalised: 21/Feb/2020
Close of last CB audit: 25/Feb/2020, Oleshkovichi
Name of CB: NEPCon
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: <https://sbp-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
X	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

2 Description of the Supply Base

2.1 General description

LLC Pelletizer is a biomass producer located in the village of Oleshkovichi, Mogilev region of the Republic of Belarus. For the production of SBP-compliant biomasses, LLC Pelletizer purchases only SBP-compliant secondary feedstock (sawdust) from five local suppliers – state forest enterprises (leshozes). Sawdust is a sawmill residue and comes with a FSC 100% claim.

LLC Pelletizer defined the forest fund area of the Republic of Belarus as a supply base, as the structure of suppliers can change, but only within the Republic.

In the Republic of Belarus, forests are one of the main renewable natural resources and the most important national wealth. The total land area of the forest fund is 9.582 million hectares. Forest-covered lands occupy 9.582 million hectares. The total standing stock of wood stands at 1,796 million cubic meters, including 296 million cubic meters of ripe and mature plantings. As a result of focused work on the reproduction of forests, the area covered by forests is increasing. So, over the past 60 years, the forest cover of the republic has almost doubled and reached its maximum values for more than a century. The increase is occurring both naturally and due to afforestation of badlands unsuitable for agriculture. In Belarus, along with an increase in the total area of the forest fund, a steady growth in the areas of ripening, ripe and overripe stands is observed. The share component of ripe and mature forests is 14.7%. The average age of stands is 56 years.

In the forests of Belarus there are 28 species of trees and about 70 species of shrubs. The most common tree species are: Scots pine - 50.3%, Silver birch - 23.2%, Norway spruce - 9.2%, Black alder - 8.5%, oak - 3.4%, aspen - 2.1% .

Depending on the functions performed, the lands of the forest fund are divided into forests of the first and second groups. The first group includes specially protected natural territories, the share of which is 52%, the second group includes production forests intended for timber harvesting (48%).

In accordance with the legislation of the Republic of Belarus, all the lands of the forest fund are in state ownership and transferred to the use and management of state forestry institutions. Forest management in Belarus is carried out according to the principle continuity and inexhaustibility. The average annual wood harvest is about 18 million cubic meters per year, of which:

- main cutting (in ripe stands) 40%;
- thinning and sanitary felling (in young, middle-aged and ripening stands 48%);
- other felling 12%.

Ensuring high-quality reproduction of forest resources and protective afforestation is a prerequisite for the use of forests. So in 2018 reforestation and afforestation carried out on a total area of 41.82 thousand hectares, including 34.8 thousand ha of new forests laid due to sowing and planting forests.

When harvesting wood, according to the forest legislation of the Republic of Belarus, species listed in the Red Book and their habitats are subject to conservation. Harvesting of valuable, endangered and specially

protected tree species is prohibited. Harvesting of tree species that are on the IUCN and CITES lists is excluded, since the distribution areal of these species is outside the Supply base of LLC Pelletizer.

In Belarus there are two republican reserves - the Berezinsky Biosphere Reserve (85.2 thousand ha) and the Polesky State Radiation and Ecological Reserve (216.1 thousand ha), and four national parks - Belovezhskaya Pushcha (152.962 thousand ha), Braslav Lakes (69.115 thousand hectares), Narochansky (93.3 thousand hectares) and Prip'yatsky (85.841 thousand hectares), 334 reserves of republican and local significance and 874 natural monuments.

Forest certification is an effective tool to combat illegal logging and illegal timber trafficking. Taking into account the requirements of the international scheme of the Forest Stewardship Council (FSC), 9.027 million hectares of forest fund are certified (94.2% of the total forest fund). PEFC have certified forest management and forest management systems of 105 legal entities conducting forestry on an area of 8.8 million hectares of forest fund.

The structure of the timber industry complex is represented by the following sectors: logging (13.5% of the total output), woodworking (69.5%), pulp and paper (16.4%) and the chemical industry (0.6%). The woodworking industry is one of the largest in Belarus. Woodworking accounts for approximately 2% of the total number of processing industries in the Republic of Belarus. The share of the forest industry in the country's GDP is approximately 1.1%. Timber is exported to approximately 30 countries.

2.2 Actions taken to promote certification amongst feedstock supplier

LLC Pelletizer reduces purchases of uncertified feedstock and conducts interviews with responsible staff of suppliers about the need to obtain FSC certificates.

2.3 Final harvest sampling programme

Not applicable.

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): | 9,582 mln ha |
| b. Tenure by type (ha): | 9,582 mln ha state owned |
| c. Forest by type (ha): | 9,582 mln ha temperate |
| d. Forest by management type (ha): | 9,582 mln ha managed natural |
| e. Certified forest by scheme (ha): | 9,027 mln ha FSC-certified and 8,595 mln ha PEFC-certified |

Feedstock

- f. Total volume of Feedstock: **9560,352 solid m³**
- g. Volume of primary feedstock: 0 m³
- 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 — 0%
 - Not certified to an SBP-approved Forest Management Scheme – 0%
- i. List all species in primary feedstock, including scientific name
- j. Volume of primary feedstock from primary forest – 0%
- 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%
 - Primary feedstock from primary forest not certified to an SBP-approved Forest Management Scheme – 0%
- l. Volume of secondary feedstock: **9560,352 solid m³, sawdust – sawmill residues.**
- m. Volume of tertiary feedstock: 0 m³.

3 Requirement for a Supply Base Evaluation

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

SBE is not required, since the feedstock used for biomass production is FSC certified secondary feedstock.

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

The Supply base report was prepared with the support of qualified SBP certification consultant Tatiana Savelyeva.

11.2 Public or additional reviews

The Supply base report is available at www.bepellet.by. Any comments can be sent to the SBP manager Daria Karankevich for review at buhgalter@bepellet.by.

12 Approval of Report

Approval of Supply Base Report by senior management			
Report Prepared by:	<p><i>Daria Karankevich</i></p> 	<i>Accountant, SBP manager</i>	<i>21/02/2020</i>
	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:	<p><i>Ivan Borovoy</i></p> 	<i>Director</i>	<i>21/02/2020</i>
	Name	Title	Date

13 Updates

13.1 Significant changes in the Supply Base

At the moment of main assessment is not applicable.

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

9560,352 solid m³, sawdust – sawmill residues.

13.5 Projected figures for feedstock over the next 12 months

10 000 solid. m³.