

Supply Base Report: Foreign Private Production Unitary Enterprise "LSM Pellet"

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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: Foreign Private Production Unitary Enterprise "LSM Pellet"
Producer location: Republic of Belarus, Gomel region, Oktyabrsky district, Lomovichsky rural council, 4, 247301, lsm pellet@tut.by
Geographic position: 52.607965, 28.959538
Primary contact: Hrabko Uladzimir, Republic of Belarus, Gomel region, Oktyabrsky district, Lomovichsky rural council, 4, +375293533029, grabkovn@gmail.com
Company website: https://www.facebook.com/LSM-Pellet-1381793995208927/photos/?tab=album&album_id=2785525154835797
https://www.facebook.com/LSM-Pellet-1381793995208927/photos/?tab=album&album_id=2698160416905605
Date report finalised: 03/Feb/2020
Close of last CB audit: 06/Feb/2020
Name of CB: [NEPCon](#)
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 resource base is the territory of the Republic of Belarus.

All forests in Belarus are the exclusive property of the state. The total land area of the forest fund is 9.582 million hectares. Forest-covered lands occupy 8.26 million hectares. The forest cover of the territory of the Republic of Belarus reached 39.8%. 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 forest has almost doubled over the past 60 years and reached its maximum value over more than a hundred years. The increase occurs both naturally and due to the planting of forest stands of badlands unsuitable for agriculture. In the Republic of Belarus, along with an increase in the total area of the forest fund, there is a steady increase in the areas of ripening, ripe and overripe stands. The share component of ripe and mature forests is 14.7%. The average age of the stands is 56 years.

In Belarus, the basic principles of forest management are defined by the following regulatory documents:

- The state program "Belarusian Forest" for 2016-2020;
- National Strategy for Sustainable Development of the Republic of Belarus;
- Forest Code of the Republic of Belarus.

In the forests of the Republic of Belarus 28 species of trees and about 70 species of shrubs grow. The most common tree species are: ordinary pine - 50.3%, birch - 23.2%, European 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 areas, whose share is 52%, the second one 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 based on the principle of continuity and sustainability. 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 were 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, individuals listed in the Red Book and their habitats are subject to conservation. Cutting of valuable, endangered and specially protected tree species is prohibited. On the territory of the resource base, Cites species are not harvested.

On the territory of 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), Braslavsky lakes (69.115 thousand hectares), Narochansky (93.3 thousand hectares) and Pripyatsky (85.841 thousand hectares), 334 reserves of national and local significance and 874 natural monuments.

Forest certification is an effective tool to counteract illegal logging and illegal timber trafficking. In the Republic of Belarus, two forest certification schemes are used - the Forest Certification System FSC (Forest Stewardship Council) and the Forest Certification System of the National Conformity Certification System, recognized by the European Forest Certification Council (PEFC).

Taking into account the requirements of the international scheme of the Forest Stewardship Council (FSC), as of January 1, 2019, 96 leshozes were certified (98.5% of the total forest fund of the Ministry of Forestry). PEFC certified forest management and forest management systems of 93 leshozes of the Ministry of Forestry (95.0% of the total forest fund of the Ministry of Forestry).

In the Republic of Belarus, the forest industry consists of forestry (13.5%), wood processing (69.5%) and pulp and paper industry (16.4%). The woodworking industry is one of the largest industries in Belarus. Woodworking accounts for approximately 2% of the total manufacturing industry of the Republic of Belarus. The share of the forest industry in the country's GDP is approximately 1.1%. Timber products are exported to 30 countries.

The Foreign private manufacturing unitary enterprise "LSM Pellet" produces pellets from waste from the processing of wood and firewood, which it purchases from third-party suppliers. The company is exclusively engaged in the production of pellets.

In the revision period for the production of pellets sawdust was used with FSC statement and without FSC statement, firewood and Slab wood:

- SBP -compliant secondary raw materials - 35.07% (FSC-100%);
- SBP – non compliant secondary raw materials - 54.94%;
- SBP- non compliant primary raw materials - 9.99%.

For the production of pellets, "LSM Pellet" uses sawdust? firewood with an FSC 100% claim , which in the audit period was purchased from one certified supplier and non-certified Slab wood, sawdust and firewood were purchased from seven suppliers. Additionally, wood shavings with an FSC statement of 100% can be used, which is included in the product groups of the enterprise, but is not purchased at the moment and was not used during the reporting period.

Since June 28, 2019, the FSC certificate was received and non-certified raw materials began to separate from certified ones.

For the production of SBP pellets, only raw materials with a FSC statement of 100% are used.

The main regions of origin of the wood used in the production of LSM Pellet in the Republic of Belarus are the territories of the October and Glusky forestries.

GLHU “Oktyabrsky Leskhoz” is located in the northwestern part of the Gomel Region on the territory of the Oktyabrsky District. A small part is located on the territory of the Svetlogorsk District. The forestry includes ten forestries.

The leskhoz carries out forestry activities, is engaged in logging and marketing to the domestic market.

The forest fund managed by the Oktyabrsky Leskhoz amounts to 84.7 thousand ha, including the area covered by forest - 78.1 thousand ha. Forests of the 1st group are 18.0 thousand ha, group II - 66.7 thousand ha. The average age of stands is 58 years.

Forestry activities are carried out in the following areas:

- forest management;
- Reforestation and afforestation;
- forest protection from fires, illegal logging and other forest violations;
- protection of forests from diseases and pests;

GLHU The Glusky Leskhoz of the Mogilev Forestry and Forestry Directorate is located in the southwestern part of the Mogilev region on the territory of the Glus administrative district.

The length of the territory of the leskhoz from north to south is 55 km. and from west to east - 40 km.

The leskhoz borders on the Oktyabrsky, Bobruisk, Osipovichsky, Starodorozhsky and Luban forestries. The total area of the leskhoz on 01.01.2019 is 76254 ha, including 69866 ha covered with forest.

The following wood species are used in the production of LSM Pellets pellets:

- Scots pine (*Pinus silvestris*),
- Spruce (*Picea abies*);

Also at the beginning of the revision period the following breeds were used:

- Black alder *Alnus glutinosa*
- Aspen (*Populus tremula*)
- Drooping birch (*Betula pendula*)

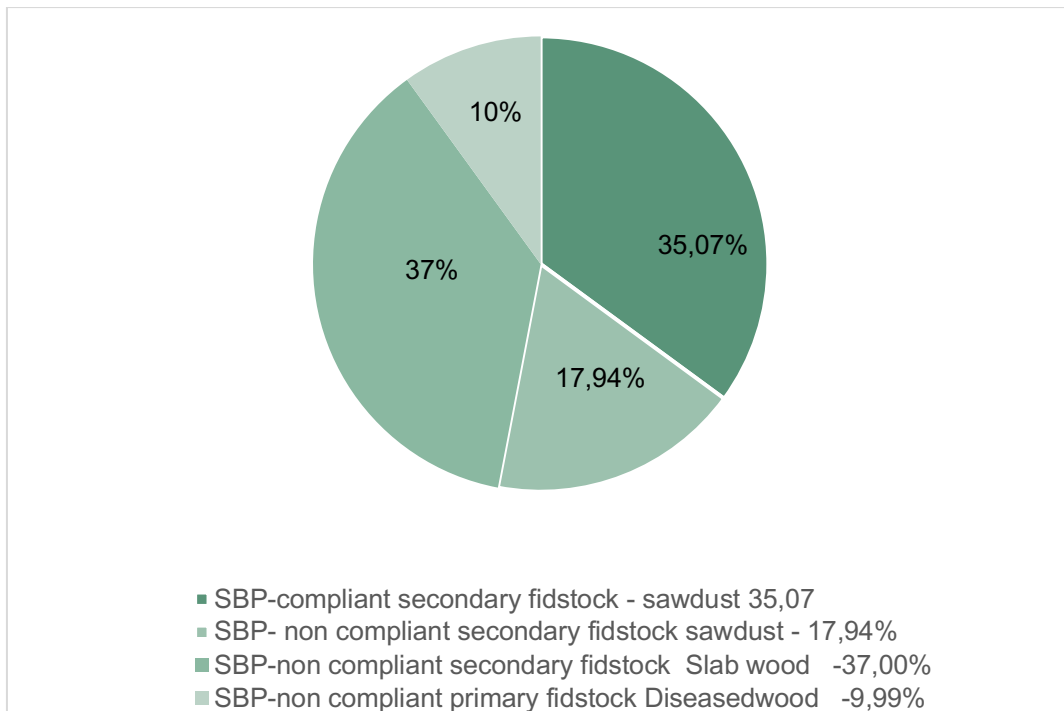
2.2 Actions taken to promote certification amongst feedstock supplier

The foreign private unitary enterprise “LSM Pellet” plans to increase purchases of certified raw materials, as well as to focus the attention of non-certified companies on the importance and advantages of voluntary forest certification..

2.3 Final harvest sampling programme

Not applicable. The entire volume of wood was obtained from sanitary felling.

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



During the first half of the reporting period, the company used about 10% of the primary material (firewood) obtained from sanitary felling, as well as uncertified secondary raw materials (slab) in the production of pellets. However, due to the fact that after obtaining the FSC certificate “LSM Pellet”, complete physical separation of the material is ensured, and for the production of FSC certified pellets (hereinafter - for the production of pellets with the SBP-compliant biomass statement) only certified sawdust with the FSC statement 100% is used , then the category of incoming raw materials for SBP pellets can be defined as follows:

- 100% - SBP-compliant recycled materials (sawdust with FSC statement 100%)

2.5 Quantification of the Supply Base

Supply Base

- a. Total Supply Base area (ha): 9.582 million
- b. Tenure by type (ha): 9.582 million (100% ownership of the Republic of Belarus)
- c. Forest by type (ha): 9,582 млн. (temperatae)
- d. Forest by management type (ha): 9,582 managed natural
- e. Certified forest by scheme (ha): 9.4 million - FSC certified
8.8 million - PEFC certified

Feedstock

- f. Total raw material: 9882,778 solid m³
- g. The volume of primary raw materials: 987,516 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 – 0%
 - Not certified to an SBP-approved Forest Management Scheme – 100%
- i. List all species in primary feedstock, including scientific name
 - Scots pine (*Pinus silvestris*),
 - Spruce (*Picea abies*);
 - Black alder (*Alnus glutinosa*)
 - Aspen (*Populus tremula*)
 - Drooping birch (*Betula pendula*)
- j. Volume of primary feedstock from primary forest – Not applicable
- 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 - Not applicable
 - Primary feedstock from primary forest not certified to an SBP-approved Forest Management Scheme - Not applicable
- l. Volume of secondary raw materials: 8895,262 solid m³
- m. The volume of tertiary raw materials: not used

3 Requirement for a Supply Base Evaluation

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

The assessment of the resource base was not carried out, since in the production of certified pellets only FSC certified raw materials are used.

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 peer review has been conducted.

11.2 Public or additional reviews

A report on the resource base in Russian and English is available on the company's website on the Internet
No additional assessment.

12 Approval of Report

Approval of Supply Base Report by senior management			
Report Prepared by:	<i>Hrabko Uladzimir</i>	<i>director</i>	<i>03.02.2020</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>Hrabko Uladzimir</i>	<i>director</i>	<i>03.02.2020</i>
	Name	Title	Date
Report approved by:			
	Name	Title	Date
Report approved by:			
	Name	Title	Date

13 Updates

Not applicable, as this report has been prepared for the initial (main) assessment.

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 figures for feedstock over the previous 12 months

- n. Total raw material: 9882,778 solid m³
- o. The volume of primary raw materials: 987,516 solid m³
- p. 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 – 0%
 - Not certified to an SBP-approved Forest Management Scheme – 100%
- q. List all species in primary feedstock, including scientific name
 - Scots pine (*Pinus silvestris*),
 - Spruce (*Picea abies*);
 - Black alder (*Alnus glutinosa*)
 - Aspen (*Populus tremula*)
 - Drooping birch (*Betula pendula*)
- r. Volume of primary feedstock from primary forest – Not applicable
- s. 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 - Not applicable
 - Primary feedstock from primary forest not certified to an SBP-approved Forest Management Scheme - Not applicable
- t. Volume of secondary raw materials: 8895,262 solid m³
- u. The volume of tertiary raw materials: not used

13.5 Projected figures for feedstock over the next 12 months

Volume of secondary raw materials: 14400 m3.