

Supply Base Report: Ecolin and K

Fourth Surveillance Audit

www.sbp-cert.org



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

(Report period: 01/01/2019 – 31/12/2019)

Producer name: LLC “Ecolin and K”
Producer location: 223134, v. Ubolotye, AVM “Ubolotye” building, k. 1, Logoisk district, Minsk region, the Republic of Belarus

Geographic position: 54°24’54”N, 27°46’58”E or 54.414911 N, 27.782847 E

Primary contact: Titov Andrei, deputy director, mob. Phone +375291147550, fax +375177422705, e-mail: 1147550@list.ru

Company website: www.ecolin.by

Date report finalised: 05/Mar/2020

Close of last CB audit: 13/Mar/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>

SBP Endorsed Regional Risk Assessment: N/A

Weblink to SBE on Company website: www.ecolin.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"/>	<input type="checkbox"/>	<input type="checkbox"/>	X

2 Description of the Supply Base

2.1 General description

LLC “Ecolin and K” uses the raw materials for pellets production from secondary feedstock. Secondary feedstock originates as forest residues from own production as well as from external sawmills. Feedstock is:

SBP-compliant Secondary Feedstock from own production 42,74% (FSC 100%)

SBP-compliant Secondary Feedstock from external production 57,26% (FSC 100%)

Quantity of Suppliers – 3

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

Feedstock for FSC 100% and SBP- compliant pellets is secondary feedstock from only FSC 100% wood.

Forest fund

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

Distribution of forests by dominant species:

- pine – 50.3 %;
- spruce–9.2 %;
- birch – 23.2 %;
- black alder – 8.5 %;

Focusing on sustainable sourcing solutions

- aspen – 2.1%;
- oak – 3.4%;
- other species – 3.3 %.

Source: <http://www.mlh.by>

Forest management

Forest in the Republic of Belarus is exclusively state's property. The Republic of Belarus carries out maintenance, usage and management of the forests via authorized institutions of forest management; the main functions of these institutions are management and usage of the forests. In accordance with the Forest Code, institutions of forest management are obliged to carry out measures of forest management according to legislation on forest and nature protection and to ensure compliance with the requirements of legislation on usage, protection, defense and replanting of the forests and protection of the environment.

Forest usage

In 2019, all kinds of cuttings provided 20.9 million cubic meters of marketable timber while last year volume was 19,5 million cubic meters. Cuttings volume of 2019 has grown up for 7 % for the level of 2018.

In 2019, the absence of exports of round timber in the industry as a whole was delivered for the export of forest products and services in the amount of more than \$ 140 million USD, which is 94% by 2017. Under comparable conditions (excluding the sale of roundwood for export in previous years) due to the development of its own woodworking capacity, export growth amounted to 174%.

In 2017 of the total exports of the implementation of round forest products in value terms amounted to 45%, the implementation of the lumber – 37%, debarked, round products - 4% and other products – 14%.

Given that in 2018 the export of round timber was not carried out, the Ministry of forestry increased the volume of exports of wood products, which in value terms amounted to: sawn timber – 56% of the total sales for export, round products – 6% and other products – 36%.

Exports of sawn products in 2018 in percentage terms by country amounted to: Lithuania-25%, Latvia – 28%, Germany - 24%, Poland – 15.2%, Belgium – 5.4%, the Netherlands – 3.0%, Romania – 2.0%, Azerbaijan – 1.5%, Sweden – 1.4%, Russia – 1.1%, others – 1.2%.

Source: <http://www.mlh.by>,

Biological diversity

Belarus is a signatory of the CITES Convention since 1995. Requirements of CITES are respected in forestry, although, in Belarus, there are no species included in the lists of CITES.

Annual reforestation is carried out over an area of 40408 hectares, including 85 % of forest planting and 15 % of natural regeneration. <http://belstat.gov.by/> (2017)

In the territory of Belarus, two state reserves – Berezinsky Biosphere Reserve (85.2 thousands hectares) and Polesie State Radioecological Reserve (216.1 thousands hectares) and four national parks –Bialowieza Forest (152.962 thousands hectares), Braslav Lakes (69.115 thousands hectares),national parks “Narochansky” (93.3 thousands hectares) and “Pripyatsky” (85 841 thousands hectares).

Certification

Forest certification is carried out in accordance with the requirements of the FSC international Forest stewardship Council scheme and within the framework of the forest certification System of the National

conformity assessment system of the Republic of Belarus recognized by the pan-European forest certification Council (PEFC). Taking into account the requirements of the international Forest Stewardship Council (FSC) scheme as of January 1, 2019, 96 forestry enterprises, or 8.3 million hectares of forest Fund (98.5% of the total forest Fund of the Ministry of forestry) were certified. According to the PEFC scheme, 93 forestry enterprises of the Ministry of forestry on the area of 8.0 million hectares of forest Fund (95.0% of the total forest Fund of the Ministry of forestry) are certified forest management and forest management systems.

2.2 Actions taken to promote certification amongst feedstock supplier

For the production of SBP-compliant pellets are used only FSC 100% certified supplier material. The company policy is to give a preference to certified suppliers. Raw material consists both of wood waste from own production and main production of suppliers. Therefore, uncertified and new suppliers are invited to certify their base production and get benefit from residues.

2.3 Final harvest sampling programme

N/A

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

N/A

2.5 Quantification of the Supply Base

Supply Base

- a. Total Supply Base area 9,58 milj (ha)
- b. Tenure by type (ha): State owned 9,58 milj./ ha
- c. Forest by type (ha): Temperate 9,58 milj., ha
- d. Forest by management type (ha): Managed Semi-Natural 9,58, milj., ha
- e. Certified forest by scheme (ha): 9,03 milj. ha FSC and 8,80 milj ha PEFC

Feedstock

- f. Total volume of Feedstock: **15404,02 (without burner consumption) 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 – FSC 100%;
- i. List all species in primary feedstock, including scientific name
- 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

Volume of secondary feedstock: **15404,02 m3** (Sawmill residue) feedstock as production waste from own production and other producers from Belarus.

- I. List all species in secondary feedstock, including scientific name
Picea abies (L.) H. Karst.; Pinus sylvestris (L.);
 - m. List percentage of secondary feedstock by the following categories. Subdivide by FSC and SBP-approved Forest Management Schemes:
 - Secondary feedstock certified FSC 100% and to an SBP-approved Forest Management Scheme – **15404,02 m3** or **100 %**.
 - Secondary feedstock non-certified FSC and to an SBP-approved Forest Management Scheme – **0 %**.
 - n. Volume of tertiary feedstock: specify origin and composition - the volume may be shown as a % of the figure in (f) and percentages may be shown in a banding between XX% to YY% if a compelling justification is provided*.
- * 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.

Bands for (f) and (g) are:

1. 0 – 200,000 tonnes or m3
2. 200,000 – 400,000 tonnes or m3
3. 400,000 – 600,000 tonnes or m3
4. 600,000 – 800,000 tonnes or m3
5. 800,000 – 1,000,000 tonnes or m3
6. >1,000, 000 tonnes or m3

Bands for (h), (l) and (m) are:

1. 0%-19%
2. 20%-39%
3. 40%-59%
4. 60%-79%
5. 80%-100%

NB: Percentage values to be calculated as rounded-up integers.

3 Requirement for a Supply Base Evaluation

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

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


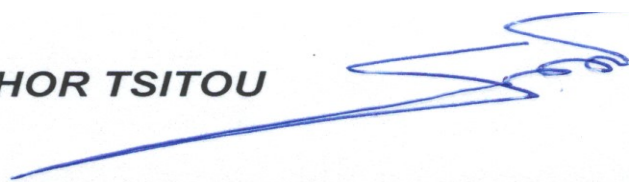
11.1 Peer review

The report was not reviewed on the reason of no any significant changes in comparison with the previous SBR report. No comments on the report.

11.2 Public or additional reviews

Public or additional reviews The English version of the report is available on the company's website www.ecolin.by for public inspection of all interested parties. After reading all the interested parties can send their comments, if any, at the company e-Mail: 1147550@list.ru

12 Approval of Report

Approval of Supply Base Report by senior management			
Report Prepared by:	<p>ANDREI TSITOU</p> 	<p>DEPUTY DIRECTOR</p>	<p>05/03/2020</p>
	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>RYHOR TSITOU</p> 	<p>DIRECTOR</p>	<p>05/03/2020</p>
	Name	Title	Date

13 Updates

13.1 Significant changes in the Supply Base

There were no great changes in the Supply Base during this period.

13.2 Effectiveness of previous mitigation measures

There were no significant changes of supply base during report period.

13.3 New risk ratings and mitigation measures

Not applicable.

13.4 Actual figures for feedstock over the previous 12 months

- o. Total volume of Feedstock: **15404,02 (without burner consumption) m3**
- p. Volume of primary feedstock: **0 m3**
- q. List percentage of primary feedstock (g), by the following categories. Subdivide by SBP-approved Forest Management Schemes – FSC 100%;
- r. List all species in primary feedstock, including scientific name
- s. Volume of primary feedstock from primary forest 0 m3
- t. 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
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Volume of secondary feedstock: **15404,02 m3** (Sawmill residue) feedstock as production waste from own production and other producers from Belarus.
- u. List all species in secondary feedstock, including scientific name
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- v. List percentage of secondary feedstock by the following categories. Subdivide by FSC and SBP-approved Forest Management Schemes:
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- w. Volume of tertiary feedstock: specify origin and composition - the volume may be shown as a % of the figure in (f) and percentages may be shown in a banding between XX% to YY% if a compelling justification is provided*.

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4. 60%-79%
5. 80%-100%

NB: Percentage values to be calculated as rounded-up integers.

13.5 Projected figures for feedstock over the next 12 months

Feedstock

- x. Total volume of Feedstock: **17000,00 (without burner consumption) m3**
- y. Volume of primary feedstock: **0 m3**
- z. List percentage of primary feedstock (g), by the following categories. Subdivide by SBP-approved Forest Management Schemes – FSC 100%;
- aa. List all species in primary feedstock, including scientific name
Picea abies (L.) H. Karst.); Pinus sylvestris (L.);
- bb. Volume of primary feedstock from primary forest 0 m3
- cc. List percentage of primary feedstock from primary forest (j), by the following categories. Subdivide by SBP-approved Forest Management Schemes:
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 - Primary feedstock from primary forest not certified to an SBP-approved Forest Management Scheme
- dd. Volume of secondary feedstock: **17000,00 m3 (Sawmill residue) feedstock as production waste from own production and other producers from Belarus.**
- ee. Volume of tertiary feedstock: specify origin and composition - the volume may be shown as a % of the figure in (f) and percentages may be shown in a banding between XX% to YY% if a compelling justification is provided*.

* 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.

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