

Supply Base Report: LLC "Granpellet"

Main (Initial) Audit

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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 <u>www.sbp-cert.org</u>

Document history

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1 Overview

Producer name:	LLC Granpellet
Producer location:	Republic of Belarus, 247841, Gomel region., Lelchitsky district, Lelchitsky s / s, P-128, 61km, the building of the woodworking workshop with household premises
Geographic position:	51.759744, 28.395955
Primary contact:	Deputy Director Voloshchenko Alexey Alexandrovich
	hub@gme.by
Company website:	http://granpellet.by
Date report finalised:	05/May/2020
Close of last CB audit:	08/May/2020
Name of CB:	NEPCon
Translation 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/standards-documents/standards
SBP Endorsed Regional Risk A	ssessment: not applicable
Weblink to SBE on Company we	ebsite: not applicable

Indicate hov	v the current evaluat	tion fits within the c	ycle of Supply Base	Evaluations
Main (Initial) Evaluation	First Surveillance	Second Surveillance	Third Surveillance	Fourth Surveillance
x				

2 Description of the Supply Base

2.1 General description

2.1.1 Forest resources of the Republic of Belarus

The Forest Fund of Belarus as a combination of all forests of the country of natural and artificial origin includes forested lands, as well as other lands intended for the needs of forestry. The total area of the forest fund amounted to 9.6 million hectares, including 8.3 million hectares of forest covered (without glades, pits, burnt areas). Forest cover in Belarus is about 40% (39.98%), which in general can be considered optimal for our country. The dynamics are presented in the figure.



Without exception, all forests have state ownership, there are no private forests. The state forest management bodies are the Ministry of Forestry of the Republic of Belarus (88.0% of the area), the Office of the President of the Republic of Belarus (7.9%), the Ministry of Emergency Situations (2.3%), the Ministry of Defense (0.9%), The National Academy of Sciences of Belarus (0.4%), the Ministry of Education (0.3%) and local executive and administrative bodies (0.2%). Forests are managed by 118 legal entities, 98 of which are under the authority of the Ministry of Forestry.

As of 2019, forest-covered lands occupy 8,256.9 thousand ha, including forest lands that are possible for exploitation - 6 527.6 thousand ha, or 79.1%. The total stock of plantations is 1 807.9 million m3, of which 1,469.4 million m 3, or 81.3% possible for exploitation.

The predominant forests are coniferous (59.2%). Among coniferous forests, almost half of the forested lands are planted with ordinary pine (49.7%). Plantations dominated by spruce make up 9.5%, birch - 23.1%, alder - 10.6%, oak - 3.5%, aspen 2.3%. Often, mixed stands include maple, ash, linden, willow, hornbeam, and elm species, however, the share of plantations with the predominance of these native species does not

exceed 1% in total. The local endangered forest species are white fir and rocky oak. Of the rare formations of plantations, the area of common ash has significantly decreased recently due to its mass drying. The introducers are mainly represented by the cultures of false lies, Siberian cedar pine, Weimutova pine, large-leaved linden and red oak.

The age structure of the forests of the republic is uneven and requires optimization: young growth - 17.6%, middle-aged - 41.8%, ripening - 25.0%, ripe and overripe - 15.6%. The average age of forest stands is 56 years, the average fullness is 0.71, and the average stock of stands is 219 m3 / ha. For the main species, common pine, the average stock is 243 m3 / ha. Net plantings (one species in the composition) - 26.4%, 3 mixed stands prevail with the participation of 2-3 species - 58.3%. The main series of forest types: mossy, bracken, bracken, sour, bilberry, dolomonosa.

The structure is shown in the figure.



The composition of specially protected natural territories includes 1 205 thousand hectares of forest-covered lands (14.6%), including: in the Berezinsky Biosphere Reserve - 76.6 thousand hectares, national parks - 270.9 thousand hectares, republican and of local significance - 849.4 thousand hectares, natural monuments - 8.2 thousand hectares.

Forest management in Belarus is based on the principle of continuity and sustainability; the average annual timber harvest is 10.0-11.2 million m3 per year, of which 4.3-4.5 million m3 (40%) in the order of main cutting (in mature stands), and forest felling and sanitary felling (about young growth, middle-aged and ripening stands) - 5.4 million m3 (48%) and other felling - 1.0-1.3 million m3 of wood (12%). The volume of logging may exceed 16 million m3 2016-2020. - 19 million m3. However, this should not cause ecological damage to forests, since the total annual growth of wood in the forests of Belarus is already about 25 million m3 per year and continues to increase as the forest cover increases and the age structure of the forests becomes even. The forest management regime is primarily determined by the size of the estimated cutting area. In recent years, the estimated cutting area for main felling was used only by 70-80%. Underdevelopment occurs mainly in soft-leaved breeds, small-scale wood and in hard-to-reach places where blanks are disadvantageous. The use of wood for energy needs is constrained by the lack of capital investment. The average annual forest use in recent years has been only 1.5-1.7 m3 of wood per 1 ha of forested area, which is 2.4 times less than the annual average wood growth of 3.6 m3 / ha. There are no endangered species of animals and plants on the territory of the resource base according to CITES (Convention on the International Trade in Endangered Species of Wild Fauna and Flora). Underdevelopment occurs mainly in soft-leaved breeds, small-scale wood and in hard-to-reach places where blanks are disadvantageous. The use of wood for energy needs is constrained by the lack of capital investment. The

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2.1.2 Timber and woodworking industry

In Belarus, the forest industry consists of forestry (13.5% of all products), woodworking (69.5% of all products), pulp and paper (16.4% of all products) sectors. The industry is managed by the Ministry of Forestry. Historically, lumbering has always been one of the most significant activities, where about 1,500 business entities have licenses for the production of lumber. Most of them are the production of lumber in combination with mechanical woodworking (window and door blocks, wooden frame houses) or logging. State forestry institutions ("leshozes") also own woodworking workshops, where round timber of their own production is processed.

At the moment, 9.4 million hectares are certified in the Republic of Belarus, 240 (338 companies) of the Supply Chain certificates have been received.

2.1.3 LLC Granpellet

Granpellet Limited Liability Company is a private woodworking enterprise located in the Republic of Belarus. Raw materials for its production receive from FSC 100% and non certified.

Region of origin - Belarus for all raw materials. Raw materials come from 4 suppliers.

11/12/2019 - 30/04/2020

And SBP-compliant feedstock: 0%

SBP-compliant secondary feedstock: sawdust ~ 36% as FSC 100% (1 suppliers)

SBP- non compliant secondary feedstock: sawdust ~ 64% (wood processing residues – 3 suppliers)

SBP compliant tertiary feedstock: 0%

We plan to use wood chips made from secondary feedstock (slabwood) for pellet production.

Species: black alder (Alnus glutinosa);drooping birch (Betula pendula);Norway spruce (Picea abies);Scots pine (Pinus sylvestris);common aspen (Pópulus trémula)

2.2 Actions taken to promote certification amongst feedstock supplier

For the production of SBP pellets, FSC certified supplier material (100%) is used. The company's policy is to give preference to certified suppliers. The raw material consists of wood waste from the main production of suppliers. Therefore, non-certified and new suppliers are invited to certify their basic products and benefit from the sale of waste.

2.3 Final harvest sampling programme

Not applicable.

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

2.5 Quantification of the Supply Base

Supply Base

- a. Total area of the resource base (ha):
- b. Ownership conditions by type (ha):
- c. Forest by type (ha):
- d. Forest by type of forest management (ha):
- e. Certified forests according to the schemes (ha): 9.4 million FSC

Feedstock

f. Total amount of raw materials: **1251.00 tons**

- g. The volume of primary raw materials:
- List the percentage of raw material (g) in the following categories.
 Subdivide according to SBP-approved forest management scheme:
 Certified according to SBP-approved forest management scheme 0%
 Non-certified according to SBP-approved forest management scheme 0%
- i. List all breeds of primary raw materials, including scientific names not applicable.
- j. The volume of primary raw materials from primary forests not applicable, 0m3.

k. Give the percentage of primary raw materials from primary forests (i) in the following categories. Subdivide according to SBP-approved forest management scheme:

not used

- Primary raw materials from primary forests certified according to SBP - approved forest management scheme - 0%.

- Primary raw materials from primary forests uncertified according to SBP - approved forest management scheme - 0%.

I.The volume of secondary raw materials:1251 tons.m.The volume of tertiary raw materials:Not applicable, 0 m³

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9.582 million
9.582 million / 100% state ownership
Republic of Belarus
9.582 million / 100% temperate
9.582 Million / Managed Seminatural

3 Requirement for a Supply Base Evaluation

SBE completed	SBE not completed
	x

For the production of SBP pellets, FSC-certified wood is used, i.e. 100% of the total pellet production will have a FSC statement of 100%. An assessment of the resource base is not 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

5 Supply Base Evaluation Process

6 Stakeholder Consultation

Not applicable.

6.1 Response to stakeholder comments

7 Overview of Initial Assessment of Risk

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

9 Mitigation Measures

9.1 Mitigation measures

Not applicable.

9.2 Monitoring and outcomes

10 Detailed Findings for Indicators

11 Review of Report

11.1 Peer review

Not applicable.

11.2 Public or additional reviews

12 Approval of Report

Report Prepared bv:	Voloshchenk	A. A. A. Bank	Deputy Director	05/03/2020
	Name	Гранпеллет	Title	Date
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and do here managemer Report approved by:	Belevich V.V.	atents of this eva	Director	nowledged by senic t. 05/03/2020

13 Updates

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

see paragraph 2.5

13.5 Projected figures for feedstock over the next 12 months

01/01/2020 - 31/12/2020 ~ 25000 tons of secondary raw materials