

Supply Base Report: “NeAlTom” Private Production Unitary Enterprise

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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Contents

1	Overview	1
2	Description of the Supply Base	2
2.1	General description	2
	Belarus Forest Resources	2
2.2	Actions taken to promote certification among feedstock suppliers	Error! Bookmark not defined.
2.3	Final harvest sampling programme	5
2.4	Flow diagram of feedstock inputs showing feedstock type [optional]	6
2.5	Quantification of the Supply Base	6
3	Requirement for a Supply Base Evaluation	8
4	Supply Base Evaluation	9
4.1	Scope	9
4.2	Justification	9
4.3	Results of Risk Assessment	9
4.4	Results of Supplier Verification Programme	9
4.5	Conclusion	9
5	Resource Base Evaluation Process	10
6	Stakeholder Consultation	11
6.1	Response to stakeholder comments	11
7	Overview of Initial Assessment of Risk	12
8	Supplier Verification Programme	13
8.1	Description of the Supplier Verification Programme	13
8.2	Site visits	13
8.3	Conclusions from the Supplier Verification Programme	13
9	Mitigation Measures	14
9.1	Mitigation measures	14
9.2	Monitoring and outcomes	14
10	Detailed Findings for Indicators	15
11	Review of Report	16
11.1	Peer review	16
11.2	Public or additional reviews	16
12	Approval of Report	17
13	Updates	18
13.1	Significant changes in the Supply Base	18

13.2	Effectiveness of previous mitigation measures.....	18
13.3	New risk ratings and mitigation measures	18
13.4	Actual figures for feedstock over the previous 12 months	18
13.5	Projected figures for feedstock over the next 12 months.....	18

1 Overview

Manufacturer name: “NeAlTom” Private Production Unitary Enterprise

Manufacturer location: 10D Moskovskaya Str., Krupki, Minsk region, 222001, Republic of Belarus

Geographical location: latitude 54.487116, longitude 29.155445

Contact person: Andrey Anatolyevich Aleksievich, 10D Moskovskaya Str., Krupki, Minsk region, kruplesproekt@mail.ru

Company website: <http://www.nealtom.by/>

Report completion date: 17/Mar/2020

Last audit date by CB: 30/Mar/2020

CB name: NEPCon

Translations from English: Yes

SBP standards applied: Standard 2 Version 1.0, Standard 4 Version 1.0, Standard 5 Version 1.0 (Instruction Document 5E)

Web reference to standards applied: <https://sbp-cert.org/documents/standards-documents/standards>

SBP-endorsed Regional Risk Assessments: not applicable

Reference to SBE on the company website: not applicable

Indicate where the current audit fits within the Resource Base Evaluation cycle				
Initial (Main) Audit	First Surveillance Audit	Second Surveillance Audit	Third Surveillance Audit	Fourth Surveillance Audit
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

2 Description of the Supply Base

2.1 General description

NeAITom Private Production Unitary Enterprise uses primary and secondary feedstock as raw materials. Secondary feedstock is obtained in the form of sawmill waste from own woodworking, and also purchased from other manufacturers. Primary feedstock comes only from the forest fund of the Republic of Belarus.

Input raw materials are divided into:

SBP-compliant Secondary Feedstock, 55,72 % (sawdust, slabs, firewood - wood processing industry waste)

SBP-compliant Primary Feedstock, 44,28 %

Species: *Picea abies* (L.), *Pinus sylvestris* (L.), *Betula pendula*; *Populus stremula* (L), *Alnus glutinosa* (L)

Number of Suppliers: 8

This report will take into account the total volumes of raw materials, but will not include SBE (controlled material).

2.2 Belarus Forest Resources

Source (<https://www.mlh.by/en/our-main-activites/forestry/forests/>)

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, forest area and growing wood stock 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.

Forests in the Republic of Belarus are the exclusive property of the State, which means that all produced timber origins from state managed forests. The Forest Code (Forest Code of the Republic of Belarus of 2015 No. 332-Z) states that Belarusian forests are divided into 4 categories according to the management purpose: conservation forests, recreation and health forests, protective forests, and managed forests. Harvesting of timber is allowed depending on the management and protection regime assigned based on the forest category.

As a result of purposeful work on reproduction of the woods and forest growing, positive dynamics of forest fund is reached.

So since 1994 the key quantitative and qualitative indices of the forests have improved:

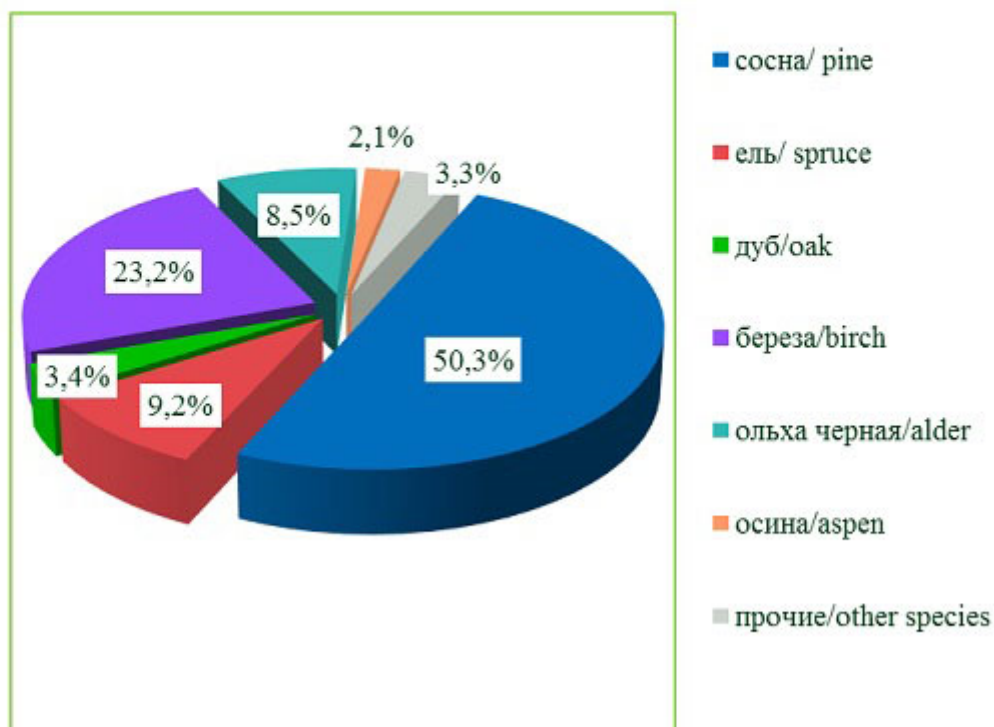
- the forest area has increased by 889.2 thousand hectares from 7371.7 to 8260.9 thousand hectares;
- the area under forest of the Republic has reached 39.8 per cent (increased by 4.3%);
- the total stock of standing timber has increased by 702.8 million cubic meters and amounted to 1796.0 million cubic meters; the total stock in mature and overmature stands has increased by 250.4 million cubic meters and amounted to 296.0 million cubic meters;
- the stock per 1 ha of forested land has increased by 69 cubic meters and amounted to 217 cubic meters per 1 ha; the stock of mature and overmature stands has increased by 54 cubic meters and reached 267 cubic meters per 1 ha;
- the stand average age has increased from 44 to 56 years.

Dynamics of indices of forest fund of the Republic of Belarus:

Name of indicator	unit of measure	Index as at			
		1994	2001	2010	2018
1. The total area of forest fund lands	thousand hectares	8676,1	9247,5	9416,6	9582,0
1.1 Forest lands	thousand hectares	7775,9	8275,7	8598,2	8724,1
	%	89,6	89,4	91,3	91,0
1.2 Forested land – in all	thousand hectares	7371,7	7850,6	8002,4	8260,9
	%	85	85,0	85,0	86,2
mature and overmature	thousand hectares	350,1	623	804,4	1215,4
	%	4,7	7,9	10,1	14,7
2. Area under forest	%	35,5	37,8	38,5	39,8
3. The General stock of stands – in all	million m3	1093,2	1339,9	1566,1	1796,0
4. The total average inventory change	million m3	24,9	28,2	30,2	32,7
5. The average stock of plantations	m3/hectar	148	171	196	217
5.1. Mature and overmature	m3/hectar	213	220	244	267
6. The average age	years	44	48	52	56

In Belarus, along with an increase in total area of forest fund the sustainable growth of the areas of ripening as well as mature and overmature stands is observed. Over a twenty-year period, the area of mature and overmature stands has increased significantly and amounted to 14.7% of the total forest area.

Породная структура лесов/ Species composition of forests



All forests in Belarus are the exclusive property of the state.

Name of the ministries, organizations	Area, thousand ha.	The percent of total area	The number of the legal entities conducting forestry
The Ministry of Forestry	8434,8	88,0	98
The Ministry of defence	89,7	0,9	2
Ministry of Emergency Situations	216,1	2,3	1
Ministry of education	27,5	0,3	2;
Administrative Department of the President of the Republic of Belarus	757,2	7,9	7
The national Academy of Sciences of Belarus	41,5	0,4	3
Local executive and administrative bodies	14,9;	0,2	5
In all	9582,0	100,0	118

Belarus has been a signatory of the CITES Convention since 1995. CITES requirements are respected in forest management, although there are no species included in the CITES lists in Belarus. When harvesting wood, according to the forest legislation of the Republic of Belarus, individual species

listed in the Red Book and their habitats are subject to conservation. Cutting of valuable, endangered and protected tree species is prohibited.

Forest certification is an effective tool to combat illegal logging and illegal timber trafficking. Two schemes of forest certification have found their place in the Republic of Belarus - the forest certification system FSC (Forest Stewardship Council) and the forest certification system of the National Conformity Certification System, recognized by the Pan-European Forest Certification Council (PEFC). Taking into account the requirements of the international scheme of the Forest Stewardship Council (FSC), 9.4 million hectares of forest fund are certified (98% of the total forest fund). PEFC certified forest management and forest management systems of 105 legal entities conducting forestry on an area of 8.8 million hectares of forest fund

NeAITom Private Production Unitary Enterprise

For the production of pellets in the reporting period, primary feedstock (total) 1070,16 cubic meters were used, 370,0 cubic meters of which were used for operation of the heat generator. The volume of secondary feedstock amounted to 1346,73 cubic meters, including sawdust – 678,29 cubic meters, slabwood – 668.44 cubic meters.

Climate

The territory of the enterprise is located in a moderately warm, humid climatic region with cold winters, somewhat mitigated by the influence of the Baltic air masses, moderately warm summers and a relatively short vegetative period.

The prevailing winds are the north-west and west in summer, the south-west and south in winter.

The following soil formation processes are registered on the lands of the forestry enterprise: sod, podzolic, sod-podzolic, swampy, and alluvial. As a result of these soil formation processes on the territory of the forestry enterprise, 9 soil types have formed. Sod-podzolic half-bog soils associated with lowered elements of the relief prevail on the territory of the forestry enterprise.

2.3 Actions taken to promote certification among feedstock suppliers

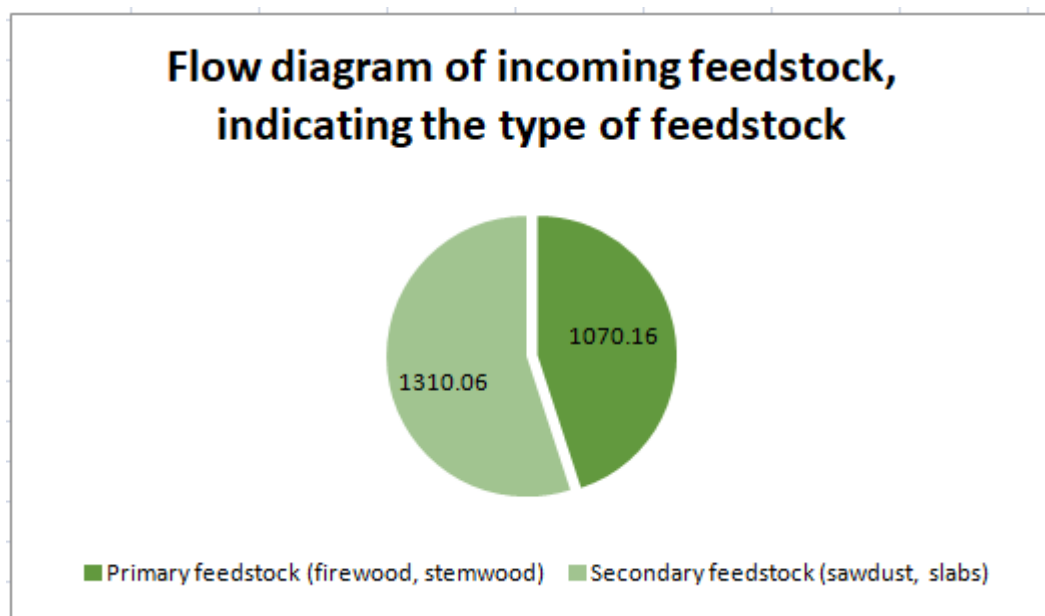
In production of SBP pellets only FSC certified supplier material is used. Since company's policy is to give preference to certified suppliers, the company constantly invites other non-certified suppliers to participate in FSC/PEFC certification.

2.4 Final harvest sampling programme

For pellet production (specifically for burner in drying process), Private Enterprise "NeAITom" uses firewood obtained from intermediate felling and top parts from principle felling. Stem wood from principle felling is not used.

Determining the proportion of wood received from main cutting, involves a request for logging tickets from suppliers in order to determine what logging was carried out, at which the raw materials were received.

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



2.6 Quantification of the Supply Base

Supply Base

- a. Total Supply Base area (ha): 9.582 million
- b. Tenure by type (ha): 100% property of the Republic of Belarus
- c. Forest by type (ha): 100% temperate 9.582 million
- d. Forest by management type (ha): Managed natural 9.582 million
- e. Certified forest by scheme (ha): 9,027 mln. ha FSC certified forest / 8,8 mln. ha PEFC certified forest
- f. Number of suppliers: 8

Feedstock

- g. Total volume of Feedstock: 2416,89 solid cubic metres
- h. Volume of primary feedstock: 1070,16 solid cubic metres
- i. List the percentage of primary feedstock (g) in the following categories. Subdivide according to SBP-approved Forest Management Scheme
 - Certified to an SBP-approved Forest Management Scheme – 100% FSC certified
 - Not certified to an SBP-approved Forest Management Scheme – 0%
- j. List all species of primary feedstock, including scientific names
Pine (*Pinus sylvestris*), spruce (*Picea abies*), birch (*Betula pendula*), aspen (*Populus tremula*), alder (*Alnus glutinosa*)
- k. Volume of primary feedstock from primary forests – not utilised
- l. List percentage of primary feedstock from primary forests (j) by the following categories. Subdivide by SBP-approved Forest Management Scheme
 - Primary feedstock from primary forests certified according to SBP-approved Forest Management Scheme

- Primary feedstock from primary forests not certified to an SBP-approved Forest Management Scheme
- m. Amount of secondary feedstock: 1346,73 solid cubic metres (50,4% sawdust, 49,6% slabs)
- n. Amount of tertiary feedstock: not applicable

3 Requirement for a Supply Base Evaluation

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

SBE was not conducted because the company is planning to use only FSC certified feedstock in production.

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 Resource 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




Peer review was not used.

11.2 Public or additional reviews

The report is available on the website of NeAlTom Private Production Unitary Enterprise www.nealtom.by for public review by all stakeholders.

After reading the report. All stakeholders can send their feedback to the email address of NeAlTom Private Enterprise kruplesproekt@mail.ru

12 Approval of Report

Approval of Supply Base Report by senior management			
Report Prepared by:	<i>Inna Leonidovna Tobina</i> 	<i>Economist</i>	<i>17.03.2020</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>Tamara Grigorievna Nemkova</i> 	<i>Director of NeAITom Private Production Unitary Enterprise</i>	<i>17.03.2020</i>
	Name	Title	Date
Report approved by:	<i>Natalya Vladimirovna Romanova</i> 	<i>Chief Accountant</i>	<i>17.03.2020</i>
	Name	Title	Date

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

Volume of primary feedstock – 1070,16 solid cubic metres, volume of secondary feedstock – 1346,73 solid cubic metres, for more information see p. 2.5

13.5 Projected figures for feedstock over the next 12 months

25,000 solid cubic metres