



Supply Base Report: “Basic Timber Company” Ltd.

Fourth Surveillance 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 www.sbp-cert.org

Document history

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1 Overview

Producer name: "Basic Timber Company" Ltd.

Producer location: Brest region, Ivacevichi district, Dubino place, Republic of Belarus

Geographic position: 52°55'01.2"N latitude, 25°27'23.4"E longitude

Primary contact: Natalya Aleksandrovna Shimanchik, Dubino place, Ivacevichi district, Brest region, 225250, Belarus +375 44 5804936, production@basictimber.com

Company website: <http://basictimber.com>

Date report finalised: 20/Apr/2020

Close of last CB audit: 30/Apr/2020

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/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
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	X

2 Description of the Supply Base

2.1 General description

The supply base for raw material for production processes of “Basic Timber Company” Ltd is the whole territory of the Republic of Belarus.

In the Republic of Belarus forests are one of the main renewable natural resources and the most important of natural wealth. Total area of the forest fund in Belarus is about 9.582 million ha. Covered with forest land occupy 8.26 million hectares. The percentage of forest land in Belarus reached 39.8%. The wood resources evaluate for 1796 million m³, including ripe and overripe- 296 million m³. As a result of purposeful work on the reproduction of forests, the area covered by forest increases. So, over the past 60 years the forest covered land of the Republic has almost doubled and reached its maximum value for more than a hundred years. Such increase occurs naturally and due to the afforestation of infertile land which is unsuitable for agriculture. At the same moment we also can see the steady enlargement of the areas with the maturing, mature and overmature forest stands. Percentage of mature and overmature forests (ripe and overripe forests) is 14,7%. Middle age of Belarusian forests is 56 years.

In the forests of Belarus grow 28 species of trees and about 70 species of bushes. The most common tree species are: Scots pine - 50.3%, birch - 23.2%, European spruce - 9.2%, black alder - 8.5%, oak - 3.4%, aspen - 2.1%.

According to the ecological, economic and social significance of forests, their location and functions, forests fall into the following categories: nature conservation, recreational, recreational, protective forests.

In accordance with the Belarusian legislation, all forests are state owned or transferred to the use and management of state forestry institutions «leshoses». In Belarus forest utilization is carrying out according to the principle of continuity and unexhaustion. Average annual timber cutting estimates for 18 mln m³ per year, including:

40% of timber cutting of main utilization (in ripe forests)

48% of timber cutting for care and sanitary cutting (young, middle aged and ripening forests)

12% other cutting.

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. And thanks to sowing and planting of forests we can speak about 34.8 thousand hectares of new forests in future.

According to the forest legislation of the Republic of Belarus logging should do no harm to the species listed in the Red Book. It is prohibited to fell valuable and protected species of trees.

On the territory of Belarus there are two republican reserves - the Berezinsky Biosphere Reserve (85.2 thousand hectares) and the Polesye State Radiation-Ecological Reserve (216.1 thousand hectares), and four national parks - Belovezhskaya Pushcha (152,962 thousand hectares), Braslav Lakes (69,115 thousand hectares), Narochansky (93,3 thousand hectares) and Pripyat (85,841 thousand hectares), other 334 preserves of republican and local significance and 874 nature monuments.

Forest certification is an effective tool to counter illegal logging and illegal timber trade. The Republic of Belarus widely uses 2 schemes of forest certification - FSC (Forest Stewardship Council) and PEFC (Program for the Endorsement of Forest Certification),. Considering the requirements of the international scheme of the Forest Stewardship Council Belarus has as FSC certified 9,027 million hectares (94.2% of the forest). PEFC certified 105 state forestry institutions (leshozes) with an area of 8.8 million hectares of forest fund.

Belarusian forest industry consists of forestry (13.5%), woodworking (69.5%) and pulp-and-paper (16.4%). The woodworking industry is one of the largest branches of Belarus. Wood processing is approximately 2% of the total manufacturing industry of the Republic of Belarus. The share of the forest industry in the country's GDP is about 1.1%. Forest products and services exports up to 30 countries of the world.

"Basic Timber Company" Ltd produces products from rounded wood for landscaping and agricultural use. Pellets are being produced from our primary production residues. Round wood for primary production comes from cuttings for care of forest found of Republic. If necessary, a small amount of raw materials - secondary raw materials after processing (wood chips), the company buys from FSC certified supplier - LLC "Profitsystem".

"Basic Timber Company" has the ability to produce pellets with a statement SBP-complaint biomass, because to produce them we use sawmill residues:

- SBP-compliant secondary feedstock (wood chips) – residues of own production from the manufacture of rounded products from timber, FSC certified (FSC 100%).
- SBP-compliant secondary feedstock (samdust, wood chips) – Secondary raw materials from certified suppliers, supplied with the 100% FSC.

The main raw material species are Scots pine (*Pinus silvestris*) - 97%, Spruce (*Picea abies*) - 3%.

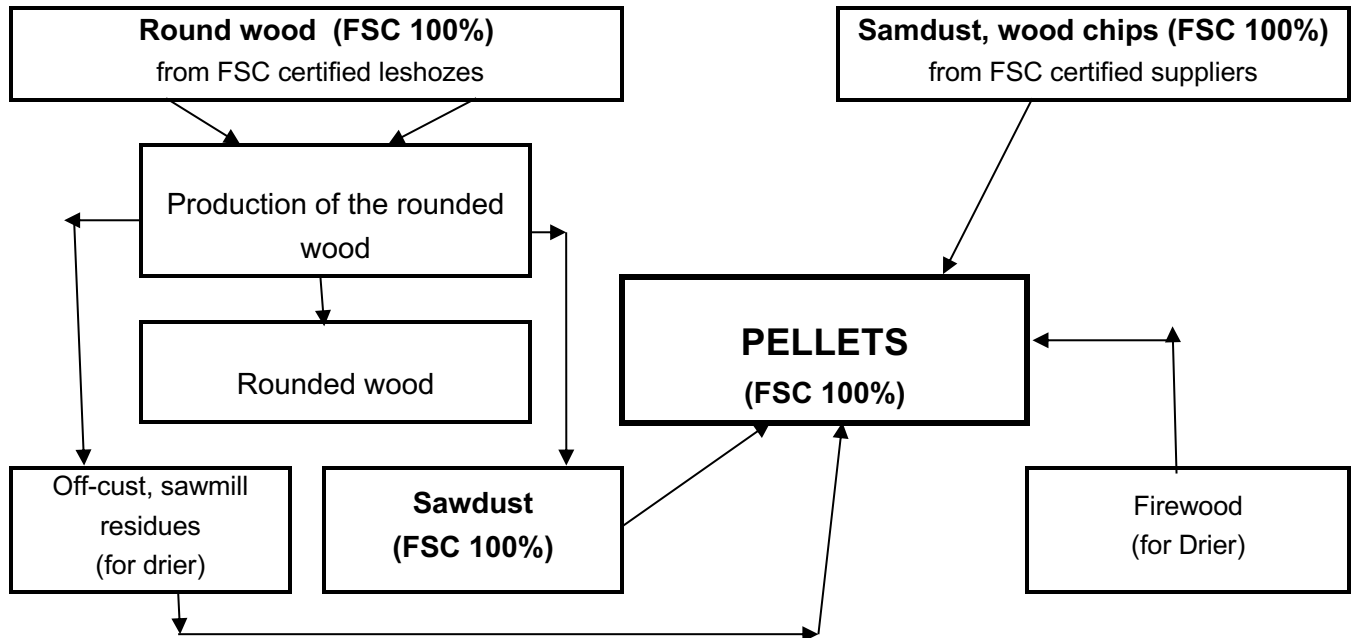
2.2 Actions taken to promote certification amongst feedstock supplier

To produce SBP pellets we use FSC certified material. The company's policy is to use only FSC-certified raw materials in the near future for pellet production. For the main production we buy timber at leshoses, which have FSC certificates for forest management and the supply chain. "Basic Timber Company" has decided not to purchase timber from leshoses not certified by the FSC system. When we communicate with the responsible personnel of such leshoses, we clarify all requirements and significance of voluntary forest certification

2.3 Final harvest sampling programme

Not applicable.

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



"Basic Timber Company" for the production of pellets uses:

- SBP-related secondary raw materials - chips of coniferous species obtained from own timber processing
- SBP-related secondary raw materials - softwood chips, sawdust from external suppliers engaged in sawmilling
- firewood and off-cuts after own timber processing, are used for drier

2.5 Quantification of the Supply Base

Supply Base

- | | |
|-------------------------------------|--|
| a. Total Supply Base area (ha): | 9,582 million ha |
| b. Tenure by type (ha): | 9,582 million ha state ownership |
| c. Forest by type (ha): | 9,582 million ha temperate forest |
| d. Forest by management type (ha): | 9,582 million ha managed semi-natural, natural |
| e. Certified forest by scheme (ha): | 9,027 million ha- FSC-certified forest ,
8,8 million ha- PEFC -certified forest |

Feedstock

- | | |
|-----------------------------------|-----------------------|
| f. Total volume of Feedstock:– | 17775,62 m3 |
| g. Volume of primary feedstock: - | not applicable |

- 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
 - Not certified to an SBP-approved Forest Management Scheme
- i. List all species in primary feedstock, including scientific name
- j. Volume of primary feedstock from primary forest
- 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
- l. Volume of secondary feedstock: **17775,62 m³** (96,76% of wood chips from own production, 3,24% of wood chips from external suppliers). All feedstock originates from Republic of Belarus/
- m. Volume of tertiary feedstock: specify origin and composition - **not applicable**

* 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

Assessment of the resource base is not developed, because all raw materials are from FSC certified forests.

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

In the new period, significant changes in the resource base did not take place, so the report was not sent for new peer review.

11.2 Public or additional reviews

The Russian version of the report is available on the company's website <http://basictimber.com> for public inspection of all interested parties. After reading all the interested parties can send their comments, if any, at the company production@basictimber.com .

12 Approval of Report

Approval of Supply Base Report by senior management			
Report Prepared by:	<i>Natallia Shymanchyk</i> 	<i>Sales Manager</i>	<i>20.04.2020</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>Boris Popko</i> 	<i>Director of company</i>	<i>20.04.2020</i>
	Name	Title	Date
Report approved by:	<i>[name]</i>	<i>[title]</i>	<i>[date]</i>
	Name	Title	Date
Report approved by:	<i>[name]</i>	<i>[title]</i>	<i>[date]</i>
	Name	Title	Date

13 Updates

13.1 Significant changes in the Supply Base

Significant changes in the resource base did not occur.

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

- a. Total volume of Feedstock:– 17775,62 m3
- b. Volume of primary feedstock: - not applicable
- c. 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
 - Not certified to an SBP-approved Forest Management Scheme
- d. List all species in primary feedstock, including scientific name
- e. Volume of primary feedstock from primary forest
- f. 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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- g. Volume of secondary feedstock: 17775,62 m3 (96,76% of wood chips from own production, 3,24% of wood chips from external suppliers). All feedstock originates from Republic of Belarus/
- h. Volume of tertiary feedstock: specify origin and composition - not applicable

13.5 Projected figures for feedstock over the next 12 months

2020 year – 20000 m3