



Supply Base Report: “SWOODS export” FLLC

First 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

On the first page include the following information:

Producer name: "SWOODS export" FLLC

Producer location: Demina 11a, Borisov, 222518 Minsk region, Belarus

Geographic position: Lat E 28 degrees 30 minutes, Long N 54 degrees 11 minutes

Primary contact: Valery Kovel, mob.: +375 29 648 89 75, mail: valery.kovel@swse.by

Company website: none

Date report finalised: 27.05.2020

Close of last CB audit: 27.05.2019, Belarus, Borisov

Name of CB: NEPCon

Translations from English: yes

SBP Standard(s) used: Standard 2 v1.0, 26 March 2015; Standard 4 v1.0, 26 March 2015; Standard 5 v1.0, 26 March 2015

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

2 Description of the Supply Base

2.1 General description

The Supply Base of “SWOODS export” FLLC (further SWOODS export) comprises forests subject to the forest area of Belarus (9.58 million ha). The Base includes only FSC - certificated forests (FSC®-C111274), managed by the Ministry of forestry and The office of the President of the Republic of Belarus and other land users.

General Description of “SWOODS export” FLLC

“SWOODS export” is a wood processing company, which buys and saws coniferous (Scots pine) logs (603.41 thousand m³ were purchased in 2019). Part of sawn wood production (199.64 thousand m³) is sold as kiln dried and as sawn-timber with nature moisture, the other part (32.24 thousand m³) was transferred to furniture production.

Processing residues comprised 364.34 thousand m³ in 2019. It is used for heating, sold as chips and used for pellet production.

“SWOODS export” holds an FSC CoC certificate (NC-COC-013395) and uses the transfer system. All production are sold with claim - FSC 100%. Non-certified material wasn't purchased during 2019.

All logs are FSC – certified and are sourced from Belarus.

For pellet production only waste from own production is used (no raw material for pellet production is bought).

“SWOODS export” takes wood product safety seriously. Therefore, each supplied load is tested against radioactive pollution. Logs are accepted only if radiation isn't higher than 300 Bq/kg.

General Description of Belarus Forest Resources and Forest Management

Forests are one of the main renewable natural resources and the most important national wealth, in the Republic of Belarus. Forests and forest resources are of great importance for the sustainable socio-economic development of the country, ensuring its economic, energy, environmental and food security. Belarus is one of the top ten forest States in Europe in terms of a number of key indicators that characterize the forest Fund (forest cover, forest area, and growing wood reserves per inhabitant).

Belarus' forestry has important sense for the stable functioning of the country's forest sector. Successfully implementing the principles of sustainable multi-purpose forest management, contributes to the development of related economic sectors, and makes a significant contribution to the implementation of international agreements signed by our country at the global level in the field of environmental protection. Its economic, environmental and social role is steadily increasing. All this gives grounds to say that in modern conditions, forestry is turning from a traditional raw material industry into an infrastructure one, one of the key sectors of the national economy, especially in rural areas of the country.

Positive dynamics of the forest Fund has been achieved, as a result of purposeful work on forest reproduction and reforestation.

The main quantitative and qualitative indicators of forests have improved since the year 1994:

- forested area increased by 889.2 thousand ha from 7371.7 thousand ha to 8260.9 thousand ha;
- forest cover of the Republic's territory reached 39.8% (increased by 4.3%);

- the total stock of trees increased by 702.8 million cubic meters and amounted to 1796.0 million cubic meters (including in Mature and over-Mature plantations-by 250.4 million cubic meters and amounted to 296.0 million cubic meters);

- the stock of 1 ha of forested land increased by 69 cubic meters to 217 cubic meters per 1 ha; the stock of Mature and over-Mature plantings increased by 54 cubic meters to 267 cubic meters per 1 ha;

- the average age of plantings 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

All forests in Belarus belong to the state and they are managed by these institutions: Ministry of Forestry (88% of all forests), President Administrative Department (7,9% of all forests), Ministry for Emergency Situations (2,3% of all forests), Ministry of Defense (0,9% of all forests), National Academy of Science (0,4 % of all forests), local authorities (0,2% of all forests), Ministry of Education (0,3% of all forests).

Two main forest management certification schemes are present in Belarus: FSC and PEFC. 8,98 mill. ha, it is 93% of all forests in Belarus, were certified in accordance with the requirements of the international scheme FSC, as of January 1, 2020.

8.0 mill. ha., it is 90,5% of all forests in Belarus, were certified in accordance with the

requirements of the international scheme PEFC. The process is still ongoing and certified forest area is increasing.

Due to the Chernobyl accident in 1986 more than 1,8 mill. ha of Belarus forests were effected by radioactive fallouts. As forest accumulated from 20% to 30% of their amount, radioactive pollution varies from site to site. Since accident, forest soil in each forest block has been investigated twice. In addition, a forest radioactive pollution control system is in place, which includes radiation control and monitoring.

Protected Areas and High Conservation Value Forests

In Belarus an environmental protection system has been in place since 1960, when a Nature Protection Committee was established. Country has ratified the Convention on Biological Diversity in 1993. As of January 1, 2020 Belarussian system of specially protected areas accounts 1870.1 thousand hectares or 9% of the country's territory.

A high conservation value (HCV) is a biological, environmental, social or cultural value that has a key or high importance. HCV – a broader concept than HCV.

There are 6 main types of HCV sites, based on the definition originally developed by the FSC for the purpose of forest ecosystem certification:

* HCV-1. Species diversity. Forest areas that have a high level of biodiversity, including endemic or endangered species, and their habitats, on a national, regional or regional scale.

* HCV-2. Large natural landscapes. Large landscape-level ecosystems and combinations of ecosystems that form the main elements of the landscape of global, national or regional significance, characterized by the presence of viable populations of most naturally occurring species with natural patterns of distribution of their numbers.

* HCV-3. Rare ecosystems and habitats. Rare, endangered, or endangered ecosystems, species habitats, or refugiums.

* HCV-4. Ecosystem services. Essential ecosystem services in critical situations, including protection of watersheds and prevention of erosion, vulnerable soils and slopes.

* HCV-5. The needs of the population. Sites and resources that are fundamental to meeting the basic needs of local communities or indigenous peoples (livelihoods, health, nutrition, water, etc.), determined with the involvement of these communities and indigenous peoples.

* HCV-6. Cultural values. Sites, resources, habitats, and landscapes of global or national cultural, archaeological, or historical significance and/or of critical cultural, environmental, economic, or religious / cult significance to the traditional cultures of the local population or indigenous peoples, determined with the involvement of local communities or indigenous peoples.

HCV 5 is not applicable to Belarus and is not allocated. Information about all other categories of HCV can be found on the websites of certified forest users.

Forestry and woodworking industry

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 in Belarus. The Ministry of forestry are managing the forestry industry. Belarussian Production and Trade Concern of forestry, woodworking, pulp and paper industry takes the leading position in terms of woodworking. The woodworking industry unites about 2,500 business entities. State forestry institutions own woodworking workshops where round timber of their own production is processed.

366 companies (or 242 certificates) have been certified under the FSC supply Chain system in the Republic of Belarus, at the moment. 70 joint forest management-supply chain certificates have been issued.

The Republic of Belarus have a developed forest, woodworking, pulp and paper industry. The

structure of the timber industry is represented by the following industries: logging (13.5% of the total output), woodworking (69.5%), pulp and paper (16.4%) and wood chemical industry (0.6%). It creates 3.8% of the value of manufactured industrial products, employs 11.6% of the total number of industrial and production personnel in the country (2007).

The logging industry produces approximately 13.5% of the total output of the timber industry. More than 7.5 million m³ of wood is harvested in the Republic of Belarus every year.

The woodworking industry consist of sawmills which produce mainly wooden products - sawn timber, plywood, planks. Furniture industry which uses lower quality logs for particleboard, fiberboard or chipboard production as well as secondary processing of wood for biofuel. Many other woodworking production - matches, doors and windows blocks, parquet, sports equipment, houses etc. It's share in the structure of the complex is 65%.

The pulp and paper industry produces approximately 20% of the total output of the timber industry. There are 12 specialized enterprises that produce mass and special types of paper and cardboard in the Republic of Belarus.

Sources:

Ministry of Forestry of the Republic of Belarus: <http://www.mlh.by>

IUCN red list of threatened species: <http://www.iucnredlist.org/>

CITES: <https://www.cites.org/eng/app/index.php>

Ministry of natural resources and environmental protection of the Republic of Belarus:

<http://www.minpriroda.gov.by/>

State Inspectorate for animal and plant protection under the President of the Republic of Belarus:

<http://gosinspekciya.gov.by/>

Convention on Biological Diversity: www.cbd.int/countries/?country=by

State Nature Protection Institution "National Park "Belovezhskaya Pushcha": <https://npbp.by/>

CEPF maps of the Biodiversity Hotspots: http://www.cepf.net/where_we_work/Pages/map.aspx

WWF: <http://www.worldwildlife.org/ecoregions/pa0412>

G200 maps: http://wwf.panda.org/about_our_earth/ecoregions/maps/

Intact Forests Landscapes: <http://www.intactforests.org/world.map.html>

Global Forest Watch: <http://www.globalforestwatch.org/country/BLR>

Metla: <http://www.metla.fi/julkaisut/workingpapers/2010/mwp170.pdf>

2.2 Actions taken to promote certification amongst feedstock supplier

“SWOODS export” sources are only FSC certified. Current share of FSC certified wood is 100% of FSC certified supplies. Therefore, priority is given to FSC certified suppliers and FSC certificate is considered as advantage. “SWOODS exports” actively promotes the certification of Sustainable Forest Management by the FSC system as well as assists suppliers in meeting the requirements.

Promotion of SBP certification (cooperation on environmentally sustainable biomass) among our raw material suppliers is not a priority. The raw materials for the production of wood pellets are wood processing residues from our own wood processing facilities.

2.3 Final harvest sampling programme

Not applicable, as “SWOODS export” does not harvest forest stands with the goal to produce pellets. Company only uses wood residues, originating from own wood working processes.

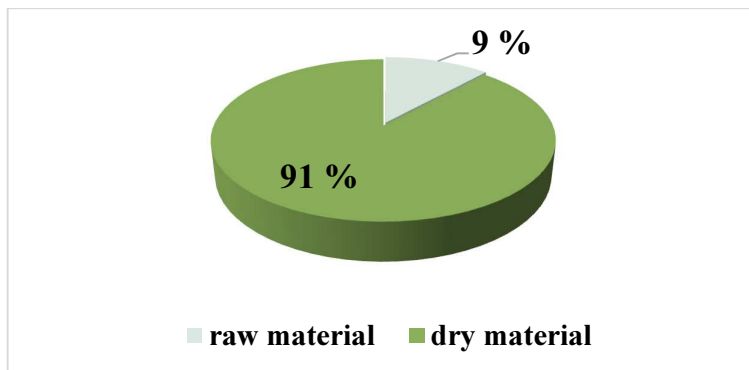
All raw materials come from FSC certified forests. Detailed technical requirements for your own verification program are provided by FSC procedures.

The following resources are not included in the raw material base:

- Wood from illegally harvested forests;
- Wood from forests where human rights have traditionally been violated;
- Wood from forests that are of high conservation value and are under threat;
- Wood from forests where there is a significant conversion of forests to plantations or non-forest use;
- Wood from genetically modified trees;
- Wood from questionable sources.

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

All raw materials for pellet production come as processing residues from “SWOODS export” sawing and further wood processing processes. The company purchases mostly pine (*Pinus sylvestris*) logs. The average allocation of resources for pellets production:



2.5 Quantification of the Supply Base

Provide metrics for the Supply Base including the following. Where estimates are provided these shall be justified.

Supply Base

- Total Supply Base area: 9.58 mill. ha
- Tenure by type: 9.58 mill. ha public forests (State owned)
- Forest by type: 9.58 mill. ha temperate forest type
- Forest by management type: 9.58 mill. ha managed natural
- Certified forest by scheme: 9.4 mill. ha FSC certified

Feedstock

- Total volume of Feedstock: 330000 m³ (was used for pellets production)
- Volume of primary feedstock: 0 t or m³ (no primary feedstock is used for pellet production. Note: the pellets are made from wood working residues only).
- 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: Scots pine (*Pinus sylvestris*)
- j. Volume of primary feedstock from primary forest: 0
- 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 – 0%
 - Primary feedstock from primary forest not certified to an SBP-approved Forest Management Scheme- 0%
- l. Volume of secondary feedstock: 300000 m³; wood residues, originating from own sawmilling and further steps of wood processing. Wood residues are used for pellets production are obtained in the form of chips or sawdust.
- m. Volume of tertiary feedstock: 30000 m³; wood residues, originating from dry lumber treatment

3 Requirement for a Supply Base Evaluation

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

SBE not developed as all raw material originates from FSC certified forests and monitored in accordance with FSC requirements for own verification program.

4 Supply Base Evaluation

4.1 Scope

Not applicable. See chapter 3.

4.2 Justification

Not applicable. See chapter 3.

4.3 Results of Risk Assessment

Not applicable. See chapter 3.

4.4 Results of Supplier Verification Programme

Not applicable. See chapter 3.

4.5 Conclusion

Not applicable. See chapter 3.

5 Supply Base Evaluation Process

Not applicable.

6 Stakeholder Consultation

Not applicable. See chapter 3.

6.1 Response to stakeholder comments

Not applicable. See chapter 3.

7 Overview of Initial Assessment of Risk

Not applicable. See chapter 3.

8 Supplier Verification Programme

8.1 Description of the Supplier Verification Programme

Not applicable. See chapter 3.

8.2 Site visits

Not applicable. See chapter 3.

8.3 Conclusions from the Supplier Verification Programme

Not applicable. See chapter 3.

9 Mitigation Measures

9.1 Mitigation measures

Not applicable. See chapter 3.

9.2 Monitoring and outcomes

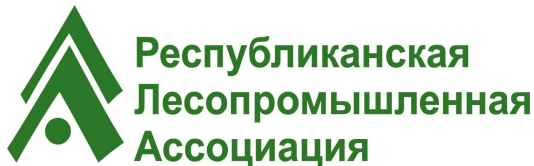
Not applicable See chapter 3.

10 Detailed Findings for Indicators

Not applicable. See chapter 3.

11 Review of Report

11.1 Peer review



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№33 from 27.05.2019

“SWOODS export” FLLC

222518, 11 A Demina street,
Borisov, Minsk region, Belarus

Expert evaluation of the Supply Base Report

Expert Qualification:

The Republican Forestry Association is a non-commercial organization uniting more than 150 legal entities whose main activities (harvesting, skidding, hauling, woodworking, etc.) are related to the forestry and woodworking industries

Overview of the evaluation:

The Supply Base Report of «SWOODS export» FLLC (Borisov, Minsk region, Republic of Belarus) was reviewed by the Council of the Republican timber industry Association with the involvement of responsible specialists-experts of the enterprises of the Association members.

«SWOODS export» is a wood processing company. It uses round timber of coniferous species from the forest Fund of the Republic of Belarus, as raw material. Wood is purchased at the JSC "Belarusian universal commodity exchange".

As a result of processing of the timbers, one part of the products of the sawmill production, are sold as natural moisture lumber and dry lumber, another part of the lumber is transferred to the furniture production to produce furniture and furniture products.

The Supply Base Report of «SWOODS export» FLLC describes the forest and woodworking industry of the Republic of Belarus in connection with the use of wood raw materials of the forest Fund of the Republic of Belarus.

No gross errors or misinterpretations of numerical values were found, during the review of the report. The official sources were used to confirm the information and conclusions provided.

The General description of the forest resources of the Republic of Belarus includes the main characteristics, such as the area of forests, gross annual growth, total stock of plantings, intensity of logging, species composition, certification status, etc. The main risks are the purchase of wood contaminated with radioactive elements. The report identifies measures to avoid purchasing wood from risky sources. The priority is given to FSC certified wood. This measure reduce risk of purchasing raw materials from questionable sources.

Sincerely,

General Director

V. M. Alexandrovich

A handwritten signature in blue ink is written over a circular blue stamp. The stamp contains the text: 'РЕСПУБЛИКА БЕЛАРУСЬ' (Republic of Belarus) at the top, 'РЕСПУБЛИКАНСКАЯ АССОЦИАЦИЯ' (Republican Association) in the center, and 'М. МИНСК' (Minsk) at the bottom.

11.2 Public or additional reviews

If another type of external review was done prior to finalisation of this report (e.g. publication for comments by stakeholders, NGOs, or other independent third parties), describe the process here.

12 Approval of Report

Approval of Supply Base Report by senior management			
Report Prepared by:	<i>Skochko Lyudmila Ivanovna</i>	<i>Head of commercial Department</i>	<i>27.05.2020</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>Kolesnikov Kirill Alexandrovich</i>	<i>Deputy Director for production</i>	<i>27.05.2020</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

Note: Updates should be provided in the form of additional pages, either published separately or added to the original public summary report.

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 chapter 2.5

13.5 Projected figures for feedstock over the next 12 months

- a. Projected volume of Feedstock: : 350 thousand m³ in 2020-2021 (for pellets production)
- b. Volume of primary feedstock: 0 m³ (no primary feedstock is used for pellet production)
- c. Projected volume of secondary feedstock: 315000 m³; wood residues, originating from own sawmilling and further steps of wood processing. Wood residues are used for pellets production are obtained in the form of chips or sawdust.
- d. Projected volume of tertiary feedstock: 35000 m³; wood residues, originating from dry lumber treatment
- e. Projected volume of primary feedstock from primary forest: 0 m³.