

Supply Base Report: "SWOODS export" FLLC

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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:	"SWOC	DS export" FLL	C
Producer location:	Demina	a 11a, Borisov, 2	22518 Minsk region, Belarus
Geographic position:	Lat E 2	8 degrees 30 mir	nutes, Long N 54 degrees 11 minutes
Primary contact: kirill.kolesnikov@swse.t	Колесн ру	иков Кирилл Ал	ександрович, моб.тел.:+375293808750, эл.почта:
Company website:	none		
Date report finalised:	31/May	/2019	
Close of last CB audit:			
Name of CB:	NEPC	on	
Translations from Englis	sh:	No	
SBP Standard(s) used: Sta		Standard 2 v1.0), 26 March 2015; Standard 4 v1.0, 26 March 2015;
Standard 5 v1.0, 26 Ma	rch 2015	5.	
Weblink to Standard(s)	used:	https://sbp-cert.	org/documents/standards-documents/standards
SBP Endorsed Regional Risk Assessment:		ssessment:	Not applicable
Weblink to SBE on Com	npany w	ebsite:	Not applicable

Indicate how the current evaluation fits within the cycle of Supply Base Evaluations							
Main (Initial) Evaluation	Main (Initial)FirstSecondThirdFourthEvaluationSurveillanceSurveillanceSurveillanceSurveillance						
x							



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 (9.5 million ha). However, SWOODS export does not procure FSC non-certified wood if it is not from the Ministry of Forestry or Ministry of Defence.

General Description of "SWOODS export"

"SWOODS export" is a wood processing company, which buys and saws coniferous (Scots pine and Norway spruce) logs (469.6 thousand m³ were purchased in 2018).

Part of the sawn wood production (almost 120.6 thousand m³ in 2018) is sold (can be kiln dried), the other part is further processed into solid wood products and furniture, app. 41 thousand m³.

Waste from production (101 thousand m³ in 2018) is used for heating, sold (as chips) and, used for pellet production.

"SWOODS export" holds an FSC [®] CoC certificate (NC-COC-013395). All material is bought with FSC 100% claim and uses the Trasfer control system. Therefore, production (including wood pellets) is sold with FSC 100%.

All logs are sourced from Belarus:

• FSC certified can be purchased from all certified forest managers

From forests, which are under strict protection, wood is not purchased. To mitigate possible risks, site visits and consultation with stakeholders regarding forest management in the Berezinsky Biosphere Reserve are implemented. FSC non-controlled material was not purchased during year 2018.

For pellet production only waste from own production is used (no raw material for pellet production is bought). SBP compliant biomass – 84.4%, SBP compliant tertary feedstock 15.6%.

"SWOODS export" takes wood product safety seriously. Therefore, each supplied load is tested against radioactive pollution. Logs are accepted only if radiation is not higher than 300 Bq.

General Description of Belarus Forest Resources and Forest Management

Forests cover app. 9,5 mill. ha or 39,8 % of the country's territory (2018). Total standing stock reaches almost 1,8 billion m3, while gross annual increment is more than 31,9 mill. m^3 . In Belarus forest area per capita is 0,9 ha, or more than 180 m^3 of wood. Together with the growth of total forest area, a steady increase of the areas with the maturing, mature and overmature forest stands is observed. During the last two decades the area of mature forest stands has increased more than twice.

Name of indocator	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	м3/hectar	148	171	196	217
5.1. Mature and overmature	м3/hectar	213	220	244	267
6. The average age	years	44	48	52	56

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

Tree species composition is as follows: 50.3% Scots pine, 23.2% Silver birch, 9.2% Norway spruce, 8.5% black alder, 2.1% aspen and 3.3% other species. All these species are harvested and have commercial value for the woodworking sector. No tree species included in CITES and IUCN lists are commercially planted as well as harvested in Belarus.

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. By 1 st January 2019 8.3 mill. ha of forests were certified according to the FSC scheme (98.5 % of all



forests). PEFC certified forests comprise of 8.0 mill. ha it's 95.0% of all forests in Belarus. 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. Belarussian system of specially protected areas accounts for 7,7% of the country's territory. However, together with the natural sites subject to special protection, such as water conservation zones and areas of habitat and growth of rare and endangered wild animals and plant species, this figure increases to 22.1% of the country's total area.

About 75% of the original Central European mixed forest cover is estimated to be lost. Pristine and relic stands of this forest type are believed to have been eliminated completely except in Belovezha Forest, which is located on the border between Belarus and Poland. It is one of the largest and best preserved forest tract in the lowlands of Europe. It still contains a wide array of old-growth forest stands representing all the major habitat types, a rich variety of wildlife and a still not sufficiently studied numerous lower plants, fungi and slime moulds. Belovezha national park has certified its forest management according to the PEFC system since 2012.

Except the Belovezha forest in Belarus there are no globally significant high conservation value forests, such as Global 200 ecoregions, Intact Forest Landscapes or Biodiversity hotspots.

Forest and Wood-based Industry

In Belarus wood-based industry consists of forestry (13.5% of all production), wood processing (69.5% of all production), pulp and paper (16.4% of all production) sectors. State Forest Enterprises ("Leskhozes") are also owning wood processing workshops, where logs from their forest are processed. In whole country there are 70 shops and 6 workshops, which processed more than 7.5 mill. m³ of wood every year.

In the middle of 2015, more than 75 wood processing and trading companies in Belarus had the FSC certificate. The average annual consumption of energy in Belarus is around 967 PJ, what is about 23 mill. tons of oil equivalent. It is estimated that Belarus has 611 mill. metric tons of carbon stocks in living forest biomass. Since 2007 organizations, belonging to the Ministry of Forestry, started production of wood-based renewable bioenergy. In 2013 more than 5,1 mill. m³ of wood-based biofuels were produced and in the beginning of year 2014 annual capacity for chips production reached 1,25 mill. m³.

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 WWF: http://www.worldwildlife.org/ecoregions/pa0412 Ministry of Natural Resources and Environmental Protection of the Republic of Belarus: http://www.minpriroda.gov.by/ State Inspectorate on Wildlife Protection Under the President of the Republic of Belarus: http://gosinspekciya.gov.by/ Convention on Biological Diversity: www.cbd.int/countries/?country=by Belovezha National Park: http://www.npbp.brest.by/ CEPF map of Biodiversity Hotspots: http://www.cepf.net/where_we_work/Pages/map.aspx G200 maps: http://www.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 only FSC certified logs. 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.

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 woodworking processes.

All raw material originate from FSC certified forests. Detail requirements for own verification programme are covered by FSC procedures.

The following resources are not included in the feedstock:

- wood from forests were traditional and human rights are violated;
- wood from forests were high conservation values are threatened;
- wood from forests where significant conversion of forests to plantations or non-forest use occur;
- wood from genetically modified trees;
- wood from illegally harvested forests;



- wood from controversial or unclear sources;
- wood from primary forests without a FSC certificate;
- wood from short rotation (energy) plantations;
- stump wood.

2.4 Flow diagram of feedstock inputs showing feedstock type

All raw material for pellet production comes as residues from "SWOODS export" sawing and further wood processing processes The company purchases mostly pine (Pinus sylvestris) logs.



2.5 Quantification of the Supply Base

Supply Base

- a. Total Supply Base area (ha): 9.5 mill. Ha
- b. Tenure by type (ha): Public forests (State owned)
- c. Forest by type (ha): Temperate forest type
- d. Forest by management type (ha): Managed natural
- e. Certified forest by scheme (ha): 8.3 mill. Ha FSC certified and 8.0 mill. Ha PEFC certified forest

Feedstock

- f. Total volume of Feedstock: 196.3 thousand m³ in 2018.
- g. Volume of primary feedstock: 0m³ (no primary feedstock is used for pellet production. Note: the pellets are made from wood working residues only).
- h. List percentage of primary feedstock (g): Not applicable



- i. List all species in primary feedstock, including scientific name: Not applicable
- j. Volume of primary feedstock from primary forest: Not applicable
- k. List percentage of primary feedstock from primary forest (j): Not
- Volume of secondary feedstock: 171.1 thousants m³ from sawmilling and futher wood processing steps. Wood residues used fors pellet production are in form of chips or sawdust
- m. Volume of tertiary feedstock: 25.1 thousand m³



3 Requirement for a Supply Base Evaluation

SBE completed	SBE not completed
	X

SBE not developed as all raw material originates 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

Give a general description of the process for Supply Base Evaluation including any relevant consultations with stakeholders. Specify whether the SBE was performed 'in house' or whether an external party was contracted to perform the SBE. If the latter, give a full description of the competencies of the contracted party that includes a justification for the appointment of personnel to the evaluation team.

Although not required by SBP, it is likely that the verification system will also include a sampling plan for assessing forest operations within the Supply Base. If such a plan has been developed for monitoring suppliers, it should be described here.



6 Stakeholder Consultation

Give a general description of the process of Stakeholder Consultation, including stakeholders contacted and method of communication.

6.1 Response to stakeholder comments

Provide a summary of all stakeholder comments received and how the comments were taken into consideration in the SBE process.

Comment 1:

Response 1:

Comment 2:

Response 2:



7 Overview of Initial Assessment of Risk

Briefly describe the results of the Risk Assessment. This represents the initial evaluation of risk done prior to the SVP and prior to any mitigation measures.

This section provides an opportunity to detail how the BP's management system is effective in reducing risk.

List the result for each Indicator in Table 1.

Where multiple sub-scopes are involved, prepare a separate overview table for each sub-scope showing the initial risk ratings for each Indicator.

	Initial Risk Rating				
Indicator	Specified	Low	Unspecified		
1.1.1					
1.1.2					
1.1.3					
1.2.1					
1.3.1					
1.4.1					
1.5.1					
1.6.1					
2.1.1					
2.1.2					
2.1.3					
2.2.1					
2.2.2					
2.2.3					
2.2.4					
2.2.5					
2.2.6					
2.2.7					
2.2.8					
2.2.9					

Table 1. Overview of results from the risk assessment of all Indicators (prior to SVP)

	Initial Risk Rating			
Indicator	Specified	Low	Unspecified	
2.3.1				
2.3.2				
2.3.3				
2.4.1				
2.4.2				
2.4.3				
2.5.1				
2.5.2				
2.6.1				
2.7.1				
2.7.2				
2.7.3				
2.7.4				
2.7.5				
2.8.1				
2.9.1				
2.9.2				
2.10.1				



8 Supplier Verification Programme

8.1 Description of the Supplier Verification Programme

Give a general description of the Supplier Verification Program (SVP) including the criteria used for monitoring suppliers (e.g. supplier characteristics, risk factors, or local circumstances) as applicable. Describe how the control system in place will ensure that all Feedstock remains in compliance with SBP Standards. If applicable, explain how the sampling frequency and intensity was chosen, and why certain suppliers were grouped together for sampling purposes.

8.2 Site visits

Describe any field assessments of Indicators.

8.3 Conclusions from the Supplier Verification Programme

Summarise conclusions from the SVP.



9 Mitigation Measures

9.1 Mitigation measures

Describe any mitigation measures taken to address specified risks associated with Indicators.

9.2 Monitoring and outcomes

Describe how the Indicators are being monitoring and what the outcomes are (if known) from that monitoring.



10 Detailed Findings for Indicators

Detailed findings for each Indicator are given in Annex 1.



11 Review of Report



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Исх. № <u>64</u> от <u>27.05.</u>2019

ИООО «СВУДС экспорт»

Экспертная оценка отчета о ресурсной базе

Квалификация эксперта:

Республиканская лесопромышленная ассоциация – не коммерческая организация, объединяющая более 150 юридических лиц, основные виды деятельности (заготовка, трелёвка, вывозка, деревообработка и т.д.) которых связаны с лесной и деревообрабатывающей отраслями

Обзор оценки:

Отчет о ресурсной базе ИООО «СВУДС экспорт» (Республика Беларусь, Минская область, г. Борисов) был рассмотрен Советом Республиканской лесопромышленной ассоциации с привлечением ответственных специалистовэкспертов предприятий членов Ассоциации.

ИООО "СВУДС экспорт" является компанией по переработке древесины, используя в качестве сырья лесоматериалы круглые хвойных пород из лесного фонда Республики Беларусь. Древесина приобретается как на биржевых торгах ОАО «Белорусская универсальная товарная биржа», так и по прямым договорам у продавцов, приобретших её на биржевых торгах.

В результате переработки ИООО "СВУДС экспорт" часть продукции раскройнозаготовительного цеха – пиломатериалы естественной влажности и сухие пиломатериалы реализуется, а часть пиломатериалов передаётся на деревоперерабатывающее производство предприятия для изготовления мебели и мебельных изделий.

В отчете о ресурсной базе ИООО «СВУДС экспорт» описывается лесная и деревообрабатывающая отрасль Республики Беларусь в связи с использованием древесного сырья лесного фонда Республики Беларусь.

В процессе рассмотрениям отчета не было обнаружено грубых ошибок или неверной интерпретации числовых значений, были использованы официальные источники для подтверждения представленной информации и выводов.

Общее описание лесных ресурсов Республики Беларусь включает в себя основные характеристики, такие как площадь лесов, валовый годовой прирост, общий запас насаждений, интенсивность лесозаготовок, видовой состав, состояние сертификации, и т.д. Основные риски – покупка древесины, загрязненной радиоактивными элементами. В отчете определены меры, чтобы избежать закупку древесины из рискованных источников. Поскольку приоритет отдается FSC сертифицированной древесине, риск приобрести сырье из сомнительных источников уменьшается.

В.М. Александрович

РЕСПУБЛИКАНСКАЛ

ACCOLLATINA

С уважением,

Генеральный директор



12 Approval of Report

Approval o	f Supply Base Report by senior managen	nent	
Report Prepared	Скогко Плорешев Швановни	Kara us HUL LOU EUEpreekoro omge 14	29.05.19
	Name	Title	Date
The unders and do her manageme	signed persons confirm that I/we are men eby affirm that the contents of this evalua nt as being accurate prior to approval an	bers of the organisation's se ation report were duly acknow d finalisation of the report.	nior managemen vledged by senio
Report approved by:	И.О. директора Колонанов Караля Ластанорови г	U.O. gurentopa	29.05.19
	Name	Title	Date
Report approved by:			
	Name	Title	Date
Report approved by:	[name]	(title)	[date]
	Name	Title	Date



12 Updates

Not applicable.

12.1 Significant changes in the Supply Base

Not applicable.

12.2 Effectiveness of previous mitigation measures

Not applicable.

12.3 New risk ratings and mitigation measures

Not applicable.

12.4 Actual figures for feedstock over the previous 12 months Not applicable.

12.5 Projected figures for feedstock over the next 12 months 282.000 m³