



Supply Base Report: **SeMaDrev, Limited Liability Company**

First Surveillance Audit

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Completed in accordance with the Supply Base Report Template Version 1.4

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: SeMalDrev, Limited Liability Company

Producer address: Suvorova, 23 225432 Koloniya, Gansevishy distr. , Belarus

SBP Certificate Code: SBP-07-78

Geographic position: 52.7513, 26.4191

Primary contact: Aleksandr Shulga, +375 164 660 208,semaldrev@mail.ru

Company website: <http://semaldrev.by>

Date report finalised: 2021-03-19

Close of last CB audit: 2020-04-03

Name of CB: NEPCon OÜ

SBP Standard(s) used: SBP Standard 2: Verification of SBP-compliant Feedstock, SBP Standard 4: Chain of Custody, SBP Standard 5: Collection and Communication of Data Instruction, Instruction Document 5E: Collection and Communication of Energy and Carbon Data 1.3

Weblink to Standard(s) used: <https://sbp-cert.org/documents/standards-documents/standards>

SBP Endorsed Regional Risk Assessment: Not applicable

Weblink to SBR on Company website: N/A

Indicate how the current evaluation fits within the cycle of Supply Base Evaluations					
Main (Initial) Evaluation	First Surveillance	Second Surveillance	Third Surveillance	Fourth Surveillance	Re-assessment
☐	☒	☐	☐	☐	☐

2 Description of the Supply Base

2.1 General description

Feedstock types: Secondary

Includes Supply Base evaluation (SBE): No

Feedstock origin (countries): Belarus

2.2 Description of countries included in the Supply Base

Country: Belarus

Area/Region: All regions

Exclusions: No

As of January 1, 2020, the forest cover of the territory of the Republic of Belarus amounted to 39.9 percent.

The forest fund of the Republic of Belarus as the totality 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 9.69 million hectares. As a result of the dedicated work of foresters, the main quantitative and qualitative indicators of forests have improved since 1994. The forest cover of the republic is close to optimal and is 40.1 %. Over the past 60 years, the forest cover of the republic has almost doubled and reached the maximum value for more than a century (1901 – 37.6 %) and is currently continuing to grow.

The forest fund in Belarus is well explored, and based on expert estimates, wood reserves in 2018 equaled 1796 million m³, including mature and overmature forests which comprise over 267 million m³. General growth of forest – about 32,7 million m³ per year. Average age of stands is over 56 years. Per the age categories the forest fund can be divided the following way: young forests – 17,5%, middle aged forests – 39,9%, ripening forests – 25,8% and mature and overmature forests – 16,8%.

The total cost of forest resources as of January 1, 2020 amounted to 24 billion rubles, including the cost of stem wood - 10.6 billion rubles (44.2 percent). The cost of 1 hectare of forested land was 2.9 thousand rubles, 1 hectare of the total area of the forest fund - 2.5 thousand rubles. The given data indicate the possibility of sustainable development of the forestry economy.

In Belarus the main principles of forest managements are based on the following regulatory documents:

- The State Program "Belarusian Forest" for 2021-2025, approved by the Resolution of the Council of Ministers of the Republic of Belarus N.52 of 28.01.2021
- National strategy on sustainable development of the Republic of Belarus

· Forest Code of the Republic of Belarus.

28 tree species and about 70 species of bushes grow in Belarus. The most widespread are: Scots pine - 50.3%, Birch - 23.2%, European spruce - 9.2%, Black alder - 8.5%, Oak - 3.4%, Aspen - 2.1%

There are two types of forest lands depending on accomplished functions: first and second groups. The first group comprises specially protected nature conservation areas (about 52%), and the second one – exploitable forests for timber harvesting (48%). In accordance with the legislation of the Republic of Belarus all forest lands are in state property and assigned to state forestry enterprises for use. The forest use in Belarus is based on the principle of continuity and sustainability. The average wood procurement reached 10 – 11,2 million m³ per year, which includes: final felling (in mature forests) – 4,3 – 4,5 million m³ (40%), sanitary felling and tending cutting (young, middle aged and ripening forests) – 5,4 million m³ (48%) and other cuttings – 1 – 1,3 million m³ (12%).

The further growth in forest management is foreseen in 2020 – about 19 million m³, however it should not harm the ecology of the forests since the annual forest increment in Belarus has already reached about 25 million m³ and this number keeps growing due the growth of forest cover and forest age structure alignment. The forest management is generally defined by the annual allowable cutting rate. Annual allowable cutting rate is a rate of annual volumes of cuttings or the amount of final products which could be extracted for further timber products manufacturing. It is counted based on the availability of mature timber, reproduction type, timber requirements and following the principle of continuity and sustainability in forest use.

It is planned that as a result of the implementation of the State Program for 2021-2025: the forest cover of the republic's territory will reach 40.3 percent; the volume of timber harvesting will grow to 3.2 cubic meters. meters from 1 hectare; the average planting stock will increase to 225 cubic meters. meters from 1 hectare, which will significantly expand the scale of all types of forest use, increase the export of timber.

The main conditions of forests' exploitation are the procurement of forest reproduction and protective afforestation. In 2018 the forest reproduction and afforestation were carried out at the total area of 41,82 thousand ha, including such measures as planting of new forests (about 34,8 thousand ha).

According to the forest legislation of the Republic of Belarus, the endangered species and the places of their habitation included in the Red List are to be protected during timber harvesting processes. The cutting of valuable, endangered and specially protected tree species is strictly prohibited.

There are two preserved areas at the territory of Republic of Belarus - Berezinsky Biosphere Reserve (85.2 thousand ha) and Polesie State Radioecological Reserve (216,1 thousand ha) and four national parks - Belovezhskaya Pushcha (152,962 thousand ha), Braslav Lakes (69,115 thousand ha), Narachanski National Park (93,3 thousand ha) and Pripyatsky National Park (85,841 thousand ha) as well as 334 forest Republic and local reserves and 874 monuments of nature.

The forest certification is an effective tool against illegal cuttings and illegal circulation of timber.

There two schemes of forest certification implemented in the Republic of Belarus: FSC (Forest Stewardship Council) and PEFC (Programme for the Endorsement of Forest Certification).

Taking into account the requirements of the international scheme of the Forest Stewardship Council (FSC) In total, 87 forestry enterprises were certified according to FSC in Belarus as of January 1, 2020, or 7.5 million hectares of forest resources (88.5% of the total forest resources of the Ministry of Forestry). Under the PEFC scheme, the forest management and forestry systems of 95 subordinate forestry enterprises have been certified on an area of 8.1 million hectares of forest resources (96% of the total forest resources of the ministry).

In Belarus timber industry comprises of forest management (13,5%), processing of timber (69,5%) and paper-pulp industry 16,4%). Timber processing is one of the largest manufacturing sectors in Belarus Republic and has a share of about 2% from the whole processing sector in Belarus Republic. Timber industry in Belarus makes approximately 1,1% of gross domestic market. Timber-based products are exported to about 30 world countries.

In the reporting period, our company used 9211.64 m3 of secondary certified raw materials (Sawdust, crookback) from its own woodworking production for the production of fuel pellets.

To load production capacities from third-party organizations, 18084.07 m3 of FSC certified secondary raw materials (wood chips, sawdust) from wood sawing were purchased from 3 certified wood suppliers, such as: Telekhansky forestry, Starobinsky and Gantsevichi forestry.

One supplier did not confirm the delivered raw materials for compliance with the FSC certification requirements in the amount of 1013.03 m3, which is 3.7% of the total amount of raw materials and it is not compatible with the SBP certification.

2.3 Actions taken to promote certification amongst feedstock supplier

The policy of SkMalDrev LLC is to give preference to certified suppliers and completely abandon controlled and uncontrolled raw materials. The supply base is almost always certified throughout the Republic of Belarus. Raw materials (sawdust and wood chips) consist of sawmill residues from the main production of suppliers. Therefore, non-certified and new suppliers are encouraged to certify their supply chain and benefit from the use of their leftovers. SeMalDrev LLC offers sawdust suppliers a higher price for FSC-certified products and informs suppliers about the benefits and benefits of FSC certification

2.4 Quantification of the Supply Base

Supply Base

- a. **Total Supply Base area (million ha):** 9,69
- b. **Tenure by type (million ha):**9.69 (Public)
- c. **Forest by type (million ha):**9.69 (Temperate)
- d. **Forest by management type (million ha):**9.69 (Managed natural)
- e. **Certified forest by scheme (million ha):**8.30 (FSC)

Describe the harvesting type which best describes how your material is sourced: Other

Explanation: N/A

Was the forest in the Supply Base managed for a purpose other than for energy markets? Yes - Majority

Explanation: LLC "SeMalDrev" for the production of fuel pellets uses sawdust (Saw dust), slab (Slab) from sawmilling and woodworking of its own production, and also partially purchases from third-party certified suppliers. LLC "SeMalDrev" have 3 suppliers certificated feedstocks for production fuel pellets. And 1 supplier not FSC certificated

For the forests in the Supply Base, is there an intention to retain, restock or encourage natural regeneration within 5 years of felling? Yes - Majority

Explanation: It is planned that as a result of the implementation of the State Program for 2021-2025: the forest cover of the republic's territory will reach 40.3 percent; the volume of timber harvesting will grow to 3.2 cubic meters. meters from 1 hectare; the average planting stock will increase to 225 cubic meters. meters from 1 hectare, which will significantly expand the scale of all types of forest use, increase the export of timber.

Was the feedstock used in the biomass removed from a forest as part of a pest/disease control measure or a salvage operation? No

Explanation: N/A

Feedstock

Reporting period from: 2020-02-01

Reporting period to: 2021-01-31

- a. **Total volume of Feedstock:** 1-200,000 m3
- b. **Volume of primary feedstock:** 0 N/A
- c. **List percentage of primary feedstock, by the following categories.**
 - Certified to an SBP-approved Forest Management Scheme: N/A
 - Not certified to an SBP-approved Forest Management Scheme: N/A
- d. **List of all the species in primary feedstock, including scientific name:** N/A (N/A);
- e. **Is any of the feedstock used likely to have come from protected or threatened species?** N/A
 - Name of species: N/A
 - Biomass proportion, by weight, that is likely to be composed of that species (%): N/A
- f. **Hardwood (i.e. broadleaf trees): specify proportion of biomass from (%):** N/A
- g. **Softwood (i.e. coniferous trees): specify proportion of biomass from (%):** N/A
- h. **Proportion of biomass composed of or derived from saw logs (%):** N/A
- i. **Specify the local regulations or industry standards that define saw logs:** N/A
- j. **Roundwood from final fellings from forests with > 40 yr rotation times - Average % volume of fellings delivered to BP (%):** N/A
- k. **Volume of primary feedstock from primary forest:** N/A N/A
- l. **List percentage of primary feedstock from primary forest, by the following categories. Subdivide by SBP-approved Forest Management Schemes:**
 - Primary feedstock from primary forest certified to an SBP-approved Forest Management Scheme: N/A
 - Primary feedstock from primary forest not certified to an SBP-approved Forest Management Scheme: N/A
- m. **Volume of secondary feedstock:** 1-200,000 m3
 - Physical form of the feedstock: Chips, Sawdust, Offcuts
- n. **Volume of tertiary feedstock:** 0 N/A
 - Physical form of the feedstock: N/A

Proportion of feedstock sourced per type of claim during the reporting period

Feedstock type	Sourced by using Supply Base Evaluation (SBE) %	FSC %	PEFC %	SFI %
Primary	0,00	0,00	0,00	0,00
Secondary	0,00	100,00	0,00	0,00
Tertiary	0,00	0,00	0,00	0,00
Other	0,00	0,00	0,00	0,00

3 Requirement for a Supply Base Evaluation

Is Supply Base Evaluation (SBE) is completed? No

Supply Base evaluation is not required, since the company uses only FSC-certified feedstock for the production of pellets.

4 Supply Base Evaluation

4.1 Scope

Feedstock types included in SBE: Secondary

SBP-endorsed Regional Risk Assessments used: Not applicable

List of countries and regions included in the SBE:

Country: Belarus

Indicator with specified risk in the risk assessment used:

1.1.1 The BP Supply Base is defined and mapped.

Specific risk description:

Not applicable

4.2 Justification

N/A

4.3 Results of risk assessment and Supplier Verification Programme

N/A

4.4 Conclusion

N/A

5 Supply Base Evaluation process

N/A

6 Stakeholder consultation

N/A

6.1 Response to stakeholder comments

N/A

7 Mitigation measures

7.1 Mitigation measures

Country:	Belarus
Specified risk indicator:	1.1.1 The BP Supply Base is defined and mapped.
Specific risk description:	
Mitigation measure:	Not applicable

7.2 Monitoring and outcomes

N/A

8 Detailed findings for indicators

Detailed findings for each Indicator are given in Annex 1 in case the Regional Risk Assessment (RRA) is not used.

Is RRA used? N/A

9 Review of report

9.1 Peer review

N/A

9.2 Public or additional reviews

N/A

10 Approval of report

Approval of Supply Base Report by senior management			
Report Prepared by:	Shulga Alexandr	Manager	2021-03-19
	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:	Alexandr Shulga	Manager	2021-03-19
	Name	Title	Date

Annex 1: Detailed findings for Supply Base Evaluation indicators

N/A