



Supply Base Report: **LSM Pellet, Foreign private manufacturing** **unitary enterprise**

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: LSM Pellet, Foreign private manufacturing unitary enterprise

Producer address: Lomovichsky village council 4, Gomel region, 247301 Akciabrski Rajon, Belarus

SBP Certificate Code: SBP-07-74

Geographic position: 52.608030, 28.958350

Primary contact: Vladimir Grabko, +375 293 533 029, lsmpellet@tut.by

Company website: N/A

Date report finalised: 03 Mar 2021

Close of last CB audit: 30 Jun 2021

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

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: www.facebook.com/LSM-Pellet-1381793995208927

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: Gomel region

Exclusions: No

The resource base is the territory of the Republic of Belarus.

All forests in Belarus are the exclusive property of the state. The total land area of the forest fund is 9,697 million hectares. The forest cover of the territory of the Republic of Belarus reached 40,1%. As a result of focused work on the reproduction of forests, the area covered by forest has almost doubled over the past 60 years and reached its maximum value over more than a hundred years. The increase occurs both naturally and due to the planting of forest stands of badlands unsuitable for agriculture. In the Republic of Belarus, along with an increase in the total area of the forest fund, there is a steady increase in the areas of ripening, ripe and overripe stands. The share component of ripe and mature forests is - 16,8%.

In Belarus, the basic principles of forest management are defined by the following regulatory documents:

- The state program "Belarusian Forest" for 2016-2020;
- National Strategy for Sustainable Development of the Republic of Belarus;
- Forest Code of the Republic of Belarus.

In the forests of the Republic of Belarus 28 species of trees and about 70 species of shrubs grow. The most common tree species are: common pine – 54,8%, birch – 18,8%, european spruce – 11,0%, black alder - 8,2%, oak – 2,9%, aspen – 2,2%.

When harvesting wood, according to the forest legislation of the Republic of Belarus, species listed in the Red Book and their habitats are subject to conservation. Cutting of valuable, endangered and specially protected tree species is prohibited. No CITES species are harvested in the supply base area.

On the territory of Belarus there are two republican reserves - the Berezinsky Biosphere Reserve (85.2 thousand ha) and the Polessky State Radiation and Ecological Reserve (216.1 thousand ha), and four national parks - Belovezhskaya Pushcha (152.962 thousand ha), Braslavsky lakes (69.115 thousand

hectares), Narochansky (93.3 thousand hectares) and Pripyatsky (85.841 thousand hectares), 334 reserves of national and local significance and 874 natural monuments.

Forest certification is an effective tool to counteract illegal logging and illegal timber trafficking. In the Republic of Belarus, two forest certification schemes are used - the Forest Certification System FSC (Forest Stewardship Council) and the Forest Certification System of the National Conformity Certification System, recognized by the European Forest Certification Council (PEFC).

Taking into account the requirements of the international scheme of the Forest Stewardship Council (FSC), as of June 1, 2020, 96 leskhozoes were certified (98.5% of the total forest fund of the Ministry of Forestry). 93 leskhozoes of the Ministry of Forestry are PEFC-certified for FM and CoC (95.0% of the total forest fund of the Ministry of Forestry).

In the Republic of Belarus, the forest industry consists of forestry (13.5%), wood processing (69.5%) and pulp and paper industry (16.4%). The woodworking industry is one of the largest industries in Belarus. Woodworking accounts for approximately 2% of the total manufacturing industry of the Republic of Belarus. The share of the forest industry in the country's GDP is approximately 1.1%. Timber products are exported to 30 countries.

The Foreign private manufacturing unitary enterprise "LSM Pellet" produces pellets from waste from the processing of wood and firewood, which it purchased from third-party suppliers. The company is exclusively engaged in the production of pellets.

In the revision period for the production of pellets sawdust was used with FCS statement and without FCS statement, and slabwood:

- SBP-compliant secondary feedstock – 95,8% (FSC-100%);
- SBP-non-compliant secondary feedstock – 4,2%;

For the production of pellets, "LSM Pellet" uses sawdust with an FSC-100% claim, which in the reporting period was purchased from two certified suppliers, and non-certified material (sawdust and slabwood) were purchased from one supplier.

Since June 28, 2019, the FCS certificate was received, and non-certified raw materials started to be separated from the certified ones.

For the production of SBP-compliant wood pellets only FSC-100% feedstock is used.

The main regions of wood origin used in the production of LSM Pellet in the Republic of Belarus are the territories of October and Glusky leskhozoes.

GLHU “Oktyabrsky Leskhoz” is located in the northwestern part of Gomel Region on the territory of Oktyabrsky District. A small part is located on the territory of Svetlogorsk District. The leskhoz includes ten forestries. The leskhoz carries out forestry activities, is engaged in logging and marketing to the domestic market.

The forest fund managed by Oktyabrsky leskhoz amounts to 84.7 thousand ha, including the area covered by forest - 78.1 thousand ha. Forests of the group I - 18.0 thousand. ha, group II - 66.7 thousand ha. The average age of forest stands is 58 years.

Forestry activities are carried out in the following areas:

- forest management;
- reforestation and afforestation;
- forest protection from fires, illegal logging and other forest violations;
- protection of forests from diseases and pests.

GLHU Glusky leskhoz of Mogilev PLHO is located in the southwestern part of the Mogilev region on the territory of Gluskiy administrative district. The length of the leskhoz territory from north to south is 55 km, from west to east - 40 km. The leskhoz borders Oktyabrsky, Bobruisk, Osipovichsky, Starodorozhsky and Luban leskhozoes. The total area of the leskhoz on 01.01.2019 is 76254 ha, including 69866 ha covered with forest.

The following wood species are used in the production of LSM Pellets pellets:

- Common pine (Pinus sylvestris)

2.3 Actions taken to promote certification amongst feedstock supplier

Foreign private production unitary enterprise LSM Pellet plans to increase purchases of certified feedstock, as well as to emphasize the importance and benefits of voluntary forest certification to non-certified companies.

2.4 Quantification of the Supply Base

Supply Base

- Total Supply Base area (million ha):** 9,58
- Tenure by type (million ha):**9.58 (Public)
- Forest by type (million ha):**9.58 (Temperate)
- Forest by management type (million ha):**9.58 (Managed natural)
- Certified forest by scheme (million ha):**9.40 (FSC), 8.80 (PEFC)

Describe the harvesting type which best describes how your material is sourced: N/A

Explanation: N/A

Was the forest in the Supply Base managed for a purpose other than for energy markets? N/A

Explanation: N/A

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

Explanation: N/A

Was the feedstock used in the biomass removed from a forest as part of a pest/disease control measure or a salvage operation? N/A

Explanation: N/A

Feedstock

Reporting period from: 01 Jan 2020

Reporting period to: 31 Dec 2020

- 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
- 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: 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 %
Secondary	0,00	100,00	0,00	0,00
Tertiary	0,00	0,00	0,00	0,00
Primary	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

N/A

4 Supply Base Evaluation

4.1 Scope

Feedstock types included in SBE: N/A

SBP-endorsed Regional Risk Assessments used: Not applicable

List of countries and regions included in the SBE:

N/A

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

N/A

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:	Hrabko Uladzimir	director	03 Mar 2021
	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:	Hrabko Uladzimir	director	03 Mar 2021
	Name	Title	Date

Annex 1: Detailed findings for Supply Base Evaluation indicators

N/A