



Supply Base Report: **NeAlTom, Private production 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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Contents

1	Overview
2	Description of the Supply Base
2.1	General description
2.2	Description of countries included in the Supply Base
2.3	Actions taken to promote certification amongst feedstock supplier
2.4	Quantification of the Supply Base
3	Requirement for a Supply Base Evaluation
4	Supply Base Evaluation
4.1	Scope
4.2	Justification
4.3	Results of risk assessment and Supplier Verification Programme
4.4	Conclusion
5	Supply Base Evaluation process
6	Stakeholder consultation
6.1	Response to stakeholder comments
7	Mitigation measures
7.1	Mitigation measures
7.2	Monitoring and outcomes
8	Detailed findings for indicators
9	Review of report
9.1	Peer review
9.2	Public or additional reviews
10	Approval of report
Annex 1: Detailed findings for Supply Base Evaluation indicators	

1 Overview

Producer name: NeAlTom, Private production unitary enterprise

Producer address: 10D, Moskovskaya str. Minsk region, 222001 Krupki, Belarus

SBP Certificate Code: SBP-07-96

Geographic position: 54.327000, 29.142600

Primary contact: Lizaveta Andreika, +375 291712803,kruplesproekt@mail.ru

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

Date report finalised: 25 Feb 2021

Close of last CB audit: N/A

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: N/A

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: Minsk region, Vitebsk region, Mogilev region

Exclusions: No

In the Republic of Belarus forests are one of the main renewable natural resources and the major national wealth. The woods and forest resources are of great importance for sustainable social and economic development of the country, ensuring its economic, energy, ecological and food security. For a number of the key indicators characterizing forest fund (woodiness of the territory, forest area and growing wood stock in terms of per capita), Belarus is among the top ten forest states of Europe.

Forestry of Belarus successfully implementing the principles of sustainable multipurpose forest management, is important for stable functioning of the forest sector of the country and contributes to the development of allied industries of economy, making a significant contribution to the implementation of the signed international treaties at the global level in the field of environmental protection. Its economic, environmental and social role has been steadily increasing. All this gives grounds to say that in modern conditions the forestry sector from traditional commodity industry turns into infrastructural and one of the key sectors of the national economic complex, especially in the rural areas of the country.

Forests in the Republic of Belarus are the exclusive property of the State, which means that all produced timber origins from state managed forests. The Forest Code (Forest Code of the Republic of Belarus of 2015 No. 332-Z) states that Belarusian forests are divided into 4 categories according to the management purpose: conservation forests, recreation and health forests, protective forests, and managed forests. Harvesting of timber is allowed depending on the management and protection regime assigned based on the forest category.

As a result of purposeful work on reproduction of the woods and forest growing, positive dynamics of forest fund is reached.

So since 1994 the key quantitative and qualitative indices of the forests have improved:

- the forest area has increased by 889.2 thousand hectares from 7371.7 to 8260.9 thousand hectares;

- the area under forest of the Republic has reached 39.8 per cent (increased by 4.3%);
- the total stock of standing timber has increased by 702.8 million cubic meters and amounted to 1796.0 million cubic meters; the total stock in mature and overmature stands has increased by 250.4 million cubic meters and amounted to 296.0 million cubic meters;
- the stock per 1 ha of forested land has increased by 69 cubic meters and amounted to 217 cubic meters per 1 ha; the stock of mature and overmature stands has increased by 54 cubic meters and reached 267 cubic meters per 1 ha;
- the stand average age has increased from 44 to 56 years.

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

In Belarus, along with an increase in total area of forest fund the sustainable growth of the areas of ripening as well as mature and overmature stands is observed. Over a twenty-year period, the area of mature and overmature stands has increased significantly and amounted to 14.7% of the total forest area.

All forests in Belarus are the exclusive property of the state.

Belarus has been a signatory of the CITES Convention since 1995. CITES requirements are respected in forest management, although there are no species included in the CITES lists in Belarus.

When harvesting wood, according to the forest legislation of the Republic of Belarus, individual species

listed in the Red Book and their habitats are subject to conservation. Cutting of valuable, endangered and protected tree species is prohibited.

Forest certification is an effective tool to combat illegal logging and illegal timber trafficking. Two schemes of forest certification have found their place in the Republic of Belarus - the forest certification system FSC (Forest Stewardship Council) and the forest certification system of the National Conformity Certification System, recognized by the Pan-European Forest Certification Council (PEFC). Taking into account the requirements of the international scheme of the Forest Stewardship Council (FSC), 9.027 million hectares of forest fund are certified (94.2% of the total forest fund). PEFC certified forest management and forest management systems of 105 legal entities conducting forestry on an area of 8.8 million hectares of forest fund.

The timber industry complex (LPK) includes forestry, harvesting, mechanical processing and chemical processing of wood.

The timber industry complex of Belarus includes more than 5 thousand enterprises (in 1990 there were less than 4 thousand), and about 4,000 of them are large and medium-sized, which are on an independent balance sheet. The timber industry enterprises produce 6.4% of all industrial products in Belarus. This is

the highest figure among the CIS countries. The leading place in the timber industry complex of the republic is occupied by the woodworking industry - more than 87% of the total number of enterprises.

The timber industry complex of Belarus is represented mainly by the Bellesbumprom concern, which is a monopolist in timber harvesting and the production of a number of products from it. Mechanical processing of wood is well developed, but the production of chemical-mechanical, chemical processing almost did not develop at all. As a result, there is a chronic shortage in some types of raw materials, in others - a surplus, resources of secondary raw materials are used irrationally. As a result, 1/3 of the harvested wood is used as fuel, and most of the whole small-sized wood and waste from logging and woodworking are not used.

The land fund of the Republic of Belarus is the country's area of 20759.6 thousand hectares. In Europe, according to this indicator, Belarus occupies the 14th place, therefore, most European states have much less land resources. The land fund of the country was distributed as follows (by categories of land users):

agricultural organizations - 8661 thousand hectares (41.7%);

citizens - 1397 thousand hectares (6.7%);

peasant (farming) households - 180 thousand. ha (0.9%);

reserve lands and state forestry organizations - 8490 thousand hectares (40.9%);

other land users - 2,032 thousand hectares (9.8%).

The largest area of the land fund is occupied by agricultural land - these are those plots of land that are used in agricultural production. They differ in natural features and agricultural purposes. The main categories of agricultural land include: arable land, perennial plantations (orchards, berry fields), fallow lands (arable land not cultivated for a long time), hayfields and pastures. In the structure of the land fund of Belarus, agricultural lands occupy the largest area (9205 thousand hectares, or 44.3%), which indicates a high degree of agricultural development of the country's territory.

The woodworking industry accounts for approximately 2% of the total processing industry in the Republic of Belarus.

The share of the timber industry in the country's GDP is approximately 1.1%. Timber products is exported to about 35 countries.

About 33% of the volume of harvested wood is used for fuel and energy purposes, including firewood, woodworking waste (slabs, edgings, etc.), wood chips, fuel pellets, fuel briquets.

In the structure of renewable energy sources around 94% falls on woody biomass.

About 9,500.0-10,000.0 thousand m³ of wood fuel are procured annually. The volume of fuel chips production is about 3000.0 thousand m³. Currently, the republic produces about 300 thousand tons of fuel pellets per year. In 2020–2023, it is planned to build and commission pellet production facilities in the Republic of Belarus with a total capacity of about 700 thousand tons per year.

In general, the structure of the timber industry complex 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%).

During the reporting period, for our own sawmill production, our organization purchased round timber from about 20 suppliers, sawdust for the pellet mill was purchased from about 10 suppliers.

2.3 Actions taken to promote certification amongst feedstock supplier

In production of SBP pellets only FSC certified supplier material is used. Since company's policy is to give preference to certified suppliers, the company constantly invites other non-certified suppliers to participate in

FSC/PEFC certification.

2.4 Quantification of the Supply Base

Supply Base

- a. **Total Supply Base area (million ha):** 9,58
- b. **Tenure by type (million ha):**9.58 (Public)
- c. **Forest by type (million ha):**9.58 (Temperate)
- d. **Forest by management type (million ha):**9.58 (Managed natural)
- e. **Certified forest by scheme (million ha):**9.03 (FSC), 8.80 (PEFC)

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

Explanation: Enterprise uses secondary feedstock as raw materials. Secondary feedstock is obtained in the form of sawmill waste from own woodworking, and also purchased from other manufacturers. Primary feedstock in the form of firewood (used only for drying) comes only from the forest fund of the Republic of Belarus. Input raw materials are divided into: SBPcompliant Secondary Feedstock 100% (sawdust, chips, slabs). For drying process slabs, firewood are used.

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

Explanation: In the timber industry, the priority place is occupied by such purposes as: logging, woodworking, wood chemical, furniture,pulp and paper.

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: Reforestation and afforestation in the Republic of Belarus provides: - compulsory reforestation of felling areas, burnt-out areas and other unforested lands of the forest fund within a period not exceeding 2-3 years after their formation; - compliance of cultivated tree species with the growing conditions; rational use of forest lands; - conservation of biological diversity and forest gene pool; - increase in the area of oak, ash and linden forests;; - creation of forest plantations of predominantly mixed species composition - increasing the water saving, protective, health-improving properties of forests, as well as their productivity and steadiness; - preservation (increase) of forest cover of the Republic of Belarus and its administrative-territorial units; - meeting the socio-economic needs of society in a variety of forest products and forest benefits.

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

Explanation: Sanitary cuttings are carried out in plantations that have died or have lost their biological stability as a result of the strong influence of unfavorable factors (fire, massive damage to trees by diseases, damage by pests, wind, snow, hail, industrial emissions, etc.), which caused an irreversible loss of their viability and (or) ability to perform target functions. The percentage of the input of raw materials from such felling is very small.

Feedstock

Reporting period from: 01 Feb 2020

Reporting period to: 31 Jan 2021

- 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

N/A

4 Supply Base Evaluation

4.1 Scope

Feedstock types included in SBE: N/A

SBP-endorsed Regional Risk Assessments used: N/A

List of countries and regions included in the SBE:

Country: N/A

Indicator with specified risk in the risk assessment used:
N/A

Specific risk description:

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:	Lizaveta Andreika	Economist	25 Feb 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:	Tamara Grigorievna Nemkova	Director	25 Feb 2021
	Name	Title	Date
Report approved by:	Natalya Vladimirovna Romanova	Chief Accountant	25 Feb 2021
	Name	Title	Date

Annex 1: Detailed findings for Supply Base Evaluation indicators

N/A