



SUMMARY REPORT

on results of the 4th control audit of the FSC Forest Management and the Chain of Custody Certification for Subsidiary Enterprise «Malyns'kiy lishosp APK» of Zhytomyr regional communal agro-forestry enterprise «Zhytomyroblagrolis»
(Single)

Certification Body	Forest Certification LLC
	Vasilisy Kozhinoy str.1, of.17 Moscow, Russia, 121096
	Director Trushevskaya N.
	Phone: +74956408492 Web site: http://fcert.ru E-mail: director.fc@fcert.ru
	Director of Certification Programs Savulidi A. Phone / Fax +78123846988 Phone +79119217465 E-mail: Alexey.Savulidi@fcert.ru
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Auditors	Auditor (leader of group) – Topchii O., auditor – Polishchuk O.

Customer (certificate holder)	Subsidiary Enterprise «Malyns'kiy lishosp APK»
	Legal / Actual address: Molodizhna str.4, Malynivka vlg., Malyn district, Zhytomyr region, Ukraine, 11642
	Director Haievskyi Petro
	Tel.: +38 041 335 37 17 Fax: +38 041 335 33 13 Site: malinapk.net E-mail: malinapk@ukr.net
	Head of Forestry Department Khmelnytskyi Oleksandr E-mail: lisov.ottdel@ukr.net Tel.: +38 067 537 33 86
Location of forest sites subject to certification	Ukraine, Zhytomyr region, Malyn district: Barvinky, Vorsivka, Nedashky, Pryvitne forestry divisions
Certificate registration number	FC-FM/COC-804554
Date certificate granted	26.07.2017
Certificate expiration date	25.07.2022

INTRODUCTION

The FSC forest certification is a compliance evaluation of the forest management system and forest exploitation practices with the approved FSC Principles.

The Forest Management and Chain of Custody Certificate is a document that certifies that the forest management system and forest exploitation practices comply with the FSC requirements.

The current Report describes the process and results of the 4th control audit of the forest management and internal chain of custody under the FSC scheme of Subsidiary Enterprise «Malyns'kiy lishosp APK» of Zhytomyr regional communal agroforestry enterprise «Zhytomyroblagrolis» (hereafter – SE «Malyns'kiy lishosp APK»).

The evaluation is held by the Legallis Limited Liability Company as a contractor of the Forest Certification Limited Liability Company (ASI-ACC-030). As the third independent party, it provides forestry companies evaluation on the correspondence to applied FSC standards.

1. DESCRIPTION OF FOREST MANAGEMENT

1.1. Scope of the certification

1.1.1. Certificate Type

Single		Group
Single (single FMU)	Multiple-site (multiple FMU)	
X	-	-

1.1.2. Type of SLIMF certificate (not applicable)

Small SLIMF forests	Low intensity SLIMF forests	SLIMF Group
-	-	-

1.1.3. Number of group members (for group certification)

Number of group members	Not applicable
-	X

1.1.4. Number of FMUs within the certification scope

1

1.1.5. Number of FMUs with the area of:

< 100 ha	100 - 1,000 ha	1,000 - 10,000 ha	more than 10,000 ha
-	-	-	1

1.1.6. Geographical coordinates of FMUs

FMU	Latitude	Longitude
FMU 1	50° 47' 136"	29° 16' 678"

1.1.7. Forest zone

Boreal	Temperate	Subtropical	Tropical
-	X	-	-

1.1.8. Total area of the forest lands within the certificate scope

< 100 ha	100 - 1,000 ha	Low intensity SLIMF forests
0	0	0

1.1.9. Total area of the forest lands (by management type)

Private companies	State	Communities
0	24 934,4 ha	0

1.1.10. Data on forest areas included in the area of certification

№ FMU	Region/district	Forest division	Forest com- partment no.	Area, ha
SE «Malyns'kiy lishosp APK» (FMU 1)	Ukraine, Zhytomyr region/ Malyn district	Barvinky	All	6 465,1
		Vorsivka	All	5 413,8
		Nedashky	All	6 089,4
		Pryvitne	All	6 966,1
	Total by Malyn district			24 934,4
Total				24 934,4

1.1.11. Sociological information

Number of employees, including contractors operating in forest (taking into account gender differences)

Indicators	Audits									
	MA		1 st SA		2 nd SA		3 rd SA		4 th SA	
The total number of employees of (M/F)	102	19	99	19	148	29	143	29	160	32
	121		118		177		172		192	
The number of employees working in forest (F/M).	54	2	53	2	106	2	98	6	120	6
	56		55		108		104		126	
The number of employees that operate gasoline-powered saws (F/M).	8	0	8	0	31	0	19	0	34	0
	8		8		31		18		34	

1.1.12. Forest areas included in the certification scope

Category	Area, ha
Forest area excluded from commercial harvesting (excluded from the calculation of final felling)	3 922,7
- Forests of environmental, scientific, historical, and cultural significance	244,0
- Recreational health forests	394,0
- Protective forests	3 284,7
Forest area excluded from commercial harvesting (excluded from the calculation of final felling) and used for minor and secondary forest resources exploitation or for rendering services	-
HCVF area (in accordance with the FSC standards classification)	8 120,3
Exploitable forests area / area of exploitable forest fund	21 011,7
Plantations area	-
Area of forests of artificial origin (forest plantations)	8 619,4
Area of forests of natural origin resulting from seed or coppice reforestation method	13 717,3

1.1.13. Forests with restricted exploitation regime

Table 1

№ п/п	Protection Category	Forested area, ha	% of certified area
Forest categorization			
1	Forests of environmental, scientific, historical, and cultural significance, including:	244,0	1,0
	- specially protected parts of reserves	244,0	1,0
2	Recreational health forests, including:	371,6	1,5

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№ п/п	Protection Category	Forested area, ha	% of certi- fied area
	- forest park part of forests of green zones	371,6	1,5
3	Protective forests, including:	1 676,6	6,7
	- coastal protection forest areas	1 351,7	5,4
	- forest areas adjacent to railways and roads	222,9	0,9
	- forest areas of special economic importance	24,7	0,1
	- forest areas adjacent to built-up areas	77,3	0,3
4	Exploitable forests area, including:	1 932,5	7,7
	- forest areas around health and recreation areas	19,6	0,1
	- coastal protection forest areas	653,6	2,6
	- forest areas adjacent to railways and roads	74,0	0,3
	- forest areas adjacent to built-up areas	328,9	1,3
	- forest areas of special economic importance	856,4	3,4
<i>Total</i>		4 224,7	16,9

Distribution by HCVF types

Table 2

FSC HCVF classifica- tion	HCVF types in accordance with the National FSC standard	Area, ha	% of cer- tified ar- ea
A	HCVF 1. Forest areas containing globally, regionally or nationally significant concentrations of biodiversity values	5 991,9	20,0
	HCVF 1.1. Protected areas	244,0	0,8
	HCVF 1.2. Forest with outstanding concentration of threatened or endangered species	-	-
	HCVF 1.3. Concentrations of endemic species	5 747,9	19,2
	HCVF 1.4. Key seasonal fauna habitats	-	-
	HCVF 2. Globally, regionally or nationally significant large landscape level forests	-	-
B	HCVF 3. Forest areas that are in or that contain rare, threatened, or endangered ecosystems	-	-
C	HCVF 4. Forest areas that provide basic services of nature in critical situations	2 032,0	6,8
	HCVF 4.1. Forests critical to water catchments	2 032,0	6,8
	HCVF 4.2. Forests critical to erosion control	-	-
	HCVF 4.3. Forests providing barriers to destructive fire /here – protective strips along railway/	-	-
D	HCVF 5. Forest areas fundamental to meeting basic needs of local communities	50,3	0,2
	HCVF 6. Forest areas critical to local communities' traditional cultural identity	46,1	0,1
TOTAL:		8 120,3	27,1

1.1.14. Chemical pesticides application

Pesticides applied	Pesticides not applied
-	X

1.1.15. List of the main tree species

Latin name	Commercial name
<i>Pinus sylvestris</i>	Scotch pine
<i>Pinus banksiana</i>	Jack pine
<i>Pinus nigra</i>	Black pine
<i>Quercus robur</i>	English oak
<i>Quercus rubra</i>	Red Oak
<i>Alnus glutinosa</i>	Black alder
<i>Betula pendula</i>	European white birch
<i>Carpinus betulus</i> L.	European hornbeam
<i>Picea abies</i>	Norway spruce
<i>Fraxinus excelsior</i>	European ash
<i>Ulmus Laevis</i>	European white elm
<i>Tilia cordata</i> Mill. = Winterlinde (Syn.: <i>T. parvifolia</i>)	Little leaf linden
<i>Populus tremula</i>	European aspen
<i>Robinia pseudoacacia</i> L.	Black locust
<i>Acer negundo</i> L.	Boxelder maple
<i>Ulmus glabra</i>	Wych elm
<i>Populus x Canadensis</i>	Canadian poplar
<i>Salix fragilis</i> L.	Crack willow

1.1.16. Annual allowable cut, AAC (FMU)

FMU	AAC, m ³
Final harvest «realizable wood» - Order no.14-ag of Ministry of environment and mineral resources dated 15/04/2015	39 750
Environmental harvesting and sanitation (salvage) cutting «realizable wood» - Project of organization and development of SE «Malyns'kiy lishosp APK» #150 dd. 2014	34 560
Total	74 310

1.1.17. List of FSC product groups included into the certification scope

FSC product groups	Tree species	FSC application
	Timber products	
W1.1 Roundwood W1.2 Fuel wood W1.3 Twigs	Coniferous species: <i>Picea abies</i> ; <i>Pinus sylvestris</i> ; <i>Pinus banksiana</i> ; <i>Pinus nigra</i> Broadleaved species: <i>Quercus robur</i> ; <i>Quercus rubra</i> ; <i>Alnus glutinosa</i> ; <i>Robinia pseudoacacia</i> L.; <i>Carpinus betulus</i> L.; <i>Fraxinus excelsior</i> ; <i>Ulmus Laevis</i> ; <i>Tilia cordata</i> Mill. = Winterlinde (Syn.: <i>T. parvifolia</i>); <i>Populus tremula</i> ; <i>Betula pendula</i> ; <i>Acer negundo</i> L.; <i>Ulmus glabra</i> ;	FSC 100%

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	Populus x canadensis; Salix fragilis L.	
Non-timber products		
-	-	-

1.2. Summary of the external conditions of the enterprise operation

Total area of designated forest land of Zhytomyr region is 1,1 million ha, divided between Zhytomyr OULMH of State forest agency of Ukraine (749,0 th. ha), Zhytomyr regional communal agroforestry enterprise «Zhytomyroblagrolis» of Zhytomyr regional council (298,2 th. ha), and enterprises of Ministry of agrarian policy of Ukraine (33,0 th. ha) and the Ministry of Defense of Ukraine (13 th. ha).

Zhytomyr regional communal agroforestry enterprise «Zhytomyroblagrolis» of Zhytomyr regional council (thereafter – ZhRCAE «Zhytomyroblagrolis») is established by the decision of Zhytomyr regional council in 2000 at the territory of former kolkhoz forests. ZhRCAE «Zhytomyroblagrolis» includes 10 subsidiary enterprises.

SE «Malyns'kiy lishosp APK» is established to raise effectiveness of forest security and protection of former collective commercial farm units, to raise fecundity of their forestry enterprise.

The territory of lishosp belongs to the Polissia, West and Central forest and plant regions due to the data of forest growth regionalization of Ukraine.

Climate of the location area of the lishosp is moderate continental, with humid warm-temperate summer and soft with a great number of snowfalls. Average temperature in January is – 5,7⁰ C, in July + 18,9⁰ C. Absolute minimum is – 35⁰ C, absolute maximum is + 40⁰ C. The period of temperature above + 10⁰ C is 158 days. Amount of active temperatures is 2390-25200. Annual rainfall is 570 mm., mostly in summer. Snow cover depth is within 20-35 sm.

In general, climate of the location area of the lishosp is favorable for the growth of such tree species as: a pine, an oak, an ash-tree, a birch, a hornbeam, an alder, an aspen, a lime, which is confirmed by presence of such stands of 2nd and above classes of site quality of forest.

Relief of the territory of the lishosp is a slightly undulating plain with general fall in North-East, presence of small hills and bottomlands determined by activity of glacial waters and nonuniformity of glacial precipitation. Average altitude elevation is – 150 m, in-and-out from 130 till 170 m.

The base of the geological structure of the region is granite, which underlays close to the land surface and in places cropped out the land surface. Most of them are covered by quaternary deposits, mostly by fluvio-glacial sands of small competence, which are a parent rock.

Main types of soils are sod-podzolic soils and sod soft podzolic flinty and sandy loam soils, rarely flinty light loamy soils, clay soils. Sod soils prevail in small flat-bottom valleys and river valleys, boggy and peat-bog soils were formed in back-water and lows.

Flinty and sandy loam sod-podzolic soils prevail on the major part of lishosp. Acidic reaction, more humus mobility and absence of the structure are typical for them. Besides, excess water conductivity and aeration, low water capacity and small water-raising are presented in them.

There are small erodible processes on banks of reservoirs and rivers in the lishosp region.

1.3. Forest resource use rights

1.3.1. Rights of the enterprise to use forest resources

The rights of the forest enterprise to conduct forest management and forestry activities are confirmed by the state certificate for land use, forest management plan and felling permits issued for each cutting site. The forest enterprise has only the rights of forest use and forest management. Usage of forest resources with other purpose (recreation, agriculture, sand mining etc.) doesn't take place.

SE «Malyns'kiy lishosp APK» was established in 2000. Previous forest regulation was held by the Ukrainian forest regulation expedition VO «Ukrderzhlisproekt» in 2002. Continuing forest regulation was held over the full territory of lishosp in 2010 as a result of bringing forest categories into line with the Order of the Cabinet of Ministers № 733 «Procedure of forest division on categories and finding particularly protected timberland» as of May 16, 2007. During the continuing forest regulation natural taxation of

timberland of almost ripe, ripe and overripe wood, possible for exploitation, was held, current changes were made into the taxation data basis for the period of 2003-2010, a new amount of planned cut for final felling was fixed.

Present basic forest regulation of 2013 was held for the first rate by the Ukrainian forest regulation expedition of forest regulation of project and productive association VO «Ukrderzhlisproekt» of the State agency of forest resources of Ukraine.

1.3.2. Review of rights to use the lease forest areas by persons/organizations other than the certificate applicant/certificate holder

Hunting areas of the enterprise are used for game management, great part of areas are passed in long-duration use of several users: UHFA of Malinsky district; NGO «Organization of fishermen and hunters «Janivka»; NGO «Organization of fishermen and hunters «Oberih»; Hunting economy «Association «Forest guard»»; SMK «Grand-Pri Malyn» LLC; «Quinta Plus Company» LLC; Prima-3 Ltd .; «World of advanced technologies» LLC; LLC «Myslyvsky dvir».

1.4. Description of areas, excluded from the scope of certification

Applicable certification of all FMU	Suitable partial certification	
	Not all FMUs being leased or managed are included in the certification scope / FMUs certified before, being leased or managed, are <u>excluded</u> from the certification scope	The areas 'cut' from leased or managed FMUs, not included in the certification scope
X	-	-

1.5. Review of the forest management plan

1.5.1. Summary of forest management objectives

Long-term objectives of forest management are:

- Providing conditions of sustainable exploitation of forest reserves.
 - Introducing the most efficient methods of planning and stimulating personnel oriented to significant improvement of forest management indices.
 - Providing conditions of keeping regulations and rules of labour protection and safety practice.
 - Support of natural forms of flora and fauna species evolution and their distribution on leased areas of forest reserves of SE «Malyns'kiy lishosp APK».
 - Introducing advanced technologies of harvesting for waste minimization and disposal.
 - Providing conditions of monitoring gain, reforestation and harvesting volumes.
 - Preparation of measures for minimization of harvesting impact on the environment within the forest areas of the enterprise.
 - Designing projects of detecting and saving threatened and endangered species of flora and fauna on leased areas.
 - Taking measures for improving identification and values of HCVF areas.
- Mid-term objectives of forest management are:
- Development of justifications of advanced technologies application in harvesting, reproduction and fire protection activities of the forest enterprise.
 - Providing conditions of timely payments for forest use, salaries and taxes.

1.5.2. Brief description of forest resources

1.5.2.1. Status of land use and land property rights

The right of the forestry enterprise to conduct forest management and forestry extracts from the register of property rights for land use, forest management project and logging permits issued for each plot. The forestry enterprise has only the rights of forest use and forestry. The use of forest resources for other purposes (recreational, agriculture, mining, exploration, etc.) is not carried out by the enterprise.

Agricultural lands located in the forest fund are used for the needs of tenants and users of hunting grounds, forest guards and employees of the enterprise.

Grazing of cattle in the forest fund is of an episodic nature and is carried out in limited quantities.

The use of non-timber forest resources at the enterprise is as follows: beekeeping, hay harvesting, harvesting of wild mushrooms and berries, birch sap.

The hunting fauna in the forests of the enterprise is represented by the following species: elk, roe deer, wild boar, hare, fox and wolf. Hunting on the territory of SE "Malyns'kiy lishosp APK" is amateurish.

In addition to meeting the needs of the national economy in timber and non-timber products, forest plantations are of nature conservation and recreational importance, they perform soil protection, water protection and water regulation functions.

Rights of enterprise for use of forest resources

Representative of State Authorities	Forest Exploitation and Management Plan		Annual Allowable Cut (AAC), thousand m ³			Area, ha	Total Standing Volume, thousand m ³	Average species composition	Lease Periods, years
	№	Registration date	Total	Final yield	Advance felling				
ZRCFE «Zhytomyr-oblagrolis»	№150	2014	74,31	39,75	34,56	24 934,3	5 281,96	8Ps1Alg1Bp	Not applicable

1.5.2.2. Socio-economic conditions

Status and tendency of development of operational field at the territory of location of SE «Malyns'kiy lishosp APK» are determined, mainly, by presence of agricultural producers.

Core industry of national economy is agriculture. The basis of industry is production of grain, potatoes, meat, milk and bast fiber.

Industry is specialized in production of paper, iron and steel casting, furniture, sewing and architectural millwork, constructional materials, electricals, and security papers. The basis of industrial potential is OJSC «Malyn paper factory» – one of the biggest enterprises of pulp, paper and board industry of Ukraine. Machine-building, casting and metal working branches are represented by OJSC «Maleks». OJSC «Prozhektor» produces communications equipment and devices of electronic engineering.

Milling is managed by SE «Malyns'kiy lishosp» and SE «Malyns'kiy lishosp APK», paper and furniture factories, repair and construction sites and private entrepreneurs.

Forest land percentage of the administrative region is 33,3%. Forests at the territory of the region are located irregularly, by large solid woods, mainly alongside the river Irsha.

Due to the economically advantageous location, multiple circuits of auto-road and railway, the region has convenient transport link with Kyiv, Zhytomyr, Lviv, Brest, Moscow, St Petersburg and also with different states of Eastern and Central Europe. General length of transport routes is 479 km. Main highways are Kyiv-Kovel railroad branch, Kyiv-Kovel auto-road of national standing, Ovruch-Malyn-Kocheriv and Cherniakhiv-Malyn-Termakhivka territorial auto-roads, Nedashky-Chopovychi-Irshansk and Malyn-Potiivka roads of district status. Length of forestry roads at the territory of lishosp is 413,9 km, among them 2.2 km is with hard surface.

General length of transport routes for 1000 ha of square is 16,6 km, and degree of cover due to standards is 52%.

1.5.2.3. Composition of forest stands

Forest division under categories of SE «Malyns'kiy lishosp APK» looks like the following: environment-oriented forests, forests of scientific and historical and cultural value occupy 203,0 ha (0,8 %), recreational forests – 394,0 ha (1,6%), protective forests – 3325,7 ha (13,3 %), exploitable forests – 21011,7 ha (84%).

Tree-stand composition by species groups has the following division: softwood is 63,7 %, hardwood broadleaved – 2,6 %, soft-wooded broadcasting – 33,7 %.

The dynamics of the division of timberland covered by forest vegetation by age group: young – 13,7 %, medieval – 38,6 %, almost ripe – 40,3 %, ripe and overripe – 7,4 %.

The following trees are predominant in the forest plantation of SE «Malyns'kiy lishosp APK»: pine – 63,5%, silver birch – 17,2%, black alder – 15,0%, ordinary oak – 1,4%, other species – 2,9%.

Distribution of forest plantations by prevailing species

Main forest species	Forested area, ha
<i>Quercus robur</i>	320,7
<i>Pinus sylvestris</i>	14 192,2
<i>Abies alba</i>	8,7
<i>Carpinus betulus</i> L.	230,7
<i>Tilia cordata</i> P. Mill.	11,0
<i>Alnus glutinosa</i>	3 348,9
<i>Populus tremula</i>	323,8
<i>Betula pendula</i>	3 825,5
Other species	75,2
Total:	22 336,7

Average stands inventory indicators of forest management

Category of forest stand	Compositions of forest stand	Age, years	Quality grade	Relative density	Total stock of ripe and overripe stands, m ³ /ha	Average stock change (increment rate), m ³ /ha
Forests of environmental, scientific, historical, and cultural significance	5Ps3Agl 2Bp	51	1,5	0,76	230	4,8
Recreational forests	10Ps	58	1,3	0,70	100	4,2
Protective forests	7Ps2Agl 1Bp	49	1,2	0,71	231	4,7
Merchantable forests	7Ps2Bs1Agl	52	1,2	0,72	283	4,5
General indicators	8Ps1Agl1Bp	60	1,2	0,72	277	4,6

1.5.2.4 Description of contiguous areas

SE «Malyns'kiy lishosp APK» of ZhRCAE «Zhytomyroblagrolis» is situated in north-eastern part of Zhytomyr region at the territory of Malyn administrative region.

Forests of SE «Narodytskyi spetslishosp» of Zhytomyr OULMH border on the territory of the enterprise from the north. The enterprise has borders with SE «Teterivskyi lishosp» of Kyiv OULMH in the east. In the south the enterprise has borders with forests of SE «Radomyshlske LMH» of Zhytomyr OULMH. In the west there is SE «Korostenske LMH» of Zhytomyr OULMH.

1.5.3. Organization structure of the enterprise

SE «Malyns'kiy lishosp APK» of ZHRCAE «Zhytomyroblagrolis» of Zhytomyr regional council is situated in north-eastern part of Zhytomyr region at the territory of Malyns'kyi administrative region. The enterprise includes four forestry companies – Barvynkivske, Vorsivske, Nedashkivske, Pryvitnianske and a motorcade.

Technical supply and logistics of the lishosp are enough.

Degree of cover by vehicles is – 95%. The lishosp is provided with productive capital by 100%, with dwelling – by 80%. The lishosp is provided with staff of permanent workers by 98%. Lack of staff is replenished by seasonal and temporary workers.

Methods of cutting at the enterprise are designed in accordance with the Rules of final felling, approved by the Cabinet of Ministers of Ukraine. The main method of final felling is clear felling (is held about 100% of the time). Conducting of clear felling is due to unsatisfactory course of natural restoration of main rocks and plain relief.

1.5.4. Description of harvesting technology

Forest policy at the enterprise provides various types of felling for forest care, which include lightning, clearing, thinning, walkways felling, and also selective and complete sanitation felling, reforestation, reconstructive and other felling.

Felling for shaping and rehabilitation of forests are planned on the basis of forest management and examination of the actual condition of plantations, which are conducted by the workers of the enterprise.

Improvement felling is carried out by periodically removing of trees, further preservation of which is inappropriate, from the composition of tree planting. Selection of trees in the felling for lightning and cleaning felling is carried out on specially laid sample plots, which are the standard of the entire area. The area of the sample plots is 3% of the area of the plot in the pure plantations, and 5% in the mixed. With a plot area of up to 3 hectares, one sample plot is laid, with a plot area of more than 3 hectares - two sample plots.

For leave-tree and passage cuts tree selection is carried out on the whole plot, taking into account the uniform allocation of the best trees. Leave-tree cuts aren't carried out with crop density of 0,7 and below, and passage cuts with crop density of 0,8 and below.

The combined method of cutting which combines principles of low and crown thinning is mainly used for cleaning cutting.

Brush cutters and chainsaws «Husqvarna» or «Stihl» are used for cleaning cutting.

Forest harvesting planning is carried out on the basis of forest management data on the tax characteristics of forests, based on the established annual allowable cutting rate. Calculated cut is determined for a 10-year period based on maturity and wood stocks. Annual volumes of forest harvesting are established on the basis of the estimated timber, and should not exceed it in the 10-year period.

At the age of economic maturity, the final felling is being cut. The age of the principal felling in Ukraine for the main forest species occurring on the territory of the enterprise is fixed: birch - 61 years, pine - 81 years and more, fir tree - 71 years and more, oak - over 120 years.

The forest management system includes continuous, selective and gradual final felling. But continuous final felling predominates. The area of continuous final felling is limited by 3 ha for needle-leaved forests and by 5 ha for broadleaved forests. The area of continuous felling of more than 3 ha is possible in case of blowdown continuous sanitary felling.

Timber harvesting is carried out by gasoline saws as a rule of such brands as «Husqvarna» or «Stihl». The enterprise uses skidder logging of MT3-80 and MT3-82. Export of xylem is carried out by lorry transport, in particular, by lorry based on ZIL-131, Ural or KRAZ.

Own workers of the enterprise and contractors both work at timber harvesting and export of xylem. Number of contractors varies depending on volumes of work.

Reforestation is planned to be carried out by the enterprise on the basis of the conclusion on the availability of a sufficient number of reliable seedlings of the main breed on the site. At its presence, the sites remain under the natural regeneration of the forest. In the absence of a sufficient number of reliable seedlings of the main breed at the site, the enterprise undertakes the restoration of forests through the cre-

ation of artificial forest crops. Prior to the establishment of forest crops, the enterprise designs a project that takes into account the forest-based conditions on the site, which is being approved in the regional management of the forestry and hunting economy.

According to the designed project preparation of soil is being held by tractors MT3-80, MT3-82 in the unit with a plow PKL-70 or disk cultivator KLB-1,7. Soil preparation can be held both in autumn, and in spring before planting of forest crops.

Planting is carried out manually by seedlings of yearling or biennial trees under Kolesov's planting iron according to the scheme of planting and mixing approved in the project. In the spring of that year the technique of created forest crops is carried out. Manual and mechanized care for the control of weed vegetation as defined in the project of forest crops is carried out. In November of this year an inventory is carried out, assessing on judgment of seedlings and forest crops are getting a class rate.

In subsequent years, if necessary, supplementation of forest crops is held.

1.5.5. Environment safety protection measures

Besides satisfying the requirements of agriculture in the timber and products of collateral forest uses, forest stands have important environmental and recreational significance; implement soil and water regulation functions and water regulation functions.

Forests which prevent soils from water and wind erosion are significant. This supports soil conservation and increases the crop productivity.

Recreational role of forests also is of great importance as they provide great acid and phytoncidic productivity, which has the properties to reduce or absorb harmful emissions into the atmosphere and other negative natural phenomena. All this shows the great role of forests in the enterprise activity, economic activity of which should be directed to conservation and enhancement of forest resources with rational use of them, to increase of protective, water protection and sanitary-hygienic functions of the forest.

To support forest high eco-efficiency the enterprise is carried out complex of steps of cutting for shaping and rehabilitation of forests, and if necessary, also reforestation work.

1.5.6. Description of strategy on identification and conservation of rare, threatened and endangered species of flora and fauna

The strategy on identification and conservation of rare, threatened or endangered species of flora and fauna:

1. The enterprise experts examine the Red Data Book of Ukraine and the list of flora and fauna to be included in the Red Data Book.
2. Consultations with a wide range of the stakeholders, including research institutes and forest inventory bodies.
3. Compilation of a list of sub compartments for every compartment where species from the Red Data Book are encountered; determination of their protection regime; relevant mapping during uninterrupted forestry.
4. Fulfilment of requirements for preserving the Red Data Book species within the enterprise area.

1.5.7. Description of monitoring procedure

The monitoring procedure provides for collecting information about the following indices:

- 1) Yield of all forest products harvested;
- 2) Growth rates, regeneration and condition of the forest;
- 3) Composition and observed changes in the flora and fauna;
- 4) Environmental and social impacts of harvesting and other operations;
- 5) Costs, productivity, and efficiency of forest management.

Documentation confirming the information collection:

- Data about the actual yield of harvested wood by types and cutting methods;
- Data about areas by types and cutting methods;
- Data about types and volumes of harvested forest resources, except wood;

- Data about reforestation rates by methods;
- Data about volumes and types of forest protection practices;
- Data about volumes of illegally harvested wood and illegal activities within the managed area;
- Data about forest management expenses;
- Data about economic efficiency of harvesting;
- Data about areas and plantations stock destroyed or damaged by forest fires, pests, diseases and other reasons;
- Data about dynamics of social characteristics at the enterprise;
- Data about forest management effect on social position of the local people;
- Data about HC VF and protected areas;
- Data about forest management impact on environment.

1.6. Data on the actual cut compared to the annual allowable cut for the last and current years by species groups

Forest type	2020			in January-February 2021		
	Actual yield, m ³	Incl. merchantable wood, m ³	% of AAC development	Actual yield, m ³	Incl. merchantable wood, m ³	% of AAC development
Coniferous	35 848	32 081	104,1	1 819	1 601	5,2
Deciduous inc:	0	0	0	0	0	0
Deciduous hardwood	0	0	0	0	0	0
Deciduous softwood	0	0	0	0	0	0
Total	35 848	32 081	80,7	1 819	1 601	4,0

1.7. Number of occupational accidents

Accidents	MA	1 st CA	2 nd CA	3 rd CA	4 th CA
Accidents	0	0	0	0	0
Lethal	0	0	0	0	0

2. DESCRIPTION OF THE FSC STANDARD

Audit	The applied standard	Code / Version	Date
4SA	The FSC National Forest Stewardship Standard of Ukraine	FSC-STD-UKR-01-2019 / V 1-0	30.03.2020

Reference to the Standard for English version / Ukrainian version:

<https://fsc.org/en/document-centre/documents/resource/428>

<https://ua.fsc.org/ua-ua/nasha-diyalnist/-07>

3. EVALUATION PROCEDURE

3.1. Forest management system approach

The forest management certification implies that auditors visit the forest enterprise and its forest district offices where they interview the employees in charge and analyze the documentation from every department.

The auditors visit such the production areas: upper and intermediate wood storages, fuel and lubricants, pesticide storages, repair service department and garages, lower landing and places of timber products release. In those departments the auditors evaluate health and safety procedures, fire safety status, handling procedures of solid and liquid waste, compliance with the FSC requirements concerning social issues and tracking the movement of timber in the internal supply chain.

At the forest fund area, the auditors visit the sections which are allocated for harvesting allowable cut, logging sites in the development of different technologies logging (whiplash and assortment logging, manual and mechanized machine felling) on which it is evaluated following of forestry requirements, health and safety procedures, fire and ecological safety (stage, use and utilization of fuel and lubricants), following the measures for biodiversity conservation. With regards to the selective sanitary felling, the auditors evaluate the correctness of tree selection. With regards to selective felling, the auditors evaluate accuracy of the activity and the possible impact on forestry, which will be held by felling. The auditors visit bordering areas with the water protection zones, waterways, roads, crossings, bridges and other forest infrastructure.

The auditors visit objects of forest seed base (seed orchards and plots, plus stands) and the nurseries, including areas of pesticide use.

The auditors visit the cutting sites on variously aged stands (1,5 and 10 – years ago) where they conduct an overall assessment of the conservation elements of forest environment, depending on the size and quality of reforestation (sowing and planting of forest cultures - seedlings, planting material with closed root system and etc.)

The auditors visit the representative areas, HCVF (including places of local population importance), and key seasonal habitats has monitoring character, it means they also examine if the organization conducts any forest management activities in these areas and if the protection regime is being observed. If any activities are being held, the auditors evaluate to what extent these activities may cause a destruction of the high conservation value.

The result of management system evaluation is considered the auditors general analysis of the enterprise ability to implement consistently and effectively the management system, taking into account the availability of (sufficiency) technical and human resources.

3.2. Sampling of sites (FMU) for field inspection

The sample is not applicable because the company has 1 FMU

Having planned the 4th control audit program lead auditor has taken the decision to visit the forest areas where different felling types had been applied, including the current harvesting areas. It was also planned to review forest plantations of different age, natural reforestation areas and HCVF lands during field evaluation.

Definition of audit duration

Managed forest areas selected for assessment	№ FMU	Labor costs, man / days
	1	2,0
Factors that increase the audit time		
<p>1. In determining the duration of the audit, the requirements of the limited infrastructure, the highly fragmented managed areas and the seasonal conditions are not taken into account. Managed plots of FC clients have a developed infrastructure, no audits are planned during the period of slough, and no managed plots with winter forest fund are planned for evaluation in the summer.</p> <p>If the sites are significantly removed from the organization's office, the auditor should, with the help of the enterprise, organize overnight stays at an insignificant distance from the managed sites in order to reduce the time for moving to forest sites (hotels, production bases, field camps).</p> <p style="text-align: center;"><u>For contractor Legallis:</u></p> <p>Consider the following indicators</p> <ul style="list-style-type: none"> - the presence of fragmentation of the forest fund (the number of forest areas). From 10 – 50 (0,5 man / days); From 51 – 100 (1,0 man / day); From 101 – 500 (1,5 man / days); From 501 – and more (2,0 man / days). - the presence of mountain conditions or difficult-terrain (ravine-beam forests) (2,0 man / days). 		+ 2,0

2. When planning an audit, the auditor should add to the total cost of the audit to 0.5 man / days, while removing stakeholders from 50–150 km from the organization's office, 1 man / day from 150 to 300 km and 2 man / days over a distance of 300 km. Note: labor costs include travel time. <u>For contractor Legallis:</u> When planning an audit, the auditor should add to the total labor costs for conducting the audit 0.5 man / days when removing interested parties at a distance of 15-25 km, 0.75 man / days when removing interested parties at a distance of 26-50 km, 1 man / day for removing stakeholders from 50-150 km, 1.5 man / days at a distance of 150 to 300 km and 2 man / days for a distance over 300 km from the organization's office. Note: labor costs include travel time.	+ 2,0
3. In the event of acute disputes between the organization and interested parties, when planning an audit, the auditor should add 1 man / day to the total cost of the audit to handle acute disputes.	+ 0,0
4. If there are complaints from interested parties regarding the organization, when planning an audit, the auditor should add to the total cost of 0.5 audit days for each complaint. Note: in the event that the interested party cannot be contacted by means of communication or the interested party requests a personal meeting, the interested party is removed from 50-150 km from the organization's office, 1 man / day from 150 to 300 km and 2 man / days over a distance of over 300 km. Note: labor costs include travel time.	+ 0,0
5. In determining the labor costs, this requirement is not taken into account, the certification body always conducts preliminary audits.	+ 0,0
6. When planning an audit, the auditor should add to the total there-cost of the audit for 1 hour for each open discrepancy. The total amount of time for open inconsistencies is rounded up to 0.5 man / days, if the number of inconsistencies is up to 4 inclusive and 1 man / day, if the number of inconsistencies is from 5 to 8, etc.	+ 0,0
7. In the case of application to the field of organization's assessment of principle 3, when planning an audit, the auditor should add 1 man / day to the total cost of the audit.	+ 0,0
8. If, as a result of the sampling, principle 9 is included in the assessment, the auditor should add 1 man / day to the total cost of conducting an audit, with HCVF up to 30% of the total area of the managed sites and 1.5 man / days for HCVF over 30 % of the total area of managed sites.	+ 0,0
Factors that reduce audit time	
9. In the case of group and multiple managed forest plots, the time for assessment can be reduced to 30% in the following cases: 1) Group association refers to type II; 2) The number of managed sites in the organization does not exceed 10. 3) The number of managed sites is more than 10, but the organization has a department responsible for certification. The number of personnel in the department for less than 2 people who are not burdened with additional duties. 4) The number of plots is more than 10, but there are structural divisions that manage several managed plots (forestry enterprises, forest industry enterprises). 5) During the certification period, there is no suspension of the certificate.	- 0,0
10. In the absence of significant inconsistencies and the number of minor inconsistencies does not exceed 15, in each of the previous assessments of two control audits, the total number of audit duration can be reduced to 20%.	- 0,0
Total audit duration, man / days	6,0

3.3. Audit description

The FSC FM/COC 4th control audit of SE «Malyns'kiy lishosp APK» was conducted on March 22 - 24, 2021 by the audit group with the following membership: Topchii O. – lead auditor, Polishchuk O. – auditor.

During the audit, compliance with FSC Principle 1 was verified in full, as well as the criteria required by INT-STD-20-007_49 and recommended by the Protocol of the extended meeting of the working group on the development of national forest certification standards for Ukraine No. 19 of 19.03.2020 during the transition period: 2.3., 4.4., 4.5., 5.2., 6.2., 6.3., 6.4., 6.5., 6.6., 7.6., 8.2., 9.1., 9.3., 9.4., 10.1.,

Implemented audit program

Date	Program	Place	Auditors
22.03. 2021 Mon.	09-00 Opening meeting. - Interviews with the enterprise management and experts. - Analysis of company documents. - Consultations with the stakeholders / interested parties. - Visits to the enterprise forest stands. - Planning of the next day audit itinerary. - Filling of the check list. 17-00 Summary of the results of the 1 st day of the audit with the participation of the enterprise representatives.	Office of the enterprise	Topchii O. Polishchuk O.
23.03. 2021 Tue.	09-00 Visits to 2 forest districts of the enterprise. - Interviews with the enterprise management and experts. - Visits to the forest areas. Control of the sub-contractors. - Consultations with the stakeholders. - Planning of the next day audit itinerary. - Filling of the check list. 17-00 Summary of the results of the 2 nd day of the audit with the participation of the enterprise representatives.	Office, forest areas, production sites of the divisions of the enterprise	Topchii O. Polishchuk O.
24.03. 2021 Wed.	09-00 Visits to 1 forest district of the enterprise. - Visits to the forest areas. - Control of the documentation of the enterprise. - Consultations with the stakeholders. - Filling of the check list. - Internal discussion of the audit results. 16-30 Final meeting on the audit results.	Office, forest areas, production sites of the divisions of the enterprise	Topchii O. Polishchuk O.

3.4. Time spent on the evaluation (man-days)

No	Audit stage	Audits					
		MA	1 st SA	2 nd SA	D-A	3 rd SA	4 th SA
1	Audit preparations	1	1	1	0,5	1	0,5
2	Interview with the stakeholders (by correspondence) Collecting information in media	0,5	0,5	0,5	0	0	0,5
	Total: audit preparations	1,5	1,5	1,5	0,5	1	1
3	Interview with the stakeholders (in person)	2	1	1	0	1	2
4	Document review	2	2	2	1	2	1
5	Field audit	4	3	3	0	3	3
	Total: Field audit	8	6	6	1	6	6
6	Drafting the report	10	10	10	1	10	10
	Total with the Report:	19,5	17,5	17,5	2,5	17	17

3.5. Information about auditors

Audit	Status in the audit group	Name	Qualification (education)	Employer and position
4SA	Lead Auditor	Topchii O.	Forestry Engineer	Legallis LLC, Expert auditor
	Auditor	Polishchuk O.	Forestry Engineer, Ph.D. Agricultural Sciences	Legallis LLS, Chief expert auditor

The resumes of the aforementioned employees are available from the Legallis LLC, Kyiv, and the Forest Certification LLC, Moscow.

3.6. Reviewer details (only for the main audit)

Not relevant for SA

3.7. Consultations with the stakeholders

Fourth control audit

Legallis LLC posted a corresponding message on the website of the FSC National Representative Office in Ukraine <https://ua.fsc.org/ua-ua/newsroom/id/659>, on the website of the Sustainable forestry development in Ukraine <https://sfmu.org.ua/ogoloshennja/audyty-fsc-novograd-volynskyy-lisgosp-apk-i-malynskyy-lisgosp-apk-berezen-2021> as well as on the its page in social network Facebook <https://www.facebook.com/lis.expert/> in order to receive feedback and suggestions on the activities of SE «Malyns'kiy lishosp APK» from an uncertain circle of interested parties.

No comments were received from stakeholders on the activities of the audit company.

In the course of the control audit, face-to-face interviews with representatives of stakeholders were conducted (by phone):

- Representative 1.
- Representative 2.
- Representative 3.
- Representative 4.

Stakeholders' interview results

FSC Principles	Stakeholders' comments	How the stakeholder' comments were taken into account by the certification authority
Principle 1. Compliance with laws	1. No evidence of law violations.	Mentioned in report
	2. The enterprise pays all necessary taxes to the local budget timely.	Mentioned in report
	3. The company constantly cooperates with local communities, local people and other stakeholders to prevent forest law violations.	Mentioned in report
	4. Measures by the enterprise to protect forests against violations of forest legislation are effective.	Mentioned in report
	5. Stakeholders are familiar with the procedure for handling complaints.	Mentioned in report
	6. Stakeholders are aware of the complaints of the local population on the activities of the company.	Mentioned in report
Principle 2. Workers' rights and employment conditions	1. The enterprise pays salaries to the employees timely.	Mentioned in report
Principle 3. Indigenous peoples' rights	Not actual	
Principle 4. Community relations	1. The company verbally and in writing informs stakeholders about current and planned forestry activities and its possible positive and negative consequences.	Mentioned in report
	2. The company employs only local residents.	Mentioned in report
	2. The enterprise regularly provides the local communities with fire wood, construction materials, seedlings, also provides equipment, takes part in the construction and repair of roads.	Mentioned in report
	4. Stakeholders are familiar with the procedure for han-	Mentioned in report

	ding complaints.	
	5. Stakeholders are aware of the complaints of the local population on the activities of the company.	Mentioned in report
	6. Stakeholders are aware of individual appeals of the local population to the activities of the enterprise. The enterprise responds promptly and adequately to requests.	Mentioned in report
	7. The stakeholders are informed about the presence of places of special cultural, historical, ecological and religious significance on the territory of forests of the enterprise which relate to village council.	Mentioned in report
	8. The company has agreed with the stakeholders on socially significant places and its conservation regimes, and also complies with the established regimes.	Mentioned in report
Principle 5. Benefits from the forest	No comments	-
Principle 6. Environmental values and impacts	1. Joint activities are carried out to control the number of animals on the territory of the enterprise.	Mentioned in report
	2. Approval of the placement of reproduction sites, organization and conduct of biotechnical activities is carried out.	Mentioned in report
	3. The agreed modes of farming on the territory of reproduction sites and biotechnical objects are carried out.	Mentioned in report
Principle 7. Management planning	1. The local community is aware of planned forest management activities.	Mentioned in report
Principle 8. Monitoring and assessment	1. The local public is aware of the Report on monitoring of economic activities and HC VF.	Mentioned in report
Principle 9. High conservation values	1. The local community and others stakeholders are involved to identify HC VF and territories of its location.	Mentioned in report
Principle 10. Implementation of management activities	1. The company promptly carries out works on reforestation.	Mentioned in report

The information gathered from the stakeholders during the audit is used in related sections of the present summary.

3.8. Changes in the certification scope

Audit	Description of the changes
4SA	The organization has expanded the scope of certification to the FSC version of the national Forest management System standard for Ukraine FSC-STD-UKR-01-2019 V 1-0.

3.9. Enterprise Group Certification

Not applicable for individual certification.

4. EXECUTIVE SUMMARY

4.1. Strengths and weaknesses

According to the results of the FSC FM/COC fourth control audit of SE «Malyns'kiy lishosp APK» were revealed nonconformities of Principals and Criteria of FSC in the activity of the enterprise. They were qualified as Minor conditions. These results are reflected in present report.

4.1.1. The main strengths of the enterprise:

- High level of professional competence of management and specialists of the enterprise.
- Striving for ecologically grounded, economically effective and socially oriented use of forest re-

sources.

- Close collaboration with stakeholders on the maintenance of HC VF signs.
- High level of social protection of enterprise employees.
- Dynamically developing, investing in modernization and updating of production facilities.

4.1.2. The main weaknesses of the enterprise:

- The enterprise pays insufficient attention to the identification of local communities that may be affected by economic activities, the development of procedures for cooperation with them and their involvement in various aspects of economic activities.
- The company pays insufficient attention to detailing the list of representative plots in the context of existing types of growing conditions.
- The Company pays insufficient attention to the compliance of monitoring aspects with the requirements of Annex F of the Standard.
- The Company pays insufficient attention to the revision of the allocated HCV / HCVA according to the requirements of Appendix G of the Standard.

4.2. General description of observations

Based on the evaluation of the compliance with all applied FSC Principles of Standard, stakeholders' interview, field inspection of areas for holding business events, analysis of produced documentation, check of the personnel's necessary qualification and competence (including contractors' personnel) and also check the required number of all necessary technical and human resources of the enterprise, the audit group has observed that the forest management system elaborated by the SE «Malyns'kiy lishosp APK» was consistently implemented into production process and is generally effective.

5. SUMMARY AND DECISIONS

5.1. Auditor's conclusions

The next conclusion was made, following the 4th control audit results.

Major conditions (**0**), Minor conditions (**13**) and potential discrepancies - Observations (**7**) were detected.

All non-conformities are requested for corrective measures. Monitoring the implementation of corrective actions for Conditions is subject to verification within 12 months from the date of completion of the audit.

Based on the above the leading auditor recommends to extend the FSC-certificate of forest management and internal chain of custody SE «Malyns'kiy lishosp APK» given the Conditions within the required time, and changes in the field of certification according to paragraph 3.8. this Report.

5.2. Certification Committee Decision

According to the results of the fourth control audit, published in the report in correspondence with the results of the evaluation of SE «Malyns'kiy lishosp APK», the Certification Committee has taken next decision.

Because the management system of SE «Malyns'kiy lishosp APK» able to meet all of the applicable standard on the whole forest territory included into the scope of the assessment, as well as that the certificate holder demonstrated that the described system of management is being implemented consistently across the scope of the certificate, in the absence of identified Major non-compliances, SE «Malyns'kiy lishosp APK» can be extended with the FSC certificate of forest management and internal supply chain, subject to timely resolve **13** terms, identified at the last audit within the period established for this purpose and changes in the scope of certification in accordance with paragraph 3.8. of this report (protocol no. b/n of 01.04.2021).

5.3. Results of elimination of discrepancies of the previous (3rd control) audit**5.3.1. Major conditions**

Not identified

5.3.2. Minor conditions

Not identified

5.4. Results of the current (4th control) audit**5.4.1. Major conditions**

Not identified

5.4.2. Minor conditions

Minor conditions 31 (Mn-31)				
Standard	<i>FSC-STD-UKR-01-2019 V 1-0 i. 1.6.1.</i>			
Requirement	<i>A publically available* dispute* resolution process is in place; developed through culturally appropriate* engagement* with affected stakeholders*.</i>			
Non-compliance	<i>The current dispute resolution process is generalized and developed without the engagement of the affected stakeholders.</i>			
Objective evidence	<p><i>Interview with the person responsible for certification and the chief lawyer showed that since the enterprise has a communal form of ownership and it is a user of land and forest resources that are the property of the regional community and the state, the resolution of disputes on the issues of statutory or traditional right will be carried out in accordance with the norms of the current legislation, including through judicial procedures with the involvement of the senior, monitoring and law enforcement agencies, on behalf of the enterprise, the regional community and the state.</i></p> <p><i>The dispute resolution process is regulated by the Instruction on record management according to the appeals of citizens to Subsidiary Enterprise «Malyns'kiy lishosp APK» dd. 03.01.2017. The Instruction is placed on the website of the enterprise in the Internet http://malinapk.net/, for the public familiarization in the section "Forestry certification and Instruction for conduction of consultations with the stakeholders and cooperation with the local communities on the issues of the forestry certification of the Subsidiary Enterprise to «Malyns'kiy lishosp APK» dd. 20.03.2017 №70.</i></p> <p><i>Further interview with the person responsible for certification and the chief lawyer as well as the studying of the above-mentioned documents showed that they are generalized and not updated in accordance with the requirements of the FSC National Forest Stewardship Standard of Ukraine. Moreover, was revealed that the representatives of the affected local communities were not engaged to the development of the documents.</i></p> <p><i>Given that the requirements of the indicator are partially met, the auditor decided to classify the identified non-compliance as a Minor condition.</i></p>			
Deadline for corrective actions and their status	Identification date	Fulfilment period	Status	Closure date
	24.03.2021	Until 23.03.2022 (12 months from the date of detection)	Open	

Minor conditions 33 (Mn-33)	
Standard	<i>FSC-STD-UKR-01-2019 V 1-0 i. 2.3.8.</i>
Requirement	<i>All works carried out within the areas contaminated with radionuclides are carried</i>

	<i>out with obligatory radiation control.</i>			
Non-compliance	<i>Work carried out in areas contaminated with radionuclides is not always carried out with obligatory radiation control.</i>			
Objective evidence	<p><i>The interview with the occupational safety engineer and the person responsible for certification showed that all territory of the enterprise is a zone of radiation contamination. The contamination of 1,1-2,0 Ki/km² covers 98.8% of the territory (zone 3A) and does not regulate the significant restrictions for the management activities, the contamination of 10,1-15,0 Ki/km² covers 1.2 % of the territory (zone 2B) of the enterprise and foresees significant restriction for the conduction of the management activities as well as obliges to implement the radiation control and additional measures for labor protection during their conduction.</i></p> <p><i>The further interview and the studying of the Section 3.4 of the Project of organization and development of the management activity of Subsidiary Enterprise «Malyns'kiy lishosp APK» №150 dd. 2014 showed that the personnel of the enterprise is verbally informed about the contamination of the territory with radionuclides, and the contamination zone 3A includes blocks 5-7 of the Nedashkovske forestry division that are related to the objects of the NRF, where the management activities are not carried out and the block 12 of the Nedashkovske forestry division that is related to the exploitable forests, where the management activities were not carried out either until 2021.</i></p> <p><i>In 2021 due to the degradation of sanitary conditions of the plants in plots 3,5 of the block 12 in Nedashkovske forestry division, two clear sanitary cuttings with the total area of 1.1 ha and the reserve of 446m³ have been allocated and carried out in accordance with the Felling ticket №024421 dd. 29.01.2021. However, the level of radiation contamination of 10,1-15,0 Ki/km² had not been considered during the planning of the management activity since there is no information about the radiation contamination in the Taxation materials for block 12 of the Nedashkovske forestry division, which are also an integral part of the Project of organization and development of forestry and which are used by the experts of the forestry in their work.</i></p> <p><i>In contradiction with the restrictions indicated in the Section 3.4, the management activities have been scheduled in accordance with the basic forestry inventory.</i></p> <p><i>Taking into account that the best available information on the radiation contamination of the territory of the enterprise contains sections that directly contradict the restrictions of the regulated level of contamination, but the enterprise did not take measures to determine the actual contamination with radionuclides in block 12 of the Nedashkovske forestry division in order to confirm or deny the contamination level specified in Section 3.4. of the Project of organization and correspondingly to use the received evidences for conduction and/or restriction of the management activity, the auditor has made a decision to classify the identified non-compliance as Minor Condition.</i></p>			
Deadline for corrective actions and their status	Identification date	Fulfilment period	Status	Closure date
	24.03.2021	Until 23.03.2022 (12 months from the date of detection)	Open	

Minor conditions 34 (Mn-34)	
Standard	<i>FSC-STD-UKR-01-2019 V 1-0 i. 4.1.1.</i>
Requirement	<i>Local communities* that exist in the Management Unit* and those that may be affected by management activities are identified.</i>
Non-compliance	<i>The company has identified not all local communities that may be affected by management activities.</i>

Objective evidence	<p><i>In the process of the interview with the person responsible for certification, the auditor has been provided with the List of stakeholders as to the forestry inventory in the Subsidiary Enterprise «Malyns'kiy lishosp APK» dd. 10.04.2017. The list includes the stakeholders representing the local communities.</i></p> <p><i>A further interview and the studying of the submitted documents showed that it is not updated in accordance with the results of the completed territorial reform in the region. Moreover, the enterprise did not carry out the analyze and did not include in the submitted list the communities located in close proximity to the economic unit, which accordingly, may be affected by the management activities.</i></p> <p><i>Given that the requirements of the indicator are partially met, the auditor decided to classify the identified non-compliance as a Minor condition.</i></p>			
Deadline for corrective actions and their status	Identification date	Fulfilment period	Status	Closure date
	24.03.2021	Until 23.03.2022 (12 months from the date of detection)	Open	

Minor conditions 37 (Mn-37)				
Standard	FSC-STD-UKR-01-2019 V 1-0 i. 6.2.4.			
Requirement	Organizations with high level impact carry out the environmental impact assessment* on the landscape level with the obligatory consideration of adjacent landscapes.			
Non-compliance	The instruction for assessing the impact on the environment does not take into account the landscape level, with the obligatory consideration of adjacent landscapes.			
Objective evidence	<p><i>A survey of the management and personnel of the enterprise showed that Instruction on the environmental impact assessment of the management activity dd. 20.03.2021 remains relevant at the enterprise. The enterprise relates to the high risk of impact of the management activity in accordance with the annex I (the volume of the sanitary cutting exceeds the annual allowable final cutting).</i></p> <p><i>A detailed analysis of the provided instruction showed that it does not take into account the requirement to conduct an environmental impact assessment with mandatory consideration of adjacent landscapes.</i></p> <p><i>Given that the requirements of the indicator are partially met, the auditor decided to classify the identified non-compliance as a Minor condition.</i></p>			
Deadline for corrective actions and their status	Identification date	Fulfilment period	Status	Closure date
	24.03.2021	Until 23.03.2022 (12 months from the date of detection)	Open	

Minor conditions 38 (Mn-38)	
Standard	FSC-STD-UKR-01-2019 V 1-0 i. 6.5.4., 6.5.5.
Requirement	<p>- 6.5.4. Where Representative Sample Areas* do not exist, or where existing sample areas inadequately represent native ecosystems*, or are otherwise insufficient, a proportion of the Management Unit* is restored* to more natural conditions*.</p> <p>- 6.5.5. The size of the Representative Sample Areas* and/or restoration* areas is proportionate to the conservation* status and value of the ecosystems* at the landscape* level, the size of the Management Unit* and the intensity* of forest management.</p>
Non-compliance	The company did not detail the list of representative plots in terms of existing types of growing conditions.
Objective evidence	A survey of the employee responsible for certification showed that based on the materials of the forestry inventory, the enterprise issued a list of Representative Sam-

	<p>ple Areas of the forestry ecosystems with the area, which is 5.6% of the area of forested lands. The auditor has been provided with the Lists of Representative Sample Areas allocated on the territory of the Subsidiary Enterprise «Malyns'kiy lishosp APK» in accordance with the forestry divisions.</p> <p>The total area of the allocated Representative Sample Areas at the enterprise is 1265.9 hectares, while the area of forested land is 22 336.7 hectares.</p> <p>A further interview and studying of the submitted lists of Representative Sample Areas showed that they are not reflect information as to the forest type and forest growing conditions, composition and age of stands, on the basis of which the representative sites of aboriginal ecosystems should be allocated.</p> <p>As a result, it is impossible to evaluate the presence in the submitted list of all existing on the enterprise aboriginal ecosystems in accordance with the project of organization and development of the forestry.</p> <p>Given that the requirements of the indicator are partially met, the auditor decided to classify the identified non-compliance as a Minor condition.</p>			
Deadline for corrective actions and their status	Identification date	Fulfilment period	Status	Closure date
	24.03.2021	Until 23.03.2022 (12 months from the date of detection)	Open	

Minor conditions 39 (Mn-39)				
Standard	FSC-STD-UKR-01-2019 V 1-0 i. 7.6.1.			
Requirement	Culturally appropriate* engagement* is used to ensure that affected stakeholders* are proactively and transparently engaged in the following processes:			
Non-compliance	The company does not engage the affected parties in all the processes provided by this indicator.			
Objective evidence	<p>In the process of survey with the management and the employee responsible for certification was revealed that the enterprise engaged the affected stakeholders in some processes listed in the current indicator. Thus, the mechanism for resolution of issues on wages, complaints of the personnel as to the violations of their rights are implemented at the enterprise by consideration of such complaints by the labor union organization of the enterprise (criteria 2.4).</p> <p>Moreover, as a result of conduction of consultations with the local communities (affected stakeholders) have been identified the places of special cultural, historical, ecological and religion significance for the local people (HCV category 6) and the consultations have been conducted on the identification and mitigation of significant negative social, ecological and economic consequences of the own management activity (criteria 4.5).</p> <p>However, the enterprise did not provide the evidence of the engagement of the affected stakeholders in the process of the development of disputes resolution procedure (criteria 1.6, 2.6 and 4.6), identification of the legal and traditional rights of the land ownership as well as the rights for the access of the local communities to the forest resources and services of the ecosystem (criteria 4.1).</p> <p>Given that the requirements of the indicator are partially met, the auditor decided to classify the identified non-compliance as a Minor condition.</p>			
Deadline for corrective actions and their status	Identification date	Fulfilment period	Status	Closure date
	24.03.2021	Until 23.03.2022 (12 months from the date of detection)	Open	

Minor conditions 40 (Mn-40)	
Standard	FSC-STD-UKR-01-2019 V 1-0 i. 7.6.2.

Requirement	<i>The engagement* of affected and interested stakeholders* in the management planning and monitoring of Organisation`s activities is ensured through culturally appropriate* engagement* procedures that regulate at least the following aspects:</i>			
Non-compliance	<i>The procedure for engagement affected and interested stakeholders in the planning and monitoring of the company's economic activities is not documented.</i>			
Objective evidence	<i>In the course of a survey of the management and the employee responsible for the certification, it was found that the company has a mechanism for involving affected stakeholders in the planning and monitoring of the company's management activities, but it is not documented.</i> <i>Given that the requirements of the indicator are partially met, the auditor decided to classify the identified non-compliance as a Minor condition.</i>			
Deadline for corrective actions and their status	Identification date	Fulfilment period	Status	Closure date
	24.03.2021	Until 23.03.2022 (12 months from the date of detection)	Open	

Minor conditions 41 (Mn-41)				
Standard	<i>FSC-STD-UKR-01-2019 V 1-0 i. 8.2.1.</i>			
Requirement	<i>The social and environmental impacts of management activities are monitored* consistent with Annex F.</i>			
Non-compliance	<i>Monitoring the social and environmental impacts of management activities does not cover all areas covered by Annex F of the Standard.</i>			
Objective evidence	<i>A survey of responsible employees showed that monitoring of the social and environmental impacts of management activities is carried out in accordance with the "Regulation on monitoring changes in the parameters of the forest fund of the enterprise, the volume and intensity of harvesting, environmental, social and economic consequences" approved on March 22, 2017.</i> <i>During the detailed analysis of this procedure it was found that it is not updated in accordance with the requirements of the Annex F of the FSC National Forest Stewardship Standard of Ukraine FSC-STD-UKR-01-2019 V 1-0, in connection with which the monitoring of social and environmental impacts of management activities are not fully implemented.</i> <i>Given that the requirements of the indicator are partially met, the auditor decided to classify the identified non-compliance as a Minor condition.</i>			
Deadline for corrective actions and their status	Identification date	Fulfilment period	Status	Closure date
	24.03.2021	Until 23.03.2022 (12 months from the date of detection)	Open	

Minor conditions 42 (Mn-42)	
Standard	<i>FSC-STD-UKR-01-2019 V 1-0 i. 8.2.2.</i>
Requirement	<i>Changes in environmental conditions are monitored* consistent with Annex F.</i>
Non-compliance	<i>Monitoring of changes in environmental conditions does not cover all areas regulated by Annex F of the Standard.</i>
Objective evidence	<i>The survey of responsible employees showed that the monitoring of changes in environmental conditions is carried out in accordance with the "Regulations on monitoring changes in the parameters of the forest fund of the enterprise, the volume and intensity of harvesting, environmental, social and economic consequences" approved. 22.03.2017</i> <i>However, in the course of a detailed analysis of this procedure, it was found that it was not updated in accordance with the requirements of Supplement F of the FSC</i>

	<p><i>National Forest Stewardship Standard of Ukraine FSC-STD-UKR-01-2019 V 1-0, and therefore monitoring changes in environmental conditions not fully implemented.</i></p> <p><i>Given that the requirements of the indicator are partially met, the auditor decided to classify the identified non-compliance as a Minor condition.</i></p>			
Deadline for corrective actions and their status	Identification date	Fulfilment period	Status	Closure date
	24.03.2021	Until 23.03.2022 (12 months from the date of detection)	Open	

Minor conditions 43 (Mn-43)				
Standard	<i>FSC-STD-UKR-01-2019 V 1-0 i. 8.5.3.</i>			
Requirement	<p><i>Sales invoices or similar documentation are kept for a minimum of five years for all timber and non-timber forest products* sold with an FSC claim, which identify at a minimum, the following information:</i></p> <p><i>6) Certificate code; and</i></p> <p><i>7) The FSC Claim «FSC 100 %» identifying products sold as FSC certified.</i></p>			
Non-compliance	<p><i>Trade invoices or similar documentation for wood forest products sold with an FSC claim does not always contain the certificate code and the FSC 100% claim.</i></p>			
Objective evidence	<p><i>The interview with the person responsible for certification and the administrator of the system of ETA and the demonstration of capabilities of the used electronic timber accounting system FIAC showed that transportation of timber products from harvesting sites through intermediate warehouses to sales locations and further realization are carried out by the enterprise in accordance with the Temporary instruction on the electronic accounting of the products of harvesting, sawmilling and woodworking at the enterprises of State Agency of forest Resources of Ukraine approved by the order of SAFRU №202 dd. 27.06.2012 with the reflection of all stages in the legally established system of Electronic Timber Accounting FIAC SAFRU.</i></p> <p><i>All timber forestry products are selling by the enterprise as certified and the capabilities of the used system of Electronic Timber Accounting FIAC SAFRU enable automatically indicate all the required information in the shipping documents including the certification code FC-FM/COC-804554 and FSC 100% claim.</i></p> <p><i>A further interview and selective studying of the shipping documents for transportation and realization of the forestry products for January in Barvinkovske forestry division showed that part of the consignment notes issued by one of KIHK with numbers TTH ЖКА №800XXX have been printed without FSC claim and certification code due to the incorrect settings of the used equipment.</i></p> <p><i>Given that the requirements of the indicator are partially met, the auditor decided to classify the identified non-compliance as a Minor condition.</i></p>			
Deadline for corrective actions and their status	Identification date	Fulfilment period	Status	Closure date
	24.03.2021	Until 23.03.2022 (12 months from the date of detection)	Open	

Minor conditions 44 (Mn-44)	
Standard	<i>FSC-STD-UKR-01-2019 V 1-0 i. 9.1.1.</i>
Requirement	<p><i>An assessment for management unit is completed using Best Available Information* and according to the National High Conservation Values* System (Annex G) that records the location and status of High Conservation Value* Categories 1-6, as defined in Criterion* 9.1; the High Conservation Value Areas* they rely upon, and their condition are clearly identified, assessed, registered and mapped.</i></p>
Non-compliance	<i>The enterprise did not revise the allocated High Conserved Values (HCV) available</i>

	<i>at the enterprise in accordance with the requirements of Annex G of the FSC National Forest Stewardship Standard of Ukraine.</i>			
Objective evidence	<p><i>A survey of the employee responsible for certification showed that, based on the materials of the forestry inventory, the enterprise allocated on its territory the High Conservation Value Forests (HCVF) categories 1-5. Most of HCVF (categories 1-5) were allocated by the research and production organizations, local councils (forest project, regional council, Ministry of Ecology, Polesie branch of Research Institute of forestry and forest melioration (URIFFM)).</i></p> <p><i>Moreover, in the process of consultation with the representatives of the local stakeholders, the enterprise allocated HCVF category 5 (forest territories necessary to ensure the existence of the local people) and category 6 (places of special cultural, historical, religion and ecological significance).</i></p> <p><i>The enterprise submitted the List of HCVF in the Subsidiary Enterprise «Malyns'kiy lishosp APK» dd. 22.03.2017. However, a further survey of the head of the forestry division and the studying of the submitted list showed that the enterprise has not yet revised available at the enterprise allocated High Conservation Values (HCV) in accordance with the requirements of Annex G of the FSC National Forest Stewardship Standard of Ukraine.</i></p> <p><i>Given that the requirements of the indicator are partially met, the auditor decided to classify the identified non-compliance as a Minor condition.</i></p>			
Deadline for corrective actions and their status	Identification date	Fulfilment period	Status	Closure date
	24.03.2021	Until 23.03.2022 (12 months from the date of detection)	Open	

Minor conditions 45 (Mn-45)				
Standard	<i>FSC-STD-UKR-01-2019 V 1-0 i. 9.1.2.</i>			
Requirement	<i>Affected* and interested stakeholders* with an interest in the conservation* of the High Conservation Values* and the High Conservation Value Areas* they rely upon, are engaged in the assessment in culturally appropriate* manner and the results of this stakeholder engagement* are considered by the assessment.</i>			
Non-compliance	<i>The enterprise did not differentiate the list of stakeholders into interested stakeholders and affected parties, as provided by the current standard.</i>			
Objective evidence	<p><i>A survey of the employee responsible for certification showed that the enterprise identified the stakeholders for conduction of consultation on the preservation and improvement of the attributes of the determined HCVF. Submitted list of stakeholders contains 63 persons and organization.</i></p> <p><i>However, during a further survey it was found that the existing list of stakeholders is not differentiate into interested stakeholders and affected parties, as provided for by the current standard.</i></p> <p><i>Given that the requirements of the indicator are partially met, the auditor decided to classify the identified non-compliance as a Minor condition.</i></p>			
Deadline for corrective actions and their status	Identification date	Fulfilment period	Status	Closure date
	24.03.2021	Until 23.03.2022 (12 months from the date of detection)	Open	

Minor conditions 47 (Mn-47)	
Standard	<i>FSC-STD-UKR-01-2019 V 1-0 i. 9.4.3.</i>
Requirement	<i>The monitoring program has sufficient scope, detail and frequency to detect changes in High Conservation Values*, relative to the initial assessment and status identified for each High Conservation Value*.</i>

Non-compliance	<i>The monitoring program does not have sufficient scope, detail and frequency of detecting changes for all HCVs in the enterprise.</i>			
Objective evidence	<p><i>During the conduction of the control audit was revealed that Regulation on the monitoring of High Conservation Value Forests and rare and endangered species of flora and fauna dd.22.03.2017 remains relevant at the enterprise.</i></p> <p><i>Studying of the current program showed that it has sufficient scope, detail and frequency to detect changes in HCV regarding the initial assessment and conditions, which are determined not for all HCV identified by the enterprise.</i></p> <p><i>Thus, the current Regulation foresees the sufficient scope, detail and frequency to detect changes only on the areas with rare and endangered species of flora and fauna and on the seasonal habitats of animals.</i></p> <p><i>Given that the requirements of the indicator are partially met, the auditor decided to classify the identified non-compliance as a Minor condition.</i></p>			
Deadline for corrective actions and their status	Identification date	Fulfilment period	Status	Closure date
	24.03.2021	Until 23.03.2022 (12 months from the date of detection)	Open	

6. INTERNAL CHAIN OF CUSTODY

6.1. Risks of timber mixing	During the 4 th control audit of the SE «Malyns'kiy lishosp APK» the auditors noticed that the wood is delivered to the lower landing only from the forest districts belonging to the enterprise. The enterprise does not buy third parties wood.			
6.2. Control systems	The timber harvested in the forest stands of the enterprise is not been mixed with the not certified third-parties' timber on any stage.			
6.3. Points of transfer of ownership for timber products	Standing timber: The enterprise sells standing timber products, three-length «at stump».			
	Harvested wood: Timber is sold from the upper landing (loading site) or from the intermediate storage.			X
	Lower landing of the enterprise: The transfer of ownership on the lower landing is under the control of the enterprise.			
	Production/warehouse outside the enterprise: The transfer of ownership takes place when unloading at the buyer's warehouse.			
	Other: The scope of the internal CoC finishes when short logs are stacked at the rafting grounds or at the lower landing. Then a scope of a separate CoC certificate issued to the enterprise shall become valid.			
6.4. Documents	Commentary:			
	<p>The enterprise implemented a system of electronic records of wood which implies that on the upper landing all logs are signed with labels with individual numbers. At the same time, the information about the log parameters and its number on the label is entered into the PDA. When a batch of wood is shipped, the PDA generates a Waybill-forest which specifies all the necessary information about the sender and the recipient, the amount of shipped wood and its parameters. In addition to the Waybill-forest, an analog specifications list with all logs and their label numbers is compiled.</p> <p>The wood can be shipped from the upper landing with the buyer's transport vehicle(s), or for the shipping to the lowers landing using the own transport.</p> <p>If the wood is being shipped from the lower landing a Waybill-forest (in case of road transport) or a railway bill (in case of railway transport) is generated.</p> <p>In any case all logs keep their labels.</p>			

6.5. Description of the use of FSC trademarks

Indicator	Comment
1. Does the company use FSC trademarks to separate / label wood «on products»?	NO
1.1 Brief description of the use cases of the FSC trademarks «on products»	-
1.2 Availability of approval of the use of FSC trademarks «on products»	-
1.3 Reference to the discrepancy	-
2. Does the company use FSC trademarks for advertising purposes?	NO
2.1 A brief description of the use of trademarks in advertising	The Company uses the abbreviation FSC [®] with license code FSC-C133940 in forest certification and forestry information materials posted on its website http://malinapk.net/ and on the social network https://www.facebook.com/Lisgosp.APK .
2.2 Availability of approval of the use of FSC trademarks for advertising purpose	-
2.3 Reference to the discrepancy	-