



**SUMMARY REPORT**  
**on results of the 3<sup>rd</sup> control audit**  
**of the FSC® Forest Management and the Chain of Custody Certification for**  
**Baranivka Forestry and Hunting State Enterprise**  
(single)

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<b>Dates of Audit</b>	03-05 June 2019
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<b>Customer (certificate holder)</b>	<b>"Baranivka Forestry and Hunting State Enterprise"</b>
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<b>Location of forest sites subject to certification</b>	Ukraine, Zhytomyr region, Baranivka district: (Forest districts: Baranivske, Dovbyshske, Zemlyanske, Kamyanobrodske, Adamivske, Yavninske); Romaniv district: (Forest districts: Baranivske, Bykovske); Novograd-Volynskiy district (Forest districts: Kamyanobrodske); Pulyny district (Forest districts: Adamivske)
<b>Certificate registration number</b>	FC-FM/COC-804360
<b>Date certificate granted</b>	18.07.2016
<b>Certificate expiration date</b>	17.07.2021

## 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 3<sup>rd</sup> surveillance audit of the forest management and internal chain of custody under the FSC scheme of the Baranivka Forestry and Hunting State Enterprise (Baranivka FH SE).

The evaluation is held by the "Legallis" Limited Liability Company as a contractor of the "Forest Certification" Limited Liability Company based on the agreement with an accredited certification body of the "Forest Certification" Limited Liability Company (FSC-ACC-028).

## 1. DESCRIPTION OF FOREST MANAGEMENT

### 1.1. Scope of the certification

#### 1.1.1. Type of certificate

Single		Group
Single FMU	Multiple FMU	
<b>X</b>	-	-

#### 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
-	<b>X</b>

#### 1.1.4. Number of FMUs within the certification scope

<b>1</b>
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#### 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
-	-	-	<b>1</b>

#### 1.1.6. Geographical coordinates of FMUs

FMU	Latitude	Longitude
<b>FMU 1</b>	<b>50°16'949''</b>	<b>27°40'860''</b>

#### 1.1.7. Forest zone

Boreal	Temperate	Subtropical	Tropical
-	<b>X</b>	-	-

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

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

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

Private companies	State	Communities
	<b>44 113,6 ha</b>	<b>0</b>

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

FMU No	Region/District	Forest district	Forest area #	Area, ha
Baranivka FH SE (FMU 1)	Baranivka district, Zhytomyr Region, Ukraine	Baranivske	all (except 132-134)	7924,3
		Dovbyshske	1-102	5077,3
		Zemlyanske	1-107	6975,5
		Kamyanobrodske	all (except 1-11, 13, 95-122)	4345,1
		Adamivske	19-86	3551,0
		Yavnske	1-74	6557,0
		Total for Baranivsky district		
	Romaniv district, Zhytomyr Region, Ukraine	Baranivske	132-134	279
		Bykovske	all	7091,4
		Total for Romanovsky district		
	Novograd-Volynsky district , Zhytomyr Region, Ukraine	Kamyanobrodske	1-11, 13, 95-122)	1451,0
		Total for Novograd-Volynsky district		
	Pulinsky district, Zhytomyr Region, Ukraine	Adamivske	1-18	862,0
		Total for Pulinsky district		
TOTAL:				44113,6

**1.1.11. Sociological information**

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

Indicators	Audits											
	PA		MA		1 <sup>st</sup> CA		2 <sup>nd</sup> CA		3 <sup>rd</sup> CA		4 <sup>th</sup> CA	
The total number of employees of (M/F)	414	51	354	51	385	48	381	48	393	47		
	465		415		433		429		440			
The number of employees working in forest (F/M).	161	0	180	162	166	-	204	4	178	4		
	161		162		166		208		182			
The number of employees that operate gasoline-powered saws (F/M).	31		0	31	31	-	24	-	15	-		
	31		31		31		24		15			

**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)	2603,7
young growth	554,7
specially protected natural areas	387
protected forest areas	1662
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)	8303,3
Exploitable forests area / area of exploitable forest fund (mature and over-mature forests for possible exploitation)	33914,8
Plantations area	
Area of forests of artificial origin (forest plantations)	25240,8
Area of forests of natural origin resulting from seed or coppice reforestation method	13471,5

**1.1.13. Forests with restricted exploitation regime**

Protection Category	Forested area, ha	Certified area, %
Classification of forest categories		
• <b>Forests of environmental, scientific, historical, and cultural significance, including:</b>	<b>2216,7</b>	<b>5</b>
• within natural preservation areals	2216,7	5
• of a scientific significance, including genetic reserves	-	-
Total:		
<b>Recreational forests, including:</b>	<b>5698,6</b>	<b>13</b>
• within the boundaries of cities and other settlements	5652,0	13
• in forests of green zones located around settlements	106,0	0,2
• outside of green zones	310,0	0,5
Total:	444,7	0,74
<b>Protective forests, including:</b>	<b>387,0</b>	<b>0,8</b>
• shelterbelts along railways and highways	262,0	0,5
• shelterbelts along rivers, around lakes, ponds and other water bodies	125,0	0,3
Total:	<b>8302,3</b>	<b>18,8</b>

**Distribution by HCVF types**

FSC HCVF classification	HCVF types in accordance with the National FSC standard	Area, ha	Certified area, %
<b>A</b>	<b>HCV1. Forest areas containing globally, regionally or nationally significant concentrations of biodiversity values</b>	<b>2216,7</b>	<b>5</b>
	HCVF 1.1 Protected areas	554,7	1
	HCV 1.2 Forest with outstanding concentration of threatened or endangered species	830,0	2
	HCV 1.3 Concentrations of endemic species	-	-
	HCV 1.4 Key seasonal fauna habitats	832,0	2
	<b>HCV2. Globally, regionally or nationally significant large landscape level forests</b>	-	-
<b>B</b>	<b>HCV3. Forest areas that are in or that contain rare, threatened, or endangered ecosystems</b>	-	-
<b>C</b>	<b>HCV4. Forest areas that provide basic services of nature in critical situations</b>	<b>387,0</b>	<b>0,8</b>
	HCV 4.1 Forests critical to water catchments	125,0	0,3
	HCV 4.2 Forests critical to erosion control	-	-
	HCV 4.3 Forests providing barriers to destructive fire	262,0	0,5
<b>D</b>	<b>HCV5. Forest areas fundamental to meeting basic needs of local communities</b>	<b>5698,6</b>	<b>13,0</b>
	<b>HCV6. Forest areas critical to local communities' traditional cultural identity</b>	0,7	-
<b>Total:</b>		<b>8303,3</b>	<b>18,8</b>

**1.1.14. Chemical pesticides application**

Pesticides applied	Pesticides not applied
-	<b>X</b>

**1.1.15. List of the main tree species**

Latin name	Commercial name
<i>Pinus sylvestris</i>	<i>Scotch pine</i>

Latin name	Commercial name
<i>Quercus robur</i>	English oak
<i>Alnus glutinosa</i>	Black alder
<i>Betula pendula</i>	European white birch
<i>Carpinus betulus</i>	European hornbeam
<i>Picea abies</i>	Norway spruce
<i>Fraxinus excelsior</i>	European aspen
<i>Quercus rubra</i>	Spanish oak
<i>Populus tremula</i>	European aspen
<i>Robinia pseudoacacia</i>	Black locust
<i>Tilia cordata</i>	Small-leaved linden
<i>Ácer platanoides</i>	Norway maple
<i>Ulmus laevis</i>	European white elm
<i>Cerasus avium</i>	Wild cherry

#### 1.1.16. Annual allowable cut, AAC (FMU)

FMU	AAC, m <sup>3</sup>
Order of the Ministry of Ecology and Natural Resources of Ukraine №688 from 18.12.2009.	69 850
<b>Total</b>	<b>69 850</b>

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

Product group	Species	FSC claim
Timber products		
<b>W1.1.</b> Unprocessed wood <b>W1.2.</b> Firewood <b>W1.3.</b> Brushwood	<i>Pinus sylvestris</i> <i>Picea abies</i> <i>Quercus robur</i> <i>Betula pendula</i> <i>Alnus glutinosa</i> <i>Carpinus betulus</i> <i>Cerasus avium</i> <i>Fraxinus excelsior</i> <i>Ulmus laevis</i> <i>Quercus rubra</i> <i>Tilia cordata</i> <i>Populus tremula</i> <i>Robinia pseudoacacia</i> <i>Ácer platanoides</i>	FSC 100 %
Non-timber forest products		
-	-	-

#### 1.2. Summary of the external conditions of the enterprise operation

Functions of forming the state policies, normative and legal regulations regarding forest relations (with exception of forests located in the exceptionally protected natural areas) are developed by the State Forest Resources Agency of Ukraine. The Agency administers 24 territorial regional forest and hunting administrations, as well as individual enterprises of a direct subordination. The State Forest Resources Agency of Ukraine manages 73% of the country forests.

The state forest enterprises are responsible for an entire complex of forest management operations: from forest plantations to main logging. Beside state forest enterprises, the State Agency administers also scientific and educational organizations, national reserves and natural parks, as well as other enterprises, institutions and organizations of a direct subordination.

### 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 act for land use, forest management plan and felling permits issued for each cutting site. The state forest enterprise has only the rights of forest use and forest management. The forest resources use for other purposes (i.e. recreational, agricultural, mining, exploration etc.) is not being performed.

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

The organization is co-working with local commercial structures with the intention of hunting business development on the permanent agreement. On territory of organization operates FHC "Sokol" (1451 ha), Chervonoarmiysky region organization UAHF (2017,9), FC "Romanovsky" (1050 ha), LLC "Vyunki" (4969 ha) and HK "Irbis-Brachki" (350,6 ha).

The forest resources use for other purposes (i.e. agricultural, mining, exploration etc.) is not being performed.

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

Certification of the whole area FMU	Partial certification (is applied)	
	The certification includes not all FMUs, which are leased or managed /the certification does not include leased or managed FMUs previously	Some leased or managed areas of FMUs are excluded from the certification
X	-	-

### 1.5. Review of the forest management plan

#### 1.5.1. Summary of forest management objectives

Long-term objectives of the forest management are:

- Creating the conditions for sustainable use of forest resources.
- Implementing the most effective methods of planning and creating incentives for employees in order to improve the quality of forest management.
- Ensuring the implementation of health and safety procedures and regulations.
- Preserving the natural development and areal extension of flora and fauna species within the forest boundaries of the Baranivka FH SE.
- Implementing the most advanced technologies of harvesting and processing in order to minimize the number of residues.
- Ensuring the monitoring of increment, of reforestation/forest regeneration and of harvesting volumes.
- Developing the measures aimed to minimize the negative ecological influence of the harvesting activities of the enterprise on the forest environment.
- Formulation of plans on the leased fields/areas in detecting and preservation rare and disappearing species.
- Performing the measures to improve the characteristics and valuable features of high conservation value forests.

Mid-term objectives of the forest management:

- Providing justification for use of the newest technologies in forest harvesting, reforestation and fire protection activities of the enterprise.
- Ensuring the timely payments of wages and taxes, as well as the payments for the forest resources use.

#### 1.5.2. Brief description of forest resources

##### 1.5.2.1. Status of land use and land property rights

The Baranivka FH SE was established in 1936 as per the CPC of the USSR # 631 from 02.07.1936 including five forest districts: Kamyanoobrodske, Bykovske, Yavnenke, Zemlyanske and Baranivske. The first forest inventory entering in forestry hunting resource, took place in 1923-1926.

From 1998 on the enterprise is conducted continuous forest inventory. Last forest inventory was conducted by Complex expedition of the Ukrainian State forest inventory organization in 2008 as the I category(class) according to the demands of operated forest inventory instruction, with the help of report of technical meeting determination according to the results of field work in governmental facilities of Zhytomyr region forest and hunting resource administration. Operated "Project of organization and forestry development Baranivka FH SE" Inv. № 9-118 from 2009.

The Baranivka FH SE is a state-owned enterprise. It operates in state forests; the rights of permanent use were transferred to the enterprise by the decision of the local community Councils. The right of the permanent use is properly documented ( there are state acts on the permanent use right) and is displayed in detail on maps available at the enterprise. The use boundaries are shown on maps and signed on field. According to the legislation, the enterprise is allowed not only to use the forest wood resources, but also to perform hunting activities and non-wood forest resources use. The forest lands of the enterprise cannot be sold, however, they can be transferred to other users for a temporary use by the decision of the local authorities. According to the state legislation, the local population has a free access rights to the forest for recreational purposes and for collection of non-wood forest resources for personal use.

The Baranivka FH SE is subordinated to the Zhytomyr Regional Forestry and Hunting Administration. The Zhytomyr Regional Forestry and Hunting Administration controls and coordinates the operation of the enterprise. The enterprise has one of the biggest operational forest areas among the enterprises administered by the State Forest Resources Agency of Ukraine.

#### Managed forest areas data

Representative of State Authorities	Forest Exploitation and Management Plan		Annual Allowable Cut (AAC), thousand m <sup>3</sup>			Area, ha	Total Standing Volume, thousand m <sup>3</sup>	Average species composition	Lease Periods, years
	No.	Registration date	Total	Final	Thinning operations				
State Forest Resources Agency of Ukraine	9-118	2009	114,49	69,85	44,64	44114	9279	5Ps2Bp1Qr1Ag1 Pt	Not applicable

#### 1.5.2.2. Socio-economic conditions

Baranivka FH SE is located in the south-west part of the Zhytomyr Region on the territory of Baranivka, Romaniv, Novograd-Volynsky, Pulyny administrative districts. The head office of the forest enterprise is located in Baranivka, Baranivka district, Zhytomyr Region.

Districts located in forestry belongs to the amount of agricultural districts of region where are cereal crops, technical crops and animal breeding cultivation. The leading field of national economy is agriculture, which is directed in cultivation cereal and technical crops, along with dairy and meat animal breeding. In addition, in the area of plant location, developed the cultivation of fruit crops and hops. Wooded areas of forestry activity is 35.8%.

In wood processing involved Baranivka FH SE and partially private enterprises.

On the territory where the enterprise is located the main social issues are a high unemployment rate, social unsustainability and the migration of population to other regions, mostly to cities or abroad.

The enterprise employs 433 people, mostly from the local communities. The enterprise operation has social consequences on the people from local communities where its structural departments are located and in the proximity of which it operates.

The enterprise employs 440 people, mostly from the local communities. The enterprise operation has social consequences on the people from local communities where its structural departments are located and in the proximity of which it operates.

Recent floods in the district caused the destruction of roads, transport ways and infrastructure, which also worsened the socio-economic situation in the region. A high unemployment rate was also causing a high level of illegal cuttings and of other forest offences.

The enterprise influences on the following:

- employment of the local population;
- payments and taxes to local and regional budgets;
- support of the social and non-profit organizations.

Support of the area infrastructure (roads building and repair)

The enterprise provides the local population and the non-profit organizations with firewood and building materials.

### 1.5.2.3. Composition of forest stands

According to the forest zoning, the forest enterprise belongs to the forest zone of the Polissya, forestry area Southern and Central Polissya.

The main forest species are: Scotch pine (*Pinus sylvestris*), English oak (*Quercus robur*), European hornbeam (*Carpinus betulus*), European white birch (*Betula pendula*), Black alder (*Alnus glutinosa*), European aspen (*Fraxinus excelsior*) and there are also Tillet (*Tilia cordata*), European aspen (*Pópulus tremula*). The natural composition of the forests consists to 24,4% (incl. oak forests – 23.8 %), confers - 47,8 % and 27,8 of softwood species. The total stock of forest stands is 9,28 million m<sup>3</sup>.

#### Distribution of Plantation Areas of the Forestry Fund, by Main Forest-Forming Tree Species

Main Forest-Forming Tree Species	Forested Area, ha
English oak ( <i>Quercus robur</i> )	8538
Scotch pine ( <i>Pinus sylvestris</i> )	19538
Norway spruce ( <i>Picea abies</i> )	800
European aspen ( <i>Fraxinus excelsior</i> )	289
Black alder ( <i>Alnus glutinosa</i> )	3093
European white birch ( <i>Betula pendula</i> )	6806
Other species	352
<b>TOTAL:</b>	<b>38712</b>

#### 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 <sup>3</sup> /ha	Average stock change (increment rate), m <sup>3</sup> /ha
Forests of environmental, scientific, historical, and cultural significance	5Ps3Qr1Bp1Ag +Fe,Pt	65	1	0,8	285	4,5
Recreational forests	9Ps1Pt	82	1	0,7	286	4,5
Protective forests	7Ps2Bp1Qr	70	1	0,8	210	4,5
Merchantable forests	6Ps2Bp1Ag1Qr	58	1	0,7	350	4,5
General indicators	6Ps2Bp1Ag1Qr	69	1	0,7	309	4,5

### 1.5.2.4. Description of neighboring lands

To the north of the forest enterprise territory the Novograd-Volynsky Forestry SE is located, to the east – the Zhytomyr Forestry SE, to the south– the Berdychiv Forestry SE, and to the west – the Shepetivka Forestry SE region of Khmelnytsky Regional Forestry and Hunting Administration.



### 1.5.3. Description of the enterprise and organizational structure

The Baranivka Forestry Hunting SE (Baranivka FH SE) is one of the forest enterprises subordinated to the Zhytomyr Regional Forestry and Hunting Administration, is located on the south-west part of Zhytomyr region: Baranivka, Romaniv, Novograd-Volynsky and Pulyny administrative districts.

The forestry consists of 7 forest areas, wood processing department, transportation department and the lower landing. Wooded administrative districts that host the company is 35.8%, forests are not located evenly, the main square located in the eastern of the district.

Business activity of forestry is directed on objective and effective accomplishment on the basis of full complex scientific and technical forestry reforestation, forest harvesting activities. These activities are providing rational, sustainable use and reproduction of forest resources, environmental protection, protection from water and wind erosion.

There are also located place for haymaking, cultivation of Christmas trees, harvesting of wild berries and mushrooms, harvesting of the birch juice.

Hunting as an industry, is a sphere of social production of the state and its main objective is to protect, reproduction and use of populations of hunting animals, services of hunters provision for the implementation of hunting, sport hunting development and hunting dog breeding. Hunting in the forestry hunting areas has unprofessional nature.

It is projected the total annual volume of forest management on the enterprise from all types of felling reaches 103.6 thousand m<sup>3</sup> of liquid wood, including felling of main use - 69.8 thousand m<sup>3</sup>.

Methods of harvesting in the enterprise projected in accordance with the Rules of final felling, approved by the Cabinet of Ministers of Ukraine. The main method of the final felling is clear-cutting, which are held in almost 80% of cases. A large proportion of round harvesting caused by unsatisfactory progress in natural regeneration of the main species and plain relief.

### 1.5.4. Description of the harvesting technology

The forest management system of the enterprise involves various types of tending felling, including cleaning, weeding, isolation, late thinning, also selective and clear salvage cutting, regeneration, reconstruction and other types of cutting.

The stands is allotted for shaping and sanitation felling basing on the data of inventory and monitoring of the stands actual condition, performed by the specialists of the forestry.

The trees having no conservation value are periodically removed from the stands composition during sanitation felling. The stands are allotted for cleaning and weeding by means of dedicated sampling areas (3% of pure stands area and 5% of mixed stands area). Sampling indices are used for total area of the block. One sampling area is allocated if the block total area is less than 3 ha, two sampling areas are used if the block total area is more than 3 ha.

The species are allotted for isolation and late thinning considering uniform location of valuable trees. If the relative density of a stand is 0.7 and less, the isolation felling is not applied. If the relative density of a stand is 0.8 and less, the late thinning is not performed.

Improvement cutting combines crop-tree thinning and thinning from below.

Brush cutters and gasoline-powered chainsaws Husqvarna and Stihl are used to perform improvement felling.

The planning of forest harvesting is based on the forest inventory data basing on the indices of the calculated allowable cut. The allowable cut is calculated for a 10-year period considering the maturity and wood stock data. The annual harvesting volumes are determined resulting from the calculated allowable cut and shall not exceed its volume within the 10-year period.

The main logging is conducted, when the species attain the age of stand maturity. The stand age of main logging for the main species within the enterprise area in Ukraine is set as follows: birch – 61 years, pine – 81+ years, spruce – 71+years, oak – over 120 years.

The forest management implies the clear cutting, selective cutting, and gradual felling during the main logging operations. However, clear cuttings predominate. The clear cutting area is restricted to 3 ha for coniferous woods and 5 ha for broadleaved woods. The clear cuttings on the area of over 3 ha is allowed only in case of the windfall clear salvage cuttings.

The harvesting is conducted by the small comprehensive crews with the help of MTZ-892 tractor with hydraulic claw, rarely TDT-55 (oak and swamped wood cutting areas). Sub-contractors and only

10% - enterprise crews, produce almost 90% of cutting area work on the enterprise. Harvesting is conducted with the chain saws, usually such brands as "the Husqvarna" and "Stihl-440." During the hauling the crawler tractors TDT-55 or wheel tractors MTZ-82 or LKT-81 are used. Development of cutting areas for main use is carried with the tree-length log (65%) and crops (35%). Export of the tree-length log performed by own transport, in particular logging trucks on the basis of Ural with LT-25 units, logs for intermediate storage - KAMAZ 4310 with hydraulic manipulators. Furthermore, to deliver logs to the lower landings used SCANIA vehicles with semitrailers.

Mainly, the contractors perform final felling and thinning activities. The contractors' number varies depending on the volume of performed activities.

According to the designed project, the soil cultivation is realized by tractors MTZ-80, MTZ-82 in assembly with the plow PKL-70 or by the disc cultivator KLB-1.7. The soil cultivation is performed either in autumn or in spring before planting.

Yearlings or biennials are planted by hand using Kolesov's planting iron according to the scheme of planting and mixing approved within the project. Technical reception of forest plantations takes place in spring of current year. Mechanical and hand weeding practices previewed by the project are implemented. The inventory is performed in November of current year; the survival capacity is assessed and the grade of plantations is determined. Plantations are completed during next years by necessity.

#### **1.5.5. Description of measures for environment protection**

All forest management activities comply with the existing regulatory acts. They are aimed at improvement of forest quality and yield, and at forest conservation and protection. Some areas and parts of the forest are subject to destructive anthropogenic influence (for example, forest fires and soil compaction). It results in complete or partial dieback, slower growth and weakening of the forest stand, serious damage to some trees, decrease of the general sanitary stand of the forest fund. No radioactive pollution caused by the Chernobyl NPS was detected within the enterprise area. Apart from meeting the national economy needs in timber and NTFP, the forest stands have important environmental and recreational significance and decreases adverse environmental impact. The enterprise operation in terms of environmental protection is regulated by the Ukrainian Environmental Protection Law from June 25, 1991, No. 1264-XII, by the Ukrainian Law on Sanitary and Epidemic Welfare of the Population from February 24, 1994, No. 4004-XII, by the Ukrainian Law on Waste from March 5, 1998 No. 187/98-BP, by the Ukrainian Law on Places of High Danger from January 18, 2001 No. 2245-III, by the Ukrainian Law on National Program of Toxic Waste Treatment from September 14, 2000, No.1947-III, by the Ukrainian Law on Atmospheric Air Protection from October 16, 1992, No.2707-XII.

The production ecological control is exercised by the Chief Engineer; in case of his absence the duties are performed by the Chief Technician. The industrial ecological control includes:

- a) availability of officially published regulatory and procedural materials and methods;
- b) laboratory research and tests:
  - at the border of the sanitary protective zone and within the area of the enterprise activity, within the area (production site), to evaluate the industrial environmental and health care impact;
  - raw material and technologies of harvesting, storage, transportation, sales and recycling.
- c) control over the availability of atmospheric emission quota, permission for special water use, setting limits for waste disposal, execution of orders to eliminate the identified violations of the environmental protection legislation, providing documents confirming ecological safety of raw materials, transportation, sales and recycling in cases stipulated in the legislation;
- d) record keeping and accountancy stipulated in the existing legislation and other regulatory acts concerning issues related to the industrial environmental control;
- e) timely provision of information to the population, local authorities and regional subdivision of the State Emergency Service of Ukraine about emergency situations, that can be harmful to the environment and the human health;
- f) visual control by specially authorized officials of the enterprise over fulfillment of nature protection (preventive) measures, observation of requirements of the environmental legislation, development and execution of measures aimed at correction of identified non-compliances.

#### **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 consists of the following measures:

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

#### 1.5.7. Description of monitoring procedure

The monitoring procedure consists of data collection on following indicators:

1. the harvesting volume of all forest resources;
2. increment and reforestation rates, forest health;
3. composition and observed changes in flora and fauna;
4. ecological and social impacts of forest harvesting and other forestry activities;
5. costs, productivity, and efficiency of conducting forest management.

Documentation confirming collection of information consists of:

- data on actual volume of harvested wood by exploitation types and cutting methods;
- data on harvesting areas by exploitation types and cutting methods;
- data on harvesting types and volumes of all forest resources, except wood;
- data on volumes of reforestation activities by types and methods;
- data on types and extent of forest protection measures;
- data on volumes of illegally harvested wood and on types of illegal activities on the managed forest areas;
- data on costs of conducting forest management activities;
- data on economic efficiency of timber harvesting activities;
- data on areas and stock of forest destroyed or damaged by forest fires, pests, diseases, and due to other reasons;
- data on dynamics of social characteristics of the enterprise;
- data on impact of forest management activities on the social conditions of the local population;
- data on HCVF and protected areas;
- data on impact of forest management activities on the environment.

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

Species group	2018			For the 5-month period of 2019		
	Actual harvesting, m <sup>3</sup>	Incl. merchantable wood, m <sup>3</sup>	Actual cut compared to the annual allowable cut, %	Actual harvesting, m <sup>3</sup>	Incl. merchantable wood, m <sup>3</sup>	Actual cut compared to the annual allowable cut, %
Coniferous	43 243	38 563	90	12 920	11 477	27
Broadleaved	9 328	8 535	32	4 657	4 126	15
Incl. hardwood	3 995	3 657	55	2 448	2 182	33
softwood	5 333	4 878	24	2 209	1 944	10
<b>Total</b>	<b>52 571</b>	<b>47 098</b>	<b>67</b>	<b>17 577</b>	<b>15 603</b>	<b>22</b>

#### 1.7. Number of occupational accidents

Accidents	MA	1 <sup>st</sup> CA	2 <sup>nd</sup> CA	3 <sup>rd</sup> CA	4 <sup>th</sup> CA
Accidents	no	1	0	0	
Lethal	no	0	0	0	

## 2. DESCRIPTION OF THE FSC STANDARD

Audit	The applied standard	Code / Version	Date
MA	FC-STD-02	version 1.2	01.02.2015
1 <sup>st</sup> CA	FC-STD-02	version 1.2	01.02.2015
2 <sup>nd</sup> CA	FC-STD-02	version 1.2	01.02.2015
3 <sup>rd</sup> CA	FC-STD-02	version 1.2	01.02.2015
4 <sup>th</sup> CA			

**Reference to the Standard:** <http://fcert.ru/about/documents/>

### **Summary of the Standard Localization:**

In order to comply with the FSC norms and regulations on the rights of indigenous people (Criteria 3.1) and in order to apply the Criteria 6.10 and 10.9, the Forest Certification LLC included the updated indicators of these FSC Criteria into the General Standard of the Forest Certification LLC to be able to certify the compliance of forestry management with the FSC Principles and Criteria. Furthermore, the Forest Certification LLC introduced the appropriate changes into the FSC General Standard of the Forest Certification LLC, adapted to the Ukrainian conditions. The FC LLC sent this document to Ukrainian parties/stakeholders interested in the FSC forestry management certification and asked them to provide their comments.

After a 2-month waiting period (starting from December 1, 2014) FS LLC received no comments from the Ukrainian interested parties; therefore, no additional adaptation of the General Standard of the FS LLC was necessary. The General Standard of the Forest Certification LLC V1.2, adapted to the Ukrainian conditions, was introduced starting from 01.02.2015. It is generally available on the FS LLC website in the following languages: Ukrainian, Russian, and English.

## 3. CERTIFICATION 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 a 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 for field inspection

#### The sample is not applicable because the company has 1 FMU

When planning the schedule of the main audit, the lead auditor decided to visit the forest sites where various harvesting methods were applied, including the cutting sites that were harvested at that time. The field inspection plan included the visit to the forest plantations of various years, the natural regeneration sites and the HCVF.

From the beginning of the year to the time of the main audit, the company has concluded contracts with 8 contractors who perform logging and forestry work. According to the calculation formula ( $y=\sqrt{x}$ ), the auditors decided to check three contractors ( $y=\sqrt{8}=3$ ), namely: Contractor 1, Contractor 2 and Contractor 3 (logging brigades carried out logging).

#### Definition of audit duration

Managed forest areas selected for assessment	No FMU	Labor costs, man / days
	1	3,0
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><u>For contractor Legallis:</u></p> <p>Consider the following indicators</p> <ul style="list-style-type: none"> <li>- 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).</li> <li>- the presence of mountain conditions or difficult-terrain (ravine-beam forests) (2,0 man / days).</li> </ul>		+ 1,5
<p>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.</p> <p>Note: labor costs include travel time.</p> <p><u>For contractor Legallis:</u></p> <p>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.</p> <p>Note: labor costs include travel time.</p>		+ 1,0
<p>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.</p>		+ 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.	+ 0,5
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 program

**The FSC FM/COC third control audit** of Baranivka Forestry and Hunting State Enterprise was conducted on June 03-05, 2019 by the audit group with the following membership: Rybak D. – lead auditor, Topchii O. – auditor.

The auditors checked the enterprise forest management compliance with the FSC Principles 6 and 8 (in full) of the Forest Certification LLC Standard of the forest management certification for Ukraine (FC-STD-02, version 1.2), as well as with the mandatory FSC Standard FSC-STD-20-007 Criteria 1.5; 4.2; 4.4; 5.6; 6.2; 6.3; 6.7; 6.9; 8.2; 8.3, and 9.4, as well as indicators with non-conformities detected in the previous audit.

#### Implemented audit program

Date	Events/activities	Location	Auditors
03/06/19	<b>09-00</b> Opening meeting <b>09-30</b> Interviews with the enterprise management and experts. <b>10-30</b> Analysis of company documents <b>14-00</b> Consultations with the stakeholders/ interested parties Visits to the enterprise forest stands <b>16-00</b> Planning of the next day audit itinerary <b>16-30</b> Filling of the check list	Office, Forest areas	Rybak D. Topchii O.

<b>Date</b>	<b>Events/activities</b>	<b>Location</b>	<b>Auditors</b>
	<b>17-00</b> Summary of the results of the 1 <sup>st</sup> day of the audit with the participation of the enterprise representatives		
04/06/19	Visits to 2 forest districts of the enterprise <b>09-00</b> Interviews with the enterprise management and experts <b>10-00</b> Visits to the forest areas. Control of the sub-contractors <b>15-00</b> Consultations with the stakeholders <b>16-30</b> Filling of the check list <b>17-00</b> Summary of the results of the 2 <sup>nd</sup> day of the audit with the participation of the enterprise representatives	Office, forest areas, production sites of the enterprise	Rybak D. Topchii O.
05/06/19	<b>9-00</b> Control of the documentation of the enterprise <b>11-00</b> Interviews with the enterprise management and experts <b>12-00</b> Consultations with the stakeholders <b>14-00</b> Filling of the check list <b>16-00</b> Internal discussion of the audit results <b>17-00</b> Final meeting on the audit results	Office	Rybak D. Topchii O.

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

No	Audit stage	Audits						
		MA	DA	DA	1 <sup>st</sup> CA	2 <sup>nd</sup> CA	3 <sup>rd</sup> CA	4 <sup>th</sup> CA
1	Audit preparations	1	0	0	1	1	1	
2	Correspondence with the stakeholders Information collection from mass-media	0	0	0	0	0	0	
	<b>Audit preparations (total)</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>1</b>	<b>1</b>	
3	Interview with the stakeholders (in person)	2	0	0	2	2	2	
4	Control of the documentation in the office	4	0,5	0,5	1	1	1	
5	Field audit	6	0,5	0,5	3	3	3	
	<b>Total: Field audit</b>	<b>12</b>	<b>0</b>	<b>0</b>	<b>6</b>	<b>6</b>	<b>6</b>	
6	Preparation of the Report draft	10	1	1	10	10	10	
	<b>Total (incl. Report)</b>	<b>23</b>	<b>2</b>	<b>2</b>	<b>17</b>	<b>17</b>	<b>17</b>	

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

### 3.5. Information about auditors

Audit	Status in the audit group	Name	Qualification (education)	Employer and position
3rd CA	Lead auditor	Rybak D.	Forestry Engineer	Lead auditor Legallis LLC
	Auditor	Topchii O.	Forestry Engineer	Auditor Legallis LLC

### 3.6. Reviewer details (only for the main audit)

*Not relevant for CA*

### 3.7. Consultations with the stakeholders

#### Third control audit

Legallis LLC posted a corresponding message on the page Sustainable forestry development in Ukraine <https://sfmu.org.ua/ua/content/audyty-fsc-cherwen-2019-baranivske-lg-legallis>, as well as on the website of the FSC National Representative Office in Ukraine <https://ua.fsc.org/ua-ua/newsroom/id/360> in order to receive feedback and suggestions on the activities of Baranivka FH SE 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 third control audit, face-to-face interviews with 4 representatives of stakeholders were conducted (by phone):

- Maryanivka Village Council – representative.
- Dovbysh Village Council – representative.
- Bykivka Village Council – representative.
- Chervoni Khatky Village Council – representative.

### Stakeholders' interview results

FSC Principles	Stakeholders' comments	How the stakeholder' comments were taken into account by the certification authority
Principle 1. Compliance with laws and FSC Principles	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 enterprise pays salaries to the employees timely.	Mentioned in report
	4. The company constantly cooperates with local communities, local people and other stakeholders to prevent forest law violations.	Mentioned in report
	5. Measures by the enterprise to protect forests against violations of forest legislation are effective.	Mentioned in report
Principle 2. Tenure, use rights and responsibilities	No comments	-
Principle 3. Indigenous peoples' rights	No comments	-
Principle 4. Relations with the community and workers' rights	1. The company employs only local residents.	Mentioned in report
	2. The enterprise provides local people with the possibility of training.	Mentioned in report
	3. 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. The enterprise informs stakeholders about the social consequences of planned and implemented economic activities in oral and written form.	Mentioned in report
	5. 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
	6. Stakeholders are familiar with the procedure for handling complaints in accordance with the Law of Ukraine «On Citizens' Appeal».	Mentioned in report
	7. Stakeholders are aware of the complaints of the local population on the activities of the company.	Mentioned in report
	8. The company responds promptly, adequately and appropriately to complaints from the local population.	Mentioned in report
	9. The company has agreed with the owners of	Mentioned in report



	stakeholders the socially important places and regimes for their preservation.	
Principle 5. Benefits from the forest	1. The enterprise supplies timber to local processors	Mentioned in report
Principle 6. Environmental impact	No comments	-
Principle 7. Management Plan	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 HCVF.	Mentioned in report
Principle 9. Maintenance of high conservation value forests	No comments	-
Principle 10. Plantations	No comments	-

Information obtained from stakeholders during the audit is used in this report.

### 3.8. Additional data collection techniques

No additional data collection techniques were applied during the audit (i.e. helicopter survey).

### 3.9. Changes in the certification scope

Audit	Changes description
1 CA	The enterprise added a product group W1.3 Branches. The address of the enterprise has been changed: 50 years of October street renamed in the Verbna street.
2 CA	No change
3 CA	No change
4 CA	

## 4. EXECUTIVE SUMMARY

### 4.1. Strengths and weaknesses

As a result of the 3-st control audit of the forest management system in Baranivka FH SE the auditors noticed several discrepancies between the enterprise activities and the FSC Principles and Criteria, that can be qualified as "Conditions" (Minors). The current report reflects these results.

#### 4.1.1. The main strengths of the enterprise:

- High level of the professional competence of the top management and experts.
- Tendency to achieve environmentally sound, cost-beneficial and socially oriented use of forest and of forest management.
- Dynamically developing enterprise which invests into rebuilding and renovation of production means.
- High volumes of domestic processing of harvested wood.
- High level of cooperation with stakeholders who represent local people.

#### 4.1.2. The main weaknesses of the enterprise:

- The company pays insufficient attention to the control of contractors.
- The company pays insufficient attention to the safety of equipment for logging operations.

### 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

Baranivka Forestry and Hunting State Enterprise is put successively into operation and is efficient in general.

## 5. CONCLUSIONS AND DECISIONS

### 5.1. Conclusion of auditors

The next conclusion was made, following the 3<sup>rd</sup> surveillance audit results.

Closed: Significant conditions (0), conditions (2).

Significant Terms (Majors) (0) and Conditions (Minors) (2) and potential discrepancies - Observations (2).

A request of corrective measures was submitted for each discrepancy. The fulfilling of conditions must be controlled within 12 months of the audit termination date.

On the base of all above-stated, the lead auditor recommends to extend the validity of the FSC certificate, taking into account the elimination of the Conditions in required period.

### 5.2. Certification Committee decision

According to the results of the third control audit, published in the report in correspondence with the results of the evaluation of the Baranivka FH SE, the Certification committee adopted the following decision.

Considering that the Baranivka FH SE management is able to ensure the compliance with all the conditions of the applicable standards throughout its total forest area that was a part of the audit, and also considering that the certificate holder demonstrated that the described forest management system is being consistently implemented, and with the regard to the significant discrepancies, the Baranivka FH SE can be granted an extension of the FSC Forest Management and Chain of Custody Compliance Certificate with 5 - year term, subject to conditions (2 Minors) within the required time (Record from, June 24, 2019).

### 5.3. Results of discrepancies' elimination after the previous audit (2-nd control audit)

#### 5.3.1. Major conditions

*Not detected*

#### 5.3.2. Minor conditions

Minor condition 19 (Mn-19)				
Standard	FC-STD-02-V1-2 6.9.2.			
Requirement	There's a procedure available on the monitoring of exotic species.			
Non-compliance	The procedure for monitoring introducents is not sufficiently detailed.			
Objective evidence	During the communication with the management of the company it was established that the enterprise continues to operate. Procedure number 4 "Monitoring of introducers of Baranivka FH SE fom 19.10.2015. A detailed study of the content of the submitted procedure showed that it is not detailed enough (parameters and methods of monitoring are summarized in the form )			
Corrective action fulfilment period for a Minor CAR and its current status	Identification date	Fulfilment period	Status	Closure date
	06.06.2018	Up to 12 months, but not later than 05.06.2019	Closed	05.06.2019
Certification body conclusions				
Rationale of the CAR closure	<p><i>In the process of the control audit, the enterprise submitted the Order №87 "On the results of FSC certification evaluation" dd. 20.09.2018. In accordance with the order have been allocated measures for elimination of identified non-conformity. Particularly, the reforestation engineer has to ensure information collection as to the monitoring of invasive plant of European larch and to detail the procedure and assistants of forestry enterprises have to conduct data accounting of invasive plants of different years of creation.</i></p> <p><i>The enterprise submitted the updated Procedure №4, which includes collection, processing, information analysis which is conducted in order to analyze realization of projects and identification of the risks and problems in the process of its implementation.</i></p> <p><b>Conclusion:</b> <i>The enterprise has provided evidences of corrective measures which are sufficient for closure of current non-conformity.</i></p>			

#### Minor condition 20 (Mn-20)

Standard	FC-STD-02-V1-2 6.9.3.			
Requirement	This procedure is applied at the Enterprise.			
Non-compliance	The enterprise does not document the results of the monitoring of the influence of introducents on the development of aboriginal tree species in the planting.			
Objective evidence	<p>The survey of forestry department staff showed that introducents began to be included recently in forest crops, and, at the time of the audit, these crops did not come out of the age of illumination.</p> <p>In this regard, economic measures are planned only in plantations with the participation of European larch, whose culture has been created in richer conditions and now require forestry care. Presented by "The report of the next felling forest of forming and rehabilitation of forests in 2018 (Adamivske forestry divisions).</p> <p>In the course of the further survey it was established that the number of introducents in the composition of older plantations is insignificant (less than one unit) and does not significantly affect the development of the plantation. This is the result of carrying out forest management activities of previous periods.</p> <p>The results of monitoring the general state of forests with the participation of introducents are reflected in the materials of the continuous forest inventory of the lands of the forest fund of the state enterprise Baranivka FH SE.</p> <p>However, the enterprise does not have documented information about the influence of introducents on the development of native breeds in plantations with their presence.</p>			
Corrective action fulfilment period for a Minor CAR and its current status	Identification date	Fulfilment period	Status	Closure date
	06.06.2018	Up to 12 months, but not later than 05.06.2019	Closed	05.06.2019
<b>Certification body conclusions</b>				
Rationale of the CAR closure	<p><i>In the process of the control audit, the enterprise submitted the Order №87 "On the results of FSC certification evaluation" dd. 20.09.2018. In accordance with the order have been allocated measures for elimination of identified non-conformity. Particularly, the reforestation engineer has to ensure information collection as to the monitoring of invasive plant of European larch and to detail the procedure and assistants of forestry enterprises have to conduct data accounting of invasive plants of different years of creation.</i></p> <p><i>The enterprise submitted the consolidated list of Logs of monitoring for invasive plants by forestry divisions. It contains information as to the schemes of plantings or composition of plantings, impact of invasive species to native species as well as information about scheduled activities.</i></p> <p><b>Conclusion:</b> <i>The enterprise has provided evidences of corrective measures which are sufficient for closure of current non-conformity.</i></p>			

#### 5.4. The results of the current 3-rd control audit

##### 5.4.1. Major Condition

*Not detected*

##### 5.4.2. Minor condition

Minor condition 18 (Mn-18) Observation 18 transferred to Minor condition 18				
Standard	FC-STD-02-V1-2 4.2.8.			
Requirement	The staff is provided with safety equipment, protective outfits, personal protective equipment.			
Non-compliance	Workers of the enterprise are not sufficiently provided with safety equipment, PPE and overalls.			
Objective evidence	<p>Interview with engineer on occupational safety, survey of the management of the enterprise and employees of the forestry divisions as well studying of submitted receipts notes for purchasing of overalls showed that the staff of the enterprise is supplied with overalls and PPE.</p> <p>A field audit carried out on three harvesting areas in Dovbyshskyi, Adamovskiy and Kamyanoobrodskiy forestry divisions showed the workers are provided with overalls and PPE; however, in all cases the operating gasoline powered saws were with no chain catcher.</p>			
Corrective action	Identification date	Fulfilment period	Status	Closure date

fulfilment period for a Minor CAR and its current status	<b>05.06.2019</b>	<b>Until 4CA, but not later 04.06.2020 (12 months from the date of completion of the audit)</b>	<b>Open</b>	
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Minor condition 21 (Mn-21)				
Standard	FC-STD-02-V1-2 1.6.6.			
Requirement	Within its scope of activity the Enterprise monitors the activity of contractors for compliance with the FSC P&Cs.			
Non-compliance	<b>The enterprise insufficiently controls activity of contracting organization on its territory.</b>			
Objective evidence	<p>The interview with employee responsible for certification and survey of engineering and technical personnel showed that employees of the enterprise are constantly present at working places of contractor's brigades and control their compliance with requirements of FSC Principles and Criteria on its territory.</p> <p>When signing contracts for works operating and provision of services connected with forestry management, the enterprise requires the contractors to provide a suite of authorization documents as to the rights of forestry works conduction and compliance with current legislation.</p> <p>Selective examination of materials of Contractor 1, Contractor 2 and Contractor 3 showed that the enterprise possess documentation of contractors as to the state and tax registrations, availability of permissions for conduction of hazardous works and productive capacities.</p> <p>Further survey of employee responsible for certification showed <b>that the enterprise did not inquire information as to the contractor's compliance with legislation on the labor safety and employment legislation.</b></p>			
Corrective action fulfilment period for a Minor CAR and its current status	Identification date	Fulfilment period	Status	Closure date
	<b>05.06.2019</b>	<b>Until 4CA, but not later 04.06.2020 (12 months from the date of completion of the audit)</b>	<b>Open</b>	

## 6. DESCRIPTION OF INTERNAL CHAIN OF CUSTODY

<b>6.1. Risk assessment of timber mixing</b>	During the third control audit of the Baranivka FH SE, SE 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.		
<b>6.2. Description of control procedures</b>	The timber harvested in the forest stands of the enterprise is not been mixed with the not certified third-parties' timber on any stage. The Criteria 8.3. section describes the procedure of wood records in more detail.		
<b>6.3. Points of transfer of ownership for timber products</b>	<b>Standing timber:</b> The company is selling standing timber – whips the "stump".		
	<b>Harvested wood:</b> The enterprise is selling wood from the upper landing (loading site) or from the intermediate storage.		<b>X</b>
	<b>Lower landing of the enterprise:</b> The transfer of ownership on the lower landing is under the control of the enterprise.		<b>X</b>
	<b>Production/warehouse outside the enterprise:</b> The transfer of ownership takes place when unloading at the buyer's warehouse.		
	<b>Other:</b> The scope of the internal chain of custody is limited by the storage of logs on the lower landing. Next, a separate certificate for a chain of custody issued to the enterprise is in effect.		<b>X</b>
	<b>Comment:</b> The company has a separate certificate FM-COC-804789. Valid until June 24, 2023.		
<b>6.4. Description of documentation</b>	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>The wood can be shipped from the upper landing with the buyer's transport vehicle(s), or for the shipping to the lower 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. In any case all logs keep their labels.</p>
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### 6.5. Description of the FSC logo use procedure

Indicator	Comment
<b>1. Does the company use FSC trademarks to separate / label wood «on products»?</b>	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	-
<b>2. Does the company use FSC trademarks for advertising purposes?</b>	No
2.1 A brief description of the use of trademarks in advertising	-
2.2 Availability of approval of the use of FSC trademarks for advertising purpose	-
2.3 Reference to the discrepancy	-