



Sustainable Biomass Partnership

Supply Base Report: BioLesProm LLC

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Completed in accordance with the Supply Base Report Template Version 1.0

*For further information on the SBP Framework and to view the full set of documentation see
www.sustainablebiomasspartnership.org*

Template document history

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1 Overview

Producer name: BioLesProm (here in referred to as BLP)

Producer location: Russia, Vologda region, Verhovazhie village, Parkovaya st., 24

Geographic position: Lat E 42 degrees 03 minutes, Long N 60 degrees 43 minutes

Primary contact: Zenkov Alexey Gennadievich, address, telephone, email]

Company website: www.biolesprom.ru

Date report finalised: 06/Dec/2015

Close of last CB audit: 08/Dec/2015, Verhovazhije Village

Name of CB: NEPCom

Translations from English: Russian

SBP Standard(s) used: Standard 2 v1.0
Standard 4 v1.0
Standard 5 v1.0

Weblink to Standard(s) used: <http://www.sustainablebiomasspartnership.org/documents>

SBP Endorsed Regional Risk Assessment: not applicable

Weblink to SBE on Company website: not applicable

Indicate how the current evaluation fits within the cycle of Supply Base Evaluations				
Main (Initial) Evaluation	First Surveillance	Second Surveillance	Third Surveillance	Fourth Surveillance
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

2 Description of the Supply Base

2.1 General description

Supply base of wood feedstock is situated in the territory of 11 forestries and administrative districts of Vologda and Arkhangelsk regions in Northwest federal district of the Russian Federation. Future supply base expansion is possible within the said regions of Russia.

The total area of forest lands in Russia is 764 mln. ha, accounting for about 21% of the world standing timber. Coniferous species makes up 68,4%, hard-wooded broadleaved species – 2,4%, soft-wooded broadleaved species – 19,3%. Other tree species makes up less than 1%.

In accordance with Russian legislation all forest lands are state owned. Legal entities can use forest areas in lease and short-term use. Lease relations are the dominant legal form of forest use. The lease term may continue from 10 to 49 years.

Entering into the lease agreement of forest lands or sale contracts of forest plantations is carried out at the auction for selling the right to enter into such agreements. Forest areas for a lease must pass a state cadastral registration. According to the Forestry Code of the Russian Federation every forest user taking a lease forest land is obliged:

- to implement measures on forest conservation, protection and regeneration,
- to provide annual forest declaration,
- to issue a forest exploitation project,
- to provide a report on the forests use, their conservation, protection and regeneration.

High quality reproduction of forest resources and protective forestation is a prerequisite for use of forests. . All reforestation activities in leased forest areas are planned and carried out by forest users at their own expense in accordance with the forest management projects.

The forest complex of the Russian Federation, including forestry as well as wood harvesting and wood processing industries, plays an important role in Russian economy. About 60 000 of large-scale, medium-sized and small enterprises in all regions of the country are involved in Russian forest complex. The total number of employees in the forest complex of Russia is about 1 mln. people.

Forest certification is an effective tool for combating illegal wood harvesting and wood trade. The system of FSC (ForestStewardshipCouncil) certification is widely used in Russia. Certified forests area in Russia is about 40 mln. ha, or 30% of the total number of forest under lease. The dynamics of forest certification in Russia shows the ever-increasing activity of wood companies, which indicates to the responsibility to ensure the legality of wood harvested and compliance with environmental and other requirements.

The supply base of LLC “BioLesProm”

Our supply base is the total area of forest fund of administrative districts (and forestries) listed below. The total area of supply base is 7 498 000 ha.

Vologda region

- Verkhovazhskiy
- Babushkinskiy
- Tarnogskiy
- Totemskiy
- Nuksenskiy
- Syamzhenskiy

Arkhangelsk region

- Velskiy
- Shenkurskiy
- Nyandomskiy
- Konoshskiy
- Ustyanskoe

The supply base is situated in central taiga in the European part of Russia. Our forest area has favourable environment for natural regeneration of coniferous species (pine and spruce). The lay of the land is a hilly plain. Vologda and Arkhangelsk regions have intact forests and wetlands of international importance. The territory of Arkhangelsk region is among the global ecoregions of WWF Global 200 Ecoregions. Small-numbered indigenous peoples vepsi live in Vologda region. Pomori and nentsi live in Arkhangelsk region. However high conservation values listed above are situated outside our supply base and small-numbered indigenous peoples do not live there. We make conclusions basing on Atlas of Russia's Intact Forest Landscapes given in Annex E to Russian National FCS Standard, Annex 6 of National Risk Evaluation and Russian Federation Government Decree № 631-p of 8 of May 2009.

Allowable wood-cutting area of LLC "BioLesProm" is 128 000 cubic metres. Long-term lease is for 49 years. In 2014 we certified both areas of the lease base and received FCS certificate. Site quality of forest in both areas can range from the I to the V. On average site quality of forest is II-III. Our wood harvesting is sustainable. Clear cutting is 75,8%. Mainly matured and overmatured plantations are harvested. The company provides responsible forest regeneration. All protected wood species in Russian are not harvested. Our forests do not have species, which fall within the scope of CITES and IUCN. Naturally regenerated stands prevail during regeneration process. Artificial stands are planted on the limited plots of land of 10-15% of regeneration area. Maximum area of clear cutting is 50 ha.

Own sawmill residue is 16% of total feedstock volume. 84% of it we take at the nearest FSC-certified sawmill plant. Our supplier has three certified forest plantations. Currently the supplier is working on certification of the two more areas. Our supplier of sawmill residue has about 10 suppliers of roundwood. Our supplier unloads sawmill residue with FSCMIX claim. If production volume expands, our company will use only FSC-certified sawmill residue.

Under current conditions our company has an opportunity to produce pellets with SBP-complaint biomass claim. All own and acquired resources fall under the category of "SBP-compliant Secondary Feedstock". In both cases sawdust and slabwood of coniferous species are used. In our own feedstock the proportion of species is about 70% of pine and 30% of spruce. Our supplier's proportion is vice versa about 30% of spruce and 70% of pine. In this case this proportion is the same for sawdust and slabwood.

LLC “BioLesProm” is of a great socio-economic importance in Verkhovazhskiy district. 141 employee works there. The company is one of the biggest sawmill and logging companies in the district. It has the leading position in volume of pellet production in Vologda region. The company is engaged in charity events, provides financial support to sociocultural objects and organisations, sport organisations (rural areas, schools, museums, churches, veterans’ communities) and just those in need. All of these is witnessed by numerous diplomas and letters of gratitude.

Forest industry in Vologda and Arkhangelsk regions is one of the leading industries speaking from the perspective of working population involved and the volume of tax deductions to all budget levels. These regions are Russian leaders in terms of development level of wood sawing, woodworking and pulp and paper production.

2.2 Actions taken to promote certification amongst feedstock supplier

In 2014 we did a great work on personnel training, organisation of logging process, forest management according to FSC criteria and we received international FSC certificate. We manufacture our products with FSC 100% claim. The company actively involved its suppliers to the process of forest lands certification. A great work on clarification of practical benefit of FSC certification was conducted with suppliers taking a lease forest land.

Since the beginning of preparation to FSC certification we have stopped receiving sawmill residue from the suppliers without FSC certificates. We cooperate effectively with our main certified supplier of wood residue, who receives certified lumber logs for lumbering. We also send our lumber to LLC “Stailing” that started to use FSC certified products.

We hope that this mutually beneficial and long-term cooperation will become a good example of product promotion and sustainable forest use according to FSC principles for other companies.

2.3 Final harvest sampling programme

According to our supply base clear cutting is 84%, selective cutting - 16%. LLC “BioLesProm” and its certified contractors do not harvest wood specially for pellet production. Our company uses only wood residue of sawmill plants. All feedstock is originated from FSC-certified forests. Forests are thinned, regenerated and harvested according to long-term projects. Lumber logs are used for sawmilling. Pulpwood is sent to pulp and paper mills.

We claim that our feedstock is not originated from:

- Wood, harvested in forests being converted to plantations or non-forest use;
- Genetically modified trees;
- Forests of high conservation values, including intact forests;
- Territories where rights of indigenous peoples are violated;
- Illegally harvested wood;
- Wood of dubious origin;

- tree stumps

2.4 Flow diagram of feedstock inputs showing feedstock type [optional]

84% delivered by (FSCMIX)

Coniferous species: 16% of feedstock (sawdust and slabwood).

2.5 Quantification of the Supply Base

Supply Base

a. Total Supply Base area (ha):	7 498 000 ha
b. Tenure by type (ha):	7 498 000 ha state owned
c. Forest by type (ha):	Boreal: 7 498 000 ha
d. Forest by management type (ha):	Managed Natural: 7 498 000 ha
e. Certified forest by scheme (ha):	505 000 ha FSC Certified

Feedstock

- f. Total volume of Feedstock:
47.159 m³ (sawdust and slabwood with moisture content of 46.4%)
- g. Volume of primary feedstock: 0 m³
- h. List percentage of primary feedstock (g):
100% Large forest holdings certified to an SBP-approved Forest Management Schemes
0% Large forest holdings not certified to an SBP-approved Forest Management Schemes
0% Small forest holdings certified to an SBP-approved Forest Management Schemes
0% Small forest holdings not certified to an SBP-approved Forest Management Schemes - 0

Not applicable. Only sawdust and slabwood are used (with FSC Mix и FSC 100% claim).

- i. List all species in primary feedstock, including scientific name:
- Scotch pine (*Pinussilvestris*, L.)
 - European spruce (*Piceaabies*, L.).
- j. Volume of primary feedstock from primary forest: 0 m³
- k. List percentage of primary feedstock from primary forest (i):
- 0% Primary feedstock from primary forest certified to an SBP-approved Forest Management Schemes
 - 0% Primary feedstock from primary forest not certified to an SBP-approved Forest Management Schemes
- l. Volume of secondary feedstock: Not applicable (0 m³). Primary feedstock from primary forest is not used.
47.159 m³ (sawdust and slabwood with moisture content of 46.4%)
They include:

- 27.898 m³ sawdust
- 19.261 m³ slabwood in the form of wood chips (after chipping machine)

In this regard, 22,21% of the feedstock of the total volume goes for drying to heat generator as a fuel, total - 10 474 m³

m. Volume of tertiary feedstock:

Not applicable (0 m³).

3 Requirement for a Supply Base Evaluation

SBE completed	SBE not completed
<input type="checkbox"/>	<input checked="" type="checkbox"/>

4 Supply Base Evaluation

Not applicable.

4.1 Scope

Not applicable.

4.2 Justification

Not applicable.

4.3 Results of Risk Assessment

Not applicable.

4.4 Results of Supplier Verification Programme

Not applicable.

4.5 Conclusion

Not applicable.

5 Supply Base Evaluation Process

Not applicable.

6 Stakeholder Consultation

Not applicable.

6.1 Response to stakeholder comments

Not applicable.

7 Overview of Initial Assessment of Risk

Not applicable.

8 Supplier Verification Programme

Not applicable.

8.1 Description of the Supplier Verification Programme

Not applicable.

8.2 Site visits

Not applicable.

8.3 Conclusions from the Supplier Verification Programme

Not applicable.

9 Mitigation Measures

Not applicable.

9.1 Mitigation measures

Not applicable.

9.2 Monitoring and outcomes

Not applicable.

10 Detailed Findings for Indicators

Not applicable.

11 Review of Report

11.1 Peer review

LLC “BioLesProm” supply base report was sent for expert evaluation to Efimova N.M., an expert of forest certification in Kirov centre.

11.2 Public or additional reviews

LLC “BioLesProm” supply base report will be available on the website www.biolesprom.ru. All requests, if any, can be left at the site section “Ask a question”.

12 Approval of Report

Approval of Supply Base Report by senior management			
Report Prepared by::	Zenkov A.G.	First Deputy Director General, SBP responsible	06/Dec/2015
	Name	Title	Date
The undersigned persons confirm that I/we are members of the organisation's senior management and do hereby affirm that the contents of this evaluation report were duly acknowledged by senior management as being accurate prior to approval and finalisation of the report.			
Report approved by:	Levashov A.V.	Director General	08/Dec/2015
	Name	Title	Date

13 Updates

Not applicable.

13.1 Significant changes in the Supply Base

Not applicable.

13.2 Effectiveness of previous mitigation measures

Not applicable.

13.3 New risk ratings and mitigation measures

Not applicable.

13.4 Actual values of feedstock over the previous 12 months

Not applicable.

13.5 Projected values of feedstock over the next 12 months

Not applicable.