

Supply Base Report: Region-les LLC

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Completed in accordance with the Supply Base Report Template Version 1.3

For further information on the SBP Framework and to view the full set of documentation see www.sbp-cert.org

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1 Overview

Producer name: Region-les LLC
Producer location: 165195, Russia, Arkhangelsk region, Shenkursk district, village Chaschinskaya, 27A, bld 2
Geographic position: 62° 5'57.04"N, 42°49'19.28"E
Primary contact: Anton Studentsov, 163015, Russia, Arkhangelsk, Leningradskiy ave, 163, office 20, +79212946946, studencov_a@regionlesm.ru
Company website: www.rl-group.net
Date report finalised: 09/Nov/2019
Close of last CB audit: 23/Nov/2019, Chaschinskaya village
Name of CB: NEPCon
Translations from English: Yes
SBP Standard(s) used: Standard 2 version 1.0, Standard 4 version 1.0, Standard 5 version 1.0
Weblink to Standard(s) used: <https://sbp-cert.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
V	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

2 Description of the Supply Base

2.1 General description

Region-Les LLC is a biomass producer located in Chaschinskaya village, Shenkursk district, Arkhangelsk Region, Russia. Region-Les LLC produces SBP-compliant biomass from SBP-compliant secondary feedstock that is a residue from own sawmill (sawdust, wood chips). Roundwood for sawing comes from 4 primary wood suppliers. The species composition of the feedstock is Norway spruce (*Picea abies*) - 68%, Scots pine (*Pinus sylvestris*) - 32%.

The supply base, which is the place of origin of wood that is sawed and its residues used for pellets production, is limited to the leased forest areas of 4 logging companies. Leased forest plots of logging companies - wood suppliers, are located exclusively in the Arkhangelsk region (Russia). All forest areas are managed in accordance with the Russian national FSC standard (license code FSC-C128360), which is confirmed by the availability of valid forest management certificates from all suppliers. The total volume of harvest in the Arkhangelsk region (for 2017, the Forest Plan of the Arkhangelsk region) amounted to 12,3 million m³ per year. The total procurement volume of the organization's suppliers amounted to 560 thousand m³ during the same period, which is only 4,5% of the total wood procurement in the Arkhangelsk region. Annual allowable cut is fulfilled for 95%.

In accordance with the legislation of the Russian Federation forest areas are in federal ownership. Suppliers manage forest land on the basis of long-term lease agreements (up to 49 years). Long-term rental relations are the dominant legal form for obtaining the right to harvest timber on stem. The conclusion of lease agreements for forest plots or purchase and sale agreements for forest stands is carried out at auctions for the sale of the right to conclude such agreements. Land leased, must pass a state cadastral registration.

The Forest Code of the Russian Federation obliges each tenant to develop a forest development project for 10 years (based on taxation and forest management), implement measures for the conservation, protection and reproduction of forests, and each year submit a forest declaration containing a report on the implemented measures and logging volumes.

Ensuring high-quality reproduction of forest resources and protective afforestation is a prerequisite for forest use. All reforestation work on leased forest areas is planned and carried out by forest users at their own expense in accordance with forest managements projects.

Forest areas are represented by both coniferous and deciduous stands. The main forest-forming species: Norway spruce (*Picea abies*), Scots pine (*Pinus sylvestris*), Silver birch (*Betula pendula*), downy birch (*Betula pubescens*), aspen (*Populus tremula*). The share of mature and overmature forest stands is about 3/4 of the timber stock.

The adjacent lands of the supply base are mainly represented by forest areas of other tenants and agricultural land. Mostly logging activities and agriculture are carried out in these territories, respectively. In protective forests located along lakes, swamps and other environmentally sensitive objects, a more strict control regime is applied.

Within the Supply Base, forest management practices are based on the achievement of renewable sustainable forest management in accordance with the requirements of forest legislation and the principles of forest certification. The rotation period is 60-120 years. Only clear cuts are used as a method of wood harvesting. The maximum area of clear cuts is limited by 50 ha. Reforestation can be done with planting seedlings (about 10-15%) or the promotion of natural regeneration (85-90%).

When harvesting wood, according to the forest legislation, species listed in the Red Book, as well as their habitats, are subject to conservation. Harvesting of valuable, endangered and specially protected species of trees is prohibited. Region-Les LLC processes only Norway spruce (*Picea abies*) and Scots pine (*Pinus sylvestris*). The tree species listed in CITES and IUCN are not met within the supply base.

Logging companies, being FSC certified forest users, provide social support to the local population through various social programs (for example, the supply of fuel wood to the local population, preferential employment rights for local residents, participation in the organization of local events as sponsors, assistance in the construction and repair of local infrastructure facilities, etc.).

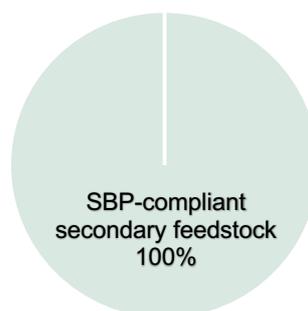
2.2 Actions taken to promote certification amongst feedstock supplier

All feedstock suppliers are FSC certified. All suppliers are part of the Region-Les LLC group association, which was created with the aim of promoting and assisting logging organizations (suppliers) in meeting the requirements of national and international FSC standards.

2.3 Final harvest sampling programme

The organization uses sawmill residues as feedstock for the production of wood pellets. Determination of wood proportion obtained from clear cutting is not applicable.

2.4 Flow diagram of feedstock inputs showing feedstock type



2.5 Quantification of the Supply Base

Supply Base

- | | |
|-------------------------------------|--------------------------------|
| a. Total Supply Base area (ha): | 730 202,3 ha |
| b. Tenure by type (ha): | 730 202,3 ha public |
| c. Forest by type (ha): | 730 202,3 ha boreal |
| d. Forest by management type (ha): | 730 202,3 ha managed natural |
| e. Certified forest by scheme (ha): | 730 202,3 FSC-certified forest |

Feedstock

- f. Total volume of Feedstock: 10 614,47 ton
- g. Volume of primary feedstock: 0 m³
- h. List percentage of primary feedstock (g), by the following categories. - percentages may be shown in a banding between XX% to YY% if a compelling justification is provided*. Subdivide by SBP-approved Forest Management Schemes:
 - Certified to an SBP-approved Forest Management Scheme – 0%
 - Not certified to an SBP-approved Forest Management Scheme – 0%
- i. List all species in primary feedstock, including scientific name – not applicable
- j. Volume of primary feedstock from primary forest
- k. List percentage of primary feedstock from primary forest (j), by the following categories. Subdivide by SBP-approved Forest Management Schemes:
 - Primary feedstock from primary forest certified to an SBP-approved Forest Management Scheme – 0%
 - Primary feedstock from primary forest not certified to an SBP-approved Forest Management Scheme – 0%
- l. Volume of secondary feedstock: sawmill products – wood chips and sawdust – 100%
- m. Volume of tertiary feedstock: specify origin and composition – 0%.

3 Requirement for a Supply Base Evaluation

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

The assessment of the supply base was not carried out, because all the feedstock used for the production of wood pellets has FSC 100% claim.

4 Supply Base Evaluation

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

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

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

Expert assessment was not carried out.

11.2 Public or additional reviews

The Supply base report of Region-Les LLC is available on the website <http://rl-group.net/lesopilenie-en>
Questions and comments can be sent to Anton Studentsov, responsible for SBP certification, by email studencov_a@regionlesm.ru.

12 Approval of Report

Approval of Supply Base Report by senior management			
Report Prepared by:	Anton Studentsov	Head of Forest Management department, responsible for SBP certification	09/11/2019
	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:	Dmitriy Yurievich Gvozdev	General director	11/11/2019
	Name	Title	Date

13 Updates

13.1 Significant changes in the Supply Base

Not applicable, main assessment.

13.2 Effectiveness of previous mitigation measures

Not applicable.

13.3 New risk ratings and mitigation measures

Not applicable.

13.4 Actual figures for feedstock over the previous 12 months

SBP - compliant secondary feedstock (wood chips and sawdust) - 10 614,47 tons.

13.5 Projected figures for feedstock over the next 12 months

SBP - compliant secondary feedstock (wood chips and sawdust) – 25 000 tons.