

Supply Base Report: AO Belozersky Lespromkhoz

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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

Document history

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Contents

1	Overview	1
2	Description of the Supply Base	2
2.1	General description.....	2
2.2	Actions taken to promote certification amongst feedstock supplier.....	3
2.3	Final harvest sampling programme.....	3
2.4	Flow diagram of feedstock inputs showing feedstock type [optional].....	4
2.5	Quantification of the Supply Base.....	4
3	Requirement for a Supply Base Evaluation	5
4	Supply Base Evaluation	6
4.1	Scope.....	6
4.2	Justification.....	6
4.3	Results of Risk Assessment.....	6
4.4	Results of Supplier Verification Programme.....	6
4.5	Conclusion.....	6
5	Supply Base Evaluation Process	7
6	Stakeholder Consultation	8
6.1	Response to stakeholder comments.....	8
7	Overview of Initial Assessment of Risk	9
8	Supplier Verification Programme	10
8.1	Description of the Supplier Verification Programme.....	10
8.2	Site visits.....	10
8.3	Conclusions from the Supplier Verification Programme.....	10
9	Mitigation Measures	11
9.1	Mitigation measures.....	11
9.2	Monitoring and outcomes.....	11
10	Detailed Findings for Indicators	12
11	Review of Report	13
11.1	Peer review.....	13
11.2	Public or additional reviews.....	13
12	Approval of Report	14

13	Updates	15
13.1	Significant changes in the Supply Base.....	15
13.2	Effectiveness of previous mitigation measures.....	15
13.3	New risk ratings and mitigation measures	15
13.4	Actual figures for feedstock over the previous 12 months	15
13.5	Projected figures for feedstock over the next 12 months.....	15

1 Overview

Producer name: AO “Belozersky Lespromkhoz”
Producer location: 161232, Novaya str., bld. 16, stlm. Nizhnyaya Mondoma, Vologda region, Russia
Geographic position: 60.034786 ‘N, 37.519924 ‘E
Primary contact: Anton Khudnev, 162600, Lenina st. 80, Cherepovets, Vologda region, Russia, +79535046084, hudnev@cherles.ru
Company website: cherles.com
Date report finalised: 04/Feb/2020
Close of last CB audit: 11/Feb/2020, stlm. Nizhnyaya Mondoma
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

AO "Belozersky Lespromkhoz" is a large logging and wood processing enterprise of a full cycle in the Vologda region of the Russian Federation. AO "Belozersky Lespromkhoz" is part of the holding of Cherepovetsles LHK JSC along with three other enterprises, which are also suppliers of round timber for AO "Belozersky Lespromkhoz". All holding enterprises holds FSC forest management certification and the FSC group chain of custody certificate. Also, wood with a FSC 100% claim comes from a third-party supplier, a forest lease holder.

Accordingly, the residues received from the sawmill and processed into biomass at the pellet plant are also FSC certified with an FSC 100% claim, or SBP-compliant secondary feedstock. Species composition: 25% - Skots pine (*Pinus sylvestris*), 75% - European spruce (*Picea abies*).

The supply base of AO Belozersky Lespromkhoz is the Vologda region of the Russian Federation. Vologda region is one of the leading forest regions of Russia. The total area of the forest fund of the Supply Base is 11,5 million hectares. In protective forests along lakes, swamps and other environmentally sensitive objects, a more strict management regime is applied. The share of mature and overmature forest stands is approximately 3/4 of the timber stock. Softwoods account more than 70%.

Officially, the forest territory of the Russian Federation (forest fund) accounts for 254,7 billion m³ of the global standing stock of wood, that is, about 21%. The forest fund of Russia is 1 173,9 million ha.

In accordance with the legislation of the Russian Federation, all lands of the forest fund are in state ownership. Legal entities receive forest plots for use for a period of 10 to 49 years on loan (with the possibility of their prolongation). 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 plan for 10 years (based on taxation and forest regulation), implement measures for the conservation, protection and reproduction of forests, submit a forest declaration and make addendums to it about the planned way of forest resources use. Once a quarter, tenants are required to submit a forest declaration containing a report on the implemented measures and logging volumes of felling for a calendar year with a cumulative total.

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 at the maturity stage with subsequent reforestation. Sanitary felling is also possible. The maximum cutting area is limited to 50 ha. Reforestation can be done with planting seedlings or the promotion of natural regeneration. Ensuring high-quality reproduction of forest resources and protective afforestation is a prerequisite for the use of forests. To do this, a Forest Development Project is being developed, the

measures in which are aimed at improving the forestry characteristics of the forest area, and the implementation of continuous and sustainable forest management.

The supply base regions are located within the taiga forest and central belt of Russia.

Region	Nature zone according to Russian classification	Nature zone according to western classification	Area of forest fund, mln. ha
Vologda Region	Middle taiga, southern taiga	Boreal forest	11,5

In the middle taiga, mixed forests of dark coniferous, light coniferous, and small-leaved trees in different combinations are often formed. Norway spruce (*Picea abies*) and Scots pine (*Pinus sylvestris*) prevail as coniferous species in the southern taiga. In the southern taiga there is an admixture of hardwood in the second layer.

AO Belozersky Lespromkhoz processes only Scots pine (*Pinus sylvestris*) and Norway spruce (*Picea abies*). Woody species listed in the Red Book of the Russian Federation are not harvested or processed. Harvesting of tree species that are on the IUCN and CITES lists is excluded, since the distribution range of these species is outside the Organization's supply base.

The presence of vast forests with a predominance of mature stands of economically valuable species contributed to the rapid development of the logging industry in the region. In terms of its timber potential, the Vologda region is located in one of the leading places in the North-West of Russia. The logging industry is the core industry of the forest industry. The main consumers of wood in the Vologda region are large enterprises of the woodworking industry. In recent years, priority in the transfer of forests for rent has been given to enterprises in which logging is integrated with wood processing.

In terms of wood processing, AO Belozersky Lespromkhoz is one of the largest enterprises in the Vologda region. However, not all residues are used for the production of pellets. Some of them are used for the construction of forest roads, or burned in their own boiler room.

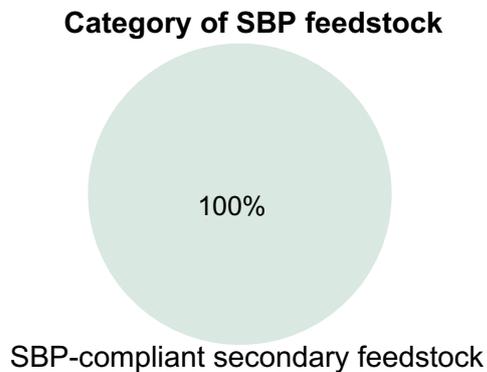
2.2 Actions taken to promote certification amongst feedstock supplier

All feedstock is purchased only from FSC certified suppliers.

2.3 Final harvest sampling programme

Not applicable, since only SBP-compliant secondary feedstock is used.

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): **11,5 mln. ha**
- b. Tenure by type (ha): **11,5 mln. ha public**
- c. Forest by type (ha): **11,5 mln. ha boreal**
- d. Forest by management type (ha): **11,5 mln. ha managed natural**
- e. Certified forest by scheme (ha): **1169347,5 ha FSC-certified forest**

Feedstock

- f. Total volume of Feedstock: **2 710,87 solid m³.**
- g. Volume of primary feedstock: **0 m³**
- h. List percentage of primary feedstock (g), by the following categories. Subdivide by SBP-approved Forest Management Schemes:
 - Certified to an SBP-approved Forest Management Scheme - **0 m³**
 - Not certified to an SBP-approved Forest Management Scheme - **0 m³**
- i. List all species in primary feedstock, including scientific name – not applicable.
- j. Volume of primary feedstock from primary forest- **0 m³**
- 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: - **2 710,87 solid m³ of sawdust – sawmill residues;**
- m. Volume of tertiary feedstock: **0 m³.**

3 Requirement for a Supply Base Evaluation

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

Supply base evaluation is not required, since only SBP-compliant secondary feedstock is used.

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

The report was prepared with the help of an experienced consultant on SBP certification, Tatyana Savelyeva, having experience of assistance of over 40 companies for SBP certification.

11.2 Public or additional reviews

Supply base report is placed on the web site of the company. All comments can be sent to Nikolay Lukyanov, SBP manager, by e-mail pellet.bellph@cherles.ru.

12 Approval of Report

Approval of Supply Base Report by senior management			
Report Prepared by:	Nikolay Lukyanov 	Pellet plant manager	05/02/2020
	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:	Konstantin Evgenievich Bolshakov <i>Заместитель директора по деревообработке</i>  К.Е. Большаков	Deputy director on woodworking	05/02/2020
	Name	Title	Date

13 Updates

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 figures for feedstock over the previous 12 months

2 710,87 solid. m³ of sawdust – sawmill residues.

13.5 Projected figures for feedstock over the next 12 months

65000 solid. m³.