

# Supply Base Report: GSK Resurs Ltd

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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](http://www.sbp-cert.org)*

### *Document history*

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# 1 Overview

**Producer name:** GSK Resurs LLC  
**Producer location:** 162390, 1st Promyshlennaya str., 8, Veliky Ustug, Vologda region, Russia  
**Geographic position:** 60.795995"N, 46.290488"E  
**Primary contact:** Maxim Uglov, 162390, 1st Promyshlennaya str., 8, Veliky Ustug, Vologda region, Russia, +79117053370, [uma@gskresurs.ru](mailto:uma@gskresurs.ru)  
**Company website:** [www.gskresurs.ru](http://www.gskresurs.ru)  
**Date report finalised:** 09/Mar/2020  
**Close of last CB audit:** 24/Mar/2020, Veliky Ustug  
**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

GSK Resource LLC is a biomass producer located in Veliky Ustyug, Vologda region, Russia. GSK Resource LLC produces SBP-compliant biomass from SBP-compliant secondary feedstock. Feedstock (sawdust, slab, wood chips) for the production of SBP-compliant biomass are purchased from several FSC certified suppliers. However, in the reporting period, uncertified feedstock from 19 suppliers was purchased, since the FSC certificate was received only at the end of 2019. The species composition of the feedstock is Norway Spruce (*Picea abies*) - 50%, Scots pine (*Pinus sylvestris*) - 45%, Silver birch (*Betula pendula*) - 5%.

The Supply base is the place of origin of wood that provides feedstock for the production of wood pellets, is limited to the Arkhangelsk and Vologda regions.

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.

Arkhangelsk and Vologda regions are one of the leading forest regions of Russia. The share of mature and overmature forest stands is approximately 25-30% of the timber stock. In protection forests along lakes, swamps and other environmentally sensitive objects, a more strict management regime is applied. Within the Supply Base, the estimated annual allowable cut is not fully developed. The underdeveloped infrastructure does not allow the full use of available wood stocks.

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 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. GSK Resurs LLC does not process tree species listed in CITES and IUCN and their area is not met within the supply base.

Within the regions of the supply base, deep wood processing prevails over the export of round timber. The leading areas of processing are the production of lumber, plywood, fiberboard, chipboard, pulp, paper and cardboard production, wooden housing construction. Pellet production accounts for approximately 2% of the total wood processing within the supply base.

GSK Resource LLC is not a logging company, but a company that utilizes waste from sawmills and woodworking industries. In terms of processing volumes, the enterprise belongs to medium-sized enterprises.

Logging companies, being FSC certified forest users, and GSK Resurs LLC as an FSC-certified processor, 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.).

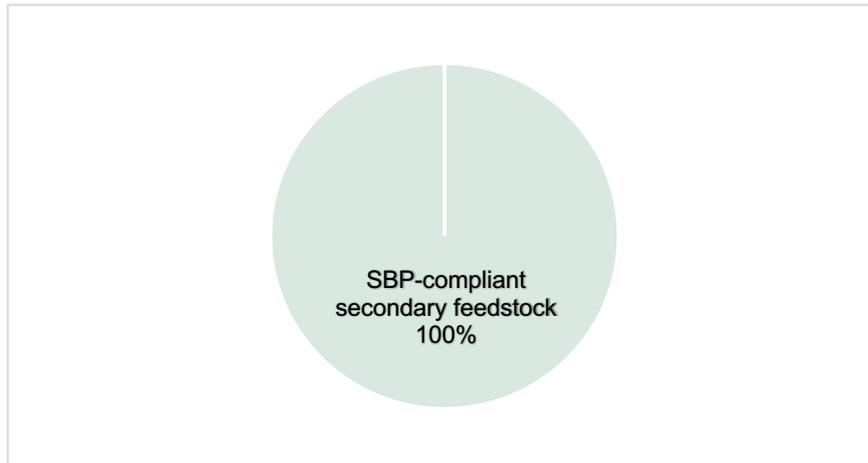
## 2.2 Actions taken to promote certification amongst feedstock supplier

GSK Resource LLC conducts verbal awareness of suppliers about the advantages and benefits of FSC certification.

## 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): **40,7 mln ha**
- b. Tenure by type (ha): **40,7 mln ha public**
- c. Forest by type (ha): **40,7 mln ha boreal**
- d. Forest by management type (ha): **40,7 mln ha managed natural**
- e. Certified forest by scheme (ha): **13,0 mln ha FSC-certified forest**

### Feedstock

- f. Total volume of Feedstock: 33392 tons
- g. Volume of primary feedstock: 0 m<sup>3</sup>
- 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 – slab wood, wood chips and sawdust – 33392 tons
- 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

An external peer review of this report was not done this year.

### 11.2 Public or additional reviews

The Supply base report of GSK Resurs LLC is available on the website [www.gskresurs.ru](http://www.gskresurs.ru). Questions and comments can be sent to Maxim Uglov, SBP certification manager, by email [uma@gskresurs.ru](mailto:uma@gskresurs.ru).

## 12 Approval of Report

Approval of Supply Base Report by senior management			
Report Prepared by:	<p><i>Maxim Uglov</i></p> 	<i>SBP certification manager</i>	<i>16/03/2020</i>
	Name	Title	Date
<p>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.</p>			
Report approved by:	<p><i>Alexey Kolmogortsev</i></p> 	<i>General director</i>	<i>16/03/2020</i>
	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

Non-certified secondary feedstock (slabwood, wood chips and sawdust) - 33392 tons.

### 13.5 Projected figures for feedstock over the next 12 months

SBP - compliant secondary feedstock (slabwood, wood chips and sawdust) – 40000 tons.