



Supply Base Report: MAGISTRAL TRANSIT LLC

Main (Initial) Audit

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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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1 Overview

Producer name: MAGISTRAL TRANSIT LLC

Producer location: Russian Federation, Irkutsk region, Kazachinsko-Lensky district, Ulkan settlement, Zheleznodorozhnaya str., 1

Geographic position: 55° 54' 55.7" N / 107° 48' 01.19" E

Primary contact: Aspaturyan Svetlana Igorevna, Russian Federation, Irkutsk region, Kazachinsko-Lensky district, Magistralnii settlement, Rossiiskay str, 2B, off.6, e-mail: aspaturyan_svetlana@mtranzit.com, tel: +7(39562) 41748

Company website: <http://magistralt.ru/>

Date report finalised: 10.07.2020

Close of last CB audit:

Name of CB: Forest certification LLC

Translations from English: Yes (in Russian)

SBP Standard(s) used: Standard 2, v.1.0; Standard 4, v.1.0; Standard 5, v.1.0

Weblink to Standard(s) used: <https://sbp-cert.org/documents/standards-documents/standards>

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
X	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

2 Description of the Supply Base

2.1 General description

Magistral Transit LLC is a large logging company and located in Ulkan settlement, Kazachinsko-Lensky district, of Irkutsk region of Russia. The supply base of the enterprise is own leased forest fund in the Irkutsk region of Russia (263899 ha) within the valid FSC forest management certificate. Magistral Transit LLC carries out a full cycle of wood processing, from timber harvesting to shipment of finished products to end customers.

From leased forest areas, the roundwood is delivered for processing to the industrial site located in the Ulkan settlement of the Kazachinsko-Lensky district of Irkutsk region of Russia. As the feedstock for the production of pellets, the enterprise uses sawmill residues of coniferous species (sawdust and wood chips) from its own sawmill, classified as the SBP-compliant secondary feedstock.

The Irkutsk region has one of the richest forest resources among the regions of Russia. The forests in the Irkutsk region occupy 71.5 million hectares, or 92% of its territory. The forest covers of the region is 82.6%. The lands of the forest fund occupy 69.4 million hectares. The total timber stock of the Irkutsk region is 8.8 billion m³, including the coniferous forest stock - 7.5 billion m³.

In accordance with the legislation of Russian Federation, all the lands of the forest fund are owned by the state. Legal entities receive forest land for lease for a period from 10 to 49 years (with the right to extend the lease). Long-term rental relations are the dominant legal form for obtaining the right to harvest timber. The conclusion of lease agreements for forest plots or agreements for forest stands transactions are carried out at auctions for the sale of the right to conclude such agreements.

The Lands that are leased must necessarily go through 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 management), implement measures for the conservation, protection and reproduction of forests, submit a forest declaration and make additions on how they plan to use the forest sources in the given period of time. Once a quarter, tenants are required to compile reports containing information on the measures taken to secure, protect and reproduce forests and volumes of felling for the calendar year with a cumulative total.

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 of the felling is 60-120 years. Harvesting is carried out by clear cutting at the maturity stage with subsequent reforestation. Sanitary felling is also possible. Planting saplings, seedlings or natural regeneration can be used for reforestation. Ensuring high-quality reproduction of forest resources and protective forestation is an obligatory condition for forest user, which implies the forest development projects that are to improve the quality of the forest area usage, pinpoint of which is limitless and sustainable characteristics.

*The composition of the forests of the Irkutsk region: Scots Pine (*Pinus sylvestris*), Siberian larch (*Larix sibirica*), Siberian cedar pine (*Pinus sibirica*), Siberian spruce (*Picea obovate*), Siberian fir (*Abies sibirica*), saggy birch (*Betula pendula*), aspen *Populus tremula*, and tree-shaped willow (*Salix* spp.)*

*According to the forest legislation during the wood harvest, specimens listed in the Red Book, as well as their habitat, are subject to conservation. Felling of valuable, endangered and specially protected tree species is prohibited. Plantations with a predominance of Siberian cedar pine (*Pinus sibirica* Du Tour.) are prohibited for felling.*

Magistral Transit LLC does not procure or purchase tree species listed in the Red Book or CITES list. Within the supply base of the enterprise, high conservation value forests (HCVF) have been identified, Magistral Transit LLC complies with a moratorium on timber harvesting in these forest areas.

Within one of the forest areas leased by Magistral Transit LLC, intact forest territories are found. The company concluded an agreement on the conservation of high conservation value forests with the need of protection.

Magistral Transit LLC plays an important socio-economic role in the region. When hiring, the company gives preference to the local population, pays taxes to the local budget, supports the infrastructure of settlements and local residents, indigenous peoples of the North as part of the fulfillment of voluntary social responsibility.

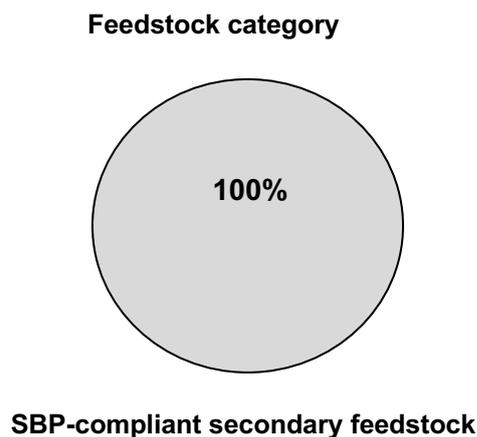
2.2 Actions taken to promote certification amongst feedstock supplier

Since 2017 the enterprise has certificate for FSC CoC, FSC FM certificates and seeks to use feedstock from its own leased certified forest areas.

2.3 Final harvest sampling programme

Not applicable.

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



2.5 Quantification of the Supply Base

Supply Base

- Total Supply Base area (ha): 263899,000 (Cumulative size of certified forest areas).
- Tenure by type (ha): 263899,000 (state owned).
- Forest by type (ha): 263899,000 (boreal).
- Forest by management type (ha): 263899,000 (managed natural).

e. Certified forest by scheme (ha): 263899,000 (FSC certified).

Feedstock

f. Total volume of Feedstock: 1890,000 m3 (only secondary feedstock).

g. Volume of primary feedstock: 0%

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 - No

j. Volume of primary feedstock from primary forest - No

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: 1890,000 m3, incl:

- 1890,000 m3 FSC 100% (sawdust, obtained from the own sawmill), species: pine (*Pinus sylvestris*), spruce (*Picea obolata*), larch (*Larix sibirica*).

- 0,000 m3 FSC 100% (wood chips, obtained from the own sawmill), species: pine (*Pinus sylvestris*), spruce (*Picea obolata*), larch (*Larix sibirica*).

m. Volume of tertiary feedstock: 0%

3 Requirement for a Supply Base Evaluation

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

All feedstock for pellet production is FSC certified (FSC 100%), thus no need for supply base evaluation.

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

Not applicable.

11.2 Public or additional reviews

This report was downloaded to web-site <http://magistralt.ru/> for public access to whom it may concern. Any comments may sent engineer on certification by e-mail: aspaturyan_svetlana@mtranzit.com

12 Approval of Report

Approval of Supply Base Report by senior management			
Report Prepared by:	Svetlana Aspaturyan 	Engineer on certification	10.07.2020
	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:	Pavel Vasev 	Director	10.07.2020
	Name	Title	Date

13 Updates

13.1 Significant changes in the Supply Base

Not applicable for main audit.

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

01.07.2019 – 30.06.2020:

1890,000 m3 FSC 100% (sawdust, obtained from own sawmill).

13.5 Projected figures for feedstock over the next 12 months

01.07.2020 – 30.06.2021:

79200,000 m3 FSC 100% (sawdust and wood chips, obtained from own sawmill).