



Supply Base Report: Plywood 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: Plywood LLC

Producer location: 50 let VLKSM St., 24, Kovernino, Nizhny Novgorod region, 606570, Russia

Geographic position: 57.120571, 43.804024

Primary contact: Artem Tarasov, 50 let VLKSM St., 24, Kovernino, Nizhny Novgorod region, 606570, Russia, +79103840374, a.tarasov@uzola-nn.com

Company website: <http://uzola-nn.com>

Date report finalised: 03/08/2020

Close of last CB audit: 17/08/2020, stlm. Kovernino

Name of CB: NEPCon OU

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/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

Plywood LLC is a plywood and biomass producer located in the settlement of Kovernino, Nizhniy Novgorod Region. Plywood LLC launches a production line of SBP certified biomass produced from FSC-certified (licence code FSC-C131446) primary feedstock - low-grade round wood, and secondary feedstock - chipped residues from its own plywood production. In addition, Plywood LLC produces non-certified biomass, the production of which is physically and in time separated from the production of certified biomass. The first reporting period of Plywood LLC is theoretical and based on design data, since production has not yet been launched at full capacity. The purchase of low-grade roundwood with a FSC 100% claim is planned from two suppliers. Species composition of incoming feedstock: Silver birch (*Betula pendula*) and Downy birch (*Betula pubescens*) - 100%.

The Supply Base of Plywood LLC is the area of the forest fund of the Nizhniy Novgorod, Kostroma and Vologda regions. 'Forest Fund lands' are one of the official, cadastrally recorded land-use categories in Russia, related to forestry and land-use legislation.

Federal district	Federal regions	Russian category of biomes	Western category of biomes	Forest Fund (mln. ha)	FSC certified (mln. ha)	Volum of annual allowable cut (mln m ³)	Volume of wood harvested in 2019 (mln m ³)
Northwest Federal district	Vologda	Middle taiga, Southern taiga	Boreal forest	11,5	4,1	29,7	16,9
Central federal district	Kostroma	Southern taiga	Boreal forest	4,6	0,7	12,2	5,7
Privolzhskiy federal district	Nizhniy Novgorod	Southern taiga	Boreal forest	1,2	0,3	6,5	3,7
		Mixed forests	Temperate forest	2,6			
Total				19,9	5.1	48,4	26,3

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 from 10 to 49 years with the possibility of its prolongation. Long-term rental relations are the dominant legal form for obtaining the right to harvest standing stock. 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.

The Vologda and Kostroma regions are among the leading forest regions of Russia (more than 60% of lands belong to forest fund). Nizhny Novgorod region has mostly forest fund land in its structure that is a bit less than 50%. The share of mature and overmature forest stands is about 50% of the timber stock in the supply base. Within the Supply Base, the annual allowable cut is not fully developed. Underdeveloped infrastructure does not allow full use of available timber stocks.

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 management 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. Harvesting is carried out by clearcutting at the stage of maturity, followed by reforestation. It is also possible to carry out sanitary cuttings. The maximum area of clear cuts is limited by 50 ha. Reforestation can be done with planting seedlings (about 20-25%) or the promotion of natural regeneration (75-80%). 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.

Forests in the supply base are represented by both coniferous and deciduous stands. The most common wood species in the supply base are Scots pine (*Pinus sylvestris*) and Norway spruce (*Picea abies*), Silver birch (*Betula pendula*), Downy birch (*Betula pubescens*), aspen (*Populus tremula*) and gray alder (*Alnus incana*).

The Federal Service for Supervision of Natural Resources of Russia (Rosprirodnadzor) approved the list of animal and plant species that fall under the Convention on International Trade in Endangered Species of wild fauna and flora (CITES). The CITES list became effective from June 12, 2013. In Russia there are four CITES listed timber species: Japanese yew (*Taxus cuspidate*), Manchurian ash (*Fraxinus mandshurica*), Korean pine (*Pinus koraiensis*), and Mongolian oak (*Quercus mongolica*). These tree species, however, are only found in the Asian part of Russia and are not found in the supply base of Plywood LLC.

In addition to the protected flora and fauna of CITES, there are national Red Book lists with protected animals and plants. Some of these species are present in the supply base. As for the red-listed tree species, the supply base contains, for example, Karelian birch (*Betula pendula* var. *Carelica*), smooth elm (*Ulmus laevis*), rough elm (*Ulmus glabra*), Russian willow (*Salix rossica*), blueberry willow (*Salix myrtilloides*); Lappish willow (*Salix lapponum*), three-stalked willow (*Salix triandra*), and squat birch (*Betula humilis*). These species are not present in the Supply Base as well and Plywood LLC does not use them into production.

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

The forest complex of the Russian Federation, which includes forestry and timber industries for the harvesting and processing of wood, occupies an important place in the country's economy. The development of the social sphere (health, education, culture) largely depends on the success of forestry. In many cases, the presence of a woodworking enterprise is critical for the existence of settlements.

Playwood LLC participates in the social life of the district by working with the charitable foundation "Ros". It provides support to veterans and widows of veterans of the Great Patriotic War, schools, kindergartens, cultural objects.

Playwood LLC is one of the largest taxpayers. The company is included in the list of strategic enterprises that have a significant impact on the region's economy. When hiring the personnel, preference is given to the local population. An employee motivation system has been implemented in the company.

2.2 Actions taken to promote certification amongst feedstock supplier

Playwood LLC informs its suppliers of the importance and necessity of forest management certification according to the FSC system. In the future, priority will be given to FSC certified suppliers.

2.3 Final harvest sampling programme

The only supplier of roundwood does final felling of about 26000 m³ of roundwood per year, including low grade roundwood, or 26000 m³ * 0,878 t/m³ = 22828 tons of feedstock yields supplier per year. 7234 tons is processed into pellets, or 7234 tons / 22828 tons *100% = 32% from the harvested amount of wood.

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

2.5 Quantification of the Supply Base

Supply Base

- | | |
|---|---|
| a. Total Supply Base area (ha): | 19,9 mln. ha |
| b. Tenure by type (ha): | 19,9 mln. ha public (lease of state owned forests) |
| c. Forest by type (ha): | 17,3 mln. ha boreal / 2,6 mln. ha temperate |
| d. Forest by management type (ha): | 19,9 mln. ha managed natural |
| e. Certified forest by scheme (ha): (e.g. | 5,1 mln. ha FSC-certified |

Feedstock

- | | |
|---------------------------------|----------------------|
| f. Total volume of Feedstock: | 64695 tonnes. |
| g. Volume of primary feedstock: | 19117 tonnes. |

- 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 – **19117 tonnes.**
 - Not certified to an SBP-approved Forest Management Scheme - **0 tonnes.**
- i. List all species in primary feedstock, including scientific name – **Silver birch (betula pendula), Downy birch (betula pubescens).**
- j. Volume of primary feedstock from primary forest – **not applicable.**
- 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 tonnes.**
 - Primary feedstock from primary forest not certified to an SBP-approved Forest Management Scheme - **0 tonnes.**
- l. Volume of secondary feedstock: **45578 tonnes (veneer production residues).**
- m. Volume of tertiary feedstock: **0 tonnes.**

3 Requirement for a Supply Base Evaluation

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

Supply base evaluation is not required since uncertified feedstock will not be used to produce SBP-compliant biomass. For the production of SBP pellets, it is planned to use only FSC certified feedstock.

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

No peer review in 2020.

11.2 Public or additional reviews

The Supply base report is available on the Plywood LLC website. Any interested parties can send their comments to Artem Tarasov, SBP manager, by email a.tarasov@uzola-nn.com. All comments will be taken into consideration.

12 Approval of Report

Approval of Supply Base Report by senior management			
Report Prepared by:	Artem Tarasov 	SBP manager	03/08/2020
	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:	Dmitry Lodnev 	Director	03/08/2020
	Name	Title	Date

13 Updates

13.1 Significant changes in the Supply Base

Not applicable, first 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

19117 tons (low grade roundwood);

45578 tons (veneer production residues).

13.5 Projected figures for feedstock over the next 12 months

70 000 tonnes of primary and secondary feedstock.