



Supply Base Report: Komilesbusiness 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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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.....	2
2.3	Final harvest sampling programme.....	3
2.4	Flow diagram of feedstock inputs showing feedstock type [optional].....	3
2.5	Quantification of the Supply Base.....	3
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	9
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: KOMILESBUSINESS LLC

Producer location: 168090 RUSSIAN FEDERATION. REPUBLIC OF KOMI. UST-KULOMSKIY district. The village PUZLA. Zarechnaya str 20

Geographic position: N 62°25'30.31" E 54°38'56.43"

Primary contact: Alexander Ignatov, director general. 168090 RUSSIAN FEDERATION. REPUBLIC OF KOMI. UST-KULOMSKIY district. The village PUZLA. Zarechnaya str 20, Tel: +7(82137)98083, email: a.ignatov@komiles.ru

Company website: <https://www.komilesbusiness.com/>

Date report finalised: 07/Sep/2020

Close of last CB audit: 11/Sep/2020

Name of CB: NEPCon

Translations from English: Yes – into Russian on request

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

2 Description of the Supply Base

2.1 General description

Komilesbusiness is a large logging and woodworking enterprise of a full cycle in the Komi Republic of the Russian Federation. The wood comes from several suppliers, one of which is FSC 100% certified.

Secondary raw materials obtained from own production of lumber and processed into biomass at the pellet plant with FSC 100% and FSC Certified Wood claims. Species composition: 25% - *Pinus sylvestris*, 75% - *Picea abies*.

Supply Base of Komilesbusiness is the Komi Republic of the Russian Federation.

The Komi Republic is one of the leading forest regions in Russia. The total area of the forest Fund of the supply base is 36.3 million hectares, or 87.0 % of the territory of the Republic. In protective forests along lakes, swamps, and other environmentally sensitive sites, a stricter management regime is applied. The proportion of mature and overmature stands is approximately 3/4 of the total wood stock. Coniferous species make up more than 70%. The average bonitet class is IV. Officially, the wood stock of the Russian Federation (forest Fund) is 254.7 billion m³ of the world's standing wood stock, which is about 21%. The forest Fund of Russia is 1,173.9 million hectares.

In accordance with the legislation of the Russian Federation, all forest lands are state-owned. Legal entities receive forest plots in concession for use for a period of 10 to 49 years (with the possibility of their extension). Long-term concession relations are the dominant legal form of obtaining the right to harvest wood. Contracts for the lease of forest plots or contracts for the purchase and sale of forest stands are concluded at auctions for the sale of the right to conclude such contracts. The land plot leased must pass the state cadastral registration.

The forest code of the Russian Federation obliges each tenant to develop a plan for forest development 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 additions to it about the planned method of using forest resources. Tenants are required to submit a forest declaration containing a report on the activities carried out and the volume of logging for the calendar year with a cumulative total.

Within the framework of the supply base, forest management practices are based on achieving renewable sustainable forest management in accordance with the requirements of forest legislation and the principles of forest certification (when it is FSC-certified). The rotation period is 60-120 years. As a method of harvesting wood at the maturity stage with subsequent reforestation, only clear cut is used. Sanitary logging is also possible. The maximum cutting area size is limited to 50 ha. Reforestation can be done by planting seedlings or assisting natural regeneration. Ensuring high-quality reproduction of forest resources and protective afforestation is a necessary condition for the use of forests. For this purpose, a forestry development project is being developed, in which activities are aimed at improving the forest management characteristics of the forest area, as well as the implementation of continuous and sustainable forest management.

In the middle taiga, mixed forests of coniferous and broad-leaved trees in various combinations are often formed. In the southern taiga, spruce (*Picea abies*) and pine (*Pinus sylvestris*) predominate as coniferous species. In the southern taiga, there is an admixture of hardwoods in the second layer.

Komilesbusiness LLC processes pine (*Pinus sylvestris*) and spruce (*Picea abies*).

Tree species listed in the Red book of the Russian Federation are not harvested or processed. Harvesting of tree species included in the IUCN and CITES lists is excluded, since the distribution area of these species is located outside the organization's supply base.

The presence of extensive 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 forest potential, the Komi Republic occupies one of the leading places in the North-West of Russia. The logging industry is the main branch of the forest industry. The main consumers of wood in the Komi Republic are large enterprises of the woodworking industry, as well as pulp and paper mills. In recent years, priority in leasing forests has been given to enterprises where logging is integrated with wood processing.

In terms of wood processing, Komilesbusiness LLC is one of the leading small and medium-sized enterprises in the Komi Republic. However, not all residues are used for pellet production. Some of them are used for construction of forest roads or are burned in their own boiler house.

Komilesbusiness LLC was established in 1998 and operates in the village Puzla, Ust-Kulom district of the Republic of Komi and has significant positive influence on local communities, providing the working place (currently it is 184 employees). . A social partnership agreement was signed with the rural settlement of Voldino on the territory of which the enterprise is located. The company maintains a school bus, a fire truck, and maintains the road and street network in Puzla village.

The annual timber harvesting volume in the Komi Republic is 6 300 000 tons. The volume of biofuel produced in the Republic is 200,000 tons

2.2 Actions taken to promote certification amongst feedstock supplier

From the total amount of purchased timber, FSC 100% certified timber accounts 30%. Komilesbusiness plans to take the forest plot into concession, get it FSC-certified and increase the share of obtained FSC 100% timber to 100%.

2.3 Final harvest sampling programme

Not applicable, since only secondary feedstock used in pellet production.

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

N/A.

2.5 Quantification of the Supply Base

Supply Base

- a. Total Supply Base area (ha): 36273100,00 ha
- b. Tenure by type (ha): 36273100,00 ha public
- c. Forest by type (ha): 36273100,00 ha boreal
- d. Forest by management type (ha): 36273100,00 ha managed natural
- e. Certified forest by scheme (ha): 2155100.00 ha FSC certified

Feedstock

- f. Total volume of Feedstock: - 11875 tonnes
- g. Volume of primary feedstock: - 0 tonnes
- 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 tonnes
 - Not certified to an SBP-approved Forest Management Scheme - 0 tonnes
- i. List all species in primary feedstock, including scientific name – n/a
- j. Volume of primary feedstock from primary forest - 0 tonnes
- 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: 11875 tonnes
- m. Volume of tertiary feedstock: - 0 tonnes

3 Requirement for a Supply Base Evaluation

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

4 Supply Base Evaluation

4.1 Scope

N/A.

4.2 Justification

N/A.

4.3 Results of Risk Assessment

N/A.

4.4 Results of Supplier Verification Programme

N/A.

4.5 Conclusion

N/A.

5 Supply Base Evaluation Process

N/A.

6 Stakeholder Consultation

N/A.

6.1 Response to stakeholder comments

N/A.

7 Overview of Initial Assessment of Risk

N/A.

8 Supplier Verification Programme

8.1 Description of the Supplier Verification Programme

N/A.

8.2 Site visits

N/A.

8.3 Conclusions from the Supplier Verification Programme

N/A.

9 Mitigation Measures

9.1 Mitigation measures

N/A.

9.2 Monitoring and outcomes

N/A.

10 Detailed Findings for Indicators

N/A.

11 Review of Report


11.1 Peer review

No peer review undertaken.

11.2 Public or additional reviews

The Supply Base Report is published on the company's website for public review <https://www.komilesbusiness.com/>. All comments can be sent to Egor Napalkov, chief engineer, by email info@komiles.ru.

12 Approval of Report

Approval of Supply Base Report by senior management			
Report Prepared by:	Egor Napalkov 	chief engineer	07/09/2020
	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:	Alexander Ignatov 	Director General	07/09/2020
	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

11875 tonnes secondary feedstock

13.5 Projected figures for feedstock over the next 12 months

11875 tonnes secondary feedstock