



Supply Base Report: INCOM LLC

First Surveillance 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

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1 Overview

Producer name: INCOM LLC

Producer location: 665618, stlm. Komsomolskiy, 18, industrial site BLPK, Bratsk, Irkutsk region, Russia

Geographic position: 56° 6'53.96" N, 101°38'34.61" E

Primary contact: Svetlana Valerievna Usova, 665618, stlm Komsomolskiy, 18, industrial site BLPK, Bratsk, Irkutsk region, Russia, +79086419419, br-trln@mail.ru

Company website: www.wvpl.ru

Date report finalised: 30/Jun/2020

Close of last CB audit: 30/Sep/2020

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

2 Description of the Supply Base

2.1 General description

INCOM LLC is a biomass producer located in Bratsk, Irkutsk Region. The pellet plant was launched in 2017 to process residues from wood processing industries. Feedstock (sawdust) is supplied to the plant both from own sawmill production and from the supplier's wood processing industry. Biomass is produced only from SBP-compliant secondary feedstock with a FSC statement of 100%. Species mix is 70% of Siberian larch (*Larix sibirica*) and 30 of Scots pine (*Pinus sylvestris*).

The Supply base of INCOM LLC is the area of the forest fund of the Irkutsk region. The total area of the Supply base is 69,4 million ha. Forest lands comprise 64,7 million ha and non-forest land 4,7 million ha. Production forests make up 50% of the Supply base area, buffer forests - 23%, reserve forests - 27%. According to the information contained in the regional Forest Plan, 12% of the country's forest reserves are concentrated in the region. But not all forest area is covered with forests. Some of them have been cut down and not yet replanted; part damaged by fires; about 1,6 million hectares are occupied by glades, ravines, roads, buildings, etc. The total standing stock is 8,8 billion m³, including the stock of coniferous stands – 7,5 billion m³.

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 composition of the forests of the Irkutsk region is Scots pine (*Pinus sylvestris*), Siberian larch (*Larix sibirica*), Siberian cedar pine (*Pinus sibirica*), Siberian spruce (*Picea obovata*), Siberian fir (*Abies sibirica*), Silver birch (*Betula pendula*), aspen (*Populus tremula*), a tree-shaped willow (*Salix* spp.) is found.

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. On the territory of the Irkutsk region there are such types of trees listed in the Red Book as Blue siberian

spruce (*Picea obovata* Var. *Coerulea*), Berry apple Tree (*Malus baccata*). Areas with a predominance of Siberian cedar pine (*Pinus sibirica*) are prohibited for cutting in the Irkutsk region. INCOM LLC processes only Scotch pine (*Pinus sylvestris*) and Siberian larch (*Larix sibirica*). The tree species listed in CITES and IUCN are not procured or processed.

The company INCOM LLC is located in Bratsk, Irkutsk region. Bratsk serves as an important support base for the development of the northern regions of Eastern Siberia and the Far East. The company provides jobs for residents of the Irkutsk region.

The main enterprises of the forest industry in the Irkutsk region, which are also the largest tenants and loggers: JSC Ilim Group, JSC Bratsk Timber Industry Complex (BLPK) - manufacturers of pulp and cardboard; Omfal LLC, Ind-Timber LLC, Lesresurs LLC, PromLesTrade LLC, IP Zarechny, Madera CJSC, LLC DeCom - manufacturers of lumber and pellets; LLC TM Baikal, CJSC KATA, LLC Orion, LLC Lesobalt - manufacturers of lumber; Usolsky Plywood Plant LLC, Ilim Timber LLC - plywood manufacturers. In terms of timber processing, INCOM LLC is included in the first half of enterprises in the region and in the top ten enterprises in the city of Bratsk.

In the framework of socio-economic cooperation, INCOM LLC provides charitable assistance to Center for New Opportunities LLC, which is engaged in the rehabilitation of children with cerebral palsy and musculoskeletal problems, and also helps to cope with disorders resulting from the disease.

Less than 1% of raw materials are used in the production of wood pellets and fuel briquettes from the total volume of procurement in the Irkutsk region

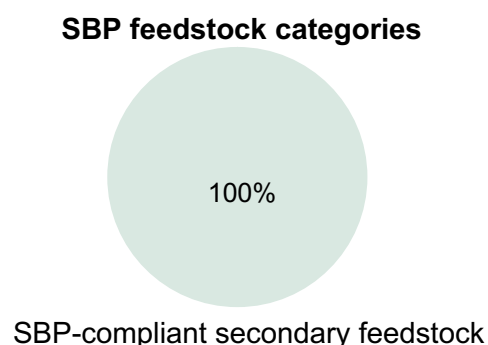
2.2 Actions taken to promote certification amongst feedstock supplier

Not applicable, as the only feedstock supplier is the FSC certificate holder supplying feedstock with a FSC 100% claim.

2.3 Final harvest sampling programme

Not applicable because for the pellets production only FSC-certified 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): **69,4 mln ha**
- b. Tenure by type (ha): **69,4 mln ha**
- c. Forest by type (ha): **69,4 mln ha**
- d. Forest by management type (ha): **69,4 mln ha**
- e. Certified forest by scheme (ha): **9,89 mln ha**

Feedstock

- a. Total volume of Feedstock: **28 790,91 metric tonne.**
- b. Volume of primary feedstock: **0 m³**
- c. 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%**;
- d. List all species in primary feedstock, including scientific name – **not applicable**;
- e. Volume of primary feedstock from primary forest – **0 m³**;
- f. 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 m³**;
 - Primary feedstock from primary forest not certified to an SBP-approved Forest Management Scheme – **0 m³**;
- g. Volume of secondary feedstock: **28 790,91 metric tonne of sawdust – secondary feedstock**;
- h. Volume of tertiary feedstock: **0 m³**.

3 Requirement for a Supply Base Evaluation

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

Not applicable since only SBP-compliant secondary feedstock is used for biomass production.

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 was carried out this year. There are no significant changes in the resource base.

11.2 Public or additional reviews

The report is posted on the INCOM LLC website for public review. All interested parties can send their feedback, if any, to the company address dz38@mail.ru.

12 Approval of Report

Approval of Supply Base Report by senior management			
Report Prepared by:	Svetlana Valerievna Usova	FSC Manager	06/09/2020
	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:	Alexandr Yurievich Petrunko	SBP manager	06/09/2020
	Name	Title	Date
Report approved by:	Alexandr Konstantinovich Petrunko	General director	06/09/2020
	Name	Title	Date

13 Updates

13.1 Significant changes in the Supply Base

There were no significant changes in the Resource Base.

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

28790,91 metric tonne of sawdust – secondary feedstock.

13.5 Projected figures for feedstock over the next 12 months

30 000 metric tonne.