



# Supply Base Report: Region-les 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](http://www.sbp-cert.org)*

## *Document history*

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# 1 Overview

Producer name: Region-les LLC

Producer location: 165195, Russia, Arkhangelsk region, Shenkursk district, village Chaschinskaya, 27A, bld 2

Geographic position: 62° 5'57.04"N, 42° 49'19.28"E

Primary contact: Anton Studencov, 163015, Russia, Arkhangelsk, Leningradskiy Ave., 163, office 20, +79212946946, Studencov\_a@regionlesm.ru

Company website: [www.rl-group.net/en](http://www.rl-group.net/en)

Date report finalised: 09/Nov/2020

Close of last CB audit: 16/Nov/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"/>	V	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

## 2 Description of the Supply Base

### 2.1 General description

Region-Les LLC is a biomass producer located in Chaschinskaya village, Shenkursk district, Arkhangelsk Region, Russia. Region-Les LLC produces SBP-compliant biomass from SBP-compliant secondary feedstock that is a residue from own sawmill (sawdust, wood chips). Roundwood for sawing comes from 4 primary wood suppliers. The species composition of the feedstock is Norway spruce (*Picea abies*) - 76%, Scots pine (*Pinus sylvestris*) - 23%, Birch (*Betula pendula*, *Betula pubescens*) – 1%.

The supply base, which is the place of origin of wood that is used as feedstock and biofuel for biomass production, is limited to the leased forest areas of 4 logging companies. Leased forest plots of logging companies - wood suppliers, are located exclusively in the Arkhangelsk region (Russia). All forest areas are managed in accordance with the Russian national FSC standard (license code FSC-C128360), which is confirmed by the availability of valid forest management certificates from all suppliers. The total volume of harvest in the Arkhangelsk region for 2019 (Report "State and Protection of the Environment of the Arkhangelsk Region for 2019") amounted to 14,3 million m<sup>3</sup> per year. The total procurement volume of the organization's suppliers amounted to 724,8 thousand m<sup>3</sup> during the same period, which is only 5,1% of the total wood procurement in the Arkhangelsk region. Annual allowable cut (AAC) is fulfilled by suppliers for 99% for 2019. Actual harvest volume for 2019 in the Arkhangelsk Region was 55% of the current AAC. According to the Report, in 2019 the timber industry complex of the Arkhangelsk region produced the following volumes of woodworking production: 2,354.8 thousand m<sup>3</sup> lumber, 457.4 thousand tons fuel pellets, 135 thousand m<sup>3</sup> plywood. Also, in 2019, pulp and paper mills shipped products (cardboard, paper, cellulose) worth 84.6 billion rubles. In terms of the volume of goods shipped in 2019, the timber industry complex accounted for 46.2% of the total volume of goods shipped for all types of industrial production. Of these, 14.5% are woodworking products and 31.7% are paper and paper products. At the same time, in 2019, woodworking industries showed an increase of 3.5% compared to 2018, while a decline in production by 3.1% is observed in the pulp and paper industry.

In 2019, an increase in the average monthly wage is observed: in logging, growth was 2.4%, in pulp and paper production - 8%, in woodworking industries - 42.4%.

The population of the Arkhangelsk Region as of January 1, 2020 amounted to 1,092.4 thousand people. The demographic situation in the region is characterized by complex and ambiguous processes. In 2019, the number of residents of the region decreased by 7.9 thousand people (in 2018 - by 10.7 thousand people) or by 0.7%, which is lower than the level of demographic losses in previous years. The main reason for the decline in population is natural loss.

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.

Forest areas are represented by both coniferous and deciduous stands. The main forest-forming species: Norway spruce (*Picea abies*) – 42%, Scots pine (*Pinus sylvestris*) – 22%, Silver birch (*Betula pendula*), Downy birch (*Betula pubescens*) – 31%, Aspen (*Populus tremula*) - 5%. The average age of the forest stand is 113.2 years.

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. Selective cutting and clear cuts are used as a methods 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. Region-Les LLC processes only Norway spruce (*Picea abies*), Scots pine (*Pinus sylvestris*), Silver birch (*Betula pendula*), Downy birch (*Betula pubescens*), Aspen (*Populus tremula*). The tree species listed in CITES and IUCN are not met within the supply base.

Logging companies, being FSC certified forest users, 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.).

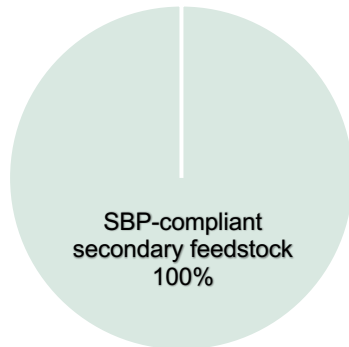
## 2.2 Actions taken to promote certification amongst feedstock supplier

All feedstock suppliers are FSC certified. All suppliers are part of the Region-Les LLC group association, which was created with the aim of promoting and assisting logging organizations (suppliers) in meeting the requirements of national and international FSC standards.

## 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 [optional]



## 2.5 Quantification of the Supply Base

### Supply Base

- a. Total Supply Base area (ha): 667 156 ha;
- b. Tenure by type (ha): 667 156 ha public;
- c. Forest by type (ha): 667 156 ha boreal;
- d. Forest by management type (ha): 667 156 ha managed natural;
- e. Certified forest by scheme (ha): 667 156 ha FSC-certified forest;

### Feedstock

- f. Total volume of Feedstock: 21 808 metric tonn
- g. Volume of primary feedstock: 0 m<sup>3</sup>
- 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 - 0%;
  - Not certified to an SBP-approved Forest Management Scheme - 0%;
- i. List all species in primary feedstock, including scientific name: no applicable;
- j. Volume of primary feedstock from primary forest: 0 m<sup>3</sup>
- 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: processing residues – wood chips and sawdust – 100%;
- 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"/>

Supply Base Evaluation 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

Expert assessment was not carried out.

## 11.2 Public or additional reviews

The Supply base report of Region-Les LLC is available on the website <http://rl-group.net/en>

Questions and comments can be sent to Anton Studentsov, responsible for SBP certification, by email [studencov\\_a@regionlesm.ru](mailto:studencov_a@regionlesm.ru).

# 12 Approval of Report

Approval of Supply Base Report by senior management			
Report Prepared by:	Anton Studencov 	Head of Forest Management department, responsible for SBP certification	14/11/2020
	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 Gvozdev 	CEO	14/11/2020
	Name	Title	Date

# 13 Updates

## 13.1 Significant changes in the Supply Base

There are no significant changes in the Supply 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

### Supply Base

- a. Total Supply Base area (ha): 667 156 ha;
- b. Tenure by type (ha): 667 156 ha public;
- c. Forest by type (ha): 667 156 ha boreal;
- d. Forest by management type (ha): 667 156 ha managed natural;
- e. Certified forest by scheme (ha): 667 156 ha FSC-certified forest;

### Feedstock

- n. Total volume of Feedstock: 21 808 metric tonn
- f. Volume of primary feedstock: 0 m<sup>3</sup>
- g. 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 - 0%;
  - Not certified to an SBP-approved Forest Management Scheme - 0%;
- h. List all species in primary feedstock, including scientific name: no applicable;
- i. Volume of primary feedstock from primary forest: 0 m<sup>3</sup>
- j. 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%;
- k. Volume of secondary feedstock: processing residues – wood chips and sawdust – 100%;
- l. Volume of tertiary feedstock: 0%

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

### Supply Base

- a. Total Supply Base area (ha): 667 156 ha;
- b. Tenure by type (ha): 667 156 ha public;
- c. Forest by type (ha): 667 156 ha boreal;
- d. Forest by management type (ha): 667 156 ha managed natural;
- e. Certified forest by scheme (ha): 667 156 ha FSC-certified forest;

### Feedstock

- o. Total volume of Feedstock: 24 240 metric tonn
- f. Volume of primary feedstock: 0 m<sup>3</sup>
- g. 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 - 0%;
  - Not certified to an SBP-approved Forest Management Scheme - 0%;
- h. List all species in primary feedstock, including scientific name: no applicable;
- i. Volume of primary feedstock from primary forest: 0 m<sup>3</sup>
- j. 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%;
- k. Volume of secondary feedstock: processing residues – wood chips and sawdust – 100%;
- l. Volume of tertiary feedstock: 0%