



Supply Base Report: PROMLESTRADE LLC

Fourth 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

Document history

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1 Overview

Producer name: LLC "PROMLESTRADÉ"
 Producer location: 666505, Pugacheva str.,37, Magistralny village, Kazachinsko-Lensky district, Irkutsk region, Russia
 Geographic position: 56° 9'43.81N
 107° 26 '31.79 E
 Primary contact: Alyona Goryunova, Pugacheva str.,37, Magistralny town, Kazachinsko-Lensky district, Irkutsk region, Russia, 666505, tel.: +7-395-624-02-29, goryunovaaa@pltrade.moscow
 Company website: www.pltrade.moscow
 Date report finalised: 16/Nov/2020
 Close of last CB audit: 25/Nov/2020, stlm. Magistralny
 Name of CB: NEPcon/PrefferedbyNature
 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"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	X

2 Description of the Supply Base

2.1 General description

PromLesTrade LLC is a biomass producer located in stlm. Magistralniy, Irkutsk region. The plant utilizes residues (sawdust and wood chips) from the own sawmill. Only SBP-compliant secondary feedstock with FSC 100% claim is used for production of SBP-compliant biomass. Non-certified wood is physically separated from FSC-certified and residues are not used into pellet production. Species composition: Siberian larch (*Larix sibirica*), Scots pine (*Pinus sylvestris*).

The supply base of PromLesTrade LLC is the forest fund of the Irkutsk region.

The forest fund of the Irkutsk region is 69,4 million hectares. 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 (about 30%) or the promotion of natural regeneration (about 70%). 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 includes Scots pine (*Pinus sylvestris*), Siberian larch (*Larix sibirica*), Siberian cedar pine (*Pinus sibirica*), Siberian spruce (*Picea obovate*), Siberian fir (*Abies sibirica*), and Silver birch (*Betula pibirula*), 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. In the Irkutsk Region, Siberian Blue Spruce (*Picea obovate* Ledeb. Var. *Coerulea* Malysch) and Berry Apple Tree (*Malus baccata* (L.) Borkn.) are subject to conservation. Areas with a predominance of Siberian cedar pine (*Pinus sibirica*) are prohibited for cutting in the Irkutsk region.

PromLesTrade LLC does not procure and does not purchase tree species listed in the IUCN or CITES list, as their habitat is outside the Supply Base.

The main round wood suppliers which PromLesTrade deals with are: Rusforest Magistralny LLC, LesProject LLC and LesTorgService. All the suppliers comply with FSC standards that is the key business priority for PromLesTrade.

Within the regions of the supply base, deep wood processing prevails over the export of round timber. The leading areas of processing are the production of lumber, pulp, paper and cardboard production, plywood, pellets and other.

The main enterprises of the forest industry in the Irkutsk region, which are also the largest tenants and loggers: JSC Ilim Group - manufacturer of pulp and cardboard; Omfal LLC, Ind-Timber LLC, Lesresurs LLC, PromLesTrade LLC, IP Zarechny, Madera CJSC - 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. The company PromLesTrade LLC is located in Irkutsk, Irkutsk Region, and is a logging enterprise.

At the moment, in the Irkutsk region, less than 1% of the total volume of timber harvesting is processed into biofuel.

The company provides jobs for local people. The company is a small business and pays taxes in the local budget.

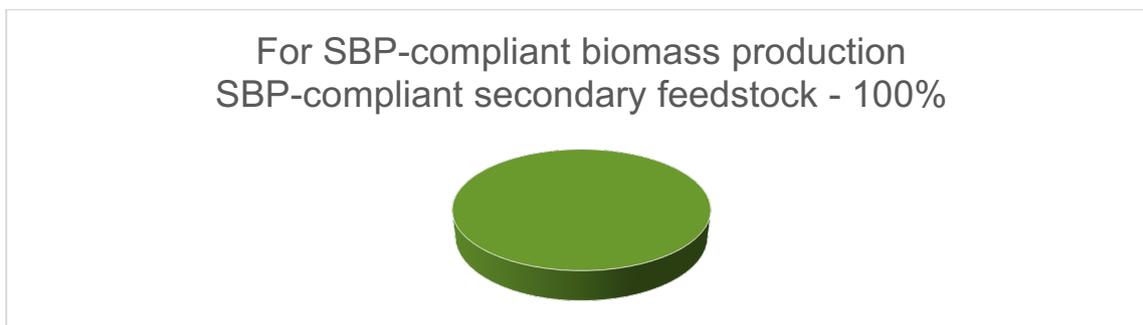
2.2 Actions taken to promote certification amongst feedstock supplier

The only sawdust supplier of PromLesTrade LLC – is FSC certified company. When PromLesTrade LLC needs to buy feedstock from suppliers, it only accepts FSC-certified material. All potential suppliers are encouraged to become FSC certified. This is communicated during negotiations.

2.3 Final harvest sampling programme

Not applicable as only 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 public (state owned forests)**
- c. Forest by type (ha): **56,6 mln ha boreal / 12,8 mln ha temperate**
- d. Forest by management type (ha): **69,4 mln ha managed natural**
- e. Certified forest by scheme (ha): (e.g. **10,0 mln ha FSC-certified**

Feedstock

- f. Total volume of Feedstock: **36493 tonnes;**
- g. Volume of primary feedstock: **0 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 – **0%;**
 - Not certified to an SBP-approved Forest Management Scheme - **0%;**
- i. List all species in primary feedstock, including scientific name – **not applicable;**
- 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%;**
 - Primary feedstock from primary forest not certified to an SBP-approved Forest Management Scheme - **0%;**
- l. Volume of secondary feedstock: **36493 tonnes of sawdust and wood chips - sawmill and woodworking plant residues;**
- m. Volume of tertiary feedstock: **0 tonnes.**

3 Requirement for a Supply Base Evaluation

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

For the production of SBP certified biomass, only SBP-compliant feedstock derived from FSC certified wood are used. The production of non-certified biomass is physically separated from the production of FSC and SBP certified biomass. Therefore, the Supply Base Evaluation is not required.

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

External peer review of this report was not conducted this year.

11.2 Public or additional reviews

The Supply Base Report is published on the company's website. Comments of any stakeholders can be sent to the SBP certification manager Alena Goryunova at: goryunovaaa@pltrade.moscow

12 Approval of Report

Approval of Supply Base Report by senior management			
Report Prepared by:	Goryunova Alena 	SBP and En-plus certification manager	16/11/2020
	Name	Title	Date
<p>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.</p>			
Report approved by:	Sklyarov A.V. 	Managing Director Deputy	16/11/2020
	Name	Title	Date

13 Updates

13.1 Significant changes in the Supply Base

There are no significant changes in the Supply Base – wood comes from leased areas of related company as well as other certified suppliers.

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

36493 tons – sawdust and wood chips – the residue from sawmill and woodworking plant.

13.5 Projected figures for feedstock over the next 12 months

40000 tons – sawdust and wood chips – the residue from sawmill and woodworking plant.