



Supply Base Report: OMFAL LLC

Re-assessment

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Completed in accordance with the Supply Base Report Template Version 1.4

For further information on the SBP Framework and to view the full set of documentation see www.sbp-cert.org

Document history

Version 1.0: published 26 March 2015

Version 1.1 published 22 February 2016

Version 1.2 published 23 June 2016

Version 1.3 published 14 January 2019; re-published 3 April 2020

Version 1.4 published 22 October 2020

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1 Overview

Producer name: OMFAL LLC

Producer address: Zheleznodorozhnyy proezd, 3, Irkutsk region 665684 Novaya Igirma, Russia

SBP Certificate Code: SBP-01-26

Geographic position: 57.1192, 103.889

Primary contact: Airat Valiakhmetov, +7 908 665 0512, aratigirma@mail.ru

Company website: www.omfal38.ru

Date report finalised: 28 Jan 2021

Close of last CB audit: 28 Jan 2021

Name of CB: NEPCon OÜ

SBP Standard(s) used: SBP Standard 2: Verification of SBP-compliant Feedstock, SBP Standard 4: Chain of Custody, SBP Standard 5: Collection and Communication of Data Instruction, Instruction Document 5E: Collection and Communication of Energy and Carbon Data 1.3

Weblink to Standard(s) used: <https://sbp-cert.org/documents/standards-documents/standards>

SBP Endorsed Regional Risk Assessment: N/A

Weblink to SBR on Company website: N/A

Indicate how the current evaluation fits within the cycle of Supply Base Evaluations					
Main (Initial) Evaluation	First Surveillance	Second Surveillance	Third Surveillance	Fourth Surveillance	Re-assessment
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

2 Description of the Supply Base

2.1 General description

Feedstock types: Secondary

Includes Supply Base evaluation (SBE): No

Feedstock origin (countries): Russia

2.2 Description of countries included in the Supply Base

Country: Russia

Area/Region: Irkutsk region

Exclusions: No

Supply base of Omfal LLC

The supply base of Omfal LLC – is the overall forest stock area of the forestry sections listed below. The total area of the supply base, including the one planned for exploitation – 22 602 729 ha.

Irkutsk region

Nizhneilimskoe – 2 336 108 ha

Ust-Kutskoe – 3 248 455 ha

Kirenskoe – 4 258 352 ha

Kataganskoe – 12 759 814 ha

The supply base of Omfal LLC is located in the Middle Siberian upland taiga forest district – forests of Angara Region.

Irkutsk region territory embraces the south of the Middle Siberian upland and the upstream basins of Angara, Lena and Nizhnaya Tunguska rivers. In the southwest, its borders are wedged by the Eastern Sayan mountain masses, Primorskiy and Baikalskiy mountain ranges in the east, Stanovoye and Patomskoye plateaus. The major part of the territory has a plain relief with a slight slope to the north and the northwest. That is confirmed by the rivers flowing in this direction. Heights of 500-600 m above sea level prevail on the plain ground with the absolute elevations decreasing to 300-400m to the northwest, although, there are separate elevations of up to 1000m and higher, namely, the Leno-Angarskoe plateau and Angarskiy mountain ridge; the land relief shapes include mountains, plains, hollows and valleys.

As a whole, the climate within the supply base territory is acutely continental. The maximum temperature in the summer can rise up to +30 °C; in winter, the thermometers can show the temperature below -50°C in some of the northern districts. There are old-growth forests and High Conservation Value Forests of different types outlined in the supply base territory. Low-numbered aboriginal peoples exist in the districts and forestry sections included in the supply base of Omfal LLC. A part of the supply base, in the territory of Ust-Kutskoe forestry, is neighbouring to the territory of «Tokma» community which is supported socio-economically.

Omfal LLC is not a leaseholder of the forested land parcels. All forest management issues are regulated in suppliers' certification agreements

Harvested wood species are not included in the lists of CITES or IUNC.

Omfal LLC itself does not have any allowable cut area and thus no any forested land parcels leased. In its turn, the round timber is delivered to the sawmill from the forested parcels leased out to «Baikalsk Forest company» LLC and «Lesproekt» LLC for the period of 49 years, the total area being 1 080 931,8 ha, with the annual allowable cut volume of 1854,6 thds.m³, «VSK Les» LLC for the period of 25 years, the area

being 318 057,0 ha, with the annual allowable cut volume of 590,8 thds.m³, «Magistral-Les» LLC and «LesTorgServic» LLC for the period of 49 years, the area being 1 096 613,08 ha, with the annual allowable cut volume of 2017,5 thds.m³, given that the entire area of the forested parcels is certified by FSC forestry management system and also the round timber is delivered by the third-party suppliers included in the own FSC inspection system for the controlled wood from non-certified suppliers: «Lesnie Territorii»

LLC for the period of 49 years, the area being 225 228,4 ha, with the annual allowable cut volume of 382.9 thds.m³, «LesPromService» LLC for the period of 49 years, the area being 621884.8 ha, with the annual allowable cut volume of 400.1 thds.m³, «Forst» LLC for the period of 25 years, the area being 6797 ha, with the annual allowable cut volume of 14.6 thds.m³. In average, the 3rd -4th class of quality (bonitet) prevails in the forested parcels given into the lease. The most rational approach is applied to organizing the clear-cutting process when harvesting the wood in the forested parcels of «Baikalsk Forest company» LLC and «Lesproekt» LLC, «VSK Les» LLC, «Magistral-Les» LLC and «LesTorgServic» LLC, i.e. small-scale cuts are applied in 90% of the cases (small – scale cut areas are areas exploited by companies and do not exceed 30 ha), followed by the reforestation activities conducted by all means available.

Based on the analysis results, «Baikalsk Forest company» LLC and «Lesproekt» LLC, «VSK Les» LLC, «Magistral-Les» LLC and «LesTorgServic» LLC has drawn up a plan of shifting from the large-scale clear cuts with the area of more than 30 ha to the small-scale cuts for the period of 2019-2024, for the purpose of meeting the requirements of the Russian national FSC standard. Also, the companies are actively performing selective cuts, cleaning cuts in all of the forested parcels in accordance with the forest resources development projects.

Raw materials are supplied from 22 FSC certified sites and from 3 sites of non-certified inspections included in the program.

Raw materials for the sawmill are supplied in a ratio of 76.5 % FSC certified and 23.5 % FSC controlled. All residues of sawmilling - sawdust for the production of fuel pellets are supplied: to the pellet mill by the sawmill of «Omfal» LLC and from the sawmill of «Tairiku-Igirma Group» LLC. In the pellet plant, sawdust is used for pellet production only with the FSC Mix credit.

Proportions of SBP feedstock product groups:

- Controlled Feedstock (контролируемое сырье) – 0%
- SBP-compliant Primary Feedstock (основное сырье, соответствующее требованиям SBP) – 0%
- SBP-compliant Secondary Feedstock (вторичное сырье, соответствующее SBP) – 100 %
- SBP-compliant Tertiary Feedstock (третичное сырье, соответствующее SBP) – 0 %
- SBP-compliant Tertiary Feedstock (несовместимое с SBP сырье) – 0%

The fuel pellets of Omfal LLC are used as an environmentally friendly and safe bio-fuel that will allow to:

- Increase the power efficiency of the plants utilizing the pellets;
- Decrease the greenhouse gas emissions.

The wood fuel pellets production capacity: 100 000 tons per year.

2.3 Actions taken to promote certification amongst feedstock supplier

For the production of fuel pellets Omfal LLC uses its own raw materials (sawmill residues - sawdust) - 63%, and purchases sawdust from «Tairiku-Igirma Group» LLC - 37%

In its turn, the round timber will be supplied to these sawmill from the forested land parcels leased out to «Baikalsk Forest company» LLC and «Lesproekt» LLC, «VSK Les» LLC, «Magistral-Les» LLC and «LesTorgServic» LLC certified by FSC forestry management system. Also, the controlled suppliers (about 3 organizations) supplies the round timber to Omfal LLC sawmill. The names of the controlled suppliers can change; therefore, the main certified suppliers are given in the report and also this report does not require specifying the supplier names since such information is confidential.

When concluding the contracts for supplies from the controlled suppliers, they are required to provide the list of applicable legislative acts, regulations, requested international contracts nationally ratified,

conventions, agreements and documents (to be verified) when inspecting a non-certified supplier of the controlled wood, application of the inclusion into the FSC controlled wood inspection program, the feedstock supplier declaration of the wood origin observing the FSC-STD-40-005 Manual requirements to the controlled wood. «Omfal» LLC carries out an inspection of the controlled suppliers' forested land parcels where the round timber is delivered from. So, the feedstock is already inspected prior to being delivered to Omfal LLC.

The feedstock delivered from FSC certified suppliers is used for SBP fuel pellets production. Omfal LLC sawmill and «Tairiku-Igirma Group» LLC sawmill is certified by the chain of custody FSC system, and the forest feedstock bases of «Baikalsk Forest company» LLC and «Lesproekt» LLC, «VSK Les» LLC, «Magistral-Les» LLC and «LesTorgServic» LLC are certified by FSC forestry management system.

Thus, keeping the forestry activity and meeting all of FSC criteria excludes a probability of delivering the feedstock harvested by a mala fide supplier. Omfal LLC carries out the inspection of the controlled suppliers' forested land parcels with respect to the compliance with the FSC-STD-40-005 Manual requirements to the controlled wood, including the legality, HCVF endangerment, respect of the local population interests employees rights; the work is underway to explain the volunteer certification requirements, its use and practices to the suppliers.

Keeping the bona fide forestry and complying with the national FSC standard, FSC-STD-40-005 Manual requirements to the controlled wood.

To explain the volunteer FSC certification requirements, its use and practices to the suppliers and society, Certified companies organizes round tables with presentation of FSC materials, the forested land parcels development maps, old-growth forest territory (OGFT) maps, actual OGFT disturbance data, monitoring and the company Risk Assessment, the list of the product groups, forest management Plan, environmental impact Assessment, a procedure of considering claims to the controlled suppliers of the company, the company policy. All documents substantiating the requirements and the need for voluntary forest certification FSC for the public are posted on the website of the enterprises

All documents justifying the requirements and necessity of the volunteer FSC forestry certification are published at <http://omfal38.ru> website for society and suppliers. When concluding contracts of supplies, the national FSC standard requirements are included in its conditions.

Omfal LLC does not purchase the sawdust and the sawmilling wood waste from non-certified and controlled suppliers. Also, a big job is performed by our company to detect the legality of the wood harvested (woodcutting accompanied with the right stating documents). At the timber delivery to the sawmill by the controlled suppliers, Omfal LLC first of all, verifies the legality of the harvested wood, harvesting in the old-growth forest territories.

Omfal LLC hopes that this mutually beneficial and long-term cooperation will be cited as an example for other companies to promote their products in the market and for the sustained yield forest management in accordance with FSC principles.

2.4 Quantification of the Supply Base

Supply Base

- a. **Total Supply Base area (million ha):** 22,60
- b. **Tenure by type (million ha):**22.60 (Privately owned)
- c. **Forest by type (million ha):**22.60 (Boreal)
- d. **Forest by management type (million ha):**22.60 (Managed natural)
- e. **Certified forest by scheme (million ha):**2.17 (FSC)

Describe the harvesting type which best describes how your material is sourced: Clearcutting

Explanation: machinery used

Was the forest in the Supply Base managed for a purpose other than for energy markets? Yes - Majority

Explanation: The main direction of the company is the production of sawn timber for delivery to the markets of Europe, Japan and Asia.

For the forests in the Supply Base, is there an intention to retain, restock or encourage natural regeneration within 5 years of felling? Yes - Majority

Explanation: Artificial reforestation: mineralization, purchase and planting of seedlings. Requirements for areas are given in forest development projects. Natural reforestation: On logging areas of more than 10 hectares, areal biotopes are left in the amount of 5-10% of the logging area.

Was the feedstock used in the biomass removed from a forest as part of a pest/disease control measure or a salvage operation? No

Explanation: N/A

Feedstock

Reporting period from: 2019-11-30

Reporting period to: 2020-11-29

- a. **Total volume of Feedstock:** 1-200,000 tonnes
- b. **Volume of primary feedstock:** 1-200,000 tonnes
- c. **List percentage of primary feedstock, by the following categories.**
 - Certified to an SBP-approved Forest Management Scheme: 0%
 - Not certified to an SBP-approved Forest Management Scheme: 0%
- d. **List of all the species in primary feedstock, including scientific name:** N/A (N/A);
- e. **Is any of the feedstock used likely to have come from protected or threatened species?** No
 - Name of species: N/A
 - Biomass proportion, by weight, that is likely to be composed of that species (%): N/A
- f. **Hardwood (i.e. broadleaf trees): specify proportion of biomass from (%):** 0,00
- g. **Softwood (i.e. coniferous trees): specify proportion of biomass from (%):** 100,00
- h. **Proportion of biomass composed of or derived from saw logs (%):** 100,00
- i. **Specify the local regulations or industry standards that define saw logs:** GOST 22298-76. Coniferous saw logs for export. Technical requirements, GOST 9463-88. Round timber of coniferous species. Specifications, GOST 9463-2016. Round timber of coniferous species. Specifications
- j. **Roundwood from final fellings from forests with > 40 yr rotation times - Average % volume of fellings delivered to BP (%):** 0,00
- k. **Volume of primary feedstock from primary forest:** 0 N/A
- l. **List percentage of primary feedstock from primary forest, by the following categories. Subdivide by SBP-approved Forest Management Schemes:**
 - Primary feedstock from primary forest certified to an SBP-approved Forest Management Scheme: N/A
 - Primary feedstock from primary forest not certified to an SBP-approved Forest Management Scheme: N/A
- m. **Volume of secondary feedstock:** 1-200,000 tonnes
 - Physical form of the feedstock: Chips, Sawdust, Other (specify)
- n. **Volume of tertiary feedstock:** 0 N/A
 - Physical form of the feedstock: N/A

Proportion of feedstock sourced per type of claim during the reporting period

Feedstock type	Sourced by using Supply Base Evaluation (SBE) %	FSC %	PEFC %	SFI %
Primary	0,00	0,00	0,00	0,00
Secondary	0,00	100,00	0,00	0,00
Tertiary	0,00	0,00	0,00	0,00
Other	0,00	0,00	0,00	0,00

3 Requirement for a Supply Base Evaluation

Is Supply Base Evaluation (SBE) is completed? No

N/A

4 Supply Base Evaluation

4.1 Scope

Feedstock types included in SBE: N/A

SBP-endorsed Regional Risk Assessments used: N/A

List of countries and regions included in the SBE:

Country: N/A

Indicator with specified risk in the risk assessment used:
N/A

Specific risk description:

4.2 Justification

N/A

4.3 Results of risk assessment and Supplier Verification Programme

N/A

4.4 Conclusion

N/A

5 Supply Base Evaluation process

N/A

6 Stakeholder consultation

N/A

6.1 Response to stakeholder comments

N/A

7 Mitigation measures

7.1 Mitigation measures

N/A

7.2 Monitoring and outcomes

N/A

8 Detailed findings for indicators

Detailed findings for each Indicator are given in Annex 1 in case the Regional Risk Assessment (RRA) is not used.

Is RRA used? N/A

9 Review of report

9.1 Peer review

N/A

9.2 Public or additional reviews

N/A

10 Approval of report

Approval of Supply Base Report by senior management			
Report Prepared by:	Airat Valiakhmetov	Quality assurance manager	2021-01-28
	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:	Viktor Mukorez	Director General	2021-01-28
	Name	Title	Date

Annex 1: Detailed findings for Supply Base Evaluation indicators

N/A