



Supply Base Report: IND Timber

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

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Contents

- 1 Overview**
 - 2 Description of the Supply Base**
 - 2.1 General description
 - 2.2 Description of countries included in the Supply Base
 - 2.3 Actions taken to promote certification amongst feedstock supplier
 - 2.4 Quantification of the Supply Base
 - 3 Requirement for a Supply Base Evaluation**
 - 4 Supply Base Evaluation**
 - 4.1 Scope
 - 4.2 Justification
 - 4.3 Results of risk assessment and Supplier Verification Programme
 - 4.4 Conclusion
 - 5 Supply Base Evaluation process**
 - 6 Stakeholder consultation**
 - 6.1 Response to stakeholder comments
 - 7 Mitigation measures**
 - 7.1 Mitigation measures
 - 7.2 Monitoring and outcomes
 - 8 Detailed findings for indicators**
 - 9 Review of report**
 - 9.1 Peer review
 - 9.2 Public or additional reviews
 - 10 Approval of report**
- Annex 1: Detailed findings for Supply Base Evaluation indicators**

1 Overview

Producer name: IND Timber

Producer address: Khoroshilova str., ownership 3, office 2, 666781 Ust-Kut, Irkutsk region, Russia

SBP Certificate Code: SBP-01-27

Geographic position: 56.798300, 105.767900

Primary contact: Aleksei Dedyukhin, +7 950 115 27 33, chief_ctg@ind-timber.ru

Company website: www.ind-timber.ru

Date report finalised: 17 Jan 2021

Close of last CB audit: 21 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

The feedstock supply base is located within the territory of 2 forestry sections, 3 administrative divisions of Irkutsk region in Siberian federal district of the Russian Federation

The total area of the wooded lands in the RF territory is 764 million hectares, which constitutes approximately 21% of the world stumpage stocks. The areas occupied with the main forest forming species have remained quite stable over the last decades. The softwood species are 68,4%, hardwood species - 2,4%, soft-wooded broadleaved species - 19,3%. Other wood species are less than 1 % of the forests. Irkutsk region is the largest region of Russia without access to the sea. The Irkutsk region is also a major subject of the Russian Federation, occupying an area of 774,846 km² (4.52% of the territory of Russia), slightly less than Turkey (780,580 km²), and also larger than the largest state of Europe - Ukraine. The distance from Irkutsk to Moscow by rail is 5192 km, to Vladivostok - 4106 km. The time difference between the region and Moscow is 5 hours.

In accordance with the RF legislation, all of the forest area lands are the property of the state. Legal entities are provided with the forested land parcels on a leasehold and short-term exploitation basis. The lease relationship is the dominant legal form of the forests exploitation. The lease period can last from 10 to 49 years.

The forested land parcels leasing contracts or the forest stand purchase-and-sale contracts are concluded at

public sales of the right to conclude such contracts. The parcels being leased are subject to the mandatory state cadastral registration. In accordance with Forestry Code of the RF, every forest user who has leased a

forested land parcel shall be obliged to:

- Support the forest conservation, protection and reproduction practices,
- Present the forestry declaration annually,
- Make the forest resources development project,
- Present a report on the forests exploitation, its conservation, protection and reproduction.

Countrywide, the exploitation of the allowable cut area does not exceed 35%. According to the Russian Federal Forestry Agency data, the total reserve for the cut volumes increase to support the wood harvesting countrywide is about 400 million m³ per year. However, a percentage of the forests difficult to access is high

in the country and the infrastructure is underdeveloped almost everywhere.

Ensuring the proper reproduction of the forest resources and the protective forestation are the mandatory conditions of the forests exploitation. All reforestation works in the forested land parcels leased out are planned and performed by the forest users at their own expense in accordance with the forest resources development projects.

When harvesting the wood, Red Book animal units as well as their habitat are subject to preservation according to the forestry legislation of the RF. Cutting the valuable, endangered and specially protected wood species is prohibited.

The RF timber complex, including the forestry and the timber harvesting and processing branches, plays a critical part in the economy of the country. There are about 60 thousand large, medium and small companies

Supply Base Report: Page 3

involved in the timber complex of the RF. About 1 million people are employed in the timber complex.

The forest surveying is the fundamental factor of the forestry keeping in the Russian Federation.

The forest surveying is a specialized type of the forestry activity which provides the performance of the forest

condition assessment as well as the planning of steps aimed at the reasonable exploitation, reproduction, conservation and protection of the forests and its higher productivity and stability.

The forest surveying data are the basis for developing the primary documentation on the forestry keeping.

The information received from the forest surveying allows for getting the correct and actual data on the forest

stock quality, its taxation characteristics, species composition. In total, these data let planning of the forestry

activity in the forestry branch.

The forestry certification is an effective tool to oppose illegal wood harvests and illegal wood trade. Forest Stewardship Council (FSC) certification system is widely used in the RF. The area of the certified forests in the RF is about 40 million hectares or 30% from the total amount of the forests being leased. This is the second largest country in the world for the FSC certified forests area after Canada. Also, the number of certificates for the controlled wood is growing continuously. The dynamics of the forestry certification development in the RF demonstrates a reliable approach to providing the legality of the wood harvested and observing the common environmental and social requirements of the stable forestry management. Harvested wood species are not included in the CITES or IUCN lists.

Raw materials are supplied to the sawmill in a ratio of 80% FSC certified and 20% FSC controlled.

All primary products are supplied to the Indus Timber LLC plant for the production of sawn timber. All sawmill residues and sawdust for the production of fuel pellets come with the FSC Mix application and are secondary raw materials.

Overview of SBP group ratios of incoming raw materials:

Controlled Feedstock – 0%

SBP-compliant Primary Feedstock – 0%

SBP-compliant Secondary Feedstock – 100%

SBP-compliant Tertiary Feedstock – 0%

SBP non-compliant Feedstock – 0%

2.3 Actions taken to promote certification amongst feedstock supplier

The supplier of raw materials for the production of fuel pellets in Ust-Kut is the sawmill plant of Indus Timber LLC. Deliveries of round timber to the plant for the production of sawn timber LLC "Indus Timber" are carried out from forest plots leased to LLC "Baikal Forest Company", LLC "VSK Les", LLC "Magistral-Les" certified according to the FSC forest management system. For the production of SBP fuel pellets, raw materials obtained from FSC certified suppliers are used. Also, the Indus Timber LLC plant receives round timber from controlled suppliers. The name of the controlled suppliers may change, so the report shows the main certified suppliers.

At the conclusion of supply contracts with managed providers that requested the list of applicable legislative acts, regulations, requested the national ratified international treaties, conventions and agreements and (check) documents when checking provider uncertified controlled wood statement on the entry in program verification FSC controlled wood Declaration supplier of wood raw material on the origin of timber and compliance with the requirements of the management FSC-STD-40-005 for controlled wood. LLC "Indus Timber" checks the forest areas from which round timber is supplied from controlled suppliers.

Thus, when conducting forestry activities and meeting all the FSC criteria, the possibility of supplying raw materials harvested by an unscrupulous supplier is excluded. Indus Timber LLC checks the forest plots of controlled suppliers for compliance with the requirements of the FSC-STD-40-005 manual for controlled wood, including legality, the presence of threats to HCV, taking into account the interests of the local population and the rights of employees; it works with suppliers to explain the requirements of voluntary certification, its benefits and practical application.

The fundamental factor of the work of the enterprise and its suppliers is the fair management of forestry, compliance with the requirements of the national FSC standard, the requirements of the FSC-STD-40-005 manual for controlled wood.

Also, LLC "Indus Timber" is carrying out serious work to identify the legality of the harvested wood (felling with title documents). When supplying timber to the plant by controlled suppliers, LLC "Indus Timber" first of all checks the legality of the harvested wood, harvesting in intact forest areas.

In order to explain to suppliers and the public the requirements of FSC voluntary forest certification, its benefits, and practical application, Ind Timber LLC organizes round tables, with the provision of FSC materials, maps of forest development, maps of intact forest territories(MLT), up-to-date data on MLT violations, monitoring and Risk assessment of the enterprise, a list of product groups, a Forest management plan, an environmental impact assessment, a procedure for reviewing complaints against controlled suppliers of the enterprise, and the company's policy. All documents justifying the requirements and the need for voluntary FSC forest certification for the public and suppliers are available on the company's website <https://indtimber.ru>. When entering into supply contracts, the requirements of the national FSC standards are included in the terms of the contract.

Indus Timber LLC hopes that this mutually beneficial and long-term cooperation will serve as an example for other companies to promote their products to the market and sustainable forest management in accordance with the FSC principles

2.4 Quantification of the Supply Base

Supply Base

a. Total Supply Base area (million ha): 7,50

- b. **Tenure by type (million ha):**7.50 (Community concession)
- c. **Forest by type (million ha):**7.50 (Boreal)
- d. **Forest by management type (million ha):**7.50 (Managed natural)
- e. **Certified forest by scheme (million ha):**2.50 (FSC)

Describe the harvesting type which best describes how your material is sourced: Mix of the above

Explanation: N/A

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

Explanation: it is used for obtaining lumber

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

Explanation: Reforestation is carried out by planting young seedlings

Was the feedstock used in the biomass removed from a forest as part of a pest/disease control measure or a salvage operation? N/A

Explanation: N/A

Feedstock

Reporting period from: 01 Nov 2019

Reporting period to: 31 Oct 2020

- a. **Total volume of Feedstock:** 1-200,000 m³
- b. **Volume of primary feedstock:** 0 N/A
- c. **List percentage of primary feedstock, by the following categories.**
 - Certified to an SBP-approved Forest Management Scheme: N/A
 - Not certified to an SBP-approved Forest Management Scheme: N/A
- 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?** N/A
 - 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 (%):** N/A
- g. **Softwood (i.e. coniferous trees): specify proportion of biomass from (%):** N/A
- h. **Proportion of biomass composed of or derived from saw logs (%):** N/A
- i. **Specify the local regulations or industry standards that define saw logs:** N/A
- j. **Roundwood from final fellings from forests with > 40 yr rotation times - Average % volume of fellings delivered to BP (%):** N/A
- k. **Volume of primary feedstock from primary forest:** N/A 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 m³
 - Physical form of the feedstock: Sawdust

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	N/A	N/A	N/A	N/A
Secondary	N/A	100,00	0,00	N/A
Tertiary	N/A	N/A	N/A	N/A
Other	N/A	N/A	N/A	N/A

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:	Dedyukhin Aleksei Victorovich	quality manager	17 Jan 2021
	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:	Bondarchuk A.A	general director	17 Jan 2021
	Name	Title	Date

Annex 1: Detailed findings for Supply Base Evaluation indicators

N/A