

000 Syrgutmebel
Supply Base Report for
Biomass Producers

www.sustainablebiomasspartnership.org



Version 1.0 March 2015

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

Document history

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1 Overview

(Report period: 01/11/2014 – 31/10/2015)

Producer name: Syrgutmebel OOO

Producer location:

Geographic position:

Primary contact:

Company website:

Date report finalised: xxx 2015

Close of last CB audit: xxxxx 2015

Name of CB: Forest Certification OOO

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: <http://www.sustainablebiomasspartnership.org/documents>

SBP Endorsed Regional Risk Assessment: N/A

Weblink to SBE on Company website:

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

2 Description of the Supply Base

2.1 General description

OOO SURGUT MEBEL is supplied with wood raw material from woodworking enterprises based in Russia Federation.

The total area of FSC forest land on the territory of the Russian Federation is 764 million hectares, accounting for about 21% of world reserves of standing timber. Forests cover 46.6% of the area of the Russian Federation, which is 1183.3 million hectares. Forests are mainly boreal. The main wood species are pine, spruce, birch, aspen. Areas occupied by the main wood species plantations remain rather stable within last decades. Hardwood species compose 68.4%, softwood – 21,7%. Other wood species compose less than 1% of the forests. The total reserve of the wood in the forests located on forest fund land is 80 billion m³. In accordance with Russian legislation all forest fund land are state property. Legal entities can use forest areas in lease and short-term use. Lease relations are the dominant legal form of forests using. The lease term may continue from 10 to 49 years. The using of forests as an entrepreneurial activity, can be given to entities registered in the territory of the Russian Federation as a legal entity or individual entrepreneur (in accordance with the legislation of the Russian Federation). Entering into the lease agreement or sale contract of forest plantations is carried out at the auction for the selling the right to enter into such agreements. Forest areas for a lease must pass a state cadastral registration. According to the Forest Code of the Russian Federation each forest user taking a lease forest land obliged:

- to carry out the activities on protection and reproduction of forests;
- to provide annual forest declaration;
- to issue a project of forest assimilation;
- to provide a report on the use of forests, their protection and reproduction.

Allowable wood-cutting area in the Russian Federation is about 660 million m³, including softwood - 370 million m³. Using the allowable wood-cutting area does not exceed 35% of the country territory. According to Rosleskhoz (Russian Forestry) data the total recourses of increased volumes of cutting with the aim of cutting

within the country is about 400 million m³ per year. High quality reproduction of forest resources and protective forestation is a prerequisite for use of forests. All reforestation activities in leased forest areas are planned and carried out by forest users at their own expense in accordance with the forest management projects. The main way of reforestation in the Russian Federation is the procurement of natural regeneration. Artificial reforestation is carried out by creating forest plantations: planting or seeding of forest plants in the region of the supply base where active wood-cutting is taking place. As well all forest users plan and implement a set of fire-prevention measures aimed at preventing and reducing the after-effects of forest fires in the summer period.

According to the forest legislation of the Russian Federation the species listed in the Red Book shall be preserved as well as their habitats when harvesting. Banned is harvesting of precious, become extinct and specially protected wood species.

Traditionally in Russia softwood is harvested. However, for the pellets production a substantial part of the raw material is hardwood.

Forest complex of the Russian Federation, including the forestry and forest industry of harvesting and wood handling occupies an important place in the economy of the country. Products of forest complex are widely used in many industries, construction, agriculture, printing, trade and medicine.

The forest complex of the Russian Federation employs about 60 thousand of large, medium and small enterprises in all regions of the country.

The share of the forestry sector accounts 1.3% of GDP; 3.7% of the total industrial output, 2.4% of foreign profits in the scale of the Russian Federation. The total number of employees in the forest complex of Russia is about 1 million people.

From the total production of forest complex of the Russian Federation about 60% products are for the domestic market and 40% - for export.

The consumers of the forest products at shaped and expanding markets require from their suppliers to refuse from the participation in the harvesting of forest products of dubious origin, as well their processing and marketing.

Forest certification is an effective tool for combating against illegal harvesting and illegal wood trade. The forest certification FSC (Forest Stewardship Council) is widely used in Russia. Also the certification system PEFC (Program for the Endorsement of Forest Certification Schemes) is used but less extensively. Certified forest area in Russia is about 40 million hectares, or 30% of the total number of forest under lease. Certified forests are located in 25 regions of Russia. The number of FM certificates on forest management is 121, the number of chain of custody certificate CoC is 320. Also the number of certificates for controlled wood is growing steadily, according to recent data it was about 140. The dynamics of forest certification in Russia points to the ever-increasing activity of wood companies, which indicates to the responsibility to ensure the legality of wood harvested and compliance with environmental and other requirements.

2.2 Actions taken to promote certification amongst feedstock supplier

For the production of SBP pellets are mostly used FSC certified supplier material (100%). The company policy is to give a preference to certified suppliers. Raw material (sawdust, raundwood) consists of wood waste from main production of suppliers. Therefore, uncertified and new suppliers are invited to certify their base production and get benefit from residues.

2.3 Final harvest sampling programme

The proportion of final fellings which end up in biomass among our suppliers of raw material (feedstock for biomass production) is about 20% compared other end uses (i.e. sawlogs).

This information is derived from the documents submitted by suppliers (of forest declaration and material monetary valuation of the harvesting area)

2.4 Flow diagram of feedstock inputs showing feedstock type [optional]

Coniferous species - 100 % (sawdust),

Deciduous species 0 % (sawdust).

Wood species: Picea abies (L.) H. Karst.); Larix; Cedar

2.5 Quantification of the Supply Base

Supply Base

- a. Total Supply Base area 764milj (ha): Cumulative area of all forest types within SB
- b. Tenure by type (ha): Government 764 milj.,
- c. Forest by type (ha): Boreal x milj., ha
- d. Forest by management type (ha): Managed Natural x, milj., ha
- e. Certified forest by scheme (ha): 41 milj. ha FSC and x milj/ ha PEFC-certified forest

Feedstock

- f. Total volume of Feedstock: xxx t
- g. Volume of primary feedstock: 0m³
- h. List percentage of primary feedstock (g), by the following categories. Subdivide by SBP-approved Forest Management Schemes
 - Large forest holdings certified to an SBP-approved Forest Management Schemes
- i. List all species in primary feedstock, including scientific name
Picea abies (L.) H. Karst.); Larix; Cedar
- j. Volume of primary feedstock from primary forest 0m³
- k. List percentage of primary feedstock from primary forest (i), by the following categories. Subdivide by SBP-approved Forest Management Schemes
 - Primary feedstock from primary forest certified to an SBP-approved Forest Management Schemes:
All volume 100% are certified as FSC
 - Primary feedstock from primary forest not certified to an SBP-approved Forest Management Schemes
)%
- l. Volume of secondary feedstock: **t SAWDUST (Sawmill residue)** feedstock as production waste from producers com from Russia

Species: Picea abies (L.) H. Karst.); Larix; Cedar
- m. Volume of tertiary feedstock: Specify origin and composition

3 Requirement for a Supply Base Evaluation

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

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.

Indicator	Initial Risk Rating		
	Specified	Low	Unspecified
1.1.1			
1.1.2			
1.1.3			
1.2.1			
1.3.1			
1.4.1			
1.5.1			
1.6.1			
2.1.1			
2.1.2			
2.1.3			
2.2.1			
2.2.2			
2.2.3			
2.2.4			
2.2.5			
2.2.6			
2.2.7			
2.2.8			
2.2.9			
2.3.1			
2.3.2			
2.3.3			

Indicator	Initial Risk Rating		
	Specified	Low	Unspecified
2.4.1			
2.4.2			
2.4.3			
2.5.1			
2.5.2			
2.6.1			
2.7.1			
2.7.2			
2.7.3			
2.7.4			
2.7.5			
2.8.1			
2.9.1			
2.9.2			
2.10.1			

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.

Indicator	Supplier or Sub-scope	Risk rating after SVP		Mitigation measure taken? (Y, N or N/A)	Risk rating after taking mitigation measure	
		Low	Specified		Specified	Low
Examples						
1.1.2	Company A	X	-	N/A	N/A	N/A
2.2.3	Company A	-	X	Yes	-	X
3.1.1	Company B	-	X	No	X	-

N/A = 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

The final version of the report was submitted to the Forestry and forest-environment processes to engage professionals.

The report was reviewed and returned with comments were received from:

xxxxxxx- experience in sustainable forestry practice, assessment

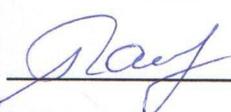
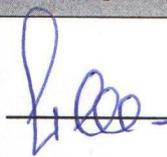
- experience in sustainable forestry practice, assessment

xxxxxxx, Master of Forestry, forestry specialists.

11.2 Public or additional reviews

The public report, examination is not carried out, except in paragraph in the 11.1.

12 Approval of Report

Approval of Supply Base Report by senior management			
Report Prepared by:	 <u> </u> M. Gayanov	Deputy general Director for production	01.11.2015
	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:	 <u> </u> N. Ivanov	General Director	01.11.2015
	Name	Title	Date
Report approved by:	[name]	[title]	[date]
	Name	Title	Date
Report approved by:	[name]	[title]	[date]
	Name	Title	Date

13 Updates

No applicable.

13.1 Significant changes in the Supply Base

Not applicable.

13.2 Effectiveness of previous mitigation measures

Not applicable.

13.3 New risk ratings and mitigation measures

Not applicable.

13.4 Actual values of feedstock over the previous 12 months

Not applicable.

13.5 Projected values of feedstock over the next 12 months

Not applicable.