



Supply Base Report: Sokol Timber Company, JSC

Second Surveillance Audit

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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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1 Overview

Producer name: Sokol Timber Company, JSC

Producer address: 1 Lugovaya ulitsa, Vologda oblast, 162132 Sokol, Russia

SBP Certificate Code: SBP-07-36

Geographic position: 59.464300, 40.088200

Primary contact: Tatyana Generalova, +7 817 3333 7772, generalova_tn@segezha-group.com

Company website: www.sokoldok.ru

Date report finalised: 25 Oct 2021

Close of last CB audit: 27 Oct 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 1.5

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

SBP Endorsed Regional Risk Assessment: Not applicable

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
☐	☐	☒	☐	☐	☐

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: Arkhangelsk Region, Vologda Region, Ivanovo Region, Kirov Region, Kostroma Region, Leningrad Region, Nizhny Novgorod Region, Republic of Karelia, Tver Region, Yaroslavl region

Exclusions: Yes

JSC “Sokol Timber Company” (JSC S-DOK), is a member of one of the largest timber industry holdings in Russia LLC GK Segezha Group. The plant produces glued wooden structures for housing construction, including sets of houses from glued wood, and is the largest woodworking production in the European part of Russia.

JSC S-DOK is located in the city of Sokol, 35 km from Vologda on the bank of the Sukhona river. The plant was founded on April 15, 1942, since then the plant has come a long way from a military plant to a modern world-class enterprise engaged in deep processing of wood.

There is a timber yard located on the territory, sawnwood production, the production of glued wooden constructions and pellet production.

Roundwood, as well as boards produced by suppliers, is supplied from 58 suppliers both for sawing and processing. Waste from the process of secondary processing of wood, that is produced after planing dried wood billets - shavings and sawdust - are used as feedstock for the production of pellets. All wood entering the factory is FSC certified or FSC controlled. According to the FSC product group, pellets are produced only with the FSC Mix Credit claim, which corresponds to the SBP-compliant biomass claim. Feedstock for the production of pellets (dry shavings and sawdust) are classified as SBP-compliant pre-consumer tertiary feedstock.

JSC S-DOK determined the following regions of wood supplies during the reporting period and for the coming year: Arkhangelsk Region, Vologda Region, Ivanovo Region, Kirov Region, Kostroma Region, Leningrad Region, Nizhny Novgorod Region, Republic of Karelia, Tver Region, Yaroslavl region.

Officially, the forest territory of the Russian Federation (forest fund) accounts for 254,7 billion m³ of the global standing stock of wood, that is, about 21%. The forest fund of Russia is 1173,9 million ha.

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 81-120 years. Mostly clear cuts are used as a method of wood harvesting at the maturity stage with subsequent reforestation. Selective cutting can be used as well in a very minor extent. Sanitary felling is also possible. The maximum clear cutting area is limited to 50 ha and thinnings are is 100 ha. Reforestation can be done with planting seedlings or the promotion of natural regeneration. 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 supply base regions are located within the taiga forest and central belt of Russia.

Region	Nature zone according to Russian classification	Nature zone according to western classification	Area of forest fund, mln. ha	
European part of Russia	Arkhangelsk Region	Northern taiga, middle taiga	Boreal forest	29,2
Vologda Region	Middle taiga, southern taiga	Boreal forest	11,5	
Ivanovo Region	Mixed forests	Temperate forest	1,0	
Kirov Region	Middle taiga, southern taiga	Boreal forest	7,0	
Mixed forests	Temperate forest		1,1	
Kostroma Region	Southern taiga	Boreal forest	4,6	
Leningrad Region	Middle taiga, southern taiga	Boreal forest	5,7	
Nizhny Novgorod Region	Southern taiga	Boreal forest	1,2	
Mixed forests, forest-steep	Temperate forest		2,6	

Republic of Karelia	Northern taiga, middle taiga	Boreal forest	14,9
Tver Region	Southern taiga	Boreal forest	0,4
Mixed forests	Temperate forest		4,5
Yaroslavl region	Southern taiga	Boreal forest	1,0
Mixed forests	Temperate forest		0,8
Total			79,8

Northern and middle taiga form a wide boreal strip in the European part of Russia and Siberia. The main forest species of boreal (taiga) forests are two groups of species: dark coniferous and light coniferous.

In European Russia, dark coniferous forests are represented by Norway spruce (*Picea abies*) and Siberian spruce (*Picea obovata*); in the area of intersection of their areals, hybrid forms are formed, which are called *Picea fennica*. There could be met Siberian fir (*Abies sibirica*), less often Siberian pine cedar (*Pinus sibirica*).

Light coniferous forests are predominantly represented by pine forests from *Pinus sylvestris* and less commonly by larch forests from *Larix sibirica*. Light coniferous forests, as a rule, are formed after fires in the place of dark coniferous.

In the middle taiga, mixed forests of dark coniferous, light coniferous, and small-leaved trees in different combinations are often formed. After felling (and sometimes after fires), birch forests and aspen forests are formed in the boreal zone (the latter are more often in the middle taiga).

Norway spruce (*Picea abies*) and Scots pine (*Pinus sylvestris*) prevail as coniferous species in the southern taiga. In the southern taiga there is an admixture of hardwood in the second layer.

Within the regions of the supply base of the European part of Russia, there are such red-listed tree species as: Karelian birch (*Betula pendula* Roth var. *Carelica*), dwarf bog birch (*Betula humilis*), European white elm (*Ulmus laevis*), wych elm (*Ulmus glabra*), some species of willow (*Salix* spp.), Siberian fir (*Abies sibirica*).

JSC S-DOK processes only Scots pine (*Pinus sylvestris*), Norway spruce (*Picea abies*) and Siberian larch (*Larix sibirica*) and does not harvest or purchase tree species listed in the Red Book or CITES.

Almost all regions of the supply base are the so-called "forest" regions of Russia. They are characterized by the most developed timber processing industry among the regions of Russia, which has a pronounced export orientation. Within the supply base, deep wood processing prevails over the export of wood raw materials. The capacities of closed-cycle enterprises - residues-free industries - are increasing.

Not more than 5% of harvested wood is processed into a biofuel in the regions of supply base.

By the scale of wood processing, JSC S-DOK is the leading enterprise in the Vologda region. However, not all waste is used for the production of pellets. Some of them are sold or burned in their own boiler.

JSC S-DOK plays a large socio-economic role in the city and the region. The company is a city-forming enterprise. JSC S-DOK actively participates in events held in the city and the region, interacts with Sokolsky forestry technical school, one of the oldest educational institutions in its industry, with the aim of training future personnel. The local population has priority when hiring for work at JSCS-DOK.

2.3 Actions taken to promote certification amongst feedstock supplier

There are regular meetings organized with the suppliers, where the benefits of being FSC-certified are explained.

2.4 Quantification of the Supply Base

Supply Base

- a. **Total Supply Base area (million ha):** 79,80
- b. **Tenure by type (million ha):**79.80 (Public)
- c. **Forest by type (million ha):**69.80 (Boreal), 10.00 (Temperate)
- d. **Forest by management type (million ha):**79.80 (Managed natural)
- e. **Certified forest by scheme (million ha):**24.50 (FSC)

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

Explanation: Harvesting is carried out by clear cutting in the stage of maturity with subsequent reforestation. Selective cutting can be used as well in a very minor extent. The maximum clear cutting area is limited to 50 ha and thinnings are 100 ha. Harvesting is carried out using cut-to-length method by harvesters and forwarders.

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

Explanation: Main purpose of the wood harvesting is a production of sawnwood, pulp and paper, housing, veneer production, boards production. Pellets production is the method of the residues utilization.

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: According to forest legislation, forest tenants must ensure forest regeneration within next year after harvesting and carry out maintenance of the regeneration within 5 consequent years. Within the Supply Base forest regeneration is done by planting of seedlings, sowing and by promotion of natural regeneration.

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

Explanation: JSC S-DOK exercises its due diligence system under which it investigates if sawlogs from suppliers is harvested during sanitary harvestings. If according to the forest declaration or other documents it is clear that during sanitary harvesting there are more than 20% of sawlogs, these suppliers are refused.

Feedstock

Reporting period from: 01 Aug 2020

Reporting period to: 31 Jul 2021

- 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
- 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, 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: Not applicable

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:	Yulia Karavaeva	FSC CoC manager	25 Oct 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:	Tatiana Generalova	Cheif Technologist	25 Oct 2021
	Name	Title	Date

Annex 1: Detailed findings for Supply Base Evaluation indicators

N/A