



Sustainable Biomass Partnership

Supply Base Report: Sibles Progect LLC

www.sustainablebiomasspartnership.org



Completed in accordance with the Supply Base Report Template Version 1.2

*For further information on the SBP Framework and to view the full set of documentation see
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Document history

Version 1.0: published 26 March 2015

Version 1.1 published 22 February 2016

Version 1.2 published 23 June 2016

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1 Overview

Producer name:	"Sibles Project Ltd."
Producer location:	Sovetskaya St., 1B, village Verhnepashino, 663148, Eniseiskiy district, Krasnoyarsk Krai, 660075, Russia
	Office address: Maerchaka str., 31A, Krasnoyarsk, 660075, Krasnoyarsk Krai, Russia
Geographic position:	58°25'44"N, 92°16'13"E
Primary contact:	Director Eduard V. Karpenkov, tel. +7 (391) 274 86 48, karpenkov@vpashino.maltat.ru
Company website:	Website: http://sibles.maltat.ru
Date report finalised:	27/Mar/2017
Close of last CB audit:	31/Mar/2017
Name of CB:	NEPCon
Translations from English:	Yes
SBP Standard(s) used:	Standard 2: Verification of SBP-compliant Feedstock, Standard 4: Chain of Custody, Standard 5: Collection and Communication of Data, Version 1.0: published 26 March 2015
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 Evaluation				
Main (Initial) Evaluation	First Surveillance	Second Surveillance	Third Surveillance	Fourth Surveillance
X	☐	☐	☐	☐

2 Description of the Supply Base

2.1 General description

Krasnoyarsk Krai is one of the richest in Russia with its natural resources. It has vast areas of highly productive arable lands (3.3 million ha), pastures for cattle (1.3 million ha), land for reindeer herding (35 million ha) and hunting (115 million ha).

The forested area is 85191 thousand hectares, the percentage of forest land is 35.6%. Forest raw potential of the Krai is very high; the total timber resources make 11304 million cubic metres, or 15.5% of the country. Coniferous forests are predominant; their share is 84% of the forested area. The most common tree species are larch and pine. Only 15,3% of the established annual allowable cut are currently used in the Krai.

Mature and overmature growing stocks dominate in the total stock of forests. Their share in Krasnoyarsk Krai is 70.6%. Coniferous growing stocks prevail. The most economically valuable species is pine. In Krasnoyarsk Krai it is the primary object of harvesting. Larch wood rates the second as per its economic value.

In accordance with the legislation of the Russian Federation, all forest lands are state-owned. Legal persons use forest lands on a leasehold and short term use basis. Lease relations are a dominant legal form of forest use. The lease period can last from 10 to 49 years.

Supply Base of the Biomass Producer

The first reporting period of BP is 8 months (01 May - 31 December 2016). It started from the launch of the plant date. BP has four forest management units (FMUs) in long-term concession (for the period of 49 years); a partial certification of the territory has been conducted by the company. Two FMUs are FSC-certified (Lease Contract No. 11/1-и, Lease Contract No. 11/7-и, certificate number FC-FM/COC-643132); the other two FMUs (lease contracts 11/8-и, 11/9-и) are not certified. As an FSC certificate holder BP takes the responsibility for the observance of FSC basic principles in the field of partial certification according to FSC-POL-20-002 at the FMUs which are not included into the scope of FSC certification. Those FMUs are planned to be certified against PEFC in the future. The SBP-certified wood pellets production covers the use of wood wastes from sawmilling, where the Roundwood originates from FSC-certified FMUs only. The forest management units are located on the territory of Krasnoyarsk Krai among the forest and other leased areas. Places of leaving of indigenous people are located at the same area.

FMU have the following characteristics:

Lease Contract No. 11/1-и, with the total area of 61071 hectares, is located in Krasnoyarsk Krai, Motyginsky District, Motyginsky Forestry. Coniferous growing stocks (mainly larch) with an area of 57275 hectares, or 95,3% of the forested area are predominant on this territory. Softwood growing stocks are located on 2732 hectares (4.5% of the forested area). There are also shrubs, located on 74 ha. The average taxation characteristics: composition 3,1Pine2,8Larch2,6Birch0,7Spruce0,5Aspen,0,1Siberian Pine; age – 125 years; site quality class – 3,5; relative density of the forest stands – 0.62; the average stock of mature and overmature growing stocks on 1 hectare is 213 m3.

Lease Contract No. 11/7-и, with the total area of 187100 hectares, is located in Krasnoyarsk Krai, Evenki district, Baikit forestry. Coniferous growing stocks (mainly larch) with an area of 127629 hectares, or 70.3% of the forested area are predominant on this territory. Softwood growing stocks are located on 7207 ha (4,0 % of the forested area). There are also shrubs, located on 5653 hectares. The average taxation characteristics: composition 5,2Larch2,1Siberian Pine1,6Spruce0,3Fir0,8Birch; age – 148 years; site quality class – 3,8; relative density of the forest stands – 0.58; the average stock of mature and overmature growing stocks on 1 hectare is 201 m3.

Thus, the supply base for SBP certified pellets production covers the total area of 248171 ha.

The actual volume of harvested timber was 193542 m3 in 2016. The main method of reforestation at clear cuts is promotion of natural regeneration by viable young growth preservation or soil surface scarification as well as by leaving strips or clumps and single seeding trees at clear cuts. Artificial reforestation, which ensures the regeneration of Siberian larch, the main forest-forming species, by sowing the seeds, is carried out to the least extent. Young forest regeneration is taken care of annually in the course of the first five years of their growth.

In December 2016 BP has passed through the third surveillance audit against the the Russian National FSC Standard (FSC-STD-RUS-V 6-1-2012). At the moment, the forest management certificate is suspended due to the identification of a major non-conformity which has not been addressed within established deadline. BP makes every effort to address the major non-conformity in the near future. The BP FSC CoC certificate (FC-COC-643133) is active.

In the course of preparation for the certification BP has completed the evaluation of the impact of the forest management activities on air, water and soil resources, flora and fauna, endangered species of plants and animals, high conservation value forests and representative areas of ecosystems, and social services. BP also made the analysis of a lease regarding applicability of international conventions and bilateral agreements in the field of nature conservation (the CITES Convention, the Convention on biological diversity, the Ramsar Convention, the Convention for the protection of the world cultural and natural heritage, Bilateral agreements on nature protection), justified the long-term sustainability of the planned annual volume of standing timber distribution (annual allowable cut). The company allotted high conservation value forests and excluded large intact forest landscapes from timber harvesting. Timber is also not harvested in specially protected areas, water protection areas, representative samples of ecosystems, social high conservation value forests, high conservation value forests of the Angara region. The territory of one of the forest management units leased by BP is inhabited by the indigenous peoples (Evenki):

- "Madra" community of native minorities of the North resides in Krasnoyarsk Krai, Evenki municipal district, Baikit forestry.

- "Kunnoir" community of native minorities of the North resides in Krasnoyarsk Krai, Evenki municipal district, Baikit forestry.

There are no tree species within FMUs that either fall under the CITES Convention or are included in the IUCN red list.

Socio-economic conditions in the areas of leases determine a set of forest sector branches - logging and wood processing industries as well as mining industry. The main objects of transport infrastructure in the district are permanent aerodrome, river piers, and the nearest railway station.

The company's activity influences the following socio-economic conditions: payments to local and regional budget, transport infrastructure support, social infrastructure support, provision of social facilities and local population with firewood, provision of jobs, welfare assistance and provision of transport.

All rounwood (sawlogs) is supplied to the plant for timber processing. The pellets are not produced from primary feedstock. They are produced from residues of wood processing. Processing of certified and non-certified wood is separated in time. Accordingly, the SBP product groups in the First reporting period were as follows:

SBP product group	Percentage in total deliveries within the reported period	Number of suppliers	Species composition
controlled feedstock	%	-	
SBP-compliant primary feedstock	%	-	-

SBP-compliant secondary feedstock	100 %	Own feedstock of Sibles Projekt	Scotch pine 53% Siberian larch 38% Siberian spruce, Fir 9%
SBP-compliant tertiary feedstock	%	-	-
SBP-non-compliant feedstock	%	-	-

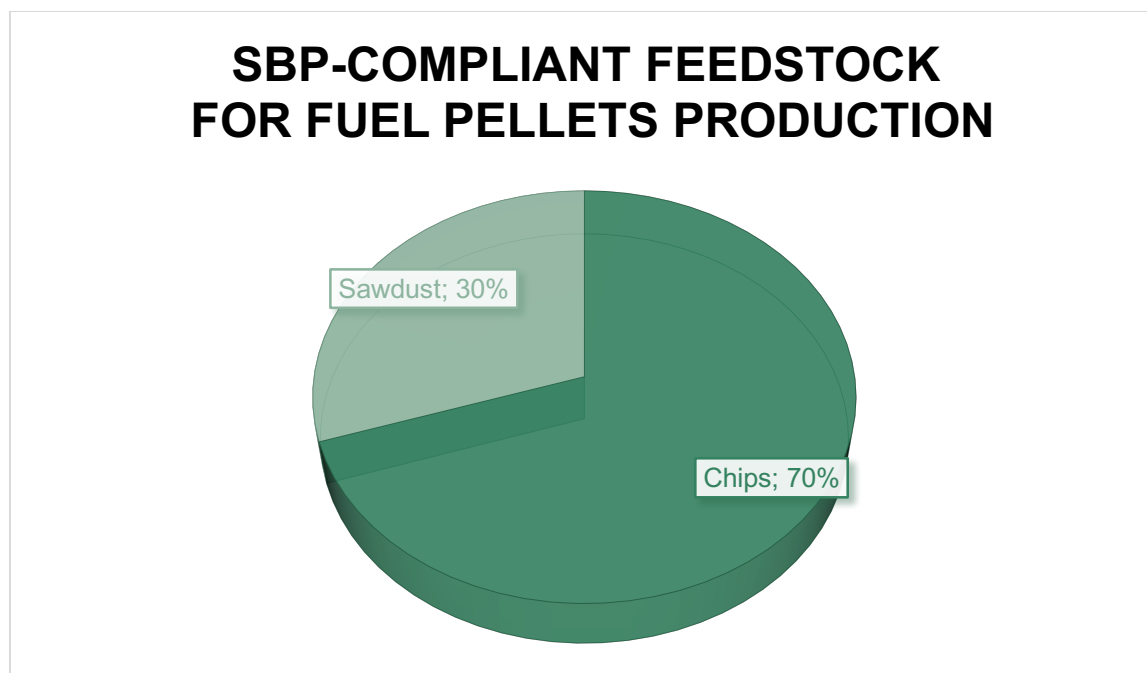
2.2 Actions taken to promote certification amongst feedstock supplier

The SBP (wood pellets) production will use wastes of “Sibles Projekt Ltd.” production on the FSC-certified leases only. “Sibles Projekt Ltd.” does not purchase wood from non-certified suppliers. Sibles Projekt Ltd has a plan to certify non-certified leased areas according to PEFC scheme.

2.3 Final harvest sampling programme

Not applicable. Only secondary feedstock.

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): 248171 ha
- b. Tenure by type (ha): 248171 ha public
- c. Forest by type (ha): 248171 ha boreal
- d. Forest by management type (ha): 248171 ha managed natural
- e. Certified forest by scheme (ha): 248171 ha FSC certified

Feedstock

- f. Total volume of Feedstock: volume of secondary feedstock for pellets production
- 26511,37 m³
- g. Volume of primary feedstock: not applicable
- 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
 - Not certified to an SBP-approved Forest Management Scheme
- i. List all species in primary feedstock, including scientific name. Not applicable.
Primary feedstock is not used for fuel pellets production. Secondary feedstock used (sawdust, chips) originates from primary feedstock species (Scotch pine, Siberian larch, Siberian spruce, Fir)
- 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 Scheme. Not applicable
 - Primary feedstock from primary forest certified to an SBP-approved Forest Management Scheme
 - Primary feedstock from primary forest not certified to an SBP-approved Forest Management Scheme
- l. Volume of secondary feedstock: 26511,37 m³
- m. Volume of tertiary feedstock: not applicable

* Disclosure of the exact figures would reveal commercially sensitive information.

3 Requirement for a Supply Base Evaluation

SBE completed	SBE not completed
☐	x

The SBP fuel pellets production will use woodchips from FSC-certified wood supplied from certified leased forests. At the plant for primary processing of wood it is separated into certified and non-certified in terms of cutting. Thus, in the course of processing the certified feedstock will be supplied for the production of SBP fuel pellets, while non-certified feedstock will be supplied for the production of non-certified fuel pellets, respectively. That's why SBE is not needed.

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 Conclusions

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

The report was forwarded for its peer review to KGBU Motyginskoe state forest management organization.

Peer reviewer - engineer of forest management - highlighted that the company uses own certified wood that excludes procurement from unscrupulous suppliers.

The report is given no negative comments. There were no mistakes found.

11.2 Public or additional reviews

The Report is available for the public on the company website <http://sibles.maltat.ru>

All stakeholders can post their feedback, if any, at the company address: 31A, Maerchaka St., Krasnoyarsk, 660075, Krasnoyarsk Krai, Russia.

12 Approval of Report

Approval of Supply Base Report by senior management			
Report Prepared by:	<i>Dombrovskaya N.S.</i>	<i>Forest Certification Engineer</i>	<i>27.03.2017</i>
	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:	<i>Karpenkov E.V.</i>	<i>Director of "Sibles Projekt Ltd."</i>	<i>28.03.2017</i>
	Name	Title	Date

13 Updates

Not applicable at primary SBP evaluation

13.1 Significant changes in the Supply Base

Not applicable at primary SBP evaluation

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

Actually consumed feedstock volume for fuel pellets production in the reported period is 26 511,37 m³

13.5 Projected figures for feedstock over the next 12 months

Planned feedstock volumes for fuel pellets production in 2017 is 115 105 m³