



Supply Base Report: BIO LLC

First 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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Annex 1: Detailed findings for Supply Base Evaluation indicators

1 Overview

Producer name: BIO LLC

Producer address: Territoriya Prompleshchyadka UI LPK, Zdaniye 020303, Irkutsk region, 666684 Ust-Ilimsk, Russia

SBP Certificate Code: SBP-07-68

Geographic position: 58.017846, 102.801020

Primary contact: Natalia Kondurova, +7 902 568 9172,dvpwood@mail.ru

Company website: none

Date report finalised: 02 Feb 2021

Close of last CB audit: 02 Feb 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

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: Krasnoyarsk and Irkutsk regions

Exclusions: No

Bio Limited Liability Company is a producer of SBP-certified biomass located in the Irkutsk region.

In the first reporting period, when the pellet line was launched, Bio LLC produced non-certified biomass, outside the scope of SBP certification, from sawmill waste (sawdust). Then SBP-certified biomass was produced from low-grade primary wood - balances without tops, branches and stumps (SBP-compliant primary feedstock). Raw materials were purchased from only one FSC certified enterprise, the holder of the lease of a forest plot in the Krasnoyarsk Territory. In the second quarter of 2020 BIO LLC went to use secondary feedstock (sawdust) with FSC 100% and FSC Mix Credit claims from FSC certified suppliers, which have been receiving wood from leased forest areas in the Krasnoyarsk and Irkutsk regions.

So Bio LLC uses SBP-compliant secondary feedstock to produce SBP-compliant biomass from feedstock with FSC 100% claim and FSC Mix Credit claim.

The supply base of BIO LLC is the forest fund of the Krasnoyarsk and Irkutsk regions. The total area of the supply base is 228.1 million ha.

The forest fund of the Irkutsk region is 69.4 million hectares. According the information contained in the regional Forest Plan, 12% of the country's forest reserves are concentrated in the region. But not all forest area is covered with forests. Some of them have been cut down and not yet replanted; part damaged by fires; about 1.6 million hectares are occupied by glades, ravines, roads, buildings, etc. The total standing stock is 8.8 billion m³, including the stock of coniferous stands – 7.5 billion m³.

Krasnoyarsk region has one of the largest forest resources among Russian regions. The territory of the forest fund of the region is 158,7 million hectares. The total stock of forests amounts to 11,7 billion m³ - this is about 1/3 of the Siberian Federal District reserves and 1/7 of the total Russian forest stock. In the structure of forest stands of the Krasnoyarsk region coniferous stands prevail, the share of which is about 76%.

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 month, 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 60-120 years. Only clear cuts are used as a method of wood harvesting at the maturity stage with subsequent reforestation. Sanitary felling is also possible. The maximum cutting area is limited to 50 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 composition of the forests of the Krasnoyarsk and Irkutsk region includes Scots pine (*Pinus sylvestris*), Siberian larch (*Larix sibirica*), Siberian cedar pine (*Pinus sibirica*), Siberian spruce (*Picea obovate*), Siberian fir (*Abies sibirica*), and Silver birch (*Betula pibirula*), aspen (*Populus tremula*), , a tree-shaped willow (*Salix* spp.) is found.

When harvesting wood, according to the forest legislation species listed in the Red Book, as well as their habitats, are subject to conservation. Harvesting of valuable, endangered and specially protected species of trees is prohibited. On the territory of the Krasnoyarsk region there are such types of trees listed in the Red Book as Small-leaved Birch (*Betula microphylla* Bunge), Pseudocossack Juniper (*Juniperus pseudosabina* Fisch. & C.A. Mey.). In the Irkutsk region Siberian Blue Spruce (*Picea obovata* Ledeb. Var. *Coerulea* Malysch) and the Berry Apple Tree (*Malus Baccata* (L.) Borkn). are subject to conservation. Areas with a predominance of Siberian cedar pine (*Pinus sibirica*) are prohibited for cutting in the Irkutsk regions.

Harvesting of tree species that are on the IUCN and CITES lists is excluded, since the distribution range of these species is outside BIO LLC's supply base.

The presence of vast forests with a predominance of ripe stands of economically valuable species contributed to the rapid development of the logging industry in the region. Krasnoyarsk region is in one of the leading places in terms of forest raw material potential, and in terms of harvested wood, it is among the leading in Russian Federation. The forest industry is represented by 400 enterprises operating in the field of logging and woodworking. In recent years, priority in the transfer of forests for rent has been given to enterprises in which logging is integrated with woodworking.

There are many enterprises in the field of logging and woodworking in the Irkutsk region also, wherein woodworking companies are more than twice than loggers. The largest of them are: JSC Ilim Group, JSC Bratsk Timber Industry Complex (BLPK) - manufacturers of pulp and cardboard; Omfal LLC, Ind-Timber LLC, Lesresurs LLC, PromLesTrade LLC, IP Zarechny, Madera CJSC - manufacturers of lumber and pellets; LLC TM Baikal, CJSC KATA, LLC Orion, LLC Lesobalt - manufacturers.

Compared with them, Bio LLC is a small company located in Ust-Ilimsk, Irkutsk Region. It performs rather important socio-economic function in the area. The company pays taxes to the local budget; when hiring, it gives preference to the local population.

2.3 Actions taken to promote certification amongst feedstock supplier

Bio LLC acquires FSC certified wood processing residues (sawdust) from FSC certified suppliers.

2.4 Quantification of the Supply Base

Supply Base

- a. **Total Supply Base area (million ha):** 228,10
- b. **Tenure by type (million ha):**228.10 (Public)
- c. **Forest by type (million ha):**228.10 (Boreal)
- d. **Forest by management type (million ha):**228.10 (Managed natural)
- e. **Certified forest by scheme (million ha):**12.79 (FSC)

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

Explanation: The major part of secondary feedstock was sourced from roundwood, logged by clear cutting wood at the maturity stage with subsequent reforestation. Forestry machines were used such as harvesters, feller and skidder machines, crawlers.

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

Explanation: The forests in the Supply Base are managed for such industries as woodworking industry, pulp and paper industry and forest chemical industry. Woodworking industry processes wood raw materials by mechanical and chemical methods to produce finished products, such as wood sheets and slabs, sleepers, plywood, beams, furniture structures, window and door structures, parquet, floor boards, matches. Pulp and paper industry is engaged in the production of paper, cardboard and pulp from wood raw materials. Forest chemical industry is engaged in the chemical production of various, mostly liquid, substances, such as methyl and ethyl alcohol, from wood waste. Its products also are charcoal, rosin, phenol, glue, acetone, camphor, glycerin, turpentine, tar.

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: There are many regulatory legal acts containing mandatory requirements, the assessment of compliance with which is the subject of federal state forest supervision (forest protection) in Russia. Main of them are: "The Forest Code of the Russian Federation" of 04.12.2006 N 200-FZ and Federal Law No. 7-FZ of 10.01.2002 "On Environmental Protection». Also other documents connected with forest regeneration are issued such as of Orders of the Ministry of Natural Resources of Russia, Decrees of the Government of the Russian Federation, Orders of the Federal Forestry Agency and Orders of Ministry of Natural Resources of the Russian Federation. 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. 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.

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: According to the documents provided by the suppliers, the primary raw materials were not harvested as a part of a pest/disease control measures. Such measures also are regulated by "The Forest Code of the Russian Federation" of 04.12.2006 N 200-FZ and Resolution of Government of the Russian Federation from 09.12.2020 N 2047 "On the approval of the Rules of sanitary safety in forests"

Feedstock

Reporting period from: 01 May 2020

Reporting period to: 31 Dec 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	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:	Kondurova Natalia	Responsible for certification	02 Feb 2021
	Name	Title	Date
Report Prepared by:	Popov Denis	director	02 Feb 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:	Mikhail Rai	N/A	02 Feb 2021
	Name	Title	Date

Annex 1: Detailed findings for Supply Base Evaluation indicators

N/A