

SBP

Sustainable Biomass Partnership

Supply Base Report: Nordplit

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Completed in accordance with the Supply Base Report Template Version 1.0

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

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1 Overview

Producer name: Limited liability company Plywood Factory “Nordplit

Producer location: 666504, Nizhny Novgorod Region, Shakhunya district, Vakhtan settlement, Komarov st, 28-B

Geographic position: Russian Federation, Volga Federal District, Nizhny Novgorod region, 57° 58'06" North latitude /46°41'06" East longitude

Primary contact: Andrey Mikhaylovich Zatey, tel. +7 910 790 80 50,

Company website: E-mail: andrey@rosplit.ru

Date report finalised: <http://www.rosplit.ru>

Close of last CB audit: 23/Dec/2015

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 2015r.

Weblink to Standard(s) used: <http://www.sustainablebiomasspartnership.org/documents>

SBP Endorsed Regional Risk Assessment: not applicable

Weblink to SBE on Company website: <http://www.rosplit.ru>

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	☐	☐	☐	☐

2 Description of the Supply Base

2.1 General description

In accordance with the legislation of the Russian Federation all the land of the forest fund are state-owned. The main form of use is lease.

The wooded lands of the lands of the Nizhny Novgorod region forest fund make 3,440.3 thousand ha, where approximately the half of which is occupied by softwood (47.7%), where 81.3% - pine forests, 18.5% - spruce forests.

49.8 percent of the total forest area are occupied by soft-wooded broadleaved forests, where 75.6 % - birch forestss, 16.9 percent – aspen forests, 3.3% - linden forests, and 3.4% - alder forests.

The total volume timber resources is 556.85 million m³.

The overall mean increment is 12.73 million m³ per year.

Percent of forest area– 48.0 %.

Utilization of the calculated felling rate in the region – 37.2 %.

One of the timber land lease takers in the Nizhny Novgorod region and the largest timber land lease takes within the limits of Tonshaevo and Shakhunya districts of “Lestrans” LLC – feedstock supplier of the LLC Plywood Factory “Nordplit”.

«Lestrans» LLC has concluded 2 long-term lease agreements (for the period of 49 years) and carries out timber harvesting by own efforts and fulfills the whole package of forestry measures recommended by Forest exploitation projects (measures for forest protection against fires and illegal felling, forest protection and regeneration, intermeaidate cuttings), carries out maintenance and repair of forestry roads.

Brief information of the leased timber lands:

Lease agreement No.3 dated 10.12.2007

Timber land with the area of 108 001 ha is located within the borders of Burepolom, Verkhnyaya Unzha, Pizhma, Shakhunya and Khmelevitsa forestry departments of the Nizhny Novgorod region.

Hardwood plantings prevail in the lease timber land (66944 ha or 67.5% of the wooded lands), where soft-wooded broadleaved forests take 66929.1 ha, hard-wooded broadleaved forests occupy 14.9 ha.

The area of softwoods make 32265.6 ha, where pine forests occupy 20872.9 ha, spruce forests occupy 11307.9 ha, fir forests – 70.3 ha, larch forests – 14.5 ha.

The average composition of the plantings on the timber land with account of the composing species is described with the formula 3,6Б2Ос1,8С1,6Е0,4Лп0,3Олч0,1Ив0,1П0,1Олс. The average age of softwood plantings is 63 years, soft-wooded broadleaved plantings – 51 years, hard-wooded broadleaved forests – 26 years. The average capacity class as per lease land is equal to 1.7, the average normality is 0.71.

The average forest yield within the borders of the lease timber land is 172 m³/ha, maturity and overmaturity stands – 227 m³/ha.

The average wood increment for the softwood species is 2.92 m³, for soft-wooded broadleaved species – 3.33 m³, the timber land average – 3.19 m³.

Lease agreement No.73 dated 25.06.2008

Timber land with the area of 24 134 ha is located within the borders of Pizhma, Burepolom, and Verkhnyaya Unzha, forestry departments of the Nizhny Novgorod region.

Hardwood plantings prevail in the lease timber land (23530.6 ha or 97.5% of the wooded lands). The softwood area is 603.4 ha.

The average composition of the plantings on the timber land with account of the composing species is described with the formula 4,3Б2,1Ос1,5Е0,7С,0,6 Олч,0,4Лп0,0,2 Ив,0,1Олс, 01П. The average age of plantings is 54 years. The average capacity class as per lease land is equal to 1.4, the average normality is 0.7.

In December 2015, “Lestrans” LLC completed the basic certification evaluation for conformity of the business activities with the requirements of the Principles of the Russian National FSC standard (FSC-STD-RUS-V 6-1-2012).

In the course of preparation for the certification LLC "LesTrans" carried out the evaluation of the impact of economic activities on the air, water and soil resources, flora and fauna, endangered species of plants and

animals, high conservation value forests, and representative areas of ecosystems, social sphere, analyzed the lease area for the applicability of international conventions and bilateral agreements in the field of nature conservation (CITES Convention, Convention on Biological Diversity, the Ramsar Convention, the Convention for the protection of the World cultural and natural heritage, bilateral agreements on the nature protection), justified the sustainability of the planned annual amount of distributing of the standing timber (calculated felling rate) for the long term. The company allotted 30% of the certified area for HC VF and removed from the forest exploitation (special protected natural areas, special protected areas, water protection zones, representative sites, social HC VF). There are no undisturbed forests, no indigenous native minorities on the lease area of LLC "LesTrans", the company does not stock the species, falling within the scope of CITES Convention and included in the IUCN lists. The company has no debt on tax and lease payments.

Thus, the feedstock for the manufacture of SBP products by LLC Plywood Factory "Nordplit" is wood harvested legally in compliance with social, environmental and economic standards of forest management.

Operating within the framework of the principles of "Partnership for the Sustainable Use SBP-compliant», LLC Plywood Factory "Nordplit" demonstrates that the risks for the accumulation of carbon in the forests are manageable.

At the moment (the report period from 01.09.2015 till 01.12.2015) all the feedstock supplied to the LLC Plywood Factory "Nordplit" and used for production of biofuel, has not been certified.

Social and economic conditions in the districts where the leased forest areas are located.

On the territory of **Tonshaevo and Shakhunya districts** there are industrial and agricultural enterprises. The main specialization of the agricultural companies is livestock production, which accounts for about 70% of gross agricultural output.

The abundance of forests on the territory of these districts enables the development of forestry and wood-chemical complex.

2.2 Actions taken to promote certification amongst feedstock supplier

Overview of feedstock proportion for the manufacture of SBP groups of product (pellets)

For manufacture production of fuel granules (pellets) in the report period from 01.09.2015 till 01.12.2015 (the initial manufacture stage) 10121.8 m3 of non-certified feedstock was used - wood chips (waste of the own plywood production).

After receiving the FSC forest management certificate by LLC "LesTrans" for the manufacture of products with the statement «SBP-Compliant Biomass» LLC Plywood Factory "Nordplit" will use only certified feedstock with the statement "FSC 100%". The proportion of hardwood feedstock in the production of wood pellets in the report period amounted to 100%.

Within the planned period the volume of incoming certified feedstock (FSC 100%) will be distributed as follows:

- waste of its own production of plywood (wood chips) be 10 000 m3,
- round hardwood (pulpwood and fuelwood) - 47 000 m3,
- round softwood (pulpwood and fuelwood) - 18 000 m3.

It is planned to produce 30 000 tons of pellets (average moisture content 6.2%).

Taking into account that for the production of biofuel by LLC Plywood Factory "Nordplit" the raw materials from only one supplier LLC "LesTrans" is sufficient, which is currently undergoing FSC certification, we did not attempt to speed up the certification of other lease taker in Tonshaevo and Shakhunya districts.

2.3 Final harvest sampling programme

Not applicable

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

2.5 Quantification of the Supply Base

Supply Base

- a. The total supply base area: 132135 ha
- b. Tenure by type: 100% state-owned forests
- c. Forest by type: boreal forests 132135 ha
- d. Forest by management type: 132135 ha, natural, managed according to lease agreements
- e. Certified forests by scheme: 0 ha (previous reporting period); 132135 ha (FSC 100%, in the next reporting period).

Feedstock

- f. Total volume of feedstock from 01.09 2015 till 01.12.2015 (from the production startup):
 - volume of secondary input materials for the production of pellets - 10 121,8 solid m3.
- g. Volume of primary feedstock: Not applicable
- h. List percentage of primary feedstock by the following categories.
 - Large forest holdings certified by SBP-approved Forest Management Scheme – 0%
 - Large forest holdings not certified by SBP-approved Forest Management Scheme – 0%
 - Small forest holdings, certified by SBP-approved Forest Management Scheme - 0%
 - Small forest holdings, not certified by SBP-approved Forest Management Scheme – 0%
- i. List all species in primary feedstock, including scientific name: Not applicable
- j. Volume of primary feedstock from primary forest: 0 m3
- k. List percentage of primary feedstock from primary forest (i), by the following categories.
 - Primary feedstock from primary forest, certified by SBP- approved Forest management Scheme- 0
 - Primary feedstock from primary forest, not certified by SBP- approved Forest management Scheme - 0
- l. The volume of secondary feedstock for the report period:
 - chips 10121, 8 m3
- m. Volume of tertiary feedstock: Not applicable

3 Requirement for a Supply Base Evaluation

SBE completed	SBE not completed
☐	X

Not applicable

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

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 sent for expert evaluation to the Head of the Association of environment of responsible timbermen of Russia (GFTN Russia) Alexander Ivanovich Voropaev.

All the remarks were taken into consideration and the relevant amendments and addenda were made in the Supply Base Report.

11.2 Public or additional reviews

Report is available on the website <http://www.rosplit.ru> for public disclosure.

All requests, if any, by parties concerned shall be sent to the company's address: 666504, Nizhny Novgorod region, Shakhunya district, Vakhtan settlement, Komarov st., 28-B

12 Approval of Report

Approval of Supply Base Report by senior management			
Report Prepared by:	<i>Sidorov Aleksei Yurievich</i>	<i>Head of supply department responsible for certification</i>	<i>21.12.2015</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>Zatey Andrey Mikhaylovich</i>	<i>Plywood Plant "Nordplit" LLC Director</i>	<i>22.12.2015</i>
	Name	Title	Date
Report approved by:	<i>[name]</i>	<i>[title]</i>	<i>[date]</i>
	Name	Title	Date
Report approved by:	<i>[name]</i>	<i>[title]</i>	<i>[date]</i>
	Name	Title	Date

13 Updates

Not applicable at main SBP assessment.

13.1 Significant changes in the Supply Base

Not applicable at main SBP assessment.

13.2 Effectiveness of previous mitigation measures

. Not applicable at main SBP assessment.

13.3 New risk ratings and mitigation measures

Not applicable at main SBP assessment.

13.4 Actual values of feedstock over the previous 12 months

Not applicable at main SBP assessment.

13.5 Projected values of feedstock over the next 12 months

Not applicable at main SBP assessment.