



Supply Base Report: Region-les LLC (Shenkursk division)

Second Surveillance Audit

www.sbp-cert.org



The promise of good biomass



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

Version 1.0: published 26 March 2015

Version 1.1 published 22 February 2016

Version 1.2 published 23 June 2016

Version 1.3 published 14 January 2019; re-published 3 April 2020

Version 1.4 published 22 October 2020

Contents

1	Overview
2	Description of the Supply Base
2.1	General description
2.2	Description of countries included in the Supply Base
2.3	Actions taken to promote certification amongst feedstock supplier
2.4	Quantification of the Supply Base
3	Requirement for a Supply Base Evaluation
4	Supply Base Evaluation
4.1	Scope
4.2	Justification
4.3	Results of risk assessment and Supplier Verification Programme
4.4	Conclusion
5	Supply Base Evaluation process
6	Stakeholder consultation
6.1	Response to stakeholder comments
7	Mitigation measures
7.1	Mitigation measures
7.2	Monitoring and outcomes
8	Detailed findings for indicators
9	Review of report
9.1	Peer review
9.2	Public or additional reviews
10	Approval of report
Annex 1: Detailed findings for Supply Base Evaluation indicators	

1 Overview

Producer name: Region-les LLC (Shenkursk division)

Producer address: Building 2, house 27A, vil. Chashchinskaya, Shenkursk district, 165195 Arkhangelsk region, Russia

SBP Certificate Code: SBP-07-40

Geographic position: 62.099257, 42.821905

Primary contact: Anton Studentsov, +7 921 294 6946, studencov_a@regionlesm.ru

Company website: <https://www.rl-group.net/en>

Date report finalised: 03 Dec 2021

Close of last CB audit: 10 Dec 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: <http://rl-group.net/certificate-en>

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

Exclusions: No

Region-Les LLC is a biomass producer located in Chaschinskaya village, Shenkursk district, Arkhangelsk Region, Russia. Region-Les LLC produces SBP-compliant biomass from SBP-compliant secondary feedstock that is a residue from own sawmill (sawdust, wood chips). Roundwood for sawing can be sourced from 4 approved primary wood suppliers. The species composition of the feedstock is Norway spruce (*Picea abies*) - 92%, Scots pine (*Pinus sylvestris*) - 7%, Birch (*Betula pendula*, *Betula pubescens*) – 1%.

The approved supply base, which is the place of origin of wood that is used as feedstock and biofuel for biomass production, is limited to the leased forest areas of 4 logging companies. Leased forest plots of logging companies - wood suppliers, are located exclusively in the Arkhangelsk region (Russia). All forest areas are managed in accordance with the Russian national FSC standard (license code FSC-C128360), which is confirmed by the availability of valid forest management certificates from all suppliers. In the reporting period, in fact, feedstock came from 2 out of 4 approved suppliers - Yumizh-les LLC and Vaengsky LPH LLC. The total volume of harvest in the Arkhangelsk region for 2020 (Report "State and Protection of the Environment of the Arkhangelsk Region for 2020") amounted to 14,9 million m³ per year. The total procurement volume of the organization's suppliers amounted to 619,3 thousand m³ during the same period, which is only 4,1% of the total wood procurement in the Arkhangelsk region. Annual allowable cut (AAC) is fulfilled by suppliers for 89% for 2020. Actual harvest volume for 2020 as whole in the Arkhangelsk Region was 57% of the current AAC. According to the Report, in 2020 the timber industry complex of the Arkhangelsk region produced the following volumes of woodworking production: 2 427.7 thousand m³ lumber, 463,5 thousand tons fuel pellets, 19,6 thousand m³ plywood. Also, in 2020, pulp and paper mills shipped products (cardboard, paper, cellulose) worth 81,3 billion rubles. In terms of the volume of goods shipped in 2020, the timber industry complex accounted for 12,6% of the total volume of goods shipped for all types of industrial production. Compared to the level of 2019, the production of pulp increased by 9.7%, paper and cardboard increased by 12.2%, and school notebooks increased by 5.4%.

In 2020, an increase in the average monthly wage is observed: in logging, growth was 2,1%, in pulp and paper production - 3,9%, in woodworking industries - 5,1%.

The population of the Arkhangelsk Region as of January 1, 2021 amounted to 1,022.7 thousand people. The demographic situation in the region is characterized by complex and ambiguous processes. In 2020,

the number of residents of the region decreased by 9,7 thousand people (in 2019 - by 7,9 thousand people). The main reason for the decline in population is natural loss.

In accordance with the legislation of the Russian Federation forest areas are in federal ownership. Suppliers manage forest land on the basis of long-term lease agreements (up to 49 years). 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 project for 10 years (based on taxation and forest management), implement measures for the conservation, protection and reproduction of forests, and each year submit a forest declaration containing a report on the implemented measures and logging volumes.

Ensuring high-quality reproduction of forest resources and protective afforestation is a prerequisite for forest use. All reforestation work on leased forest areas is planned and carried out by forest users at their own expense in accordance with forest managements projects.

Forest areas are represented by both coniferous and deciduous stands. The main forest-forming species: Norway spruce (*Picea abies*) – 42%, Scots pine (*Pinus sylvestris*) – 22%, Silver birch (*Betula pendula*), Downy birch (*Betula pubescens*) – 31%, Aspen (*Populus tremula*) - 5%. The average age of the forest stand is 113.2 years.

The adjacent lands of the supply base are mainly represented by forest areas of other tenants and agricultural land. Mostly logging activities and agriculture are carried out in these territories, respectively. In protective forests located along lakes, swamps and other environmentally sensitive objects, a more strict control regime is applied.

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. Selective cutting and clear cuts are used as a methods of wood harvesting. The maximum area of clear cuts is limited by 50 ha. Reforestation can be done with planting seedlings (about 10-15%) or the promotion of natural regeneration (85-90%).

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. Region-Les LLC processes only Norway spruce (*Picea abies*), Scots pine (*Pinus sylvestris*), Silver birch (*Betula pendula*), Downy birch (*Betula pubescens*), Aspen (*Populus tremula*). The tree species listed in CITES and IUCN are not met within the supply base.

Logging companies, being FSC certified forest users, provide social support to the local population through various social programs (for example, the supply of fuel wood to the local population, preferential employment rights for local residents, participation in the organization of local events as sponsors, assistance in the construction and repair of local infrastructure facilities, etc.).

2.3 Actions taken to promote certification amongst feedstock supplier

All feedstock suppliers are FSC certified. All suppliers are part of the Region-Les LLC group association, which was created with the aim of promoting and assisting logging organizations (suppliers) in meeting the

requirements of national and international FSC standards.

2.4 Quantification of the Supply Base

Supply Base

- a. **Total Supply Base area (million ha):** 0,67
- b. **Tenure by type (million ha):**0.67 (Public)
- c. **Forest by type (million ha):**0.67 (Boreal)
- d. **Forest by management type (million ha):**0.67 (Managed natural)
- e. **Certified forest by scheme (million ha):**0.67 (FSC)

Describe the harvesting type which best describes how your material is sourced: Mix of the above

Explanation: Logging activities are carried out with the use of clear, selective felling and commercial thinning. The maximum clearcut area is 50 hectares. Logging is carried out using a harvester and forwarder.

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

Explanation: Logging processes in managed forest areas are primarily aimed at obtaining high-value varieties of round timber - sawlogs and pulpwood.

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: All deforested forest areas are restored in accordance with forest development projects and reforestation projects. According to the current legislation, all deforested and disturbed forest areas must be restored or reclaimed.

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: During the reporting period, there were no measures to combat forest pests and diseases due to lack of need.

Feedstock

Reporting period from: 01 Nov 2020

Reporting period to: 31 Oct 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: Chips, 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:	Anton Studentsov	Head of Forest Management department	03 Dec 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:	Dmitry Gvozdev	CEO	03 Dec 2021
	Name	Title	Date

Annex 1: Detailed findings for Supply Base Evaluation indicators

N/A