



Supply Base Report: Bratsk Pellets 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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1 Overview

Producer name: Bratsk Pellets LLC

Producer address: Ul. Dokovskaya 22/4, Bratsk district, Irkutsk region, 665771
Vihorevka, Russia

SBP Certificate Code: SBP-07-97

Geographic position: 58.018477, 102.800666

Primary contact: Anna Vorontsova,
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Company website: N/A

Date report finalised: 21 Apr 2021

Close of last CB audit: 23 Apr 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 1.4

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: Irkutsk region and Krasnojarsk region

Exclusions: Yes

Bratsk Pellets LLC is a biomass producer located in Vikhorevka, Irkutsk Region, in the industrial zone of the town. The pellet line is launched in March-April 2020. The plant processes residues products (sawdust and wood chips) from sawmills of suppliers. Bratsk Pellets LLC receives SBP-compliant secondary feedstock from four FSC certified suppliers. The species are: Scots pine (*Pinus sylvestris*), Siberian larch (*Larix sibirica*), a small percentage of Siberian spruce (*Picea obovata*), Siberian fir (*Abies sibirica*), and Siberian cedar pine (*Pinus sibirica*).

The supply base of Bratsk Pellets LLC is the forest fund of the Irkutsk region and the Krasnoyarsk region. The total area of the supply base is 228,1 million ha.

Krasnoyarsk Krai 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%.

The forest fund of the Irkutsk region is 69,4 million hectares. According to 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.

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 81-140 years. Mostly clear cuts are used as a method of wood harvesting at the maturity stage with subsequent reforestation. The maximum clearcutting area is limited to 50 ha in some districts of the Supply Base and at the northern parts of the Supply Base in Tundra clear cuts are forbidden. Thinnings are also possible. Thinnings can be done at area 20-80 ha in different districts. Reforestation can be done with planting seedlings (11%), the promotion of natural regeneration (86%), or combined method (3%). 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 Krai and the 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 Krai 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 obovate* Ledeb. Var. *Coerulea* Malysch) and 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 both region.

BRATSK PELLETS LLC does not procure and does not purchase tree species listed in the IUCN or CITES list, as their habitat is outside the Supply Base.

Within the regions of the supply base, deep wood processing prevails over the export of round timber. The leading areas of processing are the production of lumber, pulp, paper and cardboard production, plywood, pellets and other. Approximately 2,5-3% of the wood processed within the supply base regions ends up in pellet productions.

The main enterprises of the forest industry in the Irkutsk region, which are also the largest tenants and loggers: JSC Ilim Group - manufacturer 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 of lumber; Usolsky Plywood Plant LLC, Ilim Timber LLC - plywood manufacturers. The company Bratsk Pellets LLC is located in Ust-Ilimsk, Irkutsk Region and is not a logging enterprise. The company is considered as a small company and is a local tax payer.

2.3 Actions taken to promote certification amongst feedstock supplier

Bratsk Pellets LLC informs suppliers of the benefits of FSC forest management certification and buys only FSC-certified feedstock.

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):**56.11 (FSC)

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

Explanation: Mostly clear cuts are used as a method of wood harvesting at the maturity stage with subsequent reforestation. The maximum clearcutting area is limited to 50 ha in some districts of the Supply Base and at the northern parts of the Supply Base in Tundra clear cuts are forbidden. Thinnings are also possible. Thinnings can be done at area 20-80 ha in different districts. Harvesting is done by harvesters and forwarders using cut-to-length logging method.

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

Explanation: The main purpose of wood harvesting is sawmilling, woodworking and pulp cooking. Only residues from these processes are used as a feedstock for energy markets.

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 legislation, forest user is obliged to ensure regeneration within 5 years. It is more and more promoted artificial regeneration. However, in the supply base reforestation is done with planting seedlings (11%), the promotion of natural regeneration (86%), or combined method (3%).

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

Explanation: Sanitary harvestings are done in a minor extent. They are ordered by lesnichestvo - a state forest management enterprise.

Feedstock

Reporting period from: 01 Apr 2020

Reporting period to: 31 Mar 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:	Anna Vorontsova	Certification manager	21 Apr 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:	Grigory Vorontsov	General director	21 Apr 2021
	Name	Title	Date

Annex 1: Detailed findings for Supply Base Evaluation indicators

N/A