



Supply Base Report: Surgutmebel LLC

Main (Initial) 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

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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: Hanty-Mansiyskiy autonomus region - Yugra

Exclusions: Yes

Surgutmebel LLC is a sawn wood, furniture, windows, doors, houses and biomass producer located in stlm. Barsovo, Hanty-Mansiyskiy autonomous region – Yugra. The company processes about 60 thousand m³ of roundwood per year. Surgutmebel LLC produces SBP-compliant biomass from FSC-certified (license code FSC-C127361) secondary feedstock with FSC 100% claim – wood chips, the residue from its own sawn wood production, and dry shavings – the residue from own furniture production. FSC certified roundwood for these productions is supplied from 2 own leased forest areas located in the Hanty-Mansiyskiy autonomous region - Yugra. Both of them are FSC certified (License Code FSC-C127360, FSC certificate code: FC-FM/COC-643247). Species composition of the feedstock is Scots pine – 99,7%, Siberian larch – 0,3%.

Biomass producer Surgutmebel LLC is located in the middle taiga zone, in close proximity to the capital of autonomous region – Surgut city.

The Supply Base is the two own leased forest areas that are located in the Hanty-Mansiyskiy autonomous region - Yugra, in one of the very forested regions of the country – about 90% of the territory are forest fund lands. On the land, adjacent to the leased forest areas, there are no forest areas leased for timber harvesting. There are licensed areas of various oil and gas production enterprises, as well as transport infrastructure and technological roads of oil and gas production enterprises.

Supply base is located in Ural Federal District of the Russian Federation. Officially, the forest territory of the Russian Federation (forest fund) accounts for about 21% of the global standing stock. Softwood species constitute 78%, hardwood - 22%.

In accordance with the legislation of the Russian Federation, all lands of the forest fund are in state ownership. Legal entities receive forest areas for use for a period of 10 to 49 years in lease (with the possibility of their prolongation). Long-term rental relations are the dominant legal form for obtaining the right to harvest standing timber. The conclusion of lease agreements for forest areas or purchase and sale agreements for forest stands is carried out at auctions for the sale of the right to conclude such agreements. Leased areas 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.

The Hanty-Mansiyskiy autonomous region - Yugra is among the leading forest regions of Russia. The share of mature and overmature forest stands is predominant in the supply base. Forest compositions in the supply base: Scots pine (*Pinus sylvestris*), Siberian spruce, (*Picea obovata*), Siberian cedar pine (*Pinus sibirica*), Siberian larch (*Larix sibirica*), Silver birch (*Betula pendula*), Aspen (*Populus tremula*).

Within the Supply Base, forests of high conservation value (HCVF) have been identified. In HCVF, the stricter control regime is applied. FSC-certified enterprises, incl. Surgutmebel LLC, observe a moratorium on timber harvesting in these forest areas. Within the Supply Base, the annual allowable cut is not completely cut down. Undeveloped infrastructure does not allow full use of available timber stocks.

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 101-120 years. Only clear cuts are used as a method of wood harvesting. The maximum area of clear cuts is limited by 30 ha. Thinnings area are limited by 80 ha, but are not used as there are only mature and overmature forest stands in the supply base. Reforestation can be done with planting seedlings, promotion of natural regeneration, or combined method.

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. In its production Surgutmebel LLC processes only Scotch pine (*Pinus sylvestris*) and Siberian larch (*Larix sibirica*). The tree species listed in CITES and IUCN are not processed, since their areal is not met within the supply base.

Within the Hanty-Mansiyskiy autonomous region - Yugra, deep wood processing prevails over the export of round timber. The leading areas of processing are the production of sawn wood, fiberboard, chipboard, wooden housing construction. Pellet production accounts for a negligible amount of the total wood processing within the region.

Surgutmebel LLC is of great socio-economic importance in the region. The company provides financial and material support to social and cultural facilities and organizations, sports facilities and healthcare facilities, is engaged in repair and construction of roads in the district.

2.3 Actions taken to promote certification amongst feedstock supplier

Not applicable, own resources

2.4 Quantification of the Supply Base

Supply Base

- a. **Total Supply Base area (million ha):** 0,12
- b. **Tenure by type (million ha):**0.12 (Public)

- c. **Forest by type (million ha):**0.12 (Boreal)
- d. **Forest by management type (million ha):**0.12 (Managed natural)
- e. **Certified forest by scheme (million ha):**0.12 (FSC)

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

Explanation: Only clear cuts are used as a method of wood harvesting. The maximum area of clear cuts is limited to 30 ha. Thinnings area are limited to 80 ha, but are not used as there are only mature and overmature forest stands in the supply base. Cut-to-length method is used for forest harvesting with harvesters and forwarders.

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

Explanation: The forest is manager for a purpose of sawn wood and furniture production. Biomass is produced with the intention to utilize the residues from these production.

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: Reforestation can be done with planting seedlings, promotion of natural regeneration, or combined method. According to the legislation, the forest tenant has the obligation to ensure reforestation.

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: Sanitary felling are not used.

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 m³
- 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, Other (specify)

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: N/A

List of countries and regions included in the SBE:

N/A

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 Cherepanova	Quality engineer, SBP responsible	26 May 2021
	Name	Title	Date
<p>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.</p>			
Report approved by:	Maulitian Fatihovich Gaulityan	General director	27 May 2021
	Name	Title	Date

Annex 1: Detailed findings for Supply Base Evaluation indicators

N/A