



# Supply Base Report: Komilesbusiness LTD

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](http://www.sbp-cert.org)*

### *Document history*

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# 1 Overview

**Producer name:** Komilesbusiness LTD

**Producer address:** 20 Zarechnaya street, Puzla village, 168092 Ust-Kulomskiy district, Komi Republic, Russia

**SBP Certificate Code:** SBP-08-25

**Geographic position:** 62.425086, 54.649008

**Primary contact:** A Ignapov, N/A, e.napalkov@komiles.ru

**Company website:** N/A

**Date report finalised:** 21 Sep 2021

**Close of last CB audit:** 22 Sep 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:** 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
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

## 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:** Komi Republic

**Exclusions:** No

Komilesbusiness is a large logging and woodworking enterprise of a full cycle in the Komi Republic of the Russian Federation. The wood comes from several suppliers, one of which is FSC 100% certified.

Secondary raw materials obtained from own production of lumber and processed into biomass at the pellet plant with FSC 100% and FSC Certified Wood claims. Species mix used in pellet production: 100% - Picea abies.

Supply Base of Komilesbusiness is the Komi Republic of the Russian Federation.

The Komi Republic is one of the leading forest regions in Russia. The total area of the forest Fund of the supply base is 36.3 million hectares, or 87.0 % of the territory of the Republic. In protective forests along lakes, swamps, and other environmentally sensitive sites, a stricter management regime is applied. The proportion of mature and overmature stands is approximately 3/4 of the total wood stock. Coniferous species make up more than 70%. The average bonitet class is IV. Officially, the wood stock of the Russian Federation (forest Fund) is 254.7 billion m<sup>3</sup> of the world's standing wood stock, which is about 21%. The forest Fund of Russia is 1,173. 9 million hectares.

In accordance with the legislation of the Russian Federation, all forest lands are state-owned. Legal entities receive forest plots in concession for use for a period of 10 to 49 years (with the possibility of their extension). Long-term concession relations are the dominant legal form of obtaining the right to harvest wood. Contracts for the lease of forest plots or contracts for the purchase and sale of forest stands are concluded at auctions for the sale of the right to conclude such contracts. The land plot leased must pass the state cadastral registration.

The forest code of the Russian Federation obliges each tenant to develop a plan for forest development 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 additions to it about the planned method of using forest resources. Tenants are required to submit a forest declaration containing a report on the activities carried out and the volume of logging for the calendar year with a cumulative total.

Within the framework of the supply base, forest management practices are based on achieving renewable sustainable forest management in accordance with the requirements of forest legislation and the principles of forest certification (when it is FSC-certified). The rotation period is 60-120 years. As a method of harvesting wood at the maturity stage with subsequent reforestation, only clear cut is used. Sanitary logging is also possible. The maximum cutting area size is limited to 50 ha. Reforestation can be done by planting seedlings or assisting natural regeneration. Ensuring high-quality reproduction of forest resources and protective afforestation is a necessary condition for the use of forests. For this purpose, a forestry development project is being developed, in which activities are aimed at improving the forest management characteristics of the forest area, as well as the implementation of continuous and sustainable forest management.

In the middle taiga, mixed forests of coniferous and broad-leaved trees in various combinations are often formed. In the southern taiga, spruce (*Picea abies*) and pine (*Pinus sylvestris*) predominate as coniferous species. In the southern taiga, there is an admixture of hardwoods in the second layer.

Komilesbusiness processes (at sawmill) pine (*Pinus sylvestris*) and spruce (*Picea abies*).

Tree species listed in the Red book of the Russian Federation are not harvested or processed. Harvesting of tree species included in the IUCN and CITES lists is excluded, since the distribution area of these species is located outside the organization's supply base.

The presence of extensive forests with a predominance of Mature stands of economically valuable species contributed to the rapid development of the logging industry in the region . In terms of its forest potential, the Komi Republic occupies one of the leading places in the North-West of Russia. The logging industry is the main branch of the forest industry. The main consumers of wood in the Komi Republic are large enterprises of the woodworking industry, as well as pulp and paper mills. In recent years, priority in leasing forests has been given to enterprises where logging is integrated with wood processing.

In terms of wood processing, Komilesbusiness is one of the leading small and medium-sized enterprises in the Komi Republic. However, not all residues are used for pellet production. Some of them are used for construction of forest roads or are burned in their own boiler house.

Komilesbusiness was established in 1998 and operates in the village Puzla, Ust-Kulom district of the Republic of Komi and has significant positive influence on local communities, providing the working place (currently it is over 180 employees). A social partnership agreement was signed with the rural settlement of Voldino on the territory of which the enterprise is located. The company maintains a school bus, a fire truck, and maintains the road and street network in Puzla village.

The annual timber harvesting volume in the Komi Republic is 6 300 000 tons. The volume of biofuel produced in the Republic is less than 200,000 tons

## **2.3 Actions taken to promote certification amongst feedstock supplier**

There is one FSC 100%-certified external supplier, 1 FSC Mix Credit-certified supplier, and 2 suppliers which are included into our own program of verification of controlled material sources as per FSC-STD-40-

005. Komilesbusiness furthermore has recently taken in concession the forest areas (total area 36027 ha) in the neighborhood of the production site with the prospect of the forest certification in the future.

## 2.4 Quantification of the Supply Base

### Supply Base

- a. **Total Supply Base area (million ha):** 36,27
- b. **Tenure by type (million ha):**36.27 (Public)
- c. **Forest by type (million ha):**36.27 (Boreal)
- d. **Forest by management type (million ha):**36.27 (Managed natural)
- e. **Certified forest by scheme (million ha):**4.67 (FSC)

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

**Explanation:** Within the supply base, the practice of forest management is 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. As a method of harvesting wood at the stage of maturity with subsequent reforestation, only clear cutting is used. The maximum cutting area is limited to 50 hectares. Timber harvesting is conducted by harvesters, and extraction by forwarders.

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

**Explanation:** Within the supply base, the main consumers of wood are pulp and paper, sawmilling and woodworking industries.

**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:** As per legal requirements, reforestation activities are carried out on each cutting area within 5 years.

**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:** Komilesbusiness does not source timber harvested during sanitary logging.

### Feedstock

**Reporting period from:** 01 Nov 2020

**Reporting period to:** 31 Aug 2021

- a. **Total volume of Feedstock:** 1-200,000 tonnes
- 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 tonnes
  - Physical form of the feedstock: Chips, Sawdust, Offcuts
- 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:	Egor Napalkov	forest engineer	21 Sep 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:	Alexander Ignatov	Director General	21 Sep 2021
	Name	Title	Date



# **Annex 1: Detailed findings for Supply Base Evaluation indicators**

N/A