



Supply Base Report: GSK RESURS 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

Document history

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1 Overview

Producer name: GSK RESURS Ltd

Producer address: office 219, 93A, naberezhnaya Obvodnogo kanala 191119
St.Petersburg Russia

SBP Certificate Code: SBP-07-91

Geographic position: 60.7558, 46.2916

Primary contact: Maxim Uglov, +7 911 7053 370,uma@gskresurs.ru

Company website: www.gskresurs.ru

Date report finalised: 2021-03-22

Close of last CB audit: 2021-03-22

Name of CB: NEPCon OÜ

SBP Standard(s) used: SBP Standard 5: Collection and Communication of Data Instruction, SBP Standard 2: Verification of SBP-compliant Feedstock, SBP Standard 4: Chain of Custody, Instruction Document 5E: Collection and Communication of Energy and Carbon Data 1.3

Weblink to Standard(s) used: <https://sbp-cert.org/documents/standards-documents/standards>

SBP Endorsed Regional Risk Assessment: N/A

Weblink to SBR on Company website: <http://gskresurs.ru/production/>

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: Arkhangelsk and Vologda regions

Exclusions: No

LLC GSK Resurs is a producer of biomass located in the city of Veliky Ustyug, Vologda region, Russia. GSK Resurs LLC produces SBP-compliant biomass from SBP-compliant secondary raw materials. Raw materials in the form of wood chips for production SBP-compliant biomass is purchased from an FSC certified supplier. Also in the reporting period, non-certified raw materials were purchased from 13 suppliers, as products were produced for the domestic market without the requirements of the SBP certificate. Breed composition raw materials-European spruce (*Picea abies*) -20%, scots pine (*Pinus sylvestris*) - 80%.

The resource base, which is the place of origin of wood, as a result of cutting which

forms raw materials for the production of wood pellets, is limited to the Arkhangelsk and Vologda regions. Forest plots in accordance with the legislation of the Russian Federation are in federal ownership. Suppliers manage forest plots on the basis of long-term lease agreements (up to 49 years). Long-term rental relationships are the dominant legal form for obtaining the right to harvest wood on the root. The conclusion of contracts for the lease of forest plots or contracts for the purchase and sale of forest plantations is carried out at auctions for the sale of the right to conclude such contracts. Land plots leased out must pass the state cadastral registration. The Forest Code of the Russian Federation obliges each tenant to develop a project for the development of forests for 10 years (on the basis of taxation and forest management), to implement measures for the protection, protection

and forest reproduction, and each year submit a forest declaration containing a report on

the measures implemented and the volume of logging.

Ensuring high-quality reproduction of forest resources and protective afforestation is a prerequisite for the use of forests. All reforestation works on the leased forest plots are planned and carried out by forest users at their own expense in accordance with forest development projects.

The Arkhangelsk and Vologda regions are among the leading forest regions in Russia. The proportion of ripe and over-mature forest stands account for approximately 25-30% of the wood stock. Protective forests located along lakes, swamps, and other environmentally sensitive sites

are subject to a stricter management regime. Within the Resource Base, the estimated cutting area is not fully developed. Insufficient infrastructure does not allow the full use of available wood reserves. Forest areas are represented by both coniferous and deciduous plantings. The main forest-forming species: European spruce (*Picea abies*), Scots pine (*Pinus sylvestris*), hanging birch (*Betula pendula*), fluffy birch (*Betula pubescens*), aspen (*Populus tremula*).

The adjacent territories of the resource base are mainly represented by forest plots of other tenants and agricultural land. Mainly in these areas, logging and agriculture are carried out, respectively.

Protective forests located along lakes, swamps, and other environmentally sensitive sites are subject to a stricter management regime.

Within the resource 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 turnover period of the felling is 60-120 years.

Wood harvesting within the resource base is carried out in the form of continuous logging.

The maximum allowed area of continuous logging in accordance with Russian legislation is 50 hectares. For reforestation purposes, planting seedlings (about 10-15%) or promoting natural regeneration (85-90%) can be used. When harvesting wood, according to the forest legislation, individuals are subject to conservation species listed in the Red Book, as well as their habitats. Cutting down of valuable, endangered and specially protected tree species is prohibited. LLC "GSK Resource" does not process wood species listed in the CITES and IUCN list, as their habitat within the resource base is not found.

Within the regions of the resource base, deep processing of wood prevails over the export of round timber. The leading areas of processing are the production of lumber, plywood, fiberboard, chipboard, pulp cooking, paper production and cardboard, wooden housing construction. Pellet production accounts for approximately 2% of the total wood

processing within the Resource Base.

LLC "GSK Resource" is not a logging company, but a company that disposes of waste from sawmills and woodworking industries. In terms of processing volumes, the company belongs to medium-sized enterprises. Logging companies, being FSC certified forest users, as well as LLC "GSK Resource", as an FSC certified processor, carry out social support to the local population, through the implementation of 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, etc.).

2.3 Actions taken to promote certification amongst feedstock supplier

GSK Resource LLC conducts verbal awareness of suppliers about the advantages and benefits of FSC certification.

2.4 Quantification of the Supply Base

Supply Base

- a. **Total Supply Base area (million ha):** 40,70
- b. **Tenure by type (million ha):**40.70 (Public)
- c. **Forest by type (million ha):**40.70 (Boreal)
- d. **Forest by management type (million ha):**40.70 (Managed natural)
- e. **Certified forest by scheme (million ha):**19.00 (FSC)

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

Explanation: Clear cuts with the maximum size of 50 ha. Selective logging with the maximum size of 100 ha. Usually timber harvest is done by harvesters, timber extraction is done by forwarders.

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

Explanation: Main goal of timber harvesting within Supply Base is providing the raw material for sawmilling industry (sawlogs) and for pulp and paper mills (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: 80-90% of clear cuts is regenerated by saving young generation of coniferous trees during the timber harvesting. The rest 10-20% of clear cuts are planted with the seedlings (pine, spruce).

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: N/A

Feedstock

Reporting period from: 2020-01-01

Reporting period to: 2020-12-31

- a. **Total volume of Feedstock:** 1-200,000 tonnes
- 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 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: N/A

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:	Uglov Maksim	SBP certification manager	2021-03-18
	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:	Alexey Kolmogortcev	CEO	2021-03-22
	Name	Title	Date

Annex 1: Detailed findings for Supply Base Evaluation indicators

N/A