



Supply Base Report: Holbit 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: Holbit LLC

Producer address: Verhovazhsky district, Chushevicy village, Komsomolskaya str. 1, 162313 Vologda region, Russia

SBP Certificate Code: SBP-09-07

Geographic position: 60.434954, 42.030896

Primary contact: Mariya Chmir, N/A, holbiturist@mail.ru

Company website: <https://holbit.ru/>

Date report finalised: 19 Nov 2021

Close of last CB audit: 23 Nov 2021

Name of CB: Forest Certification LLC

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: Primary, 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: Vologda region

Exclusions: Yes

Verhovazhsky branch Holbit LLC is a logging and woodworking enterprise located in the Vologda region in Russia.

The supply base of Holbit LLC is the Vologda region of the North-Western Federal district of Russian Federation.

For pellet production, the company uses FSC 100% pulpwood and low grade roundwood from own forest lease and the FSC 100% residues from its own sawmill production that utilizes sawlogs from own forest lease and from forest leases of 3 FSC certified suppliers (chipped slab wood, sawdust, shavings) , classified, respectively, as SBP-compliant primary and secondary feedstock.

The total area of forest land in Vologda region of the Russian Federation is 11,473 million hectares, accounting for about 79% of all land territory. The executive authority of the subject of the Russian Federation in the field of forest relations in the Vologda region is the department of the forest complex of the Vologda region. It is a permanent executive authority of the region in the field of organizing and ensuring the use, protection and reproduction of forests, afforestation on forest lands, maintaining the state forest register, federal state forest supervision (forest protection), federal state fire supervision in forests, ensuring investment and innovative development of the timber industry in the region.

In accordance with Russian legislation all forest fund lands are state property. Legal entities can use forest areas in lease and short-term use. Lease relations are the dominant legal form of forest use. The lease term may continue up to 49 years. Entrance into a lease agreement or sale contract on forest plantations is carried out at the auction for sale of the right to enter into such agreements. Forest areas for a lease are subject to state expertise and 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.

Vologda region is one of the leading forest regions of Russia. The share of mature and overmature forest stands is approximately 25-30% of the timber stock. In protection forests along lakes, swamps and other environmentally sensitive objects, a more strict management regime is applied. Within the Supply Base, the

estimated annual allowable cut is not fully developed. The underdeveloped infrastructure does not allow the full use of available wood stocks.

*Forest areas are represented by both coniferous and deciduous stands. The main forest-forming species: Norway spruce (*Picea abies*), Scots pine (*Pinus sylvestris*), Silver birch (*Betula pendula*), Downy birch (*Betula pubescens*), Aspen (*Populus tremula*).*

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 81-100 years. Mainly clear cuts are used as a method of wood harvesting. The maximum area of clear cuts is limited by 50 ha. Thinning can be used as well with the cutting area of 100 ha. Reforestation can be done with planting seedlings (about 10-15%) or the promotion of natural regeneration (85-90%).

*Holbit LLC uses only Scots pine (*Pinus sylvestris*), Norway spruce (*Picea abies*), Silver birch (*Betula pendula*) and Aspen (*Populus tremula*). 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. Holbit LLC does not process tree species listed in CITES and IUCN and their areal is not met within the supply base.*

Volga region is one of a so-called "forest" regions of Russia. It is characterized by the most developed timber processing industry among the regions of Russia, where deep wood processing prevails over the export of round timber. The leading areas of processing are the production of lumber, plywood, fiberboard, chipboard, pulp, paper and cardboard production, wooden housing construction. Pellet production accounts for approximately 2% of the total wood processing within the supply base.

Holbit LLC is a medium-size enterprise working in the Volga region. It's social function is the preferential employment rights for local residents, supply of fuel wood to the local population, 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

In 2016 Verhovazhsky branch Holbit LLC conducted training for personnel, organization of the logging process, and forest management in accordance with the FSC criteria and received an international FSC certificate. At the moment, the company produces products with an FSC claim of 100%. A lot of work has been done with suppliers who are holders of forest leases to explain the practical benefits of certification under the FSC scheme of the leased area.

The company hopes that this mutually beneficial and long-term cooperation will serve as an example for other companies to promote their products to the market and sustainable forest management in accordance with the FSC principles.

2.4 Quantification of the Supply Base

Supply Base

- a. **Total Supply Base area (million ha):** 11,47
- b. **Tenure by type (million ha):**11.47 (Public)
- c. **Forest by type (million ha):**11.47 (Boreal)
- d. **Forest by management type (million ha):**11.47 (Managed natural)
- e. **Certified forest by scheme (million ha):**4.00 (FSC)

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

Explanation: Clearcuts are used as a main type of harvesting with the maximum cutting area of 50 ha.

Thinnings are done very rare at the cutting area of 100 ha. Harvesters and forwarders are used for a cut-to-length method of harvesting.

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

Explanation: The leading areas of processing are the production of lumber, plywood, fiberboard, chipboard, pulp, paper and cardboard production, wooden housing construction.

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: Forest regeneration is done by forest users according to the legislation within 5 years after harvesting. In the supply base reforestation can be done with planting seedlings (about 10-15%) or the promotion of natural regeneration (85-90%).

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: No wood from sanitary harvesting is procured.

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:** 1-200,000 m³
- c. **List percentage of primary feedstock, by the following categories.**
 - Certified to an SBP-approved Forest Management Scheme: 80% - 100%
 - Not certified to an SBP-approved Forest Management Scheme: 0%
- d. **List of all the species in primary feedstock, including scientific name:** Pinus sylvestris (Scots pine); Picea abies (Norway spruce); Betula pendula (Silver birch); Populus tremula (Aspen);
- e. **Is any of the feedstock used likely to have come from protected or threatened species?** No
 - 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 (%):** 5,00
- g. **Softwood (i.e. coniferous trees): specify proportion of biomass from (%):** 95,00
- h. **Proportion of biomass composed of or derived from saw logs (%):** 0,00
- i. **Specify the local regulations or industry standards that define saw logs:** GOST 9463-2016 Round timber of coniferous species. Specifications.
- j. **Roundwood from final fellings from forests with > 40 yr rotation times - Average % volume of fellings delivered to BP (%):** 100,00

k. **Volume of primary feedstock from primary forest:** 0 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, 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	100,00	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:	Tatiana Vinogradova	SBP manager	19 Nov 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:	Alezandr Zhitkov	Director of Verhovazhsky Branch	19 Nov 2021
	Name	Title	Date

Annex 1: Detailed findings for Supply Base Evaluation indicators

N/A