Supply Base Report:
Murashinskiy Plywood Plant LLC

Main (Initial) Audit

www.sbp-cert.org

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

Version 1.0: published 26 March 2015

Version 1.1 published 22 February 2016

Version 1.2 published 23 June 2016

Version 1.3 published 14 January 2019; re-published 3 April 2020

Version 1.4 published 22 October 2020

Contents

1 Overview

Producer name: Murashinskiy Plywood Plant LLC

Producer address: 10, Garazhnaya street, Murashi, 613711 Murashi district, Kirov region, Russia

SBP Certificate Code: N/A

Geographic position: 59.395904, 49.019953

Primary contact: Anzhella Kniazeva, +7 922 935 12 17,akniazeva@mfzavod.com

Company website: https://mfzavod.com/

Date report finalised: 22 Sep 2021

Close of last CB audit: 24 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

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: https://mfzavod.com/

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: Arkhangelsk Region, Vologda Region, Kirov Region, Kostroma Region, Ivanovo region, Komi Republic

Exclusions: Yes

Murashinsky plywood plant LLC, is a veneer plywood and laminboard production plant located next to Murashi town in taiga forests, Kirov region, 96 km from Kirov, along the road to Komi Republic. The plant was founded in 2017 and a pellet line was launched in April 2021.

FSC-certified veneer logs are supplied by 11 suppliers both for veneer and laminboard production. Waste from the process of secondary processing of wood - wood chips - are used as feedstock for the production of pellets. Not all wood entering the factory is FSC certified and a physical separation is applied. According to the FSC product group, pellets are produced only with the FSC 100% claim, which corresponds to the SBP-compliant biomass claim. Feedstock for the production of pellets (wood chips) are classified as SBP-compliant secondary feedstock. Species composition - only Silver birch (Betula pendula).

Murashinsky plywood plant LLC determined the following regions of wood supplies during the reporting period and for the coming year: Arkhangelsk Region, Vologda Region, Kirov Region, Kostroma Region, Ivanovo region, Komi Republic.

Officially, the forest territory of the Russian Federation (forest fund) accounts for 254,7 billion m^3 of the global standing stock of wood, that is, about 21%. The forest fund of Russia is 1 173,9 million ha.

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 61-70 years for Silver birch and 81-140 year for coniferous species. Only clear cuts are used as a method of wood harvesting at the maturity stage with subsequent reforestation. The maximum cutting area is limited to 50 ha. Thinnings are also possible with the are up to 100 ha, and up to 80 ha in some regions. Reforestation can be done with planting seedlings or the promotion of natural regeneration. Ensuring high-quality reproduction of forest resources and protective afforestation is a prerequisite for the use of forests. Reforestation is aimed to develop valuable forest stands formed by coniferous. Pure birch stands are not common in taiga zone and birch is normally met as a mixture and a second layer of the coniferous stand. Sometimes birch could dominate coniferous due to the lack of maintenance.

The supply base regions are located within tundra, taiga forest and central belt of Russia.

Region	*Nature zone according to Russian classification*	*Nature zone according to western classification*	*Area of forest fund, mln. ha*
Arkhangelsk Region	*Tundra, northern taiga, middle taiga*	*Boreal forest*	*29,2*
Vologda Region	*Middle taiga, southern taiga*	*Boreal forest*	*11,5*
Kirov Region	*Middle taiga, southern taiga*	*Boreal forest*	*7,0*
Mixed forests	*Temperate forest*	*1,1*	
Kostroma Region	*Southern taiga*	*Boreal forest*	*4,6*
Ivanovo Region	*Mixed Forest*	*Temperate forest*	*1,0*
Komi Republic	*Tundra, northern taiga, middle taiga*	*Boreal forest*	*36,3*
Total			*90,7*

Northern and middle taiga form a wide boreal strip in the European part of Russia and Siberia. The main forest species of boreal (taiga) forests are two groups of species: dark coniferous and light coniferous.

In the middle taiga, mixed forests of dark coniferous, light coniferous, and small-leaved trees in different combinations are often formed. After felling (and sometimes after fires), birch forests and aspen forests are formed in the boreal zone (the latter are more often in the middle taiga).

Norway spruce (Picea abies) and Scots pine (Pinus sylvestris) prevail as coniferous species in the southern taiga. In the southern taiga and in the mixed forest there is an admixture of hardwood in the second layer.

Within the regions of the supply base of the European part of Russia, there are such red-listed tree species as: Karelian birch (Betula pendula Roth var. Carelica), dwarf bog birch (Betula humilis), European white elm (Ulmus laevis), wych elm (Ulmus glabra), some species of willow (Salix spp.).

Murashinsky plywood plant LLC processes only Silver birch (Betula pendula) and does not harvest or purchase tree species listed in the Red Book or CITES.

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, plywood, fiberboard, chipboard, pulp, paper and cardboard, wooden housing construction. Pellet production accounts not more then 5% of the total wood harvesting within the supply base.

By the scale of wood processing, Murashinsky plywood plant LLC is the large enterprise in the Kirov region producing 120 000 m3 of veneer per year and planning to produce about 33 000 tons of pellets in first year. However, not all residues are used for the production of pellets. Some of them are sold or burned in their own boiler.

Murashinsky plywood plant LLC plays a large socio-economic role in the town Murashi and the region. Murashinsky plywood plant LLC provides jobs to local population and shift workers from the nearby districts and regions.

2.3 Actions taken to promote certification amongst feedstock supplier

Suppliers are suggested priority in purchasing FSC-certified wood and a higher price.

2.4 Quantification of the Supply Base

Supply Base

a. **Total Supply Base area (million ha)**: 90,70
b. **Tenure by type (million ha):**90.70 (Public)
c. **Forest by type (million ha):**88.60 (Boreal), 2.10 (Temperate)
d. **Forest by management type (million ha):**90.70 (Managed natural)
e. **Certified forest by scheme (million ha):**24.64 (FSC)

Describe the harvesting type which best describes how your material is sourced: Clearcutting
Explanation: Mostly clear-cutting is used as a method of harvesting, with the maximum scale of harvesting of 50 ha. Thinnings could be used in a very rare case, with the maximum area of 100 ha, in some area up to 80 ha. Cut-to-length method with forwarders and harvesters is a predominant method.
Was the forest in the Supply Base managed for a purpose other than for energy markets? Yes - Majority
Explanation: The leading directions of wood harvesting and processing are the production of sawn timber, plywood, fiberboard, chipboard, pulp, paper and cardboard, 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: According to legislation, forest user is obliged to ensure reforestation within 5 years after harvesting. Reforestation is done by forest users with planting seedlings or the promotion of natural regeneration.

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: Very small extent of sanitary harvesting was used with the purpose to remove windfallen trees.

Feedstock

Reporting period from: 01 May 2021

Reporting period to: 31 Aug 2021

a. **Total volume of Feedstock**: 1-200,000 tonnes
b. **Volume of primary feedstock**: 0 tonnes
c. **List percentage of primary feedstock, by the following categories.**
    - Certified to an SBP-approved Forest Management Scheme: 0%
    - 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
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:

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:	**Anzhella Knyazeva**	**SBP manager**	**22 Sep 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:	**Ivan Dunaichik**	**Deputy general director on sales**	**22 Sep 2021**
	Name	**Title**	**Date**

Annex 1: Detailed findings for Supply Base Evaluation indicators

N/A