



# Supply Base Report: DeCom LLC

Second 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:** DeCom LLC

**Producer address:** 66 proezd Stroitel str., Tsentralniy zhiloy rayon, 665718 Bratsk, Irkutsk region, Russia

**SBP Certificate Code:** SBP-07-28

**Geographic position:** 56.127895, 101.531490

**Primary contact:** Natalya Chernikova, +7 395 349 5124, chernikova@ooodekom.ru

**Company website:** <http://www.ooodekom.ru/>

**Date report finalised:** 27 Sep 2021

**Close of last CB audit:** 29 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:** <http://www.ooodekom.ru/pellets>

## 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 type="checkbox"/>	<input checked="" 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:** Irkutsk region, Krasnoyarsk Krai

**Exclusions:** No

DeCom LLC is a biomass producer located in Bratsk, Irkutsk Region. DeCom LLC has its own production site, which includes a sawmill, molded products workshop, a line for the production of wood pellets, drying complex for lumber, etc. The pellet line was launched in 2017 to process residues from its own wood processing industry (offcuts, sawdust and shavings). In addition, DeKom LLC receives secondary raw materials (sawdust of natural moisture content) from a supplier certified under the FSC scheme from its wood processing plant. DeCom LLC receives sawlogs from its own leased area, as well as from suppliers and sub-suppliers. DeCom LLC holds FSC certificates: FC-FM / COC-643667 forest management certificates and FC-COC-643066 supply chain. SBP-compliant biomass is produced out of FSC 100% and FSC Mix Credit feedstock. In addition, the company produces non-SBP-compliant biomass without FSC claims and ensures the physical separation of FSC feedstock and biomass from uncertified. Species composition - Siberian larch (*Larix sibirica*) 90%, Scots pine (*Pinus sylvestris*) 5%, Siberian spruce (*Picea obovata*), Siberian fir (*Abies sibirica*) 5%.

The Supply base of DeCom LLC is the forest fund of the Irkutsk region and the Krasnoyarsk Krai. DeCom LLC has its own forest-management unit in the Krasnoyarsk Krai, from where the FSC-certified sawlogs come from. From suppliers, roundwood comes from different parts of the Irkutsk region with FSC 100% and FSC Mix Credit claim. The total area of the Supply base is 230,2 million ha.

Krasnoyarsk Krai has one of the largest forest resources among Russian regions. The territory of the forest fund of the region is 158,7 million hectares. The total stock of forests amounts to 11,7 billion m<sup>3</sup> - this is about 1/3 of the Siberian Federal District reserves and 1/7 of the total Russian forest stock. In the structure of forest stands of the Krasnoyarsk Krai coniferous stands prevail, the share of which is about 76%.

The forest fund of the Irkutsk region is 71,5 million hectares. According to the information contained in the regional Forest Plan, 12% of the country's forest reserves are concentrated in the region. But not all forest area is covered with forests. Some of them have been cut down and not yet replanted; part damaged by fires; about 1,6 million hectares are occupied by glades, ravines, roads, buildings, etc. The total standing stock is 8,8 billion m<sup>3</sup>, including the stock of coniferous stands – 7,5 billion m<sup>3</sup>.

Less than 1% of raw materials are used in the production of wood pellets and fuel briquettes from the total volume of procurement in the Irkutsk region and Krasnoyarsk region.

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 60-120 years. Only clear cuts are used as a method of wood harvesting at the maturity stage with subsequent reforestation. Sanitary felling is also possible. The maximum cutting area is limited to 50 ha. 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. To do this, a Forest Development Project is being developed, the measures in which are aimed at improving the forestry characteristics of the forest area, and the implementation of continuous and sustainable forest management.

The composition of the forests of the Krasnoyarsk Krai and the Irkutsk Region includes Scots pine (*Pinus sylvestris*), Siberian larch (*Larix sibirica*), Siberian cedar pine (*Pinus sibirica*), Siberian spruce (*Picea obovate*), Siberian fir (*Abies sibirica*), and Silver birch (*Betula pibirula*), aspen (*Populus tremula*), a tree-shaped willow (*Salix* spp.) is found.

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. On the territory of the Krasnoyarsk Krai there are such types of trees listed in the Red Book as Small-leaved Birch (*Betula microphylla* Bunge), Pseudocossack Juniper (*Juniperus pseudosabina* Fisch. & C.A. Mey.). In the Irkutsk Region, Siberian Blue Spruce (*Picea obovate* Ledeb. Var. *Coerulea* Malysch) and Berry Apple Tree (*Malus baccata* (L.) Borkn.) are subject to conservation. Areas with a predominance of Siberian cedar pine (*Pinus sibirica*) are prohibited for cutting in the Irkutsk region.

DeCom LLC does not procure and does not purchase tree species listed in the Red Book or CITES list.

The company DeCom LLC is located in Bratsk, Irkutsk Region. Bratsk serves as an important support base for the development of the northern regions of Eastern Siberia and the Far East. The company provides jobs for residents of the Krasnoyarsk Krai and the Irkutsk Region.

The main enterprises of the forest industry in the Irkutsk region, which are also the largest tenants and loggers: JSC Ilim Group, JSC Bratsk Timber Industry Complex (BLPK) - manufacturers of pulp and cardboard; Omfal LLC, Ind-Timber LLC, Lesresurs LLC, PromLesTrade LLC, IP Zarechny, Madera CJSC - manufacturers of lumber and pellets; LLC TM Baikal, CJSC KATA, LLC Orion, LLC Lesobalt - manufacturers of lumber; Usolsky Plywood Plant LLC, Ilim Timber LLC - plywood manufacturers.

DeCom LLC is one of the 20 largest enterprises in the Irkutsk region in terms of timber processing, although it does not independently harvest timber in the region.

All primary products go to the sawn timber plant. No granules are produced from virgin material. They are made from wood residues. Leftovers are secondary raw materials.

Raw material ratio: FSC certified raw materials 78% and non-certified materials 22%.

In the reporting period, sawlogs for primary processing were supplied from 7 FSC-certified enterprises and from 13 enterprises with non-certified material, secondary raw materials (sawdust of natural moisture) for the production of pellets were supplied from 1 certified enterprise.

## 2.3 Actions taken to promote certification amongst feedstock supplier

DeCom LLC offers sawdust suppliers a higher price for FSC-certified products and educates suppliers about the benefits of FSC forest management certification. For economic reasons, most suppliers do not participate in the certification process.



## 2.4 Quantification of the Supply Base

### Supply Base

- a. **Total Supply Base area (million ha):** 230,20
- b. **Tenure by type (million ha):**230.20 (Community concession)
- c. **Forest by type (million ha):**230.20 (Boreal)
- d. **Forest by management type (million ha):**230.20 (Managed natural)
- e. **Certified forest by scheme (million ha):**13.16 (FSC)

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

**Explanation:** The logs supplied to the plant were obtained as a result of clear felling. Logging is carried out using machines - Harvester and Forwarder.

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

**Explanation:** From the round timber supplied to the plant's raw materials warehouse, sawn timber is obtained as a result of sawmilling. For energy purposes, only waste (secondary raw materials) obtained from the processing of round timber is used.

**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:** Both DeCom LLC and the raw material suppliers are responsible FSC certified forest users and carry out reforestation activities in full.

**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:** DeCom LLC does not receive raw materials obtained as a result of sanitary felling, confirmation of this is the forest declarations, which indicate the method of felling.

## Feedstock

**Reporting period from:** 01 Jun 2020

**Reporting period to:** 31 May 2021

- 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: 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



<b>Feedstock type</b>	<b>Sourced by using Supply Base Evaluation (SBE) %</b>	<b>FSC %</b>	<b>PEFC %</b>	<b>SFI %</b>
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:	Natalia Chernikova	SBP manager	27 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 Dmitriev	Director General	27 Sep 2021
	Name	Title	Date

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

N/A