

<b>Certificate holder:</b>	<b>Sokol Timber Company JSC</b>	<b>Certification Body (CB):</b>	<b>Rainforest Alliance SmartWood Program</b>
<b>FSC CW certificate code:</b>	<b>SW-CW-004181</b>	<b>Date of CB approval:</b>	<b>28.05.2009</b>
<b>Date of risk assessment:</b>	<b>18.05.2009</b>	<b>Address of CB:</b>	<b>65 Millet Street, Suite 201, Richmond Vermont USA</b>
<b>Certificate holder address:</b>	<b>Russia, 162132, Vologda oblast, Sokol, Lugovaya st., 1</b>		

<b>Districts, including countries covered with this risk assessment*:</b>	<b>Arkhangelsk and Vologda regions of Russia</b>
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\*NB! If sources of information justification, and/or risk levels vary for different districts, separate tables shall be made for each district.

<b>Category</b>	<b>FSC Indicator</b>	<b>Information Sources Used</b>	<b>Brief justification</b>	<b>Risk Designation</b>
<b>1. Illegally Harvested Wood</b> The district of origin may be considered low risk in relation to illegal harvesting when all the following indicators related to forest governance are present:	1.1 Evidence of enforcement of logging related laws in the district	Transparency international index ( <a href="http://www.transparency.org">www.transparency.org</a> ) Corruption perceptions.  Russian office of FSC and national initiative of FSC. National risks register at the time of deliveries of controlled wood according to the requirements of FSC for Russian Federation (project for public discussion): <a href="http://www.fsc.ru">www.fsc.ru</a> Information of forests management operations of Russian Federation subjects. Evidences on execution of delegated authorities to Russian Federation subjects on site of Rosleskhoz: <a href="http://www.rosleshoz.gov.ru">http://www.rosleshoz.gov.ru</a> Materials of aerospace monitoring of forest management of Rosleskhoz <a href="http://www.rosleshoz.gov.ru">www.rosleshoz.gov.ru</a> , <a href="http://www.rosleshoz.ru">www.rosleshoz.ru</a> Monitoring data are given to bodies of executive power of RF subjects. Researches of WWF of Russia on revelation of reasons and scale of non-legal felling in some country regions: <a href="http://www.wwf.ru/about/what_we_do/forests/illegal/">http://www.wwf.ru/about/what_we_do/forests/illegal/</a> , publication «Act legally!» (Manual on countries – practical guide on determination of legacy of wood origin, Russia//Moscow, 2007, access mode: <a href="http://www.wwf.ru/resources/publ/book/235/">http://www.wwf.ru/resources/publ/book/235/</a> ). Evaluation of volumes of doubtful origin wood	Main documents granting rights for harvesting of fixed wood volume are lease contract of forest sector, sales contract of plantations and contract for conduction of sanitation felling and improvement felling (outside the rented territories). For each lease site company should have Forest Management Plan. List of documents confirming legacy of wood harvesting also can include: transportation documents, invoice (original), lease contract and register of material-pecuniary valuation of forest unit. Till the year 2009 wood harvesting on the leased sites realize on the basis of forest declarations handed by leaser annually in December. Non-governmental organization «Transparency international» ( <a href="http://www.transparency.org">www.transparency.org</a> ) Conducts evaluation of corruption level in different countries on the basis of inquiry. According to data for the year 2007 index of perception of corruption (IPC) for Russia was very low (2, 3) – country shared 143-146 places from 179 countries for which evaluation was conducted. According to the last explanations of International center FSC, countries for which value of IPC is lower than 5.0, are considered as zones of «unidentified risk» risk concerning indicator 1.4. According to the research of investment climate conducted by International bank for different countries (World Bank Investment Climate Surveys, <a href="http://www.worldbank.org">www.worldbank.org</a> ); on number of affirmations on importance of bribes, forest and furniture industry in Russia took the 2 <sup>nd</sup> place after nutrition.	<b>Unspecified risk</b>
	1.2 There is evidence in the district demonstrating the legality of harvests and wood purchases that includes robust and effective systems for granting licenses and harvest permits.			
	1.3 There is little or no evidence or reporting of illegal harvesting in the district of origin.			
	1.4 There is a low perception of corruption related to the granting or issuing of harvesting permits and other areas of law enforcement related to harvesting and wood trade.			

			So data that National initiative and national office of FSC has, are evidences of high level of corruption in forest sector of RF in general and particularly in the sector of transboundary trade of round wood.	
<p><b>2. Wood harvested in violation of traditional or civil rights</b></p> <p>The district of origin may be considered low risk in relation to the violation of traditional, civil and collective rights when all the following indicators are present:</p>	<p>2.1 There is no UN Security Council ban on timber exports from the country concerned;</p> <p>2.2 The country or district is not designated a source of conflict timber (e.g. USAID Type 1 conflict timber)</p> <p>2.3 There is no evidence of child labor or violation of ILO Fundamental Principles and Rights at work taking place in forest areas in the district concerned</p> <p>2.4 There are recognized and equitable processes<sup>5</sup> in place to resolve conflicts of substantial magnitude pertaining to traditional rights including use rights, cultural interests or traditional cultural identity in the district concerned</p> <p>2.5 There is no evidence of violation of the ILO Convention 169 on Indigenous and Tribal Peoples taking place in the forest areas in the district concerned.</p>	<p>Information on problems connected with observation of labor legislation can be possessed by National initiative FSC or regional work groups, National office of FSC (<a href="http://www.fsc.ru">www.fsc.ru</a>) or National office of ILO (<a href="http://www.ilo.ru">www.ilo.ru</a>)</p> <p>Russian office of FSC and National initiative of FSC: <a href="http://www.fsc.ru">www.fsc.ru</a></p> <p>Center of independent sociological researches: <a href="http://www.cisr.ru">http://www.cisr.ru</a></p> <p>National register of risks at the time of deliveries of controlled wood according to the requirements of FSC for Russian Federation: <a href="http://www.fsc.ru">www.fsc.ru</a></p> <p>Documentation of international organization of labor concerning Russia: <a href="http://www.trudprava.ru/?82">http://www.trudprava.ru/?82</a></p> <p>Information from local administrations and controlling bodies.</p>	<p>Labor Codex of Russian Federation and connected by-laws corresponds the requirements of Declaration of International labor organization (ILO). Observation of worker rights for freedom of unification (creation of organizations on own choice without preliminary decision for this of employer and for entering such organizations) and also for introduction of free negotiations with employer is guaranteed by:</p> <ul style="list-style-type: none"> <li>- Federal branch tariff agreement on forestry if Russian Federation for years 2007-2008;</li> <li>- Federal branch tariff agreement on forest industrial complex of Russian Federation form the years 2007-2008. On practice it is provided by availability on enterprise of trade union and / or availability of collective contract. Conditions of such contract should be observed.</li> </ul> <p>In general it is necessary to admit that the problem of observation of worker right for freedom of unification and also for conduction of free negotiations with employer in Russia is not so nagging problem. In general illegal use of children labor is not a wide spread event in forest industry of Russia. Russian labor legislation prohibits any forms of discrimination in the sphere of labor and labor occupation but on practice present problem in forest sector is not completely solved. Violation of some traditional and civil rights t the time of conduction of forestry in Russia is quite possible. It is connected with the fact that though acting forest legislation requires protecting of civil rights there is no mechanisms of participation of local population and community in forests management and acceptance of significant for population decisions. Population doesn't has rights and possibility somehow to prevent or hold up actions leading to violation of their rights for favorable environment or to deprivation of population of significant for them forest resources. Also the law doesn't stipulate possibility of hold up of economical activities in the case when their realization can lead to violation of civil rights for favorable environment to deprivation of population of significant for them forest resources.</p> <p>Russia Federation didn't ratify convention IOL №169 «On indigenous people and people leading tribal way of life in independent countries».</p>	<p><b>Unspecified risk</b></p>

			<p>Federal law «On guarantee of rights of indigenous scanty people of Russian Federation» (№82-FL from 30.04.1999) establishes legal basis of guarantees of original social-economical and cultural development of indigenous people of Russian Federation, protection of their original habitat, traditional way of life, economy and mines.</p> <p>Thus, it is possible to state that legal guarantees for traditional nature use and priority access of indigenous scanty people of North to natural resources necessary for conduction of traditional economy are not sufficient.</p> <p>In the Arkhangelsk region lives indigenous people - Pomory and in the Vologda lives indigenous people - Vepsy.</p>	
<p><b>3. Wood harvested from forest in which high conservation values are threatened by management activities</b></p> <p>The district of origin may be considered low risk in relation to threat to high conservation values if: a) indicator 3.1 is met; or b) indicator 3.2 eliminates (or greatly mitigates) the threat posed to the district of origin by non-compliance with 3.1.</p>	<p>3.1 Forest management activities in the relevant level (eco-region, sub-eco-region, local) do not threaten eco-regionally significant high conservation values.</p> <p>3.2 A strong system of protection (effective protected areas and legislation) is in place that ensures survival of the HCVs in the ecoregion.</p>	<p>Eco-region definition and information:  <a href="http://www.worldwildlife.org/science/ecoregions.cfm">http://www.worldwildlife.org/science/ecoregions.cfm</a></p> <p>Those regions identified by Conservation International as a Biodiversity Hotspot (or) Those ecosystems and communities that are explicitly identified by Conservation International as a key component of a <i>Biodiversity Hotspot</i></p> <p>Those forest, woodland, or mangrove eco-regions identified by World Wildlife Fund as a <i>Global 200 Eco-region</i> and assessed by WWF as having a conservation status of <i>endangered</i> or <i>critical</i>. If the Global 200 Eco-region comprises more than a single terrestrial eco-region, an eco-region within the Global 200 Eco-region can be considered low risk if the sub-eco-region is assessed with a Conservation Status other than "<i>critical/endangered</i>."</p> <p>Those regions identified by the World Conservation Union (IUCN) as a <i>Centre of Plant Diversity</i></p> <p>Those regions identified by Conservation International as a <i>High Biodiversity Wilderness Area</i> that are forests and contain contiguous forest ecosystems greater than 500 km<sup>2</sup>.</p> <p>Those regions identified by the World</p>	<p>National initiative and national office of FSC consider that in Russia all the types of forests of high conservation value forests (HCVF) are presented. This fact is registered in detail in Russian national standard of certification according to the FSC scheme: (<a href="http://www.fsc.ru/standok.html">http://www.fsc.ru/standok.html</a>).</p> <p>High danger to HCVF in the result of forest management conditioned by lack of actual information on HCVF, that's why the risk is of accidental destruction of HCVF at the time of forest use, is very high. Danger of HCVF loss, essential for local population is created by actual absence of mechanisms of population participation in forest use management.</p> <p>«Hot spots» of biodiversity in indicated regions of wood origin are missing.</p> <p>Above indicated regions of wood origin are missing in the list of WWF <i>Global 200 Eco-region</i>.</p> <p>Above indicated regions of wood origin are not included into structure of world center of plants biodiversity IUCN.</p> <p>Low-disturbed forest territories with the scale more than 50 000 ha from evaluated regions of wood origin present only in Arkhangelsk region. Smaller on scale low-disturbed forests, besides the listed regions, are also presented in Vologda region.</p> <p>All subjects of Russian Federation where HCVF are presented in accordance with indicator 3.1 cannot be admitted the zone of low risk concerning indicator 3.2 in the result of risk evaluation, conducted by forces of regional work group FSC or balanced groups made according to the principles of FSC work group on the regional level, without conduction of special research, the results of which will be approved by National</p>	<p><b>Unspecified risk</b></p>

		<p>Resources Institute as a <i>Frontier Forest</i> Intact Forests Landscapes, as identified by Greenpeace (<a href="http://www.intactforests.org">www.intactforests.org</a>)</p> <p>Russian office of FSC and National initiative of FSC: Documentation on HCVF: <a href="http://www.fsc.org">www.fsc.org</a></p> <p>Determination of eco-region and information on eco-regions: (<a href="http://www.worldwildlife.org/science/ecoregions.cfm">http://www.worldwildlife.org/science/ecoregions.cfm</a>). Low-disturbed forest landscapes revealed by Greenpeace: <a href="http://www.intactforests.org">www.intactforests.org</a></p> <p>Atlas of low-disturbed forests of Russia (2002): <a href="http://www.forest.ru/rus/publications/intact/">http://www.forest.ru/rus/publications/intact/</a></p> <p>National register of risks at the time of delivery of controlled wood according to requirements of FSC for Russian Federation (project for public discussion): <a href="http://www.fsc.ru">www.fsc.ru</a></p> <p>Analysis of Wood harvesting restrictions in conservation areas and old-growth forests of the Arkhangelsk region (2007).</p> <p>Analysis of Wood harvesting restrictions in conservation areas and old-growth forests of the Vologda region of Vologda region (2008).</p> <p>FSC National Initiatives Signatory to the Convention on Biological Diversity <a href="https://www.biodiv.org/world/parties.asp">https://www.biodiv.org/world/parties.asp</a> and demonstrable progress towards completing a network of protected areas, such as an overall positive analysis of the latest country thematic report on Forest Ecosystems <a href="https://www.biodiv.org/reports/list.aspx?type=forest">https://www.biodiv.org/reports/list.aspx?type=forest</a></p>	<p>initiative and National office of FSC (it means that they should be considered the zone of unidentified risk).</p>	
<p><b>4. Wood harvested from areas being converted from forests and other wooded ecosystems to plantations or non-forest uses</b> The district of origin may be considered low risk in relation to conversion of forest to plantations or non-forest uses when the following indicator is</p>	<p>4.1 There is no net loss AND no significant rate of loss (&gt; 0.5% per year) 8 of natural forests and other naturally wooded ecosystems such as savannahs taking place in the eco-region in question.</p>	<p>FAO GOFC-GOLD Global Observation of Forest and Land Cover Dynamics</p> <p>FAO Global Forest Resources Assessment</p> <p>Conservation International Regional Analysis Program</p> <p>University of Maryland Department of Geography</p> <p>UNEP/GRID – Division of Early Warning and</p>	<p>In general, problem of reduction of forests scale for Vologda and Arkhangelsk regions is not relevant, vice versa according to many evaluations forests scale is even growing. Positive dynamics is connected with slash fire occlusion and vast concentrate felling of previous years, and also with abandoning of farmland in taiga zone and their gradual occlusion with trees and shrubs.</p> <p>There is possibility of such situations when forest sectors are completely or partially cleaned from forest for the goals of building of steady or temporary buildings, constructions or infrastructure, but at this</p>	<p><b>Low risk</b></p>

present:		<p>Assessment</p> <p>National data sources</p> <p>FSC National Initiatives and Regional Offices contacts <a href="http://www.fsc.org">www.fsc.org</a></p> <p>Data of forest fund account of Rosleskhoz are available on site: <a href="http://www.rosleshoz.ru">www.rosleshoz.ru</a></p>	<p>time temps of forests reduction do not exceed 0, 5 %.</p> <p>There are no forest plantations in Vologda and Arkhangelsk regions. Forest cultures, created on felling are not plantations, as their cutting period is not contrast the natural plantings, at the time of their growing pesticides are not used and intensity of agro-technical and wood tending rather low. At the time of forest cultures growing natural forest environment is preserved by means of admixture of species of natural origin.</p> <p>National initiative and national office of FSC consider that Russian Federation on the national level can be considered the zone of low risk concerning indicator 4.1.</p> <p>On regional level considered regions of wood origin also can be admitted the low risk regions.</p>	
<p><b>5. Wood from forests in which genetically modified trees are planted</b> The district of origin may be considered low risk in relation to wood from genetically modified trees when one of the following indicators is complied with:</p>	<p>a) There is no commercial use of genetically modified trees of the species concerned taking place in the country or district concerned</p> <p>b) Licenses are required for commercial use of genetically modified trees and there are no licenses for commercial use</p> <p>c) It is forbidden to use genetically modified trees commercially in the country concerned</p>	<p>FAO, 2004. Preliminary review of biotechnology in forestry, including genetic modification. Forest Genetic Resources Working Paper FGR/59E. Forest Resources Development Service, Forest Resources Division, Rome, Italy. Available online: <a href="http://www.fao.org/docrep/008/ae574e/AE574E00.HTM">http://www.fao.org/docrep/008/ae574e/AE574E00.HTM</a></p> <p>General national association of genetic security: (<a href="http://www.oagb.ru/lib.php?txt_id=5996">www.oagb.ru/lib.php?txt_id=5996</a>)</p>	<p>In Russia no practical works of use of GM-trees in forestry goals is conducted.</p> <p>In accordance with Federal law «On governmental regulation in the sphere of gene engineering activity» from 5<sup>th</sup> of July 1996 №86-FL (with changes from 12.07.2000) and in accordance with Federal law «On sanitation-and -epidemiological prosperity of population» from 12 of March 1999, standardization, certification and governmental registration of production achieved with application of gene-engineering activity methods is required. According to data of General national association of genetic security among transgenic structures registered in Russia there is not even one type of woody plants. (<a href="http://www.oagb.ru/lib.php?txt_id=5996">www.oagb.ru/lib.php?txt_id=5996</a>).</p> <p>There was no positive conclusion of governmental ecological expertise issued, on biological security and possibility of issue of GM organisms to environment.</p> <p>National initiative and national office of FSC consider that Russian Federation on the national level can be considered the zone of low risk concerning the use of wood from forests where genetically-modified trees are grown.</p> <p>On regional level considered regions of wood origin also can be admitted the low risk regions.</p>	<p><b>Low risk</b></p>