

# SBP

Sustainable Biomass Partnership

## NEPCon Evaluation of SevLesPil LLC Compliance with the SBP Framework: Public Summary Report

[www.sbp-cert.org](http://www.sbp-cert.org)



## Completed in accordance with the CB Public Summary Report Template Version 1.0

*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

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Report completion date: 04/Dec/2017

Report authors: Nikolai Tochilov

Certificate Holder: LLC “SevLesPil”  
Office and production site address: 2/4 Lesnaya street, Syktyvkar, Republic of Komi, 167026 Russia

Producer contact for SBP: Anton Klepikov, leading marketing expert. Tel.: +7 (8212) 63-02-18,  
Email: [klepikov@sevlespil.com](mailto:klepikov@sevlespil.com)

Certified Supply Base: Sourcing from Russia, Komi Republic

SBP Certificate Code: SBP-01-88

Date of certificate issue: 13/Dec/2017

Date of certificate expiry: 12/Dec/2017

Indicate where the current audit fits within the certification cycle				
Main (Initial) Audit	First Surveillance Audit	Second Surveillance Audit	Third Surveillance Audit	Fourth Surveillance Audit
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

## 2 Scope of the evaluation and SBP certificate

The certificate scope covers the office and pellet production in Syktyvkar, Republic of Komi, Russia.

The BP holds valid FSC Chain of Custody, covering pellet production and implements FSC transfer system of claims <https://info.fsc.org/details.php?id=a0240000005sUIiAAM&type=certificate>.

BP receives sawlogs from their own FSC-certified forest management units <https://info.fsc.org/details.php?id=a0240000005sTkrAAE&type=certificate> and also purchases certified sawlogs from other FSC-certified forest managers. Roundwood is processed at Organisation’s own sawmill located at the same production site. Wood industry wastes – sawdust and bark – are used as a secondary feedstock for pellet production. All secondary feedstock used in FSC-certified pellet production is having FSC 100% claim. Origin of the feedstock is Republic of Komi.

BP also purchases non-certified roundwood for sawmilling and subsequently produces biomass from wood industry residues (sawdust) – in such case this feedstock/biomass is handled separately at all stages of production and sales.

Scope description: Production of wood pellets in Syktyvkar, Republic of Komi, Russia, for use in energy production. Post production end point is Saint Petersburg harbour (train FCA, Incoterms). The scope of the certificate does not include Supply Base Evaluation.

Scope of the evaluation is indicated in the table below:

Scope Item	Check all that apply to the Certificate Scope		Change in Scope (N/A for Assessments)
<b>Approved Standards:</b>	SBP Standard #2 V1.0; SBP Standard #4 V1.0; SBP Standard #5 V1.0 <a href="https://sbp-cert.org/documents">https://sbp-cert.org/documents</a>		<input type="checkbox"/>
<b>Primary Activity:</b>	Pellet producer		<input type="checkbox"/>
<b>Input Material Categories:</b>	<input type="checkbox"/> SBP-Compliant Primary Feedstock	<input checked="" type="checkbox"/> SBP-Compliant Secondary Feedstock	<input type="checkbox"/>
	<input type="checkbox"/> Controlled Feedstock	<input type="checkbox"/> SBP non-Compliant Feedstock	
	<input type="checkbox"/> SBP-Compliant Tertiary biomass	<input type="checkbox"/> Post-consumer Tertiary Feedstock	

	<input type="checkbox"/> SBP-approved Recycled Claim	<input type="checkbox"/> Post-consumer Tertiary Feedstock			
<b>Chain of custody system implemented:</b>	<input checked="" type="checkbox"/> FSC	<input type="checkbox"/> PEFC	<input type="checkbox"/> SFI	<input type="checkbox"/> GGL	<input type="checkbox"/>
	<input checked="" type="checkbox"/> Transfer	<input type="checkbox"/> Percentage		<input type="checkbox"/> Credit	<input type="checkbox"/>
<b>Points of sales</b>	<input type="checkbox"/> Harbour – Permanent storage (Storage site)	<input type="checkbox"/> Harbour – Temporarily storage (Logistic site)	<input checked="" type="checkbox"/> Other point of sale (e.g. gate of the BP, boarder, railway station etc.)		<input type="checkbox"/>
<b>Provide name of all points of sales</b>	-	-	- Saint Petersburg harbour (train FCA, Incoterms)		
<b>Use of SBP claim:</b>	<input checked="" type="checkbox"/> Yes		<input type="checkbox"/> No		<input type="checkbox"/>
<b>SBE Verification Program:</b>	<input type="checkbox"/> Low risk sources only		<input type="checkbox"/> Sources with unspecified/ specified risk		<input type="checkbox"/>
	New districts approved for SBP-Compliant inputs:				
<b>Sub-scopes</b>					<input type="checkbox"/>
Specify SBP Product Groups added or removed:					
Comments:					

### 3 Specific objective

The specific objective of this evaluation was to confirm that the Biomass Producer's management system is capable of ensuring that all requirements of specified SBP Standards are implemented across the entire scope of certification.

The scope of the evaluation covered:

- Review of the BP's management procedures;
- Review of the production processes, production site visit;
- Review of FSC system control points, analysis of the existing FSC CoC system;
- Interviews with responsible staff;
- Review of the records, calculations and conversion coefficients;
- GHG data collection analysis.



## 4 SBP Standards utilised

### 4.1 SBP Standards utilised

Verification of SBP-compliant Feedstock, SBP Standard 2, Version 1.0, March 2015

Chain of Custody, SBP Standard 4, Version 1.0, March 2015

Collection and Communication of Data, SBP Standard 5, Version 1.0, March 2015, accompanied by Instructions 5A, 5B, 5C, Version 1.1 October 2016

Standards and instructions are available at SBP homepage: <https://sbp-cert.org/documents>

### 4.2 SBP-endorsed Regional Risk Assessment

Not applicable

## 5 Description of Biomass Producer, Supply Base and Forest Management

### 5.1 Description of Biomass Producer

BP is a pellet producer situated in Syktyvkar, Republic of Komi, Russia. Only secondary feedstock with FSC 100% claim is used for FSC/SBP certified pellet production. FSC transfer system of claims is implemented for the production (all pellets have FSC 100% claim). The final product is transported by train to S.Petersburg sea port on FCA conditions of Incoterms.

Total annual production capacity of pellet plant is 6600 tones. Pellet production has been commissioned in September 2016.

### 5.2 Description of Biomass Producer's Supply Base

The total area of forest lands of the Russian Federation is 764 million hectares, which makes up about 21% of the world's standing stock. The areas occupied by plantations of the main forest-forming species remain quite stable over the past decades. Coniferous species account for 68.4%, hardwoods - 2.4%, softwood - 19.3%. Other tree species account less than 1% of forests.

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 on lease and short-term use. Lease relations are the dominant legal form of forest use. The lease term can be from 10 to 49 years.

Lease contracts for forest areas or contracts for the purchase and sale of forest plantations is carried out at auctions for the sale of the right to enter such contracts. Sites leased must necessarily pass state cadastral registration. Each forest user, who has received a forest plot lease, in accordance with the Forest Code of the Russian Federation is obliged:

- implement measures to protect, preserve and reproduce forests,
- annually provide a forest declaration,
- draw up a project for the development of forests,
- provide a report on the use of forests, their protection, preservation and reproduction.

Geographical location of the Supply Base of LLC "SevLesPil" - North-Western Federal District of Russian Federation, Komi Republic.

Between the LLC "SevLesPil" and the Ministry of Industry, two lease agreements have been concluded. Both leases are certified by the FSC forest management system. Also LLC "SevLesPil" buys round timber from three third-party suppliers that conduct harvesting in their own certified lease areas. LLC "SevLesPil" also purchases non-certified timber from third-party suppliers, but their processing is physically and timely separated from processing of certified roundwood. The main product produced by LLC "SevLesPil" is sawn wood, and for the pellets production the SBP-compliant secondary feedstock (sawing waste wood - sawdust) is used. For heat generation, SBP-compliant secondary feedstock (bark) is used.

The Republic of Komi is one of the leading forestry regions of Russia. The total forest area is 38.9 million hectares, 30.3 million hectares of which, or 3.5% of the total area of all Russian forests, are covered with forests, and about 50% of the forests area of the European North of Russia. For forest exploitation, more than 3/4 of the forest fund is available with 3 billion cubic meters yield. A characteristic feature of the republic's forests is a high proportion of mature and over-mature forests by stock (74.2%). The reserves of coniferous species account for 83.6% of all forest, including Scots pine - 23.4%, Siberian spruce - 58.5%.

Harvesting of wood in forests is carried out in the form of selective felling or clear cuttings. In the whole of the Republic of Komi, the estimated cutting area is 25.1%. Ensuring high-quality reproduction of forest resources and protective afforestation is a prerequisite for the use of forests. For this purpose, the Forest Management plan is being developed, the activities in which are aimed at improving the silvicultural characteristics of the forest area, the implementation of continuous and sustainable forest management.

According to forest legislation, Red listed species as well as their habitats, must be preserved when timber is harvested. It is prohibited to cut valuable, endangered and protected tree species. On the territory of the Komi Republic there is a Cedar pine that is Red listed, but LLC "SevLesPil" does not harvest this species and does not purchase it.

The following tree species are used by the organization in production:

- spruce (*Picea abies*),
- pine (*Pinus sylvestris*).

The above-stated species don't get under operation of the Convention CITES and aren't included in lists of the International Union for Conservation of Nature (IUCN).

There is a regional ichthyological reserve "Vizinga" on the territory of the forest plot leased by LLC "SevLesPeil", created for the purpose of preserving the European grayling. Within the given territory, the harvesting is not carried out and is not planned.

Timber industry is one of the leading sectors of the Republic of Komi economy. In most of the cases logging enterprises are city-forming. Therefore, the republic implements the program for the development of the timber industry complex until 2020. The development of the social sphere (health, education, culture) largely depends on the results of implementing this program, increasing the population's employment and well-being

Please see more description of the Supply Base in BP's supply base report available in Internet at BP's homepage [http://sevlespil.com/content/134/Supply\\_Base\\_Report\\_LLC\\_SevLesPil.pdf](http://sevlespil.com/content/134/Supply_Base_Report_LLC_SevLesPil.pdf) and <http://sevlespil.com/content/134/doc.pdf>

### 5.3 Detailed description of Supply Base

Total Supply Base area (ha):	2 305 699,9 ha
Tenure by type (ha):	public 2 305 699,9 ha
Forest by type (ha):	boreal 2 305 699,9 ha
Forest by management type (ha):	managed natural 2 305 699,9 ha
Certified forest by scheme (ha):	FSC-certified forest 2 305 699,9 ha

Quantitative description of the Supply Base can be found in the Biomass Producer's Supply Base Report.

### 5.4 Chain of Custody system

BP is a pellet producer situated in Syktyvkar, Republic of Komi, Russia. Only secondary feedstock with FSC 100% claim is used for certified pellet production and FSC transfer system of claims is implemented (all pellets have FSC 100% claim).

When non-certified material is purchased, it is handled separately from certified material at all stages. This is ensured by processing of certified and non-certified wood material in different batches and different time. The process starts at sawmill at it is synchronized with pellet production line. When BP processes non-certified wood, prior to switching to certified production, all processing lines are shut down, and cleaned out completely from non-

certified wood material. After that production lines are enabled again. Switching from non-certified production to certified production is carried out between the working shifts. As soon as certified material is over, the foreman of sawmill production site informs operator of pellet production line that they finish processing of FSC-certified sawlogs (and relevantly generation of FSC-certified secondary feedstock) and requests to finalize the process of processing of FSC-certified secondary feedstock (from the very beginning to the very end of pellet production line). At the same time, technical brake is taken to ensure that non-certified and FSC-certified secondary feedstock are not mixed. As soon as all FSC-certified secondary feedstock is completely processed, sawmill starts supplying non-certified secondary feedstock.

## 6 Evaluation process

### 6.1 Timing of evaluation activities

Onsite assessment was conducted on November 08-09, 2017 (14 h). Assessment activities included documents review at office, inspection of production facilities and staff interviews.

Activity	Location	Date/time
Opening meeting*	Office	08/11/2017 10.30-11.00
Documents and procedures review. Inputs review, energy use calculations review	Office	08/11/2017 11:00-16.30
Chain of custody review (site tour); staff interview	Pellet production site	09/11/2017 10.30-12.00
Documents and procedures review	Office	09/11/2017 12:00-18.00
Closing meeting*	Office	09/11/2017 18.00-18.30
End of the evaluation		09/11/2017 18.30

### 6.2 Description of evaluation activities

Composition of audit team:

Auditor(s), roles	Qualifications
Nikolai Tochilov	Audit team leader. NEPCon SBP lead auditor. He has successfully passed SBP auditor training in Tallinn in January 2015; previous experience with more than 20 SBP assessments and annual audits in Russia.

The assessment was also followed by Observer, chief of the department of wood industry of the Ministry of industry, natural resources, energy and transport of the Republic of Komi. Prior to the assessment, Observer has signed confidentiality agreement with certification body and BP.

The assessment visit was focused on management system evaluation: division of the responsibilities, document and system, input material classification (reception and registration), analysis of the existing FSC system and FSC system control points as well as GHG data availability.

Description of the assessment evaluation:

All SBP related documentation connected to the SBP as well as FSC CoC system of the organisation, including SBP Procedure, SAR, SBP Profiling data and Supply Base Report and FSC system description was provided by the company at the beginning of the assessment. Audit started with an opening meeting attended by the SBP responsible person and the management of the organization.

Audit team was introduced, provided information about audit plan, methodology, auditor qualification, confidentiality issues, and assessment methodology and clarified certification scope. During the opening meeting the lead auditor explained CB's approval related issues.

After that auditor went through all applicable requirements of the SBP standards nr.2, 4, 5 and instruction documents 5a, 5b, 5c covering input clarification, existing chain of custody system, management system, CoC, recordkeeping/mass balance requirements, emission and energy data and categorisation of input and verification of SBP compliant and controlled biomass. During the process, overall responsible person for SBP system and other staff were interviewed.

After a roundtrip around BP's pellet production was undertaken. During the site tour, applicable records were reviewed, staff was interviewed and FSC system critical control points were analysed.

At the end of the audit findings were summarised and audit conclusions based on use of 3 angle evaluation method were provided to the management and SBP responsible person.

Impartiality commitment: NEPCon commits to using impartial auditors and our clients are encouraged to inform NEPCon management if violations of this are noted. Please see our Impartiality Policy here: <http://www.nepcon.org/impartiality-policy>

## 6.3 Process for consultation with stakeholders

The stakeholder consultation was carried out on October 6, 2017 by sending direct email to different stakeholder categories. The announcement was also published at NEPCon homepage at the same date.

No comments from the stakeholders were received.

## 7 Results

### 7.1 Main strengths and weaknesses

Strength: use of the FSC transfer system and production of biomass with FSC 100% claim. Effective recordkeeping system. Clearly designated responsibilities within the staff members.

Weaknesses: no weaknesses have been identified, please also see comments in section 7.3 below.

### 7.2 Rigour of Supply Base Evaluation

Not applicable.

### 7.3 Compilation of data on Greenhouse Gas emissions

Organisation has involved external consultant who helped with development and implementation of the system for collection of the emission and energy data. GHG calculations are partly based on engineering calculations. Organisation has its own CHP which produces heat energy and electricity. Generated electricity partly covers Organisation needs; at the same time, some share of electricity is supplied by external suppliers (grid). A part of heat generated by CHP is used for biomass drying. Loaders (front-end and forklift) provide services not only to pellet production, but to the other production facilities of Organisation, including sawmilling. Therefore, diesel consumption by loaders was identified using engineering calculations.

### 7.4 Competency of involved personnel

All staff involved into SBP certification and interviewed during assessment showed good understanding of the requirements in relation to SBP certification and of the FSC CoC system.

### 7.5 Stakeholder feedback

No feedback from stakeholders have been received.

### 7.6 Preconditions

None

## 8 Review of Biomass Producer's Risk Assessments

Not applicable.



## 9 Review of Biomass Producer's mitigation measures

Not applicable.

## 10 Non-conformities and observations

No NCRs identified during this evaluation.

Please list of the non-conformities which are likely to impact upon the integrity of the affected SBP-certified products and the credibility of the SBP trademarks?

NONE

# 11 Certification decision

<b>Based on Organisation's conformance with SBP requirements, the auditor makes the following recommendation:</b>	
<input checked="" type="checkbox"/>	Certification approved: Upon acceptance of NCR(s) issued above
<input type="checkbox"/>	Certification not approved:
<b>Based on auditor's recommendation and NEPCon quality review following certification decision is taken:</b>	
<b>NEPCon certification decision:</b> The Biomass Producer has been certified by NEPCon as meeting the requirements of the specified SBP Standard, the certificate can be. The expiration of the certificate will be then 5 years.	
<b>Certification decision by: Ondrej Tarabus</b>	
<b>Date of decision: 04.12.2017</b>	
<b>Next surveillance audit should take place:</b>	<input checked="" type="checkbox"/> within 12 months  <input type="checkbox"/> more frequently (please specify)

## 12 Surveillance updates

### 12.1 Evaluation details

Not applicable.

### 12.2 Significant changes

Not applicable.

### 12.3 Follow-up on outstanding non-conformities

Not applicable.

### 12.4 New non-conformities

Not applicable.

### 12.5 Stakeholder feedback

Not applicable.

### 12.6 Conditions for continuing certification

Not applicable.

### 12.7 Certification recommendation

Not applicable.

## 13 Evaluation details

Primary Responsible Person: (Responsible for control system at site(s))	Anton Klepikov, leading marketing expert
Auditor(s):	Nikolai Tochilov
People Interviewed, Titles:	Anton Klepikov, leading marketing expert Alexander Konukhov, chief technologist Mikhail Sergeev, chief of H&S department Elena Belousova, chief of the final product storage Vladimir Kanev, pellet production operator Svetlana Kostomarova, dispatcher Vladimir Shaibe, chief of power station (CHP unit) Dmitry Verkhovtsev, chief power engineer Svetlana Kudinova, chief of department of marketing, sales and logistics Irina Turyeva, leading expert of legal department Olga Veschitskaya, chief of customs department Raisa Shuchalina, chief of transport department Tatiana Savelyeva, external consultant (Biomass Consult)
Brief Overview of Audit Process for this Location:	Please see section 6.2 of the report above
Comments:	-