

SBP

Sustainable Biomass Partnership

Supply Base Report: SevLesPil LLC

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Completed in accordance with the Supply Base Report Template Version 1.2

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: LLC "SevLesPil"

Producer location: 167026, Republic of Komi, Syktyvkar, ul. Lesnaya, 2/4

Geographic position: 61.807690 'N, 50.716466 'E

Primary contact: Klepikov Anton, 167026, Republic of Komi, Syktyvkar, ul. Lesnaya, 2/4, tel. 8 (8212) 63-02-18, klepikov@sevlespil.com

Company website: <http://sevlespil.com/>

Date report finalised: 07/Nov/2017

Close of last CB audit: 09/Nov/2017, Syktyvkar

Name of CB: NEPCon

Translations from English: Yes

SBP Standard(s) used: Standard 2, version 1.0; Standard 4, version 1.0; Standard 5, version 1.0; Instructions 5A, 5B, 5C version 1.1

Weblink to Standard(s) used: <http://www.sbp-cert.org/documents>

SBP Endorsed Regional Risk Assessment: not applicable

Weblink to SBE on Company website: not applicable

Indicate how the current evaluation fits within the cycle of Supply Base Evaluations				
Main (Initial) Evaluation	First Surveillance	Second Surveillance	Third Surveillance	Fourth Surveillance
X	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

2 Description of the Supply Base

2.1 General description

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 breeds of the round wood used by the organization in production:

- fir-tree ordinary (*Picea abies*),
- pine ordinary (*Pinus sylvestris*).

The above-stated breeds 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 an ichthyological reserve of the national importance "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 forestry 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.

Among woodworking enterprises LLC "SevLesPil" ranks first in the region and third among logging enterprises.

2.2 Actions taken to promote certification amongst feedstock supplier

LLC "SevLesPil" works with suppliers to explain the requirements of voluntary certification, its benefits and practical applications. Two suppliers of LLC "SevLesPil" have already received certificates of FSC as a result of explanatory work.

For economic reasons, some suppliers are not yet entering the certification process. Also, several suppliers do not have the opportunity to go to certification, because purchased timber at the root of the Ministry of Natural Resources.

2.3 Final harvest sampling programme

It is not applicable, since waste wood processing is used for the production of pellets, and for the heat generation, the bark is used as a debarking waste that cannot be used for other purposes.

2.4 Flow diagram of feedstock inputs showing feedstock type [optional]

2.5 Quantification of the Supply Base

Supply Base

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

Feedstock

- f. Total volume of Feedstock: 7,708.30 m³
- g. Volume of primary feedstock: not used
- h. List percentage of primary feedstock (g), by the following categories. Subdivide by SBP-approved Forest Management Schemes:

- Certified to an SBP-approved Forest Management Scheme - 0 m³
- Not certified to an SBP-approved Forest Management Scheme - 0 m³
- i. List all species in primary feedstock, including scientific name - not applicable
- j. Volume of primary feedstock from primary forest - not applicable
- k. List percentage of primary feedstock from primary forest (j), by the following categories. Subdivide by SBP-approved Forest Management Schemes:
 - Primary feedstock from primary forest certified to an SBP-approved Forest Management Scheme - not applicable
 - Primary feedstock from primary forest not certified to an SBP-approved Forest Management Scheme - not applicable
- l. Volume of secondary feedstock: sawdust, 7 708.30 m³
- m. Volume of tertiary feedstock: not applicable

3 Requirement for a Supply Base Evaluation

SBE completed	SBE not completed
<input type="checkbox"/>	X

SBE is not developed, because all raw materials come from certified FSC forests.

4 Supply Base Evaluation

4.1 Scope

Not applicable.

4.2 Justification

Not applicable.

4.3 Results of Risk Assessment

Not applicable.

4.4 Results of Supplier Verification Programme

Not applicable.

4.5 Conclusion

Not applicable.

5 Supply Base Evaluation Process

Not applicable.

6 Stakeholder Consultation

6.1 Response to stakeholder comments

Not applicable.

7 Overview of Initial Assessment of Risk

Not applicable.

8 Supplier Verification Programme

8.1 Description of the Supplier Verification Programme

Not applicable.

8.2 Site visits

Not applicable.

8.3 Conclusions from the Supplier Verification Programme

Not applicable.

9 Mitigation Measures

9.1 Mitigation measures

Not applicable.

9.2 Monitoring and outcomes

Not applicable.

10 Detailed Findings for Indicators

Not applicable.

11 Review of Report

11.1 Peer review

Expert review on the Resource Base Report of LLC "SevLesPil" for SBP Certification

The Ministry of Industry, Natural Resources, Energy and Transport of the Komi Republic is the executive body, responsible for the development of the forestry industry in the region. The Ministry regularly prepares memorandums on partnership between the Government of the Komi Republic and LLC "SevLesPil". In this regard, the expert is familiar with the production and commercial operations of LLC "SevLesPil" and activities, carried out by the Company on sustainable forestry practices and reasonable origin of wood raw material.

The information, represented in the Resource Base Report, is completely correct. It is worth noting that some sections of the report are not filled. However, this is not a disadvantage, but the specific feature of LLC "SevLesPil": all leased forest areas are FSC-certified, which is an additional confirmation of the origin sustainability for biomass in the evaluation, carried out for compliance of the pellets, produced by the Company, against the SBP standards. Other sections of the Report do not contain information due to the inapplicability of certain criteria of the SBP evaluation program to the activities of the Company.

Conclusion: Expert review on the Resource Base Report of LLC "SevLesPil" for SBP Certification is trustworthy, the origin of raw material for pellets production is transparent and reliable.

Deputy Head of forestry, light industry and machine engineering department

Head of the Forestry Department of the Ministry of Industry, Natural Resources,

Energy and Transport of the Komi Republic

A.N. Krivoshein

07 November 2017

11.2 Public or additional reviews

The report is posted on the website of the company "SevLesPil", for public review.

All interested parties can send their feedback, if any, to the company's address marketing@sevlespil.com

12 Approval of Report

Approval of Supply Base Report by senior management			
Report Prepared by:	<i>Anton Klepikov</i>	<i>Leading marketer</i>	<i>07.11.2017</i>
	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:	<i>Sergey Smetanin</i>	<i>General Director</i>	<i>07.11.2017</i>
	Name	Title	Date
Report approved by:	<i>Svetlana Kudinova</i>	<i>Head of Marketing, Sales and Logistics Department</i>	<i>07.11.2017</i>
	Name	Title	Date
Report approved by:	<i>[name]</i>	<i>[title]</i>	<i>[date]</i>
	Name	Title	Date

13 Updates

13.1 Significant changes in the Supply Base

Not applicable.

13.2 Effectiveness of previous mitigation measures

Not applicable.

13.3 New risk ratings and mitigation measures

Not applicable.

13.4 Actual figures for feedstock over the previous 12 months

7 708,30 m³

13.5 Projected figures for feedstock over the next 12 months

16 500 m³