

Supply Base Report: Green Energy Ltd

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Completed in accordance with the Supply Base Report Template Version 1.3

For further information on the SBP Framework and to view the full set of documentation see www.sbp-cert.org

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1 Overview

Producer name: Green Energy Ltd
Producer location: 174510, Russia, Novgorod region, Pestovo, Birzha-3 str., 26
Geographic position: 58°34'43.59"N, 35°48'25.92"E
Primary contact: Alexandr Semenov, 174510, Russia, Novgorod region, Pestovo, Birzha-3 str., 26, +79168257158, greenenergy@bk.ru
Company website: none
Date report finalised: 27/Nov/2019
Close of last CB audit: 29/Nov/2019, Pestovo
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
Weblink to Standard(s) used: <https://sbp-cert.org/documents/standards-documents/standards>
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

Green Energy Ltd is a biomass producer located in Pestovo, Novgorod Region, Russia. Green Energy Ltd produces SBP biomass from an SBP product, that is a secondary feedstock (sawdust), which is a residue from a supplier - local wood processing company LLC ULK Group. The supplier receives roundwood from more than 10 FSC certified suppliers, 5 of which are included in the LLC ULK Group. The species composition of the feedstock is European Spruce (*Picea abies*) - 73%, Common Pine (*Pinus sylvestris*) - 27%.

The Supply base of Green Energy Ltd is the area of the forest fund of the Arkhangelsk, Vologda, Novgorod and Tver regions (49,7 million hectares). All forest areas are managed in accordance with the Russian national standard FSC (license code FSC-C128255), which is confirmed by the availability of valid forest management certificates from all suppliers. The Supply base regions are located within the middle and southern taiga (Arkhangelsk and Vologda regions, the north of the Novgorod region), as well as temperate forests (the south of the Novgorod region and almost the entire Tver region).

In accordance with the legislation of the Russian Federation forest areas are in federal ownership. Suppliers manage forest land on the basis of long-term lease agreements (up to 49 years). 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 project for 10 years (based on taxation and forest management), implement measures for the conservation, protection and reproduction of forests, and each year submit a forest declaration containing a report on the implemented measures and logging volumes.

Ensuring high-quality reproduction of forest resources and protective afforestation is a prerequisite for forest use. All reforestation work on leased forest areas is planned and carried out by forest users at their own expense in accordance with forest managements projects.

Forest areas are represented by both coniferous and deciduous stands. The main forest-forming species: Norway spruce (*Picea abies*), Scots pine (*Pinus sylvestris*), Silver birch (*Betula pendula*), downy birch (*Betula pubescens*), aspen (*Populus tremula*). The share of mature and overmature forest stands is about 3/4 of the timber stock.

The adjacent lands of the supply base are mainly represented by forest areas of other tenants and agricultural land.

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. The maximum area of clear cuts is limited by 50 ha. For reforestation purposes, planting of

seedlings predominates and natural regeneration is promoted. In protective forests along lakes, swamps and other environmentally sensitive objects, a more strict management regime is applied.

When harvesting wood, according to the forest legislation, species listed in the Red Book and their habitats are subject to conservation. Cutting of valuable, endangered and specially protected tree species is prohibited. Within the Supply Base, there are such tree species listed in the Red Book as willows (*Salix* spp) within the Arkhangelsk and Tver regions, Siberian fir (*Abies sibirica*), Siberian larch (*Larix sibirica*), common hazel (*Corylus avellana*), common oak (*Quercus robur*) within the Vologda region, low birch (*Betula humilis*) within the Novgorod and Tver regions, dwarf birch (*Betula nana*) within the Tver region. Green Energy Ltd does not purchase or process protected tree species. Only sawdust of European spruce (*Picea abies*) and Scots pine (*Pinus sylvestris*) are used into production.

Green Energy Ltd is a small business. The social function of the enterprise is to pay taxes to the local budget, create jobs for the local population, and maintain the environmental situation at the local level (processing of wood waste).

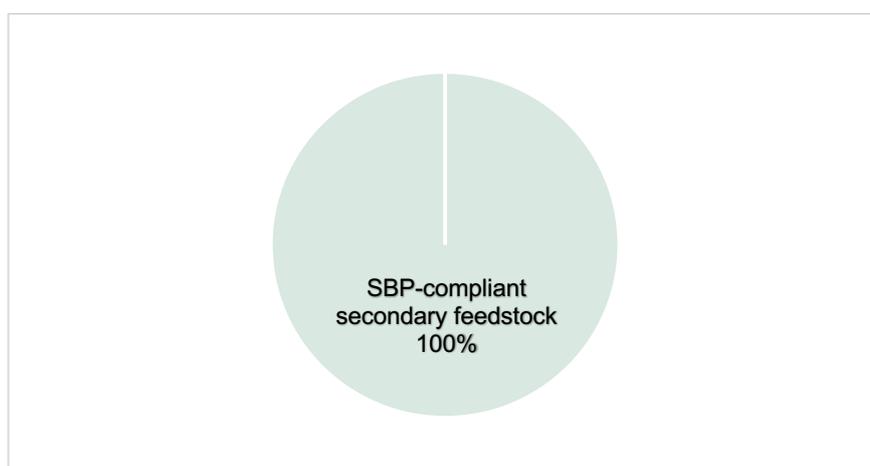
2.2 Actions taken to promote certification amongst feedstock supplier

Feedstock supplier of Green Energy Ltd is an FSC certified company and supplies feedstock with a FSC 100% claim. Green Energy Ltd purchases only FSC certified feedstock.

2.3 Final harvest sampling programme

The organization uses sawmill products as feedstock for the production of wood pellets. Determining the proportion of wood obtained from clear cutting is not applicable.

2.4 Flow diagram of feedstock inputs showing feedstock type



2.5 Quantification of the Supply Base

Supply Base

- a. Total Supply Base area (ha): 49,7 mln ha
- b. Tenure by type (ha): 49,7 mln ha public
- c. Forest by type (ha): 43,0 mln ha boreal / 6,7 mln ha temperate
- d. Forest by management type (ha): 49,7 mln ha managed natural
- e. Certified forest by scheme (ha): 15572305,43 ha FSC-certified forest

Feedstock

- f. Total volume of Feedstock: 37409 solid. m³
- g. Volume of primary feedstock: 0 solid. m³
- 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%
 - Not certified to an SBP-approved Forest Management Scheme – 0%
- i. List all species in primary feedstock, including scientific name – not applicable;
- j. Volume of primary feedstock from primary forest - 0 solid. m³
- 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 – 0%
 - Primary feedstock from primary forest not certified to an SBP-approved Forest Management Scheme – 0%
- l. Volume of secondary feedstock: sawmill residues – sawdust – 100%
- m. Volume of tertiary feedstock: 0%.

3 Requirement for a Supply Base Evaluation

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

The assessment of the Supply base was not carried out, because all the feedstock used for the production of SBP-compliant biomass has FSC 100% claim.

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

Not applicable.

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

The report was prepared with the assistance of a consultant, Tatiana Savelyeva, who has experience in preparing more than 40 enterprises for SBP assessments in Russia, the CIS and European countries.

11.2 Public or additional reviews

The report on the supply base of Green Energy Ltd will be posted on the website www.sbp-cert.org in the public domain. Questions and comments can be sent to Alexander Semenov, responsible for SBP certification, by e-mail greenenergy@bk.ru

12 Approval of Report

Approval of Supply Base Report by senior management			
Report Prepared by:	Alexander Semenov 	SBP manager, CEO	28.11.2019
	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:	Alexander Semenov 	SBP manager, CEO	28.11.2019
	Name	Title	Date
Report approved by:	[name]	[title]	[date]
	Name	Title	Date
Report approved by:	[name]	[title]	[date]
	Name	Title	Date

13 Updates

13.1 Significant changes in the Supply Base

Not applicable, main assessment.

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

Sawmill residues - sawdust - 37409 solid. m³.

13.5 Projected figures for feedstock over the next 12 months

40000 solid. m³.