



Supply Base Report: Grillkoff LLC

Main (Initial) Audit

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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

Document history

Version 1.0: published 26 March 2015

Version 1.1 published 22 February 2016

Version 1.2 published 23 June 2016

Version 1.3 published 14 January 2019; re-published 3 April 2020

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1 Overview

Producer name: Grillkoff LLC

Producer location: 172201, Tver region, Selizharovskiy district, vil. Yazykovo, Russia

Geographic position: 56.888920, 33.530861

Primary contact: Sergey Alexandrov, 172201, Tver region, Selizharovskiy district, vil. Yazykovo, Russia, +79213134744, alexsandrov@grillkoff.ru

Company website: <http://www.grillkoff.ru>

Date report finalised: 08/Apr/2020

Close of last CB audit: 10/Apr/2020, vil. Yazykovo

Name of CB: NEPCon OU

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

Grillkoff LLC is a biomass producer located in a rural area in the village of Yazykovo, Tver Region. Grillkoff LLC produces SBP certified biomass from FSC certified primary and secondary feedstock purchased from suppliers, as well as from a small amount of its own sawing residues. In addition, Grillkoff LLC produces non-certified biomass and its production physically and in time is separated from the production certified biomass. In the first reporting period, Grillkoff LLC purchased FSC certified feedstock from one supplier and uncertified feedstock from eight suppliers. The species composition of incoming feedstock: Aspen (*Populus tremula*) - 96%, Scotch pine (*Pinus sylvestris*) and Norway spruce (*Picea abies*) - 4%.

The Supply base of LLC Grillkoff is the area of the forest fund of the Tver region.

Tver region is one of the twenty most forested regions of Russia. 55% of the region is forested. The land area of the forest fund in the Tver region is 4873,8 thousand hectares. The total stock of wood is 731,02 million cubic meters.

Forest area in different parts is not the same. The north-western and northern regions are the most afforested areas. A strongly deforested area occupies the eastern part of the region, where only about 10% of the area is covered with forests. Even more deforested area is the southern one.

The distribution of different forest types across the region is very uneven, which is due to various natural conditions and economic activities. Most of the region's territory lies in the zone of mixed forests. Supply base is in the north of Tver region and belongs to the South-taiga forests zone, the region of the South-taiga forests of the European part of Russian Federation.

In accordance with the economic, ecological and social significance, the forests of the Tver region are classified as protective (40%) and exploitation forests (60%). Area distribution by species is: 31% of the area - coniferous species, 69% - deciduous species. The main forest-forming tree species are: Scots pine (*Pinus sylvestris*), Norway spruce (*Picea abies*), Silver birch (*Betula pendula*), aspen (*Populus tremula*), black alder (*Alnus glutinosa*), gray alder (*Alnus incana*). The areas of species listed in CITES and IUCN do not occur within the Supply base.

Over the past few years, the Tver region is actively developing forest lease relations. Forest sites are transferred by the state to lease loggers for up to 49 years. 70% of forests are leased out, the rest remain in state ownership. 99% of the leased areas are handed over for logging.

The main use types of forests are: logging; construction, reconstruction, operation of linear objects; implementation of recreational activities; performance of works on geological study of subsoil, development of mineral deposits.

On forest areas leased for logging, reforestation and maintenance is carried out by tenants of these forest areas.

The main element of forest reproduction is artificial reforestation, which is carried out by planting seedlings on clear cuts and other non-forested areas. In the Tver region, 40,7% of the total reforestation is carried out

by the establishment of planted forest, 52,5% - by the promotion of natural regeneration, 0,5% - combined reforestation.

There are 5 permanent forest nurseries in the Tver region for growing a standard softwood seedlings.

The annual timber harvest in the region is about 4,4 million cubic meters. At the same time, the volume of harvested wood in the Tver region is 48% of the permitted annual harvest, which ensures, on the one hand, the sustainable use of forests, and on the other hand, leads to non-use of the annual allowable cut, especially for deciduous forests. The existing production capacities of timber enterprises do not allow sufficient processing of harvested deciduous species of aspen and alder, as well as low quality raw material of all species. In the Tver region there are only three enterprises for the processing of deciduous species on an industrial scale. The use of deciduous species in the production of pellets is insignificant across the region. Grillkoff LLC is one of the three largest pellet producers in the region with a capacity of 35 thousand tons per year.

The socio-economic function of logging companies in the Tver region is regulated by legislation, in particular, 2% of the filling volume of coniferous species and 4% of hardwood shall be allocated for construction and heating needs of local people. When hiring, preference is mainly given to the local population.

2.2 Actions taken to promote certification amongst feedstock supplier

Grillkoff LLC informs its suppliers of the importance and necessity of forest management certification according to the FSC system. In the future, priority will be given to FSC certified suppliers.

2.3 Final harvest sampling programme

100% of the primary feedstock was obtained from final harvest, however, Grillkoff LLC processes only low-grade wood, which is a by-product of logging. In the reporting period, secondary feedstock was obtained as a residue from processing of a small amount of purchased primary feedstock, which turned out to be suitable for sawing.

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): | 4873,8 thous. ha |
| b. Tenure by type (ha): | 4873,8 thous. ha public (lease of state owned forests) |
| c. Forest by type (ha): | 0,4 mln. ha boreal / 4,5 mln. ha temperate |
| d. Forest by management type (ha): | 4873,8 thous. ha managed natural/natural |
| e. Certified forest by scheme (ha): (e.g. | 1589973,03 ha FSC-certified |

Feedstock

- f. Total volume of Feedstock: **796,24 tonnes.**
- g. Volume of primary feedstock: **779,78 tonnes.**
- 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 tonnes.**
 - Not certified to an SBP-approved Forest Management Scheme - **779,78 tonnes.**
- i. List all species in primary feedstock, including scientific name - **aspen (Populus tremula), Scots pine (Pinus sylvestris), Norway spruce (Picea abies).**
- 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 - **0 tonnes.**
 - Primary feedstock from primary forest not certified to an SBP-approved Forest Management Scheme - **0 tonnes.**
- l. Volume of secondary feedstock: **16,46 tonnes (100% sawmill residues: slab wood, chipped).**
- m. Volume of tertiary feedstock: **0 tonnes.**

3 Requirement for a Supply Base Evaluation

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

Supply base evaluation is not required since uncertified feedstock will not be used to produce SBP-compliant biomass. For the production of SBP pellets, it is planned to use only FSC certified feedstock.

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

No peer review in 2020.

11.2 Public or additional reviews

The Supply base report is available on the Grillkoff LLC website. Any interested parties can send their comments to the company at aleksandrov@grillkoff.ru Sergey Leonidovich Aleksandrov, responsible for SBP certification. They will be taken into consideration.

12 Approval of Report

Approval of Supply Base Report by senior management			
Report Prepared by:	<p>Sergey Alexandrov</p> 		
		SBP manager	08/04/2020
	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:	<p>Novikov D.B.</p> 		
		Director	08/04/2020
	Name	Title	Date

13 Updates

13.1 Significant changes in the Supply Base

Not applicable, first audit.

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

779,78 tonnes (uncertified primary feedstock);

16,46 tons (100% sawmill residues: slabwood processed into wood chips).

13.5 Projected figures for feedstock over the next 12 months

50 000 tonnes of primary and secondary feedstock.