



Sustainable Biomass Program

Supply Base Report LLC "SevLesPil"

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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

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1 Overview

Producer name: LLC SevLesPil

Producer location: 167026, str. Lesnaya, 2/4, Syktyvkar, Republic of Komi, Russian Federation

Geographic position: 61.807690 'N, 50.716466 'E

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

Date report finalised: 19/09/2019

Close of last CB audit: 26/09/2019, Syktyvkar

Name of CB: Control Union Certifications B.V.

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, 5D version 1.1

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
<input type="checkbox"/>	<input type="checkbox"/>	X	<input type="checkbox"/>	<input type="checkbox"/>

2 Description of the Supply Base

2.1 General description

Provide a general description of the supply base within the regional context including country of harvest. Include a comparison of the scale of harvesting compared to other forest based industries in the region. Provide a general description of the forest resources (land use and ownership status, socio-economic conditions, forest composition, profile of adjacent lands).

The description must include a description of the forestry management practices or land management practices used and the presence of any CITES or IUCN species.

Include an overview of the proportions of SBP feedstock product groups (Controlled Feedstock, SBP-compliant Primary Feedstock, SBP-compliant Secondary Feedstock, SBP-compliant Tertiary Feedstock, SBP non-compliant Feedstock) showing the proportions of each which are certified and uncertified. Provide an indication of the number of suppliers for each SBP feedstock product group. Include species mix.

The Supply Base of SevLesPil are (forest fund area of) the Komi Republic and Arkhangelsk region. In practice wood for SBP-certified pellets production is originated from six FSC certified forest concessions (lease contracts with the government). However, as supply contracts change over time, the supply base has been defined as the whole forest fund of the Komi Republic and Arkhangelsk region.

SevLesPil is located in Syktyvkar, the capital city of the Republic of Komi, in the north-west of the Russian Federation. Its main activity is saw milling and production of sawn timber. It processes around 500 000 m³ of roundwood a year. To produce pellets SevLesPil uses only sawdust, a residue of its own sawn timber production. SevLesPil ranks first in the Komi Republic among wood processing enterprises, and third among logging enterprises. The company employs more than 500 people. However, in comparison to pulp and paper companies in the Komi Republic and Arkhangelsk region, SevLesPil is, however, a considerably smaller wood processing enterprise.

The Supply base locates in the north-west of Russian Federation, one of the most forested regions of the country. The official forest area of the Russian Federation (the Forest Fund) accounts for approximately 21% of the world's standing stock of wood on stem. The distribution of the main tree species in Russian forests remained stable over the past decades.

In accordance with the legislation of the Russian Federation, the Russian forest fund is state ownership. Legal entities can acquire forest concessions for a period of 10 to 49 years (with the right to prolong the 'lease' contract). Long-term concessions of 49 years are the prevailing basis for obtaining the right to harvest wood on stem. These lease contracts or contracts for the purchase of individual forest stands become available by means of auctions. Leased forest concessions must undergo a cadastral registration procedure.

The Russian Forest Code obliges each forest leaser to develop a forest management plan for 10 years (on base of a general forest inventory and forestry plan), implement measures to protect, preserve and reproduce forests and every year provide an annual forest declaration where the carried-out measures and harvested volumes are reported.

SevLesPil LLC has two own lease agreements. Both areas are FSC certified. Additionally, SevLesPil buys roundwood from a small group of companies that hold long-term FSC certified forest concessions in Komi Republic and Arkhangelsk region. SevLesPel also buys and processes roundwood from non-certified supplier, but this activity is segregated from the FSC round wood processing. Slightly more than half of the wood SevLesPil processes is FSC certified. For the scope of SBP pellets production, SBP-compliant secondary feedstock (sawdust) is used, and FSC-certified barks used for heat generation. The uncertified feedstock (sawdust), biofuel (barks) and biomass (pellets) are physically segregated throughout production and storage.

The Komi Republic and Arkhangelsk region are ones of the leading forestry regions of Russia. The total forest fund area of Komi Republic is 38,9 million hectares, of which 30,3 million hectares, or 3,5% of the total area of all Russian forests, are covered with a forest canopy. ¼ of forests are protected forests along the lakes, swamps and other ecologically sensitive areas. The stricter management regime is applied in such forests. The proportion of mature and over-mature forest stands is approximately 3/4 of wood in stock. Coniferous species account for more than 80%, including Scots pine (around 25%), and Siberian spruce (around 60%). In the Komi Republic, the annual allowable cut is realized to approximately ¼ only. It would be possible to sustainably harvest four times more in the Komi republic, however, the present infrastructure is insufficient to make this possible.

The forest fund of the Arkhangelsk region covers 29,2 million hectares. The exploitation forests make up 19,8 million hectares - 69% of the forest fund area. The remaining 31% are ecological zones (9,4 million hectares). The main forest-forming species in the forests of the Arkhangelsk Region are coniferous – more than 80% of the total stock. Mature and over-mature stands account about 80%. Siberian spruce accounts almost 70% of the stock, Scots pine stock is about 10-15%. The rest are deciduous tree species. Less than half the annual allowable cut is used in Arkhangelsk region.

High conservation value forests (HCVF) were identified within the supply base. FSC-certified enterprises, including SevLesPil, comply with moratorium on logging in these forest areas.

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, if relevant, the principles of FSC 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. Reforestation can be done with planting seedlings or the promotion of natural regeneration.

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 protected tree species. On the territory of the Komi Republic, the Cedar pine or Siberian pine (*Pinus sibirica*) is redlisted. There are two willow species (*Salix arbuscula* and *Salix recurvigemmis*) redlisted for the Arkhangelsk region. These tree species are not allowed to be harvested, nor have companies downstream the right to purchase them.

SevLesPil uses only the following tree species for pellet production:

- Norway spruce (*Picea abies*) – about 75% by volume,
- Scots pine (*Pinus sylvestris*) - about 25% by volume.

The tree species used to make pellets are not protected under the Convention CITES and are not included in the list of the International Union for Conservation of Nature (IUCN).

There is a nature reserve of the national importance "Vizinga" in the forest area leased by SevLesPeil, created for the purpose of preserving the European grayling. Within this territory, no harvesting operations are carried out.

The forest industry is one of the leading economic sectors of the Komi Republic and Arkhangelsk region. The development of the social sphere (health, education, culture) largely depends on the success of the forestry sector. In many cases, only one wood processing enterprise is crucial to the existence of an entire village or town.

The socio-economic value of the forest industry in the Arkhangelsk region is also high. The forest industry accounts for half of the gross regional product. Among all manufacturing industries, the forest industry comes first in terms of the volume of shipped products. The industry provides employment for the population in rural areas and is essential for its well-being.

2.2 Actions taken to promote certification amongst feedstock supplier

SevLesPil works with suppliers to explain the requirements of voluntary certification, its benefits and practical applications. Two suppliers of 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 can not undergo the certification process, because they purchase standing stock from the Ministry of Natural Resources.

2.3 Final harvest sampling programme

Rotation period in Boreal forests is over 60 years. Almost all harvesting conducted in these forest type is a clear cut (not thinnings). In certified forests clear cut area is a bit smaller (95%) then in non-certified forests (99%). In both cases none of the wood is harvested for the biomass production purpose. In terms of volumes of wood processing residues ended up in a biomass production – it's 39 404,82 solid m³.

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): 65,47 mln. ha
- b. Tenure by type (ha): 65,47 mln. ha, public
- c. Forest by type (ha): 65,47 mln. ha, boreal
- d. Forest by management type (ha): 65,47 mln. ha, managed natural
- e. Certified forest by scheme (ha): 9 894 990,5 ha, FSC-certified

Supply Base

- f. Total Supply Base area (ha): cumulative area of all forest types within SB
- g. Tenure by type (ha): privately owned/public/community concession
- h. Forest by type (ha): boreal/temperate/tropical
- i. Forest by management type (ha): plantation/managed natural/natural
- j. Certified forest by scheme (ha): (e.g. hectares of FSC or PEFC-certified forest)

Feedstock

- a. Total volume of Feedstock: 39 404,82 solid m³
- b. Volume of primary feedstock: not used
- c. 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 - not applicable
 - Not certified to an SBP-approved Forest Management Scheme - not applicable
- d. List all species in primary feedstock, including scientific name - not applicable
- e. Volume of primary feedstock from primary forest - not applicable
- f. 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
- g. Volume of secondary feedstock: 39 404,82 solid m³ (sawdust)
- h. 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 feedstock for SBP-certified biomass come from FSC certified 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.

7.1 Description of the Supplier Verification Programme

Not applicable.

7.2 Site visits

Not applicable.

7.3 Conclusions from the Supplier Verification Programme

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 Supply Base Report of LLC "SevLesPil" was not conducted.

11.2 Public or additional reviews

The report has been posted on the website of SevLesPil for public review.

Feedback by any stakeholder will be considered seriously. Feedback can be sent to marketing@sevlespil.com

12 Approval of Report

Approval of Supply Base Report by senior management			
Report Prepared by:	Anton Klepikov 	Leading marketer	19.09.2019
	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:	Tatyana Mironova 	Finance Director – Deputy General Director	19.09.2019
	Name	Title	Date
Report approved by:	Svetlana Kudinova 	Head of Marketing, Sales and Logistics Department	19.09.2019
	Name	Title	Date

13 Updates

13.1 Significant changes in the Supply Base

There were no significant changes in the Supply Base compared to the previous report.

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

39 404,82 solid m³ of secondary feedstock (sawdust)

*Using the categories in Section 2.5 'Quantification of the Supply Base' (above), give an update on the actual figures for the previous 12 month period. Volume may be shown in a banding between XXX,000 to YYY,000 tonnes or m³ if a compelling justification is provided**

13.5 Projected figures for feedstock over the next 12 months

41 400 solid m³ of secondary feedstock (sawdust)