



Supply Base Report: **Grillkoff LLC**

First Surveillance Audit

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Completed in accordance with the Supply Base Report Template Version 1.4

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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Contents

1	Overview
2	Description of the Supply Base
2.1	General description
2.2	Description of countries included in the Supply Base
2.3	Actions taken to promote certification amongst feedstock supplier
2.4	Quantification of the Supply Base
3	Requirement for a Supply Base Evaluation
4	Supply Base Evaluation
4.1	Scope
4.2	Justification
4.3	Results of risk assessment and Supplier Verification Programme
4.4	Conclusion
5	Supply Base Evaluation process
6	Stakeholder consultation
6.1	Response to stakeholder comments
7	Mitigation measures
7.1	Mitigation measures
7.2	Monitoring and outcomes
8	Detailed findings for indicators
9	Review of report
9.1	Peer review
9.2	Public or additional reviews
10	Approval of report
Annex 1: Detailed findings for Supply Base Evaluation indicators	

1 Overview

Producer name: Grillkoff LLC

Producer address: Shishkova str., 16, Tver region, 170007 Tver, Russia

SBP Certificate Code: SBP-07-92

Geographic position: 56.859400, 35.912400

Primary contact: Larisa Fedorova, +7 903 694 34 21., bio@grillkoff.ru

Company website: www.grillkoff.ru

Date report finalised: 15 Apr 2021

Close of last CB audit: 16 Apr 2021

Name of CB: NEPCon OÜ

SBP Standard(s) used: SBP Standard 2: Verification of SBP-compliant Feedstock, SBP Standard 4: Chain of Custody, SBP Standard 5: Collection and Communication of Data Instruction, Instruction Document 5E: Collection and Communication of Energy and Carbon Data 1.4

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

SBP Endorsed Regional Risk Assessment: N/A

Weblink to SBR on Company website: www.grillkoff.ru

Indicate how the current evaluation fits within the cycle of Supply Base Evaluations					
Main (Initial) Evaluation	First Surveillance	Second Surveillance	Third Surveillance	Fourth Surveillance	Re-assessment
☐	☒	☐	☐	☐	☐

2 Description of the Supply Base

2.1 General description

Feedstock types: Primary, Secondary

Includes Supply Base evaluation (SBE): No

Feedstock origin (countries): Russia

2.2 Description of countries included in the Supply Base

Country: Russia

Area/Region: Tver region

Exclusions: Yes

Grillkoff LLC is a biomass producer located in a rural area in the village of Yazykovo, Tver Region. The plant is situated in the rural area among forests and agricultural fields not far from the group of lakes. Grillkoff LLC produces SBP-compliant biomass from FSC certified primary and secondary feedstock purchased from suppliers, as well as 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 of certified biomass. In the second reporting period, Grillkoff LLC purchased FSC 100% feedstock from 3 suppliers and uncertified feedstock from about 10 suppliers. However, non-certified production is out of scope of SBP production. The species composition of incoming certified feedstock: Aspen (*Populus tremula*) – 74,4% and Norway spruce (*Picea abies*) – 25,6%.

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 wood stock is 731,02 million cubic meters.

Forest area in different parts is not the same. The north-western and northern regions are the most aforested 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 belong 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 areals 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. The amount of timber processing prevails over the export of roundwood outside the region.

Within the Supply base forest management practices are based on the achievement of sustainable forest management in accordance with the requirements of forest legislation and the principles of FSC forest certification in certified FMUs. The period of felling rotation is 81-100 years. The rotation period includes 1 or 2 thinnings, final cutting at the maturity stage and reforestation. Clear cut can be performed at the area of 20 ha, and thinnings – at the maximum area of 100 ha. 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, about 70% of the total reforestation is carried out by the establishment of planted forest, and about 30% - by the promotion of natural regeneration. Continuous forest rotation technique is also implemented and based on 15-20 year logging cycle with selective harvesting and preservation of viable undergrowth.

There are 5 permanent forest nurseries in the Tver region for growing 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 annual allowable cut, which on the one hand, ensures, the sustainable use of forests, and on the other hand, leads to incomplete use of the annual allowable cut, especially for deciduous forests of low quality. 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 felling 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.

2.3 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. Priority is given to FSC certified suppliers.

2.4 Quantification of the Supply Base

Supply Base

- a. **Total Supply Base area (million ha):** 4,87
- b. **Tenure by type (million ha):**4.87 (Public)
- c. **Forest by type (million ha):**0.42 (Boreal), 4.45 (Temperate)
- d. **Forest by management type (million ha):**4.87 (Managed natural)
- e. **Certified forest by scheme (million ha):**1.59 (FSC)

Describe the harvesting type which best describes how your material is sourced: Clearcutting

Explanation: The rotation period includes 1 or 2 thinnings, final cutting at the maturity stage and reforestation. Clear cut can be performed at the area of 20 ha, and thinnings – at the maximum area of 100 ha. Machinery used for harvesting are harvesters and forwarders.

Was the forest in the Supply Base managed for a purpose other than for energy markets? Yes - Majority

Explanation: High grade roundwood is used as sawlogs and the forest was managed with purpose of deep processing. Pellets production has an aim to utilize residues from primary and secondary material.

For the forests in the Supply Base, is there an intention to retain, restock or encourage natural regeneration within 5 years of felling? Yes - Minority

Explanation: Tenants of leased area according to Reforestation rules have to ensure regeneration within 5 years after harvesting at all harvested areas and take care of maintenance. In Tver region, natural regeneration is ensured at about 30% of the areas and about 70% of area is regenerated artificially. This is unlikely in the other Regions of Russia.

Was the feedstock used in the biomass removed from a forest as part of a pest/disease control measure or a salvage operation? Yes - Minority

Explanation: For making sanitary harvesting the company holding leased forest area have to conduct forest pathological examination. The results of it have to be approved by the regional forestry bodies. On the basis of it sanitary harvesting can be conducted. One of 2 suppliers of primary roundwood conducts sanitary harvesting, however, this company informed that the wood from such operation was not delivered to Grillkoff LLC. However, probably some of the volumes from this company is from sanitary harvesting.

Feedstock

Reporting period from: 01 Apr 2020

Reporting period to: 31 Mar 2021

- a. **Total volume of Feedstock:** 1-200,000 tonnes
- b. **Volume of primary feedstock:** 1-200,000 tonnes
- c. **List percentage of primary feedstock, by the following categories.**
 - Certified to an SBP-approved Forest Management Scheme: 80% - 100%
 - Not certified to an SBP-approved Forest Management Scheme: 0%
- d. **List of all the species in primary feedstock, including scientific name:** Populus tremula (Aspen); Picea abies (Norway spruce);
- e. **Is any of the feedstock used likely to have come from protected or threatened species?** No
 - Name of species: N/A

- Biomass proportion, by weight, that is likely to be composed of that species (%): N/A
- f. Hardwood (i.e. broadleaf trees): specify proportion of biomass from (%): 74,40**
- g. Softwood (i.e. coniferous trees): specify proportion of biomass from (%): 25,60**
- h. Proportion of biomass composed of or derived from saw logs (%): 0,00**
- i. Specify the local regulations or industry standards that define saw logs:** National standards GOST 9462-2016 "Round timber of hardwood species. Specifications" and GOST 9463-2016 "Round timber of coniferous species. Specifications"
- j. Roundwood from final fellings from forests with > 40 yr rotation times - Average % volume of fellings delivered to BP (%): 15,74**
- k. Volume of primary feedstock from primary forest: 0 N/A**
- l. List percentage of primary feedstock from primary forest, by the following categories. Subdivide by SBP-approved Forest Management Schemes:**
 - Primary feedstock from primary forest certified to an SBP-approved Forest Management Scheme: N/A
 - Primary feedstock from primary forest not certified to an SBP-approved Forest Management Scheme: N/A
- m. Volume of secondary feedstock: 0 tonnes**
 - Physical form of the feedstock: Chips, Offcuts
- n. Volume of tertiary feedstock: 0 N/A**
 - Physical form of the feedstock: N/A

Proportion of feedstock sourced per type of claim during the reporting period				
Feedstock type	Sourced by using Supply Base Evaluation (SBE) %	FSC %	PEFC %	SFI %
Primary	0,00	100,00	0,00	0,00
Secondary	0,00	100,00	0,00	0,00
Tertiary	0,00	0,00	0,00	0,00
Other	0,00	0,00	0,00	0,00

3 Requirement for a Supply Base Evaluation

Is Supply Base Evaluation (SBE) is completed? No

N/A

4 Supply Base Evaluation

4.1 Scope

Feedstock types included in SBE: N/A

SBP-endorsed Regional Risk Assessments used: N/A

List of countries and regions included in the SBE:

Country: N/A

Indicator with specified risk in the risk assessment used:
N/A

Specific risk description:

4.2 Justification

N/A

4.3 Results of risk assessment and Supplier Verification Programme

N/A

4.4 Conclusion

N/A

5 Supply Base Evaluation process

N/A

6 Stakeholder consultation

N/A

6.1 Response to stakeholder comments

N/A

7 Mitigation measures

7.1 Mitigation measures

N/A

7.2 Monitoring and outcomes

N/A

8 Detailed findings for indicators

Detailed findings for each Indicator are given in Annex 1 in case the Regional Risk Assessment (RRA) is not used.

Is RRA used? N/A

9 Review of report

9.1 Peer review

N/A

9.2 Public or additional reviews

N/A

10 Approval of report

Approval of Supply Base Report by senior management			
Report Prepared by:	Larisa Fedorova	SBP manager	15 Apr 2021
	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:	Sergey Alexandrov	Executive manager	15 Apr 2021
	Name	Title	Date

Annex 1: Detailed findings for Supply Base Evaluation indicators

N/A