



Supply Base Report: Svir Pellets LLC

Fourth 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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1 Overview

Producer name: Svir Pellets LLC

Producer address: 34 Fizkulturnaya street, 187780 Podporozhye, Leningrad region, Russia

SBP Certificate Code: SBP-01-36

Geographic position: 60.923072, 34.146685

Primary contact: Alexander Gorshkov, +7 931 203 06 55, sm@svirpellets.com

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

Date report finalised: 07 Oct 2021

Close of last CB audit: 13 Oct 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 1.5

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

SBP Endorsed Regional Risk Assessment: Not applicable

Weblink to SBR on Company website: N/A

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: Secondary, Primary

Includes Supply Base evaluation (SBE): No

Feedstock origin (countries): Russia

2.2 Description of countries included in the Supply Base

Country: Russia

Area/Region: Leningrad, Vologda regions, Arkhangelsk, Tver, Pskov, Novgorod region, republic of Karelia

Exclusions: Yes

Svir Pellets LLC is a biomass producer located in the East of the Leningrad region, Podporozhye.

For the production of SBP certified biomass Svir Pellets LLC uses only FSC certified secondary feedstock (sawdust) from two external suppliers with an FSC Mix Credit certification claim, as well as sawmill residues (wood chips) from own production of sawn timber. Roundwood with an FSC 100% certification claim for the main production is procured from a sole supplier - North-West Forestry enterprise and originates from their own rental areas in Leningrad region.

Transfer system of claims is used. All SBP-compliant biomass also has an FSC Mix Credit claim.

Primary feedstock (pulpwood) with an FSC 100% certification claim is used for the dryer. A small portion (about 6%) may also enter pellet production; the company runs a mass balance for the different feedstock types. However, biomass produced from pulpwood is sold without an SBP claim.

During the reporting period, Svir Pellets also processed uncertified feedstock (secondary feedstock, slab wood, sawdust and wood chips) for the production of uncertified pellets for the local market.

During the reporting period, SVIR Pellets LLC produced 17760.71 tons of fuel pellets. 64% (11356.62 tons) of pellets with SBP claim are produced from SBP compliant secondary feedstock. 36% (6404.09 tons) of pellets were produced without an SBP claim. However, 9% of them have an FSC claim. For the production of uncertified pellets production line is fully cleaned, physical segregation is maintained at all stages of feedstock handling and production.

The Supply Base of Svir Pellets LLC is defined on the basis of supplier's declarations and is verified through EGAIS system (registration of timber deals). The Supply Base is defined as the area of the forest fund of the Leningrad, Vologda, Arkhangelsk region, Tver, Pskov and Novgorod Regions, as well as the Republic of Karelia.

The Supply Base of Svir Pellets LLC is located in one of the most forested regions of the country - the North-West Federal District of the Russian Federation. Officially, the forest territory of the Russian

Federation accounts for about 21% of the global stock of standing timber. Softwood species constitute 78%, hardwood - 22%.

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 for a period of 10 to 49 years on loan (with the possibility of their prolongation). 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 plan for 10 years (based on taxation and forest regulation), implement measures for the conservation, protection and reproduction of forests, submit a forest declaration and make addendums to it about the planned way of forest resources use. Once a quarter, tenants are required to submit a forest declaration containing a report on the implemented measures and logging volumes of felling for a calendar year with a cumulative total.

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 81-120 years. Clear cuts are used as a main method of wood harvesting at the maturity stage with subsequent reforestation. Sanitary felling is also possible. The maximum cutting area is limited to 50 ha. Reforestation can be done with planting seedlings (at 17% of the territory) or the promotion of natural regeneration (at 81% of the territory) and with combined method (at 2% of the the territory). Ensuring high-quality reproduction of forest resources and protective afforestation is a prerequisite for the use of forests. To do this, a Forest Development Project is being developed, the measures in which are aimed at improving the forestry characteristics of the forest area, and the implementation of continuous and sustainable forest management.

The Republic of Karelia, Leningrad and Vologda regions are among the leading forest regions of Russia. The share of mature and overmature forest stands is about 3/4 of the timber stock. In protective forests located along lakes, swamps and other environmentally sensitive objects, a more strict control regime is applied. Within the Supply Base, the annual allowable cut is not fully developed. Underdeveloped infrastructure does not allow full use of available timber stocks.

Svir Pellets LLC uses only the following tree species for the production of SBP-compliant biomass:

- Norway spruce (*Picea abies*) - about 77%,
- Scots pine (*Pinus sylvestris*) - about 21%,
- Aspen (*Populus tremula*) - less than 1%,
- Silver birch (*Betula pendula*) - less than 1%.

The % for the given reporting period is provided on the basis of official declarations from feedstock suppliers (weighted average).

These species used for the production of pellets do not fall under the cites Convention and are not included in the lists of The international Union for conservation of nature (IUCN).

The abundant forest resources of the Russian Federation as well as the North-West region in particular, proximity to foreign and domestic markets of forest products determined the appearance of not only large timber production, but also production structures of small and medium size. The geography of deliveries is whole Europe and Scandinavia.

Within the regions of the supply base, deep wood processing prevails over the export of round timber. The leading areas of processing and timber harvesting are the production of lumber, plywood, fiberboard,

chipboard, pulp, paper and cardboard production, wooden housing construction. Pellet production accounts for approximately 2% of the total wood processing within the supply base.

2.3 Actions taken to promote certification amongst feedstock supplier

Svir Pellets LLC understands the importance of FSC certification and actively promotes the idea of certification among its suppliers. A higher price is paid for FSC-certified feedstock.

2.4 Quantification of the Supply Base

Supply Base

- a. **Total Supply Base area (million ha):** 72,80
- b. **Tenure by type (million ha):** 72.80 (Public)
- c. **Forest by type (million ha):** 63.90 (Boreal), 8.90 (Temperate)
- d. **Forest by management type (million ha):** 72.80 (Managed natural)
- e. **Certified forest by scheme (million ha):** 29.37 (FSC)

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

Explanation: Clear cuts are used as a main method of wood harvesting at the maturity stage with subsequent reforestation. Sanitary felling is also possible. The maximum cutting area is limited to 50 ha. Thinnings up to 100 ha are allowed. Harvesters and forwarders are normally used for cut-to-length method of harvesting.

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

Explanation: The forest complex of the Russian Federation, which includes forestry and timber industries for harvesting and processing wood, occupies an important place in the country's economy. The products of the forest complex are widely used in many industries, in construction, agriculture, printing, trade, medicine. For the production of SBP certified biomass, Svir Pellets LLC uses only FSC certified secondary raw materials, as well as waste from its own production of lumber.

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

Explanation: Forest user holding leading right is obliged to ensure forest regeneration within 5 years after harvesting. Reforestation can be done with planting seedlings (at 17% of the territory) or the promotion of natural regeneration (at 81% of the territory) and with combined method (at 2% of the the territory).

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: Sanitary harvesting are possible in a minor extent to eliminate natural disaster consequences.

Feedstock

Reporting period from: 01 Jul 2020

Reporting period to: 30 Jun 2021

- a. Total volume of Feedstock:** 1-200,000 m3
- b. Volume of primary feedstock:** 1-200,000 m3
- 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:** Picea abies (Norway spruce); Pinus sylvestris (Scots pine); Populus tremula (Aspen); Betula pendula (Silver birch);
- 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 (%):** 2,00
- g. Softwood (i.e. coniferous trees): specify proportion of biomass from (%):** 98,00
- 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:** A specification for saw logs issued by a body exercising functions of a public nature and issued for use by sawmills in the area in which the wood was grown
- j. Roundwood from final fellings from forests with > 40 yr rotation times - Average % volume of fellings delivered to BP (%):** 100,00
- 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:** 1-200,000 m3
 - Physical form of the feedstock: Chips, Sawdust
- 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 %
Secondary	0,00	100,00	0,00	0,00
Tertiary	0,00	0,00	0,00	0,00
Primary	0,00	100,00	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: Not applicable

List of countries and regions included in the SBE:

N/A

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:	Aleksandr Presnyakov	Manager	06 Oct 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:	Gorshkov Aleksandr	Director General	07 Oct 2021
	Name	Title	Date

Annex 1: Detailed findings for Supply Base Evaluation indicators

N/A