



Supply Base Report: SPLG LTD

Second Surveillance Audit

www.sbp-cert.org



The promise of good biomass



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

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

Version 1.4 published 22 October 2020

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: SPLG LTD

Producer address: Leningradskaya street 93, Lit. ZH, Pargolovo, 194362
St.Petersburg, Russia

SBP Certificate Code: SBP-07-49

Geographic position: 59.617300, 33.491700

Primary contact: Andrey Martynenko, +7 911 922 0635, 5967586@mail.ru

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

Date report finalised: 16 Nov 2021

Close of last CB audit: 30 Nov 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

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 region

Exclusions: No

Leningrad region

The Leningrad Region is one of the largest industrial centers and one of the leaders in the economic development of the North-West of Russia.

The GRP of the Leningrad Region in 2020 (according to estimates) amounted to 1.26 trillion rubles (100.1% by 2019). For the period from 2015 to 2020, the volume of GRP in the region increased by 10.7%.

The basis of the regional economy is industry, which accounts for 36.9% of GRP. Main industries:

- * Automotive industry*
- * shipbuilding*
- * chemical production*
- * petrochemicals*
- * agro-industrial complex*
- * timber processing*
- * pulp and paper production*
- * aluminum industry*
- construction materials industry*
- * mechanical engineering*

The industry of the Leningrad region consists of more than 1,400 large and medium-sized enterprises, some of which are among the leading organizations in Russia. Over 500 small enterprises also carry out economic activities in the field of industrial production. The number of employees in the industrial sector is about 31% of the total number of employees of organizations in the Leningrad region.

The share of shipped goods of own production of the manufacturing industry of the Leningrad region is 85% of all shipped products of the region.

The total forest area of the Leningrad Region as of 01.01.2018 is 4726.3 thousand hectares of its total land area. The executive authority of a constituent entity of the Russian Federation in the field of forestry relations in the Leningrad Region is the Committee for Natural Resources of the Leningrad Region. It is in charge of forests located on the lands of the "Forest fund" - 4553.6 thousand hectares of the total forest area of the region.

<https://nature.lenobl.ru/media/docs/15987/Лесной%20план%20Ленинградской%20области.pdf>

Out of the total area of the Forest fund of the Leningrad region (5680.7 thousand hectares), the lands covered with forest vegetation occupy 4553.6 thousand hectares, or 80% of the Forest fund lands. Non-forest land occupies 17.7% (954 thousand ha) of the total Forest fund lands.

The forests of the Leningrad Region belong to the taiga forest-growing zone, two forest regions:

- Baltic-Belozersky forest region of the taiga zone of the European part of the Russian Federation, comprising the following municipal districts: Boksitogorsky, Volosovsky, Volkhovsky, Vsevolozhsky, Vyborgsky, Gatchinsky, Kirovsky, Lodeynopolsky, Lomonosovsky, Podporozhsky, Priozersky, Tikhvinsky, Tosnensky;*
- South-taiga forest region of the European part of the Russian Federation, comprising the following municipal districts: Kingiseppsky, Kirishsky, Luga, Slantsevsky*

On the lands of the Forest fund of the Leningrad region there are 19 forestries with 277 district forestries that are under the jurisdiction of the natural resources of the Leningrad region. The forestries are the branches of the Leningrad Regional State Treasury Institution "Forest Management of the Leningrad Region", which is in charge of the natural resources of the Leningrad Region.

All forests and lands provided for forestry, regardless of the departmental affiliation of the subjects conducting forestry, constitute the Forest fund of the Leningrad region, which is an integral part of the Forest fund of the Russian Federation. The Forest fund in the Leningrad region is represented by forests of the first group with the allocation of protection categories in them and forests of the second group.

Protective forests include forests that are subject to development in order to preserve the environment-forming, water-protective, protective, sanitary-hygienic, health-improving and other useful functions of forests with the simultaneous use of forests, provided that this use is compatible with the intended purpose of the protective forests and the useful functions they perform. Protective forests in the region occupy 3005.4 thousand hectares.

Production forests are forests that are subject to development for sustainable, maximum efficient production of high-quality wood and other forest resources, products of their processing, while ensuring the preservation of the useful functions of forests. Production forests occupy 3033.7 thousand hectares.

There are no reserve forests on the territory of the Leningrad Region.

In general, the resource base has a sharply continental climate. The maximum temperature in summer can rise up to +30 ° C, in winter in some northern regions the temperature on the thermometer can be below - 30 ° C.

The basis of the forests of the region are coniferous stands, among which pine forests predominate, occupying about 40% of the area covered by forest. The Karelian Isthmus is the richest in coniferous forests. About a third of the forest area is spruce forests, almost the same amount is birch forests. A smaller area is occupied by aspen trees. The share of larch, linden and alder accounts for not much more than 1% of the forested area. Valuable species such as oak, maple, ash and elm are artificially introduced into forests. Nature reserves and nature reserves have been created to preserve indigenous forests.

Last year, enterprises of the Leningrad region harvested 5.5 million m³ of wood. The area of continuous logging amounted to 21.8 thousand hectares. Processing capacity is sufficient to process the entire volume of harvested raw materials. However, taking into account logistics, 30% of the harvested wood was exported.

The area of FSC-certified forests in Russia is about 40 million hectares (30% of the total number of forests under lease). In terms of the area of certified forests, Russia ranks second after Canada. The first FSC certificates in Russia were issued more than ten years ago.

The bulk of the material for the production of fuel pellets enters the pellet production as waste from the production of sawmilling and woodworking sites that produce the main products - construction parts made of wood.

Raw materials for the production of fuel pellets, guided by the FSC nomenclature, come with the following statements and in the following proportions:

** FSC 100% (considered by us as SBP-compliant feedstock);*

All the material for the production of fuel pellets can be classified as secondary feedstock (remnants of the wood processing industry).

In the reporting period, one supplier of certified raw materials was used.

A very small proportion of wood in the resource base is processed into fuel pellets.

The main forest-forming breeds are also the ratio of breeds on average (according to our research on purchases):

** 50% Common pine (*Pinus silvestris*),*

** 50% Common spruce (*Picea abies*).*

Fuel pellets of LLC "ZPLG" are used as an environmentally friendly and safe biofuel, which will allow:

** increase the energy efficiency of facilities using pellets;*

** reduce greenhouse gas emissions into the atmosphere.*

During the reporting period, 56% of FSC certified raw materials and 44% of non-certified raw materials were used.

CITES or IUCN species are not used in our pellet production.

2.3 Actions taken to promote certification amongst feedstock supplier

Raw materials sourced from FSC certified suppliers have been used to produce SBP-compliant pellets.

A fundamental factor in the operation of the company is compliance with the requirements of the national FSC standard .

LLC “SPLG” carries out serious work to confirm the legality of wood. For the production of SBP-certified pellets, LLC “SPLG” uses

only FSC certified raw materials. When raw materials are delivered to the plant by certified suppliers, the company periodically checks suppliers using the database of the FSC certified suppliers.

LLC “SPLG” hopes that this mutually beneficial and long-term cooperation will be an example for other enterprises to market their products and sustainable forest management in accordance with the FSC principles .

2.4 Quantification of the Supply Base

Supply Base

- a. **Total Supply Base area (million ha):** 4,72
- b. **Tenure by type (million ha):**4.55 (Public)
- c. **Forest by type (million ha):**4.72 (Boreal)
- d. **Forest by management type (million ha):**4.72 (Managed natural)
- e. **Certified forest by scheme (million ha):**2.40 (FSC)

Describe the harvesting type which best describes how your material is sourced: Mix of the above

Explanation: Selective logging (40%) and continuous logging (60%) are mainly carried out in the Leningrad Region. Equipment used: harvester and forwarder.

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

Explanation: In the Leningrad region, according to the technologies used today for the production of forest products, logging waste makes up 20%, sawmilling - 35-55% of the volume of production, waste in the production of plywood - 60, wood waste of the pulp and paper mill – 20% of the volume of raw materials supplied, waste in the production of wooden products, furniture, etc. - 50% of the production volume. Part of the waste is used in the pulp and paper industry in the form of technological chips, part goes to the production of plates, part - for the manufacture of pellets. However, a significant amount of wood waste has not yet been used.

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: The area of deforestation in the region subject to reforestation was 30 thousand hectares, of which 19.7 thousand hectares (which is 66%) were reforestation measures (sowing, planting, promoting natural reforestation), the remaining area of deforestation (34%) was determined for natural reforestation.

Was the feedstock used in the biomass removed from a forest as part of a pest/disease control measure or a salvage operation? No

Explanation: Sanitary logging is not common in the Leningrad Region.

Feedstock

Reporting period from: 01 Sep 2020

Reporting period to: 31 Aug 2021

- a. **Total volume of Feedstock:** 1-200,000 tonnes
- b. **Volume of primary feedstock:** 0 N/A
- c. **List percentage of primary feedstock, by the following categories.**
 - Certified to an SBP-approved Forest Management Scheme: N/A
 - Not certified to an SBP-approved Forest Management Scheme: N/A
- d. **List of all the species in primary feedstock, including scientific name:** N/A
- e. **Is any of the feedstock used likely to have come from protected or threatened species?** N/A
 - 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 (%):** N/A
- g. **Softwood (i.e. coniferous trees): specify proportion of biomass from (%):** N/A
- h. **Proportion of biomass composed of or derived from saw logs (%):** N/A
- i. **Specify the local regulations or industry standards that define saw logs:** N/A
- j. **Roundwood from final fellings from forests with > 40 yr rotation times - Average % volume of fellings delivered to BP (%):** N/A
- k. **Volume of primary feedstock from primary forest:** N/A 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 tonnes

- Physical form of the feedstock: Chips, Other (specify)

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	0,00	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: Not applicable

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:	Anton Vladimirovich Zhuravsky	General Director	16 Nov 2021
	Name	Title	Date
Report Prepared by:	Andrey Viktorovich Martynenko	Standardization engineer	16 Nov 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:	Anton Vladimirovich Zhuravsky	Director General	16 Nov 2021
	Name	Title	Date

Annex 1: Detailed findings for Supply Base Evaluation indicators

N/A