



# Supply Base Report: Grantop-Export LLC (Kadnikov)

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](http://www.sbp-cert.org)*

### *Document history*

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# 1 Overview

**Producer name:** Grantop-Export LLC (Kadnikov)

**Producer address:** 2 Urochische Altay, 162107 Kadnikov, Vologda region, Russia

**SBP Certificate Code:** SBP-01-87

**Geographic position:** 59.512619, 40.357694

**Primary contact:** Alexey Zenkov, +7 921 824 0008 or +7 921 824 1449, grantop35@ya.ru

**Company website:** <http://bio-teplo.com/>

**Date report finalised:** 28 Oct 2021

**Close of last CB audit:** 18 Sep 2020

**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:** <http://bio-teplo.com/>

## 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
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

## 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:** Northwest

**Exclusions:** No

“GRANTOP-EXPORT” LLC buys feedstock of seven suppliers, who obtain FSC certificates. The suppliers in their turn buy feedstock (certified as well as controlled) from Republic of Komi, Arkhangelsk, Vologda, Kirov, Yaroslavl regions and other regions of Russia, so the description of the supply base is given nationwide.

The total area of forest lands in Russia is 764 mln. ha, accounting for about 21% of the world standing timber. Coniferous species makes up 68,4%, hard-wooded broadleaved species – 2,4%, soft-wooded broadleaved species – 19,3%. Other tree species makes up less than 1%.

In accordance with Russian legislation all forest lands are state owned. Legal entities can use forest areas in lease and short-term use. Lease relations are the dominant legal form of forest use. The lease term may continue from 10 to 49 years.

Entering into the lease agreement of forest lands or sale contracts of forest plantations is carried out at the auction for selling the right to enter into such agreements. Forest areas for a lease must pass a state cadastral registration. According to the Forestry Code of the Russian Federation every forest user taking a lease forest land is obliged:

- to implement measures on forest conservation, protection and regeneration,
- to provide annual forest declaration,
- to issue a forest exploitation project,
- to provide a report on the forests use, their conservation, protection and regeneration.

High quality reproduction of forest resources and protective forestation is a prerequisite for forest management. All reforestation activities within leased forest areas are planned and carried out by forest users at their own expense in accordance with the forest exploitation projects.

The forest complex of the Russian Federation including forestry as well as wood harvesting and wood processing industries, plays an important role in Russian economy. About 60 000 of large-scale, medium-sized and small enterprises in all regions of the country are involved in Russian forest complex. The total number of employees in the forest complex of Russia is about 1mln. people.

Forest certification is an effective tool for combating illegal wood harvesting and wood trade. The system of FSC (Forest Stewardship Council) certification is widely used in Russia. Certified forests area in Russia is about 40 mln. ha, or 30% of the total number of leased forests. The dynamics of forest certification in Russia shows the ever-increasing activity of wood companies which indicates the responsibility to ensure the legality of wood harvested and compliance with environmental and other requirements.

### **.The supply base of**

#### **“GRANTOP-EXPORT” LLC**

The supply base of “GRANTOP-EXPORT” LLC is the total area of forest land of Russia on the whole. The total area of the supply base is 764 mln. ha.

Coniferous forests (pine, spruce), which are not included in CITES and international agreements on environment protection, form the most part of the supply base.

Forest management is based on achievement of inexhaustible sustainable use of forest resources according to the requirements of forest laws and forest certification principles, if applicable. Rotation period is 60-120 years. One or two thinnings and clearcut of mature forest with forest regeneration are made during rotation period. Seedlings planting or natural forest regeneration can be used for forest regeneration. Inexhaustible use of forest resources is also implemented. Inexhaustible use of forest resources is based on 15 – 20-year cycle of harvesting with selective harvesting and viable young growth retaining.

Intact forests and wetlands of international importance are located at the territory of Russia. Small-numbered indigenous nations live here. So in order to minimize the risk of wood of unknown origin in FSC Chain of Custody, “GRANTOP-EXPORT” LLC buys only FSC certified feedstock from FSC certified suppliers.

“GRANTOP-EXPORT” LLC works with four suppliers of FSC certified saw-milling waste. If “GRANTOP-EXPORT” LLC ramps up the production volume, it will use only FSC certified saw-milling waste. At the moment “GRANTOP-EXPORT” LLC receives feedstock with FSC Mix Credit claim from five suppliers, and feedstock with FSC 100% claim – from two suppliers. This feedstock refers to the category - SBP-compliant feedstock.

Under current conditions “GRANTOP-EXPORT” LLC has an opportunity to produce pellets with SBP-compliant biomass claim. All supplied resources belong to the category of “SBP-compliant secondary feedstock”.

Less than 1% of harvested wood is processed into a biofuel in Vologda Region results from reports for the calendar year 2019.

Proportion of the species of supplied resources is 30% - pine, 70% - spruce. This proportion is the same for both wood dust and chips.

“GRANTOP-EXPORT” LLC is of a great socio-economic importance in Vologda region. The company is involved in charity events, provides financial support for sociocultural objects and organisations, sport organisations (rural settlements, schools, museums, churches, veterans' communities).

Forest industry in Russia is one of the leading industries speaking from the perspective of working population involved and the volume of tax deductions to all budget levels.

## **2.3 Actions taken to promote certification amongst feedstock supplier**

In 2016 a great work on the staff training in accordance with FSC criteria was done. "GRANTOP-EXPORT" LLC was certified (FSC certificate FSC NC-COC-026273). The Production is carried out with the claim FSC Mix Credit.

"GRANTOP-EXPORT" LLC uses only FSC certified feedstock for production of FSC certified pellets. "GRANTOP-EXPORT" LLC buys FSC certified feedstock for higher price and it can encourage potential suppliers to gain FSC certification.

"GRANTOP-EXPORT" LLC hopes that this mutually beneficial and long-term cooperation with certified feedstock suppliers will become a good example of product promotion and sustainable forest use according to FSC principles for other companies..

## 2.4 Quantification of the Supply Base

### Supply Base

- a. **Total Supply Base area (million ha):** 764,00
- b. **Tenure by type (million ha):**764.00 (Privately owned)
- c. **Forest by type (million ha):**764.00 (Boreal)
- d. **Forest by management type (million ha):**764.00 (Managed natural)
- e. **Certified forest by scheme (million ha):**54.27 (FSC)

**Describe the harvesting type which best describes how your material is sourced:** N/A

**Explanation:** secondary raw materials

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

**Explanation:** timber harvesting for sawmill

**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:** reforestation or assistance is envisaged

**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:** there is a small share

### Feedstock

**Reporting period from:** 01 Jul 2020

**Reporting period to:** 30 Jun 2021

- a. **Total volume of Feedstock:** 1-200,000 m<sup>3</sup>
- 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 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 %
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:	Alexey Zenkov	SBP Responsible	28 Oct 2021
	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:	Zenkova S.E.	Director	28 Oct 2021
	Name	Title	Date



# **Annex 1: Detailed findings for Supply Base Evaluation indicators**

N/A