



Supply Base Report: Atlant 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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1 Overview

Producer name: Atlant LLC

Producer address: Stroitel'naya str 9, 666765 Yantal, Russia

SBP Certificate Code: SBP-07-56

Geographic position: 56.855187, 105.221439

Primary contact: Oksana Vilkushevskaya, +7 964 109 9059, o.vilkushevskaya@siberia.group

Company website: www.rosinnova.com

Date report finalised: 19 Jan 2021

Close of last CB audit: 28 Jan 2020

Name of CB: Preferred by Nature 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 1.3

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://www.rosinnova.com/ru/about/info>

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: Irkutsk area

Exclusions: No

Atlant LLC is a full-cycle sawmill and wood-processing enterprise located in the working village of Yantal, Ust-Kutsky District, Irkutsk Region. Atlant LLC is a member of the Innovation LLC group of companies.

Pellets made from secondary material (sawdust and wood chips) - waste from the deep processing of wood. Atlant LLC is FSC certified. Atlant LLC processes about 67% of Scots pine, 20% of Siberian larch, 13% of a mixture of Siberian spruce, Siberian fir and Siberian pine.

The resource base of Atlant LLC is 3 FSC certified forest plots owned by Kazachka Les LLC, 3 FSC certified forest plots of Everest LLC. Both enterprises of the Kopaniy group of Innovations LLC are located in the Irkutsk region, Russia. And the area of the lease base of JSC "Ilim Group" and JSC "Ilimkhimprom" - ALH located in the Bratsky district of the Irkutsk region, Russia.

The forest fund of the Irkutsk region is 69,4 million hectares. According to the information contained in the regional Forest Plan, 12% of the country's forest reserves are concentrated in the region. But not all forest area is covered with forests. Some of them have been cut down and not yet replanted; part damaged by fires; about 1,6 million hectares are occupied by glades, ravines, roads, buildings, etc. The total standing stock is 8,8 billion m³, including the stock of coniferous stands – 7,5 billion m³.

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 60-120 years. Only clear cuts are used as a 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 or the promotion of natural regeneration. 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 composition of the forests of the Irkutsk region is Scots pine (*Pinus sylvestris*), Siberian larch (*Larix sibirica*), Siberian cedar pine (*Pinus sibirica*), Siberian spruce (*Picea obovata*), Siberian fir (*Abies sibirica*), Silver birch (*Betula pendula*), aspen (*Populus tremula*), a tree-shaped willow (*Salix* spp.) is found.*

*When harvesting wood, according to the forest legislation, species listed in the Red Book, as well as their habitats, are subject to conservation. Harvesting of valuable, endangered and specially protected species of trees is prohibited. In the Irkutsk Region, Berry Apple Tree (*Malus baccata* (L.) Borkn.) Is subject to conservation. Forest stands with 3 or more units of Siberian cedar pine (*Pinus sibirica* Du Tour.)out of 10 in the forest stand are prohibited for cutting.*

*Atlant LLC processes only Scotch pine (*Pinus sylvestris*), Siberian larch (*Larix sibirica*) and a small amount of Siberian spruce (*Picea sibirica*), Siberian fir (*Abies sibirica*) and Siberian pine (*Pinus sibirica*). The tree species included in the IUCN and CITES lists are not common in the Irkutsk region.*

Irkutsk Oblast is located in one of the leading places in terms of forest resources. It ranks first in the Russian Federation in terms of harvested wood. The forest industry of the Irkutsk region combines enterprises of logging, woodworking, pulp and paper and forest chemical industries.

Atlant LLC is one of the 20 largest timber processing enterprises in the Irkutsk region. Atlant LLC is a city-forming enterprise in the working village of Yantal. The group of companies LLC Innovation, which includes LLC Atlant, provides social and economic support to nearby municipalities: it repairs and cleans roads in the area, organizes fire protection strips, extinguishes fires, and provides material assistance to local administrations.

The choice of reforestation method depends on the tree species, type of forest, forest growing conditions, the number of undergrowth and young growth on each specific site (allotment). Works are assigned and performed in accordance with the: 1. With forest development projects; 2. Reforestation Rules (approved by order of the Ministry of Natural Resources and Ecology of the Russian Federation No. 375 of 29.06.2016). The work is carried out on the basis of reforestation projects and regulatory and technological maps.

The main supplier of raw materials for the production of fuel pellets is the sawmill LLC "Atlant", certified according to the FSC supply chain system. In turn, the plant enters the timber round with forest plots presented rentals "Everest" for a period of 49 years, with a total area of 183 436,4 hectares, with an annual allowable cut design 272,2 thousand m³, LLC "Cossack forest" for a period of 49 years, area 51 653 hectares, with an annual allowable cut design 85.0 thousand m³, with the whole area of forest land certified by the FSC forest management and timber, round comes from third-party vendors, FSC controlled wood such as OOO "Ilim Group" JSC "Ilimkhimprom" – ALH

The main supplier of raw materials for the production of fuel pellets is the sawmill LLC "Atlant", certified according to the FSC supply chain system. In turn, the plant receives round timber from forest plots, LLC Kazachka Les and LLC Everest the area of forest plots is certified according to the FSC forest management system, and also receives round timber from third-party suppliers, FSC controlled wood such as LLC Ilim Group and JSC Ilimkhimprom-ALH

Overview of SBP group ratios of incoming raw materials:

Controlled Feedstock –0%

SBP-compliant Primary Feedstock –0%

SBP-compliant Secondary Feedstock –100%

SBP-compliant Tertiary Feedstock –0%

SBP non-compliant Feedstock –0%

2.3 Actions taken to promote certification amongst feedstock supplier

Suppliers of raw materials Atlant LLC are holders of the FSC certificate of forest management. Atlant LLC has been negotiating with suppliers of uncertified wood, explaining the benefits of FSC certification of forest management. The supplier of Everest LLC received the FSC Forest Management Certificate in order to be able to supply FSC certified wood to Atlant LLC..

2.4 Quantification of the Supply Base

Supply Base

- a. Total Supply Base area (million ha): 3,90
- b. Tenure by type (million ha): 3.90 (Public)
- c. Forest by type (million ha): 3.90 (Boreal)
- d. Forest by management type (million ha): 3.90 (Managed natural)
- e. Certified forest by scheme (million ha): 3.80 (FSC)

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

Explanation: The raw material is a waste of the sawmill and its origin is not directly related to logging. In general, clearcuts are used in the region's resource base.

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

Explanation: First of all, we are engaged in sawmilling, and the production of pellets is the processing of secondary raw materials after sawmilling

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 choice of reforestation method depends on the tree species, type of forest, forest growing conditions, the number of undergrowth and young growth on each specific site (allotment). Works are assigned and performed in accordance with the: 1. With forest development projects; 2. Reforestation Rules (approved by order of the Ministry of Natural Resources and Ecology of the Russian Federation No. 375 of 29.06.2016). The work is carried out on the basis of reforestation projects and regulatory and technological maps.

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: N/A

Feedstock

Reporting period from: 01 Jan 2020

Reporting period to: 31 Dec 2020

- a. **Total volume of Feedstock:** 1-200,000 m3
- 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 (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:	Oksana Bogdanovna Vilkushevskaya	Deputy Head of Administrative Affairs	19 Jan 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 Sergeyevich Titenko	Separate Division Head Atlant LLC	19 Jan 2021
	Name	Title	Date
Report approved by:	Oksana Bogdanovna Vilkushevskaya	Deputy Head of Administrative Affairs	19 Jan 2021
	Name	Title	Date

Annex 1: Detailed findings for Supply Base Evaluation indicators

N/A