SBP

Sustainable Biomass Partnership

Supply Base Report: Stroy-Alliance LLC

www.sustainablebiomasspartnership.org

Completed in accordance with the Supply Base Report Template Version 1.0

For further information on the SBP Framework and to view the full set of documentation see www.sustainablebiomasspartnership.org

Document history

Version 1.0: published 26 March 2015

Contents

1 Overview

Producer name:	Limited Liability Company «Stroy-Alliance»
Producer location:	191036, Saint-Petersburg, Nevsky Prospect, 132, of. 81
Geographic position:	59°55′50″N, 30°22′2″E
Primary contact:	Antonov Sergei Aleksandrovich, plavimsneg@yandex.ru, +79119982602
Company website:	www.spb-pellets.ru
Date report finalised:	12/May/2016
Close of last CB audit:	24/May/2016
Name of the CB:	NEPCon
Translations from English:	Yes
SBP standards used:	Standard 2: Verification of SBP-compliant Feedstock, Standard 4: Chain of Custody, Standard 5: Collection and Communication of Data, Version 1.0: published 26 March 2015
Weblink to the Standards used:	http://www.sustainablebiomasspartnership.org/documents
SBP Endorsed Regional Risk Assessment:	«not applicable»
Web link to SBE on Company website:	www.spb-pellets.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**
X	☐	☐	☐	☐

2 Description of the Supply Base

2.1 General description

«Stroy-Alliance» LLC is situated in Saint-Petersburg in the territory of the Russian Federation.

The company uses sawdust, wood chips, wood waste of the own production, as well as fuel and round pulpwood of soft wood and hard wood for pellet manufacturing. The main supply region for “Stroy-Alliance” is Leningrad Region of the Russian Federation.

The forests of the Leningrad region constitute a part of the middle and southern taiga of the North-West of Russia, the source of supply of timber for construction, pulp and paper and chemical industries. A significant part of high-quality softwood and birch is exported to a number of European countries.

Timber complex retains an important place in the economy of the Leningrad region. St. Petersburg and Leningrad region far exceed the richer the forest regions of the North-West in the number of wood enterprises.

The development of timber complex in the Leningrad region administration is associated with downstream processing of wood raw materials, increase of the product competitiveness. The government plans to expand the use of wood-based energy as alternative fuel sources.

Rational regional government policy in the field of forest management arrangement allows to increase the volumes of timber, providing regional woodworking and pulp and paper enterprises with raw materials, to meet the needs of the Leningrad region in timber.

The exploitable volume of the Leningrad region forests is 360 million cubic meters. The calculated felling rate for the main use is 9.8 million cubic meters, the volume allowed for intermediate use is 2.5 million cubic meters per year. The production capacities created in the Leningrad region are able to process more than 7.5 million.

The species composition of the forests of the Leningrad Region is not very diverse. The main tree species are: pine, which occupies about 38% of the total forest area of the region, spruce - 31%; birch - 24%; aspen - 6%. And only 1% comes from the forests with other species.

In accordance with the Russian legislation, all forest lands are state-owned. Legal entities receive forest land for use on a leasehold basis and short-term use. Each forest user who receives lease forest area, according to the Forest Code of the Russian Federation shall:
- carry out measures for conservation, protection and reproduction of forests

- provide annual forest use report

- make the forest exploitation project

- submit a report on the use of forests, their conservation, protection and reproduction.

High quality reproduction of forest and protective wood cultivation is a prerequisite for use of forests. All reforestation operations in the leased forest areas the forest users shall carry out at their own expense in accordance with the forest exploitation projects. The natural regeneration of forests (regrowth) by saving of the viable undergrowth in the course of harvesting, providing harvesting with breeding sources andsoil treatment for better growth and seedling growth shall prevail in the plans. Forest users also implement a set of fire-prevention measures aimed at preventing and reducing of the effects of forest fires in summer.

When harvesting, in accordance with the forest legislation of the Russian Federation, subject to the preservation of species contained in the endangered species list, as well as their habitats. Felling of valuable and especially protected species is prohibited.

Consumers of forest products in environmentally sensitive markets require from their suppliers to refuse to participate in the harvesting, processing and sale of timber of dubious origin.

Forest certification is an effective tool to counteract illegal logging and illegal timber trade. The area of the certified forests in Russia is more than 41 million ha, or 30% of the total amount of forests under lease.

Dynamics of development of the forest certification in Russia points to the constantly increasing activity of forest companies which proves the responsible approach to ensuring the legality of timber harvested, compliance with environmental and social requirements of the Forest Stewardship Council (FSC). The same trend in respect of development of the forest certification is also characteristic of the Leningrad region.

One of the timber land lease takers in the Leningrad region and the largest timber land lease taker within the limits of Kirovsk, Kirishi and Lyuban districts is “Trust Les” LLC – feedstock supplier of the “Stroy-Alliance” LLC.

In 2009-2011, “Trust Les” LLC has concluded 9 timber land lease agreements with the Leningrad region nature resources committee for the period of 49 years.

The area of the leased forests of the company makes 267,301.4 ha, where 50,325.0 ha (18.83%) is occupied by HCVF, in these forests no felling is carried out by the company. The established volume of annual forest use (calculated felling rate) of the company is 304,558 m3.

The company carries out timber harvesting by own efforts and fulfills the whole package of forestry measures recommended by Forest exploitation projects (measures for forest protection against fires and illegal felling, forest protection and regeneration, intermediate cuttings), carries out maintenance and repair of forestry roads.
The plans of the “Trust Les” LLC forest administration contain the following strategic purposes:
- stable and profitable work,
- introduction of advanced technologies and development of new harvesting technology;
- pursuing a "transparent" forest policy;
- strict observance of Russian forest legislation;
- preservation and improvement of environmental and social functions of forests;
- saving and augmentation of forest biodiversity;
- ensuring social guarantees and safe working conditions of employees;
- pursuing employment policy in respect of mostly the local population;
- participation in the development of social sphere of the enterprise activites;
- taking into consideration of long-term interests of the local population in the activities of the enterprise;
- forest management in accordance with the FSC Principles and Criteria.

Soft-wooded broadleaved plantings prevail in the lease timber land (174,973.3 ha or 63 % of the wooded lands), area of the hardwood plantings is 102,762.1 ha.

The average forest yield within the borders of the lease timber land is 172 м³/ra, maturity and overmaturity stands – 227 m3/ha. The average wood increment is 2,8 – 3 m3/ha.

Since September 2012 “Trust Les” LLC is the holder of the FC-FM/CoC-643080 certificate.

There are no undisturbed forests on the certified area, no indigenous native minorities on the lease area of LLC "LesTrans", the company does not stock the species, falling within the scope of CITES Convention and included in the IUCN lists.

From the total volume supplied to “Stroy Alliance” LLC the share of the of certified feedstock makes in average 90%.

100% of the incoming to the company feedstock is SBP Complying Primary feedstock.

2.2 Actions taken to promote certification amongst feedstock supplier

Taking into account that the feedstock from the only supplier “Trust Les” LLC, which at present is the holder of the FSC certificate, is sufficient for “Stroy-Alliance” LLC to produce biofuel, and we did not make attempts to speed up the certification of other lease takers.

2.3 Final harvest sampling programme

100 % of feedstock, received by the company for own sawmilling and pellet manufacturing, comes from final harvesting (mature and overmature forest harvesting).

For the report period (from May 1st, 2015 till May 1st, 2016) 1501,19 m3 of feedstock was received.

2.4 Flow diagram of feedstock inputs showing feedstock type [optional]

2.5 Quantification of the Supply Base

Supply Base

a. The total supply base area: 267301,4 (ha):

b. Tenure by type (ha): 100% state-owned forests

c. Forest by type (ha): Boreal forests

d. Forest by management type (ha): 267301,4 (ha) Managed Natural

Certified forests by scheme (ha): 267301,4 (ha)

Feedstock

e. Total volume of feedstock for the report period: 13195,8 m^3

f. Volume of primary feedstock for the report period: 1501,19 m^3

g. List percentage of primary feedstock (g) by the following categories.
   - Large forest holdings certified by SBP-approved Forest Management Scheme - 1501,19 м^3
   - Large forest holdings not certified by SBP-approved Forest Management Scheme - 0
   - Small forest holdings, certified by SBP-approved Forest Management Scheme - 0
   - Small forest holdings, not certified by SBP-approved Forest Management Scheme – 0

h. List all species in primary feedstock, including scientific name: *common spruce (Picea abies), common pine (Pinus sylvestris), aspen (Populus tremula), weeping birch (Betula pendula)*

i. Volume of primary feedstock from primary forest – 0

j. List percentage of primary feedstock from primary forest (i), by the following categories.
Subdivide by SBP – approved Forest Management Scheme:
   - Primary feedstock from primary forest, certified by SBP- approved Forest management Scheme – 0
   - Primary feedstock from primary forest, not certified by SBP- approved Forest management Scheme – 0

k. The volume of secondary feedstock for the report period: 11694,61 m3 slabwood

l. Volume of tertiary feedstock: Not applicable

Tikhomirov Sergei, Chief Power Engineer

Antonov Sergei Aleksandrovich, General Director

3 Requirement for a Supply Base Evaluation

SBE completed	SBE not completed
☐	X

Provide a concise summary of why a SBE was determined to be required or not required:

Not required because all feedstock originates from FSC certified forests.

4 Supply Base Evaluation

4.1 Scope

n.a.

4.2 Justification

n.a.

4.3 Results of Risk Assessment

n.a.

4.4 Results of Supplier Verification Programme

n.a.

4.5 Conclusion

n.a.

5 Supply Base Evaluation Process

n.a.

6 Stakeholder Consultation

n.a.

6.1 Response to stakeholder comments

n.a.

7 Overview of Initial Assessment of Risk

n.a.

8 Supplier Verification Programme

8.1 Description of the Supplier Verification Programme

n.a.

8.2 Site visits

n.a.

8.3 Conclusions from the Supplier Verification Programme

n.a.

9 Mitigation Measures

9.1 Mitigation measures

n.a.

9.2 Monitoring and outcomes

n.a.

10 Detailed Findings for Indicators

n.a.

11 Review of Report

11.1 Peer review

The report was sent for review by the Head of the Association of environmentally responsible timber producers of Russia (GFTN-Russia Voropaev, Alexander Ivanovich.

All comments, on which pointed out Aleksandr Ivanovich, were taken into account in the Report on the resource base and was made the appropriate changes and additions. Wordings of the text were revised in sections 2.1, 2.4 and 2.5. Grammar mistakes corrected.

11.2 Public or additional reviews

Russian and English versions of the report posted on the company website http://www.spb-pellets.ru for public consultation of all stakeholders.

Interested parties can send their feedback, if any, to the company e-mail address plavimsneg@yandex.ru

12 Approval of Report

Approval of Supply Base Report by senior management			
Report Prepared by:	***Sergei Tikhomirov*** _____	***Power engineer***	***12.05.2016***
	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:	***Sergei Antonov*** _____	***General Director***	***12.05.2016***
	Name	**Title**	**Date**
Report approved by:	***[name]***	***[title]***	***[date]***
	Name	**Title**	**Date**
Report approved by:	***[name]***	***[title]***	***[date]***
	Name	**Title**	**Date**

13 Updates

n.a.