

# Supply Base Report: LLC «TechnoArs»

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## Completed in accordance with the Supply Base Report Template Version 1.3

*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:** TechnoArs LLC  
**Producer location:** Sovetskaya str., 114, 171720, Vesyegonsk, Tver region, Russia  
**Geographic position:** 58°38'59"N, 37°14'41"E  
**Primary contact:** Igor Brylev, Sovetskaya str., 114, 171720, Vesyegonsk, Tver region, Russia, tel.: +7-48264-21132, [oolaguna@inbox.ru](mailto:oolaguna@inbox.ru)  
**Company website:** <http://vesegonsk.ru/about/info/news/8710/>  
**Date report finalised:** 12/Mar/2019  
**Close of last CB audit:** 13/Mar/2019, Vesyegonsk  
**Name of CB:** NEPCon OU  
**Translations from English:** Yes  
**SBP Standard(s) used:** SBP Standard 2: Verification of SBP-compliant Feedstock, v. 1.0, March 2015; SBP Standard 4: Chain of Custody, v. 1.0, March 2015; SBP Standard 5: Collection and Communication of Data, v. 1.0, March 2015  
**Weblink to Standard(s) used:** [sbp-cert.org/documents](http://sbp-cert.org/documents)  
**SBP Endorsed Regional Risk Assessment:** N/A  
**Weblink to SBE 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
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

## 2 Description of the Supply Base

### 2.1 General description

The supply base of LLC "TechnoArs" consists of 3 lease areas with a total area of 91290 ha in the Krasnokholmsky forest district of the Tver region of the Russian Federation. The tenant of these lease areas and the only supplier of feedstock for pellet production is Laguna LLC. The feedstock for the production of pellets are the sawmill residues of Laguna LLC – sawdust and wood chips. The second reporting period is 12 months from 01/01/2018 to 31/12/2018.

The Tver region is one of the twenty most forested regions of Russia. 55% of the region's territory is covered with forests. The area of forest fund lands in the Tver region is 4874.5 thousand hectares. The total timber stock is 738.8 million cubic meters.

Forest area in different parts is not the same. The north-western and northern regions are the most afforested areas. A strongly deforested area occupies the eastern part of the region, where only about 10% of the area is covered with forests. Even more deforested area is the southern one.

The distribution of different forest types across the region is very uneven, which is due to various natural conditions and economic activities. Most of the region's territory lies in the zone of mixed forests. Supply base is in the north of Tver region and belong to the South-taiga forests zone, the region of the South-taiga forests of the European part of Russian Federation.

In accordance with the economic, ecological and social significance, the forests of the Tver region are classified as protective (40%) and exploitation forests (60%). Area distribution by species is: 43% of the area - coniferous species, 57% - deciduous species.

Over the past few years, the Tver region is actively developing forest lease relations. Forest sites are transferred by the state to lease loggers for up to 49 years. 60% of forests are leased out, the rest remain in state ownership. There are more than 450 forest lease contracts in the region. 99% of the leased areas are handed over for logging.

The main use types of forests are: logging; construction, reconstruction, operation of linear objects; implementation of recreational activities; performance of works on geological study of subsoil, development of mineral deposits.

The annual timber harvest in the region is about 4.5 million cubic meters. At the same time, logging volumes make up only 50% of the annual allowable cut, which ensures the sustainable use of forests.

Logging in Laguna LLC in the reporting period (from January 1, 2018 to December 31, 2018) was performed at 301,7 hectares, of which 92,1% are clear cuts, 5,5% - are sanitary clear cuts and 2,4% - are thinnings. The maximum cutting area is 20 hectares. The average size of clear-cut area during the reporting period was 8,4 hectares.

On forest areas leased for logging, reforestation and maintenance is carried out by tenants of these forest areas.

The main element of forest reproduction is artificial reforestation, which is carried out by planting seedlings on clear cuts and other non-forested areas. In the Tver region, 60% of the total reforestation is carried out by the establishment of planted forest, 40% - by the promotion of natural regeneration. In particular, in 2018 the artificial reforestation in supply base was carried out at 51,6% of the area for reforestation. The contribution to natural regeneration was 48,4% in area.

There are 5 permanent forest nurseries in the Tver region for growing a standard softwood seedlings.

Protection of forests is carried out by public authorities, local authorities within their authority. In the Tver region, a multi-level system for protecting forests from fires has been formed. It includes the implementation of fire safety measures in forests and extinguishing fires in forests.

Timber industry complex of the Tver region is well diversified and is represented almost in all directions - from logging to production of deep wood processing products. There are 153 boiler houses operating on wood fuel out of 805 in the region.

There are more than 10 wood pellets producers in the region. TekhnoArs LLC takes 6th place in the region with a capacity of 6 thousand tons per year.

The forest sector of the Tver region is a significant part of the region's economy. Compared with other economy sectors, the forest sector is profitable and does not require state subsidies.

The socio-economic function of logging companies in the Tver region is regulated by legislation, in particular, 2% of the filling volume of coniferous species and 4% of hardwood shall be allocated for construction and heating needs of local people. When hiring, preference is mainly given to the local population.

CITES and IUCN tree species are not found within the supply base.

The composition of the resource base according to taxation materials of 2012 is as follows: lease plot №47 (with an area of 6445 ha): 4 Birch 2 Spruce 2 Gray Alder 1 Aspen 1 Pine + Willow, lease plot №18 (with an area of 9916 ha): 4 Spruce, 1 Pine, 2 Birch 1 Gray Alder 1 Aspen; lease plot №6 (with an area of 74929 ha): 5 Pine 1 Spruce 4 Birch + Aspen, Gray alder, Black alder, Larch, Willow. However, for sawing LLC "Laguna" uses only Norway spruce (*Picea abies*) and Scots pine (*Pinus sylvestris*). These sawmill residues are used as feedstock for the pellet production of TechnoArs LLC.

The only supplier of raw materials for LLC TechnoArs - LLC Laguna has passed forest management certification and FSC CoC certification and obtained certificates NC-FM/COC-026210 и NC-COC-026210. All feedstock supplied for production and heat generation to TechnoArs LLC will be 100% SBP-compliant secondary feedstock.

Table 1. Distribution of feedstock by types of SBP product groups for the first reporting period.

<i>SBP product group</i>	<i>% in the total supply</i>	<i>Number of suppliers</i>	<i>Tree species composition</i>
<i>Controlled feedstock</i>	<i>0%</i>	<i>0</i>	<i>-</i>
<i>SBP - compliant primary feedstock</i>	<i>0%</i>	<i>0</i>	<i>-</i>

<i>SBP - compliant secondary feedstock</i>	100 %	0	9 Spruce 1 Pine
<i>SBP - compliant tertiary feedstock</i>	0%	0	-
<i>SBP non-compliant feedstock</i>	0%	1	-

## 2.2 Actions taken to promote certification amongst feedstock supplier

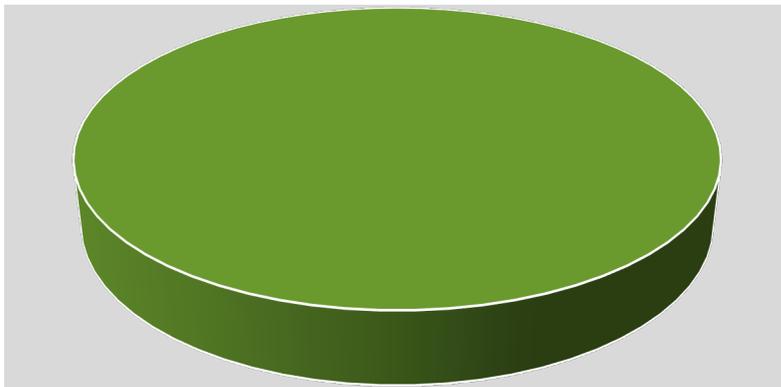
The only supplier of feedstock - Laguna LLC - was assessed for compliance with FSC forest management standards and FSC chain of custody.

## 2.3 Final harvest sampling programme

Not applicable. OOO "TechnoArs" uses exclusively sawmill residues.

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

SBP compliant secondary feedstock - 100%



## 2.5 Quantification of the Supply Base

### Supply Base

- a. Total Supply Base area (ha): 91 290 ha
- b. Tenure by type (ha): 91 290 ha public (lease of state owned forests)
- c. Forest by type (ha): 91 290 ha boreal
- d. Forest by management type (ha): 91 290 ha managed natural
- e. Certified forest by scheme (ha): 91 290 ha FSC-certified forest

## Feedstock

- f. Total volume of Feedstock: 13282 tonne.
- g. Volume of primary feedstock: 0 tonnes
- h. List percentage of primary feedstock (g), by the following categories. Subdivide by SBP-approved Forest Management Schemes:
  - Certified to an SBP-approved Forest Management Scheme - 0 tonne.
  - Not certified to an SBP-approved Forest Management Scheme - 0 tonne.
- i. List all species in primary feedstock, including scientific name - not applicable.
- j. Volume of primary feedstock from primary forest – not applicable.
- k. List percentage of primary feedstock from primary forest (j), by the following categories. Subdivide by SBP-approved Forest Management Schemes:
  - Primary feedstock from primary forest certified to an SBP-approved Forest Management Scheme – 0 tonne.
  - Primary feedstock from primary forest not certified to an SBP-approved Forest Management Scheme – 0 tonne.
- l. Volume of secondary feedstock: specify origin and type – 13282 tonne (100% sawmill residues: sawdust - 28% and chips from crushing of slab, lump and board lumbering wastes - 72%).
- m. Volume of tertiary feedstock: 0 tonne.

### 3 Requirement for a Supply Base Evaluation

SBE completed	SBE not completed
<input type="checkbox"/>	<b>X</b>

The assessment of the supply base is not required since the only feedstock supplier has already been assessed for compliance to FSC forest management and supply chain standards and is ready to supply only FSC feedstock for the pellet production of TechnoArs LLC.

## 4 Supply Base Evaluation

### 4.1 Scope

Not applicable.

### 4.2 Justification

Not applicable.

### 4.3 Results of Risk Assessment

Not applicable.

### 4.4 Results of Supplier Verification Programme

Not applicable.

### 4.5 Conclusion

Not applicable.

## 5 Supply Base Evaluation Process

Not applicable.

## 6 Stakeholder Consultation

Not applicable.

### 6.1 Response to stakeholder comments

Not applicable.

## 7 Overview of Initial Assessment of Risk

Not applicable.

## 8 Supplier Verification Programme

### 8.1 Description of the Supplier Verification Programme

Not applicable.

### 8.2 Site visits

Not applicable.

### 8.3 Conclusions from the Supplier Verification Programme

Not applicable.

## 9 Mitigation Measures

### 9.1 Mitigation measures

Not applicable.

### 9.2 Monitoring and outcomes

Not applicable.

## 10 Detailed Findings for Indicators

Not applicable.

## 11 Review of Report

### 11.1 Peer review

Peer review was not performed in year 2019.

### 11.2 Public or additional reviews

The report on the supply base is posted on the website of the regional administration of Vesyegonsk, due to the absence of its own web site at TechnoArs LLC. Any interested parties can send their comments by e-mail to Nina Petrovna Fumina, they will be accepted for consideration.

## 12 Approval of Report

Approval of Supply Base Report by senior management			
Report Prepared by:	<i>Nina Petrovna Fumina</i> 	<i>Responsible for SBP Certification</i>	<i>04/03/2019</i>
	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:	<i>Igor Valerievich Brylev</i> 	<i>Director</i>	<i>04/03/2019</i>
	Name	Title	Date

## 13 Updates

### 13.1 Significant changes in the Supply Base

Not applicable.

### 13.2 Effectiveness of previous mitigation measures

Not applicable.

### 13.3 New risk ratings and mitigation measures

Not applicable.

### 13.4 Actual figures for feedstock over the previous 12 months

9 813 tons

### 13.5 Projected figures for feedstock over the next 12 months

10 000 tones