



# Supply Base Report: Alavia LLC

Main (Initial) Audit

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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: Alavia LLC

Producer location: 182303, Pskov region, Pustoshkinskiy district, vil. Zarechye, Russia

Geographic position: 56,402981 N; 29,224154 E

Primary contact: Andrey NErezko, 182303, Pskov region, Pustoshkinskiy district, vil. Zarechye, Russia, [diverr@mail.ru](mailto:diverr@mail.ru), +375163291037

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

Date report finalised: 29/Dec/2020

Close of last CB audit: 31/Dec/2020, vil. Zarechye

Name of CB: NEPCon OU

Translations from English: Yes

SBP Standard(s) used: Standard 2 version 1.0, Standard 4 version 1.0, Standard 5 version 1.0

Weblink to Standard(s) used: <https://sbp-cert.org/documents/standards-documents/standards>

SBP Endorsed Regional Risk Assessment: not applicable

Weblink to SBE on Company website: not applicable

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

## 2 Description of the Supply Base

### 2.1 General description

LLC Alavia is a logging and wood processing enterprise in the south of the Pskov region of the Russian Federation. For the production of SBP-compliant biomass, LLC Alavia currently plans to use SBP-compliant secondary feedstock, sawmill residues from 3 suppliers (sawdust and wood chips with FSC 100% claim) and SBP-compliant primary feedstock (low grade roundwood with FSC 100% claim) from 2 suppliers. In the first reporting period, the primary feedstock was also used - low-grade round wood, crushed into chips. Species composition - Norway spruce (*Picea abies*), Scots pine (*Pinus sylvestris*), Silver birch (*Betula pensula*), aspen (*Populus tremula*). In the past reporting period, Alavia LLC procured uncertified timber in the Pskov region of the Russian Federation.

The supply base of Alavia LLC is the area of the forest fund of the Pskov region and the Republic of Belarus.

The adjacent territories of the supply base are mainly represented by forest plots of other tenants and agricultural land. Mostly in these areas, logging and agriculture are carried out, respectively.

#### **Republic of Belarus**

In the Republic of Belarus, forests are one of the main renewable natural resources and the most important national wealth. The total land area of the forest fund is 9.6209 million hectares. The total standing stock of wood stands at 1.8318 million cubic meters, including 296 million cubic meters of ripe and mature plantings. As a result of focused work on the reproduction of forests, the area covered by forests is increasing. So, over the past 60 years, the forest cover of the republic has almost doubled and reached its maximum values for more than a century. The increase is occurring both naturally and due to afforestation of badlands unsuitable for agriculture. In Belarus, along with an increase in the total area of the forest fund, a steady growth in the areas of maturing, mature and overmature stands is observed. The share component of ripe and mature forests is 16,7%. The average age of stands is 56 years.

In the forests of Belarus there are 28 species of trees and about 70 species of shrubs. The most common tree species are: Scots pine - 50.3%, Silver birch - 23.2%, Norway spruce - 9.2%, Black alder - 8.5%, oak - 3.4%, aspen - 2.1%. Coniferous forest predominate in the forest fund of the forest fund of GLHU Pruzhanski Leshoz, which account for 74.2% of the land covered by forests, soft-wooded broadleaved species make up 24.8%, hard-wooded broadleaved species 1.0%. The dominant forest formations are: pine forests 70.4%, birch forests 12.7%. At all clearcuts, natural or artificial forest regeneration is ensured. All established stands are annually taken care of.

Depending on the functions performed, the lands of the forest fund are divided into forests of the first and second groups. The first group includes specially protected natural territories, the share of which is 52%, the second group includes production forests intended for timber harvesting (48%).

In accordance with the legislation of the Republic of Belarus, all the lands of the forest fund are in state ownership and transferred to the use and management of state forestry institutions. Forest management in Belarus is carried out according to the principle continuity and inexhaustibility. The average annual wood harvest is about 18 million cubic meters per year, of which:

- main cutting (in ripe stands) 40%;
- thinning and sanitary felling (in young, middle-aged and ripening stands 48%);
- other felling 12%.

In Belarus there are two republican reserves - the Berezinsky Biosphere Reserve (85.2 thousand ha) and the Polesky State Radiation and Ecological Reserve (216.1 thousand ha), and four national parks - Belovezhskaya Pushcha (152.962 thousand ha), Braslav Lakes (69.115 thousand hectares), Narochansky (93.3 thousand hectares) and Prip'yatsky (85.841 thousand hectares), 334 reserves of republican and local significance and 874 natural monuments.

The structure of the timber industry complex is represented by the following sectors: logging (13.5% of the total output), woodworking (69.5%), pulp and paper (16.4%) and the chemical industry (0.6%). The woodworking industry is one of the largest in Belarus. Woodworking accounts for approximately 2% of the total number of processing industries in the Republic of Belarus. The share of the forest industry in the country's GDP is approximately 1.1%. Timber is exported to approximately 30 countries. Thus, wood processing prevails over the export of raw materials from the Republic of Belarus. LLC Alavia utilizes woodworking residues from state enterprises.

### **Russian Federation, Pskov region**

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.

In Russia 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 101-120 years for pine and spruce, 61 – 71 years for birch and 41 – 50 for aspen. 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 20 ha. Reforestation can be done with planting seedlings (21%) or the promotion of natural regeneration (77%) as well as combined method (2%). 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.

In the Pskov region, forests located on the lands of the forest fund make up 2384.5 thousand hectares. Birch is the predominant species. Plantations of soft-leaved species occupy 60% of the region's forests, and plantations with a predominance of conifers account for 40%. Birch plantations account for 38% of all forests. The average composition of forests is typical for coniferous-deciduous forests of the European part of Russia and does not change over the years.

The annual allowable cut is 5.4 million m<sup>3</sup> per year, of which about 35% is actually utilized, mainly at the expense of persons leasing forest plots for timber harvesting. The forestry sector in the region is poorly developed, as the forest is mainly represented by pulpwood and low-grade roundwood. The volume of exports abroad, to other regions of Russia and timber not delivered from the forest (about 1.1 million m<sup>3</sup> in

total) prevails over the internal processing of round timber (about 0.5 million m<sup>3</sup>). However, for the first time in recent years, regional budget revenues for 2019 exceeded forestry costs by 21 million rubles. The main directions of wood processing are sawn timber production, house building, furniture production.

## CITES and IUCN

When harvesting wood, in accordance with the forest legislation of the Republic of Belarus and the Russian Federation, the species listed in the Red Book and their habitats must be preserved. Cutting down valuable, endangered and specially protected tree species is prohibited. However, the harvesting of woody species included in the IUCN and CITES lists is excluded, since the distribution area of these tree species is outside the resource base of Alavia LLC.

## 2.2 Actions taken to promote certification amongst feedstock supplier

Alavia LLC conducts information work with potential suppliers regarding the desirability of obtaining an FSC certificate. In the absence of an FSC certificate, Alavia LLC refuses to purchase raw materials.

## 2.3 Final harvest sampling programme

All timber in the reporting period was harvested during final felling, according to forest management plan of Alavia LLC. 48% of wood is low-grade wood and it is used into pellet production.

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

## 2.5 Quantification of the Supply Base

### Supply Base

a. Total Supply Base area (ha):	<b>11.9665 mln ha</b>
b. Tenure by type (ha):	<b>11.9665 mln ha public (state owned forests)</b>
c. Forest by type (ha):	<b>11.9665 mln ha temperate</b>
d. Forest by management type (ha):	<b>11.9665 mln ha managed natural</b>
e. Certified forest by scheme (ha): (e.g.	<b>9.172 mln ha FSC-certified forests</b>

### Feedstock

f. Total volume of Feedstock:	<b>16673 tonnes (theoretical calculation).</b>
g. Volume of primary feedstock:	<b>12157 tonnes (theoretical calculation).</b>
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 –	<b>100%;</b>
- Not certified to an SBP-approved Forest Management Scheme -	<b>0%;</b>
i. List all species in primary feedstock, including scientific name -	<b>Norway spruce (Picea abies), Scots pine (Pinus sylvestris), Silver birch (Betula pendula), Aspen (Populus tremula).</b>
j. Volume of primary feedstock from primary forest –	<b>not applicable.</b>

- 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%;**
  - Primary feedstock from primary forest not certified to an SBP-approved Forest Management Scheme - **0%;**
- l. Volume of secondary feedstock: **4516 tonnes of sawdust and wood chips - sawmill residue (actual figure);**
- m. Volume of tertiary feedstock: **0 tonnes.**

### 3 Requirement for a Supply Base Evaluation

SBE completed	SBE not completed
<input type="checkbox"/>	<input checked="" type="checkbox"/>

A supply base assessment is not required as FSC-certified feedstock will be used to produce SBP-compliant biomass.

## 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

No peer review was carried out this year.

## 11.2 Public or additional reviews

The resource base report is posted on the website <http://ooalavia.com>. Any comments can be sent to SBP manager Andrey Nerezko for consideration at [diverr@mail.ru](mailto:diverr@mail.ru).

# 12 Approval of Report

Approval of Supply Base Report by senior management			
Report Prepared by:	<b>Andrey Nerezko</b> 	<i>SBP manager</i>	<b>29/11/2020</b>
	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:	<b>Sergey Makatun</b> 	<i>General director</i>	<b>29/11/2020</b>
	Name	Title	Date

# 13 Updates

## 13.1 Significant changes in the Supply Base

Not applicable, first audit.

## 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

12157 t of primary wood - low-grade wood, crushed into chips (theoretical calculation);

4516 t of secondary wood - sawdust, wood chips - sawmill residues (actual calculation).

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

2 000 tonnes of sawdust - sawmill residues;

8 000 tons of wood chips - sawmill residues.

15 000 tonnes of low grade Roundwood.