



Supply Base Report: BEPA LTD

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

Document history

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1 Overview

On the first page include the following information:

Producer name: BEPA LTD

Producer location: Stantsionnaya st., 3A, 238210 Gvardeisk, Gvardeisk District, Kaliningrad Region, Russia

Geographic position: 54.634910, 21.0740324

Primary contact: Bondin Alexey Mikhailovich, e-mail: ab@bepa.trade, тел: +79097755857

Company website: <http://www.bepatrade.com/>

Date report finalised: 18.04.2020

Close of last CB audit: Not applicable

Name of CB: Forest certification LLC

Translations from English: Yes (in Russian)

SBP Standard(s) used: Standard 2, v.1.0; Standard 4, v.1.0; Standard 5, v.1.0; Instruction 5E V.1.1

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

BEPA LTD is located in Gvardeisk, the Kaliningrad Region, the Russian Federation.

As feedstock for pellet producing BEPA LTD uses wood chips and sawdust of coniferous species.

BEPA LTD purchases raw materials from the one supplier, a primary processor with FSC certificate.

The supplier in its turn purchases raw materials (both certified and controlled) from the different regions of the Russian Federation, hence the description of the resource base comprises Russia as a whole.

The total area of forest land on the territory of the Russian Federation is 764 million hectares, accounting for about 21% of world reserves of standing timber. Forests are mainly boreal and they cover 46.6% of the area of the Russian Federation. The main wood species are pine, spruce, birch, aspen. Areas occupied by the main wood species remain rather stable within last decades. Hardwood (deciduous) species comprise 68.4%, softwood (coniferous) – 21,7% (2,4% - heard-leaved and 19,3% - hardwood broadleaved). Other wood species comprise less than 1% of forests. The cutting area in the RF comprises about 660 mln.m3, incl. softwood (coniferous) – 370 mln.m3.

The total reserve of the wood in the forests located on forest fund land is 80 billion m3 which is sufficient to provide with feedstock the developed added-value wood processing industry in Russia.

In accordance with Russian legislation all forest fund lands are state property. 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 up to 49 years. Entrance into a lease agreement or sale contract on forest plantations is carried out at the auction for sale of the right to enter into such agreements. Forest areas for a lease are subject to state expertise and cadastral registration. According to the Forest Code of the Russian Federation each forest user taking a lease forest land obliges:

- to carry out the activities on protection and reproduction of forests;*
- to submit annual forest declaration;*
- to issue a project of forest assimilation;*
- to provide a report on the use of forests, their protection and reproduction.*

Forest certification is an effective tool for countering illegal logging and illegal timber trafficking. The area of certified forests in the Russian Federation is more than 53.46 million hectares. The dynamics of forest certification in Russia points to an ever-increasing activity of wood companies, which indicates to the responsibility to ensure the legality of the wood harvested and compliance with environmental and social requirements of the FSC.

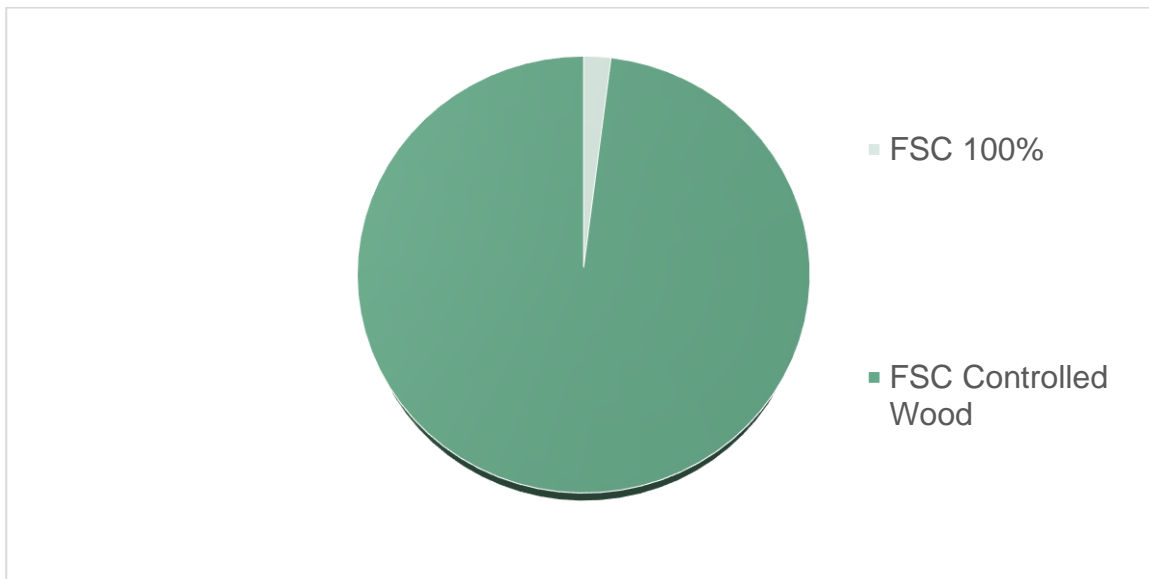
2.2 Actions taken to promote certification amongst feedstock supplier

BEPA LTD since 2016, the company has certificate for FSC CoC and is committed to expanding the procurement of raw materials in terms of work with other FSC certified suppliers in the Kaliningrad region and in the North-Western district of Russia.

2.3 Final harvest sampling programme

Not applicable.

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



Info of feedstock was provided below.

2.5 Quantification of the Supply Base

Supply Base

- a. Total Supply Base area (ha): 764 mln (Cumulative area of Boreal forest types of Russia)
- b. Tenure by type (ha): state owned 764 mln
- c. Forest by type (ha): boreal 764 mln
- d. Forest by management type (ha): managed natural 764 mln
- e. Certified forest by scheme (ha): 53,46 mln of FSC certified forest

Feedstock

- f. Total volume of Feedstock: 40105,000 m3 (only secondary feedstock).
- g. Volume of primary feedstock: 0%
- h. List percentage of primary feedstock (g), by the following categories. - percentages may be shown in a banding between XX% to YY% if a compelling justification is provided*. Subdivide by SBP-approved Forest Management Schemes:
 - Certified to an SBP-approved Forest Management Scheme – 0%
 - Not certified to an SBP-approved Forest Management Scheme – 0 %
- i. List all species in primary feedstock, including scientific name - No
- j. Volume of primary feedstock from primary forest - No
- 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: 40105,000 m3

- 2850,000 m3 FSC 100% (sawdust and wood chips purchased from the supplier), species scientific names: *Pinus sylvestris*, *Larix sibirica*.

Incl.: 2005 m3 FSC 100% wood chips and 845 m3 FSC 100% sawdust.

- 37255,000 m3 FSC Controlled Wood (sawdust and wood chips purchased from the supplier), species scientific names: *Pinus sylvestris*, *Larix sibirica*.

Incl.: 23500 m3 FSC Controlled Wood wood chips and 13755 m3 FSC Controlled Wood sawdust.

m. Volume of tertiary feedstock: 0%

3 Requirement for a Supply Base Evaluation

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

100% feedstock for pellet production has an FSC claims (FSC 100% and FSC Controlled Wood), thus no need for supply base evaluation.

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.

Table 1. Overview of results from the risk assessment of all Indicators (prior to SVP)

Indicator	Initial Risk Rating		
	Specified	Low	Unspecified
1.1.1			
1.1.2			
1.1.3			
1.2.1			
1.3.1			
1.4.1			
1.5.1			
1.6.1			
2.1.1			
2.1.2			
2.1.3			
2.2.1			
2.2.2			
2.2.3			
2.2.4			
2.2.5			
2.2.6			
2.2.7			
2.2.8			
2.2.9			

Indicator	Initial Risk Rating		
	Specified	Low	Unspecified
2.3.1			
2.3.2			
2.3.3			
2.4.1			
2.4.2			
2.4.3			
2.5.1			
2.5.2			
2.6.1			
2.7.1			
2.7.2			
2.7.3			
2.7.4			
2.7.5			
2.8.1			
2.9.1			
2.9.2			
2.10.1			

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

Not applicable.

11.2 Public or additional reviews

The version of this report was downloaded to <http://www.bepatrade.com> for public access to whom it may concern. Any comments may sent by e-mail: ab@bepa.trade

12 Approval of Report

Approval of Supply Base Report by senior management			
Report Prepared by:	Bondin Alexey Mikhailovich 	Logistic director	18.04.2020
	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:	Khizhnyak Alexey Andreevich 	General director	18.04.2020
	Name	Title	Date

13 Updates

Not applicable for main audit.

13.1 Significant changes in the Supply Base

Not applicable for main 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

01.04.2019 – 31.03.2020. The feedstock for the pellet production:

- 2850,000 m3 FSC 100% (sawdust and wood chips purchased from the supplier), species scientific name: Pinus sylvestris, Larix sibirica.*
- 37255,000 m3 FSC Controlled Wood (sawdust and wood chips purchased from the supplier), species scientific name: Pinus sylvestris, Larix sibirica.*

13.5 Projected figures for feedstock over the next 12 months

01.04.2020 – 31.03.2021:

- 18.000 m3 FSC 100% (sawdust and wood chips purchased from the supplier).*
- 18,000 m3 FSC Controlled Wood (sawdust and wood chips purchased from the supplier).*
- 18.000 m3 FSC Recycled (wood chips purchased from the supplier)*