

NEPCon Evaluation of Imperiya Green, Limited Liability Company Compliance with the SBP Framework: Public Summary Report

Main (Initial) Audit

www.sbp-cert.org



Completed in accordance with the CB Public Summary 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

CB Name and contact:	NEPCon OÜ, Filosoofi 31, 50108 Tartu, Estonia		
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Current report completion date:	02/Mar/2020		
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Name of the Company:	Imperiya Green, Limited Liability Company		
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Certified Supply Base:	sourcing from Republic of Belarus		
SBP Certificate Code:	SBP-07-59		
Date of certificate issue:	03/Mar/2020		
Date of certificate expiry:	02/Mar/2025		

This report relates to the Main (Initial) Audit

2 Scope of the evaluation and SBP certificate

The certificate scope covers the office and production site located in Mogilev, Mogilev region, Belarus.

Scope description: Production of wood pellets in Mogilev region, Belarus, for use in energy production and its transportation by rail to Belarusian/Latvian border, Bigosovo railway station, and Belarusian/Lituanian border, Gudogai railway station and FCA Mogilev (gate of the BP). The scope of the certificate does not include Supply Base Evaluation. The scope includes communication of Dynamic Batch Sustainability Data.

3 Specific objective

The specific objective of this evaluation was to confirm that the Biomass Producer's management system is capable of ensuring that all requirements of specified SBP Standards are implemented across the entire scope of certification.

The scope of the evaluation covered:

- Review of the BP's management procedures;
- Review of the production processes, production site visit;
- Review of FSC system control points, analysis of the existing FSC CoC system;
- Interviews with responsible staff;
- Review of the records, calculations and conversion coefficients;
- GHG data collection analysis
- Assess compliance against Instruction Document 5E: Collection and Communication of Energy and Carbon Data

4 SBP Standards utilised

4.1 SBP Standards utilised

Please select all SBP Standards used during this evaluation. All Standards can be accessed and downloaded from <https://sbp-cert.org/documents/standards-documents/standards>

- ☐ SBP Framework Standard 1: Feedstock Compliance Standard (Version 1.0, 26 March 2015)
- ☒ SBP Framework Standard 2: Verification of SBP-compliant Feedstock (Version 1.0, 26 March 2015)
- ☒ SBP Framework Standard 4: Chain of Custody (Version 1.0, 26 March 2015)
- ☒ SBP Framework Standard 5: Collection and Communication of Data (Version 1.0, 26 March 2015)

4.2 SBP-endorsed Regional Risk Assessment

Not applicable

5 Description of Company, Supply Base and Forest Management

5.1 Description of Company

BP is a pellet producing company located in Mogilev region, Belarus. Total annual production capacity of pellet plant is expected to be 8400 tones.

Company runs only pellet production. Sawdust is used in pellet production as well as used for the drier.

The secondary feedstock used for pellet production originates from Belarus and is both FSC certified and non FSC certified.

The BP implements FSC transfer system and produced biomass sold with FSC 100% claim. Non certified feedstock is stored separately with sign "Not FSC" and is segregated during all the production and storage processes.

The biomass is expected to be transported by rail to Belarusian/Latvian border, Bigosovo railway station and Belarusian/Lithuanian border, Gudogai railway station as well as sold at factory gate.

Pellet plant was commissioned in 2019.

5.2 Description of Company's Supply Base

The BP is a privately-owned company, established in 2019. It's main activity is production of pellet. The BP uses both certified and non-certified feedstock. Non-certified raw materials are used for the production of fuel pellets on the domestic market.

For the production of certified pellets certified raw materials are used (100% of feedstock (sawdust) with an FSC 100%. from 12 suppliers. SBP-compliant secondary feedstock – 54% of the total amount of raw materials purchased during revision period.

The following tree species are used: Pine (*Pinus silvestris*), Spruce (*Picea abies*).

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 9.582 million hectares. Forest-covered lands occupy 8.26 million hectares. Forest cover of the territory of the Republic of Belarus reached 39.8%. The total standing stock of wood stands at 1,796 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 ripening, ripe and overripe stands is observed. The share component of ripe and mature forests is 14.7%. The average age of stands is 56 years.

In the forests of Belarus 28 species of trees and about 70 species of shrubs grow. The most common tree species are: ordinary pine - 50.3%, birch - 23.2%, European spruce - 9.2%, black alder - 8.5%, oak - 3.4%, aspen - 2.1%.

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%.

Ensuring high-quality reproduction of forest resources and protective afforestation is a prerequisite for the use of forests. So in 2018 reforestation and afforestation carried out on a total area of 41.82 thousand hectares, including 34.8 thousand ha of new forests laid due to sowing and planting forests.

When harvesting wood, according to the forest legislation of the Republic of Belarus, individuals listed in the Red Book and their habitats are subject to conservation. Cutting of valuable, endangered and specially protected tree species is prohibited.

In Belarus there are two republican reserves - the Berezinsky Biosphere Reserve (85.2 thousand ha) and the Polessky 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 Pripyatsky (85.841 thousand hectares), 334 reserves of republican and local significance and 874 natural monuments.

Forest certification is an effective tool to combat illegal logging and illegal timber trafficking. Two schemes of forest certification have found their place in the Republic of Belarus - the forest certification system FSC (Forest Stewardship Council) and the forest certification system of the National Conformity Certification System, recognized by the Pan-European Forest Certification Council (PEFC).

In Belarus, the forest industry consists of forestry (13.5%), woodworking (69.5%) and pulp and paper industry (16.4%). The woodworking industry is one of the largest industries in Belarus. Woodworking accounts for approximately 2% of the total manufacturing industry of the Republic of Belarus. Forest share industry in the country's GDP is approximately 1.1%. Timber products and services are exported to 30 countries. No CITES species are identified within the supply base.

5.3 Detailed description of Supply Base

Total Supply Base area (ha): 9,582 mln. ha
Tenure by type (ha): public 9,582 mln. ha
Forest by type (ha): temperate 9,582 mln. ha
Forest by management type (ha): managed natural 9,582 mln. ha
Certified forest by scheme (ha): 9,4 mln. ha FSC-certified forest

Detailed information about BP's supply base may be found in their Supply Base Report available in Internet:
<https://ecogreen.by/>

5.4 Chain of Custody system

The BP holds valid FSC Chain of certificate

<https://info.fsc.org/details.php?id=a02f300000gXVBhAAO&type=certificate>

BP implements FSC transfer system of claims. The input material used by the Organisation for biomass production contains only secondary feedstock - sawdust for pellet production and for dryer. Secondary

feedstock (sawdust) is sourced only from external suppliers (sawmills). The BP sourced for pellet production both FSC 100% feedstock and non-certified feedstock. The organization has the segregation system in place. Physical separation is implemented – FSC certified raw material is stored in special place and processed separately in time when production line is cleaned of non-certified product, final products are segregated also. Incoming sawdust reception register and supplier list are maintained. All material is checked during the arrival and correctly recorded in the internal system. During audit minor NCR have been identified in relation to physical segregation of the secondary feedstock:

- physical segregation was not completely documented (registering of the volumes of non-certified feedstock and biomass etc.) – because it is not required by FSC CoC procedure.

6 Evaluation process

6.1 Timing of evaluation activities

Onsite assessment was conducted on 21.02.2020 (8 h). Evaluation activities included documents review at office, inspection of production facilities and staff interviews. Document review was conducted during 2 hours on 20.02.2020.

Activity	Location	Date/time
Opening meeting and brief documents review.	Office in Mogilev	21/02/2020 9.00-09.20
Documents and procedures review (feedstock inputs, SBR, CoC control system and critical points, compliance with legal requirements, H&S), staff interview.	Office in Mozyr	21/02/2020 09.20-15.00
Chain of custody review (site tour); staff interview	Production facilities	21/02/2020 16.00-16.30
Closing meeting	Production facilities	21/02/2020 16.30-17.00

6.2 Description of evaluation activities

Composition of audit team:

Auditor(s), roles	Qualifications
Aliaksandr Zubkevich Lead auditor Evaluation against all applicable requirements	Mr Aliaksandr Zubkevich has education of engineer-economist in timber industry. He had postgraduate study at the Belarusian State Technological University. A. Zubkevich has passed FSC CoC/ FM lead auditor training course, Legal Source, ISO 14001 and SBP training coursed. Previous experience in woodworking industry and SBP pre-assessment and assessments in Belarus.

The evaluation visit was focused on management system evaluation: division of the responsibilities, document and system, input material classification (reception and registration), analysis of the existing FSC system and FSC system control points as well as GHG data availability.

Description of the audit evaluation:

All SBP related documentation connected to the SBP as well as FSC CoC system of the organisation, including SBP Procedure, SAR and GHG data calculations, Supply Base Report and FSC system description was provided by the company in the beginning of the assessment. Assessment started with an opening meeting attended by the representatives from Organisation's management and staff.

Audit team leader introduced himself, provided information about audit plan, methodology, auditor qualification, confidentiality issues, and assessment methodology and clarified certification scope. During the opening meeting the auditor explained CB's approval related issues.

After that auditor went through all applicable requirements of the SBP standards nr. 2, 4, 5 and instruction document 5E covering input clarification, existing chain of custody system, management system, CoC, recordkeeping/mass balance requirements, emission and energy data and categorisation of input and verification of SBP-compliant biomass. During the process, overall responsible person for SBP system and other staff were interviewed.

After a roundtrip around BP's pellet production was undertaken. During the site tour, applicable records were reviewed, staff was interviewed and FSC system critical control points were analysed.

At the end of the assessment findings were summarised and assessment conclusions based on use of 3 angle evaluation method were provided to the management and SBP responsible person.

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6.3 Process for consultation with stakeholders

The stakeholder consultation was carried out on 21.01.20 by sending direct email to different stakeholder categories (more than 120 recipients). No comments from the stakeholders have been received. List of informed stakeholders includes such groups of stakeholders as FSC National Initiative, environmental and social NGOs, FSC-certified companies in the region, scientific and educational entities, indigenous peoples' communities (where applicable), state forestry authorities, trade unions etc.

7 Results

7.1 Main strengths and weaknesses

Strengths: Use of the FSC transfer system. Effective recordkeeping system. Small number of the management staff and clearly designated responsibilities within the staff members.

Weaknesses: No significant weaknesses identified by auditor. See also NCR section of the report.

7.2 Rigour of Supply Base Evaluation

Not applicable.

7.3 Collection and Communication of Data

The following energy sources are used by BP: electricity for pellet production; diesel for feedstock handling, shipping and for biomass transportation to customer. Electricity consumption value is based on invoicing from supplier; diesel consumption value is based on accounting system.

7.4 Competency of involved personnel

Overall, BP staff showed good understanding of knowledge of all applicable SBP requirements. The following key staff members are involved to SBP certification: SBP related staff responsibilities are presented in Section 3 of the SBP Procedure. Interviewed staff was well familiar with their responsibilities. Generally, very few staff members are involved into SBP certification: SBP responsible/manager (maintaining of the management system, staff training, volume recording,), director (trademark use), chief of production of pellet plant (moisture measurements, weight of biomass produced), accountant (performance of outgoing invoices and transport documents). Prior SBP assessment, BP was supported by external consultant.

7.5 Stakeholder feedback

No feedback from stakeholders have been received prior, during and after this assessment.

7.6 Preconditions

None

8 Review of Company's Risk Assessments

Describe how the Certification Body assessed risk for the Indicators. Summarise the CB's final risk ratings in Table 1, together with the Company's final risk ratings. Default for each indicator is 'Low', click on the rating to change. Note: this summary should show the risk ratings before AND after the SVP has been performed and after any mitigation measures have been implemented.

Not applicable.

9 Review of Company's mitigation measures

Not applicable.

10 Non-conformities and observations

Identify all non-conformities and observations raised/closed during the evaluation (a tabular format below may be used here). Please use as many copies of the table as needed. For each, give details to include at least the following:

- applicable requirement(s)
- grading of the non-conformity (major or minor) or observation with supporting rationale
- timeframe for resolution of the non-conformity
- a statement as to whether the non-conformity is likely to impact upon the integrity of the affected SBP-certified products and the credibility of the SBP trademarks.

NC number 01/20	NC Grading: Minor
Standard & Requirement:	Standard #2: Verification of SBP-compliant feedstock 6.2 The BP shall record the place of harvesting and the identity of the primary wood processor responsible for the supply of inputs classified as SBP-compliant Secondary Feedstock.
Description of Non-conformance and Related Evidence:	
The part of sawdust volume originates from sawmill belonging to forest management enterprises. It is confirmed by reviewing of purchase agreements with these FMUs and waybills. The BP also sources sawdust from other private sawmills. The responsible for SBP was not able to provide records of place of harvest for several primary wood processors responsible for the supply of inputs classified as SBP-compliant Secondary Feedstock. Due to small volume supplied by this suppliers and low probability that wood may be out form the Republic of Belarus auditor raised minor non conformance	
Timeline for Conformance:	By the next surveillance audit, but no later than 12 monhts from report finalisation date
Evidence Provided by Company to close NC:	Pending
Findings for Evaluation of Evidence:	Pending
NC Status:	Open

NC number 02/20	NC Grading: Minor
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Standard & Requirement:	Standard #4: Chain of Custody 5.1.2 The legal owner shall implement all aspects of the SBP approved CoC system requirements for the SBP feedstock or biomass. Where there is a conflict between the requirements in the SBP-approved CoC system requirements and those specified in the SBP standards, the SBP standards shall have precedence.
Description of Non-conformance and Related Evidence:	
The BP holds valid FSC Chain of Custody certificate and implements FSC transfer system. After the reception, incoming secondary feedstock (sawdust) is registered in BP's database and processed. Non-certified input is segregated and stored separately. It was found out that physical segregation was not completely documented - daily reports shall be market with FSC sign when FSC product produced, but it was not done in fact.	
Timeline for Conformance:	By the next surveillance audit, but no later than 12 monhts from report finalisation date
Evidence Provided by Company to close NC:	<i>Click or tap here to enter description provided by Company to close the NC.</i>
Findings for Evaluation of Evidence:	<i>Click or tap here to enter findings for evaluation of evidence by the auditor.</i>
NC Status:	Open

NC number 03/20	NC Grading: Minor
Standard & Requirement:	Standard #4: Chain of Custody 5.3.1 All requirements of the relevant chain of custody control system specified in the SBP-approved CoC system shall be implemented to calculate outputs.
Description of Non-conformance and Related Evidence:	
The following average conversion factor was established by BP: 2,0 solid m3 of secondary feedstock (sawdust) for production of 1 tone pellets and 0,125 solid m3 of wood chips for drier per 1 tonne of pellet. The manager explained that the conversion factor is received based on measurement of volume of input feedstock (quantity of loader shovel) and biomass produced. But the BP do not record such measurements. Due to the conversion factor value is close to other production site and seems to be credible the auditor has formulated minor nonconformance report.	
Timeline for Conformance:	By the next surveillance audit, but no later than 12 monhts from report finalisation date

Evidence Provided by Company to close NC:	<i>Click or tap here to enter description provided by Company to close the NC.</i>
Findings for Evaluation of Evidence:	<i>Click or tap here to enter findings for evaluation of evidence by the auditor.</i>
NC Status:	Open

NC number 04/20	NC Grading: Minor
Standard & Requirement:	Instruction document 5E 6.2.7 The Legal Owner shall record the most operationally specific and detailed data that is practically available. Variable data shall never be older than 18 months. The methodology used and the justification for the data selection shall be recorded in the SAR. All mass and energy flows must be evaluated for the complete Reporting Period. Any derogation must be justified and recorded in the SAR. 6.5.3 The BP shall justify the data and methodology used for reporting energy and carbon data and this shall be recorded in the SAR and verified by the CB
Description of Non-conformance and Related Evidence:	
The BP use loaders for pellet factory. Diesel consumption was taken based on theoretical calculation using loader consumption and estimates times of loaders work. But justification of such assumption was not provided to auditor. There no any evidence provided of how working time was recorded. Due to the calculated values is close to other production site and seems to be credible the auditor has formulated minor nonconformance report	
Timeline for Conformance:	By the next surveillance audit, but no later than 12 monhts from report finalisation date
Evidence Provided by Company to close NC:	<i>Click or tap here to enter description provided by Company to close the NC.</i>
Findings for Evaluation of Evidence:	<i>Click or tap here to enter findings for evaluation of evidence by the auditor.</i>
NC Status:	Open

11 Certification decision

Based on the auditor's recommendation and the Certification Body's quality review, the following certification decision is taken:	
Certification decision:	Certification approved
Certification decision by (name of the person):	Olesja Puiso
Date of decision:	02/Mar/2020
Other comments:	<i>Click or tap here to enter text.</i>