



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

First Surveillance Audit

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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

Version 1.0: published 26 March 2015

Version 1.1: published 30 January 2018

Version 1.2: published 4 April 2018

Version 1.3: published 10 May 2018

Version 1.4: published 16 August 2018

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1 Overview

CB Name and contact: NEPCon OÜ, Filosoofi 31, 50108 Tartu, Estonia

Primary contact for SBP: Ondrej Tarabus ot@nepcon.org, +34 605 638 383

Current report completion date: 20/Jan/2021

Report authors: Aliaksandr Zubkevich

Name of the Company: Imperiya Green, Limited Liability Company, Schmidta ave., house 114/2, Mogilev, 212035, Mogilev region, Republic of Belarus

Company contact for SBP: Oksana Voitava, Deputy Director for Development and Foreign Economic Affairs, +375 29 335 03 45, imperiya_grin@mail.ru

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 First Surveillance Audit

2 Scope of the evaluation and SBP certificate

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/Lithuanian 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

Imperia Green is a company which has pellet plant and sawmill. In 2020 was started to work second pellet plant which is situated at the same site. Total annual production capacity of pellet plant is expected to be 26000 tones.

Sawdust is used in pellet production as well as used for the drier. Fuel wood and slab wood is used for the drier.

There are two production lines which are two small independent pellet plants located in the same building, facilities and using the same type of feedstock (secondary feedstock) . The secondary feedstock used for pellet production originates from Belarus and is both FSC certified and non FSC certified. The BP has implemented segregating system – all non certified feedstock is process only on new production line. Biomass is stored in separate places.

The BP implements FSC transfer system and produced biomass sold with FSC 100% claim.

Pellet plant was commissioned in 2019, new line was added in 2020.

5.2 Description of Company's Supply Base

In the Republic of Belarus forests are one of the main renewable natural resources and the major national wealth. The woods and forest resources are of great importance for sustainable social and economic development of the country, ensuring its economic, energy, ecological and food security. For a number of the key indicators characterizing forest fund (woodiness of the territory, the area of the woods and stock of growing wood in terms of per capita), Belarus is among the top ten forest states of Europe.

Forestry of Belarus successfully implementing the principles of sustainable multipurpose forest management, is important for stable functioning of the forest sector of the country and contributes to the development of allied industries of economy, making a significant contribution to the implementation of the signed international treaties at the global level in the field of environmental protection. Its economic, environmental and social role has been steadily increasing. All this gives grounds to say that in modern conditions the forestry sector from traditional commodity industry turns into infrastructural and one of the key sectors of the national economic complex, especially in the rural areas of the country.

As a result of purposeful work on reproduction of the woods and forest growing, positive dynamics of forest fund is reached. So from 1994 the key quantitative and qualitative indexes of the forests improved:

forest area increased by 908,6 thousand hectares from 7371,7 to 8280,3 thousand hectares;

the area under forest of the Republic reached 39.9 per cent (increased by 4.4%);

the total stock of standing timber increased by 738,6 million cubic meters and amounted to 1831,8 million cubic meters (including in Mature and overmature stands - 300,9 million cubic meters and constituted – 375,4 million cubic meters);

the stock per 1 ha. of forested land increased by 73 cubic meters and amounted to 221 cubic meters per 1 ha.; the stock of mature and overmature plantings increased by 59 cubic meters and reached 272 cubic meters per 1 ha.;

average age of plantings increased from 44 to 56 years.

28 tree species and about 70 species of bushes grow in Belarus. The most widespread are: Scots pine - 50.3%, Birch - 23.2%, European spruce - 9.2%, Black alder - 8.5%, Oak - 3.4%, Aspen - 2.1%

Forest certification is carried out in accordance with the requirements of the international scheme of the FSC Forest council of trustees and within the framework of the Forest Certification System of the National System of Conformity of the Republic of Belarus recognized by Pan-European Forest Certification Council (PEFC).

In accordance with the requirements of the of the Forest council of trustees (FSC) scheme, as of January 1, 2019, 96 forest enterprises or 8,3 million hectares of forest fund (98,5% of all forest fund of the Ministry of Forestry) were certified.

According to PEFC scheme, systems of forest management and forest exploitation of 93 forest enterprises of the Ministry of Forestry are certified on an area of 8,0 million hectares of forest fund (95% of all forest fund of the Ministry of Forestry).

In Belarus timber industry comprises of forest management (13,5%), processing of timber (69,5%) and paper-pulp industry 16,4%). Timber processing is one of the largest manufacturing sectors in Belarus Republic and has a share of about 2% from the whole processing sector in Belarus Republic. Timber industry in Belarus makes approximately 1,1% of gross domestic market. Timber-based products are exported to about 30 world countries. The export of sawn timber in 2019 in percentage terms by country was: Lithuania - 25%, Germany - 25%, Latvia - 18%, Poland - 5%, China - 4%, Belgium - 3%, Romania - 2%, Azerbaijan – 4%, other – 14 %.

Limited liability company «Imperiya Green» uses both certified and non-certified feedstock. Non-certified raw materials are used for the production of fuel pellets on the domestic market or export supplies for further sale by retail buyers in small batches.

For the production of certified pellets for export only certified raw materials are used (100% of feedstock (sawdus, twood chips) with an FSC 100%).

- SBP-compliant secondary feedstock – **81 %** of the total amount of raw materials purchased.

The following tree species are used: Scots pine (*Pinus sylvestris*), Norway spruce (*Picea abies*), Hanging birch (*Betula pendula*), Alder (*Alnus spp*), Common aspen (*Populus tremula*), English oak (*Quercus robur*), Common hornbeam (*Carpinus betulus*), Common ash (*Fraxinus excelsior*)

No CITES species are identified within the supply base.

See detailed information on

5.3 Detailed description of Supply Base

Total Supply Base area (ha): 9,621 mln. ha

Tenure by type (ha): public 9,621 mln. ha

NEPCon Evaluation of Imperiya Green, Limited Liability Company:
Public Summary Report, First Surveillance Audit

Forest by type (ha): temperate 9,621 mln. ha
Forest by management type (ha): managed natural 9,621 mln. ha
Certified forest by scheme (ha): 8.3 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, which cover both sawmill and pellet plant.

<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. Fuel wood and slab wood is used for the driers. Both fuel wood and secondary feedstock (sawdust) was sourced from external suppliers (sawmills) and partly from own sawmill. 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 on new line, 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.

6 Evaluation process

6.1 Timing of evaluation activities

Onsite assessment was conducted on 29.12.2020 (8 h). Evaluation activities included documents review at office, inspection of production facilities and staff interviews.

Activity	Location	Date/time
Opening meeting and brief documents review.	Office in Mogilev	29/12/2020 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	29/12/2020 09.20-15.00
Chain of custody review (site tour); staff interview	Production facilities	29/12/2020 16.00-16.30
Closing meeting	Production facilities	29/12/2020 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:

Audit 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, 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. The auditor reviewed data registered in DTS.

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 audit 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

Stakeholder consultation was not conducted for this audit

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 weaknesses identified by auditor.

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 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/deputy director (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 outcoming invoices and transport documents).

7.5 Stakeholder feedback

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

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.

Closed NCR:

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:	The lis of suppliers Information from supplier about places of harvesting
Findings for Evaluation of Evidence:	The SBP manager has explained that in reporting period were sent to all suppliers other the forest management enterprise letters with request to provide information about places of harvesting (FMU). All suppliers have provided information about their suppliers and places of harvesting. Information was provided in form of FSC supplier list which companies also provide to their FSC certification bodies. No inaccuracies of the information was identified during the evaluation.
NC Status:	Closed

NC number 02/20	NC Grading: Minor
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 months from report finalisation date
Evidence Provided by Company to close NC:	Daily report for the reporting period
Findings for Evaluation of Evidence:	SBP responsible explained that daily report are implemented fully. It was confirmed both by reviewing daily reports for reporting period and interview with responsible staff. The BP has build new production line. It was explained that new line was used to produce only non certified material.
NC Status:	Closed

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 months from report finalisation date

Evidence Provided by Company to close NC:	Production reports
Findings for Evaluation of Evidence:	It was explained that each day loader driver record number of shovels and report data to deputy director of production. Then SBP manager accumulate data in production report. So, conversion factor is calculated on daily basis.
NC Status:	Closed

NC number 04/20	NC Grading: Minor
Standard & Requirement:	<p>Instruction document 5E</p> <p>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.</p> <p>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</p>
Description of Non-conformance and Related Evidence:	
<p>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</p>	
Timeline for Conformance:	By the next surveillance audit, but no later than 12 months from report finalisation date
Evidence Provided by Company to close NC:	Fuel consumption report
Findings for Evaluation of Evidence:	It was explained that deputy director informed SBP manager about daily consumption of the fuel. The data is accumulated by the SBP manager in Fuel consumption report.
NC Status:	Closed

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:	20/Jan/2021
Other comments:	Click or tap here to enter text.