

NEPCon Evaluation of Dimsania JLLC Compliance with the SBP Framework: Public Summary Report

Main (Initial) 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

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1 Overview

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

Primary contact for SBP: Ondrej Tarabus otarabus@nepcon.org, +420 606 730 382

Current report completion date: 14/Apr/2020

Report authors: : Siarhei Minkevich

Name of the Company: Dimsania JLLC, Legal address: Republic of Belarus, 220024, Minsk, Stebeneva per., 9. Production site address: 222020, Republic of Belarus, Minsk region, Krupsky district, Krupsky village, Pobedy Street, 1.

Company contact for SBP: Yury Piskunovich, Director. Mob.: +375 29 676 21 98; Email: Dimsania1@gmail.com

Certified Supply Base: Republic of Belarus

SBP Certificate Code: SBP-07-88

Date of certificate issue: 14/Apr/2020

Date of certificate expiry: 13/Apr/2025

This report relates to the Main (Initial) Audit

2 Scope of the evaluation and SBP certificate

Scope of certificate includes production of wood pellets for use in energy production and its transportation by different means of transport to different end points in Belarus. The scope of the certificate does not include Supply Base Evaluation. The scope of the certificate 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 and assessment of compliance with ID 5E ver. 1.0.

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

Dimsania JLLC is a secondary processor (biomass producer) with production capacity of 7000 tone pellets/year, located in Minsk region, Belarus. BP was established in 2004 and has 15 staff members. The BP holds valid FSC CoC certificate covering biomass production only and uses only FSC 100%-certified feedstock for pellet production (wet sawdust) and heating (firewood, slabs). All feedstock is purchased from external suppliers which are state forest management enterprises (in Belarus normally each state forest management enterprise has its own sawmill) as well as FSC certified private companies, etc. Feedstock is delivered to production site by BP's own trucks. Biomass is delivered to the customer by means of railway service (railway wagons). Occasionally the deliveries can be made by the trucks (however it is not common mean of deliveries for export, but more typical transport for the internal market).

5.2 Description of Company's Supply Base

The timber supply base for the pellets production processes is located in the Republic of Belarus.

The company produces wood pellets from SBP-compliant secondary feedstock – sawdust (wood processing industry waste). In the production process, for drying, the company uses slabs and firewood (wood processing industry waste). The company also receives non-compliant (non-certified) secondary feedstock – sawdust, that is used for production of wood pellets intended for internal market, and firewood used for drying in the production process.

All forests in Belarus are in exclusive property of the State. The total area of forest fund is 9.582 million ha of which 8.26 million ha are covered by forest lands. The percentage of forest cover in Belarus reached 39,8%. The total stock of timber is 1796 million m³, including ripe and overripe stands which comprise over 296 million m³.

As a result of conscious efforts on forests' reproduction, during the last 60 years the area covered by forest has doubled and reached its highest value for more than 100-year period. This increase is a result of both natural processes and afforestation of barren lands unsuitable for farming industry. In Belarus along with increase of total area of forest lands, one could witness a sustainable growth of ripening, ripe and overripe stands. The share of ripe and overripe forests is 14,7%. Average age of stands is over 56 years.

In Belarus the main principles of forest managements are based on the following regulatory documents:

- State-run program for 2016-2020 "Belarus forest"
- National strategy on sustainable development of the Republic of Belarus

- Forest Code of the Republic of Belarus.

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%

Depending on the functions performed, the lands of the forest fund are divided into 4 categories: operational, protective, environmental, recreation and health. In accordance with the legislation of the Republic of Belarus all forest lands are in state property and assigned to state forestry enterprises for use. The forest use in Belarus is based on the principle of continuity and sustainability.

Average annual timber harvesting value is about 18 million m³, which include:

- final felling (mature timber) – 40%
- cleaning cuttings and sanitary felling (young, middle-aged and ripening stands – 48%
- other cuttings – 12%.

The main conditions of forests' exploitation are the procurement of forest reproduction and protective afforestation. In 2018 the forest reproduction and afforestation were carried out at the total area of 41,82 thousand ha, including such measures as planting of new forests (about 34,8 thousand ha).

According to the forest legislation of the Republic of Belarus, the endangered species and the places of their habitation included in the Red List are to be protected during timber harvesting processes. The cutting of valuable, endangered and specially protected tree species is strictly prohibited.

There are two preserved areas at the territory of Republic of Belarus - Berezinsky Biosphere Reserve (85.2 thousand ha) and Polesie State Radioecological Reserve (216,1 thousand ha) and four national parks - Belovezhskaya Pushcha (152,962 thousand ha), Braslav Lakes (69,115 thousand ha), Narachanski National Park (93,3 thousand ha) and Pripyatsky National Park (85,841 thousand ha) as well as 334 forest Republic and local reserves and 874 monuments of nature.

The forest certification is an effective tool against illegal cuttings and illegal circulation of timber.

There two schemes of forest certification implemented in the Republic of Belarus: FSC (Forest Stewardship Council) and PEFC (Programme for the Endorsement of Forest Certification).

As of 1st of January 2019, 96 forest management units (98,5% of total forest fund that belongs to the Ministry of Forestry) is certified in accordance with the requirements of Forest Stewardship Council (FSC). 93 forest management units (95 % of total forest fund that belongs to the Ministry of Forestry) is certified in accordance with the requirements of PEFC (Programme for the Endorsement of Forest Certification).

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.

5.3 Detailed description of Supply Base

Total Supply Base area (ha):	9,582 mln ha
Tenure by type (ha):	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):	9,027 mln ha FSC-certified forest 8,8 mln. ha PEFC certified forest

Detailed information about BP's supply base may be found in their Supply Base Report available in Internet at <https://www.facebook.com/dimsania/>

5.4 Chain of Custody system

BP holds valid FSC CoC certificate <https://info.fsc.org/details.php?id=a023300000fztbnAAA&type=certificate> covering the secondary (pellet production) wood processing. Only secondary feedstock (sawdust) with FSC 100% claim will be used for pellet production and FSC transfer system of claims is implemented (all pellets will have FSC 100% claim). Some amount of biomass is produced from non-certified secondary feedstock, and in this case BP ensures physical segregation of such non-certified wood material from certified wood material at all stages.

6 Evaluation process

6.1 Timing of evaluation activities

Onsite assessment was conducted on March 31 and April 01, 2020 (app. 10 working hours). Assessment activities included documents review at office, inspection of production facilities and staff interviews.

Activity	Location	Date/time
Opening meeting	Production facilities (Krupsky village)	31/03/2020 09.00-09.30
Chain of custody review (site tour); staff interview; document review	Production facilities	31/03/2020 09.30-12.30
Documents and procedures review (feedstock inputs, SBR, CoC control system and critical points, compliance with legal requirements, H&S), staff interview.	Office (Minsk)	31/03/2020 14.30-17.30
Documents and procedures review (SAR and energy use primary data); staff interview	Office (Minsk)	01/04/2020 09.00-12.00
Closing meeting	Office	01/04/2020 12.00-12.30

6.2 Description of evaluation activities

Composition of audit team:

Auditor(s), roles	Qualifications
Siarhei Minkevich, SBP auditor	NEPCon SBP lead auditor, FSC FM/COC and FSC CoC/CW lead auditor. He has successfully passed SBP lead auditor training in Germany in September 2019 and participated in several SBP assessments in Belarus and Lithuania.

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, which started with an opening meeting attended by the representatives from Organisation's management and staff.

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

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

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.

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

Impartiality commitment: NEPCon commits to using impartial auditors and our clients are encouraged to inform NEPCon management if violations of this are noted. Please see our Impartiality Policy here:

<http://www.nepcon.org/impartiality-policy>

6.3 Process for consultation with stakeholders

The stakeholder consultation was carried out on February 13, 2020 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; FSC 100% secondary feedstock is sourced. Effective recordkeeping system. Small number of the management staff and clearly designated responsibilities within the staff members.

Weaknesses: please see minor NCRs in section 10 below.

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; biofuel for burner; diesel for feedstock delivery and handling; diesel for biomass handling (from production line to warehouse), shipping and transportation to customer. Diesel consumption value by vehicles used at pellet plant is based on calculation of fuel consumption per vehicle and data obtained in accountancy; electricity consumption value by pellet plant is based on invoices issued by electricity supplier on a monthly basis.

7.4 Competency of involved personnel

Overall, BP staff showed good understanding of knowledge of all applicable SBP requirements. Generally, very few staff members are involved into SBP certification: SBP responsible person/director (SBP procedures and systems updates, SBR, complaints, conversion factor updates, DTS) and vice-director (SAR and energy use data collection). Prior to and during SBP assessment, BP was supported by external consultant from partner organisation, who also has provided relevant training to BP staff.

7.5 Stakeholder feedback

No comments received from stakeholders prior, during or after this assessment.

7.6 Preconditions

None.

8 Review of Company's Risk Assessments

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 / Незначительное несоответствие
<p>Standard & Requirement:</p>	<p>SBP Instruction Document 5E V.1.1, 6.9.3 At least one of the following options shall be used for the drying process, where applicable:</p> <p>Option 1 – Specify energy use of dryer, when applicable.</p> <ul style="list-style-type: none"> - If a heat meter is installed, calculate how much heat energy from the boiler is provided to the dryer and provide details of the calculation; - Specify heat consumption in kWh per metric tonne dried feedstock and the corresponding period for this evaluation. <p>Option 2 – Specify input moisture content of feedstock.</p> <ul style="list-style-type: none"> - The preferred method in 6.9.2 is the weighted average moisture content based on moisture evaluation per shipment for all Feedstock Group. - When measurement of moisture of incoming feedstock is not determined on receipt of feedstock, the moisture content shall be measured and recorded as soon as possible in the production process. For example, in the case of the receipt of logs, moisture should be measured after debarking and processing to chips. - In the absence of moisture monitoring as specified above, the methodology used and the values recorded shall be justified to the CB, and the justification shall be recorded in the SAR.
<p>Description of Non-conformance and Related Evidence:</p>	
<p>The organization’s office has data on the assessment of the moisture content of the pellets (there are several measurement protocols of an independent laboratory). At the same time, the “default” averaged data (50%) were taken as feedstock moisture value. The moisture values of dry feedstock in preparation for certification were obtained by experimental measurement of several samples of dried feedstock (after a drying drum), and a partner organization’s moisture meter was used. Representatives of the company’s management explained that they knew the requirement to measure moisture at different stages of the process, the final choice on the purchase of built-in measuring equipment or external instruments (meter(s)) for measuring the moisture value of feedstock and pellets would be made in the near future. The auditor raised minor non-conformity report, since in general the organization took measures to assess the moisture</p>	

content of feedstock and pellets, there is data on the moisture value of pellets and experimental data on the moisture content of dried feedstock; nevertheless, a holistic system for assessing the moisture content of feedstock and finished product in the organization at the time of the assessment was not implemented.

В офисе организации имеются данные по оценке влажности пеллет (имеются несколько протоколов измерений в независимой лаборатории). В то же время в качестве значений влажности сырого сырья взяты усредненные данные «по умолчанию» (50%). Значения влажности сухого сырья в процессе подготовки к сертификации получены путем экспериментального измерения нескольких образцов высушенного сырья (после сушильного барабана), при этом использовался влагомер партнерской организации. Представители руководства компании пояснили, что требование об измерении влажности на разных этапах технологического процесса им известно, окончательный выбор по приобретению встроенного измерительного оборудования или внешних приборов измерения влажности сырья и продукции будет осуществлен в ближайшее время. Аудитор составил отчет о незначительном несоответствии, так как в целом в организации приняты меры по оценке влажности сырья, имеются данные по влажности готовых топливных гранул и экспериментальные данные оценки влажности высушенного сырья; тем не менее целостная система оценки влажности сырья и продукции в организации на момент оценки не была внедрена.

Timeline for Conformance:	By the next surveillance audit, but no later than 12 months from report finalisation date До следующего ежегодного аудита, но не позднее 12 месяцев с даты утверждения отчета
Evidence Provided by Company to close NC:	-
Findings for Evaluation of Evidence:	-
NC Status:	Open

NC number 02/20	NC Grading: Minor / Незначительное несоответствие
Standard & Requirement:	SBP Instruction Document 5E V.1.1, 6.9.6 Different types of fuels may be used for drying. Either fossil fuels, such as: - natural gas; - industrial gas; - diesel oil; - propane; or - waste heat fossil boiler. Or biomass fuels, such as: - wood pellets – imported or diverted from the biomass product - wood residues – imported or diverted from feedstock groups; - bark – diverted from debarked round wood in feedstock groups, or imported; - other biomass residues; or - other (specify). For every type of fuel used, specify fuel consumption in MJ / metric tonne and in one of these units: - litres / metric tonne biomass;

	- kg / metric tonne biomass; or - Nm ³ / metric tonne biomass. (5E, 6.9.6)
Description of Non-conformance and Related Evidence:	
<p>The biofuel consumption data for heat generation indicated in the SAR are underestimated (0.16 m³ / ton, or 0.13 t / ton) at a moisture of the incoming raw feedstock of 50%. The organization was unable to provide a calculation confirming the correctness of such data of the biofuel consumption.</p> <p>Указанные в SAR данные о расходе биотоплива для теплогенерации являются заниженными (0,16 м³/тонну, или 0,13 т/тонну) при влажности входящего сырья 50%. Организация не смогла представить расчет, подтверждающий правильность такого расхода биотоплива.</p>	
Timeline for Conformance:	<p>By the next surveillance audit, but no later than 12 months from report finalisation date</p> <p>До следующего ежегодного аудита, но не позднее 12 месяцев с даты утверждения отчета</p>
Evidence Provided by Company to close NC:	-
Findings for Evaluation of Evidence:	-
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):	Nikolai Tochilov
Date of decision:	14/Apr/2020
Other comments:	<i>Click or tap here to enter text.</i>