



NEPCon OÜ Evaluation of DeCom LLC Compliance with the SBP Framework: Public Summary Report

Second Surveillance Audit

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The promise of good biomass



Completed in accordance with the CB Public Summary Report Template Version 1.5

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

Version 1.5: published 22 October 2020

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1 Overview

Certification Body (CB) Name:	NEPCon OÜ
Primary CB contact for SBP:	Ondrej Tarabus
Primary CB contact email:	otarabus@preferredbynature.org
Audit team leader:	Nikolai Tochilov
Audit team members:	-
Name of the Company:	DeCom LLC
Company legal address:	66 proezd Stroitel str., Tsentralniy zhiloy rayon, 665718 Bratsk, Irkutsk region, Russia
Company contact for SBP:	Natalya Chernikova
Company contact email:	chernikova@ooodekom.ru
Company website:	http://www.ooodekom.ru/
SBP Certificate Code:	SBP-07-28
Date of certificate issue:	02 Oct 2019
Date of certificate expiry:	01 Oct 2024
Audit closing meeting date:	29 Sep 2021
Audit cycle:	Second Surveillance Audit

2 Scope of the evaluation and SBP certificate

Scope Item	Check all that apply to the Certificate Scope	Change in scope (N/A for Assessments)
Primary Activity:	Biomass Producer	☐
Approved Standards:	SBP Standard 2: Verification of SBP-compliant Feedstock; SBP Standard 4: Chain of Custody; SBP Standard 5: Collection and Communication of Data Instruction; Instruction Document 5E: Collection and Communication of Energy and Carbon Data 1.5	☐
Includes Supply Base Evaluation (SBE):	No	☐
Includes communication of Dynamic Batch Sustainability Data (DBSD)	Yes	☐
Includes Group Scheme	No	☐
Products	Pellets	☐

Feedstock types:	Secondary	☐
Feedstock origin (countries):	Russia	☐
SBP-endorsed Regional Risk Assessments used: Public link: https://sbp-cert.org/documents/standards-documents/risk-assessments/	Not applicable	☐
Chain of custody system implemented:	FSC: FC-COC-643066	☐
	Transfer	☐

2.1 Description of the company

Organisation is a large wood processing (primary and secondary) company located in Irkutsk region, Russia. Company runs both pellet and lumber production, which supplies secondary feedstock to the pellet plant. Some share of the secondary feedstock in the reporting period was also delivered by a single external supplier. All feedstock originates from Irkutsk region and Krasnoyarsk krai. The biomass is transported to customers by railway on FCA Incoterms delivery conditions. Pellet plant was commissioned in October 2017 and has the annual production capacity of 52000 tones.

2.2 Detailed description of the Chain of Custody system

The BP holds valid FSC Chain of certificate <https://info.fsc.org/details.php?id=a0240000008ph3aAAA&type=certificate> Pellets are produced of the FSC 100% and FSC Mix Credit secondary feedstock, originating from own sawmilling and wood-working facilities, as well as from a single external supplier (sawmill). In case when the secondary feedstock with both claims is used in production, BP implements downgrading, and all pellets have then FSC Mix Credit claim. When the secondary feedstock with FSC 100% or FSC Mix Credit is used in pellet production, then the corresponding claim is transferred to the wood pellets. Non-certified wood material is also used by Organisation, and physical segregation of certified and non-certified wood material is ensured at all production stages (both for primary and secondary manufacturing). Separate storage for non-certified feedstock and biomass is ensured; pellet production line is completely cleaned out prior to switching from non-certified to certified production.

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

4 Evaluation process

4.1 Timing of evaluation activities

Audit Level of Effort (LoE)		
Activity	Auditors	Auditor hours
1. Preparation	Nikolai Tochilov	1,0
2. On-site (excl. travel time)	Nikolai Tochilov	9,5
3. Report writing	Nikolai Tochilov	6,0
4. Other	N/A	N/A

Audit Schedule			
Activity	Location	Auditor name	Date/time
<i>Opening meeting</i>	Office in Bratsk	Nikolai Tochilov	28 Sep 2021/11:30
<i>H&S training to auditor; documents review regarding H&S; evaluation of feedstock input groups and Supply Base Report</i>	Office in Bratsk	Nikolai Tochilov	28 Sep 2021/12:00
<i>Evaluation of critical control</i>	Office in Bratsk	Nikolai Tochilov	28 Sep 2021/13:30

<i>points in FSC CoC</i>			
<i>Evaluation of management and monitoring system system; compliance with legal requirements; anti-corruption policy</i>	Office in Bratsk	Nikolai Tochilov	28 Sep 2021/14:30
<i>Energy use data review</i>	Office in Bratsk	Nikolai Tochilov	28 Sep 2021/15:00
<i>End of the day</i>	Office in Bratsk	Nikolai Tochilov	28 Sep 2021/17:00
<i>Inspection of the pellet production</i>	Pellet production in Bratsk	Nikolai Tochilov	29 Sep 2021/10:00
<i>Energy use data review</i>	Office in Bratsk	Nikolai Tochilov	29 Sep 2021/11:30
<i>Closing meeting</i>	Office in Bratsk	Nikolai Tochilov	29 Sep 2021/13:30
<i>End of the evaluation</i>	Office in Bratsk	Nikolai Tochilov	29 Sep 2021/14:00

Auditor qualification		
Auditor name	Role	Qualification
Nikolai Tochilov	Audit team leader	NEPCon SBP lead auditor. He has successfully passed SBP auditor training in Tallinn in January 2015; previous experience with more than 50 SBP assessments and annual audits in Russia and Europe.

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4.2 Description of evaluation activities

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.

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

During the opening meeting, 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 accreditation 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 implementation was reviewed focusing in the Critical Control Points, in particular it was verified reception of the material and it's classification, identification of feedstock origin, production process with the conversion factors associated, mass balance, final product storage and sales, 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 audit, findings were summarised and audit conclusions based on use of 3 angle evaluation method were provided to the management and SBP responsible person.

4.3 Sampling methodology

Staff interviews: the key staff involved in SBP certification was interviewed during the audit. Onsite

inspection: during onsite inspection, auditor went through the whole production, starting with feedstock delivery to the pellet plant and ending with the storage of the biomass and its shipping to customers.

Documents review: auditor has verified all records related to feedstock input and biomass output; moisture measurements; electricity and diesel consumption. Special attention was paid to justification of conversion factor for pellet production, established by Organisation annually.

4.4 CB stakeholder engagement

No stakeholder consultations conducted prior to, during or after this annual audit.

4.5 Stakeholder feedback

On 15/07/2021, Earthsight (a non-profit organisation that uses in-depth investigations to expose environmental and social crime, injustice and the links to global consumption) has published their investigation about wide-scale illegal sanitary timber harvest in FSC-certified forests, in Irkutsk region <https://www.earthsight.org.uk/news/investigations/ikea-house-of-horrors>. FSC, in its turn, on 14/07/2021 issued a moratorium <https://fsc.org/en/newsfeed/fsc-statement-on-earthsight-report-2021> on sales of wood and wood products with FSC-certified or FSC controlled wood claims originating from sanitary logging from Irkutsk region of Russia. DeCom LLC was mentioned by journalists as one of the companies which probably consumed controversial timber.

During this audit, BP has provided the auditor with documented confirmation (list of suppliers and subsuppliers, copies of the forest concession agreements and forest declarations) that none of the feedstock used in pellet production in the reporting period originated from sanitary timber harvest.

5 Results

5.1 Main strengths and weaknesses

Strengths: Robust recordkeeping system. Good awareness of certification requirements by involved staff.

Weaknesses: None.

5.2 Rigour of Supply Base Evaluation

not applicable.

5.3 Collection and communication of data

All steps where energy use occurs are included in the management system. The following energy sources are used by BP: electricity for pellet production; biofuel for drying the feedstock; diesel for feedstock delivery and handling, diesel for biomass handling and shipping; diesel and electricity for biomass transportation to customer. Biofuels and diesel consumption values are based on actual production data, whereas the electricity consumption value is based on engineering calculations (installed capacity of the electric equipment).

5.4 Competency of involved personnel

Interviewed staff was well familiar with their responsibilities. Generally, few staff members are involved into SBP certification: SBP/FSC responsible (FSC CoC, SBP management and monitoring, SAR, complaints procedure, SBR), pellet production chief (feedstock and biomass moisture measurements, monitoring of the amount of feedstock used in production and amount of produced biomass), accountant (diesel consumption), pellet plant foreman (moisture measurements and registering), chief power engineer (electricity), declarant (invoices and DTS), H&S engineer, vice director general (compliance with legal requirements, anticorruption policy).

6 Review of company's risk assessments

6.1 Overview of company's risk assessments and mitigation measures

not applicable.

6.2 Specified risk indicators and mitigation measures

Country/Area	Indicator	Specified risk description	Mitigation measure
N/A	N/A	N/A	N/A

7 Non-conformities and observations

NC number NC-000700 (01/20)	NC Grading: Minor
Standard:	SBP Standard 4: Chain of Custody
Requirement:	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:	
One of three feedstock input groups for biomass production is wet sawdust. In the reporting period BP monitored the input amount for this group by counting/registering the amount of shovels with sawdust after drying. The weight of the shovel with dried sawdust is known – it is 1 tone. To convert amount of dry sawdust back to wet sawdust, BP used conversion factor 1,1-1,2. During the audit it was identified that with implementation of such conversion factor, it is impossible to ensure mass balance between the amount of wet feedstock (considering the loss of moisture during drying) and amount of produced biomass. Organisation has determined the weight of the shovel with wet sawdust again, and it appeared that it is 1,4 tones (i.e. to convert the amount of dried sawdust back to wet sawdust, 1,4 conversion factor should have been used). In such case, the amount of wet feedstock (considering the loss of moisture during drying) and amount of produced biomass is well balanced. Nevertheless, auditor considers that not all requirements of the FSC chain of custody control system have been properly implemented by BP to calculate outputs (i.e. to justify the production conversion factor). The amount currently specified in SAR document in Table 2.1 for wet sawdust inputs in the reporting period is in fact based on a single measurement of the wet sawdust amount (weight) in one shovel. At the same time, the weight of wet sawdust may vary, depending on the season of the year, moisture of the sawdust, and species proportion in feedstock composition.	
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:	Calculations and explanations provided by staff members
Findings for Evaluation of Evidence:	To address the non-conformity, Organisation has implemented the procedure of the regular weight measurement of the shovel with wet sawdust. Such measurement is done at least two times per month. Based on results of the weight measurements undertaken during October 2020 – May 2021, it was determined that the weighted average weight of the shovel is 1,35 MT. This value was used by Organisation in calculations of the total amount of sawdust used in pellet production (feedstock 1 and 5 in table 2.1, SAR). Engineering calculations undertaken by auditor showed the difference with actual production less than 1%.
NC Status:	Closed

NC number NC-000701 (02/20)	NC Grading: Minor
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Standard:	Instruction Document 5E: Collection and Communication of Energy and Carbon Data 1.4
Requirement:	6.10.2 If feedstock is dried, then the following data shall be recorded in the corresponding Tables 3.5.2 of the SAR. Initial moisture of the feedstock, as received, and method for its evaluation: - weighted average of moisture measurements performed on all Feedstock Groups; - typical value based on some measurements (frequency of measurements, - supplier / process specifications); or - default value, e.g. for round wood. Type of dryer: - drum dryer; - belt dryer; or - other (specify). Energy carrier: - steam; - hot water; - hot air / flue gases; or - other (specify) Heat consumption if a meter is installed Origin of the heat: - burner; - conventional burner; or - CHP
Description of Non-conformance and Related Evidence:	
One of three feedstock input groups for biomass production is wet sawdust. In the reporting period BP monitored the moisture value for this group by based on information about moisture value of wet sawn material produced at primary processing facilities. The average moisture value of wet sawdust in the reporting period was determined as 68,8%. During the audit it was identified that with implementation of such average moisture value, it is impossible to ensure mass balance between the amount of wet feedstock (considering the loss of moisture during drying) and amount of produced biomass. Organisation during the audit has measured again the moisture value for wet sawdust, and it appeared that it is 35,5%. In such case, the amount of wet feedstock (considering the loss of moisture during drying) and amount of produced biomass is well balanced. The moisture value for wet sawdust currently specified in SAR document in Table 2.1 is in fact based on a single measurement of the moisture value, done during the audit. At the same time, the moisture of wet sawdust may vary, depending on the season of the year.	
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:	Calculations and explanations provided by staff members
Findings for Evaluation of Evidence:	To address the non-conformity, Organisation has implemented the procedure of the regular moisture value measurement of the wet sawdust. During the reporting period October 2020 – May 2021, 220 measurements have been undertaken, which allows to consider that the average moisture values specified for wet sawdust in SAR, table 2.1 (feedstock 1 and 5) are reliable.
NC Status:	Closed

NC number NC-000702 (03/20)	NC Grading: Minor
Standard:	Instruction Document 5E: Collection and Communication of Energy and Carbon Data 1.4
Requirement:	6.10.3 At least one of the following options shall be used for the drying process, where applicable: Option 1 – Specify energy use of dryer, when applicable. - 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. Option 2 – Specify input moisture content of feedstock. - 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.
Description of Non-conformance and Related Evidence:	
Fresh slabwood was used by BP in the reporting period as a biofuel for dryer. BP monitored the moisture value for this biofuel based on information about moisture value of wet sawn material produced at primary processing facilities. The average moisture value of slabwood in the reporting period was determined as 68,8% (same moisture value, as for the wet sawdust included as Feedstock type 1 in SAR, table 2.1). During the audit it was identified that with implementation of such average moisture value, it is impossible to ensure mass balance between the amount of wet feedstock (considering the loss of moisture during drying) and amount of produced biomass. Organisation during the audit has measured again the moisture value for wet sawdust, and it appeared that it is 35,5%. In such case, the amount of wet feedstock (considering the loss of moisture during drying) and amount of produced biomass is well balanced. The moisture value for slabwood currently specified in SAR document in Table 3.5 is in fact based on a single measurement of the moisture value of wet sawdust, done during the audit. The moisture of wet feedstock may vary, depending on the season of the year.	
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:	Calculations and explanations provided by staff members
Findings for Evaluation of Evidence:	Slabwood is no more used as biofuels in the burner. Instead, Organisation uses the wet sawdust. To address the non-conformity, Organisation has implemented the procedure of the regular moisture value measurement of the wet sawdust. During the reporting period October 2020 – May 2021, 220 measurements have been undertaken, which allows to consider that the average moisture value specified for wet sawdust in SAR, table 3.5.2 is reliable.
NC Status:	Closed

8 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):	Pilar Gorría
Date of decision:	17 Nov 2021
Other comments:	N/A