

NEPCon Evaluation of SIA NOVA BIOENERGY Compliance with the SBP Framework: Public Summary Report

Second 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

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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:	24/Jan/2020
Report authors: :	Nikolai Tochilov
Name of the Company:	SIA NOVA BIOENERGY
	Legal address: Anniņmuižas bulvāris 2B- 25, Rīga, LV-1067 Latvija
	Postal address: office 407, 27 Bolshaya Konyushennaya street, Saint-Petersburg 191186, Russia
Producer contact for SBP	Ekaterina Konovalova, supply chain manager. Phone+7 911 230 9492; + 812 456 36 00; Email: Ekaterina.Konovalova@novabioenergy.com
Certified Supply Base:	not applicable for trader
SBP Certificate Code:	SBP-01-95
Date of certificate issue:	23/Mar/2018
Date of certificate expiry:	22/Mar/2023

This report relates to the Second Surveillance Audit

2 Scope of the evaluation and SBP certificate

Description of certificate scope: Trading of wood pellets, wood chips and wood briquettes for use in energy production, including transport from Biomass Producers in Russia to different end points all over the world.

3 Specific objective

The specific objective of this evaluation was to confirm that the Biomass Trader'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 Biomass Trader's management procedures;
- Review of FSC system control points, analysis of the existing FSC CoC system;
- Interviews with responsible staff;
- Review of the records and calculations;
- Review of the transportation, storage and deliverance processes

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

Organisation is a trader with physical possession having legal address in Riga, Latvia. Certificate scope covers purchase of SBP-certified / FSC-certified biomass in form of wood pellets, briquettes and wood chips from biomass producers in Russia; biomass storage and handling in two sea harbours in S.Petersburg (Russia); loading of the biomass to vessels or trucks for further delivery to customer. All activities at sea harbours in S.Petersburg, related to biomass unloading, handling, storage and loading, are executed by contractors (based on outsourcing agreements). The scope of certificate also includes the possibility of direct transportation of biomass by trucks from biomass producers to Organisation's customers. Delivery conditions are FOB or CIF (vessel), and DAP, FCA, DDU, DDP (truck).

5.2 Description of Company's Supply Base

Not applicable for trader.

5.3 Detailed description of Supply Base

Not applicable for trader.

5.4 Chain of Custody system

The Organization holds valid FSC CoC certificate <https://info.fsc.org/details.php?id=a02f300000e1ZuWAAU&type=certificate> and implements FSC transfer and FSC credit systems of claims for biomass trade. FSC certificate scope includes two sea harbours in S.Petersburg where all purchased biomass is unloaded, stored, handled and loaded to vessel, or truck. All activities in sea harbours are implemented by contractors based on outsourcing agreements. Organisation ensures separate handling and storage of biomass purchased from different Biomass Producers and with different FSC claims. The scope of certificate also includes the possibility of direct transportation of biomass by trucks from biomass producers to Organisation's customers.

Possible FSC input and output for transfer system – FSC 100%, FSC Mix Credit, FSC Mix %, FSC Controlled Wood.

Possible FSC inputs for credit system: FSC 100%, FSC Mix Credit, FSC Mix %, FSC Controlled Wood. Possible outputs for credit system: FSC Mix Credit and FSC Controlled Wood. Credit system may be used only in case when biomass with different claims (including FSC Controlled Wood) is loaded to one vessel to avoid downgrading of the final FSC claim for the whole batch. Credit system has not been used in the reporting period.

6 Evaluation process

6.1 Timing of evaluation activities

Activity	Location	Date/time
- Opening meeting - Review of FSC product group schedule, FSC supplier records, FSC input and output data - Review of SBP procedure, SBP training records, SBP trademark use, review of sales and transport documents. - Staff interview	Office in S.Petersburg	13.01.2020 10:30-15:30
- Onsite visits of contractors at sea harbours in S.Petersburg - Interviews with contractors - Closing meeting	S.Petersburg	14.01.2020 11:00-14:00 Totally it was spent 8 hours for this audit.

6.2 Description of evaluation activities

Audit started with opening meeting. Auditor introduced himself, provided information about audit plan, methodology and aim of the assessment. CB's accreditation related issues and confidentiality issues were covered as well.

After that auditor went through all applicable requirements of the standards covering management system, CoC, recordkeeping/mass balance requirements and emission and energy data, and made staff interviews.

Next day auditor made onsite inspections at sea harbours in S.Petersburg, where the representatives of contractors were also interviewed.

During the closing meeting auditor explained the results of the audit and further actions were discussed.

Composition of audit team:

Auditor(s), roles	Qualifications
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 40 SBP assessments and annual audits in Russia and Europe.

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

No stakeholder consultations conducted prior, during and after this audit (n/a for trader).

7 Results

7.1 Main strengths and weaknesses

Strengths: limited number of staff; transfer system of FSC and SBP claims (credit system is considered but not used in practice).

Weaknesses: none.

7.2 Rigour of Supply Base Evaluation

Not applicable.

7.3 Collection and Communication of Data

The Management System for energy use data collection and communication is in place, however energy use reporting is not required from Organisation any more – biomass is delivered by suppliers to harbours at FCA delivery conditions, and sold by Organisation at FOB delivery conditions of Incoterms. SBP ID 5E does not require reporting the energy use data related to biomass storage and shipping.

7.4 Competency of involved personnel

Both Organisation and contractors' staff involved into SBP/FSC certification, showed good understanding of all applicable SBP requirements.

7.5 Stakeholder feedback

No stakeholder consultations conducted prior, during and after this audit (n/a for traders).

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
Standard & Requirement:	SBP Framework Standard 4: Chain of Custody (V1.0), p.5.5.2: There are two SBP claims: • ‘SBP-compliant biomass’ • ‘SBP-controlled biomass’
Description of Non-conformance and Related Evidence:	
In the reporting period, only SBP-compliant biomass claim was used by Organisation. Review of invoices issued by Organisation showed that SBP claim was incorrectly specified there – ‘SBP compliant’.	
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:	Updated templates of invoice and bill of lading.
Findings for Evaluation of Evidence:	After the audit and before the report completion, Organisation submitted the updated templates of invoice and bill of lading, which include now correct SBP claim – ‘SBP-compliant biomass’. NCR closed based on provided evidence
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:	06/Feb/2020
Other comments:	<i>Click or tap here to enter text.</i>