

NEPCon Evaluation of SIA NOVA BIOENERGY 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

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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:	28/Feb/2019
Report authors: :	Nikolai Tochilov
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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 First 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. The certificate scope does not include Supply Base Evaluation.

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 (NC-COC-031240). Organisation 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 two 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 volume data - Review of SBP internal procedures, SBP training records, SBP trademark use, review of sales and transport documents. - Staff interview	Office in S.Petersburg	17.01.2019 11:00-15:00
- Onsite visits of contractors at sea harbours in S.Petersburg - Interviews with contractors - Closing meeting	S.Petersburg	18.01.2019 10:00-14:00

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 of two contractors at sea harbours in S.Petersburg.

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 30 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

There were no SBP-certified biomass sales in the reporting period, therefore Organisation did not prepare SREG with actual energy use data. Organisation submitted an example of SREG which they will be using in the future supplies, when required. Energy will be used during biomass transportation from pellet producer to harbours in Russia, biomass unloading and storage at harbours, and further loading to the vessel or truck. Organisation and contractors in harbours explained auditor how they will be collecting and justifying the energy use data.

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.*

None.

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):	Pilar Gorría Serrano
Date of decision:	28/Feb/2019
Other comments:	<i>Click or tap here to enter text.</i>