

SBP

Sustainable Biomass Partnership

DNV GL Business Assurance Finland Oy Ab Evaluation of Ekman & Co AB Compliance with the SBP Framework: Public Summary Report

First Surveillance Audit

www.sbp-cert.org



Completed in accordance with the CB Public Summary Report Template Version 1.0

*For further information on the SBP Framework and to view the full set of documentation see
www.sustainablebiomasspartnership.org*

Document history

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1 Overview

CB Name and contact: DNV GL Business Assurance Finland Oy Ab,
 Martti Kuusinen (martti.kuusinen@dnvgl.com)

Primary contact for SBP: Martti Kuusinen (martti.kuusinen@dnvgl.com)

Report completion date: IA: 07/Nov/2016
 PA1: 06/Sep/2017

Report authors: Karina Seeberg Kitnaes

Certificate Holder: Ekman & Co AB, Lilla Bommen 1, P.O.Box 230
 SE-401 23 Gothenburg, Sweden

Producer contact for SBP: Arnold Dale; Arnold.Dale@Ekmangroup.com

Certified Supply Base: N/A (Biomass Trader Only)

SBP Certificate Code: SBP-05-08

Date of certificate issue: 21/Jun/2017

Date of certificate expiry: 20/Jun/2021

Indicate where the current audit fits within the certification cycle				
Main (Initial) Audit	First Surveillance Audit	Second Surveillance Audit	Third Surveillance Audit	Fourth Surveillance Audit
<input type="checkbox"/>	X	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

2 Scope of the evaluation and SBP certificate

Trading and shipping of wood pellets and wood chips for use in energy production from the harbour of Viborg, Russia and the harbours of Ventspils and Riga, Latvia to harbours in Europe. The scope of the certificate does not include Supply Base Evaluation.

Ekman & Co AB is a biomass trader organization based in Sweden. In the context of SBP, Ekman ships vessels of pellets or wood chips produced by SBP certified Biomass Producers in Russia and in the Baltic Countries to power plants in Western and Central Europe. The period of ownership begins when the pellets or the wood chips are loaded in to vessels and ends when the pellets or wood chips are delivered to the client harbour (always FOB terms applied). There are no other processes involved other than shipping.

3 Specific objective

The specific objective of this evaluation was to confirm that the Ekman's management system is capable of ensuring that all requirements of specified SBP Standards are implemented across the entire scope of certification.

4 SBP Standards utilised

4.1 SBP Standards utilised

The SBP system implemented by the applicant was assessed against the following SBP standards:

- Standard 4: Chain of Custody (Standard version: 1.0, March 2015)
- Standard 5: Collection and Communication of Data (Standard version: 1.0, March 2015)

The latest versions of SBP standards are available at:

<http://www.sustainablebiomasspartnership.org/documents/standards-documents/standards>

4.2 SBP-endorsed Regional Risk Assessment

Ekman is a biomass trader only, N/A.

5 Description of Biomass Producer, Supply Base and Forest Management

5.1 Description of Biomass Producer

Ekman is a biomass trader only, N/A.

5.2 Description of Biomass Producer's Supply Base

Ekman is a biomass trader only, N/A.

5.3 Detailed description of Supply Base

Ekman is a biomass trader only, N/A.

5.4 Chain of Custody system

Ekman has valid Chain of Custody certificates, issued by DNV GL Sweden, for FSC (certificate DNV-COC-000499, expiry date 2020-10-31) and for PEFC (certificate 2012-SKM-PEFC-47, expiry date 2020-10-31) . Both certificates include Wood pellets within their scopes.

The scope of the FSC system is "Trading of paper, pulp, fuel wood and fuel wood pellets, FSC Mix, FSC Recycled and FSC Controlled wood" and it is a transfer system with physical separation in all phases. The scope of the PEFC system is "Trading of PEFC certified paper, pulp, fuel wood and fuel wood pellets using physical separation method." Based on the reviewed supplier and sales invoices, claims are being transferred correctly in both systems. The corresponding transfer system will be applied for SBP as well, since there are no storage sites (only vessels) and all orders will be delivered with FOB terms. Ekman is also aware of the SBP claims and batch specific coding system, which will be used in the sales invoices.

6 Evaluation process

6.1 Timing of evaluation activities

Activity	Date	Location	Persons involved	Duration
Audit planning, document review	September 2016	DNV Office, Espoo FIN	Lead Auditor	4 hrs
Site audit	13 October 2016	Ekman's HQ, Gothenburg SWE	Lead Auditor, SBP responsible, CoC systems' responsible, accountant	8 hrs
Report writing, assessment of corrective actions, technical review	October-November 2016	DNV Office, Espoo FIN	Lead auditor, Technical reviewer, Certification decision maker	4 hrs

6.2 Description of evaluation activities

A pre-assessment was not considered necessary as the organization only trades and ships the biomass supplied by Russian and Baltic biomass producers.

The on-site audit contained opening meeting, review of the Chain of Custody System, verification of the management system and GHG profiling data, and a closing meeting. Means of verification included document reviews, record reviews, interviews of responsible personnel and calculation verifications. Critical control points included verification of purchased raw material category (SBP Compliant vrs. SBP Controlled). The Ekman staff were well aware of the requirements in this sense.

After the audit, Ekman provided DNV with corrective actions. The lead auditor accepted these actions, finalized the report package and passed it further to Technical Review.

6.3 Process for consultation with stakeholders

Ekman is a biomass trader only, N/A.

7 Results

7.1 Main strengths and weaknesses

Ekman has a solid basis for SBP, as there is a proven CoC system with two schemes in place and competent professionals in charge. Overall, the implementation of SBP requirements is rather simple in the Ekman context.

During the audit it was noticed that the SBP training of the Ekman personnel was not conducted extensively, especially training of the administrative staff issuing sales invoices. See chapter 10 for audit findings.

7.2 Rigour of Supply Base Evaluation

Ekman is a biomass trader only, N/A.

7.3 Compilation of data on Greenhouse Gas emissions

Ekman has years of experience for GHG calculations and profiling, as some clients have required GHG emissions data for the pellets delivered. However, in terms of SBP, the calculation consists of shipping emissions only, as all biomass is purchased and delivered with FOB terms – no handling, warehousing, loading or unloading take place during the period of ownership. The emissions are based on the vessel characteristics and distances given by the AXS Marine webtool.

7.4 Competency of involved personnel

Based on the audit interviews, all personnel are aware of the SBP requirements even on detailed level and have the adequate competencies and knowledge for their tasks. For example, the accountants and CoC responsible have been involved in CoC systems and GHG profiling systems for years. Furthermore, the SBP responsible has been involved in the development of the SBP framework.

7.5 Stakeholder feedback

Ekman is a biomass trader only, N/A.

7.6 Preconditions

None.

8 Review of Biomass Producer's Risk Assessments

Ekman is a biomass trader only, N/A.

9 Review of Biomass Producer's mitigation measures

Ekman is a biomass trader only, N/A.

10 Non-conformities and observations

No Major Non-Conformities issued.

One (1) Minor Non-Conformities:

- There is no system for handling complaints (ref. SBP Standard 4, clause 6.4.1). The non-conformity will not impact the integrity of the affected SBP-certified products and the credibility of the SBP trademarks.

Two (2) Observations:

- Needs for amendments and clarifications in the company SBP manual. In addition, no training has been conducted for the personnel involved in the SBP system (e.g. persons responsible for sales invoices).(ref. SBP Standard 4, clause 5.3)
- Supplier register held and updated only for pulp suppliers, since so far there has not been any sales of PEFC/FSC certified pellets. Register *not existing and certificate validity not verified for pellet suppliers.*(ref. SBP Standard 4, clause 5.3)

11 Certification decision

DNV GL Personnel involved in the certification process:

- The audit was conducted by Martti Kuusinen, qualified SBP lead auditor.
- The Technical Review was conducted by Karina Seeberg Kitnaes, qualified SBP lead auditor.
- The Certification Decision was made by Technical Manager Kimmo Haarala, acting as the DNV GL Management representative.

Based on the assessment process, it has been shown that the management system implemented by Ekman & Co AB meets the requirements of the applicable SBP standards and a certificate can therefore be issued.

Date of certification: 21-06-2017

Date of expiry of the certificate: 20-06-2021.

12 Surveillance updates

12.1 Evaluation details

Activity	Date	Location	Persons involved	Duration
<i>Audit planning, document review</i>		<i>DNV Office, Espoo FIN</i>	<i>Lead Auditor</i>	<i>4 hrs</i>
<i>Site audit</i>	<i>05-09-2017</i>	<i>Ekman's HQ, Gothenburg SWE</i>	<i>Lead Auditor, SBP responsible, CoC systems' responsible, accountant</i>	<i>8 hrs</i>
<i>Report writing, assessment of corrective actions, technical review</i>		<i>DNV Office, Espoo FIN</i>	<i>Lead auditor, Technical reviewer, Certification decision maker</i>	<i>4+ hrs</i>

12.2 Significant changes

The following two changes have been added under the scope of the certificate:

- The sales office of the company in Denmark has been added under the scope of the certificate. The sales office operate under the Hs of the company in Sweden. This office will start trading wood pellets on behalf of the HQ.
- The company has - next to the product group Wood pellets - added wood chips as a product group under the scope of the certificate,

12.3 Follow-up on outstanding non-conformities

The one (1) minor and two (2) observations from the IA were closed out at the first periodic surveillance audit:

IA-2-2016	Minor	There is no system for handling complaints.	SBP STD 4_6.4.1	Procedures for handling complaints are in place. Section in manual on routines.	Closed
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IA-1-2016	Obs	Needs for amendments and clarifications in the company SBP manual. In addition, no training has been conducted for the personnel involved in the SBP system (e.g. persons responsible for sales invoices).	SBP STD 4_5.3	05-09-2017; Since the last audit, the company has updated their SBP manual to now include the listed missing elements: Clear division of responsibilities, approval date and version no., mechanisms for inserting sales data into the DTC and communicating GHG profiles. The company has conducted training of relevant personnel and has maintained a logfile of people trained.	Closed
IA-3-2016	Obs	Supplier register held and updated only for pulp suppliers, since so far there has not been any sales of PEFC/FSC certified pellets. Register not existing and certificate validity not verified for pellet suppliers	SBP STD 4_5.3	05-09-2017: Supplier register seen in company management system, and for SBP suppliers held as an excel sheet. The company has maintained a SBP supplier register in excel.	Closed

12.4 New non-conformities

At the first periodic surveillance audit, only the following two Minor non-conformities were identified, dealing with data recording and SREG reporting in line with SBP Standard5, instruction document 5B:

PA1-1-2017-KAKI	Minor	During the audit, the company became aware that they need to complete the SREG report with data for the end-user. The company downloaded the template from the SBP webpage and filled in one SREG report during the audit. It was not clear from the SBP standard if the SREG report is an annual report or one for each transaction=each batch. After the audit, the auditor communicated with the SBP and it was clarified that the biomass trader needs to complete one SREG report for each transaction made in the DTS. The company has not yet prepared one SREG report for each of the three transactions.	SBP STD 5, Instruction Document 5B: 2.1.1; 3.3.1	Open
PA1-2-2017-KAKI	Minor	The data in the SREG reports will be based on the setup excel sheet with data on transport at sea (vessels on ship), where the data will be recorded for each transaction. The company has prepared example of data calculations and maps with visualising the seaway. However, at the time of the audit, the data recordings for each transaction=each batch was not systematic and not fully recorded on: country of origin, total travel/haulage distance, place of departure and arrival, transportation means/type of vehicle, fuel type and consumption per day and no of days at sea.	SBP STD 5, Instruction Document: 2.1.2; 2.1.4; 6.1.2; 6.1.7	Open

12.5 Stakeholder feedback

N/A. Ekman & Co. Ab is a biomass trader.

12.6 Conditions for continuing certification

The Biomass trader is required to correct all identified non-conformities.

12.7 Certification recommendation

Certificate remains valid.