

NEPCon Evaluation of Ekman Denmark ApS Compliance with the SBP Framework: Public Summary Report

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Completed in accordance with the CB Public Summary Report Template Version 1.2

*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, ot@nepcon.org, +420 606 730 382
Current report completion date:	31/May/2018
Report authors:	Rebecka Mc Carthy
Name of the Company:	Ekman Denmark ApS
Company contact for SBP:	Jens Albrechtsen, Key Account Manager, Lundvej 24, 8700 Horsens, Denmark
Certified Supply Base:	N/A - Trader
SBP Certificate Code:	SBP-01-97
Date of certificate issue:	01/Jun/2018
Date of certificate expiry:	31/May/2023

This report relates to the Main (Initial) Audit

2 Scope of the evaluation and SBP certificate

The SBP certification scope contain trading and transport activities without physical possession. Ekman Denmark ApS is trading wood pellets and possibly also wood chips. All material will be sold as SBP-compliant biomass and can be sourced from various biomass producer. The organization holds valid certificates for FSC CoC (DNV-COC-000499). The CoC systems are based on the principles of FSC transfer system with physical separation. The purchase and sale can be made both under the INCOTERMS FOB to FOB, FOB to CIF or FOB to CFO. There is no physical handling. As a part of this main assessment, the organization has prepared an example of calculation and communication of GHG profile (SREG document) for transport of pellets or chips under Ekman Denmark's ownership.

Scope description: The SBP certificate scope covers trading and shipping of wood pellets and wood chips use in energy and heat production. Transport is done by ship to and from various harbors in Europe. The scope of the certificate only includes trading activities with a transfer of SBP claims. There is no physical possession of the traded biomass.

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 control points in the FSC CoC system that affects the SBP certificate;
- Interviews with responsible staff; and
- Review of the records

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

N/A - The organisation is a trader.

5 Description of Company, Supply Base and Forest Management

5.1 Description of Company

Ekman Denmark is a company with sales and marketing activities in bioenergy. The company also has two wood pellet factories, but these are outside of the scope of this SBP certificate. The company's trading activities will first and foremost be related to wood pellets, but could possibly also include wood chips. The biomass is going to be delivered to several destinations and customers in Denmark for use in heat and power plants for production of sustainable and renewable heat and electricity. The traded woody biomass will be sourced from various ports in Europe and possibly also other parts of the world.

The point of purchase will, in general, be the same as the point of sale. This means that Ekman Denmark is not responsible for compilation of GHG data in cases of any GHG emissions. However, there are cases where the material will be transported under the ownership of the organization. In such a situation, the organization is responsible for collecting and reporting the GHG data for the transport.

5.2 Description of Company's Supply Base

N/A - Trader.

5.3 Detailed description of Supply Base

N/A - Trader.

5.4 Chain of Custody system

Ekman Denmark's SBP certification scope contains trading activities including transport. Ekman Denmark is trading wood pellets and wood chips. The organization is a group member of the Swedish mother company's valid FSC CoC certificate (DNV-COC-000499-P and DNV-CW-000499). The CoC system is based on the FSC transfer system with physical possession. The sales can be made in harbours (exporting and importing) with or without sea transportation. The organization has procedures for calculation and communication of GHG profile when transporting pellets or chips under Ekman Denmark's ownership by means of filling in the SREG document.

Each purchase of material is recorded including the certification status of the material and the sales always contain the same type and quantity of material as purchased.

The SBP claim will be stated on the sales invoices together with the SBP Production Batch ID code. These carry the GHG profiling and batch specific data from the Biomass Producer and GHG data relating to the transport, which is the responsibility of the Biomass Producer, given the INCOTERM used (FOB or CIF).

6 Evaluation process

6.1 Timing of evaluation activities

The main assessment was carried out on April 17, 2018. Approximately three hours was needed for the on-site audit and additional half a day for the documentation review.

Activity	Location	Auditor	Time
Opening meeting* <ul style="list-style-type: none"> • Presentation of participants • Review of agenda • Presentation of organization and systems 	Main Office	RMC	9:00 - 9:30
Review of Documented Control Systems for SBP <ul style="list-style-type: none"> • SBP internal procedures • Training records SBP • Energy and GHG Calculations 	Main office	RMC	9:30 – 11:00
Interviews with staff responsible for purchase	Purchasing department	RMC	11:00 – 11:15
Interviews with staff responsible for sales	Sales department	RMC	11:15 – 11:45
Closing meeting*	Main office	RMC	11:45 – 12:00

6.2 Description of evaluation activities

The auditor was welcomed in the Ekman Denmark office in Horsens, Denmark. The audit started with an opening meeting attended by Key Account Manager Jens Albrechtsen and Chief Accountant Majbritt Bech.

Auditor introduced the audit team, provided information about audit plan, methodology and aim of the audit. CB's approval related issues and confidentiality issues were covered as well.

After, the auditor went through all applicable requirements of the standard covering management system, CoC, recordkeeping requirements and verification of SBP compliant biomass. Later on the purchasing and logistics functions were audited. During the process overall responsible person for the SBP system and staff having key responsibilities within the system was interviewed.

During the closing meeting auditor explained the results of the audit to Key Account Manager Jens Albrechtsen and Chief Accountant Majbritt Bech and further actions were discussed.

The audit team:

Name	Qualification	Role/focus in audit
Rebecka Mc Carthy	PhD in forestry (Swedish University of Agricultural Sciences), M.Sc. in forest management	Lead auditor

	<p>Has passed the SBP auditor training programme and the NEPCon Lead auditor training for FSC and PEFC FM and CoC certification. Has experience from forest certification (FSC / PEFC FM), traceability (FSC / PEFC CoC) and SBP (Sustainable Biomass Program).</p> <p>In addition, Rebecka works with evaluation of supply chains, education and support related to legality and EU Timber Regulation (EUTR).</p>	
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6.3 Process for consultation with stakeholders

N/A - Trader.

7 Results

7.1 Main strengths and weaknesses

Ekman Denmark will mainly be involved in trading activities and has a descriptive procedure addressing most of the requirements in standard 4 and 5 including instruction notes. The organisation's mother company in Sweden is SBP certified and has done these types of trading activities before. These two companies has a close cooperation where Ekman Denmark can learn from the more experienced mother company. It is only a small group of people that will work with SBP related activities and the responsible staff showed good knowledge about the SBP system and how it will be implemented in the organization.

For weaknesses, see the non-conformity section.

7.2 Rigour of Supply Base Evaluation

N/A - Trader and hence no Supply Base Evaluation.

7.3 Collection and Communication of Data

The organization will be collecting and communication GHG and energy data when they are involved in transport. The organization has competence for this and will communicate the results via SREG to the customer.

During the on-site audit, the interviewed persons provided good knowledge about how the energy and emission data shall be collected and calculated and passed on to customers. In the event of transport of pellets or chips under Ekman Denmark ownership, the company has defined procedures for filling in the SREG document and passing this on to the client

7.4 Competency of involved personnel

It is only a small group of people that will work with SBP related activities at Ekman Denmark. The responsible staff showed good knowledge about the SBP system and how it will be implemented in the organization. One of the responsible persons has been on an SBP course to get the initial knowledge of the system. The company is also planning to build more competence among other staff at the office during the following year when they start selling biomass with SBP claims.

7.5 Stakeholder feedback

N/A - Trader.

7.6 Preconditions

No preconditions remain in the audit report.

8 Review of Company's Risk Assessments

Describe how the Certification Body assessed risk for the Indicators. Summarise the CB's final risk ratings in Table 1, together with the Company's final risk ratings. Default for each indicator is 'Low', click on the rating to change. Note: this summary should show the risk ratings before AND after the SVP has been performed and after any mitigation measures have been implemented.

N/A - Trader.

Table 1. Final risk ratings of Indicators as determined BEFORE the SVP and any mitigation measures.

Indicator	Risk rating (Low or Specified)	
	Producer	CB
1.1.1	Low	Low
1.1.2	Low	Low
1.1.3	Low	Low
1.2.1	Low	Low
1.3.1	Low	Low
1.4.1	Low	Low
1.5.1	Low	Low
1.6.1	Low	Low
2.1.1	Low	Low
2.1.2	Low	Low
2.1.3	Low	Low
2.2.1	Low	Low
2.2.2	Low	Low
2.2.3	Low	Low
2.2.4	Low	Low
2.2.5	Low	Low
2.2.6	Low	Low
2.2.7	Low	Low
2.2.8	Low	Low
2.2.9	Low	Low
2.3.1	Low	Low
2.3.2	Low	Low

Indicator	Risk rating (Low or Specified)	
	Producer	CB
2.3.3	Low	Low
2.4.1	Low	Low
2.4.2	Low	Low
2.4.3	Low	Low
2.5.1	Low	Low
2.5.2	Low	Low
2.6.1	Low	Low
2.7.1	Low	Low
2.7.2	Low	Low
2.7.3	Low	Low
2.7.4	Low	Low
2.7.5	Low	Low
2.8.1	Low	Low
2.9.1	Low	Low
2.9.2	Low	Low
2.10.1	Low	Low

Table 2. Final risk ratings of Indicators as determined AFTER the SVP and any mitigation measures.


Indicator	Risk rating (Low or Specified)	
	Producer	CB
1.1.1	Low	Low
1.1.2	Low	Low
1.1.3	Low	Low
1.2.1	Low	Low
1.3.1	Low	Low
1.4.1	Low	Low
1.5.1	Low	Low
1.6.1	Low	Low
2.1.1	Low	Low
2.1.2	Low	Low
2.1.3	Low	Low
2.2.1	Low	Low
2.2.2	Low	Low
2.2.3	Low	Low
2.2.4	Low	Low
2.2.5	Low	Low
2.2.6	Low	Low
2.2.7	Low	Low
2.2.8	Low	Low
2.2.9	Low	Low
2.3.1	Low	Low
2.3.2	Low	Low

Indicator	Risk rating (Low or Specified)	
	Producer	CB
2.3.3	Low	Low
2.4.1	Low	Low
2.4.2	Low	Low
2.4.3	Low	Low
2.5.1	Low	Low
2.5.2	Low	Low
2.6.1	Low	Low
2.7.1	Low	Low
2.7.2	Low	Low
2.7.3	Low	Low
2.7.4	Low	Low
2.7.5	Low	Low
2.8.1	Low	Low
2.9.1	Low	Low
2.9.2	Low	Low
2.10.1	Low	Low

9 Review of Company's mitigation measures

N/A - Trader.

10 Non-conformities and observations

Identify all non-conformities and observations raised during the evaluation (a tabular format below may be used here). Please use as many copies of the table as needed. Click on the  symbol on the right bottom corner of the table to repeat the table. 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 01/18	NC Grading: Observation
Standard & Requirement:	Standard #4, requirement 6.3.2
Description of Non-conformance and Related Evidence:	
The organization is based in Denmark, which is a country with one of the lowest corruption index. However, during the audit it was seen that the organization had not addressed this requirement (Exh 1a).	
Timeline for Conformance:	Other
Evidence Provided by Company to close NC:	Directly after the audit, Ekman Denmark had updated their procedure and included an anti-corruption policy (Exh 1b).
Findings for Evaluation of Evidence:	Auditor finds the corrective actions sufficient to close the observation. The organization is now more aware of this requirement.
NC Status:	Closed

NC number 02/18	NC Grading: Observation
Standard & Requirement:	Standard #4, requirement 5.1.2
Description of Non-conformance and Related Evidence:	
The organization has relevant product groups registered on their FSC CoC certificate (DNV-COC-000499-P), but has specified a product group for wood pellets and not for wood chips. There is a general product	

group in the certificate for wood in chips or particles. The organization should consider having the same level of product group information for all the material they are handling.	
Timeline for Conformance:	Other
Evidence Provided by Company to close NC:	PENDING
Findings for Evaluation of Evidence:	PENDING
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):	Ondrej Tarabus
Date of decision:	31/05/2018
Other comments:	<i>Click or tap here to enter text.</i>

12 General information

Dispute resolution: If NEPCon clients encounter organisations or individuals having concerns or comments about NEPCon services, these parties are strongly encouraged to contact the relevant NEPCon regional office or any member of the NEPCon Chain of Custody Programme. Formal complaints and concerns should be sent in writing.

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>