

# SBP

Sustainable Biomass Program

# NEPCon Evaluation of CM Biomass Partners A/S Compliance with the SBP Framework: Public Summary Report

Second Surveillance Audit

[www.sbp-cert.org](http://www.sbp-cert.org)



## 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](http://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*

*© Copyright The Sustainable Biomass Program Limited 2018*

# Table of Contents

<b>1</b>	<b>Overview</b>
<b>2</b>	<b>Scope of the evaluation and SBP certificate</b>
<b>3</b>	<b>Specific objective</b>
<b>4</b>	<b>SBP Standards utilised</b>
4.1	SBP Standards utilised
4.2	SBP-endorsed Regional Risk Assessment
<b>5</b>	<b>Description of Company, Supply Base and Forest Management</b>
5.1	Description of Company
5.2	Description of Company's Supply Base
5.3	Detailed description of Supply Base
5.4	Chain of Custody system
<b>6</b>	<b>Evaluation process</b>
6.1	Timing of evaluation activities
6.2	Description of evaluation activities
6.3	Process for consultation with stakeholders
<b>7</b>	<b>Results</b>
7.1	Main strengths and weaknesses
7.2	Rigour of Supply Base Evaluation
7.3	Compilation of data on Greenhouse Gas emissions
7.4	Competency of involved personnel
7.5	Stakeholder feedback
7.6	Preconditions
<b>8</b>	<b>Review of Company's Risk Assessments</b>
<b>9</b>	<b>Review of Company's mitigation measures</b>
<b>10</b>	<b>Non-conformities and observations</b>
<b>11</b>	<b>Certification recommendation</b>
12	General information

# 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:	05/Sep/2018
Report authors:	Christian Rahbek
Name of the Company:	CM Biomass Partners A/S
Company contact for SBP:	Rens Hartkamp, rens.hartkamp@cmbiomass.com, +31 641648258
Certified Supply Base:	Not applicable - Trader
SBP Certificate Code:	SBP-01-24
Date of certificate issue:	04/Aug/2016
Date of certificate expiry:	03/Aug/2021

This report relates to the Second Surveillance Audit

## 2 Scope of the evaluation and SBP certificate

The organization is a trader with biomass sourcing the material from different parts of the world (e.g. Russia, Belarus, Portugal, Latvia, Estonia, Lithuania or USA). The material is mostly traded through ports which are logistic sites (storage is provided by the transporter or the harbor) and only in two cases (St. Petersburg and Liepaja) it is a remote storage facility (where the material is handled by the organization's subcontractor). These two sites are included in the scope of evaluation.

The material is delivered to several destinations and customers in Europe. The point of sale is variable. The material is mostly delivered to ports in Europe.

Scope description: Trading and transportation of wood pellets and wood chips, for use in energy production, to Europe. The scope of the certificate does not include Supply Base Evaluation.

### 3 Specific objective

The specific objective of this surveillance audit was to confirm that the Biomass Producer's management system is being implemented in accordance with SBP standard requirements applicable to traders, including the use outsourced storage functions, and maintaining conformance with SBP CoC and FSC CoC requirements, including activities handled by subcontractors.

This report documents the second annual surveillance audit, which also includes the use of outsourced storage of loose bulk pellets at subcontracted warehouses at the harbours; Departure ports: St. Petersburg, Russia, and Liepaja, Latvia. Receiving ports: Grenaa, Denmark and Ystad, Sweden.

The organization holds a valid FSC certificate with transfer and credit systems implemented. The point of purchase varies, and can be FOB, storage facilities in several ports, borders between the countries or EXW at the biomass production facility. The scope of the FSC certificate includes the use of outsourced storage facilities, and also includes the facilities used for storage of SBP pellets.

The scope of the evaluation covered:

- Review of the BP's documented procedures;
- Review of the storage / logistics processes,
- Review of FSC system control points, analysis of the existing FSC CoC system;
- On-site visits to outsourced storage facilities
- Interviews with responsible staff;
- Review of the records and calculations on-site

## 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

The organization is a trader with biomass sourcing the material from different parts of the world (e.g. Russia, Belarus, Portugal, Latvia, Estonia, Lithuania or USA). The material is mostly traded through ports which are logistic sites (storage is provided by the transporter or the harbor) and only in three cases (St. Petersburg, Liepaja and Grenaa) it is a remote storage facility (where the material is handled by the organization's subcontractor). These three sites are included in the scope of evaluation.

The material is delivered to several destinations and customers in Europe. The point of sale is variable. The material is mostly delivered to ports in Europe

### 5.2 Description of Company's Supply Base

Not applicable

### 5.3 Detailed description of Supply Base

Not applicable

### 5.4 Chain of Custody system

The organization holds a valid FSC certificate with transfer and credit systems implemented. The point of purchase varies, and can be FOB, storage facilities in several ports, borders between the countries or EXW at the biomass production facility. The scope of the FSC certificate includes the use of outsourced storage facilities, includes the facilities used for storage of SBP pellets.



## 6 Evaluation process

### 6.1 Timing of evaluation activities

The surveillance audit was carried out on April 3, 2018, (St. Petersburg), June 4, 2018 (Liepaja) and June 5, 2018 (Main Office in Charlottenlund). App. 3 hours was needed for each of the onsite audit at the bulk terminals and audit activities at the office took approximately 6 hours. One half day was used for the documentation review and reporting process.

The audit activities at the main office in Charlottenlund, Denmark, was carried out concurrently with annual FSC and PEFC audits and followed the audit plan below:

Activity	Location	Auditor(s)	Date/time
Opening meeting*	Office	CAR	05/06/2018 10.00 - 10.30
Interview with the FSC, PEFC and SBP responsible personnel; review of procedures	Office	CAR	10:30 - 12.00
Break			12:00 - 12:30
Interview with Purchasing department representative (material sourcing and reception, purchasing documents)	Purchasing department	CAR	12:30 - 13:30
Interviews with the responsible staff members for different sections of the SBP control system (shipping, sales documents)	Sales department, logistic department	CAR	13:30 - 14:30
Energy data collection and calculation (SREG), communication of SBP batches and sustainability characteristics	SBP responsible person	CAR	14:30 – 15:30
Presentation of the results of the audit.	Office	CAR	15:30 - 16:00

## 6.2 Description of evaluation activities

### Audit team roles and qualifications

Name	Qualifications	Responsibilities
Christian Anton Rahbek	M.Sc. (Forestry) from University of Copenhagen. Has passed NEPCon Lead Auditor Training for FSC and PEFC FM and CoC certification and has passed SBP Lead Auditor exam. Experience from more than 200 FSC, PEFC and SBP audits in Denmark and Europe.	Lead Auditor, Overall responsible for evaluation and for evaluation at HQ in Charlottenlund and storage in Grenaa
Nikolai Tochilov (NT)	FSC CoC and FM auditor, SBP auditor  NEPCon SBP lead auditor. He passed SBP auditor training in Tallinn in January 2015; previous experience with SBP pre- assessment and SBP assessment in Russia.	Auditor  Responsible for evaluation of storage at St. Petersburg
Liene Suveizda (LS)	FSC CoC and FM auditor, SBP auditor  NEPCon SBP lead auditor. Passed SBP auditor training in Latvia in May 2016; previous experience with SBP audits in Latvia and Estonia.	Auditor  Responsible for evaluation of storage at Liepaja

Audit at the main office in Charlottenlund, Denmark (5/6/2018):

Auditor was welcomed in the CM Biomass Partners main office in Charlottenlund, Denmark, by Rens Hartkamp and Vera Basharina. The site visits started with an opening meeting with the responsible staff, with management representation from COO Michael Hjort Christensen.

Lead auditor introduced him, 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 applicable requirements of the standard covering management system, CoC, recordkeeping/credit systems and volume accounting requirements, and procedures for maintaining control systems at the sites. During the process overall responsible person for SBP system and staff having key responsibilities within the system were interviewed and applicable documents reviewed.

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

Audit activities at the outsourced storage facilities in Grenaa, Denmark (17/5/2018); St. Petersburg, Russia (3/4/2018); Liepaja, Latvia (4/5/2018).

Auditor was welcomed in administration offices at the Grenaa Bulk Terminal in Grenaa, Denmark and St. Petersburg, Russia, respectively. The site visits started with an opening meeting with the staff responsible at the sites.

Lead auditor introduced herself/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 applicable requirements of the standard covering management system, CoC, recordkeeping/mass balance requirements, and procedures for physical segregation and credit system as relevant at the sites. During the process overall responsible person for SBP system and staff having key responsibilities within the system were interviewed and storage sites were attended.

### 6.3 Process for consultation with stakeholders

Not applicable

## 7 Results

### 7.1 Main strengths and weaknesses

The main strengths of the organization lies with it's very comprehensive system for recording all movements of product volumes under it's ownership, and the associated procedures for verification, tracking and recording of biomass volumes. The staff carrying the main responsibilities for the SBP CoC system and biomass sustainability characteristics showed excellent competence and dedication to implementing and maintaining the system during the audit. For identified weaknesses of the organization's SBP certification, please see the NCR section of this report.

### 7.2 Rigour of Supply Base Evaluation

Not applicable

### 7.3 Collection and Communication of Data

The organization

### 7.4 Competency of involved personnel

The overall responsible person in the company is Mr. Michael Christensen, but the responsibilities in relation to maintaining and implementing FSC and SBP CoC systems are handled by sustainability manager Rens Hartkamp, Ph.D. supported by Ms. Vera Basharina, Certification Specialist. Most of the requirements were addressed by Rens Hartkamp as the most experienced person in SBP certification. Rens showed very good knowledge of the system and is also responsible for training of employees. Rens passed the SBP auditor training and exams in Amsterdam in May 2015.

### 7.5 Stakeholder feedback

Not applicable

### 7.6 Preconditions

No preconditions to maintenance of the certificaiton exist, however follow up on identified NCR 01/18 and 03/18 is required pior to the next annual audit and no later than 12 months from the date of the closing meeting.

## 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.*

Not applicable

**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

Not applicable

## 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.

<b>NC number</b> 01/18	<b>NC Grading:</b> Minor
<b>Standard &amp; Requirement:</b>	SBP Standard #4, requirement 6.3
<b>Description of Non-conformance and Related Evidence:</b>	
<p>The organization implements both FSC and PEFC worker's rights and Health &amp; Safety requirements. The organization demonstrates its commitment to OHAS elements in its Due Diligence system, and maintains good OHAS procedures, including access to an ergotherapist. The organization is mainly based on office work, and no breaches to health and safety procedures were identified during the on-site audit. However, during the audit in the main office, it was found that the organization did not have the mandatory Workplace evaluation process (APV). Since this is a legal requirement in Denmark, minor NCR 01/18 was raised.</p>	
<b>Timeline for Conformance:</b>	By the next surveillance audit, but no later than 12 months from report finalisation date
<b>Evidence Provided by Company to close NC:</b>	Pending
<b>Findings for Evaluation of Evidence:</b>	Pending
<b>NC Status:</b>	Open

<b>NC number</b> 02/18	<b>NC Grading:</b> Minor
<b>Standard &amp; Requirement:</b>	SBP Standard #4, Instruction Note 4B, requirement 1.3
<b>Description of Non-conformance and Related Evidence:</b>	
<p>The organization has used the SBP name in their CSR policy, and while this use is in accordance with standard requirements and limitations, the document has not been submitted to the SBP secretariat for approval prior to use, as required by the SBP Trademark License Agreement. See minor NCR 02/18</p>	



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:	The organization has provided an approval from the SBP secretariat of the use of the SBP trademarks in the organizations CSR document immediately after the onsite audit. See exhibit 10
Findings for Evaluation of Evidence:	Auditor finds that the approval along with the documented procedures and interviews with responsible staff during the audit documents that the organization has addressed the NCR sufficiently. The NCR is closed on this background.
NC Status:	Closed

NC number 03/18	NC Grading: Minor
Standard & Requirement:	Instruction Document 5B requirement 6.1.7
Description of Non-conformance and Related Evidence:	
Through document review it was found that most the SREGs include all applicable fuel consumption data, and that the values reported could be justified and supported with relevant and plausible explanations of the fuel and electricity consumption of the mode of transport used. However, fuel consumption for the diesel train used for transport from the Latvian border to the harbour of Liepaja, Latvia, for wood pellets from Bigosovo, the data could not be verified. Also, data for train transport was included twice in the SREG, both in the section "Energy use for transport of biomass PART 1 – General transport data" and in "PART 3 –Storage, handling and trans-shipment".	
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:	The organization sent an updated SREG for MV Listerhav, where the information regarding the fuel consumption of the train has been corrected, and the double occurrence deleted. See exhibit 6.: SREG MV Listerhav Corrected.
Findings for Evaluation of Evidence:	Auditor finds that the corrective actions are sufficient, and the NCR is closed on this background.
NC Status:	Closed

NCR: 04/18	NC Classification: minor
Standard & Requirement:	SBP Instruction Document 5B: Energy and GHG Data v. 1.1 October 2016, requirement 6.2.6:  The Legal Owner shall justify the approach followed and the values used to the CB, and this information shall be recorded in the SAR or SREG, as appropriate.

Description of Non-conformance and Related Evidence:	
<p>Organisation submitted the documented evidence (see Exhibit 1) from S.Petersburg sea port about energy consumption during biomass handling (unloading from train, storage at warehouse and loading to vessel). The following findings have been made by auditor after document review:</p> <ul style="list-style-type: none"> <li>• According to the interview with sea port representative, they use different forklift loaders for biomass handling (with carrying capacity 1,5-2 tones and 7 tones). Representative however could not recall the models of the loaders, and auditor was not able to observe them during inspection. At the same time, in documented evidence from sea port it is mentioned two times that front-end loaders Toyota are used for unloading of the big bags from wagons and its delivery to warehouse (15 meters distance). It is unclear what kind of loaders are used for big bags transportation from the warehouse to pier prior to biomass loading to vessel, and what is energy (electricity or diesel) consumption in this case. Organisation also has got information from the sea port right during audit, that a part of the loaders has been replaced with the new vehicles from the other producer.</li> <li>• Some share of biomass is delivered by biomass producers to sea port by trucks. Fuel consumption for unloading of the big bags from trucks by loaders is not specified in documented evidence from sea port.</li> <li>• In the reporting period one of the biomass producers supplied biomass in containers, and in such case other type of the loader should have been used – reach-stacker. Documented evidence from sea port does not include fuel consumption for this type of loader.</li> <li>• Electric gantry crane ‘Sokol’ is used for biomass loading to the vessels. According to the documented evidence from sea port, electricity consumption for this crane is 328 kWt/hour (reference is given to the following source of information in Internet: <a href="http://www.scienceforum.ru/2015/951/8323">http://www.scienceforum.ru/2015/951/8323</a>). However, the same source specifies much higher electricity consumption for this crane – 384 kWt/hour.</li> <li>• Organisation uses two warehouses in sea port, and electric lightning is used there. Documented evidence from sea port does not contain any information about electricity consumption for this purpose.</li> </ul>	
Corrective action request:	<p>Organisation shall implement corrective actions to demonstrate conformance with the requirement(s) referenced above.</p> <p>Note: Effective corrective actions focus on addressing the specific occurrence described in evidence above, as well as the root cause to eliminate and prevent recurrence of the non-conformance.</p>
Timeline for Conformance:	By the next audit, but not later than 12 months after report finalization date
Evidence Provided by Organisation:	Documented evidence on energy consumption at S.Petersburg harbour, related to biomass handling (Exhibits 11, 12, 13)
Findings for Evaluation of Evidence:	Prior to report finalization, Organisation submitted to NEPCon team the updated documented evidence on energy consumption at sea harbour. This includes biomass unloading and handling operations, biomass storing at warehouses, and biomass loading to the vessels. Different

	<p>biomass delivery scenarios are taken into account (delivery by railway in big bags or containers, and delivery by track). After documents review NEPCon audit team come to conclusion that updated evidence on energy use is sufficient, and closed minor NCR.</p>
<p>NCR Status:</p>	<p>CLOSED</p>
<p>Is the non-conformity likely to impact upon the integrity of the affected SBP-certified products and the credibility of the SBP trademarks?</p>	<p>Yes <input type="checkbox"/></p> <p>No <input checked="" type="checkbox"/></p>

## 11 Certification decision

<b>Based on the auditor's recommendation and the Certification Body's quality review, the following certification decision is taken:</b>	
<b>Certification decision:</b>	Certification approved
<b>Certification decision by (name of the person):</b>	Pilar Gorría Serrano
<b>Date of decision:</b>	05/09/2018
<b>Other comments:</b>	<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>