

Control Union Certifications B.V. Evaluation of Grasmø A/S Compliance with the SBP Framework: Public Summary Report

Main (Initial) 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:	Control Union Certifications; Meeuwenlaan 4-6; P.O.Box 161, 8000AD Zwolle, Netherlands.
Primary contact for SBP:	Andrea Ferrazzo, +31 (0)657312287
Current report completion date:	02/Jun/2019
Report authors:	Mr. L. Holm (Lead Auditor)
Name of the Company:	Grasmo A/S
Company contact for SBP:	Anders EttestølArbaflame AS, Box 2934 Solli, N-0230 Oslo, Norway +47 48171451 anders.etestol@arbaflame.no
Certified Supply Base:	Norway, Sweden
SBP Certificate Code:	SBP-06-28
Date of certificate issue:	26/Jun/2019
Date of certificate expiry:	25/Jun/2024

This report relates to the Main (Initial) Audit

2 Scope of the evaluation and SBP certificate

Scope of evaluation: Main assessment audit to assess the CH's conformance to SBP standards 2, 4, and 5 and respective Instruction Notes and Documents. The evaluation included on-site visits to the pellet plant in Matrand, Norway and the port facility in Oslo. The Organisation has been audited against FSC and PEFC Chain of Custody certificate. The FSC certificate was issued on 08/10/2015 and the PEFC certificate was issued on 09/10/2015.

Scope of certificate: The following SBP standards are applicable and form the scope of the evaluation and thus, the SBP certificate: Standard 2, Standard 4 and Standard 5 including ID5D. This certificate covers production and distribution of wood pellets, for use in energy production, at Grasmo AS pellet plant in Matrand, Norway, where pellets are also stored and loaded onto vessels for the shipping of pellets from the port of Oslo, Norway. The scope of the certificate does not include a Supply Base Evaluation

3 Specific objective

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

The scope of the evaluation covered:

- Review of the BP's management procedures;
- Review of the production processes, production site visit;
- Review of FSC/PEFC system control points and an analysis of the existing FSC/PEFC CoC system;
- Interviews with responsible staff;
- Review of the records, calculations and conversion coefficients;
- GHG data collection analysis;
- SAR and profiling data collection analysis;
- Evaluation against Instruction Document 5D: Dynamic Batch Sustainability Data v1.1

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 - No SBP endorsed Regional Risk Assessment was used for this

5 Description of Company, Supply Base and Forest Management

5.1 Description of Company

Grasmo A/S is a pellet plant located in the South-east of Norway. The pellet plant was built in 2003 and became the property of Grasmo in 2009. Grasmo is fully owned by Arbaflame A/S.

Grasmo produces steam exploded (dark) wood pellets from sawmill residues of around five sawmills. These residues for pellet production consist of sawdust of Norway spruce (*Picea abies*) and Scots pine (*Pinus sylvestris*). All volumes are procured with an FSC and/or PEFC certification claim.

The supply base is the forest areas of Norway and Sweden.

Regionally, Grasmo is a relatively small processor of wood residues and it is not involved in wood harvesting operations.

The innovative steam explosion production process is patented. The process adds more value to the wood residues than the conventional pellet production process. The pellets have a higher Net Caloric Value and can be stored outside (water resistant). This development of this technology is of value to the biomass sector worldwide.

Total annual production capacity of pellet plant is approximately 12 000 tons of pellets. The BP has implemented FSC and PEFC certification systems and all incoming feedstock is received with either FSC or PEFC claim. The organization intends to sell pellets with a SBP claim and will be using their credit system to calculate the material suitable for this claim.

5.2 Description of Company's Supply Base

The whole of Norway and Sweden are considered. A general description on forestry management practices in these countries and, for example, the measures taken to conserve biodiversity are given in the Supply Base Report. In general, these Scandinavian countries are renowned for their developed forestry sector, sustainable forest management, and exemplary socio-economic working conditions.

Full description of the Supply Base is included in the Supply Base Report which can be found at: www.arbaflame.no/sbp.

5.3 Detailed description of Supply Base

A quantitative description of the Supply Base can be found in the Biomass Producer's Supply Base Report at: www.arbaflame.no/sbp.

5.4 Chain of Custody system

The Organisation is holding valid FSC and PEFC Chain of Custody certificate system. Valid Chain of Custody system description and other documents exist. All wood fiber is tracked through the process from the district of origin through the mill to the final bill of sale. Grasmo considers only the following feedstock inputs to be SBP-compliant feedstock:

- Feedstock received with an SBP-approved Forest Management Scheme claim
- Feedstock received with an SBP-approved Chain of Custody (CoC) System claim.

A database is used to gather and control information related to the feedstock such as supplier name, scale tickets, fibre type, certification, and fibre origin. Grasmo has appropriate control mechanisms to calculate output volumes and claims. Additionally, Grasmo conducts an annual management review of the commitments, programs and procedures to evaluate the overall effectiveness of the SBP management system.

The organization has detailed and comprehensive procedures and databases to cover the necessary requirements regarding the SBP-approved Chain of Custody system.

6 Evaluation process

6.1 Timing of evaluation activities

The audit occurred on May 30-31, 2019 by the above mentioned audit team. This report is the result of the findings of a certification evaluation carried out by an independent lead auditor representing Control Union Certifications. The purpose of the assessment was to evaluate the compliance of the client with respect to the standards used within the scope of the certificate.

Activity	Date/time	Location	Executed by (role)
Preparation (telephone/email on scope and planning)	04/05/2019 02 hours	Remote	Hubert Jurczyszyn (certifier)
Audit			
Opening meeting	30/05/2019 09:00-09:15	Grasmo	Lennart Holm (lead auditor)
Review of documents and records, Supply Base Report	09:15 – 12:00	Grasmo	Lennart Holm
Review of COC system/procedures, interview responsible personnel	13:00 – 15:00	Grasmo	Lennart Holm
Interviews key personnel purchase and sales	15:00 – 18:00	Grasmo	Lennart Holm
GHG paper audit and evidence review, including visit of facilities and the port of Oslo	31/05/2019 09:00 – 12:00	Grasmo	Lennart Holm
Business integrity, social, health and safety requirements. Logo/Trademark use	13:00 – 15:00	Grasmo	Lennart Holm
Closing Meeting	15:00 – 16:00	Grasmo	Lennart Holm
Report writing	02/06/2019	Remote	Lennart Holm

6.2 Description of evaluation activities

The audit consisted of an opening meeting, during which the scope was confirmed. The auditor also explained the methods to be employed during the audit.

After this introduction, all relevant requirements of the applicable SBP standard(s) were verified on compliance through the use of a report template and checklists.

The audit was completed by filling in the audit report and discussing the audit results. During this closing meeting it was also discussed how evidence can be submitted of corrective action with respect to non-conformities that were identified during the audit.

1. Names and affiliations of people interviewed
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Name:	Affiliation:
Anders Ettestøl	Arbaflame AS
Rune Brusletto	Grasmo AS
Bjørn Halvar Knappskog	Arbaflame AS
Rens Hartkamp	Biomass Consult
Piotr Cuba	Port of Oslo
Ken Thomas Halvorsrud	Grasmo AS

2. Critical control points, summary	
<i>Identified CCP</i>	<i>Evaluation CCP</i>
Biomass production	produced pellets are weighted, the final weight of produced pellets is recorded in lager telling.xls
Sourcing and input check	Check prior to sending the material by supplier and check upon receiving
Reception and storage	Reception and storage of material based on credit control system.
Volume control	Physical separation but certified input material

6.3 Process for consultation with stakeholders

Consultation with stakeholders' was conducted by Control Union on 30/04/2019.

The process for stakeholder consultation consisted of sending direct email to different stakeholder categories: state institutions, local NGOs, authorities, government bodies, forest owners associations, academic and research institutions. All stakeholders are recorded on the consultation record.

No comments were received.

7 Results

7.1 Main strengths and weaknesses

The assessment results of Grasmo AS demonstrated a good level of compliance with the required criteria of Standard 2, 4 and 5. There was reasonable evidence provided to support compliance with the applicable SBP standards. The existence of a Chain of Custody system such as FSC and PEFC COC are considered a main strength with respect to Grasmo's overall conformity with the relevant SBP standards.

7.2 Rigour of Supply Base Evaluation

N/A, no SBE in the scope of the certificate.

7.3 Collection and Communication of Data

The organization has in depth procedures for this in depth procedures for this. The auditor confirmed the Greenhouse Gas (GHG) sources for feedstock inputs, production, storage and handling at the facility and loading of vessels at the port. A review of how the input data was measured. Findings were substantiated by on-site staff interviews with operations personnel on the overview of the operations at the facility, historical operations, changes to operations, procedures and processes used to maintain the facility, and procedures and processes used to ensure data quality. Grasmo demonstrated full competency to analyse and report the required data on Greenhouse Gas emissions

7.4 Competency of involved personnel

The company has one person who has the main responsibility related to the SBP system. All personnel that is involved with SBP have received appropriate training whereby all relevant procedures and requirements have been covered. All training and instructions are based on the procedures as identified in company manuals, and training is provided by internal resources and recorded accordingly. Key personnel showed good knowledge of SBP requirements.

7.5 Stakeholder feedback

See 6.3 above

7.6 Preconditions

N/A, no preconditions.

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

9 Review of Company's mitigation measures

Not applicable. No SBE in the scope of the certificate.

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.*

Organization is following SBP standards in their scope of the certification in sufficient way. No non-conformities or observations were raised during the Main Assessment. No open Non-conformities exist.

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):	Hubert Jurczyszyn
Date of decision:	26/Jun/2019
Other comments:	None