

NEPCon Evaluation of Ekman Denmark A/S Compliance with the SBP Framework: Public Summary Report

Second 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

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1 Overview

CB Name and contact:	NEPCon OÜ, Filosoofi 31, 50108 Tartu, Estonia
Primary contact for SBP:	Ondrej Tarabus otarabus@nepcon.org, +420 606 730 382
Current report completion date:	06/Mar/2020
Report authors: :	Christian Rahbek
Name of the Company:	Ekman Denmark A/S
Company contact for SBP:	Jens Albrechtsen, Key Account Manager, jens.albrechtsen@ekmangroup.com, Phone: +45 25 72 62 65
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 Second Surveillance Audit

2 Scope of the evaluation and SBP certificate

The SBP certification scope contain biomass trading and transport activities without physical possession. Ekman Denmark ApS is trading wood pellets and potentially also wood chips and wood logs. All eligible material will be sold as SBP-compliant biomass and can be sourced from various biomass producers. The organization holds a valid certificate for FSC CoC (DNV-COC-000499). The CoC system is 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 annual surveillance audit, the organization has prepared a new example of communication of transport and GHG profile (SREG document) for transport of pellets, chips or fuel logs under Ekman Denmark's ownership.

Scope description: The SBP certificate scope covers trading and shipping of wood pellets, wood chips and fuel wood logs for use in energy and heat production. Transport is done by ship to and from various harbours 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

Not applicable – Trader only.

5 Description of Company, Supply Base and Forest Management

5.1 Description of Company

Ekman Denmark is a company with sales and marketing activities within bioenergy. The company also has a wood pellet factory, but this are outside of the scope of this SBP certificate. The companies trading activities will first and foremost be related to wood pellets but could possibly also include wood chips and fuel wood logs sold with SBP claim. 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 contain trading activities including transport. Ekman Denmark is trading wood pellets, wood chips and wood logs. 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, chips or fuel logs 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 carries 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 annual surveillance audit 2020 was carried out on January 30, 2020. The SBP audit was carried out at the same time as the PEFC main assessment of the same company's production of wood pellets. This production of wood pellets is not included in the scope of the SBP certificate. Approximately five 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	CAR	8:00 - 8:30
Review of Documented Control Systems for SBP and PEFC <ul style="list-style-type: none"> - SBP and PEFC internal procedures - PEFC Due Diligence System - Training records SBP and PEFC - Energy and GHG Calculations 	Main office	CAR	8:30 – 10:00
Interviews with staff responsible for purchase	Purchasing department	CAR	10:00 – 10:30
Interviews with staff responsible for sales Interviews with staff responsible for SBP/PEFC Logo usage	Sales department	CAR	10:30 – 11:00
Lunchbreak and transport to Vildbjerg			11:00 – 12:30
Evaluation of implementation of: Procedures for inputs reception, segregation and/or implementation of credit system in production and storage. Responsibilities and Training	Production facilities in Vildbjerg	CAR	12:30 – 15:00
Closing meeting*	Vildbjerg or Main office	CAR	15:00 – 15:30

6.2 Description of evaluation activities

The auditor was welcomed in the Ekman Denmark office in of the production facilities in Vildbjerg, Denmark. The audit started with an opening meeting attended by overall responsible and Key Account Manager Jens Albrechtsen.

Auditor introduced himself, 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, CCP, 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. The organization has not yet made any SBP purchases or sales.

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
Christian Rahbek	M.Sc. (Forestry) from the University of Copenhagen. Has passed NEPCon Lead Auditor Training for FSC and PEFC FM and CoC certification. Experience from more than nine years of FSC, PEFC and SBP audits in Denmark and abroad.	Lead auditor

6.3 Process for consultation with stakeholders

N/A - Trader

7 Results

7.1 Main strengths and weaknesses

Strengths: Ekman Denmark will only 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.

Weaknesses: The organization has not yet made any SBP transactions or sales, and therefore implemented procedures have not become routine.

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.

7.4 Competency of involved personnel

The involved personnel was found competent in implementing the SBP CoC system, making correct claims and forward GHG/Transport data in SREG documents when required. All SBP responsibilities are assigned to Key Account Manager Jens Albrechtsen and Head of accounting Majbritt Bech.

7.5 Stakeholder feedback

N/A – Trader.

7.6 Preconditions

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.

N/A – Trader.

9 Review of Company's mitigation measures

N/A – Trader.

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.*

No NCRs have been issued during this audit.

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):	Olesja Puiso
Date of decision:	06/Mar/2020
Other comments:	<i>Click or tap here to enter text.</i>