



NEPCon Evaluation of Vattenfall Energy Trading GmbH Compliance with the SBP Framework: Public Summary Report

Fourth Surveillance Audit

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The promise of good biomass



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, +420 605 638 383
Current report completion date:	09/Sep/2020
Report authors: :	Ondrej Tarabus
Name of the Company:	Vattenfall Energy Trading GmbH, Dammtorstrasse 29-32 Hamburg Germany 20354
Company contact for SBP:	Gabriele Rahn, T +49 40 244 30 328, M +4915254626932, gabriele.rahm@vattenfall.com, www.vattenfall.com
Certified Supply Base:	N/A
SBP Certificate Code:	SBP-01-49
Date of certificate issue:	07/Nov/2016
Date of certificate expiry:	06/Nov/2021

This report relates to the Fourth Surveillance Audit

2 Scope of the evaluation and SBP certificate

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

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;
- Interviews with responsible staff;
- Review of the records and calculations

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

5 Description of Company, Supply Base and Forest Management

5.1 Description of Company

Vattenfall Energy Trading N.V. (VET) located in Hamburg, is the energy trading office of Vattenfall, Sweden. The SBP certification scope contains trading activities only. VET is trading pellets and chips and the material is sourced from different parts of the world with a focus on USA, Baltics and Russia. The organization holds a FSC CoC certificate with the certificate number NC-COC-026083. The CoC system is based on a physical separation (for details see below). The purchase is made FOB or DAP and sales DAP or CIF, and the GHG emissions occur during transport, handling and storage of the biomass. The scope of the certificate does include physical possession of the material in one Baltic harbour. The material is at the time of the audit sold to different customers over the world.

5.2 Description of Company's Supply Base

N/A

5.3 Detailed description of Supply Base

N/A

5.4 Chain of Custody system

The organization has implemented FSC transfer system for biomass (wood pellets and chips) in the scope of the certificate (NC-COC-026083). The process covers trade with biomass without physical possession or with physical possession in one Baltic harbour. The material is sourced from different parts of the world with a focus on USA, Baltics and Russia.

Once the material is purchased it is either directly sold to the customer or stored in one Baltic harbour (different locations) and sold from this harbour (in both cases transfer system is used). The storage location is defined for each material based on the supplier and certification claim by the head office in Hamburg. This information is given to the workers at the harbour.

The organization keeps the material separate for each storage and each supplier which provides the assurance that the material with different SDI is not mixed. The organization plans to keep this system in the future as well.

Each purchased 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 is mentioned in the DTS. The sustainability characteristics for each batch are also included. This consist of the SDI from the Biomass producer, and GHG data relating to the transport, which are updated by VET.

The organization has also PEFC certificate (NC-PEFC/COC-026083), but this system was not used as a CoC system during this evaluation. Both CoC certificates were transferred to NEPCon. FSC CoC system is also using credit system for the material in the storage sites but this system is not used for SBP material anymore as the Batch information linked with SBP claim for each material, created burden which could not be overpassed.

6 Evaluation process

6.1 Timing of evaluation activities

The annual audit was carried out on June 3rd 2020 (head office audit) and on 15th June 2020 (visits of the storage sites). Half day was needed for the desk-based audit, half day for the documentation review and additionally half day for the on-site visit of the ports.

Activity	Location	Auditor(s)	Date/time
Opening meeting*	Desk Based – phone conference	OT	03.06.2020 10.00
Interview with the SBP responsible person; review of procedures	Desk Based – phone conference	OT	10.30
Interview with Purchasing department representative (material sourcing and reception, purchasing documents)	Desk Based – phone conference	OT	11:00
Interviews with the responsible staff members for different sections of the SBP control system (shipping, sales documents)	Desk Based – phone conference	OT	12:30
Energy data collection and calculation, management of SBP batches and sustainability characteristics	Desk Based – phone conference	OT	14:00
Presentation of the results of the first day of assessment / closing meeting	Desk Based – phone conference	OT	14:30
Evaluation of the chain of custody system (physical separation, traceability, interview with workers)	Port warehouse in seaport Riga	OP	15.06.2020 10:00 – 15:00
Follow-up call	Desk based – phone conference	OT	15.06.2020

			15.00
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OT – Ondrej Tarabus, OP Olesja Puiso

6.2 Description of evaluation activities

Audit started with an opening meeting attended by Gabriele Rahn, Christian Joore, Anke Herbstmann and ASI observer. The audit took place online via phone conference with all responsible workers.

Lead auditor introduced himself, provided information about audit plan, methodology and aim of the annual audit. The Certification Body's approval process and confidentiality approach were covered as well.

After that auditor went through all applicable requirements of the standard covering management system, CoC, recordkeeping requirements, DTS records, emission and energy data and verification of SBP compliant biomass. Later on the purchasing and logistics functions were audited. Overall responsible person for the SBP system and staff having key responsibilities within the system was interviewed during the audit process.

Before the head office audit, evaluation of the storage sites in Riga took place. There is only one storage provider (Logistika) with 4 storage sites in total. The auditor applied sampling $0.8 \times \sqrt{\text{number of sites}}$ which resulted of two onsite visits. These were done on 15th June.

During the closing meeting, the lead auditor presented the outcome of the audit and further actions to be taken were discussed.

Composition of audit team:

Auditor(s), roles	Qualifications
Ondrej Tarabus Audit team leader Evaluation against all applicable requirements	Czech citizen, graduated in University of Life Sciences Prague, The Faculty of Forestry. He has participated in several FSC assessments in Czech Republic, Slovakia, Italy, Germany, Vietnam, Egypt, Spain, Romania, Bosnia and Herzegovina, Austria, etc. and FSC FM audits in Czech Republic and Lithuania. Ondřej Tarabus successfully completed SBP training course and he has practical experience with carbon footprint certification as well as biofuels certification.
Olesja Puišo, NEPCon Latvia, audit team member – inspection of the harbour	MSc in Logistics. Olesja has passed FSC CoC/FM lead auditor training, PEFC CoC, ISO 140001, SAN , Legal Source as well as SBP training courses and holds an auditor qualification. Previous experience in woodworking industry as well as many years of experience within FSC/PEFC Chain of Custody and SBP auditing. Olesja has participated in a number of SBP audits in Latvia and other countries.

6.3 Process for consultation with stakeholders

N/A

7 Results

7.1 Main strengths and weaknesses

Strengths: Good overview of SBP system in general. The credit system as the CoC system is easy to follow as it is done for each storage site separately. The site in Copenhagen is not involved in the trade anymore which simplifies the transparency in the supply chain.

Weaknesses: No weaknesses in regard to SBP scheme were identified. The system is well implemented and managed.

7.2 Rigour of Supply Base Evaluation

N/A

7.3 Collection and Communication of Data

VET is responsible for emission occurred during transport, storage and handling of the material. The organization has well implemented the measures to calculate the energy from transport. The SREG were not provided to the clients as it was not requested.

The auditor agrees that this process is in line with the latest development and requirements defined in Instruction document 5E, it must be stated that SBP Standard 5 V1.0 point 6.3 ("Each organisation which takes legal ownership of SBP-certified biomass shall record any changes in carbon, energy or profiling data that occurs during the period of ownership") expects that each legal owner records the data and if these are provided/requested or not is a separate issue. It is understood by the auditor that ID5E is newer document and the intension of the requirement is clear, but it is recommended to address this inconsistency during the review of SBP STD 5.

7.4 Competency of involved personnel

The main responsible person in the company is Gabriele Rahn, Manager Biomass Business Development. The overall responsible person showed very good understanding of the requirements in relation to SBP certification and of the already implemented FSC CoC system. All other interviewed staff showed good competence, good awareness of standard requirements and own responsibilities.

7.5 Stakeholder feedback

N/A

7.6 Preconditions

N/A

8 Review of Company's Risk Assessments

N/A

9 Review of Company's mitigation measures

N/A

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 open non-conformity reports and observations.

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):	Nikolai Tochilov
Date of decision:	09/Sep/2020
Other comments:	<i>Click or tap here to enter text.</i>