



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

Third Surveillance Audit

www.sbp-cert.org



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

Version 1.0: published 26 March 2015

Version 1.1: published 30 January 2018

Version 1.2: published 4 April 2018

Version 1.3: published 10 May 2018

Version 1.4: published 16 August 2018

© Copyright The Sustainable Biomass Program Limited 2018

Table of Contents

1	Overview
2	Scope of the evaluation and SBP certificate
3	Specific objective
4	SBP Standards utilised
4.1	SBP Standards utilised
4.2	SBP-endorsed Regional Risk Assessment
5	Description of Company, Supply Base and Forest Management
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
6	Evaluation process
6.1	Timing of evaluation activities
6.2	Description of evaluation activities
6.3	Process for consultation with stakeholders
7	Results
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
8	Review of Company's Risk Assessments
9	Review of Company's mitigation measures
10	Non-conformities and observations
11	Certification recommendation

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:	26/Jan/2021
Report authors: :	Christian Rahbek
Name of the Company:	Ekman Denmark ApS
Company contact for SBP:	Ronnie Kristensen, Managing Director ronnie.kristensen@ekmangroup.com, phone: +45 29 41 21 04
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 Third Surveillance Audit

2 Scope of the evaluation and SBP certificate

The SBP certification scope contain biomass trading and transport activities. Physical possession of the biomass occurs at logitics or storage sites. 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. Physical possession of the traded biomass occurs at logistics or storage sites. The organization has prepared communication of transport and GHG profile (SREG document) for transport of pellets 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 and truck to and from various harbours in Europe. The scope of the certificate only includes trading activities with a transfer of SBP claims. Physical possession of the traded biomass occurs at logistics or storage sites.

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 in Vildbjerg, Denmark, 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.

Ekman Denmark is aware that it is responsible for compilation of GHG data in cases of any GHG emissions, i.e. in cases where the material is transported under the legal ownership of the organization. In these situations, the organization is responsible for collecting and reporting the GHG data for the transport in an SREG.

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. Only SBP compliant biomass is used under the scope. The sales can be made in harbours (exporting and importing) or at the customers' sites; with or without storage or transportation by sea and/or road. 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 claims are stated on the sales invoices, with the SBP Production Batch ID code being share through DTS.

6 Evaluation process

6.1 Timing of evaluation activities

The SBP annual surveillance audit 2021 was carried out on January 7, 2021. Due to the COVID-19 situation in Denmark at the time of the audit, it was carried out as a fully remote audit. The SBP audit was carried out at the same time as the PEFC annual audit 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 six hours was needed for the audit and additional 0.25 day for the documentation review.

Activity	Location	Auditor	Time January 7, 2021
Opening meeting* <ul style="list-style-type: none"> - Presentation of participants - Review of agenda - Presentation of organization and systems 	Main Office	CAR	9:30 - 10:00
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	10:00 – 11:30
Interviews with staff responsible for purchase Interviews with staff responsible for sales Interviews with staff responsible for SBP/PEFC Logo usage	Purchasing department Sales department	CAR	11:30 – 12:00
Break			12:00 – 13:00
Interviews with staff responsible for accounting and GHG calculation and reporting	Bookkeeping		13:00 – 14:45
Evaluation of implementation of: Procedures for inputs reception, segregation and/or implementation of credit system in production and storage. Responsibilities and Training (PEFC only)	Production facilities in Vildbjerg (Via Telephone)	CAR	14:45 – 15:00
Closing meeting*	Main office	CAR	15:00 – 15:30

6.2 Description of evaluation activities

The audit started with an opening meeting attended by overall responsible Managing Director Ronnie Kristensen.

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 Managing Director Ronnie Kristensen 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 ten years of FSC, PEFC and SBP audits in Denmark and abroad.	Lead auditor

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>

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.

6.3 Process for consultation with stakeholders

N/A – Trading activities only.

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 had at the time of the audit only made a couple of SBP transactions / sales, and therefore implemented procedures have not yet become routine. Also, see the NCR section.

7.2 Rigour of 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 handled by Managing Director Ronnie Kristensen and Head of accounting Majbritt Bech.

7.5 Stakeholder feedback

N/A – Trader only

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.

9 Review of Company's mitigation measures

N/A – Trader only

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.

NC number 01/21	NC Grading: Minor
Standard & Requirement:	SBP STD #4, Req. 5.1.2: The legal owner shall implement all aspects of the SBP approved CoC system requirements for the SBP feedstock or biomass. Where there is a conflict between the requirements in the SBP-approved CoC system requirements and those specified in the SBP standards, the SBP standards shall have precedence.
Description of Non-conformance and Related Evidence:	
The organization had documented a simple physical separation system for their trading activities, based on direct trade without physical ownership. The material is verified during the purchasing process, the certification status is evaluated together with the supplier certification and if everything is correct than sales documents are issued. However, during the audit, it became clear that the organization maintains stock at an outsourced storage facility at Shipping DK in the port of Køge, Denmark, and that there is also has been some biomass in stock temporarily at a logistics site near the town Vejen, Denmark. Immediately following the audit, the organization submitted a updated documented procedure, that now also mentions the keeping of stocks in outsourced storage facilities. However, the actual procedures for keeping of stock are still covered by the documented SBP procedure (section 4. COC system requirements and COC Control system) nor is a direct reference to the FSC procedures in place. As the outsourcing agreement required by the CoC system was in place, and the physical segregation has been ensured, this is seen as a minor NCR	
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:	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):	Pilar Gorria Serrano
Date of decision:	26/Jan/2021
Other comments:	