Sustainable Biomass Program

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

Second Surveillance Audit

www.sbp-cert.org

Completed in accordance with the CB Public Summary Report Template Version 1.3

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

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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:	25/Oct/2018
Report authors: :	Ondrej Tarabus
Name of the Company:	Vattenfall Energy Trading GmbH Copenhagen Branch,
Company contact for SBP:	Gabriele Rahn, gabriele1.rahn@vattenfall.de, +49 40 244 300
Certified Supply Base:	N/A
SBP Certificate Code:	SBP-01-47
Date of certificate issue:	21/Oct/2016
Date of certificate expiry:	20/Oct/2021

This report relates to the Second Surveillance Audit

2 Scope of the evaluation and SBP certificate

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

Scope Item	Check all that apply to the Certificate Scope	Change in Scope (N/A for Assessments)
Approved Standards:	*SBP Standard #4 V1.0; SBP Standard #5 V1.0* http://www.sbp-cert.org/documents	☐
Primary Activity:	Trader without physical possession	☐
Input Material Categories:	☐ SBP-Compliant Primary Feedstock ☐ SBP-Compliant Secondary Feedstock ☐ Controlled Feedstock ☐ SBP non-Compliant Feedstock ☐ SBP-Compliant Tertiary biomass ☐ Post-consumer Tertiary Feedstock ☐ SBP-approved Recycled Claim ☐ Post-consumer Tertiary Feedstock	☐
Chain of custody system implemented:	☒ FSC ☐ PEFC ☐ SFI ☐ GGL	☐
	☒ Transfer ☐ Percentage ☐ Credit	☐
Points of sales	☐ Harbour (including own handling of material) ☒ Harbour (e.g. FOB incoterms) legal owner is not responsible for handling of material at the harbour ☐ Other point of sale (e.g. gate of the BP, boarder, railway station etc.)	☐
Provide name of all points of sales	Harbour (including own handling): - - - Harbour (e.g. FOB): Copenhagen harbour Other point of sale: - - -	

Use of SBP claim:	☒ Yes	☐ No	☐
SBE Verification Program:	☐ Low risk sources only	☐ Sources with unspecified/ specified risk	☐
	New districts approved for SBP-Compliant inputs:		
Sub-scopes	N/A		☐
Specify SBP Product Groups added or removed:			
Comments:			

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 GmbH Copenhagen Brach is the Copenhagen office of the energy trader Vattenfall Energy Trading GmbH (henceforth VET), located in Hamburg, Germany. The SBP certification scope contain trading activities only. VET is trading pellets and chips which is currently only bought from the Dutch sister company Vattefall Energy Trading N.V. (VET NV). The organization holds a FSC CoC certificate with the certificate number CU-CoC-840002. The CoC system is based on the FSC transfer system principle. The purchase and sale are made at the same place; there is no physical ownership or handling, and therefore there is no change of GHG profile under VET GmbH Copenhagen Branch ownership. The scope of the certificate does not include physical possession of the material. The material is at the time of the audit only sold and delivered to the Copenhagen-based main client.

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 the FSC transfer system for biomass (wood pellets and chips) in the scope of the certificate. The process covers trade with biomass without physical possession. The material is currently only purchased from the Dutch sister-company Vattenfall Energy Trading NV (VET NL) in exactly the same place; there is no physical ownership or handling, nor change of GHG profile under VET GmbH Copenhagen Branch ownership.

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 FSC and SBP claim is mentioned on the sales invoices. The sustainability characteristics for each batch are also included. Theses consist of the GHG profiling and batch specific data from the Biomass producer, and GHG data relating to the transport, which are the responsibility of the supplier VET NL.

6 Evaluation process

6.1 Timing of evaluation activities

The annual audit was carried out on August 16, 2018. One half day was needed for the desk-based audit and additional half day for the documentation review.

Activity	Location	Auditor(s)	Date/time
Opening meeting*	Desk Based – phone conference	OT	16.08.2018 09.30-10.00
Interview with the SBP responsible person; review of procedures	Desk Based – phone conference	OT	10:00-10.30
Interview with Purchasing department representative (material sourcing and reception, purchasing documents)	Desk Based – phone conference	OT	10:30-11:00
Interviews with the responsible staff members for different sections of the SBP control system (shipping, sales documents)	Desk Based – phone conference	OT	11:00-11:30
Energy data collection and calculation, management of SBP batches and sustainability characteristics	Desk Based – phone conference	OT	11:30 – 12:00
Presentation of the results of the first day of assessment	Desk Based – phone conference	OT	12:00-12:30

OT – Ondrej Tarabus

6.2 Description of evaluation activities

Audit started with an opening meeting attended by Gabriele Rahn, Sarah Drees, Christoph Donner and Christian Jaore.

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 trough 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.

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 Lead auditor 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.

6.3 Process for consultation with stakeholders

N/A

7 Results

7.1 Main strengths and weaknesses

Good overview of SBP system in general. The transfer system as the CoC system is easy to follow. The activities were moved from Copenhagen to Hamburg and the same personnel is in charge of purchasing and sales which eliminates any possible mistakes.

7.2 Rigour of Supply Base Evaluation

N/A

7.3 Collection and Communication of Data

In absolute majority of the cases, Vattenfall Energy Trading is not responsible for any GHG emissions as the point of purchase is the same as the point of sale. Therefore, no additional energy is involved during the legal ownership of the material.

However, in the future there might be also cases where Vattenfall Energy Trading would be responsible for transport of the material and in such case the responsible person would have to calculate the shipping distances and emissions involved. During the audit the responsible person demonstrated good knowledge about how the energy and emission data shall be collected, calculated and communicated to the customer using the SBP prescribed SREG document template.

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

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

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

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.*

N/A full compliance

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 Gorría Serrano
Date of decision:	25/Oct/2018
Other comments:	*Click or tap here to enter text.*