



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

Third Surveillance Audit

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1 Overview

Certification Body (CB) Name:	NEPCon OÜ
Primary CB contact for SBP:	Ondrej Tarabus
Primary CB contact email:	otarabus@preferredbynature.org
Audit team leader:	Christian Rahbek
Audit team members:	Christian Rahbek
Name of the Company:	Ekman Denmark ApS
Company legal address:	Islandsvej 7-9, 7480 Vildbjerg, Denmark
Company contact for SBP:	Jens Albrechtsen
Company contact email:	jens.albrechtsen@ekmangroup.com
Company website:	N/A
SBP Certificate Code:	SBP-01-97
Date of certificate issue:	01 Jun 2018
Date of certificate expiry:	31 May 2023
Audit closing meeting date:	07 Jan 2021
Audit cycle:	Third Surveillance Audit

2 Scope of the evaluation and SBP certificate

Scope Item	Check all that apply to the Certificate Scope	Change in scope (N/A for Assessments)
Primary Activity:	Trader	☐
Approved Standards:	SBP Standard 4: Chain of Custody; SBP Standard 5: Collection and Communication of Data Instruction; Instruction Document 5E: Collection and Communication of Energy and Carbon Data 1.3	☐
Includes Supply Base Evaluation (SBE):	No	☐
Includes communication of Dynamic Batch Sustainability Data (DBSD)	No	☐
Includes Group Scheme	No	☐
Products	Pellets, Chips	☐

Feedstock types:	Other	☐
Feedstock origin (countries):	N/A	☐
SBP-endorsed Regional Risk Assessments used: Public link: https://sbp-cert.org/documents/standards-documents/risk-assessments/	Not applicable	☐
Chain of custody system implemented:	FSC: DNV-COC-000499-P	☐
	Transfer	☐

2.1 Description of the 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 is outside of the scope of this SBP certificate. The company's 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.

2.2 Detailed description of the Chain of Custody system

Ekman Denmark's SBP certification scope contains 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 within 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 shared through DTS.

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 Evaluation process

4.1 Timing of evaluation activities

<i>Audit Level of Effort (LoE)</i>		
Activity	Auditors	Auditor hours
1. Preparation	Christian Rahbek	1,5
2. On-site (excl. travel time)	Christian Rahbek	6,0
3. Report writing	Christian Rahbek	4,0
4. Other	Christian Rahbek	0,5

<i>Audit Schedule</i>			
Activity	Location	Auditor name	Date/time
<i>Opening meeting</i>	Virtual meeting through MS Teams	Christian Rahbek	07 Jan 2021/9:30
<i>Audit of Documented Control System</i>	Virtual meeting through MS Teams	Christian Rahbek	07 Jan 2021/10:00
<i>Interview with Purchase and sales staff</i>	Virtual meeting through MS Teams	Christian Rahbek	07 Jan 2021/11:30
<i>Interview with Head of Accounting and GHG data</i>	Virtual meeting through MS Teams	Christian Rahbek	07 Jan 2021/13:00

<i>Interview with Site manager</i>	via Phone	Christian Rahbek	07 Jan 2021/14:45
<i>Closing Meeting</i>	Virtual meeting through MS Teams	Christian Rahbek	07 Jan 2021/15:00

Auditor qualification		
Auditor name	Role	Qualification
Christian Rahbek	Lead Auditor	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.

4.2 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.

4.3 Sampling methodology

The very SBP invoices that had been received and issued where all reviewed.

4.4 CB stakeholder engagement

None.

4.5 Stakeholder feedback

None.

5 Results

5.1 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.

5.2 Rigour of Supply Base Evaluation

Not applicable

5.3 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.

5.4 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.

6 Review of company's risk assessments

6.1 Overview of company's risk assessments and mitigation measures

Not applicable

6.2 Specified risk indicators and mitigation measures

Country/Area	Indicator	Specified risk description	Mitigation measure
N/A	N/A	N/A	N/A

7 Non-conformities and observations

NC number NC-000204	NC Grading: Minor
Standard:	SBP Standard 4: Chain of Custody
Requirement:	5.1.2 The legal owner shall implement all aspects of the SBP-approved CoC system requirements for the SBP feedstock and 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. Note: SBP feedstock or biomass will not necessarily enter into the scope of the SBP-approved CoC system certification, but the SBP-approved CoC system CoC processes and requirements shall extend to SBP feedstock and biomass.
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

8 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
Date of decision:	26 Jan 2021
Other comments:	N/A