SBP

Sustainable Biomass Program

DNV GL Business Assurance Finland Oy Ab Evaluation of The Danish Nature Agency (Naturstyrelsen) Compliance with the SBP Framework: Public Summary Report

Third Surveillance Audit

www.sbp-cert.org

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

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1 Overview

CB Name and contact:	DNV GL Business Assurance Finland Oy Ab, Espoo, Finland
Primary contact for SBP:	Jyrki Sopanen; Jyrki.Sopanen@dnvgl.com
Current report completion date:	17/Jun/2019
Report authors:	Karina Seeberg Kitnaes
Name of the Company:	Naturstyrelsen (The Danish Nature Agency)
Company contact for SBP:	Mogens Krog, mokro@nst.dk
Certified Supply Base:	The Danish State forests managed by the Danish Nature Agenccy
SBP Certificate Code:	SBP-05-06
Date of certificate issue:	25/Jul/2016
Date of certificate expiry:	24/Jul/2021

This report relates to the Third Surveillance Audit

2 Scope of the evaluation and SBP certificate

Background

Naturstyrelsen (the Danish Nature Agency) produces wood chips of primary feedstock sourced from Danish state forests with head office in Randbøl and chipping sites and storages spread across Denmark.

Naturstyrelsen (the Danish Nature Agency) manages the Danish state forests and holds valid FSC FM/COC certificate (SA-FM/COC-005712), covering material with FSC 100% claim: and PEFC FM certificate (239378-2017-AE-FIN-FINAS), covering material with 100% PEFC claim, .

The primary feedstock used for the wood cips are FSC and/or PEFC certified and originates from the Danish state owned forests managed by the Danish Nature Agency and is not mixed with any other material.

The chip production is mostly taking place directly in the forest stands close to the forest road. The chips are then either delivered directly from the forest to the customer or stored temporarily at storages, which are included under the scope of the certificate. The end-points are delivery at the gate of different energy power plants in Denmark.

Scope

Production of wood chips, for use in energy production, at The Danish Nature Agency and transportation to different customers in Denmark.

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 Producer's management system is capable of ensuring that all requirements of specified SBP Standards are implemented across the entire scope of certification.

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. Supply Base Evaluation is not relevant.

5 Description of Company, Supply Base and Forest Management

5.1 Description of Company

The Danish Nature Agency (Naturstyrelsen) is a wood chips producer chipping primary feedstock originating from the forests in Denmark managed by the Danish Nature Agency itself. The head office in Randbøl with the sales office for all chips produced.

The Danish Nature Agency is a state organization under the Ministry of Environment and Food Resources managing forests under the ownership of the Danish state. The forest management consists of planning, regeneration, managing, harvesting and monitoring. Once the primary feedstock is harvested in the state forests, it is owned by the Danish Nature Agency, chipped and sold.

The wood chips are produced from primary feedstock only consisting of low quality roundwood, tree tops and wood from thinning. The majority of the primary feedstock are chipped directly in the forest or for a very small part at one of the FMU storages, many of these located within the forest area. If chipping is done at a storage facility, the feedstock is delivered by truck.

The primary feedstock is FSC certified or PEFC certified under the scope of the FSC FM/COC and PEFC FM certification of the Danish Nature Agency. The BP is implementing the FSC transfer system and PEFC physical separation. Very small land areas managed by the Danish Nature Agency are not covered by the FSC/PEFC certifications (LIFE projects implemented with other landowners or maintenance of farmland). In such case, physical separation is secured and the material not mixed nor sold as SBP-compliant. Since the last audit, no such material was sourced.

Information on origin of the biomass is included on the delivery/measurement documents with a project code for each forest stand operation providing a direct documented trace back to the forest stand of origin.

After the chipping, the biomass is in most of the cases transported directly from the forest to the energy producers. Approx. 15-20% of biomass are first delivered to one of the 27 storage facilities and from there transported to the energy power plants. All biomass is transported by truck. Ownership of the biomass is transferred to the buyer at the gate of the energy power plant.

5.2 Description of Company's Supply Base

According to Danish Statistics (2013) the forest cover in Denmark is 615254 ha, i.e. 14% of the terrestrial land area and the forest area is increasing. Approx. 75% of the forest area is under private ownership while 25% is managed by public bodies.

The standing volume is app. 130 mio m3 which is equal to 209 m3/ha. Broadleaves account for 57 % and conifers for 43 % of the standing volume. Standing volume has increased for many years due to an increasing forest area. The annual increment in standing volume is estimated to 7,7 mio m3/ha and the annual harvest is estimated to 4,8 mio m3/ha.

The supply base is the Danish state owned forests managed by the Danish Nature Agency.

The Danish Nature Agency manages state owned Danish forest and nature areas and only supply wood chips from these areas. The Danish Nature Agency manages the areas for nature and recreational purposes but also harvest forest products, including biomass, from the forest areas.

The Danish Nature Agency manages the forests according to the principles of close to nature forestry. Clear felling is in general not used being phased out and natural regeneration is the preferred regeneration method.

The forest management implemented by the Danish Nature Agency is based on Danish legislation and a clear set of centralised policies, strategies, guidelines and instructions, which feed into the GIS based management planning and reporting system.

The harvest and chipping operations are planned by the forest managers of the Danish Nature Agency and performed either by own forest workers or by contractors under the supervision of the forest managers.

The forest management is FSC and PEFC certified. The total FSC certified area is 203074,9 ha, while the PEFC certified and thus SBP-compliant area is 204272,1 ha.

Small areas are kept outside the FSC certified area consisting of agricultural fields, camping sites, golf courses, nursery and greeneries on agricultural fields: 4559,4 ha open land and 1197 ha greeneries. The area kept outside the PEFC certified area consists of agricultural fields, camping sites, golf courses and nursery: 4559,4 ha.

5.3 Detailed description of Supply Base

Supply Base

a. Supply Base area (ha): 204 316 ha [1]
b. Ownership (ha): public/state forest: 204 316 ha
c. Forest type (ha): temperate: 204 316 ha
d. Forestry (ha): managed natural: 204 316 ha
e. Certified forest by scheme (ha): 204 316 ha PEFC certified forest
203 129 ha is FSC certified forest (overlap)[2]

Feedstock

f. Total volume of Feedstock: between 200.000 to 400.000 m^3
g. Volume of primary feedstock: between 200.000 to 400.000 m^3.
h. List percentage of primary feedstock (g), by the following categories:
- PEFC certified 100 %
- FSC certified 98 %

i. List all species in primary feedstock, including scientific name:

[1] *Parts of the area is set-aside as protected forest and will not contribute to the Feedstock*
[2] *FSC does not recognize and allow greenery areas as certified. This area covers an area of 1187 ha which is the between the FSC and PEFC certified area.*

Coneferious species			
Abies Alba	Larix spp	Pinus contorta	Pinus spp
Abies Grandis	Picea abies	Pinus nigra	Pseudotsuga menziesii
Abies Normaniana	Picea glauca	Pinus ponderosa	Thuja plicata
Abies Procera	Picea sitchensis	Pinus strobus	Tsuga heterophylla (Raf.) Sarg
Abies spp.	Picea spp	Pinus sylvestris	
Broadleaved species			
Acer platanoides	Betula pubescens	Populus tremuloides	Quercus Rubra
Acer pseudoplatanus	Carpinus betulus L	Populus Spp	Quercus Spp
Alnus glutinosa	Fagus sylvatica	Prunus avium	Salix Spp
Alnus incana	Fraxinus excelsior	Quercus Petraea	Sorbus Spp
Betula pendula	Populus tremula	Quercus robur	

j. Volume of primary feedstock from primary forest 0 ha
k. List percentage of primary feedstock from primary forest (j), by the following categories. Subdivide by SBP-approved Forest Management Schemes: N/A
l. Volume of secondary feedstock: 0%
m. Volume of tertiary feedstock: 0%

Further description of the Supply Base can also be found in the Biomass Producer's Public Summary Report.

5.4 Chain of Custody system

All feedstock sourced is covered by the Danish Nature Agency' own wood traceability system, which is third party certified according to FSC FM/COC and PEFC FM/COC. The FSC transfer system and PEFC physical separation is applied and cover wood chips as a product group. All input feedstock sold as SBP-compliant biomass is FSC and/or PEFC certified.

The Danish Nature Agency maintains a common volume accounting system with calculation tools covering all regional FMUs and storage facilities, where the SBP inputs and outputs can be verified. Based on the DTS records verified against sales invoices, measurement lists and procedures, the organization is adding correct SBP claims of the biomass on sales invoices.

6 Evaluation process

6.1 Timing of evaluation activities

This third periodical audit took place partly at the main office in Randbøl and partly as site visits to three (3) selected FMUs out of 16 FMUs and 3 forest storage facilities. The audit consisted of document review, record review, interviews of responsible personnel, calculation verification, site inspection with verification of numerous data sources. Critical control points included verification of raw material category (SBP-compliant) within the defined supply base and checking the chain-of-custody system, procedures and volume account calculations thoroughly, as well as the data available as specified in the Instruction notes 5A, 5B and 5C on collection and communication of data.

Activity	Date	Location	Persons involved	Duration
Off-site audit (preparation, document, system and procedures review)	May 2019	DNVGL home office	SBP Lead auditor	0,5 person-days
On-site Audit	3 June 2019 27-29 May 2019	Main Office of Naturstyrelsen, Randbøl Site visits to 3 regional FMUs and storage facilities no. 007 Kompedal; 023 Oksbøl; 463/466 Klostermarken	SBP Lead auditor The BP team consisting of Personnel for COC, purchase and sales, for forest management procedures, for biomass production, storages and data delivery	2 person-days
Off-site audit (review, reporting):	June 2019	DNVGL home office	SBP Lead auditor Technical reviewer Certification decision Technical manager	1 person-day

Out of the many FMU storage facilities for wood chips, three (3) storages were selected by sampling and visited during the audit. All storages function and are handled in exactly the same way. The storages are either own facilities or facilities owned by the customers (the energy power plants). The Danish Nature Agency keeps control of the amounts placed at each facility at all times.

DNV GL Personnel involved in the audit process:

- The periodic audit was conducted by Karina Seeberg Kitnaes, qualified SBP lead auditor.
- The Technical Review was conducted by Martti Kuusinen, qualified SBP lead auditor.

- The Certification Decision was made by Technical Manager Kimmo Haarala, acting as the DNV GL Management representative.

6.2 Description of evaluation activities

The periodical audit 3 was focused on management system evaluation: division of the responsibilities, document and system, input material classification (reception and registration), analysis of the existing FSC system and FSC system control points as well as GHG data availability. Description of the assessment evaluation: All SBP related documentation connected to the SBP as well as FSC CoC system of the organisation, including SBP Procedures, GHG data calculations/ data sheet, Supply Base Reports, Biomass profiling data, Batch specific data, and FSC system description was provided by the BP in advance as well as were reviewed prior to the audit.

The auditor was welcomed in Naturstyrelsens main office in Randbøl. The audit started with an opening meeting attended by the relevant management staff. The auditor introduced the audit team, provided information about audit plan, methodology, auditor qualification, confidentiality issues, and surveillance methodology, as well as verified the scope. After that auditor went through all applicable requirements of the SBP standards 2, 4 and 5 including the corresponding instruction documents covering input clarification, existing chain of custody and controlled wood system, management system, CoC, recordkeeping/mass balance requirements, emission and energy data and categorisation of input and verification of SBP compliant and SBP Controlled feedstock/ biomass.

During the audit, the responsible persons for the SBP system and over responsible staff having key responsibilities within the system were interviewed.

During the field visit days combined with the field visits of the FSC and PEFC audits, the audit continued with site visits to harvesting sites, the chip production and storage sites. Due to extremely low risk of mixing certified and non-certified material (all material is coming from the FSC/PEFC certified forests managed by the BP), the volumes of material traced through storages (only very limited amount of material goes through storages) and simplicity of processes taking place at these storage areas, 15 on-site operations and three storages was visited at the 3 selected units. The sites were selected randomly. During the site visit, harvest and chipping machinery as well as chip loaders and trucks with containers were seen, the amount of material stored was compared to records, health and safety of the workers and contractors, as well as origin was confirmed.

At the end of the audit during the closing meeting, the audit finding were summarised and audit conclusion were provided to the Organisation.

6.3 Process for consultation with stakeholders

N/A. This is a periodical audit.

7 Results

7.1 Main strengths and weaknesses

Strengths: There is proven competences and long experience of the management team and all staff handling the planning, harvesting, chipping, transport and sales of wood chips. The management and recording of data relevant for the certification systems are handled by professional staff and recorded in clear digital systems. There is extremely low risk of mixing with non-SBP-compliant feestock, since the sourcing is only from own produced FSC and PEFC certified feedstock. The operations are handled by small number of management staff and there are clearly designated responsibilities between the staff members. Good data and recording systems with delivery of exact data for use in the SBP reporting.

Weaknesses: No weaknesses identified during this audit.

7.2 Rigour of Supply Base Evaluation

N/A

7.3 Collection and Communication of Data

The Danish Nature Agency has in depth procedures for collecting, recording and communicating supplied actual data relevant for SBP. Since the scope of the SBP system is limited to wood harvest, chipping and transport to the customers and as the feedstock originates from 100% primary feedstock from own managed FSC/PEFC certified forests with detailed records on forest of origin of all feedstock, the GHG profiling data can be obtained through a quite simple routine. The procedures, system and records are in line with the Document 5A requirements and procedures. The BP has maintained records and data for the ID5B Woodchip Data Report (SAR) v1-0 and the ID5C Static Biomass Profiling Data report v1-1

7.4 Competency of involved personnel

The personnel responsible for the system at Naturstyrelsen has a long experience of FSC and PEFC Chain of Custody system management, as well as FSC and PEFC FM system management and professional forest management and forest operations. The knowledge and experience of the responsible personnel relating to GHG data profiling procedures is also found to be on a relatively high level. The BP as a trader has long-term trading experience and expertise with suppliers from the supply base countries.

During the audit, interview was conducted with relevant staff members involved in the SBP system, including quality manager, chip production responsible person, sales staff, accountant, Office manager, Stock file Controller, Loading truck drivers and chipper. Interviewed staff demonstrated awareness of their responsibilities within SBP system.

7.5 Stakeholder feedback

N/A. No stakeholder feedback received since last audit.

7.6 Preconditions

N/A. None.

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. Supply Base Evaluation is not covered by the Scope of the Evaluation

9 Review of Company's mitigation measures

N/A. Supply Base Evaluation is not relevant and thus not covered by the Scope of the Evaluation

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 SBP-PA3-2019-01	**NC Grading:** Minor
Standard & Requirement:	SBP STD. 2, 15.6
Description of Non-conformance and Related Evidence:	
The responsible team at the BP main office has the authority to review and require improvements to the system. The procedures manual also dictate annual internal review including format for internal review report. However, the BP has not conducted the annual internal SBP review, including no annual review of the written SBP procedures manual.	
Timeline for Conformance:	By the next surveillance audit, but no later than 12 monhts from report finalisation date
Evidence Provided by Company to close NC:	*Click or tap here to enter description provided by Company to close the NC.*
Findings for Evaluation of Evidence:	*Click or tap here to enter findings for evaluation of evidence by the auditor.*
NC Status:	Open

NC number SBP-PA3-2019-02	**NC Grading:** Minor
Standard & Requirement:	SBP STD. 4, 5.4.1
Description of Non-conformance and Related Evidence:	
The BP has elaborated list of SDI numbers, one for each end-point and period, which are correctly constructed as SBP-05-06-ZZ-00, where ZZ is correctly fort-running numbering. The BP has reported these SDI numbers in DTS for each transaction. However on invoices and measurement lists for each transaction (monthly deliveries), a wrong production batch number is used and not the SDI numbers, i.e. instead of correctly allocated ZZ number, the customer number has been added.	

Timeline for Conformance:	By the next surveillance audit, but no later than 12 monhts from report finalisation date
Evidence Provided by Company to close NC:	*Click or tap here to enter description provided by Company to close the NC.*
Findings for Evaluation of Evidence:	*Click or tap here to enter findings for evaluation of evidence by the auditor.*
NC Status:	Open

NC number *SBP-2017-1-KAKI*	**NC Grading: Major**
Standard & Requirement:	Std 2; 7.3; 7.5; instruction note 2C, 4.1-5.5
Description of Non-conformance and Related Evidence:	
At the time of the audit, the SBR was available in version 1.1 in both English and Danish, dated 28=06-2016. The SBR was after the audit transferred to version 1.2 by the Biomass Producer. However, the Biomass Producer has not completed the section 13 of the report.	
Timeline for Conformance:	3 months from the report finalisation
Evidence Provided by Company to close NC:	07-07-2017I: The BP has submitted the SBR in latest template of the reports. The SBR in both English and Danish submitted. However, the section 13 of the update report had not been completed. 01-12-2017: The BP has submitted the SBR with updated section 13 plus other additional revisions. The report submitted in English. The SBR was submitted to SBR by e-mail from the auditor on 01-12-2017. 31-05-2018: Updated SBR in Danish and English received.
Findings for Evaluation of Evidence:	The SBR in English and Danish reviewed and accepted
NC Status:	**Closed**

NC number SBP-2017-2-KAKI	NC Grading: Minor
Standard & Requirement:	Std. 4; 5.5.2-5.5.3
Description of Non-conformance and Related Evidence:	
The sales invoices reviewed did however not contain this claim although the certificate code of the BP was included and the claim was included on the batch specific delivery document.	
Timeline for Conformance:	By the next surveillance audit, but no later than 12 monhts from report finalisation date
Evidence Provided by Company to close NC:	07-07-2017: The BP has submitted an example of invoice and deliver note, which include correct SBP-claim. The NC kept open to secure having this in place continuously and to be checked at next audit. On 31-05-2018: All invoices seen were correct.

Findings for Evaluation of Evidence:	Submitted sales documentation reviewed and assessed correct
NC Status:	Closed

NC number SBP-2017-3-KAKI	NC Grading: Minor
Standard & Requirement:	Std. 5; Instruction doc 5A, 2.2.5-2.2.5
Description of Non-conformance and Related Evidence:	
The BP has multiple Scope End-Points. The BP has been trying to understand how to build the SDIs and has so far been using the reference number SBP-05-06-01 and then a batch no in the form aa/17/bbb where aa stands for the month, 17 for the year of 2017 and bbb for the Scope End-Point. However, the SDI shall be in the form as specified: SBP-05-06-ZZ, where ZZ is a unique 2--digit for each scope-end-point and unique to the Reporting Period.	
Timeline for Conformance:	By the next surveillance audit, but no later than 12 monhts from report finalisation date
Evidence Provided by Company to close NC:	07-07-2017I: The BP has now understood the required way of listing the SDIs and has included the list of endpoints with correct SDIs in the SAR for 2016. 31/05/2018; The BP has multiple Scope End-Points. They are using a unique number for each Static Data Identifiers, recorded saved in overview "SDI kunde nummer.xls. The SDIs are in correct form as specified.
Findings for Evaluation of Evidence:	List of SDIs reviewed and compared to use of transaction IDs in DTS. SDIs assessed correct.
NC Status:	Closed

NC number SBP-2017-4-KAKI	NC Grading: Minor
Standard & Requirement:	Std. 5; 2.3.2-2.3.3; 3.2.5
Description of Non-conformance and Related Evidence:	
The BP has been trying to understand how to build these unique data identifer, but has so far been using the reference number SBP-05-06-01 and then batch no. aa/17/bbb where aa stands for the month, 17 for the year of 2017 and bbb for the Scope End-Point. The BP has furthermore used the self-created batch no. as the production batch ID in the SBP database, However, the Dynamic Batch Sustainability Data Identifier (= the production batch ID in the SBP database/DTS) shall be in the form as specified (SBP-¬05-¬06-¬ZZ-¬00). This means that the production batch ID numbers reported in the SBP database have been incorrect so far. (SBP-¬05-¬06-¬ZZ is the SDI for each end-point and00 is the Dynamic Batch Sustainability Data Identifier.)	
Timeline for Conformance:	By the next surveillance audit, but no later than 12 monhts from report finalisation date
Evidence Provided by Company to close NC:	31/05/2018: The BP has multiple Scope End-Points. They are using a unique number for each Static Data Identifiers, recorded saved in overview "SDI kunde nummer.xls and used in the DTS for transactions ID.

Findings for Evaluation of Evidence:	The SDIs are in correct form as prescribed by the standard.
NC Status:	Closed

NC number SBP-2017-5-KAKI	NC Grading: Major
Standard & Requirement:	Std. 5; Instruction doc 5B, 3.1.1-3.1.3
Description of Non-conformance and Related Evidence:	
The BP is recording the data required, but has not yet completed the 'SBP Audit Report for Energy and GHG data' (SAR), using the latest version of the template from the SBP website.	
Timeline for Conformance:	3 months from the report finalisation
Evidence Provided by Company to close NC:	07-07-2017: The BP has submitted the SAR report for 2016 using the latest template. 21-06-2018: The BP has submitted the SAR report for 2017 using the latest template.
Findings for Evaluation of Evidence:	SAR report evaluated and assessed complete and correct.
NC Status:	Closed

NC number SBP-2017-6-KAKI	NC Grading: Major
Standard & Requirement:	Std. 5; Instruction doc 5C, 2.1.1, 3.1.1-3.2.2
Description of Non-conformance and Related Evidence:	
The BP is recording the data required, but has not yet completed the SBP Static Biomass Profiling Data sheet using the latest version of the template from the SBP website.	
Timeline for Conformance:	3 months from the report finalisation
Evidence Provided by Company to close NC:	07-07-2017: The BP has submitted the profiling data report for 2016 using the latest template. 21-06-2018: The BP has submitted the profiling data sheet for 2017 using the latest template.
Findings for Evaluation of Evidence:	Profiling data sheet evaluated and assessed complete and correct.
NC Status:	Closed

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):	Kimmo Haarala
Date of decision:	23/Jun/2019
Other comments:	Based on the audit process, it has been confirmed that the management system implemented by the Danish Nature Agency meets the requirements of the applicable SBP standards.