

SBP

Sustainable Biomass Partnership

DNV GL Business Assurance Finland Oy Ab Evaluation of HedeDanmark A/S Compliance with the SBP Framework: Public Summary Report

First Surveillance Audit

www.sbp-cert.org



Completed in accordance with the CB Public Summary Report Template Version 1.0

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

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1 Overview

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Certified Supply Base: Denmark

SBP Certificate Code: SBP-05-03

Date of certificate issue: 19/Aug/2016

Date of certificate expiry: 18/Aug/2021

Indicate where the current audit fits within the certification cycle				
Main (Initial) Audit	First Surveillance Audit	Second Surveillance Audit	Third Surveillance Audit	Fourth Surveillance Audit
<input type="checkbox"/>	X	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

2 Scope of the evaluation and SBP certificate

Purchase of roundwood and wood chips and sale of wood chips, for use in energy production, at the Head Office of HedeDanmark, and production and storages for wood chips at selected facilities by sampling of 3 out of 22 storages.

The scope of the certificate does include Supply Base Evaluation for Supply Base Denmark.

The Supply Base has been extended with Norway, Estonia, Latvia, Lithuania and Germany from where only FSC and/or PEFC feedstock is sourced. For these countries, the scope does not include SBE.

The company has been audited up against SBP standards 1, 2, 4 and 5. The SBP certification number is SBP-05-03.

The post-production endpoint is delivery at the facilities of the buyers (Danish energy sector), where the buyer takes over the responsibility of the biomass.

3 Specific objective

The specific objective of this evaluation was to confirm that the management system of HedeDanmark A/S 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

The SBP system implemented by the applicant was assessed against the following SBP standards:

- Standard 1: Feedstock compliance (Standard version: 1.0 March 2015).
- Standard 2: Verification of SBP-compliant feedstock (Version 1.0, March 2015)
- Standard 4: Chain of Custody (Standard version: 1.0, March 2015)
- Standard 5: Collection and Communication of Data (Standard version: 1.0, March 2015)

The latest versions of SBP standards are available at:

<http://www.sustainablebiomasspartnership.org/documents/standards-documents/standards>

4.2 SBP-endorsed Regional Risk Assessment

At the time of the scope expansion audit, a draft version of a national Risk Assessment (RRA) were available for Denmark, which is the supply base of HedeDanmark A/S. This draft Risk Assessment has been in consultation for Danish stakeholders but at the time of the audit the draft RRA for Denmark has not been submitted to SBP for approval. The draft RRA for Denmark has been prepared with a number of Danish organisations supporting the process economically. HedeDanmark has contributed to this and has had a representative in the working group around the preparation of the draft RRA.

The company has therefore used the draft RRA as the basis for their own RA.

The company is furthermore FSC and PEFC FM certified and FSC and PEFC COC certified and has a CB approved FSC Controlled Wood risk assessment for Denmark.

5 Description of Biomass Producer, Supply Base and Forest Management

5.1 Description of Biomass Producer

HedeDanmark A/S is a Danish company, which conducts forest management in Danish forests and the open landscape and which trades forest and wood products. The main office of HedeDanmark in Viborg, Denmark, is the seat of the top management and of the purchase and sales departments responsible for the trading and chain-of-custody.

The company has regional district offices, which are responsible for the forest planning and management operations. HedeDanmark manages, develops, operates and maintains over 120,000 hectares of forest and open land in Denmark and thereby the company is the largest of its kind in Denmark.

The raw material is roundwood originating from Danish forests and surrounding landscape, which are either chipped in the forest as part of the harvest operation or transported to permanent or temporary storage facilities, where the wood is then chipped. The wood chips are sold and transported to the Danish energy sector, where the buyer takes over the responsibilities.

The company holds valid FSC FM certificate, PEFC FM certificate, PEFC COC certificate and FSC COC certificate including CB approved Controlled Wood Risk Assessment for Denmark and PEFC COC. All feedstock supplies are thereby exclusively from FSC or PEFC certified sources or FSC Controlled Wood sources within the supply base.

For Denmark, the feedstock is either FSC or PEFC certified or non-certified, which is controlled through the company SBE including RA and SVP and FSC Controlled Wood risk assessment.

Since the IA, the Supply Base has been extended with Norway, Estonia, Latvia, Lithuania and Germany from where only FSC and/or PEFC feedstock is sourced. For these countries, the company does not conduct SBE for these supply bases.

HedeDanmark A/S has been SBP certified since 19-08-2016.

5.2 Description of Biomass Producer's Supply Base

The raw material to the company is sourced from the supply Base consisting of the following countries and districts (supply bases): Denmark, Norway, Estonia, Latvia, Lithuania and Germany.

Denmark

The feedstock is supplied as either Roundwood or Wood chips produced in the forest of origin or at storage facilities within the supply bases.

The harvest and chipping operations are either planned by the forest managers of HedeDanmark and performed by Danish contractors under the monitoring of the forest managers or performed by other Danish contractors/forest owners. In the latter case, HedeDanmark purchases the wood chips from the Danish contractors.

Forest management practices are based on the country specific forestry laws, forestry guidelines, and forest management planning practices. Even-aged forestry is the dominant method. The forest rotation period is 60-100 years, containing mostly tending of the young seedling stands, two thinnings, a final harvesting and regeneration of a mature stand. Planting or natural seeding can be used in regeneration. Recently, un-even-aged forestry has become more popular and applied to the extent possible.

The total number of forest properties in Denmark is estimated to 28,000. The size of the Danish FMUs range from between 2 to 1,000 hectares.

There is limited variation in terms of ownership within the supply base. In Denmark, approx. 74 % of the forest area is owned by private persons or companies, while the remaining 26% is state-owned or owned by the municipalities.

The company has conducted a supply base evaluation with SVP and RA (SBR Annex 1), which after approval will be uploaded on the webpage of HedeDanmark. The Public Summary Report (SBR) has been updated in connection with the scope expansion to include SBE evaluation. The updated report will be uploaded on the webpage of HedeDanmark after approval.

Norway

From Norway, HedeDanmark only buys FSC and/or PEFC certified wood chips delivered at a port in Denmark. The companies, which HedeDanmark purchases from, are all FSC and/or PEFC certified companies.

Estonia, Latvia and Lithuania

From Estonia, Latvia and Lithuania, HedeDanmark only buys FSC and/or PEFC certified wood chips or wood chips with the claim FSC Controlled Wood or the claim PEFC Controlled Sources (SBP-approved controlled feedstock system claim) delivered at a port in Denmark. The companies HedeDanmark purchases from are FSC and/or PEFC certified companies.

Germany

From Germany, HedeDanmark only buys FSC and/or PEFC certified wood chips or wood chips with the claim FSC Controlled Wood or the claim PEFC Controlled Sources (SBP-approved controlled feedstock system claim) delivered at a port in Denmark. The companies, which HedeDanmark purchases from, are all FSC and/or PEFC certified companies.

5.3 Detailed description of Supply Base

Denmark

Total Supply Base area (ha):	Danish forest area: 615,000 ha (approx. 14.3 pct. of the land area) Other woodland area: 44,000 ha (approx. 1 pct. of the land area)
Total volume of Feedstock:	500,000 tons
Volume of primary feedstock:	>99% of 500,000 tons
Volume of secondary feedstock:	<1% of 500,000 tons
Volume of tertiary feedstock:	No recycled materials used.

Norway

Total Supply Base area (ha):	Norwegian forest area: 14,000,000 ha
Total volume of Feedstock:	0-200,000 tons
Volume of primary feedstock:	0-200,000 tons
Volume of secondary feedstock:	No secondary feedstock used.
Volume of tertiary feedstock:	No recycled materials used.

Estonia

Total Supply Base area (ha):	Estonian forest area: 2,300,000 ha
Total volume of Feedstock:	0-200,000 tons
Volume of primary feedstock:	0-200,000 tons
Volume of secondary feedstock:	No secondary feedstock used.
Volume of tertiary feedstock:	No recycled materials used.

Latvia

Total Supply Base area (ha):	Latvian forest area: 3,056,578 ha
Total volume of Feedstock:	0-200,000 tons
Volume of primary feedstock:	0-200,000 tons
Volume of secondary feedstock:	No secondary feedstock used.
Volume of tertiary feedstock:	No recycled materials used.

Lithuania

Total Supply Base area (ha):	Lithuanian forest area: 2,170,000 ha
Total volume of Feedstock:	0-200,000 tons
Volume of primary feedstock:	0-200,000 tons
Volume of secondary feedstock:	No secondary feedstock used.
Volume of tertiary feedstock:	No recycled materials used.

Germany

Total Supply Base area (ha):	German forest area: 11,400,000 ha
Total volume of Feedstock:	0-200,000 tons
Volume of primary feedstock:	0-200,000 tons
Volume of secondary feedstock:	No secondary feedstock used.
Volume of tertiary feedstock:	No recycled materials used.

A further detailed description of the Supply Bases are found in the biomass producers SBR.

5.4 Chain of Custody system

All feedstock sourced is covered by HedeDanmark’s own wood traceability system, which is third party certified according to PEFC Chain of Custody and FSC Chain of Custody/Controlled Wood. All feedstock is sourced through the PEFC and FSC COC system of the company, which covers wood chips as a product group. The company maintains volume accounts and calculations for all inputs and outputs.

6 Evaluation process

6.1 Timing of evaluation activities

Activity	Date	Location	Persons involved	Duration
<i>Pre-assessment</i>	<i>04 Feb. 2016</i>	<i>Main Office of HedeDanmark</i>	<i>SBP team consisting of Personnel for COC, purchase and sales, for forest management procedures, for biomass production, storages and data delivery</i>	<i>0,5 person-days</i>
<i>Main (IA) Audit On-Site audit</i>	<i>21 Jun 2016; 29 Jun 2016</i>	<i>Main Office of HedeDanmark, Viborg; Three selected storages by sampling: Auning, Bødedal and Thorning, located in Jylland, Denmark</i>	<i>SBP team consisting of Personnel for COC, purchase and sales, for forest management procedures, for biomass production, storages and data delivery</i>	<i>2 person-days</i>
<i>Off-site audit (preparation, document, system and procedures review, stakeholder consultation, reporting)</i>	<i>05 Feb. 2016 01 Mar. 2016 12 Apr. 2016 25 May 2016 02 Jun 2016 24 Jun 2016</i>	<i>Home office</i>	<i>N/A</i>	<i>6 person-days</i>
<i>Scope Expansion Audit</i>	<i>09 Sept. 2016; 14 Oct. 2016</i>	<i>Main Office of HedeDanmark, Viborg, Denmark</i>	<i>SBP team consisting of Personnel for COC, purchase and sales, for forest management procedures, for biomass production, storages and data delivery</i>	<i>2 person-days</i>
<i>Off-site audit (preparation, review, stakeholder consultation, reporting):</i>	<i>07-09-2016 12-09-2016; 22-09-2016; 25-09-2016; 29-09-2016 13-10-2016</i>			<i>3 person-days</i>

Out of the 22 storages for wood chips, three storage sites were selected by sampling. All storages functions and are handled in exactly the same way. The storages are rented facilities, there is a signed contract with the owner of the site and the company keeps control of the amounts placed at each site at all times.

6.2 Description of evaluation activities

The pre-assessment consisted of document review and interviews regarding the management system descriptions, calculations and invoicing arrangements. The pre-assessment resulted in a short list of nonconformities for the company to deal with before the Main (IA) Audit.

The Main (IA) Audit contained document reviews, record reviews, interviews of responsible personnel, calculation verifications, site inspection and reverse tracking of a timber batch. Critical control points included verification of raw material category (SBP Compliant vrs. SBP Controlled) within the defined supply base and checking the chain-of-custody credit account calculation table thoroughly, as well as the data available as specified in the Instruction note 5A on collection and communication of data. The Main (IA) Audit resulted in closure of all major nonconformities and identification of a short list of minor nonconformities and observations.

The SBE Scope Expansion Audit contained document and procedures review, record review, interviews of responsible personnel, verification of SBE including RA and SVP, stakeholder consultation and mitigation measures developed by the company. The SBE Scope Expansion audit resulted in five MAJOR non-conformities to be closed immediately and three (3) minor non-conformities to be closed before the first surveillance visit. The five MAJOR non-conformities were closed during an additional audit day, where objective evidence were presented showing implementation of planned actions.

6.3 Process for consultation with stakeholders

As part of the Main Audit (IA), an email consultation was sent to a total of 18 Danish stakeholder organisations on 25 May 2016. The group of stakeholders was based on the list normally used at FSC and PEFC FM consultations plus additional stakeholder identified from the energy sector. In addition, one additional stakeholder from the energy sector was consulted by continuous email communication during January-June 2016.

As part of the SBE Scope Expansion Audit, an e-mail consultation was sent out again encouraging the stakeholders to raise their concerns. This time to a total of 24 stakeholders. The list of stakeholders was this time based on the list of stakeholders also consulted as part of the draft national RRA for Denmark.

This process revealed that the stakeholders are generally not concerned about the company's forest management, sourcing of feedstock, SBE nor risk mitigation measures.

7 Results

7.1 Main strengths and weaknesses

The pre-assessment revealed several minor non-conformities in the system, e.g. mainly related to documenting and reporting data and documentation. Most of these were closed during the Main (IA) Audit. As the supply base contains only certified and controlled inputs at the IA, the SBP system was rather simple in terms of risk management, the forest end overall. There is also proven competency and long experience of COC and FM management in the management team of HedeDanmark. As presented in the List of Findings, most of the minor non-conforming issues relate to the GHG data profiling procedures, compilation and reporting.

During the SBE scope expansion audit, the strengths of the company include the clear track of Roundwood and flows from the forest to the energy sector, the full overview of sets of similar suppliers, the well-developed SVP and RA with identification of four indicators with specified risk and the well-developed and clear risk mitigation measures to get these four specified risk indicators down to low risk, including supplier training programme and system setup, procedures, control and monitoring of forest operations.

The non-conformities identified during the SBE scope expansion process related only to the actual implementation of the company' well-developed and clear risk mitigation measures. The company was ready to start the implementation and immediately after the scope expansion audit, started the implementation and performed the necessary actions to close out identified major non-conformities.

The audits did not identify any significant weaknesses.

7.2 Rigour of Supply Base Evaluation

The Company has conducted a rigorous Supply Base Evaluation of the defined Supply Base. Risk was designated low for all indicators apart from four: 2.1.1, 2.1.2, 2.2.3 and 2.2.4.

Due to the long-term FSC and PEFC FM certification as well as the fact that the company is a professional forest management company, the Company has built mitigation measures into its procedures and feedstock sourcing programmes and has sufficient knowledge and procedures in place to demonstrate also low risk in practise for all indicators.

For the four indicators resulting in specified risk in the RA, the company has developed clear risk mitigation measures, including supplier training for each defined set of similar suppliers in their SVP, and procedures, routines, apps, documents and records and control mechanisms for suppliers and own staff performing forest operations. The evaluation found that the mitigation measures are sufficient to bring the risk down to low for the four indicators.

7.3 Compilation of data on Greenhouse Gas emissions

Since the scope of the SBP system is rather limited to wood harvest, chipping and transport and as the feedstock originates from >99% primary feedstock and <1% secondary feedstock with detailed records on forest of origin of all feedstock, the GHG profiling data can be obtained through a quite simple routine. The baseline and general procedures are in line with the Document 5A requirements and procedures, but some details in the data contents and reporting of the information did at the time of the audit not meet the requirements (see list of findings).

7.4 Competency of involved personnel

The personnel responsible for the system at HedeDanmark 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, while the non-conformities against the Instruction Note 5A requirements were limited to only minor issues related to reporting data rather than on competences of the involved personnel.

7.5 Stakeholder feedback

The stakeholder consultation as part of the IA did not result in any feedback apart from confirmations of receipt and general information. No issues challenging the compliance with SBP requirements were raised. The fact that only certified (or FSC controlled) inputs are used and no SBE is involved, has likely diminished the criticism provided by the NGO's and other stakeholders. No actions were seen to be necessary by the CB, as a result of the consultation.

The stakeholder consultation as part of the SBE scope expansion audit resulted in three feedbacks, which were in general not negative concerns about the biomass producer but they were rather supportive. The comments are included in the SBE scope expansion checklist report and given here in summary:

- It is the opinion that the contractual relations for employees are in good order in Denmark and that companies meet the legal requirements when the employees are Danish. But it is also known that in the forestry sector, foreign workers may be used by the contractors to keep prices low. The estimate is that 80% of those are not organised (member of a union). It is known that HedeDanmark conducts much of its work for the Danish municipalities, which require both the contractor and the sub-contractors to have staff employed according to the Danish collective agreements. The expectation is that HedeDanmark meets the requirements also for the contractors. The stakeholder suggests to ask HedeDanmark how they prove that both their own staff and the contractors are employed in accordance with the collective agreements.
- Does not wish to comment on the company's SBE and RA but expresses that they focus on participating in the national RRA process instead. Mentions that it is interesting to see the developed risk mitigation measures. Does ask one question on whether HedeDanmark will publish the HCV mapping in order to allow external experts and NGOs to comment on the concrete identified nature values.

- No concerns related to HedeDanmarks supply chain for chips and energy wood. The organisation has just themselves been SBP+SBE audited.

The biomass producer is found to handle the aspects of the comments in the RA and in their management and the practical forest operations still securing low risk for all indicators through either existing system and management or through the developed risk mitigation measures.

The received comments were also held up against the feedback the biomass producer had received as part of its own stakeholder consultation. These were similar. The biomass producer was found to have taken the stakeholder comments sufficiently into account and to have consulted with the same range of stakeholders.

The received comments were also cross-checked with the procedures and documentation of the Biomass Producer. For the comment related to checking if contractors meet national labour legislation, HedeDanmark proved proof of checking all contractors against these requirements. For the comment on whether HedeDanmark will publish the results of the implemented mitigation measures, i.e. HCV mappings, this is found to go beyond the requirements.

7.6 Preconditions

No preconditions were issued at the IA.

At the SBE Scope Expansion Audit, five MAJORS were issued. The objective evidence to close out these five MAJORS were reviewed and closed out during an extra audit performed on 14-10-2016.

8 Review of Biomass Producer’s Risk Assessments

The lead auditor is familiar with the biomass producer’s forest management systems and procedures and its FSC and PEFC FM certifications as well as is highly experienced in issues related to Danish forestry, conservation and biodiversity etc. The lead auditor reviewed the risk assessment and audited the biomass producer up against each indicator in the SBP Std. 1 to confirm any sensitive or missing elements to the company approach for the RA.

Beneath, the CB’s final risk ratings are provided in Table 1, together with the Biomass Producer’s final risk ratings. This summary show the risk ratings after the SVP has been performed and after implemented mitigation measures.

Table 1: CB’s final risk rating together with the Biomass Producer’s final risk rating.

Indicator	Risk rating (Low or Specified)		Indicator	Risk rating (Low or Specified)	
	Producer	CB		Producer	CB
1.1.1	Low	Low	2.3.3	Low	Low
1.1.2	Low	Low	2.4.1	Low	Low
1.1.3	Low	Low	2.4.2	Low	Low
1.2.1	Low	Low	2.4.3	Low	Low
1.3.1	Low	Low	2.5.1	Low	Low
1.4.1	Low	Low	2.5.2	Low	Low
1.5.1	Low	Low	2.6.1	Low	Low
1.6.1	Low	Low	2.7.1	Low	Low
2.1.1	Low	Low	2.7.2	Low	Low
2.1.2	Low	Low	2.7.3	Low	Low
2.1.3	Low	Low	2.7.4	Low	Low
2.2.1	Low	Low	2.7.5	Low	Low
2.2.2	Low	Low	2.8.1	Low	Low
2.2.3	Low	Low	2.9.1	Low	Low
2.2.4	Low	Low	2.9.2	Low	Low
2.2.5	Low	Low	2.10.1	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

The basis for the above is explained in the beneath, where first the Biomass Producers Risk Assessment is provided, followed by a summary of the indicators with specified risk and how the BP has defined and implemented risk mitigation measures to arrive at low risk.

As the basis for its own RA, HedeDanmark has used the draft national RRA. HedeDanmark has a representative in the Danish working group around the draft national RRA developed by a Danish consultancy. HedeDanmark has contributed with a share of the costs, i.e. paid the consultancy for preparing the RA. Since the draft national RRA has not yet been approved by SBP, HedeDanmark has now completed a SBE with RA (see section 4-9 in the SBR and Annex 1 to SBR) and SVP (see section 8 in summary of the SBR) for the Supply Base Denmark. Specified risk was identified for four indicators as part of the RRA, while all other indicators were identified as low risk indicators. HedeDanmark has reviewed each indicator in its own RA and has come to the same conclusion.

Table 1a. Overview of the results from the risk assessment of all Indicators (prior to SVP)

Indicator	Initial Risk Rating		
	Specified	Low	Unspecified
1.1.1		X	
1.1.2		X	
1.1.3		X	
1.2.1		X	
1.3.1		X	
1.4.1		X	
1.5.1		X	
1.6.1		X	
2.1.1	X		
2.1.2	X		
2.1.3		X	
2.2.1		X	
2.2.2		X	
2.2.3	X		
2.2.4	X		
2.2.5		X	
2.2.6		X	

Indicator	Initial Risk Rating		
	Specified	Low	Unspecified
2.4.1		X	
2.4.2		X	
2.4.3		X	
2.5.1		X	
2.5.2		X	
2.6.1		X	
2.7.1		X	
2.7.2		X	
2.7.3		X	
2.7.4		X	
2.7.5		X	
2.8.1		X	
2.9.1		X	
2.9.2		X	
2.10.1		X	

2.2.7		X	
2.2.8		X	
2.2.9		X	
2.3.1		X	
2.3.2		X	
2.3.3		X	

The resulting four indicators with specified risk are:

- 2.1.1 The BP has implemented appropriate control systems and procedures for verifying that forests and other areas with high conservation value in the Supply Base are identified and mapped.
- 2.1.2 The BP has implemented appropriate control systems and procedures to identify and address potential threats to forests and other areas with high conservation values from forest management activities.
- 2.2.3 The BP has implemented appropriate control systems and procedures to ensure that key ecosystems and habitats are conserved or set aside in their natural state (CPET S8b).
- 2.2.3 The BP has implemented appropriate control systems and procedures to ensure that biodiversity is protected (CPET S5b).

For this purpose, HedeDanmark has developed appropriate and clear systems and procedures as risk mitigation measures to ensure all indicators are low. The four specified risk indicators are all related to appropriate control systems and procedures to identify, address potential threats and avoid damage to nature values during forest operations. See section 9 beneath on risk mitigation measures.

As part of the SBE, HedeDanmark has setup the SVP including risk rating, identification of risk factors, listing suppliers, defining sets of suppliers, developing tools, procedures and training for all suppliers (own forest operators, internal and external forest contractors).

Table 2. Overview of risk ratings after SVP evaluation and after review of mitigation measures.

Indicator	Supplier or Sub-scope	Risk rating after SVP		Mitigation measure taken? (Y, N or N/A)	Risk rating after taking mitigation measure	
		Low	Specified		Specified	Low
2.1.1, 2.1.2, 2.2.3, 2.2.4	Own internal production	X		Yes		X
2.1.1, 2.1.2, 2.2.3, 2.2.4	Internal contractors/suppliers		X	Yes		X
2.1.1, 2.1.2, 2.2.3, 2.2.4	External contractors/suppliers		X	Yes		X

9 Review of Biomass Producer's mitigation measures

HedeDanmark has developed clear risk mitigation measures for the four indicators with specified risk in the RA in order to arrive at low-risk for them as well. During the SBE scope expansion audit, HedeDanmark had developed clear tools and well-documented procedures for the implementation of the measures and tested the measures.

- 2.1.1 The BP has implemented appropriate control systems and procedures for verifying that forests and other areas with high conservation value in the Supply Base are identified and mapped.
- 2.1.2 The BP has implemented appropriate control systems and procedures to identify and address potential threats to forests and other areas with high conservation values from forest management activities.
- 2.2.3 The BP has implemented appropriate control systems and procedures to ensure that key ecosystems and habitats are conserved or set aside in their natural state (CPET S8b).
- 2.2.3 The BP has implemented appropriate control systems and procedures to ensure that biodiversity is protected (CPET S5b).

The four specified risk indicators are all related to appropriate control systems and procedures to identify, address potential threats and avoid damage to nature values during forest operations.

The risk mitigation measures covering all four indicators are subdivided on two sets of suppliers:

Forest operations managed by HedeDanmark foresters and performed by own staff:

When the foresters plans the forest operation, the area is drawn in HedeDanmarks GIS-system. If the forest is not certified or the forest has a ""Green forest management plan incl. woodland key biotope mapping, the forester performs a screening of the area, which involves adding relevant map layers to the GIS (High Nature Value maps, §3 registrations, Natura 2000, protected zones etc.). The forester always has local knowledge and is educated to identify sensitive nature areas. Based on the screening, the forester evaluates the risk that any unregistered nature values could be present in the forest. If there is a risk, the forester performs a field mapping. This woodland key biotope mapping is drawn ob a map layer in GIS. The final map layer with all known and mapped nature values and a work instruction are transferred to the machine operator performing the forest operation via the Tradenda app. The app makes it possible to have all documents in the field and for the machine operator to follow up and report back for each forest operation. Via the app it is controlled whether the machine operator has taken all necessary concerns and protected the HCV areas in the forest and correctly performed the operation in accordance with the work instruction and the map. Any impact on the nature values are reported back via the app to the forester who controlled the work done. The foresters inspects the area together with the machine operator afterwards.

All foresters are trained in mapping nature values and to use the national HCV layer in GIS (the HNV map layer is developed by Copenhagen University and include 19 levels of potential nature. If the map layer shows 7 levels or more, the foresters performs field mapping).

Forest operations where HedeDanmark receives the chips from suppliers (internal and external contractors):

HedeDanmark has developed clear requirements for chips delivered from an external supplier to document meeting the same requirements as above. The supplier must provide the following documentation: Proof of right to harvest, detailed map of the forest compartment where the chips originate from. Geo-coordinates, performed screening of HCV (as above) of the harvest area before the forest operation is performed and HedeDanmarks SBP instructions are followed, HCV registered on work maps and work instructions, that control has been conducted by forester or equivalent or independent third part as part of an audit, and that the machine operator (and forester) has the necessary training for identifying HCVs in the forest.

The documentation must be provided to the HedeDanmark forester before any chips are accepted by HedeDanmark. System set up to record procedures, instructions and maps.

Training of own staff and suppliers (machine operators):

The training of all foresters and machine operators (training course conducted and training materials and participants lists seen) in how to use the new app and implement the procedure was conducted on 10-12 October 2016.

The above tools and procedures have been tested by HedeDanmark and found to be working well. The conclusion of the auditor is that by implementing the developed and tested risk mitigation measures, the four indicators will arrive at low risk.

During the scope expansion audit, HedeDanmark had not yet put the developed risk mitigation measures into action but had also not accepted any feedstock yet under the SBP volume accounts. During the follow up audit on 14 October 2016, the company demonstrated implementation of all mitigation measures including examples of performed monitoring of implemented measures and available records.

10 Non-conformities and observations

Non-conformities and observations during the IA:

No Major non-conformities were issued.

Minor Non-conformities (to be closed within 12 months after the audit):

IA-2-2016-SBP4: **SBP Std. 4, 5.5.2:** SBR to be approved by CB and published on the HedeDanmark and SBP websites. The company is aware of the requirement to publish the SBR in both Danish and English on company webpage no later than ninety (90) days after the on-site closing meeting at the end of the Main Audit by CB:

The BP shall ensure that invoices issued for biomass sold with an SBP-claim include correct SBP certificate code and FSC claim as appropriate: 'SBP-compliant biomass' or 'SBP-controlled biomass'.

IA-4-2016-SBP5: **SBP Std. 5, 5.3, Instruction note 5A, 2.0.3:** The company has prepared data and decided on the following methods for communicating data to the energy sector (buyers): a) The general data in the SBR, which will be updated annually, b) Batch specific data for each truck load. Format set up and example seen, and c) 12 monthly report for each buyer with the summary of all data based on the batch specific data. However, the company has not decided on the precise format for this report with the annual reporting data. At this point, the information is available on request. In the future, the company has to prepare the format to be used for communicating the data. The company is aware and will prepare a useful format in cooperation with the buyers. The company may consider using the SBP's web database.

The BP shall in a systematic way make the carbon, energy and profiling data specified in Instruction Note clause 2,3,4,5,6 and 7 available to customers and end-users in an appropriate form and format.

IA-5-2016-SBP5: **SBP Std. 5, Instruction note 5A, 2.0.2:** Profiling and batch data and product group and type (feedstock classification) as well as amounts, weight, moisture content and precise distances for each delivery included in Pinfo and available to calculate data in annual reports for each 12 months. For use of fuel for forest management, chipping and all transportation, and for use of fertilisers and pesticides, standard reference values from Biograce will be used and made available in 12 month annual report to the buyer. This is written down in procedures manual and demonstrated during audit on how the company will do this and how the company is already doing this. However, at the time of the audit, the records for energy from biograce were not recorded and kept systematically, although system in place to do this.

The BP shall in a systematic way keep records of the recorded carbon, energy and profiling data, which are calculated by using BioGrace, reference values and exact

data as appropriate and as specified in this Instruction Note 5A, including sections 2.1, 2.2, 3, 4, 5, 6, and 7.

IA-6-2016-SBP5: **SBP Std. 5, Instruction note 5A, 2.1.1:** Re. SBP GHG and profiling data reference numbers, the batch specific coding system includes the post production end-point identical with the ID for the individual contract with the individual buyer. How the company will use this ID as the ZZ was explained verbally and has not been specified in the procedures manual, nor as an example since the company has not yet prepared an annual report with a SBP GHG and profiling data scope reference number. Also, DNV's code "XX" is to be given as soon as the certificate is issued.

The BP shall record for each reporting period the SBP GHG and profiling data scope reference numbers in the form: SBP-XX-YY-ZZ as specified in Instruction Note 5A, 2.1.1.

IA-7-2016-SBP5: **SBP Std. 5, Instruction note 5A, 6.1:** The forest management practices applied within the supply base have to some extent been described in the company procedures manual and SBR, but the descriptions lack detail on the management practices for the different types of feedstock.

The BP shall in the SBR or the company' procedures manual include a concise and more detailed description of the forestry management practices or land management practices used in the forest or other location where the biomass feedstock was grown for each of the defined feedstock categories.

IA-8-2016-SBP5: **SBP Std. 5, Instruction note 5A, 8.1:** The sales department of the main office issues the invoices. Since the company is not yet SBP certified, no examples of invoices with the specific batch code could be inspected.

The BP shall ensure that sales and delivery documentation issued for outputs sold with an SBP- claim include the following information: a) the quantity of each individual batch; and b) a unique batch code.

Observations:

IA-1-2016-SBP2: **SBP Std. 2, Instruction Note 2C, 3.1:** SBR to be approved by CB and published on the HedeDanmark and SBP websites. The company is aware of the requirement to publish the SBR in both Danish and English on company webpage no later than ninety (90) days after the on-site closing meeting at the end of the Main Audit by CB:

Awaiting approval from CB, the BP will upload the approved SBR in both English and Danish onto the BP website no later than ninety (90) days after the on-site closing meeting at the end of an audit by a CB.

IA-2-2016-SBP4: The SBP trademark licence agreement to be issued after the audit. The company is aware of the requirement and of contacting SBP to get the trademark licence agreement for signing:

In order to use the SBP trademarks, the BP will have to sign the SBP trademark licence agreement.

Non-conformities and observations during the SBE Scope Expansion Audit:

MAJOR Non-conformities (closed 14th October 2016):

SEA-1-2016-SBP1 *HedeDanmark has set up system to control all inputs and verification rules to check if feedstock is SBP compliant before allowed to enter the COC. System inspected. At the time of the audit, the system was prepared but the specific system bottoms to steer the acceptance of materials were not yet functional.*

The BP shall ensure that company system is functioning in order to demonstrate system works and to verify if feedstock is SBP-compliant in COC system.

During the follow-up audit on 14th October 2016, the BP demonstrated that the internal book keeping (Pinfo) system was finalised and the specific tick boxes in place and functioning. The link with the app and the GIS system (Landinfo) works well. Examples with two order numbers 97041 and 1018190 seen. Major SEA-1-2016-SBP1 closed out.

SEA-2-2016-SBP1 ***SBP Std. 1, 2.1:*** *To secure low risk for indicators 2.1.1, 2.1.2, 2.2.3 and 2.2.4, HedeDanmark has developed and tested risk mitigation measures for the sets of suppliers, including clear and detailed procedures for checking and avoiding damage to HCVs during forest operations. See detailed information in Scope Expansion Audit report under sheet ""1. Feedstock verification. However during the scope expansion audit, the system for implementing and monitoring the implementation of the mitigation measures had only been tested and system still needs to be implemented in practice.*

The BP shall secure implementation of and monitoring of the contractors implementation of the mitigation measures and keep records demonstrating that the mitigation measures related to safeguarding nature values during forest operations have been implemented.

During the follow-up audit on 14th October 2016, the BP demonstrated the two first harvest operations, one for each type of contractor (order numbers 97041 and 1018190) with implementation of mitigation measures and followed by monitoring the performance. Records of work order, instructions, maps, system records (HCV maps, completed checklist) and recorded monitoring seen. MAJOR SEA-2-2016-SBP1 closed.

SEA-3-2016-SBP1 ***SBP Std. 1, 2.1.1, 2.1.2, 2.2.3, 2.2.4; and SBP Std. 2, 16.2:*** *To secure low risk for indicators 2.1.1, 2.1.2, 2.2.3 and 2.2.4, HedeDanmark has developed and tested risk mitigation measures for the sets of suppliers, including clear and detailed*

procedures for checking and avoiding damage to HCVs during forest operations. See detailed information in Scope Expansion Audit report under sheet ""1. Feedstock verification. An important aspect of the mitigation measures is to secure training of own staff and suppliers (contractors). However during the scope expansion audit, the trainings were only planned, training materials were developed, participants invited and training plan prepared. The training of all foresters and machine operators in how to use the new app and implement the mitigation procedures is planned for 10-12 October.

The BP shall implement training and keep records demonstrate mitigation measures implemented through providing the training results for internal and external contractors and own staff.

During the follow-up audit on 14th October 2016, the BP demonstrated that the training was implemented. Own staff, foresters and contractors trained during 10-11 October in Kolding and Viborg with participation of a total of 60 people. Participants lists, training materials seen. External contractors not present at the training had been trained by use of online webinar Planorama and followed by a test. Results of the tests for two contractors seen. MAJOR SEA-3-2016-SBP1 closed.

SEA-6-2016-SBP2

SBP Std. 2, 18.1: The SBR report has been updated and all relevant sections of the SBR related to the SBE has been completed. At the time of the scope expansion audit, the updated SBR and the SBR Annex 1 was available in draft. The SBR and Annex 1 need finalisation and translation into English.

The BP shall update the SBR including the results of the SVP and RA and the SBE Annex 1 (RA) and finalise the two documents in English and Danish.

The BP has updated the SBR including SBE and Annex 1 including SVP and RA in final versions in both English and Danish. MAJOR SEA-6-2016-SBP2 closed.

SEA-7-2016-SBP2

SBP Std. 2, Instruction Note 2B, 3.1: HedeDanmark has kept records of list of stakeholders invited to comment and kept records of all email correspondence. In the updated SBR, the section on stakeholder feedback had not been finalised at the time of the audit, i.e. only one of the stakeholder comments had been handled.

The BP shall finalise handling the stakeholder comments from the stakeholder consultation and update the SBR accordingly.

The BP has updated the SBR including handling of the two stakeholder comments received in an appropriate manner. MAJOR SEA-7-2016-SBP2 closed.

Minor Non-conformities (to be closed within 12 months after the audit):

SEA-4-2016-SBP1

Std. 1: Instruction Note 1A, 6.1; and Std. 2: 11.7.1: The draft national RRA as the basis include a list of national legislation and other documents and information sources. During the audit, HedeDanmark could not show the list of national legislation and all documents listed in the RA was not kept on file although links

were clear and the company is very aware of where the documentation is and what is written in the documents listed.

The BP shall include as annexes to the RA: a) A list of national and local forest laws and administrative requirements, which apply to Denmark; and b) A list of multilateral environmental agreements and ILO Conventions that Denmark has ratified, relevant to the Standard.

SEA-8-2016-SBP2

SBP Std. 2, 1.7: The suppliers for each set of suppliers have been listed, checked and evaluated as a monitoring. Results are included in the SVP document and in the SBR. The company has set up system to record all results of the SVP, including any non-compliances. System in excel with sheets for each set of suppliers and suppliers lists in annex 4 to the procedures manual. Since this is part of starting up the SVP and no biomass has been purchased yet, the company has not performed the supplier monitoring.

The BP shall select suppliers for annual monitoring and record all results of the SVP, including any cases of non-compliance identified during its visits. The BP shall monitor the implementation of any mitigation measures required.

Observations:

SEA-5-2016-SBP2

SBP Std. 2, 16.3: HedeDanmark is aware of this requirement and will implement a monitoring plan of the effectiveness of the mitigation measures at least annually.

The BP is obliged to implement a plan to monitor the effectiveness of the mitigation measures, at least annually (i.e. every 12 months).

11 Certification decision

DNV GL Personnel involved in the certification process:

- The IA 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.

Based on the assessment process, it has been shown that the system implemented by HedeDanmark A/S meets the requirements of the applicable SBP standards and a certificate can therefore be issued.

Date of certification: 19-08-2016

Date of expiry of the certificate: 18-08-2021.

DNV GL Personnel involved in the SBE Scope Expansion process:

- The SBE Scope Expansion audit and the follow-up audit were 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.

Based on the assessment process, it has been shown that the system implemented by HedeDanmark A/S meets the requirements of the applicable SBP standards and a certificate with the scope expansion to include SBE can therefore be issued.

Date of SBE scope expansion: 11-01-2017.

12 Surveillance updates

12.1 Evaluation details

This first surveillance audit took place partly at the main office in Viborg and partly as site visits to storage facilities. The audit consisted of document review, record review, interviews of responsible personnel, calculation verification, site inspection with verification of 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 and records available as specified in the Instruction notes 5A, 5B and 5C on collection and communication of data.

Activity	Date	Location	Persons involved	Duration
<i>Stakeholder consultation</i>	<i>02 May 2017</i>	<i>DNVGL home office</i>	<i>Lead auditor</i>	<i>0,5 person-days</i>
<i>Review of SBR with extension of supply base</i>	<i>15-16 May 2017</i>	<i>DNVGL home office</i>	<i>Lead auditor and Technical reviewer</i>	<i>1,5 person-days</i>
<i>Off-site audit (preparation, document, system and procedures review)</i>	<i>June 2017</i>	<i>DNVGL home office</i>	<i>Lead auditor</i>	<i>1,5 person-days</i>
<i>On-site Audit</i>	<i>14, 22-23 June 2017</i>	<i>Main Office of HedeDanmark Site visits to storage facilities: Tirstrup 8560 Kolind Tangvej 8585 Glesborg Sønderborg 6400 Sønderborg</i>	<i>Lead auditor and the BPs SBP team consisting of Personnel for COC, purchase and sales, for forest management procedures, for biomass production, storages and data delivery</i>	<i>2 person-days</i>
<i>Off-site audit (review, reporting):</i>	<i>2-4 August 2017</i>	<i>DNVGL home office</i>	<i>Lead auditor Technical reviewer Certification decision maker</i>	<i>2 person-days</i>

Out of the 18 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 Biomass Producer keeps control of the amounts placed at each facility at all times.

DNV GL Personnel involved in the audit process:

- The 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.

12.2 Significant changes

The Supply Base has been extended with Norway, Estonia, Latvia, Lithuania and Germany from where only FSC and/or PEFC feedstock is sourced. For these countries, the scope does not include SBE.

For Denmark, the scope still includes SBE.

The SBR has been updated accordingly in latest template version and approved by DNVGL on 16-05-2017.

New SBP templates for SAR and profile data used, as well as monthly reporting in DTS initiated.

12.3 Follow-up on outstanding non-conformities

Beneath, the outstanding non-conformities and observations issued during the previous audit are included together with follow-up on these based on the PA1 audit:

No.	Cat.	Non-conformity and requested action	Std. Ref	Comments on actions taken by BP	Closure date
IA-1-2016-SBP2	Obs	SBR to be approved by CB and published on the HedeDanmark and SBP websites. The company is aware of the requirement to publish the SBR in both Danish and English on company webpage no later than ninety (90) days after the on-site closing meeting at the end of the Main Audit by CB.	Std. 2; instruction Note 2C, 3.1	The SBR with expansion of SBE and sub-scopes is approved by CB on 16-05-2017 and published on BP's webpage and sent to SBP.	22-jun-17
IA-2-2016-SBP4	Minor	Examples of sales invoice templates checked, no claims yet. To be done after certification. The company is aware of the requirement to include correct SBP Claims on sales invoices issued for SBP controlled or compliant biomass.	Std. 4, 5.5.2	Examples of invoices for SBP-compliant wood chips seen with correct claim.	22-jun-17
IA-3-2016-SBP4	Obs.	The SBP trademark licence agreement to be issued after the audit. The company is aware of the requirement and of contacting SBP to get the trademark licence agreement for signing.	Std. 4, Instruction Note 4B	SBP Trademark license signed by the company.	22-jun-17

No.	Cat.	Non-conformity and requested action	Std. Ref	Comments on actions taken by BP	Closure date
IA-4-2016-SBP5	Minor	The BP has prepared data and decided on the following methods for communicating data to the energy sector (buyers): a) The general data in the SBR, which will be updated annually, b) Batch specific data for each truck load. Format set up and example seen, and c) 12 monthly report for each buyer with the summary of all data based on the batch specific data. However, the company has not decided on the precise format for this report with the annual reporting data. At this point, the information is available on request. In the future, the company has to prepare the format to be used for communicating the data. The company is aware and will prepare a useful format in cooperation with the buyers. The company may consider using the SBP's web database.	Std. 5, 5.3; Instruction Note 5A, 2.0.3	The BP is applying all three methods: 1) Reports digitally through SBP portal each month, 2) provides batch specific data to each delivery of biomass to the customers, 3) SBR. Examples of monthly reporting to SBP seen. Examples of monthly production batch reported monthly to the customers seen. SBR seen. See further details on data reports for each instruction docs 5A, 5B and 5C.	22-jun-17
IA-5-2016-SBP5	Minor	Profiling and batch data and product group and type (feedstock classification) as well as amounts, weight, moisture content and precise distances for each delivery included in Pinfo and available to calculate data in annual reports for each 12 months. For use of fuel for forest management, chipping and all transportation, and for use of fertilisers and pesticides, standard reference values from Biograce will be used and made available in 12 month annual report to the buyer. This is written down in procedures manual and demonstrated during audit on how the company will do this and how the company is already doing this. However, at the time of the audit, the records for energy from biograce were not recorded and kept systematically, although system in place to do this.	Std. 5, Instruction Note 5A, 2.0.2	The BP has the management system (Pinfo, LandInfo and tradenda plus system to receive required data from their suppliers) in place to record relevant data to the end-users (their customers). The BP has prepared monthly overviews with data, monthly data reports in the DTS, Report with profiling data for each end point (ID5C) and one SAR report (ID5B). Data reports communicated to the end-users through e-mail and the monthly overview together with monthly invoices.	22-jun-17
IA-6-2016-SBP5	Minor	Re. SBP GHG and profiling data reference numbers, the batch specific coding system includes the post production end-point identical with the ID for the individual contract with the individual buyer. How the company will use this ID as the ZZ was explained verbally and has not been specified in the procedures manual, nor as an example since the company has not yet prepared an annual report with a SBP GHG and profiling data scope reference number. Also, DNV's code "XX" is to be given as soon as the certificate is issued.	Std. 5, Instruction Note 5A, 2.1.1	The BP has given each end-point a SDI number (one for each of the customers addresses where the wood chips are supplied). The end-points are shown on map in the SAR. The table with SDIs are included in the SAR report and one in each profiling data report. The table with SDIs are included in the SAR report and one in each profiling data report	22-jun-17
IA-7-2016-SBP5	Minor	The forest management practices applied within the supply base have to some extent been described in the company procedures manual and SBR, but the descriptions lack detail on the management practices for the different types of feedstock.	Std. 5, Instruction Note 5A, 6.1	The BP has written a concise and detailed description of the forest management practise in the SBR and in the procedures manual. This is done also for each new sub-scope.	22-jun-17

No.	Cat.	Non-conformity and requested action	Std. Ref	Comments on actions taken by BP	Closure date
IA-8-2016-SBP5	Minor	The sales department of the main office issues the invoices. Since the company is not yet SBP certified, no examples of invoices with the specific batch code could be inspected.	Std. 5, Instruction Note 5A, 8.2	The BP has ensured that sales and delivery documents (monthly data report and invoice) include quantities and unique batch code - i.e. each monthly sales order ID. For each of these, the monthly report include the list of all truck supplies of wood chips with each their unique number.	22-jun-17
SEA-1-2016-SBP1	MAJOR	HedeDanmark has set up system to control all inputs and verification rules to check if feedstock is SBP compliant before allowed to enter the COC. System inspected. At the time of the audit, the system was prepared but the specific system bottoms to steer the acceptance of materials were not yet functional.	Std. 1, 2.1	During the follow-up audit, the BP demonstrated that the Pinfo system was finalised and the specific bottoms in place and functioning. The link with the app and the Landinfo works well. Examples with two order numbers seen.	14-oct-16
SEA-2-2016-SBP1	MAJOR	To secure low risk for indicators 2.1.1, 2.1.2, 2.2.3 and 2.2.4, HedeDanmark has developed and tested risk mitigation measures for the sets of suppliers, including clear and detailed procedures for checking and avoiding damage to HCVs during forest operations. See detailed information in Scope Expansion Audit report under sheet "1. Feedstock verification. However during the scope expansion audit, the system for implementing and monitoring the implementation of the mitigation measures had only been tested and system still needs to be implemented in practice.	Std. 1: 2.1.1, 2.1.2, 2.2.3 and 2.2.4; Std. 2: 16.2	During the follow-up audit, the BP demonstrated the two first harvest operations, one for each type of contractor with implementation of mitigation measures and followed by monitoring the performance. Records of work order, instructions, maps, system records (HCV maps, completed checklist) and recorded monitoring seen.	14-oct-16
SEA-3-2016-SBP1	MAJOR	To secure low risk for indicators 2.1.1, 2.1.2, 2.2.3 and 2.2.4, HedeDanmark has developed and tested risk mitigation measures for the sets of suppliers, including clear and detailed procedures for checking and avoiding damage to HCVs during forest operations. See detailed information in Scope Expansion Audit report under sheet "1. Feedstock verification. An important aspect of the mitigation measures is to secure training of own staff and suppliers (contractors). However during the scope expansion audit, the trainings were only planned, training materials were developed, participants invited and training plan prepared. The training of all foresters and machine operators in how to use the new app and implement the mitigation procedures is planned for 10-12 October.	Std. 1: 2.1.1, 2.1.2, 2.2.3 and 2.2.4; Std. 2: 16.2	During the follow-up audit, the company demonstrated that the training was implemented. Own staff, foresters and contractors trained with participation of a total of 60 people. Participants lists, training materials seen. External contractors not present at the training had been trained by use of online webinar Planorama and followed by a test. Results of the tests for two contractors seen.	14-oct-16
SEA-4-2016-SBP1	Minor	The draft national RRA as the basis include a list of national legislation and other documents and information sources. During the audit, BP could not show the list of national legislation and all documents listed in the RA was not kept on file although links were clear and the company is very	Std. 1: Instruction Note 1A, 6.1; Std. 2: 11.7.1	Since the IA, has the BP prepared the list of national legislation, as well as had the listed documents in the RA on file or as links to national legislation. The BP has provided: a) A list of national and local forest	22-jun-17

No.	Cat.	Non-conformity and requested action	Std. Ref	Comments on actions taken by BP	Closure date
		aware of where the documentation is and what is written in the documents listed.		laws and administrative requirements, which apply to Denmark; b) A list of multilateral environmental agreements and ILO Conventions that Denmark has ratified, relevant to the Standard.	
SEA-5-2016-SBP2	Obs	The BP is aware of this requirement and will implement a monitoring plan of the effectiveness of the mitigation measures at least annually.	Std. 2, 16.3	The BP has an updated monitoring plan and has conducted desk monitoring of the system, the origin, the contractors performance and reporting from harvesting operations. As part of the mitigation measures, if the screening showed any potential risk, field checks have been conducted of the harvesting sites. The BP explained that they have performed field monitoring of the performance of the three groups of suppliers.	22-jun-17
SEA-6-2016-SBP2	MAJOR	The SBR report has been updated and all relevant sections of the SBR related to the SBE has been completed. At the time of the scope expansion audit, the updated SBR and the SBR Annex 1 was available in draft. The SBR and Annex 1 need finalisation and translation into English.	Std. 2, 18.1	The BP has updated the SBR including SBE and Annex 1 including SVP and RA in final versions in both English and Danish.	14-oct-16
SEA-7-2016-SBP2	MAJOR	The BP has kept records of list of stakeholders invited to comment and kept records of all email correspondence. In the updated SBR, the section on stakeholder feedback had not been finalised at the time of the audit, i.e. only one of the stakeholder comments had been handled.	Std. 2, Instruction Note 2B, 3.1	The BP has updated the SBR including handling of the two stakeholder comments received in an appropriate manner.	14-oct-16

Based on the evidence provided by the Biomass Producer, the above listed NCs were closed, while one minor NC from the SEA was raised to a MAJOR NC at PA1. See beneath list.

No.	Cat.	Non-conformity and requested action	Std. Ref	Status
SEA-8-2016-SBP2-KAKI	SEA Minor; PA1 raised to a MAJOR	Each set of suppliers has been listed, checked and evaluated as a monitoring. Results are included in the SVP document and in the SBR. The company has set up system to record all results of the SVP, including any non-compliances. Since this is part of starting up the SVP and no biomass has been purchased yet, the company has not performed the supplier monitoring by selecting suppliers for annual monitoring and recording all results of the SVP, including any cases of non-compliance identified and by monitoring the implementation of any mitigation measures required. During the PA1 audit, the company has system to record results of the SVP including non-compliances in place. The company has not recorded and reported all results of the SVP, for instance there are	Std. 2, Instruction Doc 2a, 1.7	Open

No.	Cat.	Non-conformity and requested action	Std. Ref	Status
		no records of the field checks of the three sets of suppliers and there is no proof of sufficient sampling numbers performed for the three sets of suppliers. Minor NC raised to a MAJOR.		

12.4 New non-conformities

As presented in the beneath List of Findings, the non-conforming issues or observations mainly relate to the std. 2 and 5. This is partly because the SAR and profiling data templates are new reporting templates requested by SBP since the Biomass Producer became SBP certified.

No.	Cat.	Non-conformity and requested action	Std. Ref	Status
PA1-1-2017-SBP2-KAKI	MAJOR	The SBR report with expanded supply base and sub-scopes has been updated by the BP and approved by CB on 16-05-2017. However during the PAI audit, the BP had not updated the section 13 of the SBR with the annual updates.	Std. 2, 7.5; Instruction Doc 2C, 5.2-5.4	Open
PA1-2-2017-SBP5-KAKI	Obs	As part of the IA, the BP had defined Dynamic Sustainability Characteristic data (feedstock input type, country of origin, no stumb wood, certification share the given month) and had added these data to the monthly batch data report. However, the BP had removed this again from the data reports, since this had confused the customers. So far SBP has not defined Sustainability Characteristics but provided a definition which may be used in the future.	Std. 5, Instruction Doc 5A, 3.2	Open
PA1-3-2017-SBP5-KAKI	Minor	The auditor found that in system and way of reporting the production batch is the monthly reporting to each end-point, which match the transaction data reporting in the DTS to SBP (system of numbering for each month). But the BP claimed that they had not defined a production batch because what this is to be used for and how this should be reported but this is a requirement that the BP define the production batch.	Std. 5, Instruction Doc 5A, 3.2	Open
PA1-4-2017-SBP5-KAKI	Obs	The ID5B SAR report clearly identify the SDIs and map is included. Currently the SAR only cover the SB sub-scope Denmark. So far no delivery of biomass from the other sub-scopes. When starting to purchase and deliver biomass from other SB sub-scopes, the requirement is to record data on feedstock characteristics and transport energy use and that the SAR report covers all required data for each production batch.	Std. 5, Instruction Doc 5B, 6.1.	Open
PA1-5-2017-SBP5-KAKI	Obs	The ID5C profiling reports clearly identify the SDIs and the relevant data is recorded and found in the BP management system. Currently the profiling data reports only cover the SB sub-scope Denmark. So far no delivery of biomass from the other sub-scopes. When starting to purchase and deliver biomass from other SB sub-scopes, the requirement is to record data recording on profiling data and that the ID5C reports cover all required data for each reporting period.	Std. 5, Instruction Doc 5C, 2.1-2.3.	Open

In total, one (1) new Major NCs, one (1) new minor NCs and three (3) observations were raised.

12.5 Stakeholder feedback

Prior to the Audit, an e-mail consultation was performed encouraging stakeholders to raise their concerns. A range of 24 NGOs, interest groups, municipality authorities, labour organisations and research institutions were consulted. No stakeholders replied to the enquiry, which means that no concerns were raised.

12.6 Conditions for continuing certification

The Biomass Producer is required to correct all identified non-conformities in due time according to deadlines given.

12.7 Certification recommendation

The certificate holder has and maintains a well-functioning management system, including for the complexity and number of the extended supply base, the number of suppliers and the customers. The certificate holder has the SBP documentation related to COC, SBE, SAR and profiling data in place.

The certificate remains valid.