

SBP

Sustainable Biomass Program

DNV GL Business Assurance Finland Oy Ab Evaluation of Biomasse Børsen ApS 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 1.1

*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

© Copyright The Sustainable Biomass Program Limited 2018

Table of Contents

1	Overview
2	Scope of the evaluation and SBP certificate
3	Specific objective
4	SBP Standards utilised
4.1	SBP Standards utilised
4.2	SBP-endorsed Regional Risk Assessment
5	Description of Company, Supply Base and Forest Management
5.1	Description of Company
5.2	Description of Company's Supply Base
5.3	Detailed description of Supply Base
5.4	Chain of Custody system
6	Evaluation process
6.1	Timing of evaluation activities
6.2	Description of evaluation activities
6.3	Process for consultation with stakeholders
7	Results
7.1	Main strengths and weaknesses
7.2	Rigour of Supply Base Evaluation
7.3	Compilation of data on Greenhouse Gas emissions
7.4	Competency of involved personnel
7.5	Stakeholder feedback
7.6	Preconditions
8	Review of Company's Risk Assessments
9	Review of Company's mitigation measures
10	Non-conformities and observations
11	Certification recommendation

1 Overview

CB Name and contact:	DNV GL Business Assurance Finland Oy Ab
Primary contact for SBP:	Jyrki Sopanen /Jyrki.sopanen@dnvgl.com
Current report completion date:	12/Mar/2018
Report authors:	Karina Seeberg Kitnaes
Name of the Company:	Biomasse Børsen ApS
Company contact for SBP:	Paul Lillelund (pl@biomasseborsen.dk)
Certified Supply Base:	Denmark
SBP Certificate Code:	SPB-05-07
Date of certificate issue:	02/Jun/2017
Date of certificate expiry:	01/Jun/2022

This report relates to the First Surveillance Audit

2 Scope of the evaluation and SBP certificate

Introduction

Biomasse Børsen ApS is a biomass trader and producer of wood chips based in Denmark. In the context of SBP, Biomasse Børsen ApS purchases primary feedstock as roundwood or wood chips at roadside in Danish forests. The feedstock is transported by truck directly to the customers or to one of the two storages, where the BP store wood chips until the biomass is then loaded onto trucks to delivery to customers in Denmark.

The period of ownership begins when the feedstock is either 1) transported from the forest to the storage of the company or 2) offloaded at the storage. The period of ownership ends when the biomass (wood chips) is offloaded at the customer.

Scope

The company with company office and two storages. The scope includes purchase of roundwood and woodchips, chipping, and transport of wood chips from Danish forests for use in energy production in Denmark. The scope of the certificate does include Supply Base Evaluation for the Supply Base Denmark.

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

SBP endorsed Regional Risk Assessment for Denmark, June 2017.

5 Description of Company, Supply Base and Forest Management

5.1 Description of Company

Biomasse Børsen ApS is a Danish company, which purchases roundwood and wood chips from Danish forests and surrounding landscapes. The company produces and trades wood chips. The company office located near Ribe in Denmark is responsible for the trading, chain-of-custody and wood chipping. In the context of SBP, the company has two storage facilities, one located next to the office and one rather close to the office in Denmark. The raw materials are primary feedstock (roundwood) originating from Danish forests and surrounding landscape, which are either chipped in the forest as part of the harvest operation and placed at roadside or transported to the company' two permanent 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 PEFC COC certificate. The feedstock is either PEFC certified or non-certified, which is controlled through the company SBE including SVP and use of the SBP endorsed RRA.

5.2 Description of Company's Supply Base

The feedstock to the company is sourced from the supply Base: Denmark. The feedstock is supplied as either Roundwood or Wood chips produced in the forest of origin or at two storage facilities within Denmark. The harvest and chipping operations are performed by Danish contractors under the monitoring of the forest managers or performed by other Danish contractors/forest owners. In the latter case, Biomasse Børsen 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 (SBE) with SVP and using the RRA. The Public SBR has been elaborated and updated in the Danish and English version and has been uploaded on the webpage of Biomasse Børsen (www.biomasseborsen.dk).

5.3 Detailed description of Supply Base

Total Supply Base area (ha): Danish forest area: 600,000 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 previous 12 months: 21 158 tons. Volume of primary feedstock: 90% of 50,000 tons. Volume of secondary feedstock: 0 %.

Volume of tertiary feedstock: 0%. A further detailed description of the Supply Base are found in the biomass producer' SBR.

5.4 Chain of Custody system

All feedstock sourced is covered by Biomasse Børsens own wood traceability system, which is third party certified according to PEFC Chain of Custody. All feedstock is sourced through the PEFC COC system of the company, which covers wood chips as a product group. The scope of the PEFC system is physical separation in all phases with purchase of roundwood or wood chips, chipping, storage, transport and sales of wood chips. Based on the reviewed supplier invoices, claims are transferred correctly to sales documents. This system is applied for SBP as well, since the only processes are transport, storage, chipping and loading from storage facilities. Biomasse Børsen is aware of the SBP claims and batch specific coding system, which is used on the sales invoices. The company maintains volume accounts and calculations for all inputs and outputs.

6 Evaluation process

6.1 Timing of evaluation activities

Feb. 2018: Audit planning, preparations and document review (location: Home office and DNV office, Espoo Finland), performed by the Lead Auditor and DNVGL staff responsible for contracting. Duration: 1 person-day.

27-28 Feb. 2018: P1 On-Site audit (locations: Company Office of the BP, storage facility and site visits to ongoing and finalised forest operations), performed by the Lead Auditor and representatives of the BP, i.e. the SBP responsible, managing director and owners. Duration: 2 person-days.

Mar 2018: Off-site audit with system procedures and reports review, assessment of corrective actions, reporting, technical review (location: Home office and DNV office, Espoo Finland) performed by the Lead auditor, Technical reviewer and Certification decision maker. Duration: 2 person-days.

6.2 Description of evaluation activities

The P1 On-site Audit activities included procedures, documentation and report reviews, record reviews, interviews of responsible personnel, calculation verifications, invoicing arrangements, site inspection at storage facility, site visits to seven ongoing and finalised forest operations and tracking of timber batches. Critical control points included verification of feedstock classification and category (SBP-compliant biomass), SVP and implemented risk mitigation measures and monitoring within the defined supply base and checking the chain-of-custody volume accounting, as well as the data available as specified in the Instruction note 5A, 5B and 5C on collection and communication of data. The procedures manual, the SBR, the SAR report for woodchips and the biomass profiling data reports were reviewed. After the on-site audit, the BP revised several documents and an additional review off-site was conducted by the auditor. The P1 resulted in closure of nonconformities and identification of a short list of minor nonconformities and observations.

6.3 Process for consultation with stakeholders

N/A. This is a surveillance audit.

7 Results

7.1 Main strengths and weaknesses

As the main strengths of the BP, there is proven competency and experience of trading and forest management in the management team of Biomasse Børsen ApS. During the review and evaluation of the company' SBE with using the SBP-endorsed RRA for Denmark and the SVP, the strengths of the company include the clear track of feedstock to origin and its flows from the forest to the energy sector, the full overview of sets of suppliers, the well-developed SVP and the use of the SBP approved RRA for Denmark with identification of four indicators with specified risk. The BP has 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 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. For the risk assessment (RRA), the risk was designated low for all indicators of the SBP Standard 1 apart from four: 2.1.1, 2.1.2, 2.2.3 and 2.2.4. The Company has built the developed mitigation measures for these four indicators 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 RRA, 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 control of the forest operations conducted by forest contractors. The evaluation found that the mitigation measures are sufficient to bring the risk down to low for the four indicators.

7.3 Collection and Communication of Data

Since the scope of the SBP system is rather limited to purchase of roundwood, chipping and transport and as the feedstock originates from primary feedstock with detailed records on forest of origin of all feedstock, the GHG profiling data can be obtained through a quite simple routine and by use of reference values (BioGrace). The baseline and general procedures are in line with the Document 5A, 5B and 5C requirements and procedures. The BP has prepared and maintained 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 company has two active owners, one full time employee and one bookkeeper on part-time basis. The personnel responsible for the management and control system has a long experience of system management, professional control of 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 suitable level.

7.5 Stakeholder feedback

N/A. No comments received.

7.6 Preconditions

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 after the SVP has been performed and after any mitigation measures have been implemented.

Table 1. Final risk ratings of Indicators as determined after the SVP and any mitigation measures.

Indicator	Risk rating (Low or Specified)	
	Producer	CB
1.1.1	Low	Low
1.1.2	Low	Low
1.1.3	Low	Low
1.2.1	Low	Low
1.3.1	Low	Low
1.4.1	Low	Low
1.5.1	Low	Low
1.6.1	Low	Low
2.1.1	Low	Low
2.1.2	Low	Low
2.1.3	Low	Low
2.2.1	Low	Low
2.2.2	Low	Low
2.2.3	Low	Low
2.2.4	Low	Low
2.2.5	Low	Low
2.2.6	Low	Low
2.2.7	Low	Low
2.2.8	Low	Low
2.2.9	Low	Low
2.3.1	Low	Low
2.3.2	Low	Low

Indicator	Risk rating (Low or Specified)	
	Producer	CB
2.3.3	Low	Low
2.4.1	Low	Low
2.4.2	Low	Low
2.4.3	Low	Low
2.5.1	Low	Low
2.5.2	Low	Low
2.6.1	Low	Low
2.7.1	Low	Low
2.7.2	Low	Low
2.7.3	Low	Low
2.7.4	Low	Low
2.7.5	Low	Low
2.8.1	Low	Low
2.9.1	Low	Low
2.9.2	Low	Low
2.10.1	Low	Low

9 Review of Company's mitigation measures

The four indicators with specified risk in the SBP endorsed RRA for Denmark are: 2.1.1, 2.1.2, 2.2.3 and 2.2.3. For this purpose, Biomasse Børsen ApS 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. As part of the SBE, Biomasse Børsen ApS 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 (forest contractors under own control and other suppliers). The risk mitigation measures covering all four indicators are targeting both: a) Forest operations controlled by Biomasse Børsen and performed by forest contractors, and b) Forest operations where Biomasse Børsen receives the wood chips from suppliers with indirect control of the forest operations. Risk mitigation measures: For each new project, i.e. assignment to purchase roundwood or wood chips, a risk assessment is carried out with screening of the forest of origin from where biomass is harvested. This screening is conducted to clarify whether the site on the basis of the indicators: 2.1.1, 2.1.2, 2.2.3, 2.2.4, has to be classified as a risk area. The risk assessment is based on available national maps and databases accessible on internet or via a nature portal maintained by the Danish authorities, as well as a physical examination of the forest area before the forest operation is started. The screening and the resulting implementation of the risk mitigation measures contribute to minimizing any negative impacts on ecosystems, biodiversity and conservation areas and thereby converted the risk into low risk. The procedure for mapping and checking the forest area, where the feedstock will be harvested includes the following;

- 1) Each project is assigned a unique project ID that recur in the short, job description, weight slips and invoices etc.
- 2) Site map developed based on relevant map applications, incl. "Arealinformation" and "Miljøgis" with HNV (high nature value) forest or DM & E map program with relevant map layers (Map and detailed maps indicating the workspace and protected zones, if any, FSC and PEFC certified FMUs and/or green forest management plan involved "account card" in the planning process, so of values can be secured. These cards attached to the project).
- 3) Completion of checklist: a) Map Screening, the affected items in the checklist ticked; b) description of any remedial action; c) definition of product status; d) presentation of the person responsible for screening; e) Physical screening / review of the felling area to be implemented by Broadleaf stands; f) Uneven Aging stands; g) Areas with HNV value from 10 and up and h) Areas of Conservation, monuments, etc.
- 4) Physical screening with identifying any key habitats and valuable nature areas.
- 5) Physical screening may be omitted if the screening of existing maps and databases does not reveal any risks and the forest operation is: a) thinning of afforestation / 1st generation forest site; b) thinning in even-aged coniferous forest stand, c) the work area is outside the forest and the operation performed is not impacting any nature values.
- 6) For each project, a work instruction is prepared, which describes how the forest operation/task is to be solved and which measures must be taken on site.


The SVP and implemented training programme: Biomasse Børsen has developed and implemented a SVP including a training programme of forest contractors/suppliers of feedstock. The suppliers have been listed and categorised and a contractors handbook developed, which clearly explains how the suppliers/contractors are screened and trained. And how the supplier/contractor have to apply the work instruction and maps resulting from the screening of the individual forest area. Biomasse Børsen then controls that the supplier/contractor has implemented the screening, the mapping, the work instruction and

the forest operation without negative impact on any nature values on site. Next to the contractor handbook, Biomasse Børsen has developed a Tradenda app, where all information is available and shared between Biomasse Børsen and the supplier/contractor.

Guide to perform the screening of the forest area before forest operations: The company has developed a guide to Danish contractors and suppliers on how they must screen the forest or landscape area before any harvest operations and how to use the Tradenda app. The guide includes the obligatory desk based and field screening to be performed and how the results must be made available to the company, so that the company will hold records proving implementation of risk mitigation measures securing low risk of negative impact on nature values.

Monitoring of implementation of the risk mitigation measures: The Biomasse Børsen has prepared and implemented a monitoring plan by sampling of the suppliers of Roundwood and wood chips respectively, which include clear sampling rules and how to monitor that the required mitigation measures are being implemented, records are being kept and whether the measures were shown to be effective in addressing the identified risks. The review of the lead auditor included checking forest operation sites, interviewing contractors of the suppliers, checking training programme implemented and checking the Tradenda app information and examples of maps with known nature values, project work instructions, documentation and company evaluation.

10 Non-conformities and observations

Identify all non-conformities and observations raised during the evaluation (a tabular format below may be used here). Please use as many copies of the table as needed. Click on the  symbol on the right bottom corner of the table to repeat the table. 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 IA-07-2017-SBP5	NC Grading: Minor
Standard & Requirement:	SBP STD 5_Instruction Note 5A_2.2.4; 2.2.5
Description of Non-conformance and Related Evidence:	
The company has set up system for Static Data Identifiers in the report and document templates for SDIs but had not put the system into action yet due to not yet being SBP certified. It is a SBP requirements that the Static Data Identifier shall refer only to a single Reporting Period. A new Static Data Identifier shall be allocated for each Reporting Period and be in the form: SBP-- XX-- YY-- ZZ Where: SBP-- XX-- YY is the BP certificate number issued by the CB. XX is 05, allocated to the CB by SBP. YY is 05, allocated by DNV GL. ZZ is a unique 2-digit integer unique to the Reporting Period and the Scope End-Point for biomass as determined by the BP.	
Timeline for Conformance:	By the next surveillance audit, but no later than 12 months from report finalisation date
Evidence Provided by Company to close NC:	The company has set up system for Static Data Identifiers (SDIs) and has put the system into action in the DTS, the ID5C and the ID5B reports
Findings for Evaluation of Evidence:	However, the company had used the ZZ position as a standard for each end-point. The BP has not fully developed the system of allocating the ZZ in ascending linear numerical order for each end-point (SBP-- XX-- YY-- ZZ). Observation raised to a MINOR.
NC Status:	Open

NC number IA-09-2017-SBP5	NC Grading: Major
----------------------------------	--------------------------

Standard & Requirement:	SBP STD 5 Instruction Note 5B_5.1.1-5.1.4
Description of Non-conformance and Related Evidence:	
The BP has only just started up this recording and has set up system to record the data via the transporters reporting and the Tradenda app. But at the time of the audit, no real data was recorded yet, not was there a system operating, such as log books or electronic code/card systems to allocate the use of fossil fuel to processing (biomass production) or transport.	
Timeline for Conformance:	6 months from the report finalisation
Evidence Provided by Company to close NC:	System set up to record the number of km driven for each truck load and then to calculate use of fossil fuel used to chip the roundwood and to load and unload wood chips on storage. Records on diesel use of the mobile loader on the storage seen.
Findings for Evaluation of Evidence:	The NC is partly met, but the BP has not specified if using reference consumption values. The reference values are used for calculating use each month based on best known data.
NC Status:	Open

NC number P1-01-2018-SBP1	NC Grading: Minor
Standard & Requirement:	SBP Standard 1, 2.1.1, 2.1.2, 2.2.3, 2.2.4
Description of Non-conformance and Related Evidence:	
For the SBP-endorsed RRA for Denmark, June 2018, the four specified risk indicators, there is a specific focus on :5. Feedstock from uneven-aged stands or stands of broadleaf species: Due to no legal requirement for identification and mapping of Key biotopes, it is assessed that for all other forest sources of biomass feedstock, the risk of HCVs being present, but not identified or mapped is SPECIFIED.Although the company has strong focus on field verification and checking forest operation sites for HCVs (see risk mitigation measures described in the SBR and the DNVGL PSR), the company has not in the implemented risk mitigation measures showed specific focus on the concept of key biotopes.	
Timeline for Conformance:	By the next surveillance audit, but no later than 12 months from report finalisation date
Evidence Provided by Company to close NC:	<i>Click or tap here to enter description provided by Company to close the NC.</i>
Findings for Evaluation of Evidence:	<i>Click or tap here to enter findings for evaluation of evidence by the auditor.</i>

NC Status:	Open
NC number P1-02-2018-SBP4	NC Grading: Minor
Standard & Requirement:	SBP Standard 4, 5.5.2, instruction note 4B, 2.2
Description of Non-conformance and Related Evidence:	
The BP's invoices state "SBP compliant biomasse" and not the correct claim "SBP-compliant biomass".	
Timeline for Conformance:	By the next surveillance audit, but no later than 12 months from report finalisation date
Evidence Provided by Company to close NC:	<i>Click or tap here to enter description provided by Company to close the NC.</i>
Findings for Evaluation of Evidence:	<i>Click or tap here to enter findings for evaluation of evidence by the auditor.</i>
NC Status:	Open

NC number P1-03-2018-SBP4	NC Grading: Observation
Standard & Requirement:	SBP Standard 4, 6.3.2
Description of Non-conformance and Related Evidence:	
Denmark has the second lowest corruption in the world according to the CPI. At the time of the audit, the company could not find the Anti-corruption policy but during the audit, the company again formulated the policy and included it in the procedures manual as a short section appropriate to the small size of the company. This is an observation issued as a reminder to keep procedures in line with SBP requirements.	
Timeline for Conformance:	Other This is an observation only
Evidence Provided by Company to close NC:	<i>Click or tap here to enter description provided by Company to close the NC.</i>
Findings for Evaluation of Evidence:	<i>Click or tap here to enter findings for evaluation of evidence by the auditor.</i>
NC Status:	Open

11 Certification decision

Based on the auditor's recommendation and the Certification Body's quality review, the following certification decision is taken:	
Certification decision:	Certification approved
Certification decision by (name of the person):	Kimmo Haarala
Date of decision:	30 March 2018
Other comments:	Based on the assessment process, it has been shown that the management system implemented by the BP meets the requirements of the applicable SBP standards and the certificate remains valid. The corrective actions resulting from the minor NCs shall be initiated and implemented within 12 months following this surveillance.