SBP

Sustainable Biomass Program

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

Main (Initial) Audit

www.sbp-cert.org

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

For further information on the SBP Framework and to view the full set of documentation see www.sbp-cert.org

Document history

Version 1.0: published 26 March 2015

Version 1.1: published 30 January 2018

Version 1.2: published 4 April 2018

Version 1.3: published 10 May 2018

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1 Overview

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Current report completion date:	27/Apr/2018
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Name of the Company:	Skovbygaard A/S
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Certified Supply Base:	Denmark
SBP Certificate Code:	SBP-05-09
Date of certificate issue:	27/Jun/2018
Date of certificate expiry:	26/Jun/2023

This report relates to the Main (Initial) Audit

2 Scope of the evaluation and SBP certificate

Introduction

Skovbygaard A/S is a biomass trader and producer of wood chips based in Denmark. In the context of SBP, Skovbygaard A/S 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 the storage, where the BP stores the 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 picked up at roadside and transported from the forest. The period of ownership ends when the biomass (wood chips) is offloaded at the customer.

Scope

The company is a biomass producer with company office and storage, performing the following: purchase of roundwood and woodchips, mobile chipping, trade 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 the 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

Skovbygaard A/S is a Danish company, which operates as a forest contractor and purchases roundwood and wood chips from Danish forests and surrounding landscapes. The company produces and trades wood chips. The company office located in the Northern Part of Jytland in Denmark is responsible for the trading, chain-of-custody and the wood chipping. In the context of SBP, the company has one storage facility located next to the company office. The raw materials are primary feedstock (roundwood) originating from Danish forests and surrounding landscape, which are chipped in the forest as part of the harvest operation and then either placed at roadside (temporary storages) or transported to the company' permanent storage facility. 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 for Denmark.

5.2 Description of Company's Supply Base

The feedstock to the BP is sourced from the supply Base: Denmark. The feedstock is supplied through the harvest and chipping operations screened, performed and monitored by the BP.

Forest management practices in Denmark are based on the country specific forestry and nature protection laws, forestry guidelines, and forest management planning practices. Even-aged forestry is the dominant method. The forest rotation is typically 60-100 years, with the silvi-cultural practice most often consists of planting or natural regeneration, tending of the young seedling stands, two thinnings, final harvesting o fthe mature stand followed by obligatory regeneration of a new forest stand. Recently, un-even-aged forestry has become more popular and is being applied to the extent possible.

The Danish forest area is approximately 620 000 ha, which corresponds to approx. 14,4% of the terrestial land area of Denmark. The forest area is increasing. Other woodland areas are also found in the open landscape.

Total standing timber in Danish forests is 130 million m3. Generally, Danish forests include a variety of tree species of which the most common species are: Norway spruce 15%, beech 14% and oak 10%, while other species include: pine 11%, silver spruce 6%, Nordmann fir 5%, noble fir 2%, other fir species 10%, Sycamore maple 4%, birch 7%, ash 3% and other broadleaves 9%.

The number of forest properties in Denmark is estimated to 28 000. The general size of Danish FMUs range 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 municipalities and other public bodies. The BP's supply base is both state owned and privately owned forests.

The company has conducted a supply base evaluation (SBE) using the SBP endorsed RRA for Denmark and with SVP and risk mitigation measures for the specified risk indicators to categorise them as low risk.

For more information on the supply base of the BP, the BP has elaborated the SBP SBR in Danish and English and will be made publicly available by uploading them on the webpage of the BP (www.skovbygaard.com) after their approval.

5.3 Detailed description of Supply Base

The BP's supply base is Denmark including Danish forests, windbreaks, scenic areas and urban plantations, mainly in North-Jytland. Skovbygaard is a forest contractor that produces and sells wood chips.

The wood chip production of the BP is 25,000-35,000 tons/year; where 45% of the wood chips are produced mainly from windbreaks and small plantations and in connection with nature projects. The supply base also includes clearing of trees and shrubs in connection with developments and expansion of infrastructure in Denmark. From forests, the feedstock from the supply base stems mainly from thinning of conifers, final harvests and branches and tops from both broadleaves and conifers. Approximately 60% of the primary feedstock is conifers, 20% broadleaved and 20% a mixture of broadleaved and conifers.

The feedstock will be 100% primary feedstock.

The supply base area covers approx. a total of 620,000 ha forest. The ownership of the forests are distributed on approx. 430,509 ha privately owned, 27,696 ha owned by foundations, 150,298 ha owned by the state and 11,997 ha other ownership.

The forest type for the whole forest area temperate forests.

The forest can be divided on approx. 484 000 ha planted forest and 100 500 ha natural forests incl. historic/cultural forest management systems and 36 000 other cultural systems.

The FSC and PEFC certified forest area is distributed on some 265,000 ha certified according to PEFC and 215 000 ha according to FSC; most of this area is certified according to both.

A further detailed description of the Supply Base can be found in the BP's SBR.

5.4 Chain of Custody system

All feedstock sourced is covered by the BPs own wood traceability system, which is recently third party certified according to PEFC Chain of Custody. The BP has PEFC COC certificate code SA-PEFC/COC-006227, issued by Soil Association Certification Ltd. on 16-03-2018.

All feedstock is sourced through the PEFC COC system of the BP, which covers wood chips as a product group. The scope of the PEFC system is physical separation in all phases with purchase of feedstock followed by chipping, storage, transport and sales of wood chips.

Based on the reviewed purchase documentation from the suppliers and the BPs own sales documentation, claims are/will be transferred correctly to sales documents. This system is applied for SBP as well, since the only processes are chipping, transport, storage and sales of wood chips.

The main part of the feedstock will be purchased as non-PEFC certified but will through the BPs SBE be categoried as low risk with the possibility to sell the biomass as SBP-compliant biomass.

The BP is aware of the allowed SBP claims and the batch specific coding system, which will be used on the sales invoices. The BP maintains volume accounts and calculations for all inputs and outputs.

6 Evaluation process

6.1 Timing of evaluation activities

8 Feb 2018: Pre-Assessment on and offsite with review of documents and procedures (1 person-day)., performed by the Lead Auditor.

16 Feb 2018: Offsite stakeholder consultation and audit preparation (½ person-day of total 1 person-day). Location: Home office and DNV office, Espoo Finland, performed by the Lead Auditor and DNVGL staff responsible for contracting.

4-6 April 2018: IA onsite audit with office and field visits and document review (1,5 person-days) and SBE evaluation (1 person-day). Locations: Company Office of the BP, storage facility and site visits to ongoing and finalised forest operations and forest temporary storages, performed by the Lead Auditor and representatives of the BP, i.e. the SBP responsible, managing director and owners.

April 2018: Off-site technical review and reporting (½ person-day of total 1 person-day). Location: Home office and DNV office, Espoo Finland) performed by the Lead auditor, Technical reviewer and Certification decision maker.

6.2 Description of evaluation activities

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

Stakeholder consultation: See beneath.

Main/Initial Assessment: The Main (IA) Assessment contained document reviews, record reviews, interviews of responsible personnel, calculation verifications, site inspection at storage and chipping facility, two forest site visits and tracking of timber batches. Critical control points included verification of feedstock classification and category (SBP-compliant biomass) within the defined supply base and checking the chain-of-custody volume accounting thoroughly, as well as the data available as specified in the Instruction notes 5A, 5B and 5C on collection and communication of data.

The Main (IA) Assessment also included the thorough review of the SBE with document and procedures review, record review, interviews of responsible personnel, verification of SBE including use of the SBP endorsed RRA and SVP and mitigation measures developed by the BP, as well as field visits to forest operation sites and temporary forest storage with ongoing activities.

The Main (IA) Assessment resulted in closure of the nonconformities from the pre-assessment and identification of a short list of minor nonconformities and observations.

Reporting and Technical Review: After the Main (IA) Assessment, the Lead Auditor prepared the reporting and send these for Technical Review. After the Technical Review, the reports and documentation will be

sent to Peer Review to be performed by a SBP approved external reviewer before the document package is submitted to ASI/SBP and the decision on the issue of the SBP certificate is taken.

6.3 Process for consultation with stakeholders

Before the Main (IA) Assessment, a stakeholder consultation was performed including sending a consultation letter together with the BP's SBR and RRA mitigation measures by e-mail to a total of 29 Danish stakeholder organisations encouraging the stakeholders - as well as their local and national network partners and colleagues - to raise their concerns related to the SBP certification of the BP.

The list of consulted stakeholders was based on the list of stakeholders also consulted as part of the national RRA development process for Denmark.

No stakeholder comments received. This process can be seen as the stakeholders generally are not concerned about the company’s forest management, sourcing of feedstock, SBE nor risk mitigation measures.

7 Results

7.1 Main strengths and weaknesses

As the main strengths of the BP, there is proven longterm experience of trading and forest management in the management team. During the review and evaluation of the BP' SBE with using the SBP-endorsed RRA for Denmark and the SVP, the strengths of the BP include the clear track of feedstock to origin and its flows from the forest to the energy sector, the full overview of suppliers, the use of the SBP approved RRA for Denmark with identification of four indicators with specified risk. The BP has well-developed and clear SVP risk mitigation measures to get these four specified risk indicators categorised to low risk, including the screening and monitoring of suppliers and their forests and the system setup, procedures, field verification, control and monitoring of forest operations.

The audits did not identify any significant weaknesses.

7.2 Rigour of Supply Base Evaluation

The BP has used the SBP endorsed RRA for Denmark and by using this conducted a rigorous Supply Base Evaluation of the defined Supply Base. For the SBP endorsed 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 BP 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 with specified risk in the RRA, the BP has developed clear risk mitigation measures, including supplier screening (all similar suppliers being forest owners or land owners) in their SVP, and screening procedures for the forest site before harvest operations, routines for field verification, recording and control and monitoring mechanisms of the forest operations conducted.

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 feedstock, chipping, storage 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 recorded data and prepared the ID5B Woodchip Data Report (SAR) v1-0 and the ID5C Static Biomass Profiling Data sheet v1-1.

7.4 Competency of involved personnel

The BP has one active owner and one project manager with full control of all feedstock related and biomass related procedures and routines, as well as one bookkeeper with full control of all records relevant for the purchase and sales documents and volume control.

The personnel responsible for the management and control system has longterm professional experience of management and control of forest operations and the traceability of the feedstock flow from the forest to the customer.

The knowledge and experience of the responsible personnel relating to GHG data profiling procedures is also found to be on a suitable level given the level and limited extend of the SBP scope.

7.5 Stakeholder feedback

No stakeholder 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 before AND after the SVP has been performed and after any mitigation measures have been implemented.

The BP has used the SBP endorsed RRA for Denmark with low risk in all indicators apart from four indicators with specified risk (2.1.1, 2.1.2, 2.2.3 and 2.2.4).

The lead auditor reviewed the RRA and the related documentation maintained by the BP and audited the biomass producer up against the SBP Std. 1 to confirm any sensitive or missing elements to the company approach for using the RRA and to review if the biomass producer had sufficient knowledge and documentation in place as verification and/or had implemented sufficient mitigation measures leading to confirming low risk in the four specified risk indicators.

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

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

2.2.8	Low	Low
2.2.9	Low	Low
2.3.1	Low	Low
2.3.2	Low	Low

Table 2. Final risk ratings of Indicators as determined AFTER the SVP and any mitigation measures.

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

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

9 Review of Company's mitigation measures

The four indicators with specified risk in the SBP endorsed RRA for Denmark 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).

2.2.4 The BP has implemented appropriate control systems and procedures to ensure that biodiversity is protected (CPET S5b).

For this purpose, the BP has developed appropriate and clear systems and procedures as risk mitigation measures to ensure also these four indicators can be categorised as low risk. 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. These four indicators can thus be tackled by the same set of SVP and risk mitigation measures.

The BP has setup the SVP and risk mitigation measures including listing and screening suppliers (forest owners), defining one set of suppliers, and developing tools and screening procedures for checking and verifying that no nature values are damaged as part of the forest operations performed, and monitoring procedures for field verification.

The BP uses the SBP endorsed RRA for Denmark, June 2017. Low risk has been identified for all indicators, apart from four indicators with specified risk: 2.1.1, 2.1.2, 2.2.3, 2.2.4. The specified risk is further only for Primary feedstock from uneven-□aged stands or stands of broadleaf species (without green management plan/certification), while there are low risk for primary feedstock from: FSC or PEFC certified forests, forests with a green management plan, thinnings of even-aged conifer stands, thinnings of first generation reforestation forest, and non-□forest areas, e.g. nature maintenance projects, windbreaks or residential areas.

To minimise the specified risk for uneven-aged standards or stands of broadleaf species and move it to 'Low Risk', Skovbygaard is working according to its own risk mitigation measures described in the company procedures manual.

General:

- The BP handles the entire process for most of the wood chip sold by Skovbygaard. This means customer contact, job planning, job execution as well as the transport and sale of wood chip. Each job order/project is planned and controlled by the management team.

- Each wood chip project is given a unique case number and address, which is marked in the system, on the work instruction, weighing forms etc.

Screening:

- For all suppliers (forest owners), the BP enters into an agreement with the forest owner about the harvest operation. During the pre-meeting, questions are asked regarding a green management plan or forest certification. If the property is certified or has a green management plan, the map with recorded key biotopes must be provided to the BP.

- The forest area is screened through checking all known data (DM&E's map portal with all available maps and records) from the official databases/portals.

Field control

- The BP physically inspects and assess the areas of all suppliers after the screening and before felling. This means that it is highly certain that the areas are screened correctly.

- The forest area is classified as one of the before mentioned six types. This division is made by the management team, which is familiar with identifying key biotopes according to the Danish methodology.

- If the area is assessed as the forest type with specific risk and Kasper/Joachim has any doubt about the nature values on site, an external assessment from a forester/biologist with local knowledge is contacted and asked to make the assessment.

Map and checklist instructions

- A map and checklist instruction of the harvesting site is prepared to ensure that the machine operator is aware of any protected or valuable nature elements/culture elements/HCVs. The map shows identified areas with HCV.

- To be able to identify HCV areas during work, all machine operators working with wood chip projects must document training in "Maskinfærdsel på Naturnære arealer" (Machine traffic in nature areas).

- Biomass is only sold as SBP-compliant biomass if it originates from suppliers for which a Low Risk can be established for the four indicators with specified risks through measures to reduce the risk.

Occasionally, a minor part of the wood chips may be purchased from other forest contractors. The procedure for the purchase of external wood chip is that Skovbygaard handles the purchase of feedstock from subcontractors as if it was its own project. The BP then handles the screening, mapping, risk assessment, field check to minimise risks.

The BP has prepared 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 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/closed during the evaluation (a tabular format below may be used here). Please use as many copies of the table as needed. For each, give details to include at least the following:

- *applicable requirement(s)*
- *grading of the non-conformity (major or minor) or observation with supporting rationale*
- *timeframe for resolution of the non-conformity*
- *a statement as to whether the non-conformity is likely to impact upon the integrity of the affected SBP-certified products and the credibility of the SBP trademarks.*

NC number SBP1-IA-2018-01	**NC Grading:** Minor
Standard & Requirement:	SBP Std 1, 2.1.2; 2.2.3; 2.2.4
Description of Non-conformance and Related Evidence:	
As part of the Supply Base Evaluation, the BP has mitigation measures developed and implemented for the four specified risk indicators in the SBP endorsed RRA for Denmark, June 2017. The risk mitigation measures are found clear and sufficient to bring the indicators to low risk. The BP will mainly receive feedstock from even-aged conifer stands or non-forest areas or certified forests or forests with a green foret management plan. However in the RRA, indicator 2.1.2 (and repeated in 2.2.3, 2.2.4) has specified risk also for Feedstock originating from forest estates with a Green Management plan (specified risk): "2. Feedstock originating from forest estates with a Green Management plan: It is a requirement for receiving subsidies for developing a Green Management plan that HCV areas in the forest are identified and mapped. However, there is no strict requirement that the HCVs are monitored and protected from forest management, and therefore risk is evaluated as SPECIFIED". So although the company has strong focus on field verification and checking forest operation sites for HCVs (see same risk mitigation measures under 2.1.1), the company has not in the written description of the risk mitigation measures showed sufficient specific focus on the concept of key biotopes.	
Timeline for Conformance:	By the next surveillance audit, but no later than 12 monhts from report finalisation date
Evidence Provided by Company to close NC:	*Click or tap here to enter description provided by Company to close the NC.*
Findings for Evaluation of Evidence:	*Click or tap here to enter findings for evaluation of evidence by the auditor.*
NC Status:	Open

NC number SBP1-IA-2018-02	NC Grading: Minor
Standard & Requirement:	SBP Std 1, Instruction Note 1A: 6.1
Description of Non-conformance and Related Evidence:	
The BP has used the SBP endorsed RRA for Denmark, June 2018, but has not included as an annex to the RRA: b) A list of multilateral environmental agreements and ILO Conventions that the country has ratified,relevant to the Standard.	
Timeline for Conformance:	By the next surveillance audit, but no later than 12 monhts from report finalisation date
Evidence Provided by Company to close NC:	Click or tap here to enter description provided by Company to close the NC.
Findings for Evaluation of Evidence:	Click or tap here to enter findings for evaluation of evidence by the auditor.
NC Status:	Open

NC number SBP1-IA-2018-03	NC Grading: Minor
Standard & Requirement:	SBP STD 2: 16.3; 18.4; instruction note 2A: 1.7
Description of Non-conformance and Related Evidence:	
The BP has defined and is implementing the risk mitigation measures for the four specified indicators. The BP has defined just one set of suppliers (forest owners), which are screened by own project managers and field verification performed by own project managers. So far, the company has described the system for monitoring and checking implementation of the SVP risk mitigation measures. But the company has not yet implemented any plan to monitor the effectiveness of the mitigation measures at least annually. And so far no results of the monitoring of the implementation of the risk mitigation measures have been recorded in the annual update of the SBR.	
Timeline for Conformance:	By the next surveillance audit, but no later than 12 monhts from report finalisation date
Evidence Provided by Company to close NC:	Click or tap here to enter description provided by Company to close the NC.
Findings for Evaluation of Evidence:	Click or tap here to enter findings for evaluation of evidence by the auditor.
NC Status:	Open

NC number SBP1-IA-2018-04	NC Grading: Minor
Standard & Requirement:	SBP STD 2; Instruction note 2A: 1.2
Description of Non-conformance and Related Evidence:	
The BP has defined monitoring based on the risk mitigation measures for the four indicators to get them to low risk. The BP has only one set of suppliers: Forest owners being screened by own project managers and harvest sites being screened as well by own project managers by 100% sampling density (i.e. all projects). However, at the time of the audit, the BP had not defined nor described the criteria to be monitored during verification according to supplier characteristics, risk factors and local circumstances.	
Timeline for Conformance:	By the next surveillance audit, but no later than 12 monhts from report finalisation date
Evidence Provided by Company to close NC:	Click or tap here to enter description provided by Company to close the NC.
Findings for Evaluation of Evidence:	Click or tap here to enter findings for evaluation of evidence by the auditor.
NC Status:	Open

NC number SBP1-IA-2018-05	NC Grading: Observation
Standard & Requirement:	SBP STD 4: 5.4.1
Description of Non-conformance and Related Evidence:	
The BP has not yet supplied biomass with a SBP claim and not recorded all the requested information in the system yet. But the BP has prepared formats for sales documentation with correct SBP-compliant	

biomass claim and position for including the SBP certificate code. The BP is recording for sales: a) The name and address of the buyer; b) The date on which the invoice was issued; c) Description of the product, and d) The quantity of the products sold. Example of format prepared to include: Production Batch ID, SBP claim and SBP certificate code illustrated (ID no. 103305; ID no. 103418) . An observation is issued to remind the BP securing correct information on: Specific batch data, SBP certificate code and SBP claim.	
Timeline for Conformance:	Other
Evidence Provided by Company to close NC:	Click or tap here to enter description provided by Company to close the NC.
Findings for Evaluation of Evidence:	Click or tap here to enter findings for evaluation of evidence by the auditor.
NC Status:	Open

NC number SBP1-IA-2018-06	NC Grading: Observation
Standard & Requirement:	SBP STD 5; Instruction note 5A: 4.1-4.4
Description of Non-conformance and Related Evidence:	
The BP is aware of the DTS system, but has not done any transactions yet in the DTS system. This observation is to remind that all SBP transactions shall be recorded in the DTS.	
Timeline for Conformance:	Other
Evidence Provided by Company to close NC:	Click or tap here to enter description provided by Company to close the NC.
Findings for Evaluation of Evidence:	Click or tap here to enter findings for evaluation of evidence by the auditor.
NC Status:	Open

NC number SBP1-IA-2018-07	NC Grading: Minor
Standard & Requirement:	SBP STD 5; Instruction note 5B: 2.1.2-2.1.3
Description of Non-conformance and Related Evidence:	
The BP has started setting up the data recordings for real data to be reported annually in the SAR report. Documents and records reviewed. However, the system for data recording for SAR data is not yet implemented, while the BP is expected to operate a management system to ensure that data for the annual SAR is recorded consistently and in compliance with the requirements specified in the Instruction Document 5B.	
Timeline for Conformance:	By the next surveillance audit, but no later than 12 monhts from report finalisation date
Evidence Provided by Company to close NC:	Click or tap here to enter description provided by Company to close the NC.
Findings for Evaluation of Evidence:	Click or tap here to enter findings for evaluation of evidence by the auditor.

NC Status:	Open

NC number SBP1-IA-2018-08	NC Grading: Minor
Standard & Requirement:	SBP STD 5; Instruction note 5B: 6.2
Description of Non-conformance and Related Evidence:	
The BP has inputs transported from forest sites and outputs delivered at the customers, plus to the storage where feedstock occasionally will arrive next to the office. The BP maintains a data sheet to calculate and record data of inputs and outputs. However, so far there has been no sales of SBP-Compliant Biomass and the BP has not provided an annual overview of the quantities (inputs and outputs) of biomass handled at the storage and for each of the scope end-points.	
Timeline for Conformance:	By the next surveillance audit, but no later than 12 monhts from report finalisation date
Evidence Provided by Company to close NC:	Click or tap here to enter description provided by Company to close the NC.
Findings for Evaluation of Evidence:	Click or tap here to enter findings for evaluation of evidence by the auditor.
NC Status:	Open

NC number SBP1-IA-2018-09	NC Grading: Minor
Standard & Requirement:	SBP Std 5, Instruction Note 5C: 2.1.1-2.1.2
Description of Non-conformance and Related Evidence:	
The BP has started setting up the data recordings for real data to be reported annually in the ID5C SBP Static Biomass Profiling data sheet. Documents and records reviewed. However, the system for data recording for SAR data is not yet implemented, while the BP is expected to operate a management system to ensure that data for the annual static profiling data sheet is recorded consistently and in compliance with the requirements specified in the Instruction Document 5C.	
Timeline for Conformance:	By the next surveillance audit, but no later than 12 monhts from report finalisation date
Evidence Provided by Company to close NC:	Click or tap here to enter description provided by Company to close the NC.
Findings for Evaluation of Evidence:	Click or tap here to enter findings for evaluation of evidence by the auditor.
NC Status:	Open

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:	15/May/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.