

# DNV GL Business Assurance Finland Oy Ab Evaluation of Biomasse Børsen ApS Compliance with the SBP Framework: Public Summary Report

Second Surveillance Audit

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## Completed in accordance with the CB Public Summary Report Template Version 1.4

*For further information on the SBP Framework and to view the full set of documentation see  
[www.sbp-cert.org](http://www.sbp-cert.org)*

### *Document history*

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# 1 Overview

|                                 |   |
|---------------------------------|---|
| CB Name and contact:            | DNV GL Business Assurance Finland Oy Ab |
| Primary contact for SBP:        | Jyrki Sopenen /Jyrki.sopenen@dnvgl.com  |
| Current report completion date: | 15/Feb/2019                             |
| 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:           | SBP-05-07                               |
| Date of certificate issue:      | 02/Jun/2017                             |
| Date of certificate expiry:     | 01/Jun/2022                             |

This report relates to the Second 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](http://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: 19310 tons. Volume of primary feedstock: 100%. 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

The BP has valid FSC and PEFC certificates covering chips and wood issued by Soil Association Certification: Certificate codes: FSC: SA-COC-005618 and PEFC: SA-PEFC/COC-005618. All feedstock sourced is covered by the BP's own wood traceability system, which is third party certified according to both FSC and PEFC Chain of Custody. All feedstock is sourced through the FSC and PEFC COC systems of the company, which covers wood chips as a product group. The scope of the FSC system is transfer system and 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 if inputs are purchased as FSC or PEFC certified. This system is applied for SBP as well, since the same processes are transport, storage, chipping and loading from storage facilities. The BP purchases non-certified Roundwood and through the SBE using the approved RRA for Denmark and SVP plus field verification and control measures sells biomass as SBP-compliant biomass to customers holding valid SBP certificate. All non-certified feedstock are kept separate and is traceable during all phases from the forest to the customer. The BP is aware of the SBP claims and batch specific coding system, which is used on the sales invoices and in the DTS database for the monthly transactions. The company maintains annual volume accounts and calculations for all inputs and outputs.

## 6 Evaluation process

### 6.1 Timing of evaluation activities

January 2019: Audit planning, preparations and document review (location: Home office and DNV office, Espoo Finland), performed by the Lead Auditor and DNVGL staff responsible. Duration: 1 person-day.  
30-31 January 2019: Second surveillance audit (PA2): 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.  
February 2019: 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 PA2 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

There is a SBP endorsed Regional Risk Assessment for Denmark, June 2017. The Company applies the RRA and has conducted a rigorous Supply Base Evaluation of the defined Supply Base. For the risk assessment (RRA), the risk is low for all indicators of the SBP Standard 1 apart from four indicators: 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 with 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 including 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 three active owners (self-employed) and one bookkeeper on part-time basis. The owners 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 before AND after the SVP has been performed and after any mitigation measures have been implemented.*

The company – as well as the Certification Body - uses the SBP endorsed Regional Risk Assessment for Denmark, June 2017. The four indicators with specified risk in the SBP endorsed RRA for Denmark are 2.1.1, 2.1.2, 2.2.3 and 2.2.4.

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

| 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     | Specified                      | Specified | 2.7.2     | Low                            | Low |
| 2.1.2     | Specified                      | Specified | 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     | Specified                      | Specified | 2.9.1     | Low                            | Low |
| 2.2.4     | Specified                      | Specified | 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 |
|-------|-----|-----|

**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, 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 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, as well as 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/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.

|   |   |
|---|---|
| <b>NC number</b> P2-01-2019-SBP2  | <b>NC Grading:</b> Observation  |
| <b>Standard &amp; Requirement:</b>  | SBP STD 2, 1.7  |
| <b>Description of Non-conformance and Related Evidence:</b>   |   |
| <p>The BP has checked and conducted internal audits of all own contractors and external contractors. The sample density is 90% of all forest operations from where the BP purchases the primary feedstock. The BP has recorded the results of the SVP in the annual audit checklist report and in summary in the SBR. The BP has monitored that the contractors/suppliers uses the Tradenda app correctly with information to secure required mitigation measures. During the audit, one harvest operation had taken place next to a small §3 area (artificial water pond next to the forest) while the contractor had not ticked this field off in the Tradenda report. It was discussed whether or not the contractors should tick or not tick this field if a given value is located outside the actual harvesting site since no impact caused to the area. This observation is issued to remind the BP to secure monitoring of contractors performance on using the Tradenda app as an important tool to secure the required mitigation measures.</p> |   |
| <b>Timeline for Conformance:</b>  | Other   |
| <b>Evidence Provided by Company to close NC:</b>  | <i>Click or tap here to enter description provided by Company to close the NC.</i>    |
| <b>Findings for Evaluation of Evidence:</b>   | <i>Click or tap here to enter findings for evaluation of evidence by the auditor.</i> |
| <b>NC Status:</b>   | Open  |

|   |                          |
|---|--------------------------|
| <b>NC number</b> P2-02-2019-SBP2  | <b>NC Grading:</b> Minor |
| <b>Standard &amp; Requirement:</b>  | SBP STD 2, 1.1-1.2       |
| <b>Description of Non-conformance and Related Evidence:</b>   |                          |
| <p>The BP implements the SVP, including monitoring and control system. The SVP is described in the BP's manual and in summary in the SBR. The BP has implemented monitoring visits by sampling and defined the risk levels for the two sets of similar suppliers. The BP has defined the indicators checked and</p> |                          |

|   |   |
|---|---|
| <p>conducted internal audits of all own contractors and external contractors. The sample density is 90% of all forest operations from where the BP purchases the primary feedstock. However, the BP has also started purchasing wood chips from one of the suppliers (Skovlink). The BP receives screening materials and maps of origin of the feedstock from this suppliers and based on this has accepted the supplies. The BP has included this type of supplies in their monitoring by checking the documentation. It is the task of the BP to cross check if the screening performed by the supplier includes all screening elements defined by the BP before accepting the supplies. This was unclear during the audit.</p> |   |
| <b>Timeline for Conformance:</b>  | By the next surveillance audit, but no later than 12 months from report finalisation date |
| <b>Evidence Provided by Company to close NC:</b>  | <i>Click or tap here to enter description provided by Company to close the NC.</i>        |
| <b>Findings for Evaluation of Evidence:</b>   | <i>Click or tap here to enter findings for evaluation of evidence by the auditor.</i>     |
| <b>NC Status:</b>   | Open  |

|   |   |
|---|---|
| <b>NC number</b> P2-03-2019-SBP2  | <b>NC Grading:</b> Observation  |
| <b>Standard &amp; Requirement:</b>  | SBP STD 2, 1.4  |
| <b>Description of Non-conformance and Related Evidence:</b>   |   |
| <p>The BP has two sets of suppliers: 1) contractors directly working under own staff and 2) other contractors/suppliers, which again is subdivided according to the suppliers' forestry educational levels. During the audit, the BP explained that they are also considering to start purchasing secondary wood chips from sawmills as a third set of suppliers. This observation is issued to remind the BP of the requirement to include all suppliers and supplies under the SVP and the defined mitigation measures.</p> |   |
| <b>Timeline for Conformance:</b>  | Other   |
| <b>Evidence Provided by Company to close NC:</b>  | <i>Click or tap here to enter description provided by Company to close the NC.</i>    |
| <b>Findings for Evaluation of Evidence:</b>   | <i>Click or tap here to enter findings for evaluation of evidence by the auditor.</i> |
| <b>NC Status:</b>   | Open  |

|  |  |
|--|--|
| <b>NC number</b> IA-07-2017-SBP5   | <b>NC Grading:</b> Minor                   |
| <b>Standard &amp; Requirement:</b>   | SBP STD 5_Instruction Note 5A_2.2.4; 2.2.5 |
| <b>Description of Non-conformance and Related Evidence:</b>  |  |
| <p>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</p> |  |

|  |   |
|--|---|
| GLZZ is a unique 2--digit integer unique to the Reporting Period and the Scope End--Point for biomass as determined by the BP. |   |
| <b>Timeline for Conformance:</b>   | By the next surveillance audit, but no later than 12 months from report finalisation date   |
| <b>Evidence Provided by Company to close NC:</b>   | At the PA1, the BP had set up system for Static Data Identifiers (SDIs) and put the system into action in the DTS, the ID5C and the ID5B reports. However, the BP 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 was raised to a MINOR. At PA2, the BP now uses the calendar year, where new zz numbers are given by start of the year and included in table overview with new zz value for each end-point. Correct SDIs and zz values used in DTS, ID5B and ID5C since the last audit (i.e. from March 2018 and onwards). |
| <b>Findings for Evaluation of Evidence:</b>  | Table with list of SDIs and zz values distributed on end-points for 2018 and 2019. Correct SDIs and zz values used in DTS, ID5B and ID5C.   |
| <b>NC Status:</b>  | Closed  |

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| <b>NC number</b> IA-09-2017-SBP5  | <b>NC Grading:</b> Major   |
| <b>Standard &amp; Requirement:</b>  | SBP STD 5 Instruction Note 5B_5.1.1-5.1.4  |
| <b>Description of Non-conformance and Related Evidence:</b>   |  |
| 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. |  |
| <b>Timeline for Conformance:</b>  | 3 months from the report finalisation  |
| <b>Evidence Provided by Company to close NC:</b>  | At the PA1, 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. The NC was partly met, but the BP had not specified if using reference consumption values. The reference values are used for calculating use each month based on best known data. At PA2, the BP has submitted updated SAR (wood chips) with information on reference values used for the energy used for forestry and chipping in the forest. |
| <b>Findings for Evaluation of Evidence:</b>   | Updated SAR (wood chips) with precise information on reference values used for the energy used for forestry and chipping in the forest.  |
| <b>NC Status:</b>   | Closed   |

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| <b>NC number</b> P1-01-2018-SBP1  | <b>NC Grading:</b> Minor  |
| <b>Standard &amp; Requirement:</b>  | SBP Standard 1, 2.1.1, 2.1.2, 2.2.3, 2.2.4  |
| <b>Description of Non-conformance and Related Evidence:</b>   |   |
| <p>For the SBP-endorsed RRA for Denmark, June 2017, 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.</p> |   |
| <b>Timeline for Conformance:</b>  | By the next surveillance audit, but no later than 12 months from report finalisation date   |
| <b>Evidence Provided by Company to close NC:</b>  | The BP has participated in a training on key biotopes performed by third party. The BP has revised the procedures describing the mitigation measures, the checklist for screening and field verification to include field on checking key biotopes, as well as the Tradenda app, so that the harvesting sites are always checked for key biotopes and reported both digital and in the field. |
| <b>Findings for Evaluation of Evidence:</b>   | Review of the description of the mitigation measures, the checklist for screening and field verification, the Tradenda app, as well as examples seen in the field of harvesting sites close to key biotopes with data found in the digital tradenda report and conserved in the field.  |
| <b>NC Status:</b>   | Closed  |

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| <b>NC number</b> P1-02-2018-SBP4   | <b>NC Grading:</b> Minor  |
| <b>Standard &amp; Requirement:</b>   | SBP Standard 4, 5.5.2, instruction note 4B, 2.2   |
| <b>Description of Non-conformance and Related Evidence:</b>  |   |
| <p>The BP's invoices state "SBP compliant biomasse" and not the correct claim "SBP-compliant biomass".</p> |   |
| <b>Timeline for Conformance:</b>   | By the next surveillance audit, but no later than 12 months from report finalisation date   |
| <b>Evidence Provided by Company to close NC:</b>   | The BP has corrected the SBP claim on the invoices issued for SBP-compliant biomass Examples of invoices seen. Correct claim included: SBP-compliant biomass. |
| <b>Findings for Evaluation of Evidence:</b>  | Examples of invoices seen and the system of applying correct SBP claim on invoices issued for SBP-compliant biomass demonstrated.                             |
| <b>NC Status:</b>  | Closed  |

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| <b>NC number</b> P1-03-2018-SBP4  | <b>NC Grading:</b> Observation   |
| <b>Standard &amp; Requirement:</b>  | SBP Standard 4, 6.3.2  |
| <b>Description of Non-conformance and Related Evidence:</b>   |  |
| 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. |  |
| <b>Timeline for Conformance:</b>  | Other  |
| <b>Evidence Provided by Company to close NC:</b>  | The BP has revised the procedures manual since the last audit and the anti-corruption policy is still included and found sufficient (entreprenørhåndbogen Version 04; 22. januar 2019) |
| <b>Findings for Evaluation of Evidence:</b>   | Anti-corruption policy in SBP procedures manual found sufficient.  |
| <b>NC Status:</b>   | Closed   |

## 11 Certification decision

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| <b>Based on the auditor's recommendation and the Certification Body's quality review, the following certification decision is taken:</b> |  |
| <b>Certification decision:</b>   | Certification approved   |
| <b>Certification decision by (name of the person):</b>   | Kimmo Haarala  |
| <b>Date of decision:</b>   | 15/Feb/2019  |
| <b>Other comments:</b>   | 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 action resulting from the minor NC shall be initiated and implemented within 12 months following this surveillance. The two observations will be followed up at next surveillance |