

SBP

Sustainable Biomass Partnership

NEPCon Evaluation of HOFOR Energiproduktion A/S Compliance with the SBP Framework: Public Summary Report

www.sustainablebiomasspartnership.org



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

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

Document history

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1 Overview

CB Name and contact: NEPCon OÜ, Filosoofi 31, 50108 Tartu, Estonia

Primary contact for SBP: Ondrej Tarabus ot@nepcon.net, +420 606 730 382

Report completion date: 23/Mar/2017

Report authors: Christian Rahbek, Lead Auditor

Certificate Holder: HOFOR Energiproduktion A/S

Producer contact for SBP: Sune Balle Hansen, Sustainability Advisor

Certified Supply Base: N/A - Trader

SBP Certificate Code: SBP-01-72

Date of certificate issue: 21/Apr/2017

Date of certificate expiry: 20/Apr/2022

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

2 Scope of the evaluation and SBP certificate

The SBP certification scope contain trading activities only.

Trading of wood pellets, chips and fuel wood logs for use in energy production and transport from BPs Worldwide to various port Worldwide.

HOFOR Energiproduktion A/S is trading wood pellets and chips and fuel wood logs. The purpose of the organization is mainly to source input material for HOFOR Energiproduktion A/S own CHP Power plant in Copenhagen. The SBP certification is sought with the purpose of claiming the use of SBP biomass in own power plant, and potentially in the future, to be able to pass on SBP claims, if a shipment or position of SPB material is to be sold prior to arriving at own facilities. The certification does not include procedures for on-site segregation, since once the material has been unloaded at the power plant, it cannot be kept segregated, and procedures ensure that it will not be resold. Yard of the power plant is out from the certification scope.

The organization is FSC and PEFC CoC certified, the main assessments for these system having occurred concurrently with this SBP assessment. The CoC systems are based on the FSC transfer system and PEFC Physical segregation system, respectively. Both these CoC systems are based on the condition that there is no physical ownership on-site of the products being traded, but that all sales will be of shipments, that have not yet been unloaded at the organization’s facilities. Yard is out from the certification scope.

There is no physical ownership or handling of products to be resold as SBP certified, but in the future there could be a change of GHG profile under HOFOR Energiproduktion A/S ownership, if a shipment is bought at one harbour, and sold to a customer at a different harbour.

At the moment of the assessment, HOFOR Energiproduktion A/S has not defined any transport routes for SBP material as these are no yet known. However, in case transport or shipment happens under HOFOR ownership the GHG profile of the SBP Biomass change, and HOFOR will fill in an SREG template and provide it to the customer along with other sales documentation.

HOFOR Energiproduktion A/S is under contractual obligation to source all used inputs from Vattenfall Energy Trading GmbH Copenhagen Branch until the end of 2018. Since Vattenfall delivers the material at the power plant, where there is no segregation, no sales are possible until early 2019 at the earliest.

| Scope Item | Check all that apply to the Certificate Scope | | Change in Scope (N/A for Assessments) |
|-----------------------------------|--|--|--|
| Approved Standards: | SBP Standard #4 V1.0 SBP Standard #5 V1.0 http://www.sustainablebiomasspartnership.org/documents | | <input type="checkbox"/> |
| Primary Activity: | Broker/trader without physical possession | | <input type="checkbox"/> |
| Input Material Categories: | <input type="checkbox"/> SBP-Compliant Primary Feedstock | <input type="checkbox"/> SBP-Compliant Secondary Feedstock | <input type="checkbox"/> |
| | <input type="checkbox"/> Controlled Feedstock | <input type="checkbox"/> SBP non-Compliant Feedstock | |

| | | | | | |
|---|---|-------------------------------------|---|---------------------------------|--------------------------|
| | <input type="checkbox"/> SBP-Compliant Tertiary biomass | | <input type="checkbox"/> Post-consumer Tertiary Feedstock | | |
| | | | <input type="checkbox"/> Post-consumer Tertiary Feedstock | | |
| | | | <input type="checkbox"/> SBP-approved Recycled Claim | | |
| Chain of custody system implemented: | <input checked="" type="checkbox"/> FSC | <input type="checkbox"/> PEFC | <input type="checkbox"/> SFI | <input type="checkbox"/> GGL | <input type="checkbox"/> |
| | <input checked="" type="checkbox"/> Transfer | <input type="checkbox"/> Percentage | | <input type="checkbox"/> Credit | <input type="checkbox"/> |
| Use of SBP claim: | <input checked="" type="checkbox"/> Yes | | <input type="checkbox"/> No | | <input type="checkbox"/> |
| SBE Verification Program: | <input type="checkbox"/> Low risk sources only | | <input type="checkbox"/> Sources with unspecified/ specified risk | | <input type="checkbox"/> |
| | New districts approved for SBP-Compliant inputs: | | | | |
| Sub-scopes | | | | | <input type="checkbox"/> |
| Specify SBP Product Groups added or removed: Wood Pellets | | | | | |
| Comments: | | | | | |

3 Specific objective

The specific objective of this evaluation was to confirm that the Biomass Trader's management system is capable of ensuring that all requirements of specified SBP Standards are implemented across the entire scope of certification.

The scope of the evaluation covered:

- Review of the Biomass Trader's management procedures;
- Review of FSC system control points;
- Interviews with responsible staff;
- Review of the records

4 SBP Standards utilised

4.1 SBP Standards utilised

Chain of Custody, SBP Standard 4, Version 1.0, March 2015

Collection and Communication of Data, SBP Standard 5, Version 1.0, March 2015

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

5 Description of legal entity

5.1 Chain of Custody system

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At the moment of the assessment, HOFOR Energiproduktion A/S has not defined any transport routes for SBP material as these are no yet known. However, in case transport or shipment happens under HOFOR ownership the GHG profile of the SBP Biomass change, and HOFOR will fill in an SREG template and provide it to the customer along with other sales documentation.

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6 Evaluation process

6.1 Timing of evaluation activities

The SBP assessment was carried out concurrently with the FSC and PEFC main assessments of the client. The process took approximately 6 hours, and followed the audit plan below.

| Activity | Location | Auditors | Date/time |
|---|-----------------------|----------|-------------------------------|
| Opening meeting* <ul style="list-style-type: none"> - Presentation of participants - Confirmation of agenda - HOFOR presentation of CoC systems | Main Office | CAR | 16.01.2017 9:00 - 9:30 |
| Review of Documented Control Systems for FSC and SBP <ul style="list-style-type: none"> - Overall CoC system - Responsibilities and Training - Product Group Schedule - Supplier Records - Volume data system - PEFC internal audit - Trademark use | Main office | CAR | 9:30 – 12:00 |
| Lunch break | | | 12:00 – 12:30 |
| Interviews with staff responsible for purchase | Purchasing department | CAR | 12:30 – 13:00 |
| Interviews with staff responsible for sales | Sales department | CAR | 13:00 – 14:00 |
| Interviews with staff responsible for transport energy data (SBP) | | CAR | 14:00 – 15:00 |
| Auditor summarizes the evaluation | | CAR | 15:00 – 15:30 |
| Closing meeting* | Main office | CAR | 15:30 – 16:00 |

6.2 Description of evaluation activities

Auditor was welcomed in the HOFOR Headquarter office in Copenhagen, Denmark. Audit started with an opening meeting attended by Michael Schytz, Sune Balle Hansen, Kristian Liengaard and Lotte Johansen.

Auditor introduced himself, provided information about audit plan, methodology and aim of the assessment. CB's approval related issues and confidentiality issues were covered as well.

After that auditor went through all applicable requirements of the standard covering management system, CoC, recordkeeping requirements and verification of SBP compliant /SBP-controlled biomass. Later on the purchasing and logistics functions were audited, as well as methodologies for collecting and communicating GHG data.

During the process all staff responsible for SBP systems and staff having key responsibilities within the system was interviewed.

During the closing meeting auditor explained the results of the audit and further actions were discussed.

Composition of audit team:

| Name | Qualification | Role/focus in evaluation |
|------------------|---|--------------------------|
| Christian Rahbek | M.Sc. (Forestry) from University of Copenhagen. Has passed NEPCon Lead Auditor Training for FSC and PEFC FM and CoC certification. Experience from more than 200 FSC and PEFC CoC audits in Denmark and Europe. Christian has successfully completed SBP training course and has partaken in several SBP assessments. | Lead Auditor |

6.3 Process for consultation with stakeholders

N/A – Trading activities only.

7 Results

7.1 Main strengths and weaknesses

No weaknesses of any significance were identified, but since this was the main assessment, there were still a few elements for which the exact practical routine might still be adapted, pending practical implementation. There are several strengths of the organizations implementation, most notably strong human resources and a very well-developed set of documented procedures.

7.2 Compilation of data on Greenhouse Gas emissions

HOFOR Energiproduktion A/S has established that the scope of the certification does include transport of SBP certified biomass. This was confirmed the staff in charge during the audit. This means that in case transport or shipment happens under HOFOR ownership the GHG profile of the SBP Biomass change, and HOFOR will fill in an SREG template and provide it to the customer along with other sales documentation.

7.3 Competency of involved personnel

The main responsible person in the company is Sustainability Advisor Sune Balle Hansen, who showed good understanding of the requirements in relation to SBP certification and of the FSC and PEFC CoC systems also being implemented. Other interviewed staff showed good competence, good awareness of standard requirements and own responsibilities.

7.4 Preconditions

No preconditions remain in the audit report.

8 Non-conformities and observations

No non-conformities nor observations were raised during the evaluation

9 Certification decision

| | |
|--|---|
| Based on Organisation's conformance with SBP requirements, the auditor makes the following recommendation: | |
| <input checked="" type="checkbox"/> | Certification approved: No NCR(s) issued |
| <input type="checkbox"/> | Certification not approved: |
| Based on auditor's recommendation and NEPCon quality review following certification decision is taken: | |
| NEPCon certification decision: The Biomass Producer has been certified by NEPCon as meeting the requirements of the specified SBP Standard, the certificate can be issued immediately after SBP approves the audit report. The expiration of the certificate will be then 5 years. | |
| Certification decision by: Olesja Puišo | |
| Date of decision: 23.03.2017 | |

10 Surveillance updates

This report describes the assessment; section not applicable.

11 Evaluation details

| | |
|--|--|
| Primary Responsible Person: (Responsible for control system at site(s)) | Sune Balle Hansen, Sustainability advisor |
| Auditor(s): | Christian Rahbek, Lead auditor |
| People Interviewed, Titles: | Michael Schytz, Section manager (Overall responsible) Sune Balle Hansen, Sustainability Advisor (Responsible for control system) Kristian Lienggaard, Contract Manager Lotte Johansen, Controller Christian S. Laursen, Management Systems |
| Brief Overview of Audit Process for this Location: | See audit plan. |
| Comments: | N/A |