

SBP

Sustainable Biomass Partnership

NEPCon Evaluation of Alstrup Skovservice ApS 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, 51009 Tartu, Estonia

Primary contact for SBP: Ondrej Tarabus, SBP Program Manager

Report completion date: 10/May/2017

Report authors: Christian Rahbek

Certificate Holder: Alstrup Skovservice ApS

Producer contact for SBP: Gert Alstrup, Egerisvej 5, Vorgod-Barde, 6920 Videbæk, Danmark
Phone: +45 21 18 29 29 Email: info@alstrupskov.dk

Certified Supply Base: The certified Supply Base covers all of Denmark

SBP Certificate Code: SBP-01-81

Date of certificate issue: 14/Jun/2017

Date of certificate expiry: 13/Jun/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

Scope of this evaluation is based on SBP standards 1; 2; 4; and 5. During the assessment, the exact geographical scope of the Supply Base was confirmed to be the administrative Region Midtjylland of Denmark, with a very limited volume of biomass being produced in the Regions Syddanmark and Nordjylland. This does not change the risk evaluation or mitigating measures in the Supply Base Evaluation, as these are applicable to all of Denmark.

Alstrup Skovservice ApS is a private limited company under sole management of the owner Gert Alstrup. The company offers forest contractors services to Danish forest and land owners, predominantly in the central part of Jutland.

Alstrup Skovservice ApS is a member of the PEFC CoC group certificate held by industry association Danske Maskinstationer & Entreprenører. This PEFC group certificate is issued by NEPCoN Certificering ApS, and has the PEFC CoC certificate number NC-PEFC/COC-025953.

The organization currently purchases its feedstock in the Danish regions Midtjylland, Syddanmark and Nordjylland, with the vast majority coming from the central part of Jutland. The potential Supply Base is all of Denmark. All feedstock is primary feedstock, and can be purchased either as standing volume, as fuel wood in stack in the forest of origin or very occasionally as fuel wood or chips from other suppliers working and sourcing within the Supply Base. In all cases the stand of origin is known, and when buying wood chips from other companies, the BP takes full responsibility for all feedstock classification and risk mitigation measures. The organization can buy wood as PEFC certified, but does not foresee this, and will mainly rely on sourcing feedstock as SBP Compliant from its own Supply Base Evaluation. The organization is implementing appropriate mitigating measures in relation of the specified risks identified, and rather than implementing a Supplier Verification Program assumes all responsibility classification of feedstock and all necessary mitigating measures in all forests and stands of origin of the supplied feedstock.

The BP is supplying the woodchips produced directly from the forest via truck to the customers, which are combined heat and power plants and district heating plants. However, the organization also in the process of establishing a storage yard at the address Birkelundvej 8, Vorgod-Barde, 6920 Videbæk. The storage facilities consist of an open yard and a weighbridge, and the expected capacity is app 2800 tonnes in three separate stacks.

Scope description: "Production of woodchips for use in energy production, storage and sale at different energy producers in Denmark. The scope includes supply base evaluation for primary feedstock from Denmark".

| Scope Item | Check all that apply to the Certificate Scope | Change in Scope (N/A for Assessments) |
|----------------------------|---|--|
| Approved Standards: | SBP Standard #1 V1.0 SBP Standard #2 V1.0 SBP Standard #4 V1.0 SBP Standard #5 V1.0 http://www.sustainablebiomasspartnership.org/documents | <input type="checkbox"/> |

| | | | | | |
|---|---|---|--|------------------------------|--------------------------|
| Primary Activity: | Producer of wood chips; | | | <input type="checkbox"/> | |
| Input Material Categories: | <input checked="" 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"/> SBP-approved Recycled Claim | <input type="checkbox"/> Post-consumer Tertiary Feedstock | | | |
| Chain of custody system implemented: | <input type="checkbox"/> FSC | <input checked="" 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"/> |
| Points of sales | <input type="checkbox"/> Harbour (including own handling of material) | <input type="checkbox"/> Harbour (e.g. FOB incoterms) legal owner is not responsible for handling of material at the harbor | <input checked="" type="checkbox"/> Other point of sale (e.g. gate of the BP, boarder, railway station etc.) | | <input type="checkbox"/> |
| Provide name of all points of sales | - - | - - | SBP Biomass is sold at the power plant: Herningværket Miljøvej 6 7400 Herning | | |
| 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 checked="" type="checkbox"/> Sources with unspecified/ specified risk | | <input type="checkbox"/> |
| | New districts approved for SBP-Compliant inputs: Denmark | | | | |

| | | |
|---|---|---|
| <p>Sub-scopes</p> | <p>The feedstock is divided in following sub-scopes:</p> <ul style="list-style-type: none"> • Primary feedstock sourced from coniferous thinning operations • Primary feedstock sourced from areas of first generation afforestation • Primary feedstock sourced from a forest holding with a FM certificate (FSC/PEFC) • Primary feedstock sourced from a forest holding with a Green Management Plan • Primary feedstock sourced from an area without a Green Management Plan • Primary feedstock from non-forest areas, such as windbreaks, city and park areas, nature projects | <p style="text-align: center;"><input type="checkbox"/></p> |
| <p>Specify SBP Product Groups added or removed: The BP only produces and sells wood chips as SBP certified.</p> | | |
| <p>Comments:</p> | | |

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. The scope of this evaluation also covered the Supply Base Evaluation, and the mitigation measures describing herein.

The scope of the evaluation covered:

- Review of the BP's management procedures;
- Review of PEFC system control points, analysis of the existing PEFC CoC system;
- Interviews with responsible staff;
- Review of the records, calculations and conversion coefficients;
- GHG data collection analysis.
- Evaluation of mitigation measures implemented

4 SBP Standards utilised

4.1 SBP Standards utilised

Feedstock Compliance Standard, SBP Standard 1, Version 1.0, March 2015

Verification of SBP-compliant Feedstock, SBP Standard 2, Version 1.0, March 2015

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

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

Instruction-Document-5A-Collection-and-Communication-of-Data-v1-1-Oct16

Instruction-Document-5B-Energy-and-GHG-Data-v1-1-Oct16

Instruction-Document-5C-Static-Biomass-Profiling-v1-1-Oct16

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

4.2 SBP-endorsed Regional Risk Assessment

N/A

SBP-endorsed Regional Risk Assessment for Denmark was not endorsed yet at the time of the assessment. The BP has used the last available version of RRA and this is considered as organization's own risk assessment.

5 Description of Biomass Producer, Supply Base and Forest Management

5.1 Description of Biomass Producer

Scope of this evaluation is based on SBP standards 1; 2; 4; and 5. During the assessment, the geographical scope of the Supply Base was confirmed to be all of Denmark. At the time of the assessment, the vast majority of the volume of biomass being produced in the Region Midtjylland, with small volumes being sourced in Regions Syddanmark and Nordjylland. Potentially, feedstock can be sourced in all of Denmark. The risk evaluation and mitigating measures in the Supply Base Evaluation are applicable to all of Denmark.

Alstrup Skovservice ApS is a private limited company under sole management of the owner Gert Alstrup. The company offers forest contractors services to Danish forest and land owners, predominantly in the central part of Jutland.

Alstrup Skovservice ApS is a member of the PEFC CoC group certificate held by industry association Danske Maskinstationer & Entreprenører. This PEFC group certificate is issued by NEPCon Certificering ApS, and has the PEFC CoC certificate number NC-PEFC/COC-025953.

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5.2 Description of Biomass Producer's Supply Base

General description of Danish forests and forestry

Forests cover approx. 620,000 ha in Denmark, corresponding to approx. 14.4% of the country's total area. This area is expected to increase over time. Total standing timber in Danish forests is 130 million m³.

Standing timber in the forests has been increasing rapidly from the 2000 statement until today. This is a result of the steadily increasing forest area and probably an increase in standing timber per hectare.

Generally, Danish forests include a wide variety of wood species of which the most common species are: Norway spruce 15%, beech 14% and oak 10%. The numbers for the other wood species are: 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%. In addition to this, unstocked areas are 4%. Broadleaves make up 47 per cent of the total wooded area whereas conifers make up 49 per cent. The rest is unstocked areas and areas where a particular wood species could not be determined. None of the wood species belong to the CITES or IUCN species.

Approx. 2000 species are listed on the Danish Red List, and many of these species are related to forests, old forests in particular. Areas in which one or more red list species have been identified are often registered as Natura 2000 areas, protected by the Danish Forest Act and/or the Danish Nature Protection Act.

The estimated total number of forest estates in Denmark is 24,000. 89% of the total number of forest estates has a size between 0.5 and 20 ha.

Most of the forest area is privately owned, either by individuals (59%) or by companies (10%) and foundations (6%). The Danish state forests make up 19% of the total forest area, while the area owned by municipalities and public institutions is 6%. This means that the Danish forest structure includes many private owners with forest areas of less than 20 ha.

Atypically, Danish forestry legislation has no requirements as to how each estate plans forestry, nor does the forest owners have to apply for or report cutting in their forests.

Danish forest owners are well-organised in various local and national associations. Dansk Skovforening (Danish Forest Association) is the trade organisation of private forest owners.

Moreover, up to 6,000 owners of small forests are organised in local forest owner associations which help owners with advice and management of their forests and are also involved in forest policy. Similarly, many private forest owners also work with HedeDanmark and other forestry consultancies.

Two certification options exist in forest management: PEFC and FSC. The areas owned by the Danish states have been certified according to both standards. In private and municipal forests, some 56,000 ha have been certified according to PEFC and 20,161 ha according to FSC.

Total income in the production of forest products in Denmark is approx. DKK 1 billion. The sale of energy wood amounted to DKK 300 million in 2015.

General description of Danish windbreaks

Planted windbreaks are a tradition in Denmark. The systematic planting of windbreaks started in the 1930s. The first major windbreak planting guilds were set up in 1967 and windbreaks with mainly 3 and 6 rows of broadleaves were introduced. Since then, various subsidies have existed to establish windbreaks and most have been established with subsidies. Today, Denmark is estimated to have some 80,000 km of windbreaks.

Windbreaks planted with subsidies must be maintained and cannot be removed.

Description of the supply base

Alstrup Skovservice's supply base is Danish forests, windbreaks, nature areas and urban plantations, all over Denmark, mainly in Mid-Jutland.



Figure 1 Supply Base

Alstrup Skovservice is a forest contractor that produces and sells wood chip. Wood chip production is approx. 35,000-45,000 tonnes a year; 50% of the wood chip is produced in areas outside forests, mainly windbreaks and small plantations and in connection with nature projects. The base also includes clearing of trees and shrubs in connection with developments and expansion of infrastructure in Denmark.

In the forests, the base is thinning in conifers and roundwood from conifer deforestation while the rest is branches and tops from both broadleaves and conifers.

Description of jobs

Thinnings:

In windbreaks, the base mainly consists of the removal of nurse trees and pollarding of shrubs but in order to keep the sheltering effect of the windbreak. The work is carried out using feller bunchers and feller forwarders. In the forest, thinnings are carried out by feller bunching in connection with the running of tracks and thinning of younger standing crop. The subsequent chipping is carried out using an off-road chipper or a truck chipper.

Tree tops:

Chipping of tops and branches from conifers and broadleaves in connection with the deforestation of middle-aged or old broadleaves and conifers. Tops are often interconnected in stacks and chipped by the roadside.

Round timber:

Produced as a by-product from the felling of conifers where timber is also produced. The chip utilised timber of a low quality which cannot be used for products of high quality, such as timber. Felled using a harvester, forwarded to a solid road, chipped by the roadside or transported to a storage yard where the chipping is carried out.

Clearings:

Carried out by manual felling and subsequent forwarding or using a feller forwarder. Wood is often interconnected in stacks and chipped by the roadside. Clearing of tree regeneration in connection with Nature projects carried out in dialogue or in direct collaboration with the specific authorities.

Table 1 Distribution raw material input in %

| | Conifers | Broadleaves | Mixed |
|-------------------------|----------|-------------|-------|
| Controlled feedstock | | | |
| SBP-Compliant primary | 60 | 30 | 10 |
| SBP-Compliant Secondary | | | |
| SBP-Compliant Tertiary | | | |
| SBP non-compliant | | | |

5.3 Detailed description of Supply Base

Alstrup Skovservice is defining the Supply Base as Denmark: Feedstock is currently sourced in the administrative regions of Midtjylland, Syddanmark and Nordjylland, but could potentially be sourced in all of Denmark. Hence, data is presented for all of Denmark from the National Forest Inventory (2014):

- a. Supply base area (ha): 620.500 ha of forest
- b. Tenure by type (ha): 430.509 ha privately owned, 27.696 owned by foundations, 150.298 ha public owned, 11.997 ha unknown.
- c. Forest by type (ha): Temperate
- d. Forest by management type (ha): 483.844 ha is plantation or planted forest, 100.584 ha natural forest, including protective forest and historical management types, 36.072 ha with other management types or unknown.
- e. Certified forest by scheme (ha): 265.047 ha PEFC forest and 213.976 ha FSC-certified forest. Note that many forests hold both FSC and PEFC certificates.

The Qualitative description of the Supply Base can also be found in the Biomass Producer’s Public Summary Report

5.4 Chain of Custody system

Alstrup Skovservice is a member of the PEFC CoC group certificate held by industry association Danske Maskinstationer & Entreprenører. This PEFC group certificate is issued by NEPCon Certificering ApS, and has the PEFC CoC certificate number NC-PEFC/COC-025953 .

The organization implements a PEFC CoC system based on physical segregation. Therefore, SBP claims can only be made for material that is delivered directly from the wood chipper in the forest, or via the storage yard at the BP's storage address, where physical segregation is ensured, and no uncontrolled material ("other biomass") has been added.

All relevant information with regards to volume tracking and verification of origin is handled in the BP's system for tracking projects and storage yard volumes, and production orders and in the system from in- and outbound sales documents.

6 Evaluation process

6.1 Timing of evaluation activities

The SBP assessment was carried out on March 30th, 2017 (office audit), March 31st (field audit) and it included audit the Alstrup Skovservice main office in Videbæk, Denmark, and of visits to a total of 8 sites where there have been or currently are being sourced feedstock and produced wood chips.

The SBP assessment was conducted in accordance with the plan below; please note that the field visits were conducted after consulting the Biomass Producer’s records of ongoing and recent wood chip production engagements. The field visits started and ended in the field, including a summary of the observation from the field visits.

A Correction Verification Audit was conducted in the main office in the morning of April 18th, 2017. During the CVA, the BP demonstrated improvements to Management systems and documentation, and the PEFC Group manager and BP presented documentation for the Group managers initial PEFC audit.

Total of 3,2 days were used for this evaluation – 1 day of preparations, 1,0 day at the BP main office site (including the follow-up audit) and 1 day for audits at the forests / stands of origin: 6 sites in Region Midtjylland and 2 sites in Region Syddanmark and 0,2 day was used for CVA audit. Time used for reporting and administration is not included in these figures.

March 30, 2017

| Time | Activity | Location |
|---------------|---|------------------------------------|
| 9.00 – 9.30 | Opening Meeting. Introduction of participants. Review of the agenda. | Alstrup Skovservice Main office |
| 9.30 – 12.00 | <ul style="list-style-type: none"> • Supply Base Report and SBE, and stakeholder comments • Documented procedures (Management system), including risk minimization measures and Supplier Verification Program • Training activities and registration of completed training Interview with staff Planning the field trip | Alstrup Skovservice Main office |
| 12.00 – 12.30 | Break | |
| 12.30 – 17.00 | Review of the traceability system Review of the system for the collection and repoting of energy and emssions data Review of procedures for the use of SBP logos and trademarks | Alstrup Skovservice Main office |

| | | |
|---------------|--|------------------------------------|
| 17.00 – 17.30 | Preliminary Closing meeting. Auditor summarizes preliminary conclusions. Program for field visits confirmed. | Alstrup Skovservice Main office |
|---------------|--|------------------------------------|

31. March 2017

Field visits are conducted on the basis of the inventory of ongoing, planned and completed projects. Auditor is responsible for selecting projects for field visits, taking into account the number of projects, as well as the type of project, size and geographical location.

| Activity | Location | Auditor(s) | Approximate Time (Mar 31, 2017) |
|--|--|------------|---------------------------------|
| Evaluation at forest of origin of primary feedstock, evaluation of relevant mitigation measures. | Supplier site: Gordon Borg Grindsted Landevej 41 7200 Grindsted | CAR | 8.00-8:45 |
| Evaluation at forest of origin of primary feedstock, evaluation of relevant mitigation measures. | Supplier site: Knud Andersen Grindsted Landevej 45 7200 Grindsted | CAR | 8:45 - 9:00 |
| Evaluation at forest of origin of primary feedstock, evaluation of relevant mitigation measures. | Supplier site: Morten Petersen Ahlervej 7 6900 Skjern | CAR | 9.30-10:30 |
| Evaluation at forest of origin of primary feedstock, evaluation of relevant mitigation measures. | Supplier sites: Flemming Bak Arnborgvej 8, 6933 Kibæk, and Bjørsløvvej, 6933 Kibæk. | CAR | 11.00-12:00 |
| Evaluation at forest of origin of primary feedstock, evaluation | Supplier site: | CAR | 12.30-13:30 |

| | | | |
|--|---|-----|---------------|
| of relevant mitigation measures. | Svend Erik Abildtrup Overgaardsvej 6920 Videbæk | | |
| Site visit at storage facility under establishment | Alstrup Skovservice Storage facility Birkelundvej 8, 6920 Videbæk | CAR | 13:30 – 14:00 |
| Evaluation at forest of origin of primary feedstock, evaluation of relevant mitigation measures. | Supplier site: Brian Møller Væggerskildevej 9 6971 Spjald | CAR | 14.00-14:30 |
| Evaluation at forest of origin of primary feedstock, evaluation of relevant mitigation measures. | Supplier site: Villiam Dyrvig Adelvej 1 6920 Videbæk | CAR | 15.30-16:00 |
| Closing meeting Auditor summarizes audit conclusions and presents NCRs. | Alstrup Skovservice Main office | CAR | 16:30 – 17:00 |

18. April 2017

Correction Verification Audit. BP demonstrated improvements to Management systems and documentation, and the PEFC Group manager and BP presented documentation for the Group managers initial PEFC audit.

| App. Time | Activity | Location | Auditor(s) |
|----------------|----------|----------|------------|
| April 18, 2017 | | | |

| | | | |
|-------------------|--|---|------------|
| <p>8.30-10:30</p> | <p>Main office: BP presenting improvements to documentation and management system:</p> <ul style="list-style-type: none"> • Supply Base Report and SBE, and stakeholder comments • Documented procedures (Management system), including risk minimization measures • PEFC initial audit findings presented <p>Closing meeting</p> | <p>Alstrup Skovservice Main office</p> | <p>CAR</p> |
|-------------------|--|---|------------|

6.2 Description of evaluation activities

Composition of audit team:

| Auditor(s), roles | Qualifications |
|---|--|
| Christian Rahbek, Lead Auditor and Local expert | 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 and FM audits in Denmark and Europe. Christian is an approved SBP Lead auditor and has partaken in several SBP assessments in Denmark. |
| Ana Dahlin | SBP Witness auditor |
| Maris Zudrags | SBP Supervisor |
| Sofie Tind Nielsen | Interpreter, FSC Denmark |

6.3 Process for consultation with stakeholders

Stakeholder consultation processes were carried out by both the Biomass Producer and the Certification Body

The BP conducted a stakeholder consultation process that took place in a 30-day period from February 10, 2017 to March 11, 2017. 17 stakeholders were notified by e-mail, this included associations, national NGOs, Copenhagen University, and umbrella organizations for recreational and labour organizations. The full list of stakeholders is available at BP and in the exhibit of this report. The BP received no stakeholder responses during the stakeholder process.

The CB conducted a 30-day stakeholder notification process by e-mail message to 20 stakeholders, which were largely the same as contacted by the BP and additionally the Danish Industry Association, on February 22, 2017 to March 28. No comments were received by CB by March 29, 2017, but most of the key stakeholders had taken part in the Stakeholder meeting in relation to the Regional Risk Assessment for Denmark.

The BP and CB stakeholder processes ran with a partial overlap. This was in the light to the BP adapting the draft regional risk assessment for Denmark and implementing the suggested mitigating measures. These had all been subject to discussion at a stakeholder meeting were all relevant stakeholder had been invited. The meeting was held on May 20th, 2016, and was attended by most of the key stakeholders, with some providing their input to the process by email in advance. All comments from the previous stakeholder consultations were taken into account by the organization while preparing the final draft of their risk assessment.

7 Results

7.1 Main strengths and weaknesses

Main strengths: The main strengths of the BP lie in the relative simple operation, with all administrative tasks being carried out by the owner and manager Gert Alstrup and the office assistant Jette Fromberg Nielsen, and the fact that all SBP feedstock is purchased in forest or stand of origin. The machine operators showed good awareness of best practice in forest machine operation, and all operators have attended a three-day training course in machine operation in near-natural forests, which is a requirement for forest contractors that operate in the FSC and PEFC certified Danish State forests.

The BP has worked closely with the consultant Claus Danefeldt Clemmensen for the industry association Danske Maskinstationer og Entreprenører (also DM&E), who has assisted in creating the Supply Base Report and the documented management system, etc. The BP has an on-going membership with DM&E, and therefore will also have access to support from this source in the future. Furthermore, all interviewed staff had a strong engagement in implementation of SBP system and positive approach.

Weaknesses: The BP does not have in-house staff that are professional foresters, and therefore they are reliant on external staff or partners for conducting field visits and identification and mapping of “key biotopes” prior to starting wood chip production in specified risk stands. The BP also does not have readily available fuel consumption data for the felling, extraction and chipping of biomass, and therefore for now will instead report default values in accordance with Instruction Document 5B.

7.2 Rigour of Supply Base Evaluation

At the time of the assessment, the Supply Base Evaluation was implemented only for Primary feedstock sourced from Denmark, at the time of the assessment the majority of feedstock was being sourced in Region Midtjylland. The BP will carry out the SBE for primary feedstock (forest products) that are originating from Denmark and is sold without SBP-approved Forest Management Scheme claim, SBP-approved Forest Management partial claim or SBP-approved Chain-of-Custody (CoC) System claim. Risk mitigation measures are implemented for material coming from both forest land and from other origin, e.g. landscape maintenance, or residential areas.

The BP has used the draft of the regional risk assessment which has been widely circulated for stakeholder consultation. Based on the “specified risks” in this risk assessment the organization has adapted the mitigation measures which were consulted with relevant stakeholders during a meeting held on May 20th, 2016, and calls/emails which took place prior the assessment.

The stakeholder consultation process started with sending a notification email, including the SBR and SBE to numerous stakeholders. The BP keeps records of communication with stakeholders.

The supply base evaluation was a rigorous process, and there has generally been acceptance of the defined sub-scopes and the associated risk conclusions.

The BP sources SBP feedstock through two, very similar supply chains: For the vast majority of the sourced feedstock, the BP buys the material as standing stock or in stacks in the forest of origin, where the BP's own staff

classifies the feedstock sub-scope and implements any required risk mitigating measures according to the risk level of the sub-scope. If any required risk mitigation measure cannot be implemented, the feedstock is classed as “other biomass” and excluded from being sold as SBP Compliant Biomass. The BP very occasionally buys feedstock from other suppliers. These could be forest contractors that have planned and carried out the felling, extraction and chipping of the feedstock. In these cases the BP will assume all responsibilities for classification of the feedstock is to the correct sub-scope, and if the feedstock originates from a stand belonging to a specified risk sub-scope, the BP will itself implement all applicable risk mitigation measures, or be regarded as “other biomass” and sold on without any claim of SBP compliance.

7.3 Compilation of data on Greenhouse Gas emissions

Prior to the main assessment the BP has not systematically recorded data on greenhouse gas emissions, and therefore the BP does not have readily available fuel consumption data for the felling, extraction and chipping of biomass, and therefore for now will instead report default values in accordance with Instruction Document 5B.

The BP has opted to use the accepted Default Values from Biograce II for reporting fuel used in forestry used and felling/chipping. Auditor has accepted the justification that actual fuel use records were not available at the time of the main assessment.

7.4 Competency of involved personnel

The BP has a relatively simple operation, with all administrative tasks being carried out by the owner-operator Gert Alstrup and the office assistant Jette Fromberg Nielsen. Both administrative staff showed good awareness of their management system, and of the objectives and restrictions in the SBP system.

The machine operators showed good awareness of best practice in forest machine operation, and all operators have attended a three-day training course in machine operation in near-natural forests, which is a requirement for forest contractors that operate in the FSC and PEFC certified Danish State forests.

The BP has worked closely with the consultant Claus Danefeldt Clemmensen for the industry association Danske Maskinstationer og Entreprenører (also DM&E), who has assisted in creating the Supply Base Report and the documented management system, etc. The BP has an on-going membership with DM&E, and therefore will also have access to support from this source in the future. Furthermore, all interviewed staff had a strong engagement in implementation of SBP system and positive approach.

All involved personal has provided good knowledge in relevant fields, including project management classification to correct sub-scope, and implementation of relevant mitigating measures, if needed by means of external expertise, during the site visits.

The BP has documented qualification requirements for personnel involved in the different aspects of the SBP system, including the qualifications needed for SBE.

According to interviews, review of formal qualifications and the set of procedures and documents that were composed for the SBP system, auditors evaluated the competency of main responsible staff to be sufficient.

7.5 Stakeholder feedback

During the BP's stakeholder consultation, no comments was received. However, the BP implements an adaption in the mitigating measures based on feedback previously received by the consultant from the industry association. The CB finds that the BP stakeholder consultation was sufficient, but comments that the BP should have contacted municipal authorities. See OBS 01/17

7.6 Preconditions

All raised preconditions as per the NCR sections have been closed as a result of interviews and documentation presented to auditor in connection to the on-site follow-up audit conducted on April 18th, 2017. See also section 10 of this report.

8 Review of Biomass Producer’s Risk Assessments

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 Biomass Producer’s mitigation measures

The BP has used the suggested mitigation measures in the final draft of the Regional Risk Assessment for Denmark, which found 4 Indicators with specified risk and suggests mitigating measures. The table below shows the specified risk Indicators and the corresponding mitigation methods that the BP will implement. However, the BP will not implement the suggestion that HCV maps are made publicly available.

The BP has documented and described systematic procedures for implementing the relevant risk mitigating measures according to the sub-scope of the stand of origin. For forests with a green management plan, the relevant maps of HCVs will be used, and for Specified risk stands without the necessary identification and mapping of Key Biotopes, an onsite inspection will be carried out by a trained professional with a minimum of a B.Sc. in Forestry or biology, and maps identifying HVCs including key biotopes will be created.

The BP has also implemented documented procedures for protection of biologically valuable dead wood in the forests. The BP has described a short procedure for monitoring the implementation and effectiveness of the planned mitigation measures during annual internal audits.

| Indicator | Mitigating measure |
|---|--|
| <p><i>2.1.1 Forests and other areas with high conservation values in the Supply Base are identified and mapped.</i></p> | <p><i>The goal of the mitigation measure is to ensure that any HCV in the area within the Supply Base is identified and sufficiently mapped before sourcing begins of feedstock for biomass production, so that the information about any HCVs can be securely passed on to staff carrying out the felling and chipping operation.</i></p> <p><i>The BP creates a map for all wood chip production areas, and all project are assigned a project ID and a checklist is filled in by the owner-operator. This also includes assigning the project to the correct sub-scope. If the area is in a specified risk sub-scope, it is checked if certification or green management plan maps are available, and if this is the case, these are used. This ensures that natural values, including key biotopes can be respected and protected during felling and extraction. If the area is in a specified risk sub-scope, and no maps of key biotopes is available, procedures state that a local expert must be consulted. The online HNV forest map (Map with indication of prevalence of areas of High Nature Value, which available at http://miljoegis.mim.dk/cbkort?profile=miljoegis-plangroendk) is also checked prior to the field survey of HCVs for a calculated indication of the potential for HCVs. If the area is too small to carry the cost of a local expert, the biomass will be classed a “other biomass”. If the project area is in a low risk sub-scope, screening is not conducted. Further consideration for all wood chip production areas include consulting maps of legally protected areas, e.g. wetland, marchland, bog, heath or areas of historical, archaeological or any other legal protection status. Procedures are also in place to ensure that any information the owner might have about nesting trees, fox burrows, special local agreements etc. are registered in the project documents.</i></p> |

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| <p>2.1.2 Potential threats to forests and other areas with high conservation values from forest management activities are identified and addressed.</p> | <p>For all wood chip production areas the following material is given to the operator(s):</p> <ul style="list-style-type: none"> - Map of project area - Written instructions from project manager (owner-operator) - Checklist as per 2.1.1 - Any other relevant information <p>This, along with easy access to the project responsible (owner-operator) via mobile phone, ensures that any identified element on the maps requiring protection and any other element requiring protection is respected during felling, extraction and wood chip production processes,</p> |
| <p>2.2.3 Key ecosystems and habitats are conserved or set aside in their natural state (CPET S8b).</p> | <p>Risk mitigation measures are the same as for Indicator 2.1.2:</p> <p>For all wood chip production areas the following material is given to the operator(s):</p> <ul style="list-style-type: none"> - Map of project area - Written instructions from project manager (owner-operator) - Checklist as per 2.1.1 - Any other relevant information <p>This, along with easy access to the project responsible (owner-operator) via mobile phone, ensures that any identified element on the maps requiring protection and any other element requiring protection is respected during felling, extraction and wood chip production processes,</p> |
| <p>2.2.4: Biodiversity is protected</p> | <p>The goal of the mitigation measure is to ensure that biodiversity is sufficiently protected. This Indicator is seen as being partially covered by Indicators 2.1.1 and 2.1.2, and as such Low risk will be demonstrated or reached through mitigating measures. Required risk mitigation measures are the same as outlined for Indicators 2.1.1 and 2.1.2.</p> <p>Due to the technical requirements that the biomass shall fulfill with regards to humidity and density, it is generally not accepted by Energy Producers that decaying wood is used as input in the chips supplied from Danish Forests. The BP has also established procedures for ensuring that biologically valuable dead and decaying and deadwood on the forest floor is not chipped or removed in connection with production and extraction of biomass. The BP has also established procedures for ensuring that a volume of deadwood is left in the forest after final felling, and for preserving standing dead trees in thinning or afforestation areas.</p> |

10 Non-conformities and observations

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| NCR: 01/17 | NC Classification: MAJOR (Precondition) | |
| Standard & Requirement: | SBP Standard 2, requirement 15.1 | |
| Description of Non-conformance and Related Evidence: | | |
| <p>The BP has documented is the Management System which seeks to ensure that all relevant requirements of this and other SBP standards and Instruction documents are met. During the audit most aspects with significance to the claims of SBP compliance were found to be sufficiently covered by documented and implemented procedures, with the exception of procedures around verification of the validity and scope of SBP and PEFC certificates and verification of PEFC or SBP claims for material sourced. The documented procedures were found to be incomplete, and during interview proficiency in verifying PEFC and SBP certificates and claims on invoice could not demonstrated. This was seen by auditor as a significant non-conformance and Major NCR 01/17 was raised. Please also see NCR 02/27, 03/17</p> | | |
| Corrective action request: | <p>Organisation shall implement corrective actions to demonstrate conformance with the requirement(s) referenced above. Note: Effective corrective actions focus on addressing the specific occurrence described in evidence above, as well as the root cause to eliminate and prevent recurrence of the non-conformance.</p> | |
| Timeline for Conformance: | Before issuing of the certificate | |
| Evidence Provided by Organisation: | <p>During the CVA, the BP presented improved documented procedures and through interviews and demonstration sufficient improvements in proficiency of the relevant staff in verification of SBP and PEFC certificates and claims on invoices were found.. See exhibit 2</p> | |
| Findings for Evaluation of Evidence: | <p>Based on review of the documents and the interviews during the CVA, focused on the proficiency of the relevant personnel in verification of SBP and PEFC certificates and claims on invoices, auditor finds that the corrective actions are sufficient to close the non-conformance.</p> | |
| NCR Status: | CLOSED | |
| Is the non-conformity likely to impact upon the integrity of the affected SBP-certified products and the credibility of the SBP trademarks? | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |

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| NCR: 02/17 | NC Classification: MAJOR (Precondition) | |
| Standard & Requirement: | SBP Standard 2, requirement 15.3 | |
| Description of Non-conformance and Related Evidence: | | |
| <p>All applicable procedures and documents (SBP procedures, Product Group Schedule, Supply Base Report, SAR, and Static Biomass Profiling Information datasheet, list of feedstock suppliers, endpoints and other documentation had been prepared and were reviewed during the assessment.</p> | | |

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| The BPs SAR was not yet completed at the time of the on-site audit. | |
| Corrective action request: | Organisation shall implement corrective actions to demonstrate conformance with the requirement(s) referenced above. Note: Effective corrective actions focus on addressing the specific occurrence described in evidence above, as well as the root cause to eliminate and prevent recurrence of the non-conformance. |
| Timeline for Conformance: | Before issuing of the certificate |
| Evidence Provided by Organisation: | During the CVA, the BP presented improved documented procedures and an improved SAR. See exhibit 2 |
| Findings for Evaluation of Evidence: | Based on review of the updated SAR document and the interviews during the CVA, auditor finds that the corrective actions are sufficient to close the non-conformance. |
| NCR Status: | CLOSED |
| Is the non-conformity likely to impact upon the integrity of the affected SBP-certified products and the credibility of the SBP trademarks? | Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> |

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| NCR: 03/17 | NC Classification: minor | |
| Standard & Requirement: | SBP Standard 2, requirement 15.6 | |
| Description of Non-conformance and Related Evidence: | | |
| The organization has established documented procedures for an annual management review of the SBP management system section 5.1.5. The review will be approved by the Owner-Manager, who has full authority to make changes to all aspects of the system. During the document review and the audit, it was found that the management review system did not include procedures for reviewing purchase and sales documents for conformance. | | |
| Corrective action request: | Organisation shall implement corrective actions to demonstrate conformance with the requirement(s) referenced above. Note: Effective corrective actions focus on addressing the specific occurrence described in evidence above, as well as the root cause to eliminate and prevent recurrence of the non-conformance. | |
| Timeline for Conformance: | By next audit, but not later than 12 months after report finalisation date. | |
| Evidence Provided by Organisation: | During the CVA, the BP presented improved documented procedures and an improved program for internal audits See exhibit 2 | |
| Findings for Evaluation of Evidence: | Based on review of the documents with improved internal audit process and improved program for internal audits as well as the interviews during the the CVA, auditor finds that the corrective actions are sufficient to close the non-conformance. | |
| NCR Status: | CLOSED | |
| Is the non-conformity likely to impact upon the integrity of the affected SBP-certified products and the credibility of the SBP trademarks? | Yes <input type="checkbox"/> | No <input checked="" type="checkbox"/> |

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| NCR: 04/17 | NC Classification: minor | |
| Standard & Requirement: | SBP Standard 2, Requirement 16.3 | |
| Description of Non-conformance and Related Evidence: | | |
| At the time of the audit, the BP had not documented the procedures for monitoring and evaluating the effectiveness of the implemented mitigation measures on an annual basis during the internal audit. | | |
| Corrective action request: | Organisation shall implement corrective actions to demonstrate conformance with the requirement(s) referenced above. Note: Effective corrective actions focus on addressing the specific occurrence described in evidence above, as well as the root cause to eliminate and prevent recurrence of the non-conformance. | |
| Timeline for Conformance: | By next audit, but not later than 12 months after report finalisation date. | |
| Evidence Provided by Organisation: | During the CVA the BP presented demonstrated awareness of evaluating the effectiveness of the risk mitigating measures and also presented an updated plan for the internal audit, that had been expanded to also include this point. See Exhibit 2 | |
| Findings for Evaluation of Evidence: | Auditor finds that the improved documented procedures and plan for internal audit are sufficient to address the NCR. | |
| NCR Status: | CLOSED | |
| Is the non-conformity likely to impact upon the integrity of the affected SBP-certified products and the credibility of the SBP trademarks? | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |

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| NCR: 05/17 | NC Classification: Major (Precondition) | |
| Standard & Requirement: | SBP Standard 4, Requirement 5.1.1 | |
| Description of Non-conformance and Related Evidence: | | |
| At the time of the audit, the PEFC Group manager had not yet done the required initial audit at the BP, and the BP had not yet been included in the scope of the PEFC Group CoC certificate. Since this is a fundamental requirement of the SBP system, auditor raised this as a precondition to certification. | | |
| Corrective action request: | Organisation shall implement corrective actions to demonstrate conformance with the requirement(s) referenced above. Note: Effective corrective actions focus on addressing the specific occurrence described in evidence above, as well as the root cause to eliminate and prevent recurrence of the non-conformance. | |
| Timeline for Conformance: | Before issuing of the certificate | |
| Evidence Provided by Organisation: | The PEFC Group manager communicated to the auditor April 12, 2017, that the BP had been successfully internally audited (initial audit), and during the on-site CVA audit conducted on april 18 th , the group manager initial audit report and signed group | |

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| | member agreement was presented to auditor, and the BP is now covered by the PEFC group CoC certificate held by Danske Maskinstationer og Entreprenører; PEFC Certificate number: NC-PEFC/COC-025953 | |
| Findings for Evaluation of Evidence: | Auditor has reviewed the internal audit report, which is seen as sufficient and the group signed member agreement. Auditor finds that the actions taken are sufficient to close the NCR. | |
| NCR Status: | CLOSED | |
| Is the non-conformity likely to impact upon the integrity of the affected SBP-certified products and the credibility of the SBP trademarks? | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |

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| NCR: 06/17 | NC Classification: Minor | |
| Standard & Requirement: | SBP Standard 5, Instruction Document 5b, Requirement 3.1.1 | |
| Description of Non-conformance and Related Evidence: | | |
| The BP has prepared a SAR, and is aware that the SAR must be approved by both the CB and SBP prior to forwarding to SBP customer. Auditor found that not all sections of the SAR had been filled in as intended. | | |
| Corrective action request: | Organisation shall implement corrective actions to demonstrate conformance with the requirement(s) referenced above. Note: Effective corrective actions focus on addressing the specific occurrence described in evidence above, as well as the root cause to eliminate and prevent recurrence of the non-conformance. | |
| Timeline for Conformance: | By next audit, but not later than 12 months after report finalisation date. | |
| Evidence Provided by Organisation: | The BP provided an updated SAR immediately after the CVA, meeting the requirements. See exhibit 7. | |
| Findings for Evaluation of Evidence: | The updated SAR was evaluated by the auditor and it was concluded that all relevant information is filled in. The NCR is closed on this background. | |
| NCR Status: | CLOSED | |
| Is the non-conformity likely to impact upon the integrity of the affected SBP-certified products and the credibility of the SBP trademarks? | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |

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| OBS: 01/17 | Standard & Requirement: | SBP Standard 1 Instruction Note 1A requirement 4.3 |
| | Report Section | Appendix A, 1.9 |
| Description of findings leading to observation: | The BP conducted a stakeholder consultation process that took place in a 30-day period from February 10, 2017 to March 11, 2017. 17 stakeholders were notified by e-mail, this included associations, national NGOs, Copenhagen University, and umbrella organizations | |

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| | for recreational and labour organizations. The full list of stakeholders is available at BP and in the exhibit of this report. The BP received no stakeholder responses during the stakeholder process. The BP has not contacted any Municipal authorities during the stakeholder process. |
| Observation: | The BP should expand its list of stakeholder to also include municipal authorities, since this is the authority for the Nature Protection Act. |

11 Certification decision

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| Based on Organisation's conformance with SBP requirements, the auditor makes the following recommendation: | |
| <input checked="" type="checkbox"/> | Certification approved: Upon acceptance of NCR(s) issued above |
| <input type="checkbox"/> | Certification not approved: |
| Based on auditor's recommendation and NEPCon quality review following certification decision is taken: | |
| <p>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 NEPCon will obtain the approval of the report from SBP technical committee. The expiration of the certificate will be then 5 years.</p> | |
| Certification decision by: 10.05.2017 | |
| Date of decision: Ondřej Tarabus | |

12 Surveillance updates

12.1 Evaluation details

Not applicable.

12.2 Significant changes

Not applicable.

12.3 Follow-up on outstanding non-conformities

Not applicable.

12.4 New non-conformities

Not applicable.

12.5 Stakeholder feedback

Not applicable.

12.6 Conditions for continuing certification

Not applicable.

12.7 Certification recommendation

Not applicable.

13 Evaluation details

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| Primary Responsible Person: (Responsible for control system at site(s)) | Gert Alstrup, Owner-operator |
| Auditor(s): | Christian Rahbek, Lead auditor |
| People Interviewed, Titles: | Gert Alstrup, Owner and Manager Jette Fogtmann Nielsen, Office assistant Mads Østergaard Kristensen, Machine Operator and Health and Safety representative Tommy Nøhr Jensen, Machine Operator Heine Jørgensen, Machine Operator Thøger Glinvad Hansen, External forester (B.Sc. Forestry) |
| Brief Overview of Audit Process for this Location: | Please see the audit overview in section 6.1 |
| Comments: | |