

NEPCon Evaluation of
Blue Point Pellets
Denmark ApS
Compliance with the SBP
Framework: Public
Summary Report
First Surveillance Audit

www.sbp-cert.org



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

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

Document history

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1 Overview

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Report completion date: 02/Feb/2018

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Certified Supply Base: Norway
 Sweden
 Finland
 Estonia
 Denmark
 Lithuania
 Latvia
 Belarus
 Poland
 Russia (Kaliningrad)

SBP Certificate Code: SBP-01-53

Date of certificate issue: 18/Nov/2016

Date of certificate expiry: 17/Nov/2021

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 type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

2 Scope of the evaluation and SBP certificate

The certificate scope covers the pellet producer from Denmark (sourcing from north European countries) with office and production in Køge, Denmark.

The Organisation holds valid FSC Chain of Custody and FSC Controlled wood certificate (NC-COC-025890, NC-CW-25890), covering FSC certified (FSC Mix) and FSC Controlled Wood pellet production. <http://info.fsc.org/details.php?id=a023300000azCgjAAE&type=certificate&return=certificate.php>

The organization also holds a valid PEFC CoC certificate (NC-PEFC/COC-025890) covering PEFC certified pellet production. <https://www.pefc.org/company-detail?id=744032>

The input material used by the organisation for pellet production is primary feedstock (forest chips) but mainly secondary feedstock (chips from primary processors, sawdust and pressed sawdust) or tertiary feedstock (sawdust from sawmilling of planks).

All inputs materials are either FSC/PEFC certified or controlled (coming with FSC controlled wood claim from supplier). The origin of the material varies significantly and covers different countries from northern Europe. Blue Point Pellets sources raw materials for pellet production from a limited number of suppliers that include, traders and integrated companies with their own forest holdings, sawmills and secondary products. The countries of origin for the Blue Point Pellets Supply Base are:

- Norway
- Sweden
- Finland
- Estonia
- Denmark
- Russian sawmill (sawmill residue, FSC certified) that dictates including the following:
 - I. Latvia
 - II. Lithuania
 - III. Poland
 - IV. Belarus

The BP foresee to sell the pellets at Køge harbour, mostly at FOB incoterms. The harbour of Køge is now the only end-point in the scope of the evaluation, any shipment of pellets to other harbours under the BP's ownership will be accompanied by an SREG document for reporting the GHG data. Supply Base Evaluation is not included into the scope of the evaluation as the biomass producer is sourcing all the material as FSC / PEFC certified or FSC/PEFC controlled and therefore can be sourced as SBP compliant or controlled.

Scope Description:

Production of wood pellets, for use in energy production, at Blue Point Pellets and transportation at Køge harbour. The scope of the certificate does not include Supply Base Evaluation.

Scope Item	Check all that apply to the Certificate Scope			Change in Scope (N/A for Assessments)	
Approved Standards:	<i>SBP Standard #2 V1.0 SBP Standard #4 V1.0 SBP Standard #5 V1.0</i> http://www.sustainablebiomasspartnership.org/documents			<input type="checkbox"/>	
Primary Activity:	Producer of wood pellets			<input type="checkbox"/>	
Input Material Categories:	<input checked="" type="checkbox"/> SBP-Compliant Primary Feedstock	<input checked="" type="checkbox"/> SBP-Compliant Secondary Feedstock		<input type="checkbox"/>	
	<input checked="" 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 checked="" type="checkbox"/> FSC	<input checked="" type="checkbox"/> PEFC	<input type="checkbox"/> SFI	<input type="checkbox"/> GGL	<input type="checkbox"/>
	<input type="checkbox"/> Transfer	<input type="checkbox"/> Percentage	<input checked="" type="checkbox"/> Credit		<input type="checkbox"/>
Points of sales	<input type="checkbox"/> Harbour (including own handling of material)	<input checked="" type="checkbox"/> Harbour (e.g. FOB incoterms) legal owner is not responsible for handling of material at the harbor	<input type="checkbox"/> Other point of sale (e.g. gate of the BP, boarder, railway station etc.)		<input checked="" type="checkbox"/>
Provide name of all points of sales	-	- Køge, Denmark	-		
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: None

Comments: The number of end-points has been reduce to 1: Køge, Denmark
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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 the evaluation covered:

- Review of the BP's management procedures;
- Review of the production processes,
- Production and storage site visits;
- Review of FSC system control points, analysis of the existing FSC CoC system;
- Interviews with responsible staff;
- Review of the records, calculations and conversion coefficients;
- GHG data collection analysis;

4 SBP Standards utilised

4.1 SBP Standards utilised

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, 5b and 5c; All version 1.1

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

4.2 SBP-endorsed Regional Risk Assessment

Not applicable. Supply Base Evaluation is not covered by the Scope of the Evaluation.

5 Description of Biomass Producer, Supply Base and Forest Management

5.1 Description of Biomass Producer

Blue Point Pellets (BPP) is a wood pellet producer with office and production facilities located at the same place in Køge, Denmark. The BP was SBP certified in 2016. The current owner of the pellet mill took ownership in 2015. From October 2015, the production started again but until December 2015 it was only testing phase and at the date of the audit the production is still not running close to the production capacity. At the time of the first annual audit in July 2017, the pellet mill had not yet completed a full reporting period at full production capacity.

BP is sourcing primary feedstock and secondary feedstock (sawdust from primary processors, forest chips and chips from primary production such as sawmills) and tertiary feedstock (sawdust from sawmilling of planks). Natural gas is used in drying process.

Total annual production capacity of pellet plant is between 250 000 and 300 000 tons of pellets.

The BP has implemented FSC and PEFC credit system and all incoming feedstock is received with either FSC/PEFC certified or FSC/PEFC controlled claim. The organization foresees to sell material with SBP compliant claim and using their credit system to calculate the material suitable for this claim.

At the time of the first annual surveillance audit the sales were taking place on regular basis, but the production was still not running at full capacity, however material has been and will be sold in Køge harbour or possibly other harbours with a SREG on customer request.

5.2 Description of Biomass Producer's Supply Base

Blue point pellets come from a variety of sawmills and the origin can therefore contain different countries. In order to make sure that the supply base contains all possible countries the organization has decided to include into their SB not only the countries where the supplier is from but also neighbouring countries of the suppliers. The SB contains:

Norway

Overview

Residues from sawmills are sourced by Blue Point Pellets from primary processors in Norway. The Supply Base includes all sawmill residues to primary processors in Norway and a supplier of chipped primary feedstock. All feedstock from Norway is SBP compliant biomass. Over 90% of productive forest lands in Norway are PEFC certified and many forests have both FSC and PEFC certification.

Statistics for non-domestic wood biomass used in energy or the Government or academia in Norway does not report heat generation. Nor is an accurate value for the scale of biomass in relation to other industries available.

Pulpwood is regarded as low-quality energywood that is not sawlogs. Pulpwood in Norway is for the well-established paper industry but also used as a biomass fuel. A supplier to Blue Point Pellets processes primary wood, stemwood, into chips. Residues of sawlogs from sawmills are sourced by Blue Point Pellets.

Removals of pulpwood account for nearly 40% of the total commercial harvest in Norway. Sawmills consume more than 52% of roundwood logs harvested in Norway.

Domestic biomass use for household heating is a substantially greater proportion of wood use than pulpwood. The conclusion can be made that non-domestic biomass is not a significant proportion of wood use in Norway. Sawmills are reported to receive more than 50% of commercial removals. Overall, this indicates biomass is a minor proportion of the wood industry in Norway at present.

Forest Cover, Land Use, Economics and Forest Based Policy

Approximately 37% of the surface area of Norway is covered by forest. Twenty-five percent of Norwegian land area is productive forest. Latest available figures (2011) state that growing stock of timber as 878 million cubic metres. The annual increment was almost 25 million cubic metres. In 2011, forest owners cut 8.5 million cubic metres of industrial roundwood for sale, 2.5 million cubic metres for household logs. The total forested area amounts to 12 million hectares, including 7.4 million hectares of productive forest. An estimated 15% of the productive forest land has been designated as non-economic due to difficult terrain and long-distance transport. This means economical forestry may be operated in 75% the forested area. The most important species are Norway spruce (47%), Scots pine (33%) and Birch (18%). Standing volume of forest is approximately 600 million cubic metres, compared with 300 million when the first national forest survey was carried out in 1919. The tremendous increase is a result of a forest policy with the main objective of restoring the forest resources. Each year the standing forest volume increases by approximately 20 million cubic metres through tree growth. The total annual harvest is less than 50% of this growth, which again means that the forest volume increases every year. The variety of small-scale forestry creates good conditions for environmental biodiversity. Felling areas are 1.4 hectares on average, with long-rotation between harvesting.

In Norway, the vast majority of forests are conifer-dominant and owned by private individuals/families where the forest has been handed down over generations. Norwegian forest resource policies are based on principles of maintaining the long-term stability and resilience of the resource base. The goal of Norwegian forest management policies is to meet social, economic, ecological and cultural needs for present and future generations. Norway has ratified the Rio Convention on Biological Diversity 1992 and sustainable management of Europe's forests. The principles expressed in these documents are also incorporated into Norwegian forest policy.

Protected Areas

CITES species are present in Norway but do not include threatened softwood or deciduous (broadleaf species) trees. Norway has a significant of IUCN Categories

Sweden

Overview

Residues from sawmills are sourced by Blue Point Pellets and the Supply Base includes all sawmill residues from primary processors and suppliers of chipped primary feedstock that are SBP compliant biomass or SBP controlled biomass from Sweden as the place of harvesting. More than 60% of forests area in Sweden is either FSC or PEFC certified.

The commercial biomass market is not distinguished from domestic fuelwood in the reporting of national statistics in Sweden. Fuelwood represented 6.2 million cubic metres in 2013 and woodchips from sawn timber and processing of pulpwood, 9.2 million cubic metres. This represented a small proportion of the sawn timber and industry (>50 million cubic metres) and pulp and paper industry (> 90 million cubic metres).

Similarly, to Norway, Sweden has a well-established paper industry with more than 50 large pulp and paper manufacturers, and sawmills make up a notable part the wood industry with more than 140 sawmills and 10,000 cubic metres of sawn timber produced. This makes sawmill residues or sawdust a prolific biomass feedstock and makes Sweden the third-largest exporter of wood products in the world by volume. Biomass for non-domestic use is a minor proportion of the national industry.

Forest Cover, Land Use, Economics and Forest-Based Policy

Approximately 57% of the surface area in Sweden is covered by productive forest. Unproductive forest land accounts for 12%. Forests represent nearly 70% of the land area of Sweden.

As in Norway, the majority of forests are conifer-dominant and much ownership is by private individuals/families where the forest has been handed down over generations. Approximately 200,000 such individuals owning small areas typically of 5 hectares own 50% of Sweden's forest land. Large forest companies own 25% of the country's forests and the remaining 25% is owned by the state and other public organizations. The state-owned company Sveaskog, accounts for 14 per cent of all forest lands in Sweden, making it the largest state stakeholder.

Latest available figures (2010) state that the growing stock of timber was 3,000 million cubic metres. Spruce/whitewood (*Picea abies*), also called Norwegian spruce accounts for 41%, 40% is pine (*Pinus sylvestris*), 8% is birch (*Fagus sylvatica*) and 6% other deciduous trees. The annual increment is around 40 million cubic metres. Forest owners cut approximately 80 million cubic metres industrial roundwood for sale and the trend of increasing standing volumes shows a predicted 100% growth in 100 years since 1930.

The increase is a result of the National Forest Policy and principles including modern sustainable forest management, restoring forest resources and respecting biological diversity. Like Norway, the total annual harvest is less than 50% of this growth. The variety of small-scale forestry operations with long-rotation between harvesting provides conditions for maintaining biodiversity.

In 1993 Sweden changed its forest policy to integrate ecological considerations with modern forestry practices. The policy focuses on two major objectives, one around production and one around environmental concerns. The overarching intention of forest policy is, in line with international agreements, to ensure sustainable forest management. In 2014 the government decided to establish a National Forest Programme in order to meet the increasing demands for public participation in forest policy development, and to increase the efficiency of implementing forest-related policies and international commitments.

More than 70% of the yearly wood volume procured originates from final felling, with the rest coming from thinning operations. Besides wood, forest biomass for energy purposes is produced, mainly originating from tops and branches opposed to stemwood or roundwood.

Protected Areas

Of Sweden's 28 million hectares of forest land about two million hectares are protected for conservation purposes, mostly in national parks and nature reserves. In these areas, timber extraction is not allowed unless it is to specifically improve the value of the land for nature and/or for the purposes of cultural conservation. In addition, unproductive forest land which accounts for some four million hectares are protected by the Forestry Act since the 1970s. On the remaining forest land there is active forest management with equal importance attached to biomass production and environmental goals.

CITES species are present in Sweden but do not include threatened softwood or deciduous (broadleaf species) trees. Sweden has a high proportion of IUCN Categories. Protected Areas Categories and locations are indicated in the European Environment Agency Map (Figure 1, page 6).

Sweden has more than 4,500 Natura 2000 areas, covering a total area of 6.7 million hectares. The protection often overlaps a number of protected areas already under Swedish legislation.

Of all the protected areas, more than 60% are habitat protection areas in forest land. Nature reserves follow, at 35%. Nature reserves dominate in terms of area, accounting for 84% of protected areas. National parks comprise 14% of protected areas, even though they are few in number. Habitat protection areas in forest land comprise only 0.5% of protected areas.

Finland

Overview

Residues from sawmills are sourced by Blue Point Pellets and the Supply Base includes all sawmill residues from primary processors that are SBP compliant biomass or SBP controlled biomass. Approximately 90% of Finnish production forests are certified under the Finnish PEFC system. The Finnish system was endorsed for membership of PEFC in the year 2000. Many forest management companies have FSC and PEFC certification.

Finland is the most forested country in Europe with more than 23 million hectares. Statistics shows that in 2015, the forest industries' roundwood consumption totalled 64.7 million cubic metres. The largest sectors of roundwood consumption being chemical and pulp (47%) and the sawmill industry the second-largest consumer (37%). The biomass industry as a recipient of roundwood is negligible.

The main use of biomass from Finland is chips as sawmill residues. More than half of the energywood purchased as raw material for forest chips was pruned stemwood and logging residues accounted for one third of all energywood sales. This overwhelmingly indicates that biomass from Finland is wood industry residues, logging residues, forest residues and low-grade energywood and not stemwood. Forest industry companies produce their own energy using bark, sawdust and chips, logging residues from thinning's and regeneration fellings. A target has been set to increase the use of forest chips to 13.5 million cubic metres by the year 2020.

Forest Cover, Land Use, Economics and Forest Based Policy

Many Finns have long relied on forests and associated natural resources available to them for their livelihoods. Forest management in Finland is mainly based on the use of native tree species and forests are generally managed quite intensively with practices based on regular thinning's and clear-fellings. As part of forest management, the majority (some 10 million hectares) of Finland's mires have been drained.

Of the total forestry land in Finland, 84% is available for wood supply, i.e. felling is permitted in these areas. The total growing stock volume in Finland has increased since the 1970s, amounting to 2,206 million cubic metres (over bark). Half of the growing stock volume consists of Scots pine (50%), 30% Norwegian Spruce and 20% broadleaves (mainly Birch). The proportion of Pine has gradually increased and that of spruce has decreased. The proportion of growing stock on mires is 23%, and its importance is increasing. Of the growing stock volume, 92% is in forests available for wood supply. The annual increment of the growing stock in Finland is over 100 million cubic metres, of which 97 million cubic metres are in forests available for wood supply. Removal has continuously remained lower than the volume increment of the growing stock. The difference between increment and removals is largest in Pine.

The number of tree species in Finnish forests is small. The majority of forests in Finland are predominantly coniferous, with broadleaves growing in mixed stands. There are only four coniferous species native to Finland, and fewer than 30 deciduous trees and shrubs.

As in other countries in Western Europe, private individuals and families mainly own forests in Finland. The holdings are quite small. The number of farms with more than two hectares of forest is 345,000. The average size of holdings is 30 ha. There are more forest owners than there are holdings, because spouses often have joint ownership of the holding. The number of people owning forest is estimated to be about 735,000. Of the total forestry land in Finland, 52% is under private family ownership; the state owns 35% and forest industry companies own 8%. The remaining 5% represents forests under municipal, parish, shared or joint ownership. State-owned forests are mainly situated in Northern Finland, and the state also owns most of the nature conservation and wilderness areas. Private forest owners have 64% of the total growing stock volume and 70% of the growing stock in forests available for wood supply.

Protected Areas

Strictly protected areas cover 5.2% of forest land in Finland (2008). In addition, 0.4% of forest land is protected as areas where restricted forest management is possible. Of the total land area (including low-productive and non-productive lands), 13.7% is strictly protected. Most of the forest conservation areas have been established in Northern Finland, where the State owns a lot of forests, whereas there are clearly fewer conservation areas in Southern Finland, where private ownership dominates. The main flaw in the forest conservation area network is the low rate of conservation in the northern boreal, southern boreal and middle boreal forest vegetation zones, where approximately just 2% of forest land is strictly protected. Nature conservation in Finland is based on statutory conservation programmes specific to habitat types.

Natura 2000 includes 1,860 protected sites in Finland, totalling 4.9 million hectares (of which 3.6 mill. ha is land). According to recommendations, old broad-leaved trees are left standing in the forest in fellings, and decaying trees or other trees that have special biological value are also preserved. About one half of the approximately 43,000 species known in Finland live in forests. Research into forest species, and the interaction between forest management and forest species has increased since the 1990s. The occurrence of threatened species is now monitored regularly. According to a recent survey, there are 1,505 threatened species in Finland, of which 37% are

forest species that favour especially herb-rich forests or old-growth forests. The majority of threatened forest species are invertebrates and fungi.

An assessment of threatened habitat types in Finland was first published in 2008. It assessed the status of 400 habitat types and human influence on them. Two-thirds of the 76 habitat types in forests were found to be under threat.

National parks and nature reserves are the backbone of the conservation programmes. These have been complemented with special conservation programmes for mires, herb-rich forests, old-growth forests, wetlands, shoreline areas and esker formations. The smallest sites are protected under separate conservation decisions. The preservation of wilderness areas in Lapland is secured by the Wilderness Act .

Estonia

Overview

Forests cover nearly a half (48.7%) of the Estonian land territory. The general characteristics of forests have remained stable for the last ten years. In 2013, the total forest land was 2.3 million hectares and the total growing stock was 478 million cubic metres. The most common stands were pine (33.1% of the total area of stands); birch (31.3%), spruce (16.2%) and grey alder stands (9.1%).

According to the UN FAO Global Forest Resources Assessment (FRA), Estonia ranks fifth in Europe based on forest coverage after Finland, Sweden, Slovenia and Latvia. Forests provide 35,000 jobs in the forestry sector and many jobs also indirectly (in transport, tourism, sports and other sectors).

Forest Cover, Land Use, Economics and Forest-Based Policy

The Estonian Forestry Development Program until 2020 is the framework document for the development of forestry in the current decade. The principal goals are to safeguard the productivity and viability of forests and ensure the varied and effective use of forests.

Estonia has an annual increment of 5.7m³ per ha a year including broadleaf. There is no difference in the annual increment of state forests to private forests.

Biomass for conversion to heat or electricity is not reported as a national statistic. The predominant use of harvested wood in Estonia are sawmills and pulp mills. Companies; Stora Enso (mother company in Sweden), Metsaliitto Eesti (mother company in Finland), Lemeks (Estonian owners) and Holmen Mets (mother company in Sweden) buy nearly 80% of total harvest and their activities forest harvest services and cutting rights with the objective is to supply wood for their mills in Estonia and pulp for their pulp mills in Finland and Sweden. The supply of Estonian wood to Sweden and Blue identified primary processor is not present in the sawmill residue as suppliers to the primary processor are Norwegian and Swedish

In order to assess the sustainability of forestry, the felling volume is compared against the annual increment. If the felling volume exceeds the increment over a longer period, it is a threat to biodiversity and the sustainability of raw material supply in the forestry sector. On the other hand, a low share of the felling volume in the increment indicates the inefficient use of forest resources.

In 2000–2007, the felling volume decreased by about 60% until it reached 5.3 million cubic metres. The felling volume started to increase gradually in 2008 when a total of 5.9 million m³ of forest was felled. In 2010, the felling volume was as high as 8.5 million m³, after which it has decreased again – 7.4 million m³ of forest was felled in 2012. The share of felling in the increment was 44% in 2007, but rose to 60% in 2012. At the same time, the felling estimates made by the Estonian Environment Agency based on felling documentation do not indicate a fall in felling volumes in 2012 – according to the estimates; 9.2 million m³ of forest was felled in 2012 and 9.4 million m³ in 2013. The relatively large share of mature stands in Estonian forests would allow higher felling volumes.

The “Estonian Forestry Development Program until 2010” specified 13.1 million m³ as the optimum forest harvesting level, while the optimum sustainable harvesting level for this decade is 12–15 million m³ per year. Reforestation also has an important part in the establishment of a new forest generation. The total area of reforestation in state forests and private forests (the planned volume based on forest notifications) in 2013 was 10,635 hectares, including planting on 9,779 hectares and sowing on 856 hectares. Works to contribute to natural forest regeneration were carried out on 2,137 hectares. The area of maintenance of young stands has increased as well: the total area of cleaning in state and private forests was 22,251 hectares in 2009, but already 33,146 hectares in 2013.

Protected Areas

In order to preserve naturally diverse landscapes and habitats, 22% of Estonia’s territory (incl. territorial sea) is under protection. The share of strictly protected forests in the total area of forests was 10% already in 2010. As at 31 December 2014, Estonia has 5 national parks, 148 nature conservation areas, 152 landscape conservation areas, 96 areas protected under old protection regulations, 538 parks and forest stands, 343 special conservation areas, 1,357 species protection sites, 20 natural objects protected at the local government level and 1,228 separate protected natural objects.

Total Natura 2000 areas are 11,320 km² in Estonia. 66 Special Protection Areas (SPA) under the Birds Directive (2009/147EC), totalling 12,590 km². Habitats Directive (92/43/EC) proposed and Sites of Community Importance total 11,320 km², both areas include private forest and state forest (866km² and 3,539 Km² respectively). Under Natura 2000 and Estonia’s Nature Conservation Act 2013 Estonia has 5 national parks, 148 nature conservation areas, 152 landscape conservation areas, 96 areas protected under old protection regulations, 538 parks and forest stands, 343 special conservation areas, 1,357 species protection sites, 20 natural objects protected at the local government level and 1,228 separate protected natural objects.

Denmark

Overview

Danish forests comprise state-owned forests, managed by the Nature Agency’s local units, as well as many privately owned forests and woodlands. There are officially 608,078 ha of forest in Denmark, corresponding to 14.1% of the land area. The total area of Denmark is 4,239,400 ha. The total forest land is 534,500 ha with 200,000 ha owned by the state. Forests are unevenly spread, with much forest along the high ridge of Jutland, in northern Zealand and on Bornholm. There is a lot of smaller forestland near large towns and cities.

Norway spruce grow on 19% of the forest land and it is the most common tree species in Denmark and overall, conifers are the most common trees comprising over 50% in some areas. Conifers have been very successful in Denmark because they are hardy and thrive on heath and dune areas, and because they grow quickly and therefore

they have been more profitable for forest owners than deciduous trees. This is one reason why there are most conifers in Jutland. Conifers take up 50% of the total forest land, while deciduous trees account for 46.4%, beech (*Fagus sylvatica*) constituting a large proportion of deciduous in Denmark. (The remaining area is bare or a specific tree species has not been identified on the area.

Most species of deciduous tree, such as oak and beech, are indigenous to Denmark, while conifers have been imported over the past 200-300 years. For example, the most common tree species in Denmark is the Norway spruce, imported from other European countries like Sweden and Germany, while other species such as Sitka spruce and Douglas fir have been imported from North America.

Forest Cover, Land Use, Economics and Forest-Based Policy

Denmark also has a high percentage of forest land (around 65%) that is owned by private persons. The private persons and citizens who own forest land in Denmark are often farmers, who also happen to be forest owners. In instances such as theirs, it is likely that the family has owned the forest land for generations.

Danish family forestry has been under considerable pressure in recent years, with the economic sustainability of forestry being brought into question and concerns within the biomass industry which has led to the Danish Industry Energy Agreement – a voluntary agreement for generation stations to adhere to that are > 20MWe.

Commercial harvesting (not final fellings) and wood biomass use indicates a significant proportion and there is not a sawmill or pulp-based forestry sector in Denmark. However, Denmark uses far more wood than it produces. Each year around 4.3 million m³ are felled, but despite this the amount of timber in Danish forests is growing by an annual net 2.4 million m³.

Wood for energy chips total for all of Denmark according to national statistics was 1,295,000 m³ in 2014 and 412,000 m³ for logs for energy use out of a total 1,732,000 m³ harvested in 2014 .

Protected Areas

Denmark has a national plan for species management, nature protection and enhancement of biodiversity.

International nature protection in Denmark includes 252 Natura 2000 areas, 261 Sites of Community Importance and 113 Special Protection Areas covering 8,3 %. Also, 27 wetland areas have been designated as Ramsar sites. Overall this represents 18% of land area that is protected in Denmark . 1,714 have an IUCN Category. A total of 252 Natura 2000 sites have been designated in Denmark.

Russia – Kaliningrad region

Overview

Rotation periods in the Russian forestry are long, and half of the forests are mature or over-mature by their development class.

In Russia, forests are classified into three groups according to their designated function: production, protective and reserve forests. In Northwest Russia, almost 70% of the forests are mainly targeted for wood production, and 30% are classified as protective forests with some restrictions to use. The predominate forest based industry is wood processing and manufacturing of wood products, chips and residues being a significant proportion of that. Secondly

then paper and pulp industry forms the next biggest industry using wood. The inference is, at present, conversion of fuel-grade wood, or energywood, is not a significant proportion harvesting and industry.

The main tree species are in Northwest Russia and Kaliningrad is 43% Spruce, Birch 20%, Pine 30%, Aspen 5% and other 2% .

Forest Cover, Land Use, Economics and Forest Based Policy

Scientifically grounded Annual Allowable Cut (AAC) defines reasonable volumes of final fellings in mature and over mature stands. At present, AAC in Russia is over 500 million m³, including 300 mill. m³ of the coniferous species. Despite the fact that there is a pattern of increasing harvesting volumes, only 20% of AAC has been actually harvested

The annual increment is not reported as figure of Kaliningrad or other regions as a national statistic but only as The Russia Federation – approximately 1m³ /ha.

The main authority in the Russian forestry is the Ministry of Natural Resources and Ecology and its subordinate, the Federal Forestry Agency. The Federal Forestry Service controls 94% of the total of Russian Federation Forests and is representative figure for Kaliningrad and [to add]. Powers related to forest management, protection and use are delegated to the regions such including Kaliningrad while the authority of the federal bodies focus mainly on policymaking, governance of forest relations by laws and regulations, and on some specific issues, such as forest inventory.

The main authority in the Russian forestry is the Ministry of Natural Resources and Ecology and its subordinate, the Federal Forestry Agency. At the regional level the highest forest authority is a part of the regional administrative structure – a ministry, department, committee, etc. The elementary units of the forest administration at the local level are forest districts and forest parks. The regional forest authorities are responsible for allocation of forest use rights.

State forests can be obtained for wood harvesting, recreation or other use primarily through 10–49 years lease contracts that can be concluded as a result of public auction. Rights for short-term use are granted by a sale/purchase contract of forest stand. Forest users pay a lease charge or payment for sale/purchase contract for the state.

The major principles of forest management are defined in the Forest Code of the Russian Federation (1997), in the Constitution of the Russian Federation (1993), and in the number of other legal documents. In adopting the Forest Code of the Russian Federation in 1997 the responsibilities of the Russian Federation arising from its participation in the Convention on Biological Diversity were taken into account, for instance article 50 of the Forest Code of the Russian Federation provides that the principles of state management in the field of use, protection, safety of the forest fund and forests reproduction include sustainable development, as well as sound, continued and non-depleting use of the forest fund for the benefit of the Russian Federation and the entities of the Russian Federation. Other articles of the Forest Code of the Russian Federation contain norms that ensure sound, continued and non-depleting use of the forest fund, its protection from fires, illegal cuttings and other violations of the forest legislation, protection from pests and diseases, i.e. norms aimed at preserving the ecological capacity of forest ecosystems.

Russia as whole has 11,244 protected areas representing 11% of land area. 2,930 Protected Areas have an IUCN Category. IUCN has defined a series of six protected area management categories, based on primary management objectives.

This requires all feedstock at a minimum to FSC Mix Credit from a certified supplier as an SBP Approved Chain of Custody system in order to be included in the Supply Base Report and sourcing of Blue Point Pellets.

Classification of IUCN species

Russia developed a Red Data Book and IUCN classification. The legislative base for the RDBRF is provided by the Law of the Russian Federation "About protection of natural environment" of December 19, 1991, and by the Law of the Russian Federation "About animal world" of May 5, 1995. Nature protected areas in Russia are considered to be the key components in the process of biodiversity conservation. Forest land of nature reserves is growing, demonstrating a good and stable trend. They currently constitute 7% of the land area covered with forest vegetation. The following categories: forests of the special protective value, forests of nature reserves, and Group I forests, constitute 23% of the total forest land of Russia. The low level of fragmentation is characteristic for the most areas of coniferous and mixed forests as they are areas and relatively homogenous. This factor is regarded as favourable to contributing to the conservation of the various forest dependent species.

Latvia

Overview

The length of Latvia's state border is 1840 km in total. The length of the country's sea border is 490 km, while 1350 km of the state border extends in land. Latvia borders on four countries: to the north - with Estonia (343 km), to the east - with Russia (276 km), to the south-east - with Belarus (161 km) and to the south with Lithuania (576 km). Latvia has a territorial area of 64 600 km². The nature conditions in Latvia are determined by its geographical position, the western part of the Eastern European plateau. An important nature diversity factor is the country location, which is a moderate climate zone of mixed forests. The country is located between the boreal forest zone and the temperate broadleaf forest zone, which is characterised by a rich biological diversity, in which the traits of both boreal forest and broadleaf forest nature zones can be observed.

The dominant tree species in Latvia are Pine (Scots pine), Birch (Silver birch, Downy birch) and Spruce (Norway spruce). Grey alder, Common aspen and Black alder also cover significant areas of the country. The remaining tree species found in Latvia grows in relatively small areas.

Forest Cover, Land Use, Economics and Forest Based Policy

Forests in Latvia occupy 3,020,575 ha or 50% of the total land area. Compared with other European countries, Latvia is among the most forest-rich countries (forests in Europe occupy 33% of the land area on average). The State owned forests in Latvia occupy 1,495,136 ha (49.5% of the total forest area) while private forest cover an area of 1,525,439 ha (50.5% of the total forest areas). State forests are managed by the State enterprise AS Latvijas Valsts Meži (LVM). According to the statistics, the total forest area in Latvia is increasing.

There are 144 thousand private forest owners (physical persons) who own 35% of the forest area. 14% forests are owned by legal entities, 49% in total. The rest is owned by the state (49%) and municipalities (2%)

The forest industry accounts for around 20% of the Latvian industry added value. The industry employs approximately 5% of the total labour force in the country. Around 70-80% of the products are exported, thus influencing the Latvian foreign trade balance in a positive way.

The Latvian forest policy identifies one general goal: the sustainable management of forests. The main criteria are as follows: prevention of reduction of forest area, protection and improvement of the productivity and value of forest; afforestation of non-agricultural and other lands. Besides, forests of Latvia comply with the sustainable forest management criteria set out in FRA 2010 guidelines. In Latvia all state forests are certified. In private forests the certification process still continues. All forests where forestry activities take place have a longterm forest inventory for short-term planning of economic activity. Laws and regulations strictly set out Forest management requirements. The supervision is carried out by State Forest service. Protected territories have secure boundaries and management requirements laid down by laws and regulations

State forests are FSC/PEFC certified. In addition to the state forest enterprise, 6 private forest managers are managing forests in accordance with the FSC standard requirements. The FSC certified area in the country amounts to a total of 1,743,157 ha, including 248,021 ha of private forest land. 210 FSC Chain of Custody certificates are in operation in the country. A total of 1,683,641 ha forests are PEFC certified. 29 companies are certified according to the PEFC Chain of Custody certification scheme.

Pro Altogether in Latvia there are 683 specially protected nature areas certified by law or regulations of the Cabinet of Ministers On Specially Protected Nature Territories. There is information given below about all specially protected nature areas that are found in the particular administrative territory:

4 Strict Nature Reserves: strict nature reserves are territories untouched by human activities or nearly natural, in which territories unhindered development of natural processes shall be ensured in order to protect and study rare or typical ecosystems and parts thereof. Strict nature reserves shall have zones in which all-natural resources are completely excluded from economic and other activities. 1 Biosphere reserve are broad territory in which landscapes and ecosystems of international significance are located. The goal of establishing biosphere reserves is to ensure the preservation of natural diversity and to promote sustainable social and economic development of the territory. 9 Protected Landscape Areas are territories remarkable for original and diverse landscapes and special beauty. The goals of such territories are to protect and preserve the cultural environment and landscapes characteristic of Latvia in all their diversity, as well as to ensure the preservation of environment appropriate for recreation of society and for tourism and use of environment friendly management methods. 261 Nature reserves are nature territories little transformed or transformed in varying degrees by human activities, which territories include habitats of specially protected wild plant and animal species, and specially protected biotopes. 4 National parks are broad areas which are characterised by outstanding nature formations of national significance, landscapes and cultural heritage landscapes untouched by human activities or nearly natural, a diversity of biotopes, abundance of cultural and historical monuments, and peculiarities of cultural environment.

IUCN species

352 Protected Areas have an IUCN Category. IUCN has defined a series of six protected area management categories, based on primary management objectives. Species that are considered threatened at the European level and occur in Latvia are found mostly in wetlands, forests and grasslands. Habitat loss, fragmentation and degradation are the most significant threats at the European level to species that occur in Latvia. For freshwater species, major threats include water pollution caused by agricultural and forestry effluents, natural systems

modifications and agricultural expansion and intensification. Other major threats come from logging and wood harvesting and urban and touristic development.

Lithuania – not directly sourcing from Lithuania

Overview

According to the data of the 1 January 2013, state forest enterprises managed 1 059,2 thousand hectares of forests of state importance. The average area of the forests of state importance of a forest enterprise is 25,2 thousand ha. Forest enterprises are divided into 348 forest districts, the average area of the forests of state importance in a forest district totals 3043 ha.

Forest Cover, Land Use, Economics and Forest Based Policy

Lithuania is regarded has have well-protected and managed forests, potentially some of the best managed forests in Europe. In 2012, scientists from Yale University (USA) announced the annual Environmental Performance Index and Lithuania was recognised as the country that protects forests best in the world (according to the forest protection assessment).

The Directorate General of State Forests under the Ministry of Environment performs functions of the institution implementing the rights and duties of the owner of 42 state forest enterprises. It co-ordinates and organises regeneration, maintenance, protection of state forests assigned to state forest enterprises and the exploitation of forest resources, establishes mandatory quotas for forest regeneration, protection and management to forest enterprises, organises a uniform state fire prevention and sanitary forest protection system.

During the recent decade forest coverage of the country increased from 30.9 per cent to 33.2 per cent, the volume of mature stands increased from 73,7 million to 94,6 million cubic metres. In the course of ten years the area of the state forests increased by as many as 63 thousand ha, or by 6 per cent, and the volume of stands increased by 25 million cubic metres. During the recent ten years the average volume of wood per hectare has increased by 13 cubic metres and at the present time amounts to 237 cubic metres per hectare, and the total accumulated volume of the stands in all forests has increased by 38 million cubic metres since 2001; the total annual growth in the volume of wood has increased from 16,1 million to 16,6 million cubic metres.

Forestry and business involved directly with forestry are significant contributor to the Lithuanian Economy. The ratio of all taxes to the income earned accounted for 42 % (the highest per cent in Europe).

Protected Areas

Lithuania has its very own system of protected areas, and long-standing traditions of the protection of natural and cultural heritage. Protected areas are established not only for the protection of natural and cultural values, but also for their adaptation to allow public use and access, be it for educational, recreational or other purposes.

Lithuania has very old traditions to conserve sacred forests, trees, stones, springs, etc. But the system of Lithuania's protected areas has been developed for over three decades, and now 67 years have passed since the first protected area was established. Today, protected areas in Lithuania cover 15 % of the total area (excluding marine protected areas). Lithuania's complete system of protected areas consists of 5 strict reserves (two of which are cultural), around 400 reserves of different types (landscape, geomorphological, hydrographical, botanical, zoological, etc.),

5 national parks (one being historic), 30 regional parks (one also historic), 1 biosphere reserve, 30 biosphere polygons, 3 recuperative plots and many natural and cultural heritage objects.

Natura 2000 network covers about 13 % of the total country territory.

Lithuania is host to an estimated 30,000 species of animals and plants. This number represents 19% of the total species described for Europe and could represent more than 2% of the species in the world. Approximately 13% of the species assessed by the European Red List of Species are present in Lithuania.

Despite national forests being FSC certified, habitat loss, fragmentation and degradation are the most significant threats at the European level to species that occur in Lithuania. For freshwater species, major threats include pollution due to agricultural and forestry effluents, abstraction of water from underground or from the streams. Other major threats come from logging and wood harvesting and residential and commercial development.

Poland - not directly sourcing from Poland

Overview

Forests cover 8.6 million ha, almost 28% of Poland, and are dominated by coniferous stands of mainly Scots pine (*Pinus sylvestris*). The contribution of forestry to the Gross Domestic Product (GDP) is rather low (0.4%), but this does not include the value of the environmental and socio-economic contributions of forests. In 1993, the per capita forest area in Poland was 0.226 ha. The average standing timber volume is 172 cbm/ha.

Presently, only about 61% of the forest increment is harvested.

Forest Cover, Land Use, Economics and Forest Based Policy

Public forests, comprising over 80% of the total, dominate the Polish landscape, which is relatively unusual in this part of Europe. With the change of the political system in 1989 came attempts to privatize public forests, but such initiatives were not accepted by society. Private forests, at slightly above 18% of the total, are highly fragmented – the average private forest area is just over one hectare – and not a significant factor in the Polish forest sector. Hence, not much research is available on private forests.

Since 1990 the amount of timber supplied to the market has more than doubled, to 36 million m³, with no detriment to the forests partly attributable to relatively strong legislation though this has been under criticism with plans to allow logging in primeval forest in Poland. With regards to forest legislation, The Forestry Act passed by the Parliament in 1991 provided recognition that the environmental and social role of forests is equally important as that of a provider of raw material for the industry. 1997 amendments to the Act further supported and elaborated on the Act's intent to protect the environment. The intent was expressed, among other things, in a description of the scope of forest management as being not only the forest stand but also the entire forest ecosystem. In addition, a section on environmental protection was added to the forest management plan.

Poland is not threatened by deforestation in the same way as in many other countries. Forests currently account for 29% of the total area (approx. 9 m hectares). An increase in the forested areas of the country has been planned. Afforestation works in Poland are the responsibility of the National Afforestation Programme, whose main aim, in conformity with the aims of the National Policy on Forests, is to increase the forested areas of Poland to 30 % by 2020 and 33 % by 2050.

Protected Areas

In 1993, protected forests constituted 47% of the total state forest area. There were 20 national parks, 100 natural reserves, 100 landscape parks and 263 protected landscape areas forming an impressive network of protected forest areas

Belarus – not directly sourcing from Belarus

Overview

During the last 60 years the percentage of forest land has almost doubled in Belarus and is increasing at the moment. Total area of the forest fund in Belarus is more than 9.4 million ha, percentage of forest land makes 39%. The stock of growing wood is estimated at 1.6 billion m³. Annual wood increment makes 31.4 million m³. The republic has 0.86 ha of forest covered land and 170 cubic meter of wood stock per inhabitant what is twice more than the average European rate.

Furthermore, there is observed the steady enlargement of the areas with the maturing, mature and overmature forest stands. During the twenty-year period the area of mature forest stands increased more than twice.

As a result of the planned regulation of the wood cutting volumes firstly of the final felling the total stock of forest stands has increased by a factor 1.6, the stock of mature stands made 197 million m³. In 1989 the share of mature forests made only 2.3% nowadays it is already 11%.

Forest Cover, Land Use, Economics and Forest Based Policy

The forestry organizations of the Ministry of Forestry are actively engaged in the wood sawing. At present in the branch there are 71 saw-mills. 2012 they processed 1.79 million m³ of wood (122.5% comparing to 2011), produced 539.5 thousand m³ of sawn timber. The share of produced dried materials increased by 51.5%.

The products of the saw-mills are well sold in the home market and abroad. 24 projects to increase effectiveness of the woodworking shops were realized Since 2007 the organizations of the Ministry of Forestry started producing of the different kinds of wood fuel. Altogether 2007-2011 there were created 41 facilities for production of the wood fuel chips with the total capacity 943 thousand m³ annually. By the end of 2015 70 such facilities will function in the branch. They could produce 1,5 million m³ of the wood fuel chips annually.

During 2012 forestry enterprises stored up 4,7 million m³ wood fuel (firewood and waste wood). At present the organizations of the Ministry of Forestry take part in realization of 6 innovation projects in the field of power engineering. Forestry institutions supply Pinsk and Pruzhany heat stations, BelGRES, Vileyka, Zhodino and Osipovich mini heat stations with wood fuel. in the forestry enterprises of the branch in 2012.

Production of wood chips has been developed in 27 forestry enterprises with a total capacity of 398 000 m³ per year. In Belarus, there is a new system of renewable energy based on energy wood was created including domestic machinery and equipment and the organization of production. Currently, attention is focused on reducing the production cost of energy wood and increasing its competitiveness relative to fossil fuels by developing the most effective systems of machines and optimizing the location of warehouses and logistic solutions for the fuel delivery.

The main source of energy wood in Belarus is wood from harvestings (85% of the total energy wood); the rest is from wood processing industry by-products. The output of energy wood from final fellings is 27–32%, from thinnings 53–55%, and from other fellings 58–60% (Belstat 2010, Forestry Programme 2006). Of the energy wood potential, 7.8 million m³ per year is stem wood and at least 0.5 million m³ per year is logging residues.

Final Felling in Belarus

The allowable cut for final fellings is about 8.9 million m³ per year this represents approximately 50% of the annual volume to be harvested is set on the basis of proposals by the Ministry of Forestry according to forest management plans. The current justified allowable harvesting volume in Belarus is about 16.3 million m³ per year of which 81–96% is utilized. Annual actual harvesting volume is approximately 14 million m³. The total annual harvest has been quite stable over the last years

Protected Areas

Terrestrial protected areas (9% of total land area) in Belarus. Total areas protected is 207,228 ha. The most important area is around the Polish / Belarus border forming a corridor around the Bialowieza National Park. This is a crucially important area and primary forest.

There are numerous large mammals on the IUCN Red List in Belarus including the wolf (*Canis lupis*)

More information can be found on company website:

<http://bluepointpellets.com/uploads/images/default/Supply-Base-Report-Blue-Point-Pellets-English.pdf>

5.3 Detailed description of Supply Base

Total Supply Base area (ha): 77 million ha of productive forest respectively (Norway 7.2m ha, Sweden 23.3m ha, Finland 20.3m ha, Estonia 2.2m ha, Denmark 0.48m ha, Kaliningrad 3.06 m ha and Lithuania 1.39 m ha, Belarus 8.01 m ha¹, Latvia 2.9m ha Poland 8.6 m ha)

Tenure by type (ha): Private ownership; Norway 80%, Finland 52%, Sweden 30%, Estonia 26%, Denmark 65%, Latvia 50%, Lithuania 35% Poland 19%, Belarus 0%, Kaliningrad 0% (management rights are held privately). The remaining percentage for each country is public.

Forest by type (ha): 77 million boreal and temperate

Forest by management type (ha): 77 million managed natural

Certified forest by scheme (ha): 57 254 013 ha is PEFC certified

32 921 238 ha is FSC certified

More information can be found on company website:

<http://bluepointpellets.com/uploads/images/default/Supply-Base-Report-Blue-Point-Pellets-English.pdf>

¹ <http://www.fao.org/forestry/20279-0a62f0bab028fe4b16efaa7a664aad69.pdf>

5.4 Chain of Custody system

The Organisation holds valid PEFC Chain-of custody and FSC Chain of Custody (NC-PEFC/COC-025890 and NC-COC-025890) covering FSC certified (FSC Mix) and FSC Controlled Wood pellet production.

<http://info.fsc.org/details.php?id=a023300000azCgjAAE&type=certificate&return=certificate.php>

The organization also holds a valid PEFC CoC certificate (NC-PEFC/COC-025890) covering PEFC certified pellet production. <https://www.pefc.org/company-detail?id=744032>

All incoming material is received with either FSC or PEFC claim (FSC 100%, FSC Mix, x% PEFC certified, FSC CW or PEFC controlled sources).

The Organisation is implementing FSC credit system. Non-certified or non-controlled material is not received and would be rejected at the entrance of the organization.

Supplier list is maintained.

After the reception, incoming feedstock is unloaded in specially designated places according to type of feedstock and is registered into the recordkeeping system.

The production technology of the BP is set up that all feedstock is stored separately for each supplier and is received to the production based on desired mix of material. FSC credit account is updated once in a month: data about received raw materials by FSC certification status and volume of sold pellets are recorded.

6 Evaluation process

6.1 Timing of evaluation activities

The first annual surveillance audit of the organization took place on July 12th and 13th 2017, and consisted of two days on-site, carried out as per the audit agenda below. The organization submitted updated SBR and SAR documents on November 8, 2017 and these were evaluated by the lead auditor.

Activity	Location	Auditor(s)	Date/time
Opening meeting*	Office	CAR, RMC	12/07/2017 09.00-09.30
Documents and procedures review. Inputs review	Office	CAR, RMC	09:30-11.30
Interview with Purchasing department representative	Purchasing department	CAR, RMC	11:30-12:15
Lunch break			
Chain of custody review (site tour); interview with roundwood acceptance department	Production facilities	CAR, RMC	13:00-16:00
Internal team meeting	Office	CAR, RMC	16:00-16:30
Presentation of the results of the first day of assessment	Office	CAR, RMC	16:30-17:00
Opening meeting	Office	CAR, RMC	13/07/2017 09:00-09:15
GHG calculation review	Office	CAR, RMC	9:15 – 11:00
Interview with Sales department representative	Sales department	CAR, RMC	11:00-11:30
Documents and procedures review; staff interview.	Office	CAR, RMC	11:30 – 12:00
Lunch break			
Internal team meeting	Office	CAR, RMC	12:30 – 13:00
Closing meeting*	Office	CAR, RMC	13:00 – 13:30
Estimated end of the evaluation			13:00

CAR – Christian Anton Rahbek, RMC – Rebecka Mc Carthy

Activity	Location	Auditor(s)	Date/time
Opening meeting*	Office via phone	CAR	08/11/2017

			13.00 - 13.10
Review of updated documents in relation to NCRs.	Office	CAR	13.10 - 13.30

6.2 Description of evaluation activities

The first annual surveillance audit visit focused on management system evaluation: division of the responsibilities, document and system, input material classification (reception and registration), analysis of the existing FSC system and FSC system control points as well as GHG data availability.

Description of the annual audit evaluation:

All SBP related documentation connected to the SBP as well as FSC and PEFC CoC systems of the organisation, including SBP Procedures, GHG data calculations/ data sheet, Supply Base Reports, Biomass profiling data, Batch specific data, and FSC system description was provided by the company in advance as well as were reviewed during the desk verification conducted prior to the first assessment.

Auditor team was welcomed in Blue Point Pellets office in Køge. Audit started with an opening meeting attended by all management staff of the Organisation and the external consultant of the client.

Auditor introduced the audit team, provided information about audit plan, methodology, auditor qualification, confidentiality issues, and assessment methodology and clarified verification scope.

After that, auditors went through all applicable requirements of the SBP standards no. 2, 4, 5 and instruction documents 5a, 5b and 5c covering input clarification, existing chain of custody and controlled wood system, management system, CoC, recordkeeping/mass balance requirements, emission and energy data and categorisation of input and verification of SBP compliant and SBP Controlled feedstock/ biomass. During the process, overall responsible person for SBP system and over responsible staff having key responsibilities within the system were interviewed.

After a roundtrip around BP's pellet production was undertaken. During the site tour reception, recordkeeping, production process was observed, applicable records were reviewed, pellet factory staff was interviewed and FSC and PEFC system critical control points were analysed.

At the end of the audit, findings were summarised and audit conclusion based on use of 3 angle evaluation method were provided to the Organisation. Composition of audit team:

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

Composition of the 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 and	Lead auditor. Verification of SBP-compliant feedstock.

	has completed SBP Lead auditor training. Experience from more than 200 FSC, PEFC and SBP audits in Denmark and Europe.	Evaluation of collection and communication of data. Evaluation of energy and carbon balance calculation
Rebecka Mc Carthy	M.Sc. and Ph.d. (Forestry). 6 years of research within forest management and silviculture in Sweden. Auditor in training	Auditor-in-training

6.3 Process for consultation with stakeholders

The stakeholder consultation was carried out prior to the 2016 main assessment on 14th of April, 2016 by sending direct email to different stakeholder categories: state institutions, local NGOs, authorities, government bodies, forest owners associations, academic and research institutions. Only one comment was received from environmental inspectorate from Køge (dated 21st April 2016) with general statement that the don't have any concern about the organization under evaluation.

No further stakeholder consultation was carried out as a part for the 2017 annual audit.

7 Results

7.1 Main strengths and weaknesses

Strength: Good system for collecting the required information. Small number of well knowledgeable staff.

Weaknesses: There is not direct access to information about origin of the feedstock for some suppliers. The production has not been operating to full capacity in the reporting period. See in NCR section of the report.

7.2 Rigour of Supply Base Evaluation

N/A

7.3 Compilation of data on Greenhouse Gas emissions

Prior to assessment the organization has not recorded data on greenhouse gas emissions and has only started for purposes of the SBP certification. This included the most part of the work spent on the preparation for the certification. The data at the end of the first annual audit were seen by auditors to be complete and accurate.

7.4 Competency of involved personnel

The supply base evaluation was not included into this evaluation.

During the annual audit it was identified that number of staff members are involved into the SBP system management and implementation, including plant manager, production responsible person, purchasing officer, business office assistant and storage officer. Interviewed staff demonstrated awareness of their responsibilities within SBP system.

7.5 Stakeholder feedback

No further stakeholder consultation was carried out as a part for the 2017 annual audit, and neither CB nor BP has received any complaints or concerns from stakeholders since the 2016 main assessment.

7.6 Preconditions

No open preconditions to this certification exist.

8 Review of Biomass Producer's Risk Assessments

N/A

9 Review of Biomass Producer's mitigation measures

N/A

10 Non-conformities and observations

10.1 Open Non-Conformity Reports (NCRs)

NCR number: 01/17	NC grading:	Major <input type="checkbox"/>	Minor <input checked="" type="checkbox"/>
Standard & Requirement:	Standard #4 V1.0 - Chain of Custody - 5.2.5		
Description of Non-conformance:			
<p>The following invoices were sampled: Kuhmo Oy No. 5326442 and 537786 (PEFC licence code on invoice, but PEFC cert code on B/L), Statkraft No. 9058119291, HedeDanmark 2397612 (claim, but no code) and 20004333, and Bergene Holme no CD 405515 were checked.</p> <p>The PEFC claims were correct for the received material, but at least one shipment had been received with documents missing the PEFC cert. code. Since this is seen to affect only a small proportion of the received material, and this material was received from an active certificate, a minor NCR is issued.</p>			
Corrective action request:	<p>Organisation shall implement corrective actions to demonstrate conformance with the requirement(s) referenced above.</p> <p>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>		
NCR conformance deadline:	12 months from report finalization		
Client evidence:	The BP has started a new process for verification of invoices and transport documents, but Auditor has not verified the effectiveness of this change onsite.		
Evaluation of Evidence:	The effectiveness of the follow-up actions has not been demonstrated on-site. The NCR remains open.		
NCR Status:	OPEN		
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"/>

NCR number: 02/17	NC grading:	Major <input type="checkbox"/>	Minor <input checked="" type="checkbox"/>
Standard & Requirement:	Instruction Document 5A - Collection and Communication of Data § 2.3.2 + 3.2.5		
Description of Non-conformance:			
The BP has not yet allocated a "-00" for Dynamic Batch sustainability data to all SDIs as Required to form Production Batch IDs...			
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.		
NCR conformance deadline:	12 months from report finalization		
Client evidence:			
Evaluation of Evidence:			
NCR Status:	OPEN		
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"/>

NCR number: 07/17	NC grading:	Major <input type="checkbox"/>	Minor <input checked="" type="checkbox"/>
Standard & Requirement:	Instruction Document 5b - Collection and Communication of Data § 6.1.4		
Description of Non-conformance:			
The BP reports an effective load of truck of an average 50 metric tonnes, but does not support it with weighbridge data or similar. The standard requires that effective load per vehicle is only reported when it is supported by actual and verifiable data for. For all ship loads and Bill of Lading documents the actual load of the ship. See exhibit 13.			
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.		
NCR conformance deadline:	12 months from report finalization		
Client evidence:			
Evaluation of Evidence:			
NCR Status:	OPEN		
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"/>

10.2 Closed Non-Conformity Reports (NCRs)

NCR number: 10785 NCR 01/16	NC grading:	Major <input checked="" type="checkbox"/>	Minor <input type="checkbox"/>
Standard & Requirement:	Standard #2 V1.0 - Verification of SBP-compliant feedstock - 6.1		
Description of Non-conformance:			
The biomass producer is sourcing primary feedstock only from one supplier at the moment. The material is in form of forest chips which are FSC certified or FSC Controlled wood. The supplier is Estonian chip producer. The BP provide the supplier with to fill in a questioner where one of the			

<p>requirement is the provision of the origin of the material. The questioner was filled in, however, it was not endorsed by signature nor it has a legal background in the contract with the supplier. The BP does not have a record nor the access to the record of the place of harvesting for primary feedstock only declaration from the supplier. The contracts are not signed and the region mention in the contracts are not matching with the region mentioned in the SBR.</p>	
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.
NCR conformance deadline:	3 months from report finalization
Client evidence:	The organization has contacted the FSC certification body of the Estonian supplier with request to provide information about the origin. FSC certification body has provided in written the information that the supplier is sourcing material for chips production only from Estonia.
Evaluation of Evidence:	Written statement from FSC certification body of the supplier was provided and further communication with FSC lead auditor took place which provided assurance that the supplier is sourcing material for chip production only from Estonia. SBP and FSC audits are both done by NEPCon.
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"/>

NCR number: 10797 NCR 10/16	NC grading:	Major <input type="checkbox"/>	Minor <input checked="" type="checkbox"/>
Standard & Requirement:	Standard #4 V1.0 - Chain of Custody - 6.3.1		
Description of Non-conformance:			
The H/S procedure is in place. The training is taking place when the people start working however no record is taken from this training. Furthermore, there is one record of accident however, there is no systematic recording of accidents in place.			
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.		
NCR conformance deadline:	12 months from report finalization		
Client evidence:	The H/S procedure is in place as confirmed by interview with H/S representative, and found to be in compliance with Danish legislation and Occupational Health and Safety requirements for the current FSC and PEFC CoC standards. H/S training takes place when the people start employment at the BP's facilities, which was confirmed by the H/S representative. There is systematic recording of accidents in place in accordance with		

	Danish legislation. H/S Training materials and records of H/S meetings were reviewed. See exhibit 5.	
Evaluation of Evidence:	Auditor finds that the documentation provided by the organisation is sufficient to document 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"/>

NCR number: 10799 NCR 11/16	NC grading:	Major <input type="checkbox"/>	Minor <input checked="" type="checkbox"/>
Standard & Requirement:	Instruction Document 5A - Collection and Communication of Data - 3.3.1		
Description of Non-conformance:			
There are forest chips received as primary feedstock provided by two suppliers. The data were not provided by the suppliers (even they have been asked by submitting the questioner) and therefore the default value was used by the organization.			
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.		
NCR conformance deadline:	12 months from report finalization		
Client evidence:	The suppliers have completed the Feedstock Biomass Summary which contains the information energy data connected with harvesting.		
Evaluation of Evidence:	The Feedstock Biomass Summary from the suppliers was evaluated and provided sufficient assurance that the energy data from forestry operations are justified.		
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"/>	

NCR number: 10800 NCR 12/16	NC grading:	Major <input type="checkbox"/>	Minor <input checked="" type="checkbox"/>
Standard & Requirement:	Instruction Document 5A - Collection and Communication of Data - 3.7.1		
Description of Non-conformance:			

<p>The organization has provided the value of diesel per ton of feedstock. The material is traveling to the port (from which it is delivered to the Koge port where the BP is located). The distance is about 177 km however the BP claims that the diesel use is only 1,39 l of diesel per ton of material. Also, it is not clear if the travel by the vessel is included or not.</p>	
<p>Corrective action request:</p>	<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>
<p>NCR conformance deadline:</p>	<p>12 months from report finalization</p>
<p>Client evidence:</p>	<p>N/A</p>
<p>Evaluation of Evidence:</p>	<p>Version 1.0 of Instruction Document 5A is no longer in effect and has been succeeded by version 1.1 and hence the NCR is withdrawn.</p>
<p>NCR Status:</p>	<p>Withdrawn</p>
<p>Is the non-conformity likely to impact upon the integrity of the affected SBP-certified products and the credibility of the SBP trademarks?</p>	<p>Yes <input type="checkbox"/></p> <p>No <input checked="" type="checkbox"/></p>

<p>NCR number: 10802 NCR 13/16</p>	<p>NC grading:</p>	<p>Major <input type="checkbox"/></p>	<p>Minor <input checked="" type="checkbox"/></p>
<p>Standard & Requirement:</p>	<p>Instruction Document 5A - Collection and Communication of Data - 4.7.1</p>		
<p>Description of Non-conformance:</p> <p>The diesel is purchased at next door petrol station. The organization is purchasing the diesel on regular basis and got the invoice once per month. There is also one building which is not part of the pellet production and is using diesel for heating. This diesel consumption is also listed on the same invoice and therefore it is not clear which diesel use is actually used for biomass production and which not.</p> <p>The organization is running also separate report which is filled in by the loader drivers but the excel table is not updated and the paper register started only on 19th January and therefore does not cover the whole reporting period.</p>			
<p>Corrective action request:</p>	<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>		
<p>NCR conformance deadline:</p>	<p>12 months from report finalization</p>		
<p>Client evidence:</p>	<p>The BP has provided records of the fuel use for loaders pertaining to the wood pellet production, and has deducted fuel use for heating of buildings used for other production processes. Records and invoices were reviewed during the audit and found to be accurate. See exhibit 16, production data tab.</p>		
<p>Evaluation of Evidence:</p>	<p>Auditor find that the fuel use records are correct, and based on the actual invoices for the fuel used in loaders used for wood pellet production.</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 type="checkbox"/> No <input checked="" type="checkbox"/>

NCR number: 10803 NCR 14/16	NC grading:	Major <input type="checkbox"/>	Minor <input checked="" type="checkbox"/>
Standard & Requirement:	Instruction Document 5A - Collection and Communication of Data - 6.1		
Description of Non-conformance:			
The biomass profiling information does not include the description of the forestry management practices nor the link to any document where such description would be provided. Furthermore, the biomass profiling information does not include the information about the proportion of the saw logs in the biomass.			
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.		
NCR conformance deadline:	12 months from report finalization		
Client evidence:	The organization has provided a schematic of the statistics for commercial fuelwood production compared to total wood production as a justification for the proportion of saw logs in the biomass being lower than 50% for all countries and regions that are part of the Supply Base. See exhibit 17. The forest management practices and saw log proportion are both reported in the Static Biomass Profiling Data sheet. See exhibit 14		
Evaluation of Evidence:	Auditor has reviewed the documentation and find that it is sufficient to document conformance with standard requirements.		
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"/>		

NCR number: 10804 NCR 15/16	NC grading:	Major <input type="checkbox"/>	Minor <input checked="" type="checkbox"/>
Standard & Requirement:	Instruction Document 5A - Collection and Communication of Data - 8.1		
Description of Non-conformance:			

The organization has presented the batch specific data in the same file as the energy data are recorded. However, there is missing the information if stump wood was included in the biomass and what was the forest size for the primary feedstock used.	
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.
NCR conformance deadline:	12 months from report finalization
Client evidence:	The organization has provided updated version of combined document GHG, profiling and batch data.
Evaluation of Evidence:	The combined document GHG, profiling and batch data provided by the organization contains the information about the content of stumpwood as well as the size of the forest.
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"/>

NCR number: 12089 NCR 17/16	NC grading: Major <input type="checkbox"/> Minor <input checked="" type="checkbox"/>
Standard & Requirement:	Standard #2 V1.0 - Verification of SBP-compliant feedstock - 2C - 4.1
Description of Non-conformance:	
<p>The BP has not used the last version of the SBR and there are several minor deficiencies identified:</p> <ul style="list-style-type: none"> - Pg. 3 – website is missing, close data of the audit is missing - Point 2.5 c) and d) does not provide the figure in hectares - Point 2.5 i) broadleaved species mentioned under conifer species - Final harvest sampling programme does not provide the proportion of final fellings which ends up in biomass compared to other end uses 	
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.
NCR conformance deadline:	12 months from report finalization
Client evidence:	The BP has updated the SBR, addressing the identified issues. The following points have been corrected: - Point 2.5 i) Species list has been corrected.

	- Final felling sampling programme has been justified and documented. The BP has presented data for justification (exhibit 17), and includes this justification and the sources referenced in the SBR section 2.3
Evaluation of Evidence:	Auditor finds that the follow up is 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 type="checkbox"/> No <input checked="" type="checkbox"/>

NCR number: 03/17	NC grading:	Major <input type="checkbox"/>	Minor <input checked="" type="checkbox"/>
Standard & Requirement:	Instruction Document 5b - Collection and Communication of Data § 3.1.1		
Description of Non-conformance:			
The BP has prepared a SAR using the latest available template, but a few justifications were still missing at the time of the audit. BP is aware that the SAR must be filled in correctly and submitted to auditor for NEPCon and SBPs final approval.			
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.		
NCR conformance deadline:	12 months from report finalization		
Client evidence:	The BP has provided an updated SAR, where the required justifications has been included.		
Evaluation of Evidence:	Auditor finds that the corrective actions are sufficient, and the NCR is closed.		
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"/>		

NCR number: 04/17	NC grading:	Major <input type="checkbox"/>	Minor <input checked="" type="checkbox"/>
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Standard & Requirement:	Instruction Document 5b - Collection and Communication of Data § 4.1.2		
Description of Non-conformance:			
The BP groups feedstock into input groups in the SAR, respecting the above requirements. Verified by reviewing the spreadsheet SBP feedstock accounting. The BP has not provided the required justification as to the difference between max and average transport distance for Feedstock input type N1. See exh 13 and 16			
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.		
NCR conformance deadline:	12 months from report finalization		
Client evidence:	The BP has provided an updated SAR, where the required justifications has been included.		
Evaluation of Evidence:	Auditor find that the corrective actions are sufficient, and the NCR is closed. See exh 13.		
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"/>

NCR number: 05/17	NC grading:	Major <input type="checkbox"/>	Minor <input checked="" type="checkbox"/>
Standard & Requirement:	Instruction Document 5b - Collection and Communication of Data § 5.2.2		
Description of Non-conformance:			
The BP references the default values from BioGrace II for fertilizer and pesticide use, which auditors find plausible, but has not provided a justification.			
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.		
NCR conformance deadline:	12 months from report finalization		
Client evidence:	The BP has provided an updated SAR, where the required justifications has been included. Exh 13		
Evaluation of Evidence:	Auditor finds that the corrective actions are sufficient, and the NCR is closed.		
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"/>

NCR number: 06/17	NC grading:	Major <input type="checkbox"/>	Minor <input checked="" type="checkbox"/>
Standard & Requirement:	Instruction Document 5b - Collection and Communication of Data § 5.5.1		
Description of Non-conformance:			
All electricity used is reported and stated as kWh per tonne of biomass outputs. A recorded energy use of 1666 kWh for heating/light of the office has not been deducted since this figure also includes the Production Management System, and lighting and heating has a negligible effect on total energy usage. However, the figure reported in the SAR does not match the figure in kWh per ton in the documentation provided. See Exh 13 and 16.			
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.		
NCR conformance deadline:	12 months from report finalization		
Client evidence:	The BP has provided an updated SAR with figures matching the recorded energy use. Exh 13		
Evaluation of Evidence:	Auditor finds that the follow-up is sufficient, and the NCR is closed.		
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"/>

NCR number: 08/17	NC grading:	Major <input type="checkbox"/>	Minor <input checked="" type="checkbox"/>
Standard & Requirement:	Instruction Document 5a - Collection and Communication of Data § 4.5.5		
Description of Non-conformance:			
The BP demonstrates how it reaches a conclusion on the Roundwood proportion in final fellings in the Final felling sampling programme. See exhibit 17. However, this is not included in the SBR.			
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.		
NCR conformance deadline:	12 months from report finalization		
Client evidence:	The BP has provided an updated SBR which includes a description on the proportion of roundwood in the final felling under the country profiles, and a short justification of the approach in SBR section 2.3 See exhibit 2.		
Evaluation of Evidence:	Auditor finds that the follow-up is sufficient, and the NCR is closed.		

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"/>

10.3 Observations

OBS number: 10786 OBS 01/16	Standard & Requirement:	Standard #2 V1.0 - Verification of SBP-compliant feedstock - 6.5
Description of findings leading to observation:	All feedstock sourced is FSC and/or PEFC certified or controlled. The information about the origin is kept based on the supplier declarations. Supplier declaration seen from all suppliers (Sodra, Tori Timber, Brüning, Bergene Holme, Kuhmo). The declarations are not mentioned in the supplier contract and therefore are not legally binding.	
Observation:	The organization should give to the declaration some legal status in order to provide more credibility to the document.	

OBS number: 10798 OBS 04/16	Standard & Requirement:	Instruction Document 5A - Collection and Communication of Data - 3.1
Description of findings leading to observation:	The BP is using two class of materials – EC – Stemwood and wood industry residues and UK – long rotation conifer and sawmill residues. The EC classification however is not specified in the excel spreadsheet.	
Observation:	The organization should make both EC and UK classification of the feedstock to the client.	

OBS number: 10801 OBS 05/16	Standard & Requirement:	Instruction Document 5A - Collection and Communication of Data - 3.7.4
Description of findings leading to observation:	Blending of Biodiesel is compulsory in some of the countries where the material comes from but it is not reported by BP.	
Observation:	The blending of the diesel should be reported.	

OBS number: 10798 OBS 01/17	Standard & Requirement:	Instruction Document 5A - Collection and Communication of Data - 4.1
Description of findings leading to observation:	Standard requires to use the latest version of the standard nr.5. This requirement has been applied for this audit (using the valid SBP standard 5 version 1.0 and Instruction Documents 5a, 5b and 5c) but has not been documented in the BP's procedures.	

Observation:	The BP should document procedures for ensuring that the latest version of SBP standard 5.
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OBS number: OBS 02/17	Standard & Requirement:	Standard #4 V1.0 - Chain of Custody – 6.2.1
Description of findings leading to observation:	The BP has a very brief documented procedure for entering all the required data in DTS, but Interviews staff showed good awareness of the requirement during the audit. See exhibit 1, “Golden rule No 8”.	
Observation:	The BP should document procedures for ensuring that all applicable Transaction data and claims are correctly entered into the DTS as required.	

11 Certification decision

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:	
NEPCon certification decision: Olesja Puišo	
Certification decision by: February 6, 2018	
Date of decision:	

12 Surveillance updates

12.1 Evaluation details

Provide the date of the surveillance evaluation and a brief summary of the sites inspected.

The annual surveillance audit took place at the BP facilities in Køge, Denmark, on July 12 and 13, 2017. The audit included both interviews with relevant management and production staff, documents review of procedures, records and registrations and invoices, shipping documents etc.

12.2 Significant changes

There are no significant changes in the Supply Base, mitigation measures, or risk ratings since the main assessment, but the number of end-points has been changed to only one, since sales only have taken place from the harbor of Køge, right next to the plant.

12.3 Follow-up on outstanding non-conformities

The BP has provided follow-up on November 8, 2017 for a number of the identified NCRs. The follow-up has been in the form of updated SBR (Exhibit 2) and SAR (Exhibit 13) documents. The client has also provided an updated Management System (Exhibit 1). After taking this follow-up into account, two minor NCR 01/17 and 02/17 remain open.

12.4 New non-conformities

Please see NCRs 01/17, 02/17, 03/17, 04/17, 05/17, 06/17, 07/17 and 08/17.

12.5 Stakeholder feedback

No further stakeholder consultation was carried out as a part for the 2017 annual audit, and neither CB nor BP has received any complaints or concerns from stakeholders since the 2016 main assessment.

12.6 Conditions for continuing certification

None.

12.7 Certification recommendation

Lead Auditor recommends that the certification is maintained.

13 Evaluation details

Primary Responsible Person: (Responsible for control system at site(s))	John Allen – plant manager
Auditor(s):	Christian Rahbek, Lead auditor Rebecka Mc Carthy, Trainee auditor
People Interviewed, Titles:	Robin Askey, Consultant, Envirosense Ltd. Sherry Allen, Business Office Specialist John Allen, Plant manager Susanne Helth Tikjøb, Certifications & Logistics Coordinator Jesper Clausen, Worker Michael Mølgaard, Worker and Health & safety representative
Brief Overview of Audit Process for this Location:	See audit plan.
Comments:	N/A