

SBP

Sustainable Biomass Partnership

NEPCon Evaluation of Skovdyrkerforeningen Vestjylland A.M.B.A. 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

CB Name and contact: NEPCon Certificering ApS, Søren Frichs Vej 38K, 1., 8230 Aabyhøj, Denmark

Primary contact for SBP: Ondřej Tarabus

Report completion date: 12/Dec/2016

Report authors: Christian Rahek

Certificate Holder: Skovdyrkerforeningen Vestjylland a.m.b.a., Nupark 49, 7500 Holstebro, Denmark

Producer contact for SBP: Michael Gehlert, Nupark 49, 7500 Holstebro, +45 20485333, mgh@skovdyrkerne.dk

Certified Supply Base: The certified Supply Base covers the following regions of Denmark: Nordjylland, Midtjylland and Syddanmark

SBP Certificate Code: SBP-01-54

Date of certificate issue: 15/Dec/2016

Date of certificate expiry: 14/Dec/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

Scope of this evaluation is based on SBP standards 1; 2; 4; and 5. The Biomass Producer has decided to also include the Danish regions Midtjylland, Syddanmark, and Nordjylland. This does not change the risk evaluation or mitigating measures in the Supply Base Evaluation, as these are applicable to all of Denmark.

Skovdyrkerforeningen Vestjylland a.m.b.a. is a cooperative owned by forest owners in western Jutland, Denmark, established to provide advisory services in forest management, to assist in managing contractors and to provide a sales channel for the forest owner’s forest products, including timber, wood chips, Christmas trees and greenery.

Skovdyrkerforeningen Vestjylland a.m.b.a. is itself a part of the umbrella organization "De Danske Skovdyrkerforeninger" and is also covered by the NEPCoN issued PEFC CoC certificate held by this organization (NC-PEFC/COC-000070). Skovdyrkerforeningen Vestjylland a.m.b.a. also offers its members the opportunity of participating in FSC / PEFC Forest management group certification in collaboration with "De Danske Skovdyrkerforeninger".

The organization purchases all of its feedstock in the Danish regions Midtjylland, Syddanmark, and Nordjylland, with the vast majority coming from Midtjylland and Syddanmark. All feedstock is primary feedstock, and can be purchased either as standing volume, as fuel wood in stack in the forest of origin or as fuel wood or chips from other suppliers within the Supply Base. In all cases the stand of origin is known. The organization can buy wood as FSC or PEFC certified, but mainly relies on sourcing feedstock as SBP Compliant from its own Supply Base Evaluation. The organization is implementing appropriate mitigating measures in relation of the specified risks identified, and has described a Supplier Verification Program to ensure that the necessary mitigating measures are implemented in all forests supplying feedstock.

The organization is supplying the woodchips produced directly from the forest via truck to the customers, which are combined heat and power plants and district heating plants.

Scope description: Production of wood chips, for use in energy production and sale at different energy producers in Denmark. The scope of the certificate includes 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 #1 V1.0 SBP Standard #2 V1.0 SBP Standard #4 V1.0</i> <i>SBP Standard #5 V1.0</i> http://www.sustainablebiomasspartnership.org/documents	<input type="checkbox"/>
Primary Activity:	Producer of wood chips; and fuel wood.	<input type="checkbox"/>

Input Material Categories:	<input checked="" type="checkbox"/> SBP-Compliant Primary Feedstock		<input type="checkbox"/> SBP-Compliant Secondary Feedstock		<input type="checkbox"/>
	<input 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 type="checkbox"/> FSC	<input checked="" type="checkbox"/> PEFC	<input type="checkbox"/> SFI	<input type="checkbox"/> GGL	<input type="checkbox"/>
	<input checked="" type="checkbox"/> Transfer		<input type="checkbox"/> Percentage	<input checked="" type="checkbox"/> Credit	<input checked="" type="checkbox"/>
Points of sales	<input type="checkbox"/> Harbour (including own handling of material)	<input type="checkbox"/> Harbour (e.g. FOB incoterms) legal owner is not responsible for handling of material at the harbor	<input checked="" type="checkbox"/> Other point of sale (e.g. gate of the BP, boarder, railway station etc.)		<input type="checkbox"/>
Provide name of all points of sales	-	-	- Herningværket (ØRSTED) - Tarm Varmeværk		
Use of SBP claim:	<input checked="" type="checkbox"/> Yes		<input type="checkbox"/> No		<input type="checkbox"/>
SBE Verification Program:	<input type="checkbox"/> Low risk sources only		<input checked="" type="checkbox"/> Sources with unspecified/ specified risk		<input type="checkbox"/>
	New districts approved for SBP-Compliant inputs: Denmark				
Sub-scopes	The feedstock is divided in following sub-scopes: * Primary feedstock sourced from coniferous thinning operations * Primary feedstock sourced from areas of first generation afforestation * Primary feedstock sourced from a forest holding with a FM certificate (FSC/PEFC) * Primary feedstock sourced from a forest holding with a Green Management Plan * Primary feedstock sourced from an area without a Green Management Plan * Primary feedstock sourced from an non-forest areas.				<input type="checkbox"/>
Specify SBP Product Groups added or removed: None.					

Comments:

3 Specific objective

The specific objective of this evaluation was to confirm that the Biomass Producer's management system is capable of ensuring that all requirements of specified SBP Standards are implemented across the entire scope of certification. The scope of this evaluation also covered the Supply Base Evaluation, and the mitigation measures describing herein.

The scope of the evaluation covered:

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

4 SBP Standards utilised

4.1 SBP Standards utilised

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

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

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

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

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

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

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

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

4.2 SBP-endorsed Regional Risk Assessment

The Regional Risk Assessment for Denmark has been endorsed by SBP and this endorsed version was used by the BP.

5 Description of Biomass Producer, Supply Base and Forest Management

5.1 Description of Biomass Producer

Skovdyrkerforeningen Vestjylland a.m.b.a. is a cooperative owned by forest owners in western Jutland, Denmark, established to provide advisory services in forest management, to assist in managing contractors and to provide a sales channel for the forest owner's forest products, including timber, wood chips, Christmas trees and greenery.

Skovdyrkerforeningen Vestjylland a.m.b.a. is itself a part of the umbrella organization "De Danske Skovdyrkerforeninger" and is also covered by the NEPCoN issued PEFC CoC certificate held by this organization (NC-PEFC/COC-000070). Skovdyrkerforeningen Vestjylland a.m.b.a. also offers its members the opportunity of participating in FSC / PEFC Forest management group certification in collaboration with "De Danske Skovdyrkerforeninger".

In relation to the SBP certification, the main activity of the BP is the production and sales of wood chips. The wood chips are produced in the forests of origin, either in the stands by self-propelled wood chippers or from a log pile by a truck mounted chipper. All wood chips are produced from Primary Feedstock, and the organization does not foresee chipping secondary or tertiary feedstock, and thus this is not included in the scope of the certification.

The organization purchases all of its feedstock for the wood chips in the Danish regions Midtjylland, Syddanmark, and Nordjylland, with the vast majority coming from Midtjylland and Syddanmark. All feedstock is primary feedstock, and can be purchased either as standing volume, as fuel wood in stack in the forest of origin or as fuel wood or chips from other suppliers within the Supply Base. In all cases the stand of origin is known. The organization can buy wood as FSC or PEFC certified, but will mainly rely on sourcing feedstock as SBP Compliant from its own Supply Base Evaluation. The organization is implementing appropriate mitigating measures in relation to the specified risks identified, and has described a Supplier Verification Program to ensure that the necessary mitigating measures are implemented in all forests supplying feedstock.

The organization is supplying the wood chips produced directly from the forest via truck to the customers, which are combined heat and power plants and district heating plants.

5.2 Description of Biomass Producer's Supply Base

Denmark - forest resources

The terrestrial environment of Denmark is divided between two EU biogeographical regions by means of a north-south divide through the middle of the Jutland Peninsula: 1) the Atlantic region, covering the western part of Jutland and the Continental region, and 2) the Continental region covering the eastern part of Jutland and Denmark's islands. These regions are used by the Danish Nature Agency under the Ministry of the Environment and Food to the EU Commission to report on the status and management results of Natura 2000 conservation areas.

In the early 1800's, the forest cover in Denmark is estimated to have been as low as 3-4% of the total land area. Deforestation was caused by logging for timber and firewood and for animal grazing areas. Denmark's first forest

legislation came into force in 1805. Its main objective and as well as following Danish forest acts, have been to maintain the forest covered area and to protect the existing forest from overexploitation, premature felling and grazing by farm animals. In the mid nineteenth century, intensive forest management became widespread and large afforestation projects were carried out. Today approximately 14% (615,000 hectares) of Denmark's land area is covered by various types of forest.

According to the Danish Nation Forest Inventory, conducted by the Danish Nature Agency, 41% of Denmark's forest area is dominated by broadleaved trees, 39% by coniferous tree species, 11% by a mixed coniferous and broadleaved tree species, 5% are Christmas tree plantation (located within all the above forest types) and 4% of the area is unstocked, e.g., log loading and landing yards, fire prevention areas etc. Furthermore, 67% of the Danish forest area is covered with even-aged planted stands with 9% being even-aged stands from natural regeneration and 6% of the forest area is uneven-aged natural forest. The latter represent pockets forests that would be closest to what is considered of natural forest stands having retained or regained natural forest characteristics; which can be found in forests both under private and public ownership and they are predominantly located in the Continental region (east Jutland and the isles). The location of these natural forest stands is generally well-known, but some may still be unidentified.

Of Denmark's 615,000 hectares of forest, 440,000 hectares are managed as forest reserves (called 'fredskov' in Danish) governed under the Danish Forest Act. The Forest Act permits forest management activities within these areas; however, Article 8 (see Category 1 for more details) requires the managed area shall maintain continuous forest cover, that a maximum of 10% of the forest area can be used for short rotation Christmas trees or greenery production (e.g., cuttings typically from *Abies procera*), and another maximum of 10% of the area can be used for coppicing or for animal forest grazing. The Forest Act also protects streams and wetlands in forests that are not covered by the Nature Protection Act or under the Ministry of Environment or local authorities. It stipulates that lakes, bogs, heaths, species-rich grasslands, coastal grasslands and swamps located in "fredskov" forest reserve may not be planted or cultivated, drained or in other way changed. It is also important to note the Forest Act does not include many measures relating to forest techniques, e.g. harvesting, planting or thinning (also see Category 1). There are 79,000 hectares of forests designated as Natura 2000 areas (13% of the Danish forest area) which have some overlap with the 74,900 hectares forests and other natural areas designated under the EU Habitat Directive, 51,500 hectares under the EU Birds Directive and 13,900 hectares as Ramsar sites. A harvest permit must be obtained from the Danish Nature Agency to conduct any timber harvesting activities within Natura 2000 forests; permits are given with the proviso that the natural condition of the forest will not deteriorate and issuing permits is more an exception than common practice.

In relation to HCV category 3, it is worth noting that although the Forest Act §25 sets provisions for registering 'especially valuable forests' i.e., valuable in terms of their biodiversity and conservation value, and accompanying appropriate conservation management activities for these areas, these areas have not yet been registered by the Danish Nature Agency. Danish forests biodiversity and conservation values have been surveyed by Department of Geosciences and Natural Resource Management at Copenhagen University through a sampling methodological approach. Therefore, not all forest management areas have been systematically surveyed, particularly small privately forests area. The task of systematically surveying 'especially valuable forests' will be carried out by the Danish Nature Agency in the years 2016 - 2019. Forest ownership in Denmark is divided by private forests owners, (70%), State and Municipal owners (24%), trust funds or foundations (4%) and unknown owners (2%).

Biodiversity in Danish forests

Due to its historical context, most Danish forests have been exposed to some level of forest management activities, varying from low impact to very intensive forestry. Today the majority of Denmark's forests are semi-natural ecosystems of composing of either native or exotic tree species, interspersed with a few small pockets of (recovered or remnant) natural forest-like stands. Although the forests area has increased over the last two centuries from 3-4% to more than 14%, the nature value of the pre-1800 forest stands have decreased significantly. This is due to intensive forest management practices aiming to manage even-aged, single-tree species stands. Examples of some the detrimental effects of intensive forest management practices include depleting or draining natural hydrology levels, extensive soil cultivation, eutrophication, removal of mature and over-mature trees and deadwood, semi or natural forest stand replacement with exotic species, coppicing and animal grazing.

Since the mid-1990s, forestry practices in Denmark, especially in State and Municipality owned forest, have shifted from traditional, production oriented forest management towards management regimes with a wider set of goals for conservation, biodiversity, recreation and addressing other social needs such as preserving cultural heritage sites.

Danish forest have been surveyed by Department of Geosciences and Natural Resource Management at Copenhagen University by means of a sample methodology and their biodiversity and conservation values have been documented under the Danish National Forest Inventory (NFI) hosted by the Danish Nature Agency.

Denmark ratified the Convention on Biological Diversity in 1994. Today more than 11% of Denmark's terrestrial lands are protected, one third of which are classified as IUCN Categories I and II; of which a large number are protected under the Nature Protection Act and the Natura 2000 EU Directive. These areas have been designated specifically to protect species, landscapes, cultural heritage and/or for scientific research and/or education purposes.

Approximately, over 6,300 species in 8 major species groups in Denmark have been assessed according to IUCN Red List criteria, and just over 1,500 or 24% of these have been red-listed. Forests constitute 52% of the habitat affiliations for red-listed species. Furthermore, areas enjoying protection under the Forest Act, Natura 2000 and/or the Nature Protection Act are also mapped and available online via the Danish Nature Agency's digital nature map. Biodiversity data is updated regularly by the Danish Nature Agency and, as mentioned above, it will be completing the registry of "especially valuable forest" over 2016 - 2019. There is one forest area in North Zealand which is listed as UNESCO world heritage due to its historical significance as royal 'Parforce' (a type of hunting system) hunting grounds landscape as, the site demonstrates the application of Baroque landscaping principles to forested areas.

The Biomass producer has adopted the description above from the draft Region Risk Assessment for Denmark

5.3 Detailed description of Supply Base

Skovdyrkerne Vestjylland is defining the Supply Base as the following regions of Denmark: Midtjylland, Syddanmark and Nordjylland. Data is collected from the National Forest Inventory (2014)

- a. Total Supply Base area (ha): 474.088 ha
- b. Tenure by type (ha): 351.763 ha privately owned, 122.286 ha public owned, 0 ha community concession (7.559 other)

- c. Forest by type (ha): 0 ha boreal, 474.088 ha temperate, 0 ha tropical
- d. Forest by management type (ha): 375.437 ha semi-natural forest, 98.652 ha natural forest
- e. Certified forest by scheme (ha): ca. 162.000 ha FSC-certified forest and ca. 196.000 ha PEFC for-est. Note that many forests hold both FSC and PEFC certificates. The numbers are based on an estimate for the regions 'Midtjylland' , 'Syddanmark' and 'Nordjylland'.

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

5.4 Chain of Custody system

Skovdyrkerforeningen Vestjylland a.m.b.a. is itself a part of the umbrella organization "De Danske Skovdyrkerforeninger" and is also covered by the NEPCoN issued PEFC CoC certificate held by this organization (NC-PEFC/COC-000070). Skovdyrkerforeningen Vestjylland a.m.b.a. also offers its members the opportunity of participating in FSC / PEFC Forest management group certification in collaboration with "De Danske Skovdyrkerforeninger".

The PEFC CoC system is based on physical segregation and volume credit systems, and therefore PEFC or SBP claims can be made for both material that is delivered directly from the wood chipper in the forest under physical segregation, or alternatively, when the flow of wood chips is controlled in the volume credit system and all material entering the product group meets PEFC certification requirements, that output claims are calculated correctly. The PEFC Volume Credit system is based on a product group without a physical site, which acceptable for traders of PEFC certified material that do not take physical possession of the material (no storage site is used). Procedures are implemented so it is ensured that no uncontrolled feedstock can be mixed with SBP-compliant or SBP-controlled feedstock,

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

6 Evaluation process

6.1 Timing of evaluation activities

The SBP annual surveillance audit was carried out on August 15th and September 12th and 13th, 2017 and it included visit of the Skovdyrkerne Vestjylland a.m.b.a. Main office in Hostebro, Denmark and of ten sites where there have been or currently are sourced feedstock and produced wood chips.

A total of 4 days were used for this evaluation – 1 day of preparations, 1 day at the BP site and 2 days for audits at the forests stands of origin and production of wood chips.

The SBP surveillance audit was conducted in accordance with the plan below; please note that the field visits were conducted after consulting the Biomass Producers records of ongoing and recent wood chip production engagements. The field visits were started and ended in the field. After the field visits a summary of the findings from the field visits was provided to the forester in charge of management of wood chip operations.

Activity	Location	Auditor	Date/time
Opening meeting*	Main office	CAR	15. august 2017 8:30 – 9:00
Interview with overall and certification responsible and review of documented procedures and follow-up on NCRs	Main office	CAR	9:00 – 10:00
Review of management system: <ul style="list-style-type: none"> • Changes in Management system or procedures • Status on internal audits on Management system and SVP • Training • SAR and Static Biomass Profile Data 	Main office	CAR	10:00 – 14:00
Interviews with employees (can also be carried out during field visits)	Main office	CAR	13:00 – 14:00
Review of SBP CoC system and credit system, DTS, and of SBP logo usage.	Main office	CAR	14:00 – 16:00

Planning of field visits and preliminary summary of audit results.	Main office	CAR	16:00 – 16:30
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12. - 13. September 2017

Field visits are conducted on the basis of the inventory of ongoing, planned and completed projects. Auditor is responsible for selecting projects for field visits, taking into account the number of projects, as well as the type of project, size and geographical location. The auditor had picked a sample of a number of projects from a list of projects provided by the BP prior to the on-site audit, taking into account size, risks, geographical location of the projects and a random selection element. The sample size was determined based on 0.8 x square root of the number of projects; total of 107 projects; sample size 9. There have also been carried out visit and interview with supplier during Supplier Verification Program; of three project sites, one was visited (Holsted). See exhibit 12; sample indicated with yellow.

Activity	Location	Auditor(s)	App. Time (Sep 12, 2017)
Evaluation at forest of origin of primary feedstock, evaluation of relevant mitigation measures.	Supplier site: Timlundvej Sønder Felding	CAR	9.00-9:30
Evaluation at forest of origin of primary feedstock, evaluation of relevant mitigation measures.	Supplier site: Tiphedevej 12 Vildbjerg	CAR	10.30-11:00
Evaluation at forest of origin of primary feedstock, evaluation of relevant mitigation measures.	Supplier site: Horslundvej 8 Sørved	CAR	11.30-12:00
Evaluation at forest of origin of primary feedstock, evaluation of relevant mitigation measures.	Supplier site: Tvislundvej 4 Hostebro	CAR	13.00-14:00
Evaluation at forest of origin of primary feedstock, evaluation of relevant mitigation measures.	Supplier site: Skivevej 253 Viborg	CAR	14.30-15:00

Activity	Location	Auditor(s)	App. Time (Sep 13, 2017)
Evaluation at forest of origin of primary feedstock, evaluation of relevant mitigation measures.	Supplier site: Ånumvej 149 Skjern	CAR	9.00-9:30
Evaluation at forest of origin of primary feedstock, evaluation of relevant mitigation measures.	Supplier site; Orten Plantage Outrup	CAR	10.00-10:30
Evaluation at forest of origin of primary feedstock, evaluation of relevant mitigation measures.	Supplier site; Søvig Outrup	CAR	11.30-12:00
Evaluation at forest of origin of primary feedstock, evaluation of relevant mitigation measures.	Supplier site (SVP); Tvilevej 2 Holsted	CAR	13.00-13:30
Evaluation at forest of origin of primary feedstock, evaluation of relevant mitigation measures.	Supplier site; Sandfeldvej 63 Brande	CAR	14.00-14:30
Closing meeting: Auditor present the findings of the surveillance audit to SBP responsible and Overall responsible	In the forest, overall responsible participated via phone.	CAR	14.30-15:00

6.2 Description of evaluation activities

Composition of audit team:

Auditor(s), roles	Qualifications
Christian Rahbek, Lead auditor	M.Sc. (Forestry) from University of Copenhagen. Has passed NEPCon Lead Auditor Training for FSC and PEFC FM and CoC certification. Experience from more than 180 FSC and PEFC CoC audits in Denmark and Europe. Christian is approved as SBP Lead auditor and has partaken in several SBP assessments.

6.3 Process for consultation with stakeholders

Stakeholder consultation processes were carried out by both the Biomass Producer and the Certification Body as a part of the 2016 main assessment. There has been no active stakeholder outreach by either BP nor NEPCon as a part of this annual surveillance audit, and there has not been any comments or concerns directed from stakeholders to either BP or NEPCon.

Summary of the 2016 main assessment stakeholder process:

BP conducted a stakeholder consultation process that took place in a 30-day period from July 1st 2016 to July 31st 2016. 14 stakeholders were notified by e-mail, this included associations, national NGOs, Copenhagen University, and umbrella organizations for recreational and labour organizations. The full list of stakeholders is available at BP and in the exhibit of this report. The BP received no stakeholder responses as a result of the stakeholder consultation.

CB conducted a 30-day stakeholder notification process by e-mail message the same stakeholders on July 14th 2016. No comments were received, but most of the key stakeholders had taken part in the Stakeholder meeting in relation to the Regional Risk Assessment for Denmark. This RRA stakeholder Process is ongoing and all relevant stakeholders are included in the work with the RRA for Denmark.

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

7 Results

7.1 Main strengths and weaknesses

Main strengths: All processes have been well documented; project management system provides a strong backbone for material balances, and is very functional and ensures that all relevant information can be reported. The BP has a professional staff of foresters with good training and qualification for sourcing feedstock, including determining the need for mitigation measures and implementing these when needed. Strong engagement in implementation of SBP system and positive approach.

Weaknesses: See the NCR section of this report

7.2 Rigour of Supply Base Evaluation

At the moment the Supply Base Evaluation was implemented only for primary feedstock sourced from 3 regions of Denmark. Skovdyrkerforeningen Vestjylland a.m.b.a. carries out the SBE for primary feedstock (forest products) that are originating from Denmark and is sold without SBP-approved Forest Management Scheme claim, SBP-approved Forest Management partial claim, SBP-approved Chain-of-Custody (CoC) System claim. Risk mitigation measures are implemented for material coming from both forest land and from other origin, e.g. landscape maintenance, or residential areas.

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

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

7.3 Compilation of data on Greenhouse Gas emissions

Prior to the 2016 main assessment the organization has not systematically recorded data on greenhouse gas emissions, but had conducted trials for gaining accurate knowledge about the fuel use of the various equipment used. Further information about fuel consumption for transport was also collected from trucking companies. The methodologies for collecting and reporting data were still seen as complete and accurate at the end of the 2017 annual surveillance audit.

7.4 Competency of involved personnel

During the 2017 annual surveillance audit it was evaluated that staff members involved in the SBP system management and implementation, including the Managing Director, Forestry Specialist, Foresters and administrative staff. Interviewed staff had good awareness of their responsibilities within SBP system.

The SBE was mainly implemented by the Managing Director and the Forestry Specialist, both holding M.Sc. degrees in forestry, and between them, they have more than 30 years of experience in forest management within the supply base.

All involved personnel showed good knowledge in relevant fields, including project management and recognition of HCVF aspects, and implementation of relevant mitigating measures during the site visits.

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

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

7.5 Stakeholder feedback

Stakeholder consultation processes were carried out by both the Biomass Producer and the Certification Body as a part of the 2016 main assessment. There has been no active stakeholder outreach by either BP nor NEPCon as a part of this annual surveillance audit, and there has not been any comments or concerns directed from stakeholders to either BP or NEPCon.

See also the summary of the 2016 stakeholder process in section 6.3 above.

7.6 Preconditions

There are no open preconditions to this certification.

8 Review of Biomass Producer’s Risk Assessments

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

Indicator	Risk rating (Low or Specified)		Indicator	Risk rating (Low or Specified)	
	Producer	CB		Producer	CB
1.1.1	Low	Low	2.3.3	Low	Low
1.1.2	Low	Low	2.4.1	Low	Low
1.1.3	Low	Low	2.4.2	Low	Low
1.2.1	Low	Low	2.4.3	Low	Low
1.3.1	Low	Low	2.5.1	Low	Low
1.4.1	Low	Low	2.5.2	Low	Low
1.5.1	Low	Low	2.6.1	Low	Low
1.6.1	Low	Low	2.7.1	Low	Low
2.1.1	Low	Low	2.7.2	Low	Low
2.1.2	Low	Low	2.7.3	Low	Low
2.1.3	Low	Low	2.7.4	Low	Low
2.2.1	Low	Low	2.7.5	Low	Low
2.2.2	Low	Low	2.8.1	Low	Low
2.2.3	Low	Low	2.9.1	Low	Low
2.2.4	Low	Low	2.9.2	Low	Low
2.2.5	Low	Low	2.10.1	Low	Low
2.2.6	Low	Low			
2.2.7	Low	Low			
2.2.8	Low	Low			
2.2.9	Low	Low			
2.3.1	Low	Low			
2.3.2	Low	Low			

9 Review of Biomass Producer’s mitigation measures

The BP has implemented the conclusions of the SBP endorsed version of the Regional Risk Assessment for Denmark. Skovdyrkerne Vestjylland used the mitigation measures in the first draft of the Regional Risk Assessment for Denmark, which found 4 Indicators with specified risk and suggested mitigating measures. The BP does not implement the suggestion that HCV maps are made publicly available, but has implemented mitigating measures to ensure that biologically important sites are protected. The table below shows the specified risk Indicators and the corresponding mitigation methods that Skovdyrkerne Vestjylland are implement.

Skovdyrkerne Vestjylland has documented and described procedures both for proceeding with extraordinary caution in potential areas of specified risk, and for monitoring the implementation and effectiveness of the planned mitigation measures.

2.1.1	Forests and other areas with high conservation values in the Supply Base are identified and mapped.	<p>The goal of the mitigation measure is to ensure that any HCV in the area within the supply base is identified and sufficiently mapped before sourcing of feedstock for biomass production begins, so that the information about any HCV can be securely passed on to staff carrying out the felling and chipping operation. For non-FSC or PEFC certified forests and forests without a green management plan, identification and mapping of HCVs must be carried out.</p> <p>It is suggested that the HNV forest online map (available at http://miljoegis.mim.dk/cbkort?profile=miljoegis-plangroendk) is consulted for a calculated indication of the potential for HCVs prior to a field survey of HCVs, and that the catalog of key biotopes or similar is used. The effectiveness of the application of the catalog of key biotopes is reliant upon sufficient skill and training of the personnel carrying out the survey. For a skilled professional the identification and mapping of HCVs would be possible with an acceptable level of effort compared to the size of the area where sourcing of feedstock will take place.</p>
2.1.2	Potential threats to forests and other areas with high conservation values from forest management activities are identified and addressed.	<p>For forests with a green management plan, HCVs have been identified and mapped, but since there is no requirement for independent evaluation of adherence to limitations in the green management plan, the plan including the maps, must be consulted and planned activities must be compared to limitations in the management plan.</p> <p>For forests without at least a green management plan, HCVs in the area where feedstock for biomass production is sourced must first be identified and mapped (see indicator 2.1.1), and sufficient maps and instruction be prepared for personnel in charge for the felling or other activities, so that it is ensured that HCV will not be threatened for FM activities.</p>
2.2.3	Key ecosystems and habitats are conserved or set aside in their natural state (CPET S8b).	<p>The goal of the mitigation measure is to ensure that any HCV in the area within the supply base is identified and sufficiently mapped before sourcing of feedstock for biomass production begins, so that the information about any HCV can be securely passed on to staff carrying out the felling and chipping operation. For non-FSC or PEFC certified forests and forests without a green management plan, identification and mapping of HCVs must be carried out.</p> <p>It is suggested that the HNV forest online map (available at http://miljoegis.mim.dk/cbkort?profile=miljoegis-plangroendk) is consulted for a calculated indication of the potential for HCVs prior to a field survey of HCVs, and that the catalog of key biotopes or similar is used. The effectiveness of the application of the catalog of key biotopes is reliant upon sufficient skill and training of the personnel carrying out the survey. For a skilled professional the identification and mapping of HCVs would be possible with an acceptable level of effort compared to the size of the area where sourcing of feedstock will take place.</p>
2.2.4	Biodiversity is protected (CPET S5b).	<p>The goal of the mitigation measure is to ensure that any HCV in the area within the supply base is identified and sufficiently mapped before sourcing of feedstock for biomass production begins, so that the information about any HCV can be securely passed on to staff carrying out the felling and chipping operation. For non-FSC or PEFC certified forests and forests without a green management plan, identification and mapping of HCVs must be carried out.</p> <p>It is suggested that the HNV forest online map (available at http://miljoegis.mim.dk/cbkort?profile=miljoegis-plangroendk) is consulted for a calculated indication of the potential for HCVs prior to a field survey of HCVs, and that the catalog of key biotopes or similar is used. The effectiveness of the application of the catalog of key biotopes is reliant upon sufficient skill and training of the personnel carrying out the survey. For a skilled professional the identification and mapping of HCVs would be possible with an acceptable level of effort compared to the size of the area where sourcing of feedstock will take place. This would allow for expert and stakeholder review and comments. It must be ensured that biologically valuable dead and decaying and deadwood on the forest floor is not chipped or removed in connection with production and extraction of biomass.</p>

10 Non-conformities and observations

10.1 Open non-conformities

None.

10.2 Closed non-conformities

NCR: 01/16	NC Classification: minor	
Standard & Requirement:	SBP Standard 2, Instruction Note 2A requirement 1.6	
Description of Non-conformance and Related Evidence:		
The BP's documented system for sampling does not include specification that random sampling must be applied when selecting suppliers to visit.		
Corrective action request:	Organisation shall implement corrective actions to demonstrate conformance with the requirement(s) referenced above. Note: Effective corrective actions focus on addressing the specific occurrence described in evidence above, as well as the root cause to eliminate and prevent recurrence of the non-conformance.	
Timeline for Conformance:	12 months from the audit report finalization	
Evidence Provided by Organisation:	The BP has updated the Management System for sampling suppliers to visit to also include random sampling, and has made technical provisions for this in the spreadsheet used for planning and reporting internal and SVP audits.	
Findings for Evaluation of Evidence:	Auditor finds that the corrective actions taken by the BP are sufficient, and the NCR is closed on this background.	
NCR Status:	CLOSED	
Is the non-conformity likely to impact upon the integrity of the affected SBP-certified products and the credibility of the SBP trademarks?	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>

NCR: 02/16	NC Classification: minor	
Standard & Requirement:	SBP Standard 2, Instruction Note 2A requirement 1.7	
Description of Non-conformance and Related Evidence:		
The BP's procedures for supplier verification program does not include that all results, including any identified non-conformances, must be recorded.		
Corrective action request:	Organisation shall implement corrective actions to demonstrate conformance with the requirement(s) referenced above. Note: Effective corrective actions focus on addressing the specific occurrence described in evidence above, as well as the root cause to eliminate and prevent recurrence of the non-conformance.	

Timeline for Conformance:	12 months from the audit report finalization	
Evidence Provided by Organisation:	The BP has updated the Management System to also include recording of the results of internal and SVP audits and has made technical provisions for this in the spreadsheet used for planning and reporting internal and SVP audits.	
Findings for Evaluation of Evidence:	Auditor finds that the corrective actions taken by the BP are sufficient, and the NCR is closed on this background.	
NCR Status:	CLOSED	
Is the non-conformity likely to impact upon the integrity of the affected SBP-certified products and the credibility of the SBP trademarks?	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>

NCR: 03/16	NC Classification: minor	
Standard & Requirement:	SBP Standard 2, Instruction Note 2A requirement 1.8	
Description of Non-conformance and Related Evidence:		
The BP's procedures for supplier verification program does not include that additional sampling must be applied if credible and relevant allegations of violations are received.		
Corrective action request:	Organisation shall implement corrective actions to demonstrate conformance with the requirement(s) referenced above. Note: Effective corrective actions focus on addressing the specific occurrence described in evidence above, as well as the root cause to eliminate and prevent recurrence of the non-conformance.	
Timeline for Conformance:	12 months from the audit report finalization	
Evidence Provided by Organisation:	The BP has updated the Management System to also include increased sampling for situations where credible and relevant allegations are made.	
Findings for Evaluation of Evidence:	Auditor finds that the corrective actions taken by the BP are sufficient, and the NCR is closed on this background.	
NCR Status:	CLOSED	
Is the non-conformity likely to impact upon the integrity of the affected SBP-certified products and the credibility of the SBP trademarks?	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>

NCR: 01/17	NC Classification: Major	
Standard & Requirement:	SBP Standard 2, Requirement 16.3	
Description of Non-conformance and Related Evidence:		
<p>The BP has documented the procedures for monitoring and evaluating the implemented mitigation measures on a quarterly basis. For 5% of the project, a document check is carried out, and for 20% of these, a field visit is also carried out. For material from external suppliers under supplier verification program, 5% of the volume is selected for evaluation. The results of the internal auditing program are collated in an excel sheet and reported to top level management. Exhibit 2, section 5.1.6 and exhibit 12</p> <p>At the time of the office audit, the internal on-site audits of the BP's own wood chip projects had not yet been carried out as describe in the procedures, while the internal audit documents review and</p>		

<p>audit of supplier's wood chip projects had been carried out as planned. Since this was only applicable to the BPs own wood chip projects, and the foresters in charge were found to be competent in their evaluation of risk and implementation of risk mitigation measures, a NCR minor NCR was raised.</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>Timeline for Conformance:</p>	<p>3 months from the audit report finalization</p>
<p>Evidence Provided by Organisation:</p>	<p>Immediately following the office audit the SBP responsible carried out and documented on-site visits to the required sample of projects. No non-conformances were found.</p>
<p>Findings for Evaluation of Evidence:</p>	<p>Based on the evidence of on-site internal audit, the NCR has been closed.</p>
<p>NCR Status:</p>	<p>CLOSED</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 checked="" type="checkbox"/> No <input type="checkbox"/></p>

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: Certificate can be maintained	
Certification decision by: Ondrej Tarabus	
Date of decision: 12.12.2017	

12 Surveillance updates

12.1 Evaluation details

The SBP annual surveillance audit was carried out on August 15th and September 12th and 13th, 2017 and it included visit of the Skovdyrkerne Vestjylland a.m.b.a. Main office in Hostebro, Denmark and of ten wood chip production sites where there have been or currently are sourced feedstock and produced wood chips.

A total of 4 days were used for this evaluation – 1 day of preparations, 1 day at the BP site and 2 days for audits at the forests stands of origin and production of wood chips.

The SBP surveillance audit was conducted in accordance with the plan; please note that the field visits were conducted after consulting the Biomass Producers records of ongoing and recent wood chip production engagements. The field visits were started and ended in the field. After the field visits a summary of the findings from the field visits was provided to the forester in charge of management of wood chip operations.

12.2 Significant changes

The BP had prepared for the 2016 main assessment using the available draft version of the SBP Regional Risk Assessment for Denmark. This has since been updated and endorsed by SBP, and the BP has incorporated the necessary changes in the Management System, namely the risk rating for the sub-scope forest areas with a green management plan, which is now seen as specified risk, with a mitigating measure of consulting the green management plan while planning the felling and extraction activities. Furthermore, the low risk sub-scope “Feedstock from non-forest areas” has been added. There has been no change in the geographical extent of the SB.

12.3 Follow-up on outstanding non-conformities

The BP demonstrated its follow-up on the open NCRs from last year’s assessment during the office audit. Auditor finds that the corrective actions are sufficient to close the NCRs. See also section 10.2 above.

12.4 New non-conformities

One non-conformity was identified as a result of the surveillance audit, see section 10.1 above.

12.5 Stakeholder feedback

There has been no comments or concerns raised by stakeholders about the Biomass Producer organisation since the 2016 main assessment. Neither the BP nor NEPCon has conducted active stakeholder outreach as a part of this surveillance audit.

12.6 Conditions for continuing certification

None.

12.7 Certification recommendation

Auditor recommends that the certification is maintained, since there are no open non-conformities.

13 Evaluation details

Primary Responsible Person: (Responsible for control system at site(s))	Michael Gehlert, Forest Manager (CEO)
Auditor(s):	Christian Rahbek, Lead auditor
People Interviewed, Titles:	Michael Gehlert, Forest Manager Katrine Bang Hauberg, SBP responsible Ander Brøgger Jensen, Forester Jan Christensen, Forester Thomas Holm Pedersen, Forester Anders Kruse Elmholdt, Forester Tove Nørlund Madsen, Office Team Leader
Brief Overview of Audit Process for this Location:	Please see the audit overview in section 6.1
Comments:	