

# NEPCon Evaluation of Verdo Trading A/S Compliance with the SBP Framework: Public Summary Report

## Second Surveillance Audit

[www.sbp-cert.org](http://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](http://www.sbp-cert.org)*

### *Document history*

*Version 1.0: published 26 March 2015*

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# Contents

<b>1</b>	<b>Overview</b> .....	<b>1</b>
<b>2</b>	<b>Scope of the evaluation and SBP certificate</b> .....	<b>2</b>
<b>3</b>	<b>Specific objective</b> .....	<b>3</b>
<b>4</b>	<b>SBP Standards utilised</b> .....	<b>4</b>
4.1	SBP Standards utilised .....	4
<b>5</b>	<b>Chain of Custody system</b> .....	<b>5</b>
<b>6</b>	<b>Evaluation process</b> .....	<b>6</b>
6.1	Timing of evaluation activities .....	6
6.2	Description of evaluation activities .....	7
<b>7</b>	<b>Results</b> .....	<b>8</b>
7.1	Competency of involved personnel .....	8
7.2	Compilation of data on Greenhouse Gas emissions .....	8
<b>8</b>	<b>Non-conformities and observations</b> .....	<b>9</b>
<b>9</b>	<b>Certification decision</b> .....	<b>10</b>
<b>10</b>	<b>Surveillance updates</b> .....	<b>11</b>
10.1	Evaluation details .....	11
10.2	Significant changes .....	11
10.3	Follow-up on outstanding non-conformities .....	11
10.4	New non-conformities .....	11
10.5	Stakeholder feedback .....	11
10.6	Conditions for continuing certification .....	11
10.7	Certification recommendation .....	11
<b>11</b>	<b>Evaluation details</b> .....	<b>12</b>

# 1 Overview

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

Primary contact for SBP: Christian Rahbek, Email: [car@nepcon.org](mailto:car@nepcon.org) Mobile: +45 5059 7624

Report completion date: 25/Apr/2018

Report authors: Christian Rahbek

Certificate Holder: Verdo Trading A/S, Kulholmsvej 22, 8930 Randers NØ, Denmark

Producer contact for SBP: Benny Corneliusen

Certified Supply Base: N/A - Trader

SBP Certificate Code: SBP-01-11

Date of certificate issue: 09/Mar/2016

Date of certificate expiry: 08/Mar/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 type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

## 2 Scope of the evaluation and SBP certificate

The organization is a biomass trader trading both pellets and chips, sourced from different parts of Europe (e.g. Latvia, Estonia, Lithuania or Croatia). The organization holds a valid FSC certificate with transfer system implemented. The point of purchase varies, and can be FOB and very limited part of material (only pellets) as CIF. When the material is purchased it is delivered to the Randers, where Verdo Produktion A/S (Power plant) takes ownership and stores the materials purchased – both chips and pellets. The material is sold to several generators in Europe (e.g. Dong, Drax or Vattenfall), usually without Verdo Trading A/S taking Physical ownership. The point of sale is variable. The material is mostly delivered to ports in Europe, but it can be also sold at the generator facilities.

Scope description: Trading and transportation of wood pellets and wood chips, for use in energy production, to Europe.

Scope Item	Check all that apply to the Certificate Scope	Change in Scope (N/A for Assessments)
<b>Approved Standards:</b>	SBP Standard #4 V1.0; SBP Standard #5 V1.0 <a href="http://www.sustainablebiomasspartnership.org/documents">http://www.sustainablebiomasspartnership.org/documents</a>	<input type="checkbox"/>
<b>Primary Activity:</b>	Trader with physical possession	<input type="checkbox"/>
<b>Input Material Categories:</b>	<input type="checkbox"/> SBP-Compliant Primary Feedstock	<input type="checkbox"/>
	<input type="checkbox"/> SBP-Compliant Secondary Feedstock	
	<input type="checkbox"/> Controlled Feedstock	
	<input type="checkbox"/> SBP non-Compliant Feedstock	
<input type="checkbox"/> SBP-Compliant Tertiary biomass	<input type="checkbox"/> Post-consumer Tertiary Feedstock	<input type="checkbox"/>
	<input type="checkbox"/> Post-consumer Tertiary Feedstock	
	<input type="checkbox"/> SBP-approved Recycled Claim	
<b>Chain of custody system implemented:</b>	<input checked="" type="checkbox"/> FSC <input type="checkbox"/> PEFC <input type="checkbox"/> SFI <input type="checkbox"/> GGL	<input type="checkbox"/>
	<input checked="" type="checkbox"/> Transfer <input type="checkbox"/> Percentage <input type="checkbox"/> Credit	<input type="checkbox"/>
<b>Use of SBP claim:</b>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/>
<b>SBE Verification Program:</b>	<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:	
<b>Sub-scopes</b>		<input type="checkbox"/>
Specify SBP Product Groups added or removed:		
Comments:		

### 3 Specific objective

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

The scope of the evaluation covered:

- Review of the Biomass Trader's management procedures;
- Review of FSC system control points, analysis of the existing FSC CoC system;
- Interviews with responsible staff;
- Review of the records and calculations
- GHG data collection analysis;

## 4 SBP Standards utilised

### 4.1 SBP Standards utilised

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

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

Instruction document 5a – 5c: Collection and communication of data (ver. 1-1)

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

## 5 Chain of Custody system

The organization has implemented the FSC transfer system for biomass (wood pellets and chips) in the scope of the certificate. The process covers trade with biomass as well as storage of the material at Rander, where the Main office is also located. The material is purchased from different suppliers in Europe, and transported to Randers for own consumption or sold to other customers as full, direct shipments. While stored at the harbour of Randers the material from different suppliers is physically separated (due to the traceability reasons). There are several warehouses which are used for different biomass material. The material in one warehouse is not mixed with material from other supplier (or different claim) which provides assurance that the separation is well implemented. There are also records of stored material and based on input and output material for each warehouse each delivery can be traced.

The FSC and SBP claim is mentioned on the sales invoices. The sustainability characteristics for each batch are mentioned directly on the invoice which always contains the number of the invoice as well.



## 6 Evaluation process

### 6.1 Timing of evaluation activities

The assessment was carried out on Monday, February 5<sup>th</sup> 2018. One day was needed for the onsite SBP audit and the concurrent FSC audit and additional half day for the documentation review.

Activity	Location	Auditors	Date/time
Opening meeting* <ul style="list-style-type: none"> <li>- Presentation of participants</li> <li>- Changes in the organization since last audit</li> <li>- Changes in standards and requirements</li> </ul>	Main Office	CAR	Feb 5th, 2018  8:00 - 8:30
Review of Documented Control Systems for FSC and SBP <ul style="list-style-type: none"> <li>- FSC Documented procedures</li> <li>- FSC Product Group Schedule</li> <li>- FSC Supplier Records</li> <li>- FSC Volume data</li> <li>- SBP internal procedures</li> <li>- Training records FSC and SBP</li> <li>- GHG/emissions reporting (SREG)</li> </ul>	Main office	CAR	8:30 – 11:30
Interviews with staff responsible for purchase and sales	Purchasing department	CAR	11:30 – 12:00
Lunch break			12:00 – 12:30
Inspection and interviews in storage and productions facilities	Storage and production facilities	CAR	12:30 – 13:00
Evaluation of FSC and SBP logo use	Main office	CAR	13:00 – 13:30
Auditor summarizes the FSC and SBP evaluation		CAR	13:30- 14:00
Evaluation of Verdo Produktion A/S compliance with the industry agreement on sustainable biomass: <ul style="list-style-type: none"> <li>- Evaluation of purchases of biomass inputs</li> </ul>			14:00 – 16:00

<ul style="list-style-type: none"> <li>- Evaluation of volume records of recieved and used wood chips and wood pellets</li> <li>- Evaluation of emissions reduction calculations in BioGrace II</li> </ul>			
Closing meeting*	Main office	CAR	16:00 – 16:30

CAR – Christian Anton Rahbek

## 6.2 Description of evaluation activities

Auditor was welcomed in Verdo Trading head office in Randers. Audit started with an opening meeting attended by Benny Corneliusen, Mette Brandt, and Henrik Nørbo Mosegaard.

Lead auditor introduced himself, provided information about audit plan, methodology and aim of the assessment. CB's accreditation related issues and confidentiality issues were covered as well. The audit was carried out concurrently with the FSC annaul audit.

After that auditor went through all applicable requirements of the standard covering management system, CoC, recordkeeping requirements, emission and energy data and verification of SBP compliant biomass. During the process overall responsible person for SBP system and over responsible staff having key responsibilities within the system were interviewed.

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

### The composition of the 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 200 FSC and PEFC CoC audits in Denmark and Europe. Christian had passed SBP training course and having experience with number of SBP assessments as a Lead Auditor.

## 7 Results

### 7.1 Competency of involved personnel

The overall responsible person in the company Henrik Nørbo Mosegaard, but all practical responsibilities are handled by Bioenergy Manager and Purchaser Benny Corneliusen. The overall responsible is supported by Bioenergy manager and purchase Mette Brandt, and both showed good understanding of the requirements in relation to SBP certification and of the already implemented FSC CoC system.

### 7.2 Compilation of data on Greenhouse Gas emissions

During the on-site audit good awareness was found about how the energy and emission data shall be collected and communicated, and the values were provided to the auditor. It was verified that Verdo Trading has required data in place, based on communication with the operator of the harbour facilities. Verdo Trading has provided documentation for the required energy and emission data and these data were compared to the data for the machinery used for shipments where transport occurs under Verdo Trading ownership. The energy connected with transportation is calculated per each shipment as the distance change almost for each delivery of biomass.

## 8 Non-conformities and observations

No NCRs identified.

## 9 Certification decision

<b>Based on Organisation's conformance with SBP requirements, the auditor makes the following recommendation:</b>	
<input checked="" type="checkbox"/>	Certification approved: No NCR(s) issued
<input type="checkbox"/>	Certification not approved:
<b>Based on auditor's recommendation and NEPCon quality review following certification decision is taken:</b>	
<b>NEPCon certification decision:</b> The Biomass trader has been certified by NEPCon as meeting the requirements of the specified SBP Standard, the certificate can be maintained.	
<b>Certification decision by: Asko Lust</b>	
Date of decision: <b>25.04.2018</b>	

## 10 Surveillance updates

### 10.1 Evaluation details

The surveillance evaluation Verdo Trading A/S took place on February 5<sup>th</sup>, 2018 at the Verdo facilities in Kulholmen in Randers. The evaluation included mostly office auditing activities due to the scope of the certificate, but an evaluation of the storage facilities was also conducted.

### 10.2 Significant changes

There are no significant changes to the SBP CoC system or activities of Verdo Trading A/S

### 10.3 Follow-up on outstanding non-conformities

There were no outstanding non-conformities.

### 10.4 New non-conformities

No non-conformities identified during this surveillance audit.

### 10.5 Stakeholder feedback

None.

### 10.6 Conditions for continuing certification

None.

### 10.7 Certification recommendation

Certification is maintained.

## 11 Evaluation details

Primary Responsible Person: (Responsible for control system at site(s))	Henrik Nørbo Mosegaard, Administration Manager
Auditor(s):	Christian Rahbek, Lead auditor
People Interviewed, Titles:	Henrik Nørbo Mosegaard, Administration Manager Benny Corneliusen, Bioenergy Manager & Purchaser Mette Brandt, Bioenergy Manager & Purchaser Sanne Røjen, Transport Coordinator Dorthe Laustsen, Production Assistant (Verdo Produktion A/S)
Brief Overview of Audit Process for this Location:	See audit plan.
Comments:	