SBP

Sustainable Biomass Program

NEPCon Evaluation of Skovdyrkerforeningen Syd a.m.b.a. Compliance with the SBP Framework: Public Summary Report

Second Surveillance Audit

www.sbp-cert.org

Completed in accordance with the CB Public Summary Report Template Version 1.4

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

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1 Overview

CB Name and contact:	NEPCon OÜ, Filosoofi 31, 50108 Tartu, Estonia
Primary contact for SBP:	Ondrej Tarabus ot@nepcon.org, +420 606 730 382
Current report completion date:	06/Mar/2019
Report authors: :	Christian Rahbek
Name of the Company:	Skovdyrkerforeningen SYD a.m.b.a., Brejning Søndergade 26, 7080 Børkop, Denmark
Company contact for SBP:	Henrik Fredslund, ph. +4520574810, e-mail: hfr@Skovdyrkerforeningen.dk
Certified Supply Base:	The certified Supply Base covers the following regions of Denmark: Midtjylland and Syddanmark
SBP Certificate Code:	SBP-01-73
Date of certificate issue:	12/May/2017
Date of certificate expiry:	11/May/2022

This report relates to the Second Surveillance Audit

2 Scope of the evaluation and SBP certificate

Production of wood chips for use in energy production, storage and sale at different energy producers in the Regions of Midtjylland and Syddanmark of Denmark. The scope includes Supply Base Evaluation for primary feedstock from Denmark and the use of remote storage sites.

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

Please select all SBP Standards used during this evaluation. All Standards can be accessed and downloaded from https://sbp-cert.org/documents/standards-documents/standards

☒ SBP Framework Standard 1: Feedstock Compliance Standard (Version 1.0, 26 March 2015)

☒ SBP Framework Standard 2: Verification of SBP-compliant Feedstock *(Version 1.0, 26 March 2015)*

☒ SBP Framework Standard 4: Chain of Custody *(Version 1.0, 26 March 2015)*

☒ SBP Framework Standard 5: Collection and Communication of Data *(Version 1.0, 26 March 2015)*

4.2 SBP-endorsed Regional Risk Assessment

The BP has used the SBP-endorsed Regional Risk Assessment for Denmark, which is available for download at https://sbp-cert.org/documents/risk-assessments

5 Description of Company, Supply Base and Forest Management

5.1 Description of Company

Skovdyrkerforeningen SYD a.m.b.a. is a cooperative owned by forest owners in South 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 SYD 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 SYD 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 by contractors in the forests of origin, in the Danish regions Syddanmark and Midtjylland. 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 working and sourcing within the defined Supply Base. The BP doesn't produce wood chips from secondary or tertiary feedstock, and thus this is not included in the scope of the certification.

The BP supplies the material via truck, occasionally using outdoor storage facilities, to the endpoints at customers which are combined heat and power plants or district heating plants.

5.2 Description of Company'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 wells 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 has 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. Please see the BP's SBR which is available at http://www.skovdyrkerne.dk/syd/salg-af-flis/

5.3 Detailed description of Supply Base

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

a. Total Supply Base area (ha): 363.000 ha forest

b. Tenure by type (ha): 268.700 ha privately owned, 8.200 ha owned by foundations, 78.000 ha public owned, 8.100 ha other

c. Forest by type (ha): 0 ha boreal, 363.000 ha temperate, 0 ha tropical

d. Forest by management type (ha): 250.900 ha plantation/planted forest, 77.900 ha natural forest, 34.200 ha unknown.

e. Certified forest by scheme (ha): 3.468 ha FSC-certified forest and 5.142 ha PEFC forest. Note that many forests hold both FSC and PEFC certificates. The numbers are based on an estimate for the regions Syddanmark and Midtjylland.

The Qualitative description of the Supply Base can also be found in the Biomass Producer's SBR which is available at http://www.skovdyrkerne.dk/syd/salg-af-flis/

5.4 Chain of Custody system

Skovdyrkerforeningen SYD 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 SYD 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 implements both PEFC CoC systems based on physical segregation and a volume credit system, but only physical segregation has been used for SBP biomass. Therefore, SBP claims can only be made for material that is delivered directly from the wood chipper in the forest, or alternatively, when stacks of wood chips consist only of material meeting certification requirement, and no uncontrolled material has been added.

The BP delivers most of the produced biomass directly from the forest to the powerplant, but also uses an open-air storage site at four locations. These are open-air storage sites, which has no facilities or staff, and loading of wood chips here is done by a contracted wheel loader.

The BP has established clear documented procedures in the management system for only storing SBP Compliant Biomass at these storage facilities, and for ensuring that any "other biomass" is not put into storage, but only delivered directly to the customer/powerplant.

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 audit was carried out on the 14th, 15th and 17th of January 2019, and it included office audit at Skovdyrkerforeningen SYD's main office in Brejning on Monday 14th, and field visits at 14 biomass production sites and 2 storage sites. The field visit included sites from which feedstock had been, currently are being, or was planned to be sourced from. These sites have been, are or will be used for production of wood chips. The number of sites that was selected for field audit was based on the 0.8 times the square root of the number of projects since last audit. The number of projects corresponded to approximately 190. This results in a minimum sample of $\sqrt{(190)} \times 0.8 = 12$ sites.

A total of 4,0 days was used for this evaluation: 1 day of preparations, 1 day at the BP's main office, and 2 days for audit of feedstock origin and risk mitigation measures in the forest stands – a total of 14 sites in Regions Midtjylland and Syddanmark. Time used for reporting and administration is not included in these figures.

The SBP audit was conducted in accordance with the plan below. Please note that the field visits where conducted after consulting the Biomass Producer's records of planned, ongoing and recent wood chip production projects. The field visit of the second field day ended with a closing meeting at the main office in Brejning. Here, the auditor presented a summary of the findings to the forester in charge of management of wood chip operations and the CEO.

Audit plan for January 14, 15 and 17, 2019

Time	Activity	Location
8.30 – 9.00	Opening Meeting. Introduction of participants. Review of the agenda	Skovdyrkerforeningen SYD – Main office
9.00 – 12.00	Review of the Management System and interview with the certification responsible: • Management system or procedures, special focus on any changes since last audit • Status of intern audits on the management System and SVP (if applicable) • Training records • Compliance with EUTR • Health and Safety procedures • Classification of projects in sub-scopes • Mitigation measures • SBR and annual update of SBR • SAR and Static Biomass Profile Data • Interviews with employees	Main office

	• Follow up on Stakeholder comment	
12.00 – 12.30	Lunch Break	Main office
12.30 – 14.00	Continued review of Management System	Main office
14.00 – 15.00	Review of SBP CoC system and Credit system, DTS, as well as the use of logos	Main office
15.00 – 15.30	Planning of field visit and preliminary closing meeting with preliminary conclusions.	Main office
January 15, 2019	Field visits on project locations and storage sites in accordance with plan. Visits at forest of origin of primary feedstock, evaluation of relevant mitigation measures. Interviews with the responsible foresters.	Field, production locations and storage sites
	Project at Ketting Mark. Interview with BP forester and stakeholder representative. Discussion and evaluation of insufficient implementation of mitigating measures.	
	Project No 2753-01. Thinning of afforestation area.	
	Project No 3992-01. Forestry residues in accordance with protection.	
	Project no 2840-14. Thinning of birch and beech stand, residues from final felling of spruce	
	Project No 2639-03 Forestry residues from final felling in Spruce	
	Storage Facility at Øster Højst	
	Project No. 2873-03 Wood from a wind break. Willow. Also forestry Residues from Sitka Spruce.	
	Project No 2628-02. Thinning of you standard planted after windfall.	
	Project No 1832-05 Forestry residues from thinning.	
January 17, 2019	Project No 1077-07/08. Thinning in ash stand. Natura2000	
	Project No 2379-01 Forestry residues from thinning	
	Project No 4048-01 Removal of wind break and of one small stand (0,3 ha) of mountain pine and spruce	
	Project No 1428-03 Spruce thinning	
	Project No 4048-04 Conversion of four minor non-protected stands to agricultural use, total area app 2,5 ha	
	Project No 4303-01 Conversion of 0,4 ha of non-protected first generation forest to agricultural use, thinning of wind breaks.	
	Storage Facility at Andkær	
January 17, 2019 App 16:00 - 16:30	**Closing meeting. Auditor presents the result of the audit.**	**Main office**

6.2 Description of evaluation activities

Composition of audit team:

Auditor(s), roles	Qualifications
Christian Rahbek, Lead Auditor and Local expert	M.Sc. (Forestry) from University of Copenhagen. Has passed NEPCon Lead Auditor Training for FSC and PEFC FM and CoC certification and has completed SBP Lead auditor training. Local expert on biomass production. Experience from more than 200 FSC, PEFC and SBP audits in Denmark and Europe.

6.3 Process for consultation with stakeholders

Stakeholder consultation processes were carried out by both the Biomass Producer (BP) and the Certification Body (CB) in connection with the 2017 main assessment.

On October 1st, 2018, NEPCon received a stakeholder comment from the Danish Nature Protection Society. This was acknowledged to the stakeholder. NEPCon had further email contact with the stakeholder who was also advised to send the comment to the BP, and NEPCon also contacted the competent authority, which has already been informed by the stakeholder group.

The evaluation of the stakeholder was concluded after an on-site visit and interview with a stakeholder representative at the location regarding which the comment had been filed. See also NCR 01/19

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. The BP has long-term relations with most of the forest or land owners, where the wood chips are produced. All interviewed staff had a 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 administrative 2 regions of Denmark. Skovdyrkerforeningen SYD A.m.b.a. implements an SBE for primary feedstock (forest products) 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 for Denmark, which has been widely circulated for stakeholder consultation during its development. 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, and calls/emails which took place prior the assessment.
The stakeholder consultation process started with sending email to numerous stakeholders. The BP keeps records of communication with stakeholders.

7.3 Collection and Communication of Data

The BP has opted to use the accepted Default Values from BioGrace II for reporting fuel used in forestry used and felling/chipping. Information about transport distances was collected from trucking companies. The methodologies for collecting and reporting data were complete and accurate at the end of the annual audit.

7.4 Competency of involved personnel

The SBE was mainly implemented by the Wood Chip Production Manager and forester with main responsibility for wood chip production, holding B.Sc. and M.Sc. degrees in forestry respectively, supported by Mrs. Katrine Bang Hauberg (M.Sc. Forestry) from the umbrella organization of Danish Forest Growers Association, and between them, they have more than 30 years of experience in forest management within the supply base.

All involved personal has provided good competency and 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

During the BP's stakeholder consultation, no comments were received, and the consultation only proved that the stakeholders already expressed their opinion to the Certification Body (CB) in charge of the process of the SBP-endorsed Regional Risk Assessment for Denmark. The CB finds that the BP stakeholder consultation was sufficient.

Since last annual audit both the BP and the CB has received one stakeholder comment. This was acknowledged to the stakeholder, and the BP and CB have both carried out analysis of the comment. The evaluation was concluded after an on-site visit and interview with a stakeholder representative at the location regarding which the comment had been filed. See also NCR 01/19

7.6 Preconditions

There are no open preconditions to this certification.

8 Review of Company's Risk Assessments

Describe how the Certification Body assessed risk for the Indicators. Summarise the CB's final risk ratings in Table 1, together with the Company's final risk ratings. Default for each indicator is 'Low', click on the rating to change. Note: this summary should show the risk ratings before AND after the SVP has been performed and after any mitigation measures have been implemented.

Final risk ratings of Indicators as determined in the SBP-endorsed Regional Risk Assessment for Denmark (RRA), by the Biomass Producer (BP) after the SVP and any mitigation measures, and by the Certification Body (CB) after the Biomass Producer's risk mitigation measures.

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

Indicator	Risk rating (Low or Specified)	
	Producer	CB
1.1.1	Low	Low
1.1.2	Low	Low
1.1.3	Low	Low
1.2.1	Low	Low
1.3.1	Low	Low
1.4.1	Low	Low
1.5.1	Low	Low
1.6.1	Low	Low
2.1.1	Specified	Specified
2.1.2	Specified	Specified
2.1.3	Low	Low
2.2.1	Low	Low
2.2.2	Low	Low
2.2.3	Specified	Specified
2.2.4	Specified	Specified
2.2.5	Low	Low
2.2.6	Low	Low
2.2.7	Low	Low
2.2.8	Low	Low
2.2.9	Low	Low
2.3.1	Low	Low

Indicator	Risk rating (Low or Specified)	
	Producer	CB
2.3.3	Low	Low
2.4.1	Low	Low
2.4.2	Low	Low
2.4.3	Low	Low
2.5.1	Low	Low
2.5.2	Low	Low
2.6.1	Low	Low
2.7.1	Low	Low
2.7.2	Low	Low
2.7.3	Low	Low
2.7.4	Low	Low
2.7.5	Low	Low
2.8.1	Low	Low
2.9.1	Low	Low
2.9.2	Low	Low
2.10.1	Low	Low

2.3.2	Low	Low

Table 2. Final risk ratings of Indicators as determined AFTER the SVP and any mitigation measures.

Indicator	Risk rating (Low or Specified)	
	Producer	CB
1.1.1	Low	Low
1.1.2	Low	Low
1.1.3	Low	Low
1.2.1	Low	Low
1.3.1	Low	Low
1.4.1	Low	Low
1.5.1	Low	Low
1.6.1	Low	Low
2.1.1	Low	Low
2.1.2	Low	Low
2.1.3	Low	Low
2.2.1	Low	Low
2.2.2	Low	Low
2.2.3	Low	Low
2.2.4	Low	Low
2.2.5	Low	Low
2.2.6	Low	Low
2.2.7	Low	Low
2.2.8	Low	Low
2.2.9	Low	Low
2.3.1	Low	Low
2.3.2	Low	Low

Indicator	Risk rating (Low or Specified)	
	Producer	CB
2.3.3	Low	Low
2.4.1	Low	Low
2.4.2	Low	Low
2.4.3	Low	Low
2.5.1	Low	Low
2.5.2	Low	Low
2.6.1	Low	Low
2.7.1	Low	Low
2.7.2	Low	Low
2.7.3	Low	Low
2.7.4	Low	Low
2.7.5	Low	Low
2.8.1	Low	Low
2.9.1	Low	Low
2.9.2	Low	Low
2.10.1	Low	Low

9 Review of Company's mitigation measures

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

Skovdyrkerforeningen SYD has documented and described procedures both for proceeding with extraordinary caution in potential areas and of specified risk, and for monitoring the implementation and effectiveness of the planned mitigation measures. Skovdyrkerforeningen SYD has documented and implemented procedures for protection of biologically valuable dead wood in the forests.

2.1.1	Forests and other areas with high conservation values in the Supply Base are identified and mapped.	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. 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. It is also suggested that, as a safeguard mechanism, the resulting maps are made publicly available. This would allow for expert and stakeholder review and comments.
2.1.2	Potential threats to forests and other areas with high conservation values from forest management activities are identified and addressed.	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. 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. It is also suggested that, as a safeguard mechanism, the resulting maps are made publicly available. This would allow for expert and stakeholder review and comments.
2.2.3	Key ecosystems and habitats are conserved or set aside in their natural state (CPET S8b).	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. 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. It is also suggested that, as a safeguard mechanism, the resulting maps are made publicly available. This would allow for expert and stakeholder review and comments.
2.2.4	Biodiversity is protected (CPET S5b).	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. 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. It is also suggested that, as a safeguard mechanism, the resulting maps are made publicly available. This would allow for expert and stakeholder review and comments.

10 Non-conformities and observations

Identify all non-conformities and observations raised/closed during the evaluation (a tabular format below may be used here). Please use as many copies of the table as needed. For each, give details to include at least the following:

- *applicable requirement(s)*
- *grading of the non-conformity (major or minor) or observation with supporting rationale*
- *timeframe for resolution of the non-conformity*
- *a statement as to whether the non-conformity is likely to impact upon the integrity of the affected SBP-certified products and the credibility of the SBP trademarks.*

NC number 01/19	**NC Grading:** Major
Standard & Requirement:	SBP Standard 2, requirement 16.1
Description of Non-conformance and Related Evidence:	
Finding: On October 1st, 2018, NEPCon received a stakeholder comment from the Danish Nature Protection Society. This was acknowledged to the stakeholder. NEPCon had further email contact with the stakeholder who was also advised to send the comment to the BP, and NEPCon also contacted the competent authority, which has already been informed by the stakeholder group. The BP and NEPCon both carried out an initial analysis of the comment, and the BP quarantined the wood felled at the site, ensure a that it would be available for inspection, and not enter into SBP Compliant feedstock. The comment from the stakeholder regarded a wood chip project (felling of all but 4 retention trees on and area of app. 0.25 hectares) at the location Ketting Mark, near Augustenborg, Denmark. The comment claim that the felling was unlawful in relation to the forest act in two aspects: Since the land owner is the local parish, they are under obligation to take extra caution in protecting biodiversity in forest management, and the forest edge transition zone must be protected. The Stakeholder also commented that the forest area was important to bats, which are red-list species. In December 2018 NEPCon was informed by the Competent Authority that the felling had been found unlawful due to lack of protection of the forest edge. The sanction imposed on the land owner was that the forest edge transition zone must be naturally regenerated. No other sanction or fine was imposed. NEPCon arranged a meeting with the stakeholder representative and the BP during the surveillance audit Jan 15, 2019, and the conclusion was that the felling was unlawful, and that the location or stand should be seen as a key biotope since it was an older solitary stand of domestic tree species with signs of coppicing in an agricultural landscape. It could not be decided with certainty that the stand was a bat habitat, and there are no prior records of this being an important bat habitat. The conclusion was that the stand should not have been felled, but that thinning would have been acceptable, and that the biomass cannot be sold as SBP Compliant or Controlled Biomass. During interviews with the BP's foresters and field audits at 13 further production sites, it became auditor's conclusion that the case appeared to be a single case, and that the mitigation measures generally are sufficient and well-implemented, and that the foresters have sufficient knowledge of the forest act. Auditor	

notes that the sanction form the competent authority is very mild, but since the situation involves both a lacking identification of the stand as a key biotope and an unlawful felling activity, a Major NCR is raised.	
Timeline for Conformance:	3 months from the report finalisation
Evidence Provided by Company to close NC:	The BP main responsible has presented both the BP's initial analysis, which includes an on-site inspection by the Chief Forester ant the responsible forester, and meeting notes from the Foresters' meetings in December 2018 and January 2019, where the case has been extensively discussed. This was also supported by interviews with the foresters during the audit. See exhibit 12
Findings for Evaluation of Evidence:	It is auditor's conclusion that the corrective actions are sufficient, and the NCR is closed on this background.
NC Status:	Closed

11 Certification decision

Based on the auditor's recommendation and the Certification Body's quality review, the following certification decision is taken:	
Certification decision:	Certification approved
Certification decision by (name of the person):	Pilar Gorria Serrano
Date of decision:	06/Mar/2019
Other comments:	*Click or tap here to enter text.*