

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

Third Surveillance Audit

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

### *Document history*

*Version 1.0: published 26 March 2015*

*Version 1.1: published 30 January 2018*

*Version 1.2: published 4 April 2018*

*Version 1.3: published 10 May 2018*

*Version 1.4: published 16 August 2018*

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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:	14/Mar/2019
Report authors: :	Christian Rahbek and Steffen Just
Name of the Company:	Verdo Trading A/S, Kulholmsvej 22, 8930 Randers NØ, Denmark
Company contact for SBP:	Benny Corneliusen, Bioenergy Manager. Email: <a href="mailto:beco@verdo.com">beco@verdo.com</a> Mobile: +45 5198 0738
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

This report relates to the Third Surveillance Audit

## 2 Scope of the evaluation and SBP certificate

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

### 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

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

Not applicable

## 5 Description of Company, Supply Base and Forest Management

### 5.1 Description of Company

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 usually delivered to the Randers, where Verdo Produktion A/S (Power plant) takes ownership and stores the materials purchased – both chips and pellets, but SBP products are also sold to other customers in Europe (e.g. Ørsted, Drax or Vattenfall), optionally with Verdo Trading A/S physically handling the biomass at a storage site. 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.

### 5.2 Description of Company's Supply Base

Not applicable

### 5.3 Detailed description of Supply Base

Not applicable

### 5.4 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 Randers, 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 stated on the sales invoices. The Production Batch IDs 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 annual surveillance audit was carried out on Wednesday, January 30<sup>th</sup> 2019. One day was needed for the onsite SBP audit and the concurrent FSC and PEFC audits and additional half day for the documentation review.

Audits at outsourced storage facility was carried out in Aarhus on January 29<sup>th</sup>.

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, SJU	Jan 30th, 2019  8:00 - 8:30
Review of Documented Control Systems for FSC, SBP and PEFC <ul style="list-style-type: none"> <li>- Documented procedures</li> <li>- FSC and PEFC Product Group Schedules</li> <li>- Supplier Records</li> <li>- Annual volume data</li> <li>- Internal audit procedures</li> <li>- Training records</li> <li>- GHG/emissions reporting (SREG)</li> </ul>	Main office	CAR, SJU	8:30 – 11:30
Interviews with staff responsible for purchase and sales	Purchasing department	CAR, SJU	11:30 – 12:00
Lunch break			12:00 – 12:30
Inspection and interviews in storage and productions facilities	Storage and production facilities	CAR, SJU	12:30 – 13:00
Evaluation of FSC, SBP and PEFC logo use	Main office	CAR, SJU	13:00 – 13:30
Audit team summarizes the FSC, SBP and PEFC evaluation	Main office	CAR, SJU	13:30- 14:30

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> <li>- Evaluation of volume records of received and used wood chips and wood pellets</li> <li>- Evaluation of emissions reduction calculations in BioGrace II</li> </ul>	Main office	CAR, SJU	14:30 – 16:30
Closing meeting*	Main office	CAR, SJU	16:30 – 17:00

CAR – Christian Anton Rahbek; SJU - Steffen Just

## 6.2 Description of evaluation activities

The audit was carried out in accordance with the audit plan described under 6.1 above.

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

The audit team introduced itself, 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 annual audit and the PEFC main assessment.

After that lead 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:

Name	Qualifications	Role/focus during audit
Steffen Just	M.Sc. (Forestry) from the University of Copenhagen. Has passed NEPCon Lead Auditor Training for FSC and PEFC FM and CoC certification. Previous experience from employment as state forester and as deputy forest officer in the Environmental protection Agency and from two years of FSC and PEFC CoC audits.	Lead Auditor (FSC) Lead Auditor (PEFC) Auditor-in-Training (SBP)

Christian Rahbek	M.Sc. (Forestry) from the 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.	Lead Auditor (SBP) Auditor (FSC) Auditor (PEFC)
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### 6.3 Process for consultation with stakeholders

There has been no stakeholder consultation process conducted in connection with this audit, and neither the CH nor the CB has received any comments or complaints pertaining any element of the CoC system since the certificate was issued.

## 7 Results

### 7.1 Main strengths and weaknesses

The main strengths of the organization lie within the strong human resources, sufficient technical facilities and administrative procedures. Furthermore, that business activities of the organization are relatively simple in relation to the SBP standards. No NCRs were identified during the audit.

### 7.2 Rigour of Supply Base Evaluation

Not applicable

### 7.3 Collection and Communication of Data

The organization showed very good awareness of the requirements related to collection and communication of GHG and emissions data, and responsible staff demonstrated during the audit how GHG data is collected and reported in SREG documents. 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 every delivery of biomass.

### 7.4 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 and Purchase Coordinator Line Risgaard Mortensen. They are supported by Bioenergy manager and purchase Mette Brandt, and all showed good understanding of the requirements in relation to SBP certification and of the already implemented FSC CoC system.

### 7.5 Stakeholder feedback

There has been no stakeholder consultation process conducted in connection with this audit, and neither the CH nor the CB has received any comments or complaints pertaining any element of the CoC system since the certificate was issued.

### 7.6 Preconditions

The audit has not led to any NCRs or preconditions.

## 8 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.*

No NCRs identified during the audit.

## 9 Certification decision

**Based on the auditor’s recommendation and the Certification Body’s quality review, the following certification decision is taken:**

<b>Certification decision:</b>	Certification approved
<b>Certification decision by (name of the person):</b>	Pilar Gorría Serrano
<b>Date of decision:</b>	14/Mar/2019
<b>Other comments:</b>	<i>Click or tap here to enter text.</i>