

SBP

Sustainable Biomass Program

DNV GL Business Assurance Finland Oy Ab Evaluation of Norsk Biobrensel AS 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 1.1

*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:	DNV GL Business Assurance Finland Oy Ab
Primary contact for SBP:	Jyrki Sopenen /Jyrki.sopenen@dnvgl.com
Current report completion date:	12/Feb/2018
Report authors:	Karina Seeberg Kitnaes
Name of the Company:	Norsk Biobrensel AS
Company contact for SBP:	Ole Kristian Hodnemyr (ole@norbio.no)
Certified Supply Base:	Norway
SBP Certificate Code:	SPB-05-05
Date of certificate issue:	04/Apr/2017
Date of certificate expiry:	03/Apr/2022

This report relates to the First Surveillance Audit

2 Scope of the evaluation and SBP certificate

Introduction

Norsk Biobrensel AS is a biomass trader and producer of wood chips based in Norway. In the context of SBP, Norsk Biobrensel will purchase primary feedstock delivered by Norwegian PEFC certified suppliers at four harbour log yards/storages, where Norsk Biobrensel chip the roundwood to wood chips and load the biomass onto ship vessels transported to the customer in Denmark.

The period of ownership begins when the feedstock is either 1) transported from the forest to the log yard at the harbour or 2) offloaded at the log yard at the harbour. The period of ownership ends when the biomass (wood chips) are loaded onto the ships (always FOB terms applied).

Scope

Purchase of primary feedstock (roundwood) and sale of wood chips for energy production. Purchase and sales at the Head Office of Norsk Biobrensel. The processes involve transport, chipping, storage and loading of wood chips at terminal facilities on four harbours in Norway. The scope of the certificate does not include Supply Base Evaluation.

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.

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. Norsk Biobrensel is PEFC COC certified and purchases 100% PEFC certified feedstock with Norwegian origin from three Norwegian PEFC certified suppliers.

5 Description of Company, Supply Base and Forest Management

5.1 Description of Company

Norsk Biobrensel AS is a Norwegian company under the NEGgruppen. The company produces and trades wood chips. The company office is located in Kristiansand responsible for the trading, chain-of-custody and wood chipping. In the context of SBP, the company has four storage facilities at four Harbours in Norway. The raw materials are primary feedstock (roundwood) originating from Norwegian forests, which are either occasionally chipped in the forest before transported to the permanent storage facilities at the harbor or transported as logs to permanent storage facilities at the harbour, where the wood is then chipped by a mobile chipper. The wood chips are loaded onto ships (FOB terms), where the buyer takes over the responsibilities. The company holds valid PEFC COC certificate. All feedstock supplies are exclusively from PEFC certified sources within the supply base.

5.2 Description of Company's Supply Base

The company sources feedstock from the supply Base: Norway and mainly from the two regions Telemark and Agder. The feedstock is supplied by the two PEFC certified suppliers as primary feedstock, mainly as roundwood/logs or occasionally as wood chips produced in the forest of origin. The feedstock is always purchased with the PEFC claim: 100% PEFC certified. Of Norway's territory, 37% are covered by forest. Approximately 50% of this is considered productive area. The main distribution of species in Norway: Spruce with 273 mill m³ standing volume and 47% distribution, Pine with 188 mill m³ standing volume and 32% distribution and broadleaved species with 123 mill m³ and 21% distribution. There is approximately 75 000 km² of productive forest area in Norway, of which Telemark and Agder holds 10 828 km². Standing volume has been double since 1925 and the harvesting is less than the increment every year.

5.3 Detailed description of Supply Base

Norsk Biobrensel sources approx. 100 000 tonnes of primary feedstock from mainly Telemark and Agder and originating from PEFC certified forest managements. The species in the primary feedstock from the productive forest area will be mainly *Picea abies* and *Pinus sylvestris*, and to some extent also *Populus* spp., *Populus tremula*, *Betula* spp., *Fraxinus excelsior*, *Quercus* spp., *Fagus sylvatica*, *Alnus glutinosa*, *Alnus incana* and *Picea sitchensis*. A more detailed quantitative description of the Supply Base can be found in the Biomass Producer's Public Summary Report.

5.4 Chain of Custody system

Norsk Biobrensel holds a valid PEFC COC certificate (207927-2016-AE-NOR-NA) and purchase primary feedstock from two Norwegian suppliers, also holding valid PEFC certificates. All feedstock is purchased with the PEFC claim: 100% PEFC certified. The scope of the PEFC system is physical separation in all phases,

with product categories 12000 Energy, 02010 fuelwood and others. Based on the reviewed supplier invoices, claims are transferred correctly to sales documents. This system is applied for SBP as well, since the only processes are transport, storage, chipping and loading from storage facilities with only PEFC certified inputs from few PEFC certified suppliers delivering only 100% PEFC certified feedstock and since all orders will be delivered with FOB terms. Norsk Biobrensel is aware of the SBP claims and batch specific coding system, which is used on the sales invoices.

6 Evaluation process

6.1 Timing of evaluation activities

Jan. 2018: Audit planning, document review (location: Home office and DNV office, Espoo Finland), performed by the Lead Auditor and DNVGL staff responsible for contracting. Duration: ½ person-day.
5-6 Feb. 2018: P1 On-Site audit (locations: Company Office of Norsk Biobrensel, and three storage and chipping facilities at the harbour) performed by the Lead Auditor and representatives of the BP, i.e. the SBP responsible, COC systems responsible, managing director, accounting responsible. Duration: 1 person-days.
Feb-Mar 2018: Off-site audit with system and procedures review, assessment of corrective actions, reporting, technical review (location: Home office and DNV office, Espoo Finland) performed by the Lead auditor, Technical reviewer and Certification decision maker. Duration: 1 person-days.

6.2 Description of evaluation activities

The evaluation consisted of document review and interviews regarding the management system descriptions, calculations and invoicing arrangements. The P1 On-site Audit contained document reviews, record reviews, interviews of responsible personnel, calculation verifications, site inspection at storage and chipping facility at the harbour and tracking of timber batches. Critical control points included verification of feedstock classification and category (SBP-compliant biomass; PEFC certified) within the defined supply base and checking the chain-of-custody volume accounting thoroughly, as well as the data available as specified in the Instruction note 5A, 5B and 5C on collection and communication of data. After the on-site audit, the BP revised several documents and an additional review was conducted by the auditor. The P1 resulted in closure of nonconformities and identification of a short list of minor nonconformities and observations.

6.3 Process for consultation with stakeholders

N/A. This is a surveillance audit.

7 Results

7.1 Main strengths and weaknesses

Norsk Biobrensel has a solid basis for SBP, as the supply base contains only certified inputs, the COC system is in place and the SBP system is rather simple in terms of risk management. There is also proven competent professionals in the management team of Norsk Biobrensel. As presented in the List of Findings, the minor non-complying issues and observations relate to following up the GHG data profiling and SAR data compilation and reporting after certification has been granted.

7.2 Rigour of Supply Base Evaluation

N/A

7.3 Collection and Communication of Data

In terms of SBP, the calculations consist only of transport, chipping and loading onto the ship (all biomass is delivered with FOB terms). Data calculation excel sheet has been prepared and data are either calculated on real data or by use of Biograce. The baseline and general procedures are in line with the requirements in the Instruction Notes 5A, 5B and 5C. The BP has prepared and maintained data for the ID5B Woodchip Data Report (SAR) v1-0 and the ID5C Static Biomass Profiling Data report v1-1.

7.4 Competency of involved personnel

Norsk Biobrensel has only one employee, i.e. the managing director, while the CEO and the administration staff are shared with the sister companies under the holding NEG Gruppen through contract arrangements. Based on audit interviews, all personnel are aware of the SBP requirements on detailed level and have the adequate competencies and knowledge for their tasks. The managing director and the production manager has developed the SBP framework to be implemented by Norsk Biobrensel, while the CEO has overseen and approved the process and the accountant has been and will be instructed when the certification has been granted.

7.5 Stakeholder feedback

N/A. No comments received.

7.6 Preconditions

None

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 after the SVP has been performed and after any mitigation measures have been implemented.

Table 1. 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

N/A.

10 Non-conformities and observations

Identify all non-conformities and observations raised during the evaluation (a tabular format below may be used here). Please use as many copies of the table as needed. Click on the  symbol on the right bottom corner of the table to repeat the table. 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 IA-01-2017	NC Grading: Minor
Standard & Requirement:	SBP STD 2_6.2-6.4SBP STD 5 Instruction Note 5C_4.1.1
Description of Non-conformance and Related Evidence:	
The BP has supplier declarations on forest of origin and has measurement list ID to trace back origin. The BP has planned to conduct annual sample of measurement lists wit ID of origin to ensure that place of harvest is within the defined SB. But the BP has not specified nor implemented the annual sampling methodology of measurement list ID and origin stated by supplies to ensure that the place of harvest is within the defined SB.	
Timeline for Conformance:	By the next surveillance audit, but no later than 12 monhts from report finalisation date
Evidence Provided by Company to close NC:	We will define and implement sampling system and method for checking the forest or origin, the region of origin held up against supplier information.
Findings for Evaluation of Evidence:	P1 audit: The company has not updated this, nor implemented own developed system for samling and checking forest of origin. Observation raised to a MINOR NC.
NC Status:	Open
NC number IA-05-2017	NC Grading: Major
Standard & Requirement:	SBP STD 5_Instruction Note 5A_2.2.4-2.2.6

Description of Non-conformance and Related Evidence:	
<p>The company has set up system for Static Data Identifiers in the report and document templates but had not put the system correctly and therefore not correctly allocated the Static Data Identifiers - one for each scope-end-point - in the form: SBP-- XX-- YY-□ZZ to be included in the SAR and profiling data sheets.</p>	
Timeline for Conformance:	6 months from the report finalisation
Evidence Provided by Company to close NC:	We have defined the Static Data Identifier but only as one number, which the name of the harbour is also recorded. We also are awaiting our SBP certificate number. We will set up system to have a SDI in the form SBP-XX-YY-ZZ for each scope-end-point.
Findings for Evaluation of Evidence:	The company has set up system for Static Data Identifiers and has put the system into action. The SDIs have been reported consistently in the DTS, the invoices and annex to the customer and in the SAR. However, the company had used the ZZ position as a standard for each end-point and the AA position for forthcoming numbers for each month, while AA shall be 00 and only the ZZ shall be allocated in ascending linear numerical order. These incorrect SDIs have also been reported in the DTS. the BP cannot change these backwards, but must correct these for the reporting period 2018. Minor NC raised to a MAJOR.
NC Status:	Open

NC number P1-01-2018	NC Grading: Observation
Standard & Requirement:	SBP Std 4, 5.5.2; instruction note 4B, 2.2
Description of Non-conformance and Related Evidence:	
<p>The SBP claim is "SBP Compliant" on data sheet accompanying the BP's invoice to the customer. Only the following SBP claim is admitted: 'SBP-compliant biomass'.</p>	
Timeline for Conformance:	By the next surveillance audit, but no later than 12 months from report finalisation date
Evidence Provided by Company to close NC:	<i>Click or tap here to enter description provided by Company to close the NC.</i>
Findings for Evaluation of Evidence:	<i>Click or tap here to enter findings for evaluation of evidence by the auditor.</i>

NC Status:	Open
NC number <i>Enter number</i>	NC Grading: <i>Choose grading.</i>
Standard & Requirement:	<i>Click to enter SBP standard and requirement reference</i>
Description of Non-conformance and Related Evidence:	
<i>Click or tap here to enter NC description.</i>	
Timeline for Conformance:	<i>Choose NC timeline.</i>
Evidence Provided by Company to close NC:	<i>Click or tap here to enter description provided by Company to close the NC.</i>
Findings for Evaluation of Evidence:	<i>Click or tap here to enter findings for evaluation of evidence by the auditor.</i>
NC Status:	<i>Choose status.</i>

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):	Kimmo Haarala
Date of decision:	30 March 2018
Other comments:	Based on the assessment process, it has been shown that the management system implemented by the BP meets the requirements of the applicable SBP standards and the certificate remains valid. The corrective actions resulting from the minor NCs shall be initiated and implemented within 12 months following this surveillance.