

DNV GL Business Assurance Finland Oy Ab Evaluation of Haderup Skovservice A/S Compliance with the SBP Framework: Public Summary Report

First 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

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1 Overview

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Current report completion date:	20/Jun/2020
Report authors:	Karina Seeberg Kitnaes
Name of the Company:	Haderup Skovservice A/S
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Certified Supply Base:	Denmark
SBP Certificate Code:	SBP-05-11
Date of certificate issue:	01/Jun/2019
Date of certificate expiry:	31/May/2024

This report relates to the First Surveillance Audit

2 Scope of the evaluation and SBP certificate

Introduction

Haderup Skovservice A/S is a biomass trader and producer of wood chips based in Denmark. In the context of SBP, the BP purchases primary feedstock as roundwood or wood chips at roadside in Danish forests or feedstock from the BP's own sawmill. The feedstock is transported by truck directly to the customers or to the storage, where the BP stores the wood chips until the biomass is then loaded onto trucks to delivery to customers in Denmark.

The period of ownership begins when the feedstock is picked up at roadside and transported from the forest. The period of ownership ends when the biomass (wood chips) is offloaded at the customer. Thus, the postproduction endpoint is delivery at the facilities of the buyers (Danish energy sector), where the buyer takes over the responsibility of the biomass.

Scope

The biomass producer with company office and storage purchases roundwood and woodchips, performs wood chipping, trade and transport of wood chips from Danish forests for use in energy production in Denmark. The scope of the certificate does include Supply Base Evaluation for the Supply Base Denmark.

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 the 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 <u>https://sbp-cert.org/documents/standards-documents/standards</u>

- 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

SBP endorsed Regional Risk Assessment for Denmark, June 2017.

5 Description of Company, Supply Base and Forest Management

5.1 Description of Company

Haderup Skovservice A/S is a Danish company, which operates as a forest contractor and purchases roundwood and wood chips from Danish forests and surrounding landscapes. The company produces and trades wood chips. The company office located in Jutland in Denmark is responsible for the trading, chain-ofcustody and the wood chipping. In the context of SBP, the company has one storage facility located close to the company office. The raw materials are primary feedstock (roundwood) originating from Danish forests and surrounding landscape, which are chipped in the forest as part of the harvest operation and then either placed at roadside (temporary storages) or occasionally transported to the company' storage facility. The wood chips are sold and transported to the Danish energy sector, where the buyer takes over the responsibilities. The company holds valid PEFC COC certificate. The feedstock is either PEFC certified or non-certified, which is controlled through the company SBE including SVP and use of the SBP endorsed RRA for Denmark.

5.2 Description of Company's Supply Base

The feedstock to the BP is sourced from the supply Base: Denmark. The feedstock is supplied through the harvest and chipping operations screened, performed and/or monitored by the BP. The BP's supply base is both state owned and privately owned forests.

The company has conducted a supply base evaluation (SBE) using the SBP endorsed RRA for Denmark and with SVP and risk mitigation measures for the specified risk indicators to categorise them as low risk. The BP has conducted the supply base evaluation (SBE) with SVP and using the SBP-endorsed RRA for Denmark. The Public SBR with the description of the SBE has been updated by the BP in the Danish and English version to be uploaded on the webpage of SBP. The SBP endorsed RRA for Denmark, June 2017, is available on https://sbp-cert.org/documents/standards-documents/risk-assessments/. The BP implements risk mitigation measures sufficient to secure low risk of specified risk indicators of the RRA.

General description of the forest resources and forest management practices within the Supply Base:

Land use and forest composition: Total Supply Base area (ha): Danish forest area: 625 000 ha of temperate forests (approx. 15 pct. of the land area); Other woodland area: 44 000 ha (approx. 1 pct. of the land area).

Conifers have been very successful in Denmark because they are hardy and thrive on heath and dune areas, and because they grow quickly and therefore they have been more profitable for forest owners than deciduous trees. This is one reason why there are most conifers in Jutland. Conifers take up 50% of the total forest land, while deciduous trees account for 46.4%. Most species of deciduous trees, such as oak and beech, are indigenous to Denmark, while conifers have been imported over the past 200-300 years. For example, the most common tree species in Denmark is the Norway spruce and to some extent other species such as Sitka spruce and Douglas fir. Norway spruce grow on 19% of the forest area and it is the most common tree species in Denmark.



Figure. Distribution of the forest area to tree species and species groups. Distribution is made according to share of basal area (ref. Thomas Nord-Larsen, Vivian Kvist Johannsen, Torben Riis-Nielsen, Iben Margrete Thomsen og Bruno Bilde Jørgensen (2020): Skovstatistik 2018 (2. udgave), Institut for Geovidenskab og Naturforvaltning, Københavns Universitet, Frederiksberg. 40 s. ill).

Land use and ownership status: The tenure by type includes approx. private: 430 000 ha and public: 195 000 ha. The total number of forest properties in Denmark is estimated to 28,000. The size of the Danish FMUs range from between 2 to 1,000 hectares. There is limited variation in terms of ownership within the supply base. In Denmark, approx. 74 % of the forest area is owned by private persons or companies, while the remaining 26% is state-owned or owned by the municipalities.

Danish forests are managed as semi-natural for the normal forest management, while for Christmas trees and greenery the areas are intensively managed as plantation. The certified forest area consistutes approx.. 268 000 ha PEFC certified and 215 000 ha FSC certified. Forest management practices are based on the country specific forestry laws, forestry guidelines, and forest management planning practices. Even-aged forestry is the dominant method. The forest rotation period is 60-100 years, containing mostly tending of the young seedling stands, two thinnings, a final harvesting and regeneration of a mature stand. Planting or natural seeding can be used in regeneration. Recently, un-even-aged forestry has become more popular and applied to the extent possible.

The history of Danish forests. Most of Denmark was originally covered by forest, but after centuries of uncontrolled felling and clearance for agriculture, just 2-3% of Denmark was covered by forest around 1800. Since adoption of the Danish Forest Act in 1805, forest clearance has been banned in Denmark, and at the same time great efforts were initiated to plant more forests. The overall area of Danish forests has therefore increased significantly, and it is still increasing. Forests are being planted throughout Denmark, in particular on moorland and sand-dunes in mid and west Jutland.

Socio-economic conditions: The Danish Forest Act regulates forest activity for private forest owners and subsidies are available for forest establishment, conservation of old trees, and establishment of non intervention areas. The Act aims to conserve the existing forest area through legal designation, expand the area through subsidies for new establishment, and aims to promote multi-purpose forestry including wood production, nature conservation, landscape, historical values, environmental protection and recreational interests. Responsibility for forestry activities lies with the Nature Agency. Forests are open to the public for recreational purposes. In Denmark, each year around 4.5 million m3 are felled, while the amount of biomass in Danish forests is growing by an annual net 2.5 million m3 through regeneration and increase in forest cover.

5.3 Detailed description of Supply Base

The BP's supply base is Denmark including Danish forests, windbreaks, scenic areas and urban plantations, mainly in Jutland. Haderup Skovservice is a forest contractor that conduct forest operations, and produces and sells wood chips.

The wood chip production of the BP is 10,000-20,000 tons/year . Approximately 90% of the primary feedstock is conifers, 5% broadleaved and 5% a mixture of broadleaved and conifers.

The feedstock is 75% primary feedstock. The forest type for the whole forest area temperate forests. The BP has classified all input feedstock as: 1) Final harvest from plantations: Low grade stemwood (co-product); 2) Thinning from plantations: Low grade stemwood (co-product); 3) Other trees from parks or landscape: Low grade stemwood (co-product). The remaining 25% is processing residues: Sawmill and wood industry residues. The BP has only one product group: Woodchips (output).

For more information on the supply base: Denmark, the BP has elaborated the SBP SBR in Danish and English and will be made publicly available on the webpage of the BP after their approval.

5.4 Chain of Custody system

All feedstock sourced is covered by the BPs own wood traceability system, which is recently third party certified according to FSC and PEFC Chain of Custody. The BP has valid FSC and PEFC certificates covering chips and wood issued by Soil Association Certification (transfer and issue since last audit): Certificate codes: FSC: SA-COC-007429 and PEFC: SA-PEFC/COC-007429. All feedstock is sourced through the FSC and PEFC COC system of the BP, which covers wood chips as a product group. The BP applies the FSC transfer system and the PEFC physical separation system in all phases with purchase of feedstock followed by chipping, storage, transport and sales of wood chips.

Based on the reviewed purchase documentation from the suppliers and the BPs own sales documentation, claims are/will be transferred correctly to sales documents. This system is applied for SBP as well, since the only processes are chipping, transport, storage and sales of wood chips.

The main part of the feedstock is purchased as non-FSC/PEFC-certified but through the BPs SBE categorized as low risk with the possibility to sell the biomass as SBP-compliant biomass.

The BP is aware of the allowed SBP claims and the batch specific coding system, which will be used on the sales invoices. The BP maintains volume accounts and calculations for all inputs and outputs.

6 Evaluation process

6.1 Timing of evaluation activities

April 2020: Audit planning, document review (location: Home office and DNV GL office, Espoo Finland), performed by the Lead Auditor, Karina Seeberg Kitnaes and DNVGL staff responsible at DNV GL. Duration: ¹/₂ person-day of total 1 person-day.

20-21.04.2020: PA1 Remote part of the audit performed by the Lead Auditor Karina Seeberg Kitnæs (*biologist*, *M.Sc., approved SBP auditor*, 24 years of professional international experience with forest biodiversity, forestry, forest industry, certification, Natura 2000 implementation, key biotope mapping from working as senior expert on targeted international projects in Northern, North-eastern and Eastern Europe and many other countries) and with participation via Skype/Teams with sharing of screen and access to system, telephone and submission of requested documentation and sampling via e-mail by the BP representatives: the SBP responsible. Duration: 1,25 person-day document review and 0,25 person-day SBE evaluation.

20.05.2020: Site visits to finalised forest operations and in-forest temporary storages, performed by the Lead Auditor.

Day 1 (remote):

10:00-11:00 Opening meeting: Introduction of participants, roles and confidentiality; Short introduction of the company, SBP audit process overview

Review of open Non-compliances

11:00-14:00 SBP Standard 1: Feedstock compliance, evaluation of SBE, RRA mitigation measures, means of verification, SVP and monitoring.

SBP Standard 2: Verification of feedstock; incl. feedstock data, origin and Supply Base Reports.

Day 2 (remote):

10:00-14:00 SBP Standard 4: Chain of Custody, incl. DTS records.

SBP Standard 5: Collection and Communication of Data; and Instruction Document 5E - requirements review of data and records; SBP Audit Report for Energy and GHG data (SAR), Verification of profile and energy data, monitoring and calculations.

Preliminary closing meeting based on remote audit part.

Day 3 (on-site):

- 09:00-12:00 Field visits to several harvesting sites, chipping sites, forest projects, storage, crosschecking feedstock compliance, forest of origin, implemented mitigation measures etc.
- 12:00-12:30 Closing meeting- final.

June 2020: 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: ½ person-day of total 1 person-day.

6.2 Description of evaluation activities

The audit method included: Remote audit part: a) records verification, document and report review and interviews of staff regarding the management system descriptions, calculations and invoicing arrangements at the office and On-site audit part: b) site visit at the forest of origin, mobile chipping and storage facility.

The Periodic Surveillance Audit 1 contained:

- Review of all relevant data and records related to SBP Std. 1 on feedstock compliance, including SBE, SVP, RRA and implemented risk mitigation measures bringing risk to low risk for all indicators.
- Review of all relevant data and records related to SBP Std. 2 on verification of feedstock, including calculation verifications, control of data on origin crosschecked with supply base and review of supply base reports in English and Danish. Completion of DNVGL checklist for std. 2.
- Review of all relevant data and records related to SBP Std. 4 on Chain of Custody, including volume calculation verification, classification and crosscheck with DTS database records
- Review of all relevant data and records related to SBP Std. 5 on collection and communication of GHG data and review and verification of data recorded and reported in the SAR for wood chips with mobile chipping including transport from forests to end-points.
- Site inspection of harvesting sites/mobile chipping sites, forests of origin, and of in-forest storage of wood chips with tracking of timber batches and measurement and classification of feedstock.

Critical control points included verification of forest of origin, implementation of risk mitigation measures in accordance with the RRA for Denmark, feedstock classification and category (SBP-compliant biomass; PEFC certified) within the defined supply base and checking the chain-of-custody volume accounting and supplier documentation thoroughly against DTS recordings, as well as the data and records available as specified in SBP std. 5 and the Instruction note 5E on collection and communication of data and the resulting SAR report for mobile chipping in correct format.

The Periodic Surveillance Audit 1 resulted in closure of three (3) minor nonconformities and two (2) observations, while one (1) minor was raised to a MAJOR and one (1) observation was raised to a Minor. No new non-conformities were identified.

6.3 Process for consultation with stakeholders

No stakeholder consultation conducted at annual surveillances.

7 Results

7.1 Main strengths and weaknesses

The main strengths of the BP is proven long-term experience of trading and forest planning of the management team. During the review and evaluation of the BP' SBE with using the SBP-endorsed RRA for Denmark and the SVP, the strengths of the BP include the clear track of feedstock to origin and its flows from the forest to the energy sector, the full overview of suppliers, the use of the SBP approved RRA for Denmark with identification of four indicators with specified risk. The BP has well-developed and clear SVP risk mitigation measures to get these four specified risk indicators categorised to low risk, including the screening and monitoring of suppliers and their forests and the system setup, procedures, field verification, control and monitoring of forest operations.

The audits did not identify any significant weaknesses.

7.2 Rigour of Supply Base Evaluation

The BP has used the SBP endorsed RRA for Denmark and by using this conducted a rigorous Supply Base Evaluation of the defined Supply Base. For the SBP endorsed risk assessment (RRA), the risk was designated low for all indicators of the SBP Standard 1 apart from four: 2.1.1, 2.1.2, 2.2.3 and 2.2.4.

The BP has built the developed mitigation measures for these four indicators into its procedures and feedstock sourcing programmes and has sufficient knowledge and procedures in place to demonstrate also low risk in practise for all indicators. For the four indicators with specified risk in the RRA, the BP has developed clear risk mitigation measures, including supplier screening (all similar suppliers being forest owners or land owners) in their SVP, and screening procedures for the forest site before harvest operations, routines for field verification, recording and control and monitoring mechanisms of the forest operations conducted.

The evaluation found that the mitigation measures are sufficient to bring the four specified risk indicators down to low risk.

7.3 Collection and Communication of Data

Since the scope of the SBP system is limited to purchase of feedstock, chipping, storage and transport and as the feedstock originates from primary feedstock with detailed records on forest of origin of all feedstock, the GHG profiling data can be obtained through a quite simple routine and by use of reference values (BioGrace). The baseline and general procedures are in line with the Document 5E requirements and procedures. The BP has prepared and maintained data for the SAR report for Woodchips with mobile chipping (SAR) v2.0.

7.4 Competency of involved personnel

The BP has one responsible project manager and two supporting project managers with full control of all feedstock related and biomass related procedures and routines, as well as one bookkeeper with full control of all records relevant for the purchase and sales documents and volume control.

The personnel responsible for the management and control system has long-term professional experience of managing and controlling forest operations as well as tracing the feedstock flow from the forest to the customer.

The knowledge and experience of the responsible personnel relating to GHG data profiling procedures is also found to be on a suitable level given the level and limited extend of the SBP scope.

7.5 Stakeholder feedback

No stakeholder comments received related to the BP.

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 before AND <u>after</u> the SVP has been performed and after any mitigation measures have been implemented.

The BP has used the SBP endorsed RRA for Denmark (June 2017) with low risk in all indicators apart from four indicators with specified risk (2.1.1, 2.1.2, 2.2.3 and 2.2.4).

The lead auditor reviewed the RRA and the related documentation maintained by the BP and audited the biomass producer up against the SBP Std. 1 (and 2) to confirm any sensitive or missing elements to the BP approach for using the RRA and to review if the BP has sufficient knowledge and documentation in place as verification and had implemented sufficient mitigation measures to confirm low risk for the specified risk indicators.

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

Indicator	Risk rating (Low or Specified)	
	Producer	СВ
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

Indicator	Risk rating (Low or Specified)	
	Producer	СВ
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

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2.2.9	Low	Low
2.3.1	Low	Low
2.3.2	Low	Low

Table 2. Final risk ratings of Indicators as determine	ed AFTER the SVP and any mitigation measures.
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Indicator	Risk rating (Low or Specified)	
	Producer	СВ
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)	
indicator	Producer	СВ
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

The four indicators with specified risk in the SBP endorsed RRA for Denmark are:

2.1.1 The BP has implemented appropriate control systems and procedures for verifying that forests and other areas with high conservation value in the Supply Base are identified and mapped.

2.1.2 The BP has implemented appropriate control systems and procedures to identify and address potential threats to forests and other areas with high conservation values from forest management activities.

2.2.3 The BP has implemented appropriate control systems and procedures to ensure that key ecosystems and habitats are conserved or set aside in their natural state (CPET S8b).

2.2.4 The BP has implemented appropriate control systems and procedures to ensure that biodiversity is protected (CPET S5b).

The reason for the specified risk for these four indicators are related to protection of key biotopes as defined in Danish context and HCVs.

For this purpose, the BP has developed appropriate and clear systems and procedures as risk mitigation measures to ensure that these four indicators can be categorised as low risk. The four specified risk indicators are all related to appropriate control systems and procedures to identify, address potential threats and avoid damage to nature values (key biotopes and HCVs) during forest operations. These four indicators can thus be tackled by the same set of SVP and risk mitigation measures.

The BP has setup the SVP and risk mitigation measures including listing and screening suppliers (forest owners), defining one set of suppliers (forest owners and external forest managers), and developing tools and screening procedures for checking and verifying that no nature values are damaged as part of the forest operations performed, and monitoring procedures for field verification.

The BP uses the SBP endorsed RRA for Denmark, June 2017. The specified risks of indicators 2.1.1, 2.1.2, 2.2.3, 2.2.4 are further defined as only being so for two types:

2) primary feedstock from forest (with a green management plan) without mapping of key biotopes (2.1.2, 2.2.3, 2.2.4), and

5) primary feedstock from uneven--aged stands or stands of broadleaf species (without green management plan/certification) (2.1.1, 2.1.2, 2.2.3, 2.2.4),

while there is low risk for primary feedstock from: FSC or PEFC certified forests, forests with a green management plan including mapping of key biotopes, thinnings of even-aged conifer stands, thinnings of first generation reforestation forest, and non-forest areas (arboricultural arising), e.g. nature maintenance projects, windbreaks or residential areas.

To minimise the specified risk and bring this to 'Low Risk', the BP is working according to its own risk mitigation measures described in the company procedures manual.

General:

- The BP handles the entire process for most of the feedstock purchased and wood chips sold. This means customer contact, job planning with screening of forest site, job execution with field inspection of forest site as well as transport and sale of wood chips. Each job order/project is planned and controlled by the BP's project managers or in few cases by external forest managers.

- Each project is given a unique case number and address, which is marked in the system, on the work instruction, weighing forms etc.

Screening:

- For all suppliers (forest owners), the BP agrees with the forest owner about the harvest operation and obtains information regarding whether or not the forest site is covered by a green management plan, mapping of key biotopes or a forest certification. If the property is certified or has a green management plan, the map with recorded key biotopes must be provided to the BP.

- The forest area is screened through checking all known data (DM&E's map portal with all available maps and records) from the official databases/portals.

Field control:

- The BP physically assess the harvest operation site after the screening and before felling. This means that it is highly certain that the areas are screened correctly.

- The forest site is classified as one of the defined six types in the RRA by the project manager, which is familiar with identifying key biotopes according to the Danish methodology.

- During and after the harvest operation, the BP checks on-site again.

Map and work instructions:

- A map and checklist of the harvesting site is prepared to ensure that the machine operator is aware of any protected or valuable key biotopes/culture elements/HCVs. The map shows identified areas with key biotopes/HCVs.

Biomass is only sold as SBP-compliant biomass if it originates from suppliers for which Low Risk can be established for the four specified risk indicators through the measures above.

Occasionally, a minor part of the wood chips may be purchased from an external forest manager. The procedure for the purchase of external wood chips is that the BP handles this exactly as if it was its own project. The external forest manager being trained by the BP performs and records the performed screening and field check and provide the documentation to the BP.

The BP has prepared a monitoring plan by sampling of the suppliers of roundwood and wood chips respectively, which include clear sampling rules and to monitor that the required mitigation measures are being implemented, records are being kept and whether the measures were shown to be effective in addressing the identified risks.

The review of the lead auditor included checking forest operation sites, interviewing the project manager and the suppliers (forest owner), checking training implemented and checking the recorded information and

examples of maps with known key biotopes/HCVs, project work instructions, project id documentation and company evaluation.

10 Non-conformities and observations

Identify all non-conformities and observations raised/closed during the evaluation (a tabular format below may be used here). <u>Please use as many copies of the table as needed</u>. 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 SBP1-IA-2019-01	NC Grading: Observation
Standard & Requirement:	SBP STD 1: 2.1.2, 2.2.3, 2.2.4
Description of Non-conformanc	e and Related Evidence:
As part of the SBE, the BP has m indicators in the SBP endorsed R strong focus on field control of for for all forest operations. The risk r to low risk. However, the BP has the risk mitigation measures for so RRA defined type 5 but also the t	itigation measures developed and implemented for the four specified risk RA for Denmark, June 2017 (2.1.1, 2.1.2, 2.2.3 and 2.2.4). The BP has rest sites for HCVs and key biotopes and the measures are implemented mitigation measures are found clear and sufficient to bring the indicators not clearly described in the BPs internal handbook nor in the SBR that afeguarding HCFs/Key biotopes are implemented to bring not only the ype 2 from specified risk to low risk.
Timeline for Conformance:	Other
Evidence Provided by	Internal handbook and SBR
Company to close NC:	
Findings for Evaluation of Evidence:	Since the last audit, the BP has described in the BPs internal handbook and the SBR that the risk mitigation measures for safeguarding HCVs/Key biotopes are implemented to bring both the RRA defined type 5 and type 2 from specified risk to low risk.
NC Status:	Closed

NC number SBP2-IA-2019-02	NC Grading: Minor
Standard & Requirement:	SBP STD 2: 16.3, 18.4, Instruction Note 2A: 1.7
Description of Non-conformance and Related Evidence:	
·	

The BP has defined and is implementing the risk mitigation measures for the four specified indicators. The BP has defined just one set of suppliers (forest owners and external forest managers), which are screened by own project managers and field verification performed by own project managers. So far, the BP has described the system for monitoring and checking implementation of mitigation measures. Since this is the IA, the BP has not yet implemented the monitoring plan to monitor the effectiveness of the mitigation measures at least annually. The results from monitoring and any subsequent changes to mitigation measures shall be updated at least once per year in an annual update of the SBR (i.e. every 12 months).

monui <i>3)</i> .	
Timeline for Conformance:	By the next surveillance audit, but no later than 12 monhts from report finalisation date
Evidence Provided by	Section on results in SBR, Monitoring plan and results
Company to close NC:	
Findings for Evaluation of	Since the last audit, the BP has implemented the monitoring plan to
Evidence:	monitor the effectiveness of the mitigation measures and has included
	the results of the monitoring in the SBR.
NC Status:	Closed

NC number SBP2-IA-2019-03	NC Grading: Major
Standard & Requirement:	SBP STD 2: Instruction Note 2A: 1.2

Description of Non-conformance and Related Evidence:

The BP has defined monitoring based on the risk mitigation measures for the four indicators to get them to low risk. The BP has sets of suppliers: Forest owners and harvesting sites screened either own project managers by 100% sampling or by external forest managers by 10% sampling. However, at the time of the audit, the BP had not defined the exact criteria to be monitored during verification according to supplier characteristics, risk factors and local circumstances.

Timeline for Conformance:	3 months from the report finalisation
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:	At the time of the audit, the BP had still not defined the exact criteria to be monitored during verification according to supplier characteristics, risk factors and local circumstances. Minor NC raised to a MAJOR
NC Status:	Open

NC number SBP2-IA-2019-04	NC Grading: Minor
Standard & Requirement:	SBP STD 2: Instruction Note 2C: 3.1
Description of Non-conformance and Related Evidence:	
The BP has prepared and submitted the SBR in English and Danish, but has not yet made the SBR accessible on the BP's website after approval.	
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:	SBR, webpage
Findings for Evaluation of Evidence:	The latest approved version of the SBR is now accessible on the BP's website.

NC Status:	Closed

NC number SBP4-IA-2019-05	NC Grading: Minor	
Standard & Requirement:	SBP STD 4: 5.2.6, 5.4.1	
Description of Non-conformance and Related Evidence:		
The BP has not yet supplied biomass with a SBP claim. The BP has prepared format for sales documentation with correct SBP-compliant biomass claim and position for including the SBP certificate code. An observation is issued to remind the BP to secure correct information on sales documentation: Specific batch data, SBP certificate code and SBP claim.		
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:	Click or tap here to enter description provided by Company to close the NC.	
Findings for Evaluation of Evidence:	The BP has still not included the correct information on invoices: Specific batch data, SBP certificate code and SBP claim on invoices for SBP-Compliant Biomass. The Observation is raised to a Minor. Sales documentation does not include the specific batch data, SBP certificate code nor SBP claim.	
NC Status:	Open	

NC number SBP5-IA-2019-06	NC Grading: Observation	
Standard & Requirement:	SBP STD 5: Instruction Note 5A: 4.1-4.4	
Description of Non-conformance and Related Evidence:		
The BP is aware of the DTS system, but has not done any transactions yet in the DTS system. This observation is to remind that all SBP transactions shall be recorded in the DTS.		
Timeline for Conformance:	Other	
Evidence Provided by Company to close NC:	DTS and transaction documentation	
Findings for Evaluation of Evidence:	The BP has reported the transaction claims in DTS with the required information. DTS report reviewed. The transaction claims are done monthly for the production batches shipped off.	
NC Status:	Closed	

NC number SBP5-IA-2019-07	NC Grading: Minor
Standard & Requirement:	SBP STD 5: Instruction Note 5C: 2.1.1-2.1.2
Description of Non-conformance and Related Evidence:	

DNV GL Business Assurance Finland Oy Ab Evaluation of Haderup Skovservice A/S: Public Summary Report, First Surveillance Audit The BP has started setting up the data recordings to be reported annually in the ID5C SBP Static Biomass Profiling data sheet. However, the data recording of quantitative biomass profiling data is not yet implemented nor used for calculating annual profile data. The BP is expected to operate a management system to ensure that data for the annual static profiling data sheet is recorded consistently and in compliance with the requirements specified in the Instruction Document 5C.

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:	Records in excel sheet and Tradenda digital recording system.
Findings for Evaluation of Evidence:	The BP is recording data. The company has set up system in excel, Tradenda and in procedures manual, including description of procedure, documents, records and reports to use. The tradenda and excel sheet with data recorded include the data recordings and reportings necessary. Documents and records reviewed.
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):	Kimmo Haarala	
Date of decision:	01/Jul/2020	
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 action resulting from the minor NC shall be initiated and implemented within 12 months and the corrective action resulting from the major NC shall be initiated and implemented within 3 months following this surveillance	