



# NEPCon Evaluation of Brüning Group Germany GmbH Compliance with the SBP Framework: Public Summary Report

First Surveillance Audit

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



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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, +34 605 638 383
Current report completion date:	03/Mar/2021
Report authors:	Michael Kutschke
Name of the Company:	Brüning Group Germany GmbH
Company contact for SBP:	Hendrik Bauer
Certified Supply Base:	Primary and secondary feedstock sourced from: Germany
SBP Certificate Code:	SBP-07-63
Date of certificate issue:	10/Mar/2020
Date of certificate expiry:	09/Mar/2025

This report relates to the First Surveillance Audit

## 2 Scope of the evaluation and SBP certificate

Scope description: Production of wood chips, for use in energy production, at the harbour of Bremen and trade of SBP compliant wood pellets and wood chips from/to different locations. The scope of the certificate does not include Supply Base Evaluation. The scope doesn't includes communication of Dynamic Batch Sustainability Data.

The supply base contains Germany.

The BP is using primary (Roundwood) for their mobile wood chip production and secondary (woodchips) feedstock for trading activities.

The BP is planning to trade and produce FSC/PEFC 100% certified wood chips and trading FSC 100% certified pellets from Russia.

The BP produces wood chips as SBP certified. The chips are stored at the harbour until the vessel is ready to load the material. The biomass is sold at Bremen harbour under the FOB incoterms.

### 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 the evaluation covered:

- Review of the BP management procedures;
- Review of the storage area (harbour) in Bremen/Germany at the 09.12.2020
- 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.

## 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

Brüning Group Germany GmbH is a biomass trading company based in Northern Germany. The focus of the company is on the purchase and sale of energy Bulk raw materials (wood-based) and withown logistics. The Brüning Holding is the holding company of the following subsidiaries, which are within the scope of the SBP certification are relevant: Brüning Group Germany GmbH & Brüning Group Danmark ApS.

Brüning Group Germany GmbH is mainly a producer of certified wood chips but also a trader of certified wood pellets:

- Woodchips: All, 100% of the primary feedstock for the production of Brüning Group Germany's wood chips is sourced from Germany AND is either FSC or PEFC certified. For a clear separation of different products and certification claims, Brüning Group Germany's transports are carried out exclusively with uniform (either certified or uncertified - never both at the same time) material – mixing is prohibited.
- Wood pellets, certified wood pellets are also traded, in the sense of the transfer control system.

At each state the company can separate non-certified from certified material by in addition using their own logistics from transporting and handling the material. The organization purchases all its feedstock from the Harz region which is situated in the Middle of Germany. All feedstock is primary feedstock, and can be purchased either as standing volume, as fuel wood in stack in the forest of origin or very occasionally as fuel wood or chips from other suppliers working and sourcing within the Supply Base. In all cases the stand of origin is known, and when buying wood chips from other companies, the BP takes full responsibility for all feedstock classification and risk mitigation measures. The organization buys the material besides FSC certified mainly as PEFC certified. The BP is supplying the woodchips produced in the harbour of Bremen via vessel to the customers, which are combined heat and power plants and district heating plants. The organisation doesn't run a storage yard themselves. Additionally, the company act as s biomass trader as well and suppliers are usually based within the EU, but also in Russia. To rule out the mixing of certified and non-certified material, Brüning uses two types of separation: On the one hand, the transport is exclusively with uniform (either certified or non-certified - never both at the same time) material performed. On the other hand the material is separated by clearly separated storage boxes during storage. Therefore, the Brüning-Megawatt participates in the SBP certification for the trade with certified Wood pellets and for the trade and the production of certified wood chips. With regard to the European Union Timber Regulation (EUTR), Brüning Group Germany GmbH is one "Operator" defined for the placing of timber on the European Union market. To the Meet the requirements of excluding legally felled and legally traded wood, Brüning Group Germany GmbH has its own internal due diligence system.



## 5.2 Description of Company's Supply Base

Brüning Group Germany GmbH considers all of Germany as its supply base and source: Different species of larch (*Larix decidua*, *Larix kaempferi* and *Larix x eurolepis*), Silver fir (*Abies alba*) and Spruce (*Picea abies*).

In Germany, Brüning Group Germany has 5-10 suppliers, whom supply either FSC or PEFC certified feedstock in terms of the scope of SBP Standard 2.

Brüning Group Germany GmbH purchases materials with the following claims:

- FSC 100% certified
- 100% PEFC certified

In Germany, approximately 12,6% of the forest area (currently approx. 1.44 million ha) is FSC-certified<sup>1</sup>. Whereas with currently approx. 7.8 million ha approximately 68% of the German forest area is PEFC-certified<sup>2</sup>.

### Forest cover of Germany

- 11.4 mill ha's (32% of the national territory in total)<sup>3</sup>. Over 98% of the forests are open to the public, 2% are not accessible, for example, due to prohibition of access or dangerous terrain conditions.
- After agriculture, forestry is the most important form of land use in Germany
- The forest distribution in Germany is quite diverse. The percentage of land covered with forest are low on North German plains due to agricultural activity, and the Southern low mountain ranges are particularly rich in forests
- Spruce, pine, beech and oak cover a total of 73% of German forests. The species dominate in the forests of Germany<sup>4</sup>:
  - Spruce, covering approx. 2.8 mill ha's (26% of the forest area)
  - Pine covers approx. 2.4 mill ha's (22% of the forest area)
  - Beech covers approx. 1.7 mill ha's (15% of the forest area)
  - Oak covers approx. 1.1 mill ha's (10% of the forest area)

Woody biomass show up different value of humidity, i.e. dry and humid forests, different structures, i.e. open canopy (typically younger) vs. closed canopy (typically older) and different sizes. For climatic classification, forests are mainly divided into boreal, temperate and tropical forests. For Germany, the temperate forest is the predominant forest classification and is located between the tropical and boreal regions<sup>5</sup>:

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<sup>1</sup> <https://www.pefc.org/discover-pefc/facts-and-figures>

<sup>2</sup> <https://cdn.pefc.org/pefc.org/media/2020-11/8741c753-16a6-4a55-b401-68511abad8ea/1ff27439-a5a0-5105-a65f-e29a8e4b7e81.pdf>

<sup>3</sup> [https://www.bmel.de/SharedDocs/Downloads/EN/Publications/ForestsInGermany-BW1.pdf?\\_\\_blob=publicationFile](https://www.bmel.de/SharedDocs/Downloads/EN/Publications/ForestsInGermany-BW1.pdf?__blob=publicationFile)

<sup>4</sup> [https://www.bmel.de/SharedDocs/Downloads/Broschueren/Bundeswaldinventur3.pdf?\\_\\_blob=publicationFile](https://www.bmel.de/SharedDocs/Downloads/Broschueren/Bundeswaldinventur3.pdf?__blob=publicationFile)

<sup>5</sup> [https://www.cbd.int/forest/doc/forest-gap-analysis\\_2009\\_2nd%20ed.pdf](https://www.cbd.int/forest/doc/forest-gap-analysis_2009_2nd%20ed.pdf)

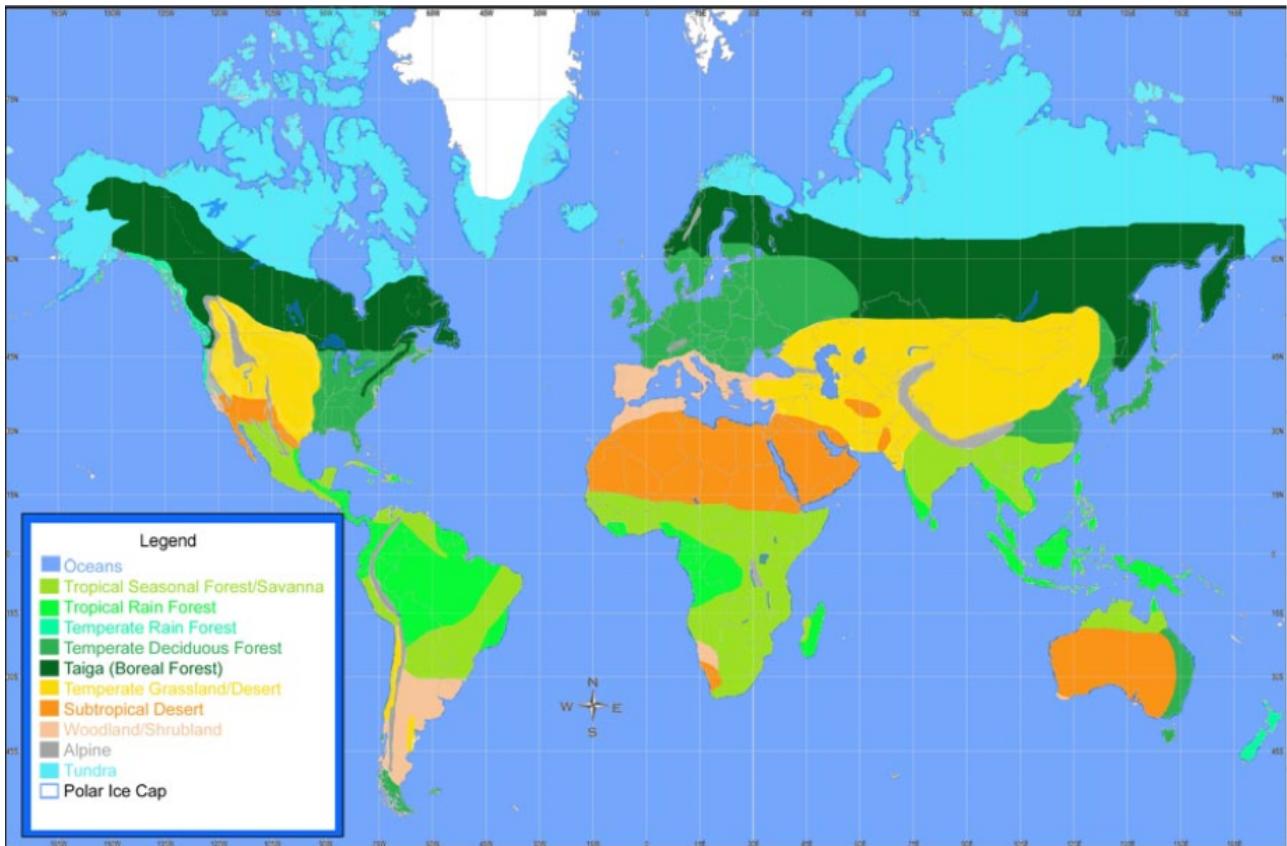


Figure 1: Forest Classification<sup>6</sup>

## Ownership

The Federal Republic of Germany is a federal state. Responsibility for the forests thus mainly lies with the Länder. While the Federal Government merely sets the forest policy framework, the Länder are responsible for the formulation and implementation of forest policy targets. Private persons, corporate entities (mostly municipalities) and the state, i.e. mainly the Länder, own woodlands. Private forest entities own an average forest area size of 5 ha's, that are frequently spread over several smaller areas.

Almost all forests in Germany are managed forests by around 2 million forest owners<sup>7</sup>:

<sup>6</sup> <http://w3.marietta.edu/~biol/biomes/biomemap.htm>

<sup>7</sup> <https://www.cepf-eu.org/page/germany>

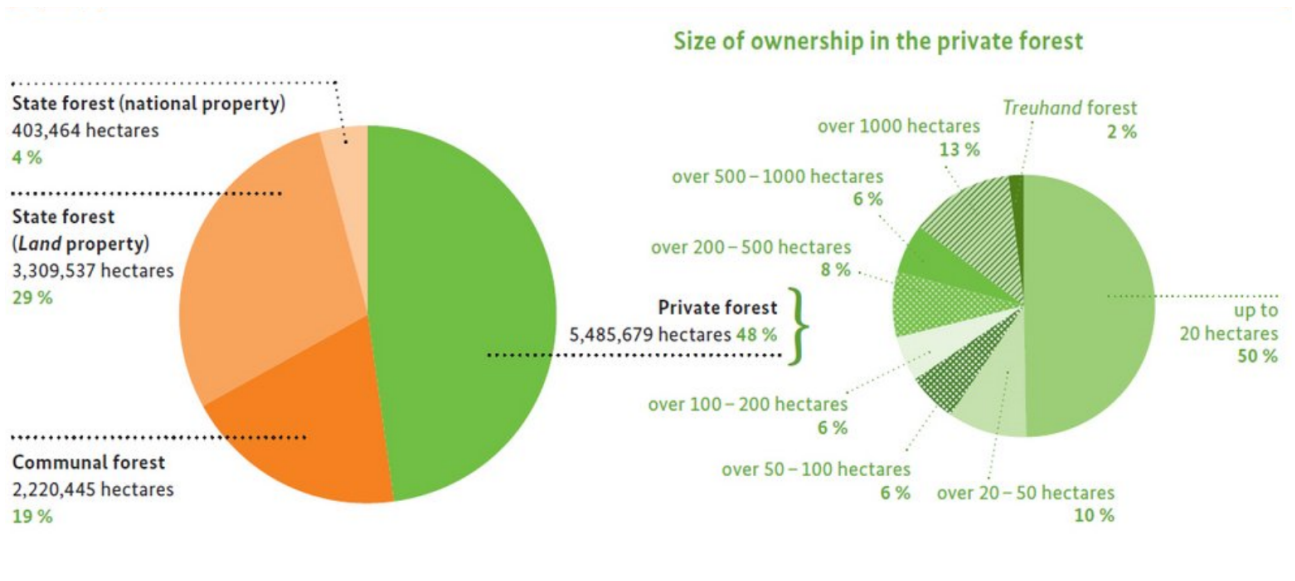


Figure 2: Federal Ministry of Food and Agriculture (BMEL)<sup>8</sup>

As can be seen above, 48% of the 11.4 million hectares of forest in Germany are private forests, i.e. privately owned. Only 29% of the forests are owned by the Länder (State forest – land property), 19% is Communal forest and 4% is state forest (national property). About half of the privately owned forests are used by holdings with less than 20 hectares of land. Only 13% of the private forests belong to holdings with a size of over 1,000 hectares.

The ownership structure has developed differently in Germany in the course of history and from region to region.

- Mixed stands cover 76% of the forest area<sup>9</sup>
- Multiple storied forest stands cover 68% of the forest area
- Natural rejuvenation is used on 85% of the forest area and young stands cover 25% of the forest area.
- Introduced tree species cover 5% of the forest area. The most common introduced species are Douglas fir (2%), Japanese larch (0.8%) and red oak (0.5%)
- Annual harvest represents 62.5% of annual increment in German forests
- Both total standing timber volume and the total forest cover is increasing in Germany
- Annual increment in German forests: An average of 11.2 m<sup>3</sup> per ha and year. In total 121.6 mill m<sup>3</sup> per year
- Annual harvest from German forests: An average of 7 m<sup>3</sup> per ha and year. In total 76 mill m<sup>3</sup> raw timber per year

<sup>8</sup> <https://www.bundeswaldinventur.de/en/third-national-forest-inventory/germany-the-land-of-forests-forest-area-unchanged/the-forests-mainly-privately-owned/>

<sup>9</sup> <https://www.bundeswaldinventur.de/en/third-national-forest-inventory/the-forest-habitat-more-biological-diversity-in-the-forests/spruce-pine-beech-oak-the-most-common-tree-species/>



Figure 3: Federal Agency for Nature Conservation (BfN)<sup>10</sup>

The German forests are predominantly coniferous forests (54%), but the deciduous (31%) and mixed forests (13%) would dominate as a natural forest species due to their characteristics without human intervention. However, the high proportion of pure coniferous forest must be viewed very critically with regard to climate change and biodiversity, as coniferous forest is very unlikely to adapt to temperature changes and other consequences of climate change.

<sup>10</sup> <https://www.bfn.de/en/service/facts-and-figures/the-utilisation-of-nature/forestry-and-forests/types-of-forest.html>

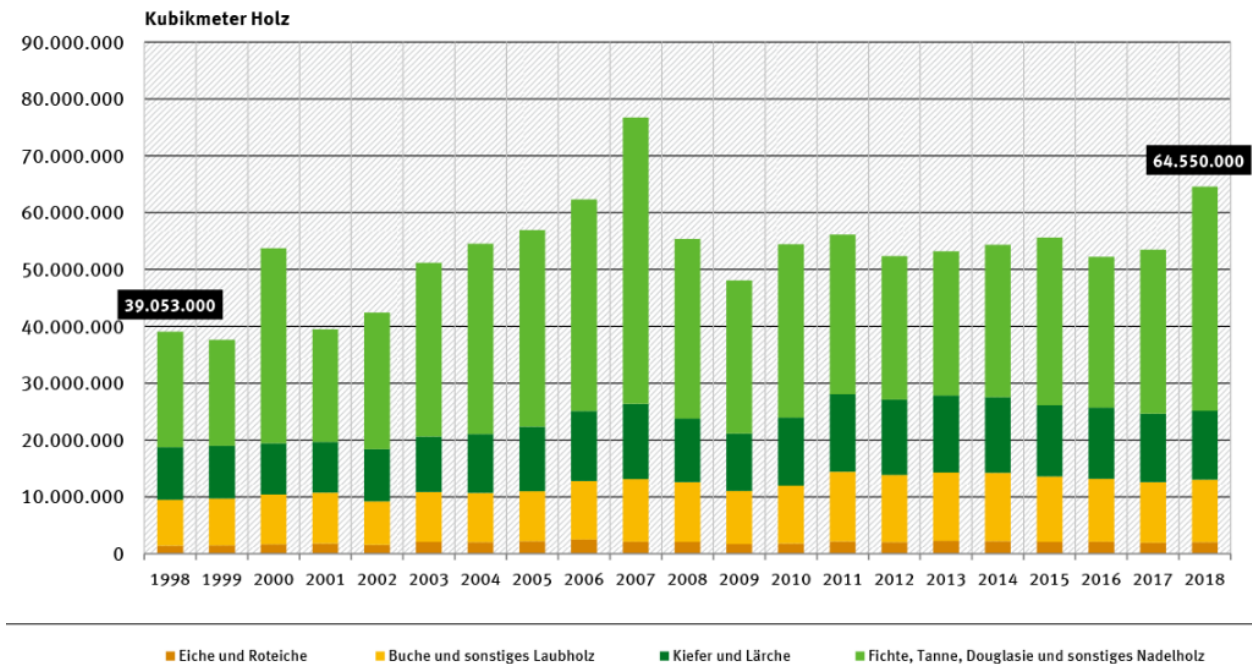
## Timber logging in Germany

In 2018, a total of 64.6 million cubic metres (million m<sup>3</sup>) of wood (without bark) were felled. This means that logging in 2018 was significantly higher than in the years 2008 to 2017. The higher felling can be attributed, among other things, to an increased forced use due to storm, drought and increased bark beetle infestation; the proportion of damaged wood in 2018 was around 49% or 31,9 million m<sup>3</sup>.<sup>11</sup>

List of Timber cutting by type of timber/ timber assortment in Germany 2017 and 2018 (see Figure 4c).

80% of total logging was coniferous such as spruce, fir, Douglas fir, pine and larch, 17% beech and other hardwoods and only about 3% oak and red oak. About 45 % of the felling took place in the private forest, 35% in the state forest and 19% in the corporate forest". Only about 1% of the timber was harvested in the federal forest. This means that Germany occupies one of the top places in a European comparison as far as round and sawn timber production is concerned<sup>12</sup>.

Overview of logged timber in total (period 1998-2018):



\* 1998-2001: Berichtszeitraum war das Forstwirtschaftsjahr (Oktober des Vorjahres bis September des angegebenen Jahres)  
\* ab 2002 erfolgte die Umstellung auf das Kalenderjahr

Quelle: Statistisches Bundesamt 2019: Forstwirtschaftliche Bodennutzung - Holzschlagstatistik 2018. Fachserie 3, Reihe 3.3.1; Statistisches Bundesamt, Genesis Datenbank, Statistik 41261.

Figure 4a: German Environment Agency (UBA)<sup>13</sup>

(Rot-)Eiche: (red) Oak ; Buche/Laubholz: Beech/deciduous forest ; Kiefer/Lärche: Pine/Larch ; Fichte/Tanne/Douglasie/sonst. Nadelholz: Spruce/Fir/Douglas fir/other coniferous forest

<sup>11</sup> [https://www.destatis.de/DE/Themen/Branchen-Unternehmen/Landwirtschaft-Forstwirtschaft-Fischerei/Wald-Holz/\\_inhalt.html](https://www.destatis.de/DE/Themen/Branchen-Unternehmen/Landwirtschaft-Forstwirtschaft-Fischerei/Wald-Holz/_inhalt.html)

<sup>12</sup> <https://www.destatis.de/EN/Themes/Economic-Sectors-Enterprises/Agriculture-Forestry-Fisheries/Forestry-Wood/Tables/timber-cutting.html>

<sup>13</sup> <https://www.umweltbundesamt.de/daten/land-forstwirtschaft/forstwirtschaft#textpart-1>

The proportion of the energy assortment from the German forest have been relatively stable at around 15-20%, figure 4b<sup>14</sup>

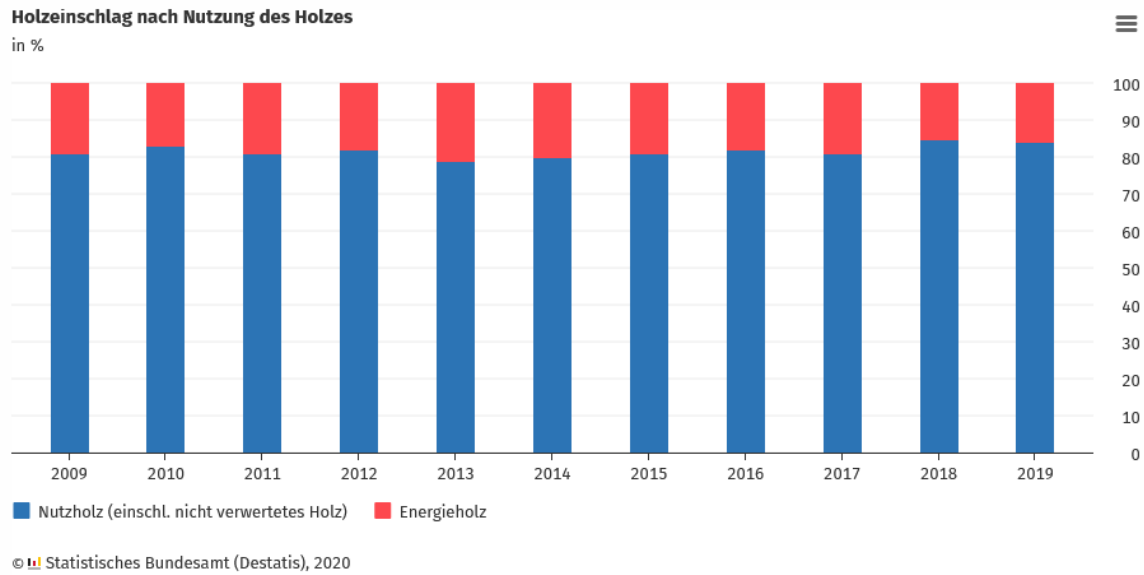


Figure 4b Logging percent as function of use of the wood

<sup>14</sup> <https://www.destatis.de/DE/Themen/Branchen-Unternehmen/Landwirtschaft-Forstwirtschaft-Fischerei/Wald-Holz/aktuell-holzeinschlag.html>

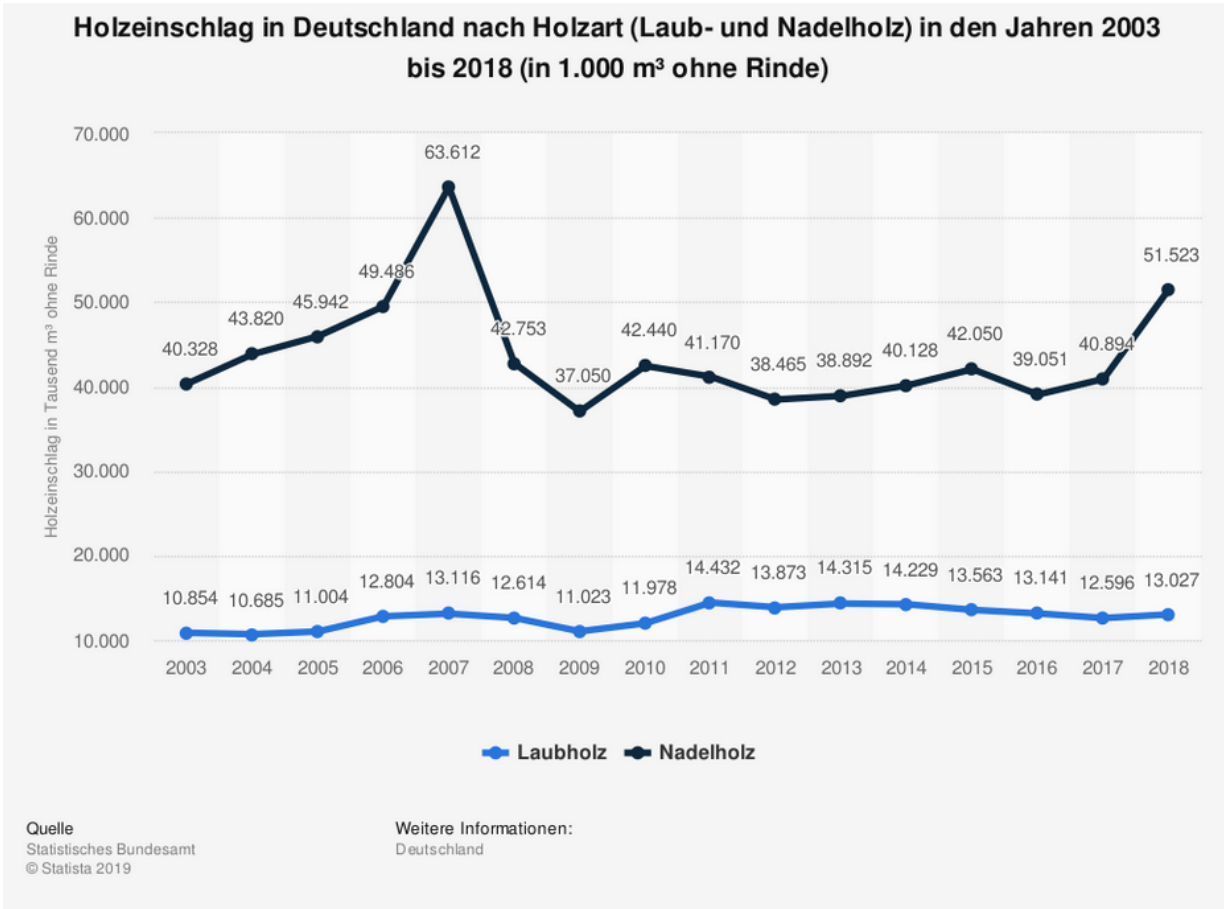


Figure 4c Figures in timber harvesting by type

## National forest policy<sup>15</sup>

Germany's Forest policies defines the framework and rules related to management of forests and timber utilisation. The main forestry regulations at Federal level can be found in the Federal Forest Act.

One of the Federal Government's political guidelines is the Forest Strategy 2020<sup>16</sup>. Its aim is to develop an adapted, lasting balance between increasing timber demands on one hand and sustainability on the other hand.

The implementation of the Forest Strategy 2020 focus on the following thematic areas:

- Climate change mitigation and climate adaption
- Promotional programmes for small and micro private forest owners to ensure operational objectives within the framework of existing legal forest regulations.
- Promotion of timber as technically and ecologically excellent renewable resource

Another focus area in the German National Forest Policy is to improve forest biological diversity through the following approaches:

- Integrated forest management
- Intensifying the dialogue between forest owners, forestry and nature conservation
- Taking the dynamics of forest ecosystems and unique local features into account
- Balancing the interests of the general public and forest owners
- Creating incentives for nature conservation
- Linking biotope to allow animal and plant species to move from one region to another
- Strengthening environmental protection to counter global and large-area environmental changes
- Implementing biodiversity objectives in federal forest areas

The core disciplines of German silviculture are

- Maintaining forest area
- Increasing the stability, productivity and diversity of the forests
- Adaption to climate change
- Preserving forest genetic resources
- Strictly limited use of chemical plant protection

Protection of soil and water resources is another important focus area of the German National Forest Policy. Research and education are also emphasised, and the Federal government promotes research through a wide range of funding programmes targeted at national and international level.

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<sup>15</sup> [https://www.bmel.de/SharedDocs/Downloads/EN/Publications/WaldberichtkurzEN.pdf?\\_\\_blob=publicationFile](https://www.bmel.de/SharedDocs/Downloads/EN/Publications/WaldberichtkurzEN.pdf?__blob=publicationFile)  
<sup>16</sup> [https://www.bmel.de/SharedDocs/Downloads/EN/Publications/ForestStrategy2020.pdf?\\_\\_blob=publicationFile](https://www.bmel.de/SharedDocs/Downloads/EN/Publications/ForestStrategy2020.pdf?__blob=publicationFile)



## Socio economic setting<sup>17</sup>

Germany is a densely populated country. Over 80 mill people live on 35.7 mill ha's. For centuries people have inhabited and cultivated Germany intensively. 13% of the national area is used for settlements and transportation. 52% of the area is used for agriculture, making it the largest land use form in Germany followed by forests or forestry with 32%. In recent decades, there has been an increasing competition between different types of land use, like production of timber for consumption and nature conservation and recreation.

In communal forests 96% of all income is generated by sale of timber. In private forests this figure is as high as 98%. The socially desired protective and recreational functions of forests in Germany are financed almost entirely from this income. In the state forest of the Länder the additional costs and diminished proceeds are largely compensated by subsidies from the state budgets (up to 150 EUR/ha's). In the case of private and municipal forest holdings public support has so far been comparatively low in this area (4 EUR and 9 EUR respectively).

## Economy of the forest sector<sup>18</sup>

In the period 2008-2014, German forestry was a profitable economic sector. The companies in the domestic timber industry are highly concentrated in rural regions and at the same time highly integrated in the global economy.

- In 2012, net business profits exceeded 1 billion EUR/year
- The German national cluster of forestry and timber generated sales of 178 billion EUR and a gross added value of 55 billion EUR in 2014
- EU countries are the primary trade partners accounting for approx. 80% of total trade.
- Germany is the third largest exporter (by value) of timber and timber-based products worldwide
- In Germany, a total of approx. 132 mill m<sup>3</sup> timber are consumed per year. 58% of this originates from raw forest timber
- Per capita consumption of timber is approx. 1.4 m<sup>3</sup> annually.
- Two thirds of timber harvested in Germany are used for construction, timber-based materials and paper. One third are used for energy production.
- 1.1 mill people are employed in the German forest and timber industry (3.4% of total) in 25,000 companies.

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<sup>17</sup> <https://www.forstwirtschaft-in-deutschland.de/index.php?id=96&L=1>

<sup>18</sup> <https://www.forstwirtschaft-in-deutschland.de/index.php?id=96&L=1>

## CITES

The Convention on International Trade in Endangered Species of Wild Fauna and Flora – CITES was decided 1973 in view of the dramatic decline of many types by poaching and trade. Germany was one of the first signatories, and also the first EU state. Internationally, CITES came into force in 1975. Already one year later in 1976 the regulations were implemented in Germany.

CITES Annex:

- Annex 1 describes the already endangered species. Trade is generally prohibited. Exceptions are only possible under very narrow conditions.
- Annex 2 describes the species covered are not yet threatened with extinction but are potentially vulnerable to trade. Here, the Convention permits trade if it is sustainable.
- Annex 3 describes species whose export should be controlled more closely.

CITES habitat species are present in Germany but don't include deciduous (broadleaf species) trees or softwood which are threatened, therefore Brüning-Holding can exclude the trade of these species.

The IUCN (International Union for Conservation of Nature and Natural Resources) is an international non-governmental organisation. Its aim is to sensitise human societies to nature and species conservation and to influence them in such a way as to ensure the sustainable and careful use of resources. IUCN draws up the Red List of Endangered Species and categorises protected areas through the World Commission on Protected Areas. The IUCN also publishes numerous papers on environmental and nature conservation issues and develops international standards.

Germany has a number of IUCN categories, covering the following categories<sup>19</sup>:

- Strict nature reserves
- National Parks
- Habitat / species management areas
- Protected landscapes

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<sup>19</sup> <https://www.iucnredlist.org/>

Large areas are also designated as Natura 2000 protected Habitat Directive Sites or Bird Directive sites.

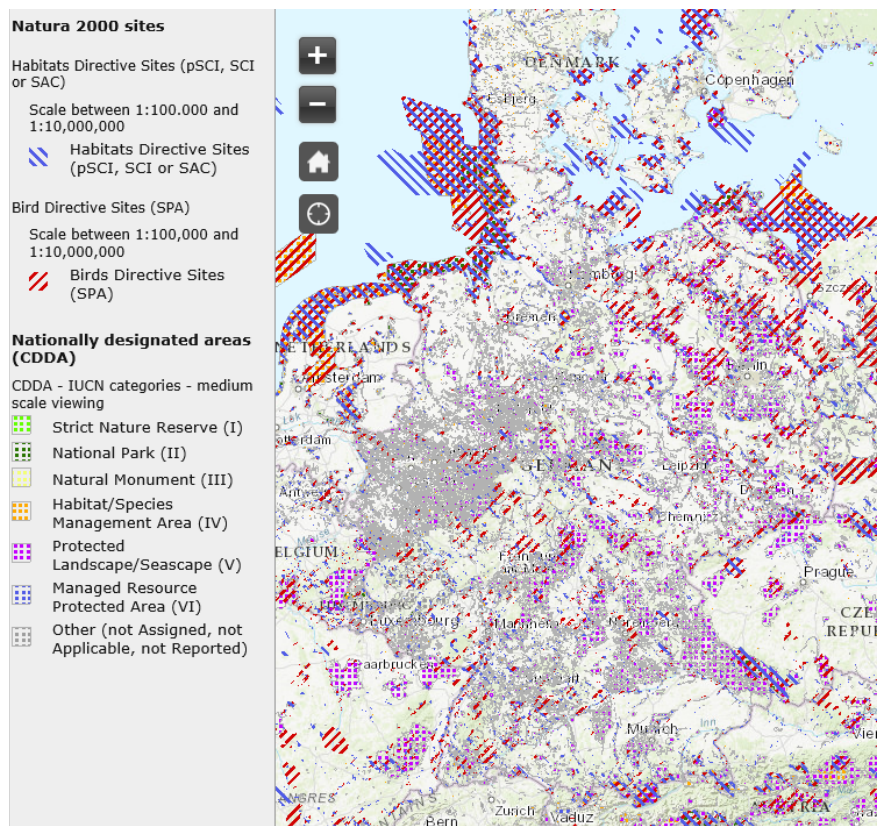


Figure 5: Natura 2000<sup>20</sup>

The ecological value of forest in Germany has improved significantly in recent decades. The Red List of endangered biotope types of Germany shows that development has stabilised in many forest biotopes. However, Germany’s Red Lists for the forests still show species of animals, fungi and plants that are considered endangered and threatened with extinction. These include many species that are dependent on old forest stands, undisturbed forest development and deadwood components.

The last monitoring of the NATURA 2000 network (period 2007-2012) showed that 79% of forest habitat types have a “favourable” conservation status, 12% were rated “unfavourable-insufficient” and 9% “unfavourable-poor”.

Forest use in areas that are protected by the German Federal Nature Conservation Act is generally limited to the extent necessary to achieve the respective protection objectives.

- NATURA 2000 protected areas in forests: 2.7 mill has or 24% of the forest area
- Forest protected areas with specific use restrictions: 1.9% of the forest area

<sup>20</sup> [https://ec.europa.eu/environment/nature/natura2000/data/index\\_en.htm](https://ec.europa.eu/environment/nature/natura2000/data/index_en.htm)

## Overview of sources / references:

German Environment Agency (UBA):

<https://www.umweltbundesamt.de/daten/land-forstwirtschaft/forstwirtschaft#textpart-1>

Federal Ministry of Food and Agriculture (BMEL):

<https://www.bundeswaldinventur.de/en/third-national-forest-inventory/germany-the-land-of-forests-forest-area-unchanged/the-forests-mainly-privately-owned/>

Federal Ministry for Environment, Nature Conservation and Nuclear Safety (BMU):

<https://www.bmu.de/themen/natur-biologische-vielfalt-arten/artenschutz/internationaler-artenschutz/cites/>

Forestry in Germany

<https://www.forstwirtschaft-in-deutschland.de/index.php?id=96&L=1>

European Environment Agency (EEA):

<https://www.eea.europa.eu/data-and-maps/explore-interactive-maps/european-protected-areas-1>

Federal Statistical Office (Destatis):

<https://www.destatis.de/EN/Themes/Economic-Sectors-Enterprises/Agriculture-Forestry-Fisheries/Forestry-Wood/Tables/timber-cutting.html>

Federal Agency for Nature Conservation (BfN):

<https://www.bfn.de/en/activities/red-list/rl-biototypen.html>

<https://www.bfn.de/en/service/facts-and-figures/the-utilisation-of-nature/forestry-and-forests/types-of-forest.html>

FSC Germany:

<https://fsc.org/en/facts-figures>

PEFC Germany:

<https://cdn.pefc.org/pefc.org/media/2020-11/8741c753-16a6-4a55-b401-68511abad8ea/1ff27439-a5a0-5105-a65f-e29a8e4b7e81.pdf>

The IUCN Red List Categories and Criteria:

<https://www.iucnredlist.org/>

Natura 2000:

<https://natura2000.eea.europa.eu>

[https://ec.europa.eu/environment/nature/natura2000/data/index\\_en.htm](https://ec.europa.eu/environment/nature/natura2000/data/index_en.htm)

Forest Classification:

NEPCon Evaluation of Brüning Group Germany GmbH:  
Public Summary Report, First Surveillance Audit

## 5.3 Detailed description of Supply Base

### Supply Base

- a. Total Supply Base area (ha):  
Germany: 11.400.000 ha
- b. Tenure by type (ha):  
Germany:
  - 7.70 million ha privately owned
  - 3.70 million ha public
- c. Forest by type (ha): boreal/temperate/tropical
  - temperate forest type (Germany): 100%
- d. Forest by management type (ha):
  - managed natural: 100%
- e. Certified forest by scheme (ha):  
Germany: 7,76 million ha of PEFC-certified forest and 1,44 million ha of FSC-certified forest

### Feedstock

- f. Total volume of Feedstock: tonnes or m<sup>3</sup>: 0 – 200.000 m<sup>3</sup>
- g. Volume of primary feedstock: tonnes or m<sup>3</sup> - 0 – 200.000 m<sup>3</sup>
- h. List percentage of primary feedstock (g), by the following categories. Subdivide by SBP-approved Forest Management Schemes:
  - 100 % certified to an SBP-approved Forest Management Scheme (FSC or PEFC)
- i. List all species in primary feedstock, including scientific name
  - larch (*Larix decidua*, *Larix kaempferi* and *Larix x eurolepis*)
  - Silver fir (*Abies alba*)
  - Spruce (*Picea abies*)
- j. Volume of primary feedstock from primary forest
  - none
- k. List percentage of primary feedstock from primary forest (j), by the following categories. Subdivide by SBP-approved Forest Management Schemes:
  - none
- l. List percentage of primary feedstock from secondary forest:
  - 100% of the primary materials from secondary forest  
(100% FSC certified feedstock and/or 100% PEFC certified feedstock)
- m. Volume of tertiary feedstock: specify origin and composition
  - none

Disclosure of the exact figures would reveal commercially sensitive information that could be used by competitors to gain competitive advantage. Volumes are sensitive as they may give competitors and idea about capacity, resources and market share.

Bands for (f) and (g) are:	Bands for (h), (l) and (m) are:
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1. 0 – 200,000 tonnes or m <sup>3</sup>	1. 0%-19%
2. 200,000 – 400,000 tonnes or m <sup>3</sup>	2. 20%-39%
3. 400,000 – 600,000 tonnes or m <sup>3</sup>	3. 40%-59%
4. 600,000 – 800,000 tonnes or m <sup>3</sup>	4. 60%-79%
5. 800,000 – 1,000,000 tonnes or m <sup>3</sup>	5. 80%-100%
6. >1,000, 000 tonnes or m <sup>3</sup>	Percentage values to be calculated as rounded-up integers.

NB: Percentage values to be calculated as rounded-up integers.

## 5.4 Chain of Custody system

Brüning Group Germany GmbH holds the Chain of Custody Systems for both FSC and PEFC, managed by a transfer system within physical separation.

By using the transfer system with physical separation, the corresponding wooden goods with a delivery defined according to the order and order are also clearly spatially and physically separated. This guarantees that the FSC and PEFC statements for incoming goods are always identical to the FSC and PEFC statements for outgoing goods.

The BP is using transfer system to manage the certified claims. The BP holds both PEFC (NC-PEFC/COC-028118) and FSC (NC-COC-028118) certificates.

The material is received in form of roundwood and chipped at the port. During the reception of the material, the delivery notes are checked and recoded (together with other details such as transportation distance, volume, certified claim etc.) in the internal system and it is decided where the material will be stored. The material is delivered either by BP own or external contractors trucks.

In the storage, the material is stored in separate piles (FSC, PEFC, Controlled material) and chipping is conducted for the whole pile at once. When enough material is accumulated, the chips are loaded to the vessel. The BP employees are responsible for making sure that the materials with different claims are not mixed in any stage.

## 6 Evaluation process

### 6.1 Timing of evaluation activities

The on-site evaluation was conducted on the 08 and 9<sup>th</sup> of December 2020 (10.5 hours). Assessment activities included documents review at office, inspection of production facilities and staff interviews.

Activity	Location	Auditor(s)	Date/time
<b>Tuesday 8<sup>th</sup> of December</b>			
Opening meeting  1. Presentation of the organization and the processes in the pellet production  2. Non-conformities from last year  3. Updates in the Supply Base Report	Office	MK	08.00-09.00
1. Evaluation of the material origin, CoC  2. Documented procedures (Management system), including procedures for: <ul style="list-style-type: none"> <li>○ Management review</li> <li>○ SBR</li> <li>○ Health and safety procedures and training</li> </ul>	Office	MK	09:00-11.30
Interview with Purchasing department representative  1. Evaluation of incoming delivery notes and invoices  2. Critical control points of PEFC CoC	Purchasing department	MK	11:30-12:15
Lunch break			12:15-13:00
Review of the system for the collection and reporting of energy and emissions data <ul style="list-style-type: none"> <li>• Reporting period</li> <li>• Transport data</li> <li>• Records of fuel use in production and storage</li> <li>• SAR</li> </ul>	Office	MK	13:00-14:00

Interview with Sales department representative  1. Understanding of SBP sales process  2. Critical control points of PEFC/FSC CoC	Sales department	MK	14:00-16:30
Closing meeting*	Office	MK	16:30 – 17:00
Estimated end of the evaluation			17:15
<b>Wednesday 9<sup>th</sup> of December</b>			
Site visit harbour Bremen	harbour	MK	08:30-09:30
Closing meeting*	Office	MK	10:00 – 11:00
Estimated end of the evaluation	Office	MK	11:15

\* It is expected that management will be present during opening and closing meeting.  
NB! The presented agenda is evaluative and may change during the evaluation.

## 6.2 Description of evaluation activities

Composition of audit team:

Name	Qualification	Role/focus in evaluation
Michael Kutschke, Berlin, Germany	M.Sc. in Forestry. Michael is a chain of custody lead auditor in FSC and PEFC and FSC Forest Management lead auditor. Michael is a FSC Trademark expert and has experience from work with Legal Sources (EUTR) and SAN.	Lead auditor and responsible for all audit processes.

The audit was focused on management system evaluation: division of the responsibilities, documented management system, input material classification (reception and registration), analysis of the existing PEFC system and PEFC system control points as well as GHG data availability.

Description of the audit:

All SBP related documents connected to the SBP, as well as PEFC CoC system, was provided by the company prior to the audit. This including SBP and PEFC procedures, GHG data summaries and Supply Base Report. The audit started with an opening meeting attended by the SBP and purchase responsible persons.



The lead auditor introduced themselves and provided information about audit plan, methodology, auditor qualification, confidentiality, and clarified certification scope.

After this, the auditor went through all applicable requirements of the SBP standards no. 2, 4, 5 and related instruction documents covering input clarification, existing chain of custody system, management system, recordkeeping/mass balances, emission and energy data. Chain of Custody implementation was reviewed focusing in the Critical Control Points, in particular it was verified reception of the material and it's classification, identification of feedstock origin, production process with the conversion factors associated, mass balance, final product storage and sales. During the process, the overall responsible person for SBP system and other relevant staff were interviewed. The auditors also visited the pellet production facility, including goods reception and review of records, input of feedstock in production lines, separation system and other critical control points of the CoC system. Staff was also interviewed.

At the end of the audit, findings were summarised, and conclusions based on use of 3 angle evaluation method were provided to SBP responsible person during the closing meeting. Closing meeting was held on 09.12.2020.

## 6.3 Process for consultation with stakeholders

The Certification Body has conducted a stakeholder consultation by means of sending a stakeholder notification email to stakeholder organizations one month prior to the assessment audit date on 25. February 2020. The notification encourages all stakeholders to forward any comments regarding harvesting practices, environmental performance and any other direct or indirect effect on stakeholders to organization and NEPCon. No comments have been received.

No stakeholder consultation was undertaken before this annual audit.

# 7 Results

## 7.1 Main strengths and weaknesses

Strength: The BP has a small team of dedicated workers. The team has a good understanding of the SBP requirements. Effective recordkeeping system. Mainly own transport in Germany. Small number of the management staff and clearly designated responsibilities within the staff members.

Weaknesses: see NCRs

## 7.2 Rigour of Supply Base Evaluation

Not applicable.

## 7.3 Collection and Communication of Data

The organization has had a consultant in the team who implemented the system for collection of the emission and energy data. The company supplied the auditor with actual data on Greenhouse Gas emissions where needed and has used default values where allowed. All data are well recorded and accessible.(transport distance, moisture, volume, weight)

## 7.4 Competency of involved personnel

All personnel that is involved with SBP have received appropriate training where all relevant procedures and requirements have been covered. The SBP responsible staff has shown good understanding of the requirements in relation to SBP certification and of the already implemented PEFC CoC system. Since the company is certified against both system for several years, the internal system is well established, which allow the staff to gain a lot of experience in handling the system.

## 7.5 Stakeholder feedback

No stakeholder comments were received (see also section 6.3 above)

## 7.6 Preconditions

open NCRs

## 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.*

Not applicable for this audit (supply base evaluation is not included in the certificate scope).

## 9 Review of Company's mitigation measures

Not applicable

## 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.

<b>NC number</b> 46494	<b>NC Grading:</b> Minor
<b>Standard &amp; Requirement:</b>	Standard #2 V1.0– 2C / 4.1
<b>Description of Non-conformance and Related Evidence:</b>	
<p>The organization has used the last SBR template. The SBR contains the most important features and all necessary details. However, the section 2.5 specifies that:h. List percentage of primary feedstock (g), by the following categories. Subdivide by SBP-approved ForestManagement Schemes:- FSC certified 100%- PEFC certified 100%k. List percentage of primary feedstock from secondary forest (j), Subdivide by SBP-approved ForestManagement Schemes:- 100% FSC certified feedstock- 100% PEFC certified feedstockSuch description gives an impression that the material is both FSC and PEFC certified in 100% of cases. This is however not correct, the BP simply intend to specify that all purchased material is either FSC or PEFC certified (but not having double certification). Additionally, under the point (k) the SBR template required to mention only primary feedstock from PRIMARY forest, the BP has changed the template to SECONDRY forest which is not allod.This was considered as minor non-conformity due to the fact that it is simple mistake resulting from misunderstanding of the SBR content.</p>	
<b>Timeline for Conformance:</b>	By the next surveillance audit, but no later than 12 monhts from report finalisation date
<b>Evidence Provided by Company to close NC:</b>	Adapted SBR
<b>Findings for Evaluation of Evidence:</b>	The adapted and updated SBR contains all the relevant informations in the right format.
<b>NC Status:</b>	Closed

<b>NC number</b> 51759	<b>NC Grading:</b> Minor
<b>Standard &amp; Requirement:</b>	Standard #2 V1.0 7.1
<b>Description of Non-conformance and Related Evidence:</b>	
At the time of the audit, the SBR hasn't been published at the Website of the BP.	
<b>Timeline for Conformance:</b>	By the next surveillance audit, but no later than 12 months from report finalisation date
<b>Evidence Provided by Company to close NC:</b>	Click or tap here to enter description provided by Company to close the NC.
<b>Findings for Evaluation of Evidence:</b>	Click or tap here to enter findings for evaluation of evidence by the auditor.
<b>NC Status:</b>	Open

<b>NC number</b> 51760	<b>NC Grading:</b> Observation
<b>Standard &amp; Requirement:</b>	Standard #2 V1.0– 2C / 4.1
<b>Description of Non-conformance and Related Evidence:</b>	
The BP sends a template to the client with all the informations about the material been sent or which they are planning to send. It is not a formal invoice just an excel. The file didn't contain the claim that the material is SBP complaint, which means that the information mismatches with the official invoice. Since it is not considered the official sales procedure (DTS) but it can cause confusion in the sales process, the auditor decided to raise a observation.	
<b>Timeline for Conformance:</b>	By the next surveillance audit, but no later than 12 months from report finalisation date
<b>Evidence Provided by Company to close NC:</b>	Click or tap here to enter description provided by Company to close the NC.
<b>Findings for Evaluation of Evidence:</b>	Click or tap here to enter findings for evaluation of evidence by the auditor.
<b>NC Status:</b>	Open

# 11 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
<b>Date of decision:</b>	03/Mar/2021
<b>Other comments:</b>	Click or tap here to enter text.