

# Supply Base Report: Peder Østergaard & Søn Transport A/S

Main (Initial) Audit

www.sbp-cert.org



# **Completed in accordance with the Supply Base Report Template Version 1.4**

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

Document history

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### Annex 1: Detailed findings for Supply Base Evaluation indicators

# **1 Overview**

Producer name:	Peder Østergaard & Søn Transport A/S		
Producer address:	Kjelsigvej 2 7430 Ikast, Denmark		
SBP Certificate Code:	N/A		
Geographic position:	56.1734, 9.1625		
Primary contact:	Dennis Flanz, +45 22 79 00 97,df@po-son.dk		
Company website:	www.po-son.dk		
Date report finalised:	06 Mar 2021		
Close of last CB audit:	26 Feb 2021		
Name of CB:	NEPCon OÜ		
SBP Standard(s) used:	SBP Standard 2: Verification of SBP-compliant Feedstock		
Weblink to Standard(s) used:	https://sbp-cert.org/documents/standards-documents/standards		
SBP Endorsed Regional Risk Assessment: Denmark			

Weblink to SBR on Company website: N/A

Indicate how the current evaluation fits within the cycle of Supply Base Evaluations					
Main (Initial) Evaluation	First Surveillance	Second Surveillance	Third Surveillance	Fourth Surveillance	Re- assessment
$\boxtimes$					

# **2 Description of the Supply Base**

### 2.1 General description

Feedstock types: Primary, Secondary

Includes Supply Base evaluation (SBE): Yes

Feedstock origin (countries): Denmark

# 2.2 Description of countries included in the Supply Base

Country: Denmark

Area/Region: All of Denmark

Exclusions: No

### General description of Danish shelter fences. (windbreaking hedgerow)

There is a great tradition of planting shelter fences in Denmark. Systematic planting of shelter fences started in the 1930s. In 1967, the first major sheltering guilds were added and the planting of mainly 3 rows was switched to planting. and 6 rows hardwood fences. Since then, there have been various support schemes for the establishment of shelter fences and the majority have been established with grants. It is estimated that there are about 80,000 km of shelter fences in Denmark today.

Sheltered fences planted with supplements must not be removed and one is required to maintain it.

### Description of the chip supply area

Peder Østergaard & Son's supply area is Danish forests, shelter fences, natural areas and peri-urban vegetation, where the wood chip supply area covers the whole of Denmark, but mainly Central Jutland.



Peder Østergaard & Søn A/S is a forest construction company that produces and sells wood chips. Wood chip production is 40,000-50,000tonnes per year, about 20% of wood chips are produced on areas outside forest, mainly in shelters and small plantations and in nature projects. In addition, there are also clearings of trees and shrubs in connection with development and expansion of infrastructure in Denmark.

In the forest it is thinning in coniferous or roundwood from coniferous forests, the rest are branches and peaks from both hardwood and coniferous wood.

# 2.3 Actions taken to promote certification amongst feedstock supplier

PØ A/S currently buys wood chips and energy wood from supplier certified by FSC and/or PEFC schemes to support the responsible forestry. PØ A/S encourages all suppliers to be certified to ensure their future sales, as the industry requires more and more certified wood. The industry agreement between Dansk District Heating and Dansk Energi also pushes suppliers to move towards certification because the agreement will ensure sustainable biomass and will increase until 2019, when 90% must be documented sustainably. In addition to purchasing certified wood chips, we would prefer to purchase wood chips with alternative documentation from contractors approved as Approved Biomass Producer, or other relevant certification.

### 2.4 Quantification of the Supply Base

### **Supply Base**

- a. Total Supply Base area (million ha): 0,63
- b. Tenure by type (million ha): 0.43 (Privately owned), 0.13 (Public), 0.04 (Community concession)
- c. Forest by type (million ha):0.63 (Temperate)
- d. Forest by management type (million ha): 0.48 (Plantation), 0.10 (Managed natural), 0.05 (Natural)
- e. Certified forest by scheme (million ha):0.28 (PEFC), 0.21 (FSC)

**Describe the harvesting type which best describes how your material is sourced:** Mix of the above **Explanation:** N/A

Was the forest in the Supply Base managed for a purpose other than for energy markets? Yes -Minority

Explanation: Main economy drive is Timber produktion.

# For the forests in the Supply Base, is there an intention to retain, restock or encourage natural regeneration within 5 years of felling? Yes - Majority

**Explanation:** The main part of the forest area is protected by law, and the law states that you have to plant or encourage natural regeneration, on areas protected by law (Skovloven)

# Was the feedstock used in the biomass removed from a forest as part of a pest/disease control measure or a salvage operation? Yes - Minority

Explanation: Some trees were harvestes as a result of bark bettle attack or storm salvage.

### Feedstock

Reporting period from: 2020-01-01

Reporting period to: 2020-12-31

- a. Total volume of Feedstock: 1-200,000 tonnes
- b. Volume of primary feedstock: 1-200,000 tonnes
- c. List percentage of primary feedstock, by the following categories.
  - Certified to an SBP-approved Forest Management Scheme: 1% 19%
  - Not certified to an SBP-approved Forest Management Scheme: 80% 100%
- d. List of all the species in primary feedstock, including scientific name: Acer
- pseudoplatanus (Sycamore); Fraxinus excelsior (Ash); Betula pubescens (White birch); Betula pendula (Silver birch); Pinus mugo (Mountain pine); Populus tremula (Aspen); Fagus sylvatica (Beech); Pinus contorta (Lodgepole pine); Chamaecyparis lawsoniana (Lawson cypress); Pseudotsuga menziesii (Douglas fir); Quercus robur (Common oak); Quercus petraea (Sessile oak); Ulmus glabra (Mountail elm); Abies grandis (Grand fir); Aesculus hippocastanum (Horse chestnut); Picea glauca (White spruce); Tilia cordata (Common lime); Larix decidua (European larch); Larix spp (Japanese larch); Larix eurolepis (Dunkeld Larch); Abies procera (Noble fir); Abies nordmanniana (Nordmann fir); Picea omorika (Serbian spruce); Populus spp (Poplar); Quercus rubra (Northern red oak); Alnus glutinosa (Common alder); Picea abies (Norway spruce); Picea sitchensis (Sitka spruce); Pinus sylvestris (Scots pine);
- e. Is any of the feedstock used likely to have come from protected or threatened species? No
  - Name of species: N/A
  - Biomass proportion, by weight, that is likely to be composed of that species (%): N/A
- f. Hardwood (i.e. broadleaf trees): specify proportion of biomass from (%): 20,00
- g. Softwood (i.e. coniferous trees): specify proportion of biomass from (%): 80,00
- h. Proportion of biomass composed of or derived from saw logs (%): 0,00
- i. Specify the local regulations or industry standards that define saw logs: N/A
- j. Roundwood from final fellings from forests with > 40 yr rotation times Average % volume of fellings delivered to BP (%): 29,00
- k. Volume of primary feedstock from primary forest: 36639 tonnes
- I. List percentage of primary feedstock from primary forest, by the following categories. Subdivide by SBP-approved Forest Management Schemes:
  - Primary feedstock from primary forest certified to an SBP-approved Forest Management Scheme: 0%

- Primary feedstock from primary forest not certified to an SBP-approved Forest Management Scheme: 0%
- m. Volume of secondary feedstock: 1-200,000 tonnes
  - Physical form of the feedstock: Offcuts
- n. Volume of tertiary feedstock: 0 N/A
  - Physical form of the feedstock: N/A

Proportion of feedstock sourced per type of claim during the reporting period				
Feedstock type	Sourced by using Supply Base Evaluation (SBE) %	FSC %	PEFC %	SFI %
Primary	100,00	0,00	0,00	0,00
Secondary	0,00	0,00	100,00	0,00
Tertiary	0,00	0,00	0,00	0,00
Other	0,00	0,00	0,00	0,00

# **3 Requirement for a Supply Base Evaluation**

### Is Supply Base Evaluation (SBE) is completed? Yes

The scope of the evaluation coveris the entire supply area for Peder Østergaard & Søn Transport A/S, which is considered as all existing and potential sources of primary raw materials, as well as the origin of the raw materials. The purpose of the SBE is to distinguish the level of risk from the indicators described in SBP Standard 1.

The raw materials are divided into the following categories:

- 1. Primary raw material from FSC or PEFC certified forests
- 2. Primary raw material from forests with green operating plan
- 3. Primary raw material from thickening in coniferous stands
- 4. Primary raw material from the 1st generation forest estates
- 5. Primary raw material from forests without green operating plan or certification
- 6. Primary raw material from non-forest areas, e.g. windbreaking hedgerow, city and park areas

Part of the biomass is reprocessed by its own trained staff. The second part of the raw material is produced by permanently affiliated partners. Peder Østergaard & Søn Transport A/S stands for traceability, risk assessment and risk management. To ensure that our supply chain complies with SBP Standard 1, we have focused on how to ensure that forest owners/forest contractors and our buyers secure the areas we trade our wood chips from

# **4 Supply Base Evaluation**

### 4.1 Scope

Feedstock types included in SBE: Primary

SBP-endorsed Regional Risk Assessments used: Denmark

List of countries and regions included in the SBE:

### Country: Denmark

### Indicator with specified risk in the risk assessment used:

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.

### Specific risk description:

Forests and other areas with high conservation values in the Supply Base have been identified and mapped.

### Country: Denmark

### Indicator with specified risk in the risk assessment used:

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.

### Specific risk description:

Potential threats to forests and other areas with high conservation values from forest cultivation activities have been identified and addressed.

### Country: Denmark

### Indicator with specified risk in the risk assessment used:

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).

### Specific risk description:

Important ecosystems and habitats are preserved or protected in their natural state (CPET S8b).

### Country: Denmark

### Indicator with specified risk in the risk assessment used:

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

### Specific risk description:

Biodiversity is protected (CPET S5b).

### 4.2 Justification

This evaluation is based on and uses the Regional Risk Assessment (RRA) for Denmark, approved by SBP in June 2017. RRA for Denmark is available here: https://https://sbp-cert.org/sbp-endorsed-regional-risk-assessment-for-denmark-published/ /. The RRA for Denmark has been carried out in accordance with SBP Standard No. 1. Peder Østergaard & Son Transport A/S'sevaluation and use of RRA for Denmark has been carried out in accordance with SBP standard no. 2.

Based on the results of the RRA for Denmark and analysis of the company's working procedures, applicable risk minimisation measures and supplier verification programmes have been identified, developed and implemented to ensure low risk on all indicators related to primary feedstock production.

Peder Østergaard & Søn Transport A/S is aware that there may be changes in the SBP approved RRA for Denmark and is willing to adapt SBE in these cases

# **4.3 Results of risk assessment and Supplier Verification Programme**

At all new tasks a screening is carry out, of the areas harvested from the indicators: 2.1.1, 2.1.2, 2.2.3, 2.2.4. The screening is based on available map material and databases, as well as visual review of the area before start-up. For each task, a map and checklist are prepared to ensure that the operator is aware of protected or protected nature/culture.

It starts by classifying the forest area as one of the six categories.

- 1. Primary raw material from FSC or PEFC certified forests low risk
- 2. Primary raw material from forests with green operating plan specified risk
- 3. Primary raw material from thickening in coniferous stands -low risk
- 4. Primary raw material from 1st generation forest low risk
- 5. Primary raw material from forests without green operating plan or certification specified risk

6. Primary raw material from non-forest areas, e.g. windbreaking hedgerow, urban and park areas, nature projects –**low risk**.

This division is carried out by Dennis Flanz, who has in-depth knowledge of identifying key biotopes according to the key biotope catalog.

### 4.4 Conclusion

By examination and reviewing the working procedures in Peder Østergaard & Søn Transport A/S based on the SBP approved RRA for Denmark, as well as the preparation and implementation of supplier verification program (SVP) and risk mitigation measures, it is assessed that the company ensures that biomass complies with the requirements of the SBP certification.

Dennis Flanz, who is responsible for task planning, identifying key biotopes and mapping projects, has extensive experience working in the forest and taking into account nature worthy of preservation.

PØ A/S is aware that in cases where tasks are carried out in areas of specific risk, it may be necessary to let other qualified persons, such as biologists or public authorities, help with the identification of key biotopes.

## **5 Supply Base Evaluation process**

The SBP approved RRA for Denmark, June 2017, was carried out by Preferred by Nature, at the request of Dansk Energi, Dansk Fjernvarme, Skovdyrkerforeningen, Dansk Skovforening, DM&E and HedeDanmark.

As shown by the RRA for Denmark, low risk has been identified on all indicators except the following Indicators where "specified risk" has been identified: 2.1.1, 2.1.2, 2.2.3, 2.2.4

In order to minimize the risk of these 4 indicators with specified risk when reprocessing biomass, Peder Østergaard & Søn Transport A/S has prepared a set of working procedures with implementation of risk-reducing control measures that meet the standard due diligence requirements. The working procedures including the risk mitigation measures can be found described in detail in the Company's Contractor Manual. (Entreprenørhåndbog)

Peder Østergaard & Son Transport A/S has used both internal and external resources for working with SBE. SBE has been prepared with its own staff who have extensive experience in the production of biomass. Dennis Flanz has MSc in Forest and Nature management, has been responsible for the certificationprocess at Peder Østergaard & Søn Transport A/S.

Machine operator and subcontractors at Peder Østergaard & Søn Transport A/S have a high level of competence after several years of work with sustainable wood chip production.

Peder Østergaard & Søn Transport A/S has used an external consultant from DM&E, with approx. 15 years of experience from forest certification and forestry, to work on correcting work processes and collecting additional data.

# **6** Stakeholder consultation

The consultation phase took place over a 30-day period from 1 May 2004 to 31 December 2006. 10. 2020 The Danish version of SBR, including the risk minimising control measures, was submitted as of 2020. e-mail to the following stakeholders:

Danish Society for Nature Conservation	Nora Skjernaa Hansen	nsh@dn.dk
FSC Danmark	Kristian Jorgensen	kristian@fsc.dk
Forests of the World	Jakob Ryding	jr@verdensskove.org
VVVF (World Wildlife Fund)	Sofie Tind Nielsen	s.tind@wwf.dk
University	Vivian Kvist Johansen	vkj@ign.ku.dk
PEFC Australia	Morten Thorøe	mt@pefc.dk
Danish Energy	Kristine of the Erve Grunnet	keg@danskenergi.dk
Danish District Heating	Maria Dahl Hedegaard	mh@danskfjernvarme.dk
Danish Forest Association	Tanja Olsen	to@skovforeningen.dk
Dea	Download the executives list	Imj@ens.dk
Ørsted	Peter K Kristensen	pekkr@orsted.dk
Friluftsrådet	Thorbjørn Eriksen	toe@friluftsraadet.dk
BAT Cartel	Gunde Odgaard	gunde.odgaard@batkartellet.dk
Danish Nature Agency	Niels Bølling	niboe@nst.dk
NOVOPAN A/S	Jette Wulff	j.wulff@kronospan-dk.dk
Troldtekt A/S	Orla Jepsen	oje@troldtekt.dk
Rold Forest Sawmill A/S	Henrik Thorlacius-Ussing	htu@lindenborg.dk
		smi@norlundwood.com
Norlund Savvark	Simon Mikkelsen	

### 6.1 Response to stakeholder comments

- Description: All
- **Comment:** No comments
- Response: N/A

# **7** Mitigation measures

# 7.1 Mitigation measures

Country:	Denmark		
Specified risk indicator:	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.		
Specific risk description:	Forests and other areas with high conservation values in the Supply Base have been identified and mapped.		
Mitigation measure:	Preliminary remarks:		
	Peder Østergaard & Søn Transport A/S works according to the procedures in the construction manual (Entreprenørhåndbog) that are designed to take into account the indicators described in the SBP approved RRA for Denmark, June 2017.		
	The construction manual describes how to identify whether the forest area falls into the category of specific risk and what risk mitigation measures must be taken before the material is SBP compliant. If Peder Østergaard & Søn Transport A/S cannot reduce the risk on parts of the biomass, it will not be included in the SBP quantity.		
	Projects at Peder Østergaard & Søn Transport A/S are planned, directed and controlled by Dennis Flanz.		
	Risk assessment of each forest area:		
	At all new tasks a screening is carry out, of the areas harvested from the indicators: 2.1.1, 2.1.2, 2.2.3, 2.2.4. The screening is based on available map material and databases, as well as visual review of the area before start-up. For each task, a map and checklist are prepared to ensure that the operator is aware of protected or protected nature/culture.		
	It starts by classifying the forest area as one of the six categories.		
	1. Primary raw material from FSC or PEFC certified forests - low risk		
	2. Primary raw material from forests with green operating plan - specified risk		
	3. Primary raw material from thickening in coniferous stands –low risk		
	4. Primary raw material from 1st generation forest - <b>low risk</b>		

5. Primary raw material from forests without green operating plan or certification - **specified risk** 

6. Primary raw material from non-forest areas, e.g. windbreaking hedgerow, urban and park areas, nature projects –**low risk**.

This division is carried out by Dennis Flanz, who has in-depth knowledge of identifying key biotopes according to the key biotope catalog.

### **Primary Feedstock**

For parts of the wood chip volume that Peder Østergaard & Søn Transport A/S sells, they are responsible for the whole process. That is, contact with the customer/forest owner, review of the area with owner, planning of the task, execution of the task, follow-up on task execution, and transport and sale of wood chips. Through the management system from the construction manual, Peder Østergaard & Søn will documente origin,risk assessment/screening of the area and possibly risk minimisation.

The second part of the wood chip is purchased by other forest contractors. This is a group of suppliers who we continuously purchased wood chips from. Often it is smaller lots and it can be years between the different suppliers sell wood chips to Peder Østergaard & Søn Transport A/S.

The procedure for purchasing external chips will be that, Peder Østergaard & Søn treats the purchase of wood chips from subcontractors as if they are own projects. Peder Østergaard & Søn is responsible for mapping, risk assessment, area review and risk minimisation.

If it is assessed in this process that parts of the wood chip volume are not SBP compliant, it will not be sold with SBP-Claim.

#### Secundary feedstock

10% of the wood chip volume comes from sawmill. The sawmill receives supplies from Danish suppliers who deliver 100% Danish wood. The sawmill processes 100% FSC and PEFC wood.

#### **Risk managment:**

The staff who carry out screenings and plan the tasks are aware of the legislation in force in the field of nature and the environment. All tasks are planned so that activities in the supply area minimise negative impact on ecosystems, biodiversity and areas worthy of conservation.

Areas where wood chips are harvested must be examined before start-up by a physical review and mapped according to the procedure below. All procedure is elaborated in the contractor manual.

Maps of each chip project are prepared. The map shows identified areas with high conservation value(HCV). Have maps been prepared in connection with the certification or green operating plan, these maps must be included in the planning process so that natural values(HCV)can be ensured.

• All work areas are screened through DM&Es card portal and reviewed by management before start-up based on the checklist in the contractor manual.

• Each chip project has a unique case number and address that recurs on task description, weighing slips and settlement basis. Ensure traceability.

• Each project has a checklist of relevant information. Ensure good communication between the different parties in the work process and that all relevant data that the operator needs to be noted.

Maps and checklists are provided to machine operators and subcontractors. All are trained in the company's working procedure, as well as the meaning of the elements on the map.

In order to identify areas with high natural values during work, all operators working with wood chip production in the forest are trained in "Machine traffic on natural areas".

When working in the forest, death and dying wood is an important element in preserving and increasing biodiversity in the forest. In all tasks, the operator is aware of keeping as much dead wood as possible in the forest in dialogue with the individual ownere. Dead and dying trees can advantageously be left in connection with key elements in the forest e.g. water holes or forest edges. In addition, the following procedure applies.

• PEFC/FSC certified forest. In these forests there is a very clear procedure for the preservation of dead by. These are respected.

• Forest with and without green operating plan, only the tree felled at the last logging is removed. Thinning in needles and in afforestations leaves as much as possible, often standing, discontinued trees.

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Work sheets and corrected information from the operator/handmen are sent back in physical or electronic format. Store at Kjeldsigvej 2, 7430 Ikast. Both physical and electronic. In the case of new observations, they are handled according to the above.

Document describing in detail the company's working procedure.

Country:	Denmark	
Specified risk indicator:	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.	
Specific risk description:	Potential threats to forests and other areas with high conservation values from forest cultivation activities have been identified and addressed.	
Mitigation measure:	Preliminary remarks:	
	Peder Østergaard & Søn Transport A/S works according to the procedures in the construction manual (Entreprenørhåndbog) that are designed to take into account the indicators described in the SBP approved RRA for Denmark, June 2017.	
	The construction manual describes how to identify whether the forest area falls into the category of specific risk and what risk mitigation measures must be taken before the material is SBP compliant. If Peder Østergaard & Søn Transport A/S cannot reduce the risk on parts of the biomass, it will not be included in the SBP quantity.	
	Projects at Peder Østergaard & Søn Transport A/S are planned, directed and controlled by Dennis Flanz.	
	Risk assessment of each forest area:	
	At all new tasks a screening is carry out, of the areas harvested from the indicators: 2.1.1, 2.1.2, 2.2.3, 2.2.4. The screening is based on available map material and databases, as well as visual review of the area before start-up. For each task, a map and checklist are prepared to ensure that the operator is aware of protected or protected nature/culture.	
	It starts by classifying the forest area as one of the six categories.	
	1. Primary raw material from FSC or PEFC certified forests - low risk	
	2. Primary raw material from forests with green operating plan - specified risk	
	3. Primary raw material from thickening in coniferous stands –low risk	
	4. Primary raw material from 1st generation forest - low risk	
	5. Primary raw material from forests without green operating plan or certification - <b>specified risk</b>	
	6. Primary raw material from non-forest areas, e.g. windbreaking hedgerow, urban and park areas, nature projects – <b>low risk.</b>	
	This division is carried out by Dennis Flanz, who has in-depth knowledge of identifying key biotopes according to the key biotope catalog.	

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The second part of the wood chip is purchased by other forest contractors. This is a group of suppliers who we continuously purchased wood chips from. Often it is smaller lots and it can be years between the different suppliers sell wood chips to Peder Østergaard & Søn Transport A/S.

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If it is assessed in this process that parts of the wood chip volume are not SBP compliant, it will not be sold with SBP-Claim.

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• Each chip project has a unique case number and address that recurs on task description, weighing slips and settlement basis. Ensure traceability.

• Each project has a checklist of relevant information. Ensure good communication between the different parties in the work process and that all relevant data that the operator needs to be noted.

Maps and checklists are provided to machine operators and subcontractors. All are trained in the company's working procedure, as well as the meaning of the elements on the map.

In order to identify areas with high natural values during work, all operators working with wood chip production in the forest are trained in "Machine traffic on natural areas".

When working in the forest, death and dying wood is an important element in preserving and increasing biodiversity in the forest. In all tasks, the operator is aware of keeping as much dead wood as possible in the forest in dialogue with the individual ownere. Dead and dying trees can advantageously be left in connection with key elements in the forest e.g. water holes or forest edges. In addition, the following procedure applies.

• PEFC/FSC certified forest. In these forests there is a very clear procedure for the preservation of dead by. These are respected.

• Forest with and without green operating plan, only the tree felled at the last logging is removed. Thinning in needles and in afforestations leaves as much as possible, often standing, discontinued trees.

Work sheets and corrected information from the operator/handmen are sent back in physical or electronic format. Store at Kjeldsigvej 2, 7430 Ikast. Both physical and electronic. In the case of new observations, they are handled according to the above.

Document describing in detail the company's working procedure.

Country: Denmark

**Specified risk indicator:** 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).

**Specific risk description:** Important ecosystems and habitats are preserved or protected in their natural state (CPET S8b).

### Mitigation measure: Preliminary remarks:

Peder Østergaard & Søn Transport A/S works according to the procedures in the construction manual (Entreprenørhåndbog) that are designed to take into account the indicators described in the SBP approved RRA for Denmark, June 2017.

The construction manual describes how to identify whether the forest area falls into the category of specific risk and what risk mitigation measures must be taken before the material is SBP compliant. If Peder Østergaard & Søn Transport A/S cannot reduce the risk on parts of the biomass, it will not be included in the SBP quantity.

Projects at Peder Østergaard & Søn Transport A/S are planned, directed and controlled by Dennis Flanz.

#### Risk assessment of each forest area:

At all new tasks a screening is carry out, of the areas harvested from the indicators: 2.1.1, 2.1.2, 2.2.3, 2.2.4. The screening is based on available map material and databases, as well as visual review of the area before start-up. For each task, a map and checklist are prepared to ensure that the operator is aware of protected or protected nature/culture.

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2. Primary raw material from forests with green operating plan - **specified risk** 

- 3. Primary raw material from thickening in coniferous stands -low risk
- 4. Primary raw material from 1st generation forest **low risk**

5. Primary raw material from forests without green operating plan or certification - **specified risk** 

6. Primary raw material from non-forest areas, e.g. windbreaking hedgerow, urban and park areas, nature projects –**low risk**.

This division is carried out by Dennis Flanz, who has in-depth knowledge of identifying key biotopes according to the key biotope catalog.

### **Primary Feedstock**

For parts of the wood chip volume that Peder Østergaard & Søn Transport A/S sells, they are responsible for the whole process. That is, contact with the customer/forest owner, review of the area with owner, planning of the task, execution of the task, follow-up on task execution, and transport and sale of wood chips. Through the management system from the

construction manual, Peder Østergaard & Søn will documente origin, risk assessment/screening of the area and possibly risk minimisation.

The second part of the wood chip is purchased by other forest contractors. This is a group of suppliers who we continuously purchased wood chips from. Often it is smaller lots and it can be years between the different suppliers sell wood chips to Peder Østergaard & Søn Transport A/S.

The procedure for purchasing external chips will be that, Peder Østergaard & Søn treats the purchase of wood chips from subcontractors as if they are own projects. Peder Østergaard & Søn is responsible for mapping, risk assessment, area review and risk minimisation.

If it is assessed in this process that parts of the wood chip volume are not SBP compliant, it will not be sold with SBP-Claim.

#### Secundary feedstock

10% of the wood chip volume comes from sawmill. The sawmill receives supplies from Danish suppliers who deliver 100% Danish wood. The sawmill processes 100% FSC and PEFC wood.

#### **Risk managment:**

The staff who carry out screenings and plan the tasks are aware of the legislation in force in the field of nature and the environment. All tasks are planned so that activities in the supply area minimise negative impact on ecosystems, biodiversity and areas worthy of conservation.

Areas where wood chips are harvested must be examined before start-up by a physical review and mapped according to the procedure below. All procedure is elaborated in the contractor manual.

Maps of each chip project are prepared. The map shows identified areas with high conservation value(HCV). Have maps been prepared in connection with the certification or green operating plan, these maps must be included in the planning process so that natural values(HCV)can be ensured.

• All work areas are screened through DM&Es card portal and reviewed by management before start-up based on the checklist in the contractor manual.

• Each chip project has a unique case number and address that recurs on task description, weighing slips and settlement basis. Ensure traceability.

• Each project has a checklist of relevant information. Ensure good communication between the different parties in the work process and that all relevant data that the operator needs to be noted.

	Maps and checklists are provided to machine operators and subcontractors. All are trained in the company's working procedure, as well as the meaning of the elements on the map.
	In order to identify areas with high natural values during work, all operators working with wood chip production in the forest are trained in "Machine traffic on natural areas".
	When working in the forest, death and dying wood is an important element in preserving and increasing biodiversity in the forest. In all tasks, the operator is aware of keeping as much dead wood as possible in the forest in dialogue with the individual ownere. Dead and dying trees can advantageously be left in connection with key elements in the forest e.g. water holes or forest edges. In addition, the following procedure applies.
	• PEFC/FSC certified forest. In these forests there is a very clear procedure for the preservation of dead by. These are respected.
	• Forest with and without green operating plan, only the tree felled at the last logging is removed. Thinning in needles and in afforestations leaves as much as possible, often standing, discontinued trees.
	Work sheets and corrected information from the operator/handmen are sent back in physical or electronic format. Store at Kjeldsigvej 2, 7430 Ikast. Both physical and electronic. In the case of new observations, they are handled according to the above.
	Document describing in detail the company's working procedure.
Country:	Denmark
Specified risk indicator:	2.2.4 The BP has implemented appropriate control systems and procedures to ensure that biodiversity is protected (CPET S5b).
Specific risk description:	Biodiversity is protected (CPET S5b).
Mitigation measure:	Preliminary remarks:
	Peder Østergaard & Søn Transport A/S works according to the procedures in the construction manual (Entreprenørhåndbog) that are designed to take into account the indicators described in the SBP approved RRA for Denmark, June 2017.
	The construction manual describes how to identify whether the forest area falls into the category of specific risk and what risk mitigation measures must be taken before the material is SBP compliant. If Peder Østergaard & Søn Transport A/S cannot reduce the risk on parts of the biomass, it will not be included in the SBP quantity.

Projects at Peder Østergaard & Søn Transport A/S are planned, directed and controlled by Dennis Flanz.

### Risk assessment of each forest area:

At all new tasks a screening is carry out, of the areas harvested from the indicators: 2.1.1, 2.1.2, 2.2.3, 2.2.4. The screening is based on available map material and databases, as well as visual review of the area before start-up. For each task, a map and checklist are prepared to ensure that the operator is aware of protected or protected nature/culture.

It starts by classifying the forest area as one of the six categories.

1. Primary raw material from FSC or PEFC certified forests - low risk

2. Primary raw material from forests with green operating plan - specified risk

- 3. Primary raw material from thickening in coniferous stands -low risk
- 4. Primary raw material from 1st generation forest low risk

5. Primary raw material from forests without green operating plan or certification - **specified risk** 

6. Primary raw material from non-forest areas, e.g. windbreaking hedgerow, urban and park areas, nature projects –**low risk**.

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Document describing in detail the company's working procedure.

### 7.2 Monitoring and outcomes

In the first 12 months, there will be extra focus on those tasks where there is the greatest risk that logging activities may damage nature worthy of preservation. It will be in old woodlands mainly covered with deciduous trees. At the next internal audit, the impact of this measure will be assessed. All tasks with specific risk will be assessed.

For the risk-reducing control measures carried out and the SVP, with the described and incorporated procedures of screening and visual visits of all supply areas, low risk has been achieved for the specified risk indicators:

- 2.1.1 Forests with high conservation value, HNV identified and identified

- 2.1.2 Potential threats to forests and other areas with high conservation value from forest cultivation activities have been identified and addressed

- 2.2.3 Protection of key biotopes and habitats

- 2.2.4 Safeguarding biodiversity

Which is then reduced to low risk.

• For all suppliers (forest owners), Peder Østergaard & Søn Transport A/S enters into an agreement with the forest owner about the task, where during the meeting questions about whether the forest is FSC and/or PEFC certified and whether a green operating plan and/or a key biotope registration has been prepared for the property.

• For all suppliers, Peder Østergaard & Son Transport A/S is always physically out and about and reviewing the areas in connection with the screening and before being skovs. This means that there is a great deal of certainty that the areas are properly reviewed and screened correctly. Only for suppliers where Low Risk can be achieved for the four indicators where specific risk has been identified (2.1.1 / 2.1.2 / 2.2.3 / 2.2.4), through the risk minimisation measures, biomass is sold as SBP compliant biomass.

• In cases where Peder Østergaard & Søn Transport A/S buys biomass from other suppliers, Peder Østergaard & Søn Transport A/S will be responsible for risk assessment and possibly risk minimisation in the same way as described above.

### **Control of suppliers**

• All suppliers (forest owners) visitace and all tasks are physically reviewed. This, together with map screening, gives you the greatest possible security to locate areas where extra attention is needed, when working in the forest. When the tasks are followed up when they are completed, Peder Østergaard & Søn Transport A/S will have the opportunity to find fault with their processes and correct any inappropriate working methods and procedure.

• Random checks of the local forest admistrator can be found that screening and mapping have been carried out correctly and that the observations are in line with the facts.

- All suppliers of certified material shall be checked by  $\sqrt{project}$  number, but not less than 10 projects are checked.

# **8 Detailed findings for indicators**

Detailed findings for each Indicator are given in Annex 1 in case the Regional Risk Assessment (RRA) is not used.

Is RRA used? Yes

# **9 Review of report**

### 9.1 Peer review

No Peer review

### 9.2 Public or additional reviews

No Public reviews

# Approval of report

Approval of Supply Base Report by senior management				
Report Prepared by:	Dennis Flanz	Cand. Silv	2021-03-06	
	Name	Title	Date	
The undersigned persons confirm that I/we are members of the organisation's senior management and do hereby affirm that the contents of this evaluation report were duly acknowledged by senior management as being accurate prior to approval and finalisation of the report.				
Report approved by:	Henrik Østergaard	Owner	2021-03-06	
	Name	Title	Date	

# **Annex 1: Detailed findings for Supply Base Evaluation indicators**

N/A