



DNV GL Business Assurance Finland Oy Ab Evaluation of Fageship ApS Compliance with the SBP Framework: Public Summary Report

Main (Initial) 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

Document history

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Version 1.2: published 4 April 2018

Version 1.3: published 10 May 2018

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1 Overview

CB Name and contact:	DNV GL Business Assurance Finland Oy Ab
Primary contact for SBP:	Jyrki Sopanen, Jyrki.sopanen@dnvgl.com
Current report completion date:	01/Sep/2020
Report authors:	Karina Seeberg Kitnaes
Name of the Company:	Fageship ApS
Company contact for SBP:	Annette Nielsen, an@fageship.dk
Certified Supply Base:	N/A (Biomass Trader only)
SBP Certificate Code:	SBP-05-13
Date of certificate issue:	01/Oct/2020
Date of certificate expiry:	30/Sep/2025

This report relates to the Main (Initial) Audit

2 Scope of the evaluation and SBP certificate

Introduction

Fageship ApS is a biomass trader based in Denmark. In the context of SBP, Fageship ships vessels of pellets or wood chips produced by SBP certified Biomass Producers in Russia and/or the Baltic Countries to power plants in Europe. The period of ownership begins when the pellets or the wood chips are loaded in to vessels on the ships and ends when the wood pellets or wood chips are delivered to the client' harbour (always FOB terms applied). There are no other processes involved other than shipping.

Scope

Trading and shipping of wood pellets and wood chips from various harbours around the world to harbours in Europe for use in energy production. The scope of the certificate does not include Supply Base Evaluation.

3 Specific objective

The specific objective of this evaluation was to confirm that the company' management system is capable of ensuring that all requirements of specified SBP Standards are implemented across the entire scope of certification.

4 SBP Standards utilised

4.1 SBP Standards utilised

Please select all SBP Standards used during this evaluation. All Standards can be accessed and downloaded from <https://sbp-cert.org/documents/standards-documents/standards>

- ☐ SBP Framework Standard 1: Feedstock Compliance Standard (Version 1.0, 26 March 2015)
- ☐ SBP Framework Standard 2: Verification of SBP-compliant Feedstock (Version 1.0, 26 March 2015)
- ☒ SBP Framework Standard 4: Chain of Custody (Version 1.0, 26 March 2015)
- ☒ SBP Framework Standard 5: Collection and Communication of Data (Version 1.0, 26 March 2015)

4.2 SBP-endorsed Regional Risk Assessment

Not applicable

5 Description of Company, Supply Base and Forest Management

5.1 Description of Company

Fageship ApS is a smaller biomass trader company with its office in Denmark. Fageship is pure trader with purchase and sales of wood chips and wood pellets. The company has only two staff members, the SBP responsible, also responsible for the book keeping and the FSC and PEFC certifications of the company, and the company owner/manager responsible for purchase from certified suppliers and sales to customers.

In the context of SBP, Fageship ships vessels of pellets or wood chips produced by SBP certified Biomass Producers in Russia and/or the Baltic Countries to power plants in Europe. The period of ownership begins when the pellets or the wood chips are loaded in to vessels on the ships and ends when the wood pellets or wood chips are delivered to the client' harbour (always FOB terms applied). There are no other processes involved other than shipping.

5.2 Description of Company's Supply Base

N/A. Fageship ApS is a biomass trader only.

5.3 Detailed description of Supply Base

N/A. Fageship ApS is a biomass trader only.

5.4 Chain of Custody system

Fageship ApS has valid Chain of Custody certificates, issued by Soil Association Certification Ltd., with FSC certificate code SA-COC-005538, expiry date 24-01-2022, and with PEFC certificate code SA-PEFC/COC-, expiry date 24-01-2022. Both certificates include wood chips and pellets within their scopes.

The company is a single site trader applying the FSC transfer system and the PEFC Physical Separation system with physical separation from purchase to sale. The scope of the FSC and PEFC system is trading of FSC and/or PEFC certified wood chips and wood pellets without any conversion or processing.

Based on suppliers' invoices and delivery documentation and own sales invoices and delivery documentation, claims are being transferred correctly in both systems. The corresponding transfer system is applied for SBP as well, with wood pellets and/or wood chips transported in vessels on ships. All orders are delivered with FOB terms.

Fageship is also aware of using the same SBP claims and SDI/batch specific coding system from the supplier invoices/transactions to the company's own sales invoices and transactions. Fageship maintains annual volume records. Fageship is aware of the SBP requirements of maintaining clear SBP volume summary of all transactions with inputs=outputs and for preparing SREG reports for each transaction.

6 Evaluation process

6.1 Timing of evaluation activities

August 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: ½ person-day of total 1 person-day.

26.08.2020: The audit was 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 the participation of the SBP responsible and of the owner/manager. Duration: 1 person-day document review.

- 10:00-10:30 Opening meeting: Introduction of participants, roles and confidentiality; Introduction to the Audit Agenda, Short introduction of the company, confirmation of the SBP scope, SBP audit process overview.
- 10:30-12:00 SBP Standard 4: Chain of Custody systems and volume recording, SBP classification and control of supplied SBP compliant biomass, incl. DTS transaction recording system and use of SBP trademarks. Review of SBP procedures manual.
- 12:00-14:30 SBP Standard 5: Collection and Communication of Data; and Instruction Document 5E - requirements review of data and records; SBP Audit Report (SREG) on Energy and Carbon Data for Supplied Biomass, Verification of profile and energy data, monitoring and calculations.
- 14:30-15:00 Closing meeting - final.

September 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: a) records verification, document and report review and interviews of staff regarding the management system descriptions, calculations and invoicing arrangements at the office.

The Main (Initial) Assessment contained:

- 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 to be recorded and reported in the SREG for wood chips with mobile chipping including sea transport.

Critical control points included checking the chain-of-custody volume accounting and supplier documentation thoroughly against future 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 SREG reports in correct format.

The Main (Initial) Assessment resulted in only five (5) observations, while there has been no previous SBP audits.

6.3 Process for consultation with stakeholders

N/A. Fageship ApS is a biomass trader only

7 Results

7.1 Main strengths and weaknesses

Fageship ApS has a good basis for trading with SBP certified biomass, as there is a proven COC system covering schemes (FSC and PEFC COC, now also SBP) in place and competent staff in charge. Overall, the implementation of SBP requirements is rather simple in the Fageship context, since the company is a trader without any conversion or processing.

During the audit, it was noted that the biomass trader is having only two staff members. The SBP responsible showed sufficient understanding of the SBP standard requirements.

Both the SBP responsible and the company owner/director have long-lasting experience in trading certified products.

It was also noted that the SBP responsible maintains good procedures for revising and updating existing written certification procedures to secure safe and good implementation.

7.2 Rigour of Supply Base Evaluation

N/A. Fageship ApS is a biomass trader only

7.3 Collection and Communication of Data

Fageship ApS has some experience for GHG calculations and transferring GHG data to their customers, as some customers have required GHG emissions data for wood chips delivered also before the SBP certification.

In terms of SBP, the calculation consists of shipping emissions only, as all biomass is purchased and delivered with FOB terms, and there is no handling, no loading or unloading take place during the period of ownership. The emissions are based on the vessel characteristics and distances given by the AXS Marine webtool and by the shipping company.

7.4 Competency of involved personnel

Based on the audit interviews, the two staff members are aware of the SBP requirements and have the adequate competencies and knowledge for their tasks. For example, the SBP responsible have been involved in COC systems for years, while the owner/manager has been trading wood chips and pellets from Russia also for years.

The SBP responsible has attained knowledge about the DTS and how to make transactions in the DTS, as well as has looked into the SREG reporting requirements, being prepared for working with SBP compliant biomass.

7.5 Stakeholder feedback

N/A. Fageship ApS is a biomass trader only.

7.6 Preconditions

None.

8 Review of Company's Risk Assessments

N/A. Fageship ApS is a biomass trader only.

9 Review of Company's mitigation measures

N/A. Fageship ApS is a biomass trader only.

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.

NC number SBP4-IA-2020-01	NC Grading: Observation
Standard & Requirement:	SBP Std. 4, 5.5.2
Description of Non-conformance and Related Evidence:	
The company has not yet sold neither wood chips nor wood pellets as SBP-compliant biomass, since this is the first Main (IA) Assessment. An observation raised to remind the the company to include on sales documentation correct SBP certificate code and SBP claims: 'SBP-compliant biomass' or 'SBP-controlled biomass' as appropriate.	
Timeline for Conformance:	Other
Evidence Provided by Company to close NC:	<i>Click or tap here to enter description provided by Company to close the NC.</i>
Findings for Evaluation of Evidence:	<i>Click or tap here to enter findings for evaluation of evidence by the auditor.</i>
NC Status:	Open

NC number SBP4-IA-2020-02	NC Grading: Observation
Standard & Requirement:	SBP Std. 4, 5.2.6, 5.3
Description of Non-conformance and Related Evidence:	
The company records data in the material accounts and the annual volume summary for FSC and PEFC. The company has set up same system for SBP. For SBP, so far no purchases. An observation is raised to remind the company to maintain material accounting records and annual volume accounts for SBP-compliant transactions.	
Timeline for Conformance:	Other
Evidence Provided by Company to close NC:	<i>Click or tap here to enter description provided by Company to close the NC.</i>
Findings for Evaluation of Evidence:	<i>Click or tap here to enter findings for evaluation of evidence by the auditor.</i>

NC Status:	Open
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NC number SBP5-IA-2020-03	NC Grading: Observation
Standard & Requirement:	SBP Std. 5, 3.1.4, 6.5.1
Description of Non-conformance and Related Evidence:	
The company is aware of the requirement to record all relevant data according to the requirements for traders in the instruction document 5E. Examples of records seen related to sea transport. An observation is raised to remind the company to operate a system for systematic recording data of the sea transport for each transaction in order to be able to complete the SREG report.	
Timeline for Conformance:	Other
Evidence Provided by Company to close NC:	<i>Click or tap here to enter description provided by Company to close the NC.</i>
Findings for Evaluation of Evidence:	<i>Click or tap here to enter findings for evaluation of evidence by the auditor.</i>
NC Status:	Open

NC number SBP5-IA-2020-04	NC Grading: Observation
Standard & Requirement:	SBP Std. 5, 3.1.6, 5.1.1-5.1.4
Description of Non-conformance and Related Evidence:	
The company is aware of the requirement to make all data available through the DTS for each transaction. Since this is the Main (Initial) Assessment of the company, the company has not yet been granted access to the DTS. An observation is raised to remind the company to make all data available using the DTS.	
Timeline for Conformance:	Other
Evidence Provided by Company to close NC:	<i>Click or tap here to enter description provided by Company to close the NC.</i>
Findings for Evaluation of Evidence:	<i>Click or tap here to enter findings for evaluation of evidence by the auditor.</i>
NC Status:	Open

NC number SBP5-IA-2020-05	NC Grading: Observation
Standard & Requirement:	SBP Std. 5, 3.1.10
Description of Non-conformance and Related Evidence:	
The company has downloaded the correct SREG report template from the SBP webpage and understands the requirement to complete one SREG report for each transaction made in the DTS. The company has not yet sold any SBP-compliant biomass. An observation is raised to remind the company for each transaction to complete and supply an 'SBP Report on Energy and Carbon (SREG) for Supplied	

Biomass for inland and sea transport' covering all required data contributing to the energy and carbon balance during the period of legal ownership by the Trader.	
Timeline for Conformance:	Other
Evidence Provided by Company to close NC:	<i>Click or tap here to enter description provided by Company to close the NC.</i>
Findings for Evaluation of Evidence:	<i>Click or tap here to enter findings for evaluation of evidence by the auditor.</i>
NC Status:	Open

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, Technical Manager
Date of decision:	21/Sep/2020
Other comments:	Based on the Main (Initial) Audit, it has been shown that the management system implemented by the biomass trader meets the requirements of the applicable SBP standards and the certificate is issued.