Supply Base Report: Verdo Trading AS

Second Surveillance Audit

www.sbp-cert.org

Completed in accordance with the Supply Base Report Template Version 1.5

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

Document history

Version 1.0: published 26 March 2015

Version 1.1 published 22 February 2016

Version 1.2 published 23 June 2016

Version 1.3 published 14 January 2019; re-published 3 April 2020

Version 1.4 published 22 October 2020

Version 1.5 published 11 November 2022

Contents

1 Overview

Producer name: Verdo Trading AS

Producer address: Agerskellet 7, 8920 Randers NV, Denmark

SBP Certificate Code: SBP-01-11

Geographic position: 56.459866, 10.051457

Primary contact: Line Risgaard Mortensen, +45 41 74 43 05,limo@verdo.com

Company website: www.verdo.com

Date report finalised: 03 Apr 2023

Close of last CB audit: 22 Mar 2023

Name of CB: Preferred by Nature OÜ

SBP Standard(s) used: SBP Standard 1: Feedstock Compliance Standard, SBP Standard 2: Verification of SBP-compliant Feedstock, SBP Standard 4: Chain of Custody, SBP Standard 5: Collection and Communication of Data Instruction, Instruction Document 5E: Collection and Communication of Energy and Carbon Data 1.5

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: https://www.verdo.com/media/9072/verdo-trading-supply-base-report-final-2023-03-06.pdf

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**
☐	☐	☒	☐	☐	☐

2 Description of the Supply Base

2.1 General description

Feedstock types: Primary

Includes Supply Base evaluation (SBE): Yes

Includes REDII: N/A

Includes REDII SBE: N/A

Feedstock origin (countries): Denmark, Estonia, Latvia, Lithuania, Poland

2.2 Description of countries included in the Supply Base

Country: Estonia

Area/Region: All of Estonia

Sub-Scope: N/A

Exclusions: No

Verdo Trading consider all of Estonia as a part of its supply base.
2-3 suppliers cover the Estonian supply base for the time being
Suppliers are either FSC, SBP or PEFC certified.

Forest cover
Currently more than 2,366,000 ha, equal to 52 % of the Estonian land territory, is covered by forest and the share of forest land is growing. About 0.3 mill ha's are planted, 1.1 mill ha is managed natural and 1,0 mill ha is primary forest. The area of protected forests accounts for 25.3 % of the total forest area. The majority of protected forests are located on state property. The main regulation governing the preservation of biodiversity and the sustainable use of natural resources is the Nature Conservation Act.

According to FAO data, during 2000 - 2005, the forested land grew by 29.000 ha. Yearbook Forest 2016, that gives annual reports and facts about the forest in Estonia, state that during last decade the cutting rate in Estonian forests has grown from 4 to 11 mill m³ per year[1]. The amount is in line with sustainable development principle when the cutting rate doesn't exceed the annual increment and gives the potential to meet the long-term economic, social and environmental needs. According to the Yearbook Forest 2016 increment is around 15 mill m³ per year.

For logging in any type of forest, it is required that a valid forest inventory or forest management plan, along with a felling permit issued by the Environmental Board, is available. All issued felling permits and forest inventory data is available in the public forest registry online database.
Management practices
Estonia is a member of the European Union since 2004. The Estonian legislation is in compliance with the EU's legislative framework and directives. National legislative acts make references to the international framework. All legislation is drawn up within a democratic system, subject to free comment by all

stakeholders[2]. The Estonian legislation provides strict outlines in respect to the usage of forestry land and the Estonian Forestry Development Plan 2020[3] has clear objectives and strategies in place to ensure the forestland is protected up to the standards of sustainable forest management techniques. The Ministry of the Environment coordinates the fulfilment of state duties in forestry. The implementation of environmental policies and its supervision are carried out by two separate entities operating under its governance. The Estonian Environmental Board monitors all of the work carried out in Estonia's forests whereas the Environmental Inspectorate exercises supervision in all areas of environmental protection. The forest is defined in the Forest Act. There are three main forest categories described in this legislation: commercial forests, protection forests and protected forests.

Ownership

According to ownership, forests are divided into private forests, municipality forests and state-owned forests. The state-owned forest represents approximately 40% of the total forest area, 43% is privately owned and 17 % has other ownership. For the forests with private ownership 80 % are owned by individual and 20 % by business entities and institutions. State forests are certified according to FSC and PEFC forest management and chain of custody standards in which the indicators related to forest management planning, maps and availability of forest inventory records are being constantly evaluated and addressed. The state forest is managed by State Forest Management Centre (RMK) which is a profitmaking state agency founded on the basis of the Forest Act and its main duty lies in a sustainable and efficient management of state forest.

Socio-economic setting

According to the Forestry Yearbook 2016 the wood, paper and furniture industry (751,1 mill euro) contributed 26,6 % to the total Estonian manufacturing industry providing 4,2% of the total value added. Forestry accounted for 1.1% of the value added.

In Estonia, it is permitted to access natural and cultural landscapes on foot, by bicycle, skis, boat or on horseback. Unmarked and unrestricted private property may be accessed any time to pick berries, mushrooms, medicinal plants, fallen or dried branches, unless the owner forbids it. On unmarked and unrestricted private property camping is allowed for 24 hours. RMK creates exercising and recreational opportunities in nature and in recreational and protection zones and provides education about nature.

Conservation CITES or IUCN species

Estonia

Species traded	Latin	Danish	Cites Status	IUCN classification
Silver Fir	Abies alba	Ædelgran	Not on the list	Least concern (LC)
Caucasian Fir	*Abies nordmanniana*	Nordmannsgran	Not on the list	Least concern (LC)
Noble Fir	*Abies procera*	Nobilis	Not on the list	Least concern (LC)
Common Alder	*Alnus glutinosa*	Rødel	Not on the list	Least concern (LC)
Grey alder	*Alnus incana*	Grå-el	Not on the list	Least concern (LC)
Green Alder	Alnus Alnobetula	Grønel	Not on the list	Least concern (LC)
Silver Birch	Betula pendula	Vortebirk	Not on the list	Least concern (LC)
Downy Birch	*Betula pubescens*	Dunbirk	Not on the list	Least concern (LC)
Hazel	*Corylus avellana*	Hassel	Not on the list	Least concern (LC)

European Beech	*Fagus sylvatica*	Bøg	Not on the list	Least concern (LC) *Near Threantened*
Common Ash	*Fraxinus excelsior*	Ask	Not on the list	Ash dieback disease has been causing severe Ash dieback in central and northern Europe Common Ash is classified as Least Concern in Denmark and Estonia.
Norway Spruce	*Picea abies*	Rødgran	Not on the list	Least concern (LC)
Sitka Spruce	Picea sitchensis	Sitkagran	Not on the list	Least concern (LC)
Willow	*Salix spp*	Pileslægten	Not on the list	Least concern (LC)
Sweet Cherry	*Prunus avium*	Kirsebær	Not on the list	Least concern (LC)
Scots Pine	*Pinus Sylvestris*	Skovfyr	Not on the list	Least concern (LC)
Lodgepole Pine	*Pinus contorta*	Klitfyr	Not on the list	Least concern (LC)
Eurasian Aspen	*Populus tremula*	Bævreasp	Not on the list	Least concern (LC)
European Oak	*Quercus robur*	Stilkeg	Not on the list	Least concern (LC)
Sessile Oak	Quercus petraea	Vintereg	Not on the list	Least concern (LC)
Northern Red Oak	*Quercus rubra*	Rødeg	Not on the list	Least concern (LC)
Maple	Acer pseudoplatanus	Ahorn	Not on the list	Least concern (LC)

Critically endangered, Endangered and vulnerable species in forests in Estonia	Latin	Danish	Cites Status	IUCN classification
Fruchtbares Schlafmoos	Hypnum fertile	-	Not on the list	Critically endangered (CR)
Violet click beetle	Limoniscus violaceus	Violsmælder	Not on the list	Endangered (EN)
European Turtle-dove	*Streptopelia turtur*	Turdeldue	Not on the list	Vulnerable (VU)

Greater Spotted Eagle	*Clanga clanga*	Stor skrigeørn	*On Appendix II list*	Vulnerable (VU)
Rustic Bunting	*Emberiza rustica*	Pileværling	Not on the list	Vulnerable (VU)
Velvet Scoter	*Melanitta fusca*	Fløjlsand	Not on the list	Vulnerable (VU)

Full list for Estonia
https://www.iucnredlist.org/search?landRegions=EE&searchType=species

Country: Latvia

Area/Region: All of Latvia

Sub-Scope: N/A

Exclusions: No

Verdo Trading consider all of Latvia as a part of its supply base.
2-3 suppliers cover the Latvian supply base for the time being
Suppliers are either FSC, SBP or PEFC certified.

Forest cover

Latvia has the fourth highest forest cover among all EU countries, Forests in Latvia take up 3.8 mill ha's of land, or 53 % of the country's territory. Around 50 % of all trees in Latvian forests are deciduous trees, and they dominate the amount of stock volume. The number of stands of young birch trees and white alder has increased rapidly in the past few years. The predominant forest species in Latvia are: Pine 33 %, Birch 30 %, Spruce 19 %, Grey Alder 7 %, Aspen 7 %, Black Alder 3 %, Ash 0.5 %, Oak 0.3 %, Other Species 0.3 %.

Management practices

The forest sector in Latvia is under the supervision of the Ministry of Agriculture. It works with stakeholders to draft forest policies, development strategies for the sector, as well as regulations on forest management, the use of forest resources, environment protection and hunting. The State Forest Service, under the Ministry of Agriculture, is the responsible agency for supervising how the provisions of the laws and regulations are observed in forest management irrespective of the ownership type.
State-owned forests are managed by "Latvian State Forests", which was established in 1999. It implements the state's interests in terms of preserving and increasing the value of the forest and enhancing the contributions of the forest to the national economy.
The interests of private forest owners are represented by the Latvian Forest Owners' Association.
There are management restrictions in 28.2 % of the total forest area in Latvia. This includes areas that are strictly protected from forestry, which cover 3.3 %. Also included are areas with some restrictions on forestry, which cover 10.4 % of the total forest area. In the remaining 14.5 %, other types of management are restricted depending on the values in the forest. Due to the dramatic increase in forest cover in the last 100 years, the current proportion of old-growth forests in Latvia is low as such, a major challenge of forest conservation in Latvia is to ensure that such oldgrowth forests and features are protected and allowed to develop.

Ownership

The Latvian state owns around one-half of the country's forests, while most of the rest of the forest belongs to approximately 135,000 private owners

Socio-economic setting

The forest sector is one of the cornerstones of the national economy at this time. Forestry, wood processing and furniture manufacturing represented 5,1 % of GDP in 2018, while exports amounted to EUR 2,6 billion – 21 % of all exports.

According to the Latvian Ministry of Agriculture, Latvia is a net exporter of forestry industry products.

In 2018 Latvia exported EUR 2.6 billion worth of forest industry products, which was 18% more than in 2017 when exports amounted to EUR 2.2 billion.

The EU is the main trading partner for the Latvian wood sector with an almost 90 percent share of the total Latvian wood export volume. Traditionally, Latvia's largest forestry export markets are the UK, Germany and Sweden. [12]

Currently, the Latvian forest industry directly employs 40,000 people and gives 30,000 more jobs indirectly in such industries as transport services, metal working, education, science, construction, power engineering etc.

Conservation CITES or IUCN species

Latvia

Species traded	Latin	Danish	Cites Status	IUCN classification
Silver Fir	Abies alba	Ædelgran	Not on the list	Least concern (LC)
Caucasian Fir	*Abies nordmanniana*	Nordmannsgran	Not on the list	Least concern (LC)
Noble Fir	*Abies procera*	Nobilis	Not on the list	Least concern (LC)
Common Alder	*Alnus glutinosa*	Rødel	Not on the list	Least concern (LC)
Grey alder	*Alnus incana*	Grå-el	Not on the list	Least concern (LC)
Green Alder	Alnus Alnobetula	Grønel	Not on the list	Least concern (LC)
Silver Birch	Betula pendula	Vortebirk	Not on the list	Least concern (LC)
Downy Birch	*Betula pubescens*	Dunbirk	Not on the list	Least concern (LC)
Hazel	*Corylus avellana*	Hassel	Not on the list	Least concern (LC)
European Beech	*Fagus sylvatica*	Bøg	Not on the list	Least concern (LC) *Near Threantened*
Common Ash	*Fraxinus excelsior*	Ask	Not on the list	Ash dieback disease has been causing severe Ash dieback in central and northern Europe Common Ash is classified as Least Concern in Denmark and Estonia.
Norway Spruce	*Picea abies*	Rødgran	Not on the list	Least concern (LC)

Sitka Spruce	Picea sitchensis	Sitkagran	Not on the list	Least concern (LC)
Willow	*Salix spp*	Pileslægten	Not on the list	Least concern (LC)
Sweet Cherry	*Prunus avium*	Kirsebær	Not on the list	Least concern (LC)
Scots Pine	*Pinus Sylvestris*	Skovfyr	Not on the list	Least concern (LC)
Lodgepole Pine	Pinus contorta	Klitfyr	Not on the list	Least concern (LC)
Eurasian Aspen	*Populus tremula*	Bævreasp	Not on the list	Least concern (LC)
European Oak	*Quercus robur*	Stilkeg	Not on the list	Least concern (LC)
Sessile Oak	Quercus petraea	Vintereg	Not on the list	Least concern (LC)
Northern Red Oak	*Quercus rubra*	Rødeg	Not on the list	Least concern (LC)
Maple	Acer pseudoplatanus	Ahorn	Not on the list	Least concern (LC)

Critically endangered, Endangered and vulnerable species in forests in Latvia	Latin	Danish	Cites Status	IUCN classification
Fruchtbares Schlafmoos	Hypnum fertile	-	Not on the list	Critically endangered (CR)
Oak-wood click beetle	*Ampedus hjorti*	Ege-Skovsmælder	Not on the list	Vulnerable (VU)
European Turtle-dove	*Streptopelia turtur*	Turteldue	Not on the list	Vulverable (VU)
Greater Spotted Eagle	*Clanga clanga*	Stor Skrigeørn	On Appendix II list	Vulverable (VU)
Rustic Bunting	*Emberiza rustica*	Pileværling	Not on the list	Vulverable (VU)
Velvet Scoter	*Melanitta fusca*	Fløjlsand	Not on the list	Vulverable (VU)

Full list for Latvia
https://www.iucnredlist.org/search?landRegions=LV&searchType=species

Country: Lithuania

Area/Region: All of Lithuania

Sub-Scope: N/A

Exclusions: No

Verdo Trading consider all of Lithuania as a part of its supply base.
0-1 suppliers cover the Lithuanian supply base for the time being
Suppliers are either FSC og PEFC certified.

Forest cover
The forested land occupies 33,5 % of the country´s territory or 2,189 mill ha.(FAO estimates the forested land in Lithuania to be 28 %)
The south-eastern part of the country is most heavily forested. Average annual increase in forest area is about 7.000 ha. The huge differences in forest coverage during the last 10 years is explained by insufficient data previously used by Forest Assessment. Occupying 1,145 mill ha, coniferous stands prevail in Lithuania, covering 55.6% of the forest area. They are followed by soft wood deciduous forests (0.841 mill ha, 40.9 %). Hard wood deciduous forests occupy 72,000 ha (3.5 %). Over the last 14 years total area of soft wood deciduous forests increased by 142,700 ha. The area of hard wood deciduous has decreased by 20,400 ha over the last 14 years (mainly due to the mouth of ash woods), and coniferous forest area in last 14 years decreased by 14,900 ha.

Distribution of most common species
• Scots pine (*Pinus sylvestris*) – 34 %
• Norway spruce (*Picea abies*) - 21 %
• Birch (*Betula pendula*) – 22 %
• Black alder (*Alnus glutinosa*) – 8 %
• Grey alder (*Alnus incana*) – 6 %
• Aspen (*Populus tremula*) – 5 %
• Oak (*Quercus robur*) - 2 %
• Ash (*Fraxinus excelsior*) – 1 % (stands diminished by 64.6 % due to disease)
• Other - 1 %

Management practices
All Lithuanian forests are distributed into four functional groups. In the beginning of 2017, distribution of forests by functional groups was as follows: group I (strict nature reserves) – (1.1%); group II (ecosystems protection and recreational forests) (11.9%); group III (protective forests) (14.6%); and group IV (exploitable forests) (72.3%)

Fellings
Over 1990-1995 felling rates in all Lithuanian forests (irrespective of their ownership) were unstable, but still slightly increasing and reached the peak in 1995 with the total of 9.43 mill. m3 of living trees felled. After 1995 felling were decreasing to 7.71 mill. m3 of living trees felled in 1997 and then started to increase again.The highest point over the whole accounting period was reached in 2003 (10.34 mill. m3 of living trees felled) and then started slightly to decrease until 2012 (8.05 mill. m3 of living trees felled). Over the past years, marginal increase in forest felling is observed (9.86 mill. m3 in 2016).
State forest of Lithuania are FSC certified. The audit of this certification confirms the fact that Lithuanian State forests are managed responsibly, in compliance with the requirements of protection and conservation of biodiversity.

Ownership
By 1st January 2017, around a half of all forest land in Lithuania was of specific interest of the state through ownership (stateforest) high preservation and recreational areas. After intersection of layers of all forests and private holdings the estimated area of private forests was 0,9 mill. ha.
Forty two State forest enterprises under subordination of the Ministry of Environment, managed 1.05 mill.

ha of forest land. The number of forest districts during the last year decreased by 2 until 339 with an average

size of 3,200 ha. Property rights, according to the data of State Enterprise Centre of Registers, were registered on 9,600 ha forest land in 2016. The number of private forest owners amounted to almost 250,100, a forest estate averaging 3.4 ha.

Socio-economic setting
The wood processing sector accounts for about 2.0 % of GDP, employing around 32,200 workers or 3.5 % of total employment. 2,257 companies were active in the sector at the beginning of 2016, 99.8 % of them were SME (small and medium sized enterprises).
In 2015 production of the wood processing sector (at current prices excl. taxes) amounted to 973 mill EUR, which was a 10.4 % increase compared to 2014. Around 2/3 of production is exported to more than 90 countries around the world.
The most important export markets for the wood processing sector in 2015 were Germany, followed by Norway, Latvia and the United Kingdom. European Union countries accounted for almost 70 % of exports by the wood processing sector.

Key products
• Sawn timber
• Prefabricated buildings
• Practical boards and board of wood
• Wooden windows and doors
• Flooring panels
• Exterior and interior planks

Conservation CITES or IUCN species

Lithuania

Species traded	Latin	Danish	Cites Status	IUCN classification
Silver Fir	Abies alba	Ædelgran	Not on the list	Least concern (LC)
Caucasian Fir	*Abies nordmanniana*	Nordmannsgran	Not on the list	Least concern (LC)
Noble Fir	*Abies procera*	Nobilis	Not on the list	Least concern (LC)
Common Alder	*Alnus glutinosa*	Rødel	Not on the list	Least concern (LC)
Grey alder	*Alnus incana*	Grå-el	Not on the list	Least concern (LC)
Green Alder	Alnus Alnobetula	Grønel	Not on the list	Least concern (LC)
Silver Birch	Betula pendula	Vortebirk	Not on the list	Least concern (LC)
Downy Birch	*Betula pubescens*	Dunbirk	Not on the list	Least concern (LC)
Hazel	*Corylus avellana*	Hassel	Not on the list	Least concern (LC)
European	*Fagus sylvatica*	Bøg	Not on	Least concern (LC)

Beech			the list	
				Near Threantened
Common Ash	*Fraxinus excelsior*	Ask	Not on the list	Ash dieback disease has been causing severe Ash dieback in central and northern Europe
				Common Ash is classified as Least Concern in Denmark and Estonia.
Norway Spruce	*Picea abies*	Rødgran	Not on the list	Least concern (LC)
Sitka Spruce	Picea sitchensis	Sitkagran	Not on the list	Least concern (LC)
Willow	*Salix spp*	Pileslægten	Not on the list	Least concern (LC)
Sweet Cherry	*Prunus avium*	Kirsebær	Not on the list	Least concern (LC)
Scots Pine	*Pinus Sylvestris*	Skovfyr	Not on the list	Least concern (LC)
Lodgepole Pine	Pinus contorta	Klitfyr	Not on the list	Least concern (LC)
Eurasian Aspen	*Populus tremula*	Bævreasp	Not on the list	Least concern (LC)
European Oak	*Quercus robur*	Stilkeg	Not on the list	Least concern (LC)
Sessile Oak	Quercus petraea	Vintereg	Not on the list	Least concern (LC)
Northern Red Oak	*Quercus rubra*	Rødeg	Not on the list	Least concern (LC)
Maple	Acer pseudoplatanus	Ahorn	Not on the list	Least concern (LC)

Critically endangered, Endangered and vulnerable species in forests in Lithuania	Latin	Danish	Cites Status	IUCN classification
Oak-wood click beetle	*Ampedus hjorti*	Ege-Skovsmælder	Not on the list	Vulnerable (VU)
Eastern Imperial Eagle	*Aquila heliaca*	Kejserørn	Not on the list	Vulnerable (VU)
European Turtle-dove	*Streptopelia turtur*	Turteldue	Not on the list	Vulnerable (VU)
European Bison	*Bison bonasus*	Europæisk Bison	Not on the list	Vulnerable (VU)
Greater Spotted Eagle	*Clanga clanga*	Stor Skrigeø	On Append	Vulverable (VU)

		rn	ix II list	
Velvet Scoter	*Melanitta fusca*	Fløjlsand	Not on the list	Vulverable (VU)

Full list for Lithuania
https://www.iucnredlist.org/search?landRegions=LT&searchType=species

Country: Poland

Area/Region: All of Poland

Sub-Scope: N/A

Exclusions: No

Verdo Trading consider all of Poland as a part of its supply base.
0-1 suppliers cover the Polish supply base for the time being
Suppliers are either FSC, SBP or PEFC certified.

Forest cover

Poland takes the leading position in Europe as far as the forest area is concerned. The forests overgrow 9.1 million hectares which is 29.4% of the territory of Poland. The vast majority of this area are forests owned by the state, out of which almost 7.6 million hectares 83,5 % are under the State Forests Holding management.

The forest cover increased from 21% in the year 1945 to 29.4% at present. From 1995 to 2014 the forest area enlarged by 504 thousand hectares. The basis for the afforestation works in Poland is the National Programme for the Augmentation of Forest Cover with the assumption to increase the forest cover up to 30% in 2020 and up to 33% in 2050. Poland's forests are rich in flora, fauna and fungi; 65% of all species occurring in Poland live there.[1]

Management practices

The size of timber harvest is determined by the forest management plan prepared for each forest district for a 10-year period. It ensures that the size of timber logging is kept not only within the limits of the productive function of forest but it also systematically increases the so called growing stock, ie. timber remaining in the

Management practices

The size of timber harvest is determined by the forest management plan prepared for each forest district for a 10-year period. It ensures that the size of timber logging is kept not only within the limits of the productive function of forest but it also systematically increases the so called growing stock, ie. timber remaining in the forest. To summarize, foresters' management ensures the sustainability of forests and the possibility of their biological reproduction.

In Poland about 55% of the increment is harvested. It is estimated that the current abundance of Polish forests is over 2.4 milliard cubic meters of timber.

Ownership

The vast majority of Polish forests are state forests, of which nearly 7.6 million – 83,5 % hectares is managed by the State Forests Holding. The remaining 16,5 % is privately owned.

Socio-economic setting

Poland maintains rank as world's 10th biggest producer and 4th exporter of furniture. The wood industry exports the commodities of the total annual value accounting for 45 billion PLN, which constitutes 10% of the domestic export. The forestry-wood sector accounts for 2% of the Poland's gross domestic product (GDP). Not only the sector provides jobs to hundreds thousands of people but also it triggers investments

and the development of innovative technology. Since the beginning of political transformation in Poland, the forestry-wood sector attracted foreign capital valued at 30 billion PLN.
The State Forests is one of the top employers in Poland. Moreover, forest and timber provide livelihood to employees of several thousand private industries providing forestry services, who at the commission of the State Forests are planting and tending trees, logging and hauling timer, but most of all the State Forests provides jobs to those employed in tens of thousands companies that constitute timber, furniture and paper industries. All in all, it's about 375 thousand Poles. Statistically one in one hundred citizens of Poland works in sector connected with forestry and wood processing.
Among private industries of the forestry-wood sector there are huge corporations with foreign capital, as well big and medium domestic companies, however, 9 out of 10 entities constitute small businesses that hire less than 10 employees. Usually they are family businesses, that cultivate multigenerational traditions connected with forestry, functioning within less developed regions of the country. In those regions, forestry and timber industry along with agriculture remain the only source of income for hundreds thousands of families. About 60% of all workplaces in the forestry-wood sector is located within rural areas.

Conservation CITES or IUCN species
Poland

Species traded	Latin	Danish	Cites Status	IUCN classification
Silver Fir	Abies alba	Ædelgran	Not on the list	Least concern (LC)
Caucasian Fir	Abies nordmanniana	Nordmannsgran	Not on the list	Least concern (LC)
Noble Fir	*Abies procera*	Nobilis	Not on the list	Least concern (LC)
Common Alder	*Alnus glutinosa*	Rødel	Not on the list	Least concern (LC)
Grey alder	*Alnus incana*	Grå-el	Not on the list	Least concern (LC)
Green Alder	Alnus Alnobetula	Grønel	Not on the list	Least concern (LC)
Silver Birch	Betula pendula	Vortebirk	Not on the list	Least concern (LC)
Downy Birch	*Betula pubescens*	Dunbirk	Not on the list	Least concern (LC)
Hazel	*Corylus avellana*	Hassel	Not on the list	Least concern (LC)
European Beech	*Fagus sylvatica*	Bøg	Not on the list	Least concern (LC)
Common Ash	*Fraxinus excelsior*	Ask	Not on the list	*Near Threantened* Ash dieback disease has been causing severe Ash dieback in central and northern Europe Common Ash is classified as Least Concern in Denmark and Estonia.
Norway Spruce	*Picea abies*	Rødgran	Not on the list	Least concern (LC)
Sitka Spruce	Picea sitchensis	Sitkagran	Not on	Least concern (LC)

			the list	
Willow	*Salix spp*	Pileslægten	Not on the list	Least concern (LC)
Sweet Cherry	*Prunus avium*	Kirsebær	Not on the list	Least concern (LC)
Scots Pine	*Pinus Sylvestris*	Skovfyr	Not on the list	Least concern (LC)
Lodgepole Pine	Pinus contorta	Klitfyr	Not on the list	Least concern (LC)
Eurasian Aspen	*Populus tremula*	Bævreasp	Not on the list	Least concern (LC)
European Oak	*Quercus robur*	Stilkeg	Not on the list	Least concern (LC)
Sessile Oak	Quercus petraea	Vintereg	Not on the list	Least concern (LC)
Northern Red Oak	*Quercus rubra*	Rødeg	Not on the list	Least concern (LC)
Maple	Acer pseudoplatanus	Ahorn	Not on the list	Least concern (LC)

Critically endangered, Endangered and vulnerable species in forests in Poland	Latin	Danish	Cites Status	IUCN classification
Green Ash	Fraxinus pennsylvanica	Rød-ask	Not on the list	Critically endangered (CR)
Fruchtbares Schlafmoos	Hypnum fertile	-	Not on the list	Critically endangered (CR)
Goryczuszka Czeska	*Gentianella bohemica*	-	Not on the list	Vulnerable (VU)
Jack's Scalewort	*Frullania jackii*	-	Not on the list	Vulnerable (VU)
-	Brachythecium geheebii	-	Not on the list	Vulnerable (VU)
Atlas Daisy	*Anacyclus pyrethrum*	Bertram	Not on the list	Vulnerable (VU)
Przytulia Sudecka	*Galium sudeticum*	-	Not on the list	Vulnerable (VU)
European Rabbit	*Oryctolagus cuniculus*	Vildkanin	Not on the list	Endangered (EN)
Oak-wood click beetle	*Ampedus hjorti*	Ege-Skovsmælder	Not on the list	Vulnerable (VU)
Sudeten ringlet	Erebia sudetica	Sudeten-ringlette n	Not on the list	Vulnerable (VU)

-	Anisarthron barbipes	-	Not on the list	Vulnerable (VU)
Eastern Imperial Eagle	*Aquila heliaca*	Kejserørn	Not on the list	Vulnerable (VU)
Violet click beetle	Limoniscus violaceus	Violsmælder	Not on the list	Endangered (EN)
Reddish pointed belly	Pedostrangalia revestita	Rødlig spidsbuk	Not on the list	Vulverable (VU)
European Turtle-dove	*Streptopelia turtur*	Turteldue	Not on the list	Vulverable (VU)
Greater Spotted Eagle	*Clanga clanga*	Stor Skrigeørn	On Appendix II list	Vulverable (VU)
European Bison	*Bison bonasus*	Europæisk Bison	Not on the list	Vulnerable (VU)
Rustic Bunting	*Emberiza rustica*	Pileværling	Not on the list	Vulverable (VU)
-	Mycetochara roubali	-	Not on the list	Vulverable (VU)
-	Corticeus bicoloroides	-		Endangered (EN)
Giant Noctule	*Nyctalus lasiopterus*	Flagermus	Not on the list	Vulnerable (VU)
Velvet Scoter	*Melanitta fusca*	Fløjlsand	Not on the list	Vulverable (VU)
Goldstreifiger	Buprestis splendens	-	Not on the list	Endangered (EN)
-	Ropalopus ungaricus	-	Not on the list	Endangered (EN)
-	Corticeus versipellis	-	Not on the list	Endangered (EN)
-	Pseudogaurotina excellens	-	Not on the list	Endangered (EN)

Full list for Poland
https://www.iucnredlist.org/search?landRegions=PL&searchType=species

Country: Denmark

Area/Region: All of Denmark

Sub-Scope: N/A

Exclusions: No

Verdo Trading considers all of Denmark as part of its supply base.
4-5 suppliers cover the danish supply base for the time being.

Forest cover
The Danish forestcover is estimated to be 625.603 ha or 14,5 pct of the total land area.
The forest area has according to previous statistics increased since 1990, but part of the increase is due to changes in calculation method. Compared to the latest calculation the forest area is fairly unchanged
The largest proportion of forest land is owned by private, approximately 75% (Figure 4), either as individuals or as companies. The public share of the total forest area is about 25%
The land use development from 1851 to 2017 and distribution to forest type can be seen in figure 2 and table 1 below: The forest area has been increasing, but the last decade it has been fairly unchanged.
The percentage of conifers has been increasing until 2000 and after 2000 the area of broadleaf forest has been increasing.
In table 1 the land use distribution of the forests in Denmark is presented. As it can be seen approximately 265,000 ha's have coniferous plantings with a gross annual increment of on average 9,2 m3 and net annual increment of 1,4 m3 / ha

Management practices
In 75 % of the area, the forests are cultivated as evenaged planted, either as generally planted (66 %) or as naturally regenerated under a canopy of seed trees (9 %). (Figure 3)
Only 15 % of the forest area is covered by unevenaged planted forest, of which 5 % of the area is left as actual natural forests where there is no evidence of forest activity. There are only minor differences in the modes of operation practiced for different types of ownership, but it must be expected that in recent years the biodiversity forest and untouched forest (13,800 ha in 2018 as a result of the Nature Package), and cultivation of forests after natural principles, especially in the state forests, will change the spread gradually, as the actions are reflected in the structure of the forest and thus recorded by forest statistics.

There is an old tradition of planting windbreaks in Denmark.
The planting of windbreaks started in the 1880s were the Danish government set aside an annual grant for planting subsidies. From the 1960s the windbreaks where planted with mixtures of several species of trees and shrubs to ensure long-lasting, stable hedge. The mix includes fast-growing trees which provide the first shelter for the crops and the slow-growing species in the fence. The fast-growing species are then removed to make room for the enduring species.
Since then, various subsidies have existed to establish windbreaks.
Today, Denmark is estimated to have some 80,000 km of windbreaks.
The existing windbreaks planted with subsidies must be maintained and it is not allowed to eliminate them.

Ownership
A total of app. 75 % of the forest area is under private ownership while 25 % is managed by public organizations (Figure 4). There are many small forest owners (less than 20 ha), but the main part of the private forest area is owned by larger forest owner >250 ha.

Socio-economic setting
The total employment in forestry is approx. 5,600 people, while 8,500 people are employed in the timber industry. Includeing the associate employment in the furniture industry, the total number is 23,000, but a large part of the raw materials for industry is imported and the share of employment, that is derived from Danish produced wood is not known. Total employment in the forest sector has been constant over a very long period, while declining in the associated industry.

Conservation CITES or IUCN species
Denmark

Species traded	Latin	Danish	Cites Status[1]	IUCN classification[2]
Silver Fir	Abies alba	Ædelgran	Not on the list	Least concern (LC)

Grand Fir	Abies grandis	Kæmpegran	Not on the list	Least concern (LC)
Caucasian Fir	Abies nordmanniana	Nordmannsgran	Not on the list	Least concern (LC)
Noble Fir	*Abies procera*	Nobilis	Not on the list	Least concern (LC)
Maple	Acer pseudoplatanus	Ahorn	Not on the list	Least concern (LC)
Common Alder	*Alnus glutinosa*	Rødel	Not on the list	Least concern (LC)
Grey alder	*Alnus incana*	Grå-el	Not on the list	Least concern (LC)
Green Alder	Alnus Alnobetula	Grønel	Not on the list	Least concern (LC)
Silver Birch	Betula pendula	Vortebirk	Not on the list	Least concern (LC)
Downy Birch	*Betula pubescens*	Dunbirk	Not on the list	Least concern (LC)
Hazel	*Corylus avellana*	Hassel	Not on the list	Least concern (LC)
Mediterranean Cypress	Cupressus sempervirens	Almindelig cypres	Not on the list	Least concern (LC)
European Beech	*Fagus sylvatica*	Bøg	Not on the list	Least concern (LC)
Common Ash	*Fraxinus excelsior*	Ask	Not on the list	*Near Threantened* Ash dieback disease has been causing severe Ash dieback in central and northern Europe Common Ash is classified as Least Concern in Denmark and Estonia.
European Larch	Larix decidua	Europæisk lærk	Not on the list	Least concern (LC)
-	Larix eurolepis	Hybridlærk	Not on the list	*Not on the list*
Japanese Larch	Larix kaempferi	Japansk lærk	Not on the list	Least concern (LC)
Norway Spruce	*Picea abies*	Rødgran	Not on the list	Least concern (LC)
White Spruce	Picea glauca	Hvidgran	Not on the list	Least concern (LC)
Serbian Spruce	Picea omorika	Søjlegran	Not on the list	Endangered (EN)
Sitka Spruce	Picea sitchensis	Sitkagran	Not on the list	Least concern (LC)
Willow	*Salix spp*	Pileslægten	Not on the list	Least concern (LC)
Sweet Cherry	*Prunus avium*	Kirsebær	Not on	Least concern (LC)

			the list	
Scots Pine	*Pinus Sylvestris*	Skovfyr	Not on the list	Least concern (LC)
Dwarf Mountain Pine	Pinus mugo	Bjergfyr	Not on the list	Least concern (LC)
Lodgepole Pine	Pinus contorta	Klitfyr	Not on the list	Least concern (LC)
Eurasian Aspen	*Populus tremula*	Bævreasp	Not on the list	Least concern (LC)
Gray poplar	Populus x canescens	Gråpoppel	Not on the list	-
Douglas-fir	Pseudotsuga menziesii	Grøn douglasgran	Not on the list	Least concern (LC)
European Oak	*Quercus robur*	Stilkeg	Not on the list	Least concern (LC)
Sessile Oak	Quercus petraea	Vintereg	Not on the list	Least concern (LC)
Northern Red Oak	*Quercus rubra*	Rødeg	Not on the list	Least concern (LC)
Northern White Cedar	Thuja occidentalis	Almindelig thuja	Not on the list	Least concern (LC)
Western Red-cedar	Thuja plicata	Kæmpethuja	Not on the list	Least concern (LC)
Western Hemlock	Tsuga heterophylla	Vestamerikansk hemlock	Not on the list	Least concern (LC)

Critically endangered, Endangered and vulnerable species in forests in Denmark	Latin	Danish	Cites Status[3]	IUCN classification[4]
Horse Chestnut	*Aesculus hippocastanum*	Hestekastanje	Not on the list	Vulnerable (VU)
Reddish pointed belly	Pedostrangalia revestita	Rødlig spidsbuk	Not on the list	Vulverable (VU)
Oak-wood click beetle	*Ampedus hjorti*	Ege-Skovsmælder	Not on the list	Vulnerable (VU)
Violet click beetle	Limoniscus violaceus	Violsmælder	Not on the list	Endangered (EN)
Eastern Imperial Eagle	*Aquila heliacal*	Kejserørn	Not on the list	Vulnerable (VU)
European Turtle-dove	*Streptopelia turtur*	Turteldue	Not on the list	Vulverable (VU)
Greater Spotted Eagle	*Clanga clanga*	Stor Skrigeørn	On Appendix II	Vulverable (VU)

			list	
Rustic Bunting	*Emberiza rustica*	Pileværling	Not on the list	Vulverable (VU)
Velvet Scoter	*Melanitta fusca*	Fløjlsand	Not on the list	Vulverable (VU)
European Rabbit	*Oryctolagus cuniculus*	Vildkanin	Not on the list	Endangered (EN)
Full list for Denmark https://www.iucnredlist.org/search?landRegions=DK&searchType=species				

[1] http://checklist.cites.org/#/en
[2] https://www.iucnredlist.org/search
[3] http://checklist.cites.org/#/en
[4] https://www.iucnredlist.org/search?l

2.3 Actions taken to promote certification amongst feedstock supplier

VT promote sustainability certification amongst all it´s suppliers and has been an active partner in the Danish Industry Agreement also within formulation of the requirements which led to the “Alternativ Dokumentation” addressing the specified risks identified for Denmark.
VT requests it suppliers to deliver biomass which is certified according to SBP, FSC, PEFC or “Alternatively Documented” standards and rarely deviate from this request.
In regards to biomass sourcing and trading, it is to Verdo Trading at all times an uncompromised priority to ensure responsible and sustainable sourcing.

2.4 Quantification of the Supply Base

Supply Base

a. **Total Supply Base area (million ha)**: 18.10
b. **Tenure by type (million ha):**6.10 (Privately owned), 11.60 (Public), 0.40 (Community concession)
c. **Forest by type (million ha):**8.40 (Boreal), 9.70 (Temperate)
d. **Forest by management type (million ha):**11.10 (Plantation), 4.30 (Managed natural), 1.00 (Natural)
e. **Certified forest by scheme (million ha):**10.70 (FSC), 10.40 (PEFC)

Describe the harvesting type which best describes how your material is sourced: Mix of the above
Explanation: These are ordinary healthy forests that operate acccordingly to general forestry principles
Was the forest in the Supply Base managed for a purpose other than for energy markets? Yes - Majority
Explanation: These are ordinary healthy forests that operate acccordingly to general forestry principles

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: These are ordinary healthy forests that operate acccordingly to general forestry principles

Was the feedstock used in the biomass removed from a forest as part of a pest/disease control measure or a salvage operation? No
Explanation: These are ordinary healthy forests that operate acccordingly to general forestry principles

What is the estimated amount of REDII-compliant sustainable feedstock that could be harvested annually in a Supply Base (estimated): N/A
Explanation:N/A

Feedstock

Reporting period from: 01 Jan 2023

Reporting period to: 31 Dec 2023

a. **Total volume of Feedstock**: 0 N/A
b. **Volume of primary feedstoc**k: 0 N/A
c. **List percentage of primary feedstock, by the following categories.**
    - Certified to an SBP-approved Forest Management Scheme: N/A
    - Not certified to an SBP-approved Forest Management Scheme: N/A
d. **List of all the species in primary feedstock, including scientific name:** N/A (N/A);
e. **Is any of the feedstock used likely to have come from protected or threatened species?** N/A
    - Name of species: N/A
    - Biomass proportion, by weight, that is likely to be composed of that species (%):
f. **Hardwood (i.e. broadleaf trees): specify proportion of biomass from (%):**
g. **Softwood (i.e. coniferous trees): specify proportion of biomass from (%):**
h. **Proportion of biomass composed of or derived from saw logs (%):**
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 (%):**
k. **Volume of primary feedstock from primary forest:** N/A
l. **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: N/A
    - Primary feedstock from primary forest not certified to an SBP-approved Forest Management Scheme: N/A
m. **Volume of secondary feedstock**: 0 N/A
    - Physical form of the feedstock:
n. **Volume of tertiary feedstock**: 0 N/A
    - Physical form of the feedstock:
o. **Estimated amount of REDII-compliant sustainable feedstock that could be collected annually by the BP:** 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	0.00	100.00	0.00	0.00
Secondary	0.00	0.00	0.00	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

Note: Annex 1 is generated by the system if the SBE is used without Region Risk Assessment(s). Annex 2 is generated if RED II SBE is in the scope.

Is Supply Base Evaluation (SBE) is completed? Yes

As Verdo Trading sources most of its Danish feedstock from non-certified forests, the Danish supply base has been evaluated.<o:p></o:p> All feedstock from the supply bases Estonia, Latvia, Lithuania and Poland will be received with 100% PEFC certified or FSC 100% claims from forests and traders, therefore supplies from these countries are excluded from a SBE according to Standard 2, section 8.2.

Is REDII SBE completed? N/A

N/A

4 Supply Base Evaluation

Note: Annex 2 is generated if RED II is in the scope.

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:
2.1.1 Forests and other areas with high conservation values in the Supply Base are 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:
2.1.2 Potential threats to forests and other areas with high conservation values from forest management activities are 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:
2.2.3 Key ecosystems and habitats are conserved or set aside in their natural state.

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:
2.2.4 Biodiversity is protected.

4.2 Justification

As stated in description of the scope of this Supply Base Evaluation it is based on the SBP standards and the purpose by it, is to define, evaluate and where necessary mitigate the risks identified within the Supply Base by including the SBP endorsed Regional Risk Assessment for Denmark. The majority of the private Danish forests do not hold a SBP-approved Forest Management Scheme, all state ownedforests holds an SBP-approved Forest Management Scheme. VT source the majority of its Danish feedstock from private forest estates. All sourcing in Denmark is based on suppliers having been evaluated for the “Alternativ Dokumentation” or suppliers holding SBP, PEFC or FSC certification

4.3 Results of risk assessment and Supplier Verification Programme

VT has defined, described and implemented mitigation measures for the four indicators via suppliers being evaluated against the system for “Atlernative Documentation”. Based on the National Risk Assessment, VT concluded that the supply base can be divided into the following sourcing types: 1. Primary feedstock from FSC or PEFC certified forests 2. Primary feedstock from forests with a green management plan 3. Primary feedstock from even-aged stands of non-native coniferous trees 4. Primary feedstock from thinnings of first generation forest estates 5. Primary feedstock from unevenaged forest stands or stands of broadleaved trees¬ 6. Primary feedstock from windbreaks, non-¬forest areas such as city and park areas, nature projects

4.4 Conclusion

VT has defined the part of its Supply Base which needs to undergo an evaluation. Furthermore there has been a Risk Assessment – a definition, evaluation of Risks and description of specified risks and adequate mitigating measures to minimise the specified risks definded by the SBP endorsed Regional Risk Assessment for Denmark. Finally VT has developed and implemented a programme, with a checklist for evaluation and screening of its suppliers. By the fact that the feedstock sourced by VT is either under the scope of already evaluated and approved “Godkendt Biomasse Producent “ or of a FSC, PEFC or SBP certificate, VT concludes to have a well prepared and strong system for assuring compliance with the SBP standards. The distance to the forests by the fact that VT does not own forests or have its own forest management however constituetes a weakness This calls for thorough an continuesly control and evaluation of the system of the suppliers but not least this of VT. This process is though strengthened by the fact that VT has had a close collaboration with the suppliers for several years.

5 Supply Base Evaluation process

VT has adobted the SBP Endorsed Regional Risk Assessment for Denmark for this SBE
Under the scope of its SBE – the Danish Supply Base, VT only source feedstock from suppliers with a SBP-approved Forest Management Scheme or suppliers evaluated under the requirements of “Alternativ Documentation” and referred to as “Godkendt Biomass Producent”. It is specifically emphesized in all contracts signed with Danish producers, that, if material is not delivered with a FSC or PEFC claim, they have to comply with the requirements of Alternative Documentation, and thus have procedures in place to ensure applicable risk mitigation. As for these “Godkendt Biomasse Producent”, VT will monitor and screen their compliance with the requirements on risk mitigation in relations to any identified risks.
In any case, VT will sample, monitor and screen material produced in its Supply Base according to the SBP Feedstock Monitoring Program.The SBP Feedstock Monitoring Programme is described in section 9 of this SBR.
In house competences:
Benny Corneliusen:
Forest and Landscape Engineer and former Forest Estate Manager.
Main Responsible for VT Sustainability Certificates and responsible for national and international sourcing of sustainable wood.
Line Risgaard Mortensen:
Responsible for Sustainability – Certificates, procedures and documentation at Verdo Trading A/S.
External competences:
Anders Bjørnkjær-Nielsen:
Master of Science in Forest Management (2001) and a Graduate Diploma in Financial Accounting (2010). Since 2016 he has been the founder and co-owner of B4Trees a socio-economic company based in Denmark and Burkina Faso, specialized in assisting companies with FSC / PEFC / SBP certification and trade in food and cosmetic oils from West African trees.

6 Stakeholder consultation

This Supply Base Report is presentet in VT web site www.Verdo.com

Danmarks Naturfredningsforening (Danish Society for Nature Conservation)	Nora Skjernaa Hansen	nsh@dn.dk
FSC Danmark	Søren Dürr Grue	s.grue@dk.fsc.org
Verdens Skove (Forests of the World)	General contact email	info@verdensskove.org
WWF	Thor Hjarsen	t.hjarsen@wwf.dk
Copenhagen University	Vivian Kvist Johansen	vkj@ign.ku.dk
PEFC Danmark	Morten Thorøe	mt@pefc.dk
Dansk Energi (Danish Energy)	Kristine van het Erve Grunnet	keg@danskenergi.dk
Dansk Fjernvarme (Danish District Heating Association)	Maria Dahl Hedegaard	mh@danskfjernvarme.dk
Dansk Skovforening (Danish Forest Association)	Hans Maltha Hedegaard	hmh@skovforeningen.dk
Energistyrelsen (Danish Energy Agency)	Lars Martin Jensen	lamj@ens.dk
Ørsted	Peter Kofod Kristensen	pekkr@orsted.dk
HOFOR	Sune Balle Hansen	subh@hofor.dk
Friluftsrådet (National Federation of Outdoor Recreation)	Jakob Arendrup Nielsen	jni@friluftsraadet.dk
BAT Kartellet	Gunde Odgaard	gunde.odgaard@batkartellet.dk
Naturstyrelsen (Danish Nature Agency)	General contact email	nst@nst.dk
Silkeborg Kommune – Teknik og miljøafdelingen	General contact email	kommunen@silkeborg.dk
Viborg Kommune – Teknik og Miljø	General contact email	naturogvand@viborg.dk
Syddjurs Kommune – Teknik og Miljø	General contact email	syddjurs@syddjurs.dk
Norddjurs Kommune – Teknik og Miljø	General contact email	norddjurs@norddjurs.dk
Skanderborg Kommune – Teknik og Miljø	Hans Brok-Brandi	Hans.brok-brandi@skanderborg.dk

6.1 Response to stakeholder comments

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:
2.1.1 Forests and other areas with high conservation values in the Supply Base are identified and mapped.

Mitigation measure:
Introductory remarks:
As for material sourced originating from the Danish part of its Supply Base (where SBE is performed), VT only source material that comes with a fully applicable claim from a SBP-approved Forest Management Scheme, OR alternatively from suppliers who on an individual basis have been evaluated positively for the "Alternativ Dokumentation" evaluation or suppliers who are part of the group "Godkendt Biomasseproducent" and also have been evaluated according to the "Alternativ Dokumentation" evaluation by NEPCon.
In any case, VT will sample, monitor and screen material produced in the Danish part of its Supply Base according to the SBP Feedstock Monitoring Program as described in section 5:
VT´s mitigation measures are based on the finding that, the mitigation measures for compliance with "Alternativ Dokumentation" evaluation are identical with the mitigation measures for the specified risks identified in the RRA for Denmark[1]. Therefore, when suppliers evaluated for the "Alternativ Dokumentation" evaluation have implemented procedures in order to identify specified risk and to mitigate any such risks, then the material can be categorized as SBP compliant. If suppliers are not able to mitigate the risk for any part of the biomass, then it will not be categorized as SBP compliant.
VT will follow the developments in the RRA for Denmark and the procedures developed for "Alternativ Dokumentation"/"Godkendt biomasseproducent" in order to assure that its suppliers fully mitigate the specified risks identified. When the RRA for Denmark is updated, VT will assure that updates are implemented in the "Alternativ Dokumentation"/"Godkendt biomasseproduce" evaluations.
Suppliers delivering feedstock which is categorized as SBP compliant will be monitored strictly by VT "SBP biomass monitoring program.
The "SBP Feedstock monitoring program" is controlled by Benny Corneliussen.
Risk assessment
In all new biomass projects the areas on which biomass is harvested will be screened according to the following indicators: 2.1.1, 2.1.2, 2.2.3 and 2.2.4 where a specified risk has been identified. The risk assessment is based on available map material and databases as well as a review of the area before startup. A map and checklist is prepared for each job to ensure that the machine operator is aware of protected or preserved nature/culture.
The risk assessment is divided into six categories:
1. Primary feedstock from FSC or PEFC certified forests - **always low risk**
2. Primary feedstock from forests with a green management plan - **specified risk**
3. Primary feedstock from even-aged stands of non-native coniferous trees- **always low risk**
4. Primary feedstock from thinnings of first generation forest estates - **always low risk**
5. Primary feedstock from unevenaged forest stands or stands of broadleaved trees **specified risk**

6. Primary feedstock from windbreaks, non-forest areas such as city and park areas, nature projects - **always low risk**

The risk assessment is carried out by the supplier. If a specified risk is identified then an assessment performed by a forester/biologist/graduate in forestry will be conducted. The forester/biologist/graduate shall be familiar with identifying key biotopes according to the key biotope type catalogue or similar.

Risk handling

VT contractually agrees with all suppliers that:

- They have a valid evaluation for “Alternativ Dokumentation” or are “Godkendt biomasseproducent”
- They have implemented the system and procedures effectively in their organization
- All biomass delivered to VT will be mitigated to “low-risk” according to the requirements in “Alternativ Dokumentation” or “Godkendt biomasseproducent”

Further VT contractually agrees with suppliers that:

- Staff carrying out screenings and planning of the projects are familiar with applicable nature and environment legislation.
- Activities are planned to minimize the negative effect on ecosystems, biodiversity and areas worth preserving.
- Areas where wood chips are harvested must be examined before startup by a physical review and must be mapped.
- All procedures shall be explained in the suppliers manuals.
- A map will be prepared for each wood chip project, with identification of origin of the wood chips to the location of the tree stump. If maps have been prepared in connection with certification or a green management plan, these maps must be used in the process in order to ensure HCV areas.

o When the work area is located in a forest, it will be screened according to the checklist in the suppliers manual

o If the project consists of thinning in an afforestation or thinning and clearfelling of even-aged stands of non-native coniferous trees, screening may be omitted. Legality must be ensured.

o If the work area is located outside a forest, screening may be omitted. Legality must be ensured.

o Each wood chip project is given a unique case number and address which also appear on the project description, weighing forms and basis of settlement. Ensure traceability.

o Each wood chip project has a checklist with relevant information. Ensure excellent communication between the various parties in the work process and note down all relevant data which the machine operator needs.

- In order to identify areas with high natural values during the work, machine operators working with woodchip production in the forest are encouraged to be trained in “Operation of machines in areas close to nature”.

SBP Feedstock monitoring program

The following rules / mechanisms defines the methodology and frequency of Projects selected for On-Site monitoring for each Supplier:

When starting up a new supplier, the following Feedstock monitoring program will apply for each individual supplier:

1.0

100% of Invoices will be checked by receipt against applicable information and documentation

2.0

Whatever number is the highest are chosen for a field visit and on-site check:

Every 5th project – equivalent to 20% of all projects,

OR the square root of total number of projects

If a discrepancy is found during a field visit, the frequency of projects chosen for on-site field visits will increase to whatever number is the highest:

Every 3rd project – equivalent to approx. 30% of all projects,

OR the square root of total number of projects

If discrepancies continue, the supplier is advised to consult it´s certification body/certification group leader for clarification of the issues leading to discrepancies. Meanwhile VT increase sampling to up to 100% depending on the issue.

VT will share and communicate its findings about discrepancies as well as about good and functional mitigation programs with the individual supplier.
Supplies with discrepancies not concluding low-risk will be rejected as non-compliant due to a major default as per contract.
3.0
By the end of every month, the number of month, AND the number of projects delivered since start-up, or since last discrepancy (if any) found during a field visit, will be calculated and the sample frequency to apply will be decided in accordance to the following options 3.a or 3.b:
3.a
When no discrepancy has been registered during a field visit for a period of 6 month, the frequency of projects chosen for on-site field visits will be whatever number is the highest:
Every 5th project – equivalent to 20% of all projects,
OR the square root of total number of projects
3.b
When no discrepancy has been registered during a field visit for a period of 12 month, the frequency of projects chosen for on-site field visits will be the square root[2] of the total number of projects delivered since start-up, or since last discrepancy (if any) found during a field visit.
A report for each supplier covering the projects monitored shall present findings, conclusions and corrective actions agreed upon with the supplier.
VT will assure compliance with updated requirements from the SBP and keep up to date if changes should occur, that has impact on and relevance for this Supply Base Evaluation.
VT itself has been responsible for the preparation of SBE in close cooperation with external consultant.

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:
2.1.2 Potential threats to forests and other areas with high conservation values from forest management activities are identified and addressed.

Mitigation measure:
Introductory remarks:
As for material sourced originating from the Danish part of its Supply Base (where SBE is performed), VT only source material that comes with a fully applicable claim from a SBP-approved Forest Management Scheme, OR alternatively from suppliers who on an individual basis have been evaluated positively for the “Alternativ Dokumentation” evaluation or suppliers who are part of the group “Godkendt Biomasseproducent” and also have been evaluated according to the “Alternativ Dokumentation” evaluation by NEPCon.
In any case, VT will sample, monitor and screen material produced in the Danish part of its Supply Base according to the SBP Feedstock Monitoring Program as described in section 5:
VT´s mitigation measures are based on the finding that, the mitigation measures for compliance with “Alternativ Dokumentation” evaluation are identical with the mitigation measures for the specified risks identified in the RRA for Denmark[1]. Therefore, when suppliers evaluated for the “Alternativ Dokumentation” evaluation have implemented procedures in order to identify specified risk and to mitigate any such risks, then the material can be categorized as SBP compliant. If suppliers are not able to mitigate the risk for any part of the biomass, then it will not be categorized as SBP compliant.
VT will follow the developments in the RRA for Denmark and the procedures developed for “Alternativ Dokumentation”/”Godkendt biomasseproducent” in order to assure that its suppliers fully mitigate the specified risks identified. When the RRA for Denmark is updated, VT will assure that updates are implemented in the “Alternativ Dokumentation”/”Godkendt biomasseproduce” evaluations.

Suppliers delivering feedstock which is categorized as SBP compliant will be monitored strictly by VT “SBP biomass monitoring program.
The “SBP Feedstock monitoring program” is controlled by Benny Corneliussen.

Risk assessment

In all new biomass projects the areas on which biomass is harvested will be screened according to the following indicators: 2.1.1, 2.1.2, 2.2.3 and 2.2.4 where a specified risk has been identified. The risk assessment is based on available map material and databases as well as a review of the area before startup. A map and checklist is prepared for each job to ensure that the machine operator is aware of protected or preserved nature/culture.
The risk assessment is divided into six categories:

1. Primary feedstock from FSC or PEFC certified forests - **always low risk**
2. Primary feedstock from forests with a green management plan - **specified risk**
3. Primary feedstock from even-aged stands of non-native coniferous trees- **always low risk**
4. Primary feedstock from thinnings of first generation forest estates - **always low risk**
5. Primary feedstock from unevenaged forest stands or stands of broadleaved trees **specified risk**
6. Primary feedstock from windbreaks, non-forest areas such as city and park areas, nature projects - **always low risk**

The risk assessment is carried out by the supplier. If a specified risk is identified then an assessment performed by a forester/biologist/graduate in forestry will be conducted. The forester/biologist/graduate shall be familiar with identifying key biotopes according to the key biotope type catalogue or similar.

Risk handling

VT contractually agrees with all suppliers that:

- They have a valid evaluation for “Alternativ Dokumentation” or are “Godkendt biomasseproducent”
- They have implemented the system and procedures effectively in their organization
- All biomass delivered to VT will be mitigated to “low-risk” according to the requirements in “Alternativ Dokumentation” or “Godkendt biomasseproducent”

Further VT contractually agrees with suppliers that:

- Staff carrying out screenings and planning of the projects are familiar with applicable nature and environment legislation.
- Activities are planned to minimize the negative effect on ecosystems, biodiversity and areas worth preserving.
- Areas where wood chips are harvested must be examined before startup by a physical review and must be mapped.
- All procedures shall be explained in the suppliers manuals.
- A map will be prepared for each wood chip project, with identification of origin of the wood chips to the location of the tree stump. If maps have been prepared in connection with certification or a green management plan, these maps must be used in the process in order to ensure HCV areas.

o When the work area is located in a forest, it will be screened according to the checklist in the suppliers manual
o If the project consists of thinning in an afforestation or thinning and clearfelling of even-aged stands of non-native coniferous trees, screening may be omitted. Legality must be ensured.
o If the work area is located outside a forest, screening may be omitted. Legality must be ensured.
o Each wood chip project is given a unique case number and address which also appear on the project description, weighing forms and basis of settlement. Ensure traceability.
o Each wood chip project has a checklist with relevant information. Ensure excellent communication between the various parties in the work process and note down all relevant data which the machine operator needs.

- In order to identify areas with high natural values during the work, machine operators working with woodchip production in the forest are encouraged to be trained in “Operation of machines in areas close to nature”.

SBP Feedstock monitoring program

The following rules / mechanisms defines the methodology and frequency of Projects selected for On-Site monitoring for each Supplier:

When starting up a new supplier, the following Feedstock monitoring program will apply for each individual supplier:
1.0
100% of Invoices will be checked by receipt against applicable information and documentation
2.0
Whatever number is the highest are chosen for a field visit and on-site check:
Every 5th project – equivalent to 20% of all projects,
OR the square root of total number of projects
If a discrepancy is found during a field visit, the frequency of projects chosen for on-site field visits will increase to whatever number is the highest:
Every 3rd project – equivalent to approx. 30% of all projects,
OR the square root of total number of projects
If discrepancies continue, the supplier is advised to consult it´s certification body/certification group leader for clarification of the issues leading to discrepancies. Meanwhile VT increase sampling to up to 100% depending on the issue.
VT will share and communicate its findings about discrepancies as well as about good and functional mitigation programs with the individual supplier.
Supplies with discrepancies not concluding low-risk will be rejected as non-compliant due to a major default as per contract.
3.0
By the end of every month, the number of month, AND the number of projects delivered since start-up, or since last discrepancy (if any) found during a field visit, will be calculated and the sample frequency to apply will be decided in accordance to the following options 3.a or 3.b:
3.a
When no discrepancy has been registered during a field visit for a period of 6 month, the frequency of projects chosen for on-site field visits will be whatever number is the highest:
Every 5th project – equivalent to 20% of all projects,
OR the square root of total number of projects
3.b
When no discrepancy has been registered during a field visit for a period of 12 month, the frequency of projects chosen for on-site field visits will be the square root[2] of the total number of projects delivered since start-up, or since last discrepancy (if any) found during a field visit.
A report for each supplier covering the projects monitored shall present findings, conclusions and corrective actions agreed upon with the supplier.
VT will assure compliance with updated requirements from the SBP and keep up to date if changes should occur, that has impact on and relevance for this Supply Base Evaluation.
VT itself has been responsible for the preparation of SBE in close cooperation with external consultant.

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:
2.2.3 Key ecosystems and habitats are conserved or set aside in their natural state.

Mitigation measure:
Introductory remarks:
As for material sourced originating from the Danish part of its Supply Base (where SBE is performed), VT only source material that comes with a fully applicable claim from a SBP-approved Forest Management Scheme, OR alternatively from suppliers who on an individual basis have been evaluated positively for the “Alternativ Dokumentation” evaluation or suppliers who are part of the group “Godkendt Biomasseproducent” and also have been evaluated according to the “Alternativ Dokumentation” evaluation

by NEPCon.
In any case, VT will sample, monitor and screen material produced in the Danish part of its Supply Base according to the SBP Feedstock Monitoring Program as described in section 5:
VT´s mitigation measures are based on the finding that, the mitigation measures for compliance with "Alternativ Dokumentation" evaluation are identical with the mitigation measures for the specified risks identified in the RRA for Denmark[1]. Therefore, when suppliers evaluated for the "Alternativ Dokumentation" evaluation have implemented procedures in order to identify specified risk and to mitigate any such risks, then the material can be categorized as SBP compliant. If suppliers are not able to mitigate the risk for any part of the biomass, then it will not be categorized as SBP compliant.
VT will follow the developments in the RRA for Denmark and the procedures developed for "Alternativ Dokumentation"/"Godkendt biomasseproducent" in order to assure that its suppliers fully mitigate the specified risks identified. When the RRA for Denmark is updated, VT will assure that updates are implemented in the "Alternativ Dokumentation"/"Godkendt biomasseproduce" evaluations.
Suppliers delivering feedstock which is categorized as SBP compliant will be monitored strictly by VT "SBP biomass monitoring program.
The "SBP Feedstock monitoring program" is controlled by Benny Corneliussen.

Risk assessment

In all new biomass projects the areas on which biomass is harvested will be screened according to the following indicators: 2.1.1, 2.1.2, 2.2.3 and 2.2.4 where a specified risk has been identified. The risk assessment is based on available map material and databases as well as a review of the area before startup. A map and checklist is prepared for each job to ensure that the machine operator is aware of protected or preserved nature/culture.
The risk assessment is divided into six categories:
1. Primary feedstock from FSC or PEFC certified forests - **always low risk**
2. Primary feedstock from forests with a green management plan - **specified risk**
3. Primary feedstock from even-aged stands of non-native coniferous trees- **always low risk**
4. Primary feedstock from thinnings of first generation forest estates - **always low risk**
5. Primary feedstock from unevenaged forest stands or stands of broadleaved trees **specified risk**
6. Primary feedstock from windbreaks, non-forest areas such as city and park areas, nature projects - **always low risk**

The risk assessment is carried out by the supplier. If a specified risk is identified then an assessment performed by a forester/biologist/graduate in forestry will be conducted. The forester/biologist/graduate shall be familiar with identifying key biotopes according to the key biotope type catalogue or similar.

Risk handling

VT contractually agrees with all suppliers that:
- They have a valid evaluation for "Alternativ Dokumentation" or are "Godkendt biomasseproducent"
- They have implemented the system and procedures effectively in their organization
- All biomass delivered to VT will be mitigated to "low-risk" according to the requirements in "Alternativ Dokumentation" or "Godkendt biomasseproducent"

Further VT contractually agrees with suppliers that:
- Staff carrying out screenings and planning of the projects are familiar with applicable nature and environment legislation.
- Activities are planned to minimize the negative effect on ecosystems, biodiversity and areas worth preserving.
- Areas where wood chips are harvested must be examined before startup by a physical review and must be mapped.
- All procedures shall be explained in the suppliers manuals.
- A map will be prepared for each wood chip project, with identification of origin of the wood chips to the location of the tree stump. If maps have been prepared in connection with certification or a green management plan, these maps must be used in the process in order to ensure HCV areas.

o When the work area is located in a forest, it will be screened according to the checklist in the suppliers manual
o If the project consists of thinning in an afforestation or thinning and clearfelling of even-aged stands of non-native coniferous trees, screening may be omitted. Legality must be ensured.

o If the work area is located outside a forest, screening may be omitted. Legality must be ensured.
o Each wood chip project is given a unique case number and address which also appear on the project description, weighing forms and basis of settlement. Ensure traceability.
o Each wood chip project has a checklist with relevant information. Ensure excellent communication between the various parties in the work process and note down all relevant data which the machine operator needs.
- In order to identify areas with high natural values during the work, machine operators working with woodchip production in the forest are encouraged to be trained in “Operation of machines in areas close to nature”.

SBP Feedstock monitoring program

The following rules / mechanisms defines the methodology and frequency of Projects selected for On-Site monitoring for each Supplier:
When starting up a new supplier, the following Feedstock monitoring program will apply for each individual supplier:
1.0
100% of Invoices will be checked by receipt against applicable information and documentation
2.0
Whatever number is the highest are chosen for a field visit and on-site check:
Every 5th project – equivalent to 20% of all projects,
OR the square root of total number of projects
If a discrepancy is found during a field visit, the frequency of projects chosen for on-site field visits will increase to whatever number is the highest:
Every 3rd project – equivalent to approx. 30% of all projects,
OR the square root of total number of projects
If discrepancies continue, the supplier is advised to consult it´s certification body/certification group leader for clarification of the issues leading to discrepancies. Meanwhile VT increase sampling to up to 100% depending on the issue.
VT will share and communicate its findings about discrepancies as well as about good and functional mitigation programs with the individual supplier.
Supplies with discrepancies not concluding low-risk will be rejected as non-compliant due to a major default as per contract.
3.0
By the end of every month, the number of month, AND the number of projects delivered since start-up, or since last discrepancy (if any) found during a field visit, will be calculated and the sample frequency to apply will be decided in accordance to the following options 3.a or 3.b:
3.a
When no discrepancy has been registered during a field visit for a period of 6 month, the frequency of projects chosen for on-site field visits will be whatever number is the highest:
Every 5th project – equivalent to 20% of all projects,
OR the square root of total number of projects
3.b
When no discrepancy has been registered during a field visit for a period of 12 month, the frequency of projects chosen for on-site field visits will be the square root[2] of the total number of projects delivered since start-up, or since last discrepancy (if any) found during a field visit.
A report for each supplier covering the projects monitored shall present findings, conclusions and corrective actions agreed upon with the supplier.

VT will assure compliance with updated requirements from the SBP and keep up to date if changes should occur, that has impact on and relevance for this Supply Base Evaluation.
VT itself has been responsible for the preparation of SBE in close cooperation with external consultant.

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:
2.2.4 Biodiversity is protected.

Mitigation measure:
Introductory remarks:
As for material sourced originating from the Danish part of its Supply Base (where SBE is performed), VT only source material that comes with a fully applicable claim from a SBP-approved Forest Management Scheme, OR alternatively from suppliers who on an individual basis have been evaluated positively for the "Alternativ Dokumentation" evaluation or suppliers who are part of the group "Godkendt Biomasseproducent" and also have been evaluated according to the "Alternativ Dokumentation" evaluation by NEPCon.
In any case, VT will sample, monitor and screen material produced in the Danish part of its Supply Base according to the SBP Feedstock Monitoring Program as described in section 5:
VT´s mitigation measures are based on the finding that, the mitigation measures for compliance with "Alternativ Dokumentation" evaluation are identical with the mitigation measures for the specified risks identified in the RRA for Denmark[1]. Therefore, when suppliers evaluated for the "Alternativ Dokumentation" evaluation have implemented procedures in order to identify specified risk and to mitigate any such risks, then the material can be categorized as SBP compliant. If suppliers are not able to mitigate the risk for any part of the biomass, then it will not be categorized as SBP compliant.
VT will follow the developments in the RRA for Denmark and the procedures developed for "Alternativ Dokumentation"/"Godkendt biomasseproducent" in order to assure that its suppliers fully mitigate the specified risks identified. When the RRA for Denmark is updated, VT will assure that updates are implemented in the "Alternativ Dokumentation"/"Godkendt biomasseproduce" evaluations.
Suppliers delivering feedstock which is categorized as SBP compliant will be monitored strictly by VT "SBP biomass monitoring program.
The "SBP Feedstock monitoring program" is controlled by Benny Corneliussen.
Risk assessment
In all new biomass projects the areas on which biomass is harvested will be screened according to the following indicators: 2.1.1, 2.1.2, 2.2.3 and 2.2.4 where a specified risk has been identified. The risk assessment is based on available map material and databases as well as a review of the area before startup. A map and checklist is prepared for each job to ensure that the machine operator is aware of protected or preserved nature/culture.
The risk assessment is divided into six categories:
1. Primary feedstock from FSC or PEFC certified forests - **always low risk**
2. Primary feedstock from forests with a green management plan - **specified risk**
3. Primary feedstock from even-aged stands of non-native coniferous trees- **always low risk**
4. Primary feedstock from thinnings of first generation forest estates - **always low risk**
5. Primary feedstock from unevenaged forest stands or stands of broadleaved trees **specified risk**
6. Primary feedstock from windbreaks, non-forest areas such as city and park areas, nature projects - **always low risk**

The risk assessment is carried out by the supplier. If a specified risk is identified then an assessment performed by a forester/biologist/graduate in forestry will be conducted. The forester/biologist/graduate shall be familiar with identifying key biotopes according to the key biotope type catalogue or similar.
Risk handling
VT contractually agrees with all suppliers that:
- They have a valid evaluation for "Alternativ Dokumentation" or are "Godkendt biomasseproducent"
- They have implemented the system and procedures effectively in their organization
- All biomass delivered to VT will be mitigated to "low-risk" according to the requirements in "Alternativ Dokumentation" or "Godkendt biomasseproducent"

Further VT contractually agrees with suppliers that:

- Staff carrying out screenings and planning of the projects are familiar with applicable nature and environment legislation.
- Activities are planned to minimize the negative effect on ecosystems, biodiversity and areas worth preserving.
- Areas where wood chips are harvested must be examined before startup by a physical review and must be mapped.
- All procedures shall be explained in the suppliers manuals.
- A map will be prepared for each wood chip project, with identification of origin of the wood chips to the location of the tree stump. If maps have been prepared in connection with certification or a green management plan, these maps must be used in the process in order to ensure HCV areas.

o When the work area is located in a forest, it will be screened according to the checklist in the suppliers manual

o If the project consists of thinning in an afforestation or thinning and clearfelling of even-aged stands of non-native coniferous trees, screening may be omitted. Legality must be ensured.

o If the work area is located outside a forest, screening may be omitted. Legality must be ensured.

o Each wood chip project is given a unique case number and address which also appear on the project description, weighing forms and basis of settlement. Ensure traceability.

o Each wood chip project has a checklist with relevant information. Ensure excellent communication between the various parties in the work process and note down all relevant data which the machine operator needs.

- In order to identify areas with high natural values during the work, machine operators working with woodchip production in the forest are encouraged to be trained in “Operation of machines in areas close to nature”.

SBP Feedstock monitoring program

The following rules / mechanisms defines the methodology and frequency of Projects selected for On-Site monitoring for each Supplier:

When starting up a new supplier, the following Feedstock monitoring program will apply for each individual supplier:

1.0

100% of Invoices will be checked by receipt against applicable information and documentation

2.0

Whatever number is the highest are chosen for a field visit and on-site check:

Every 5th project – equivalent to 20% of all projects,

OR the square root of total number of projects

If a discrepancy is found during a field visit, the frequency of projects chosen for on-site field visits will increase to whatever number is the highest:

Every 3rd project – equivalent to approx. 30% of all projects,

OR the square root of total number of projects

If discrepancies continue, the supplier is advised to consult it´s certification body/certification group leader for clarification of the issues leading to discrepancies. Meanwhile VT increase sampling to up to 100% depending on the issue.

VT will share and communicate its findings about discrepancies as well as about good and functional mitigation programs with the individual supplier.

Supplies with discrepancies not concluding low-risk will be rejected as non-compliant due to a major default as per contract.

3.0

By the end of every month, the number of month, AND the number of projects delivered since start-up, or since last discrepancy (if any) found during a field visit, will be calculated and the sample frequency to apply will be decided in accordance to the following options 3.a or 3.b:

3.a

When no discrepancy has been registered during a field visit for a period of 6 month, the frequency of projects chosen for on-site field visits will be whatever number is the highest:

Every 5th project – equivalent to 20% of all projects,

OR the square root of total number of projects

3.b
When no discrepancy has been registered during a field visit for a period of 12 month, the frequency of projects chosen for on-site field visits will be the square root[2] of the total number of projects delivered since start-up, or since last discrepancy (if any) found during a field visit.
A report for each supplier covering the projects monitored shall present findings, conclusions and corrective actions agreed upon with the supplier.

VT will assure compliance with updated requirements from the SBP and keep up to date if changes should occur, that has impact on and relevance for this Supply Base Evaluation.
VT itself has been responsible for the preparation of SBE in close cooperation with external consultant.

7.2 Monitoring and outcomes

Both the functionality of the mitigation measures as well as projects will be monitored on a pending and annual basis via the internal monitoring program. Mitigation Measures Mitigation measures will be checked on a pending basis. Especially, VT will follow the developments in the RRA for Denmark and the procedures developed for “Alternativ Dokumentation”/”Godkendt Biomasseproducent” in order assure that its suppliers fully mitigate the specified risks identified. VT´s “SBP Biomass monitoring program” will be evaluated with focus on findings from the field based controls. SBP Feedstock monitoring program Suppliers and deliveries are monitored according to the SBP Feedstock Program as described in section 5. It should be highlighted that: • By introduction of new suppliers, a high sampling frequency will ensure reliability of Monitoring program • To ensure maximum quality and reliability in the monitoring process, no Desk Monitoring, but only on-site Field Monitoring is performed • A progressing sampling procedure is installed in case of discripancies found during monitoring • Only by proven long time reliable performance suppliers can qualify for the entended sampling frequency of the square root of number of projects

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

Anders Bjørnkjær-Nielsen, consultant

9.2 Public or additional reviews

The 2021 re-assessment included a public consultation for relevant stakeholder.

10 Approval of report

Approval of Supply Base Report by senior management			
Report Prepared by:	**Line Risgaard Mortensen**	**Sustainability Mangager**	**03 Apr 2023**
	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:	**Benny Corneliusen**	**Bioenergy Manager**	**03 Apr 2023**
	Name	**Title**	**Date**

Annex 1: Detailed findings for Supply Base Evaluation indicators

Annex 2: Detailed findings for REDII Supply Base Evaluation

Section 1. RED II

Section 2. RED II detailed findings for secondary and tertiary feedstock

10.1 Verification and monitoring of suppliers

N/A

10.2 Feedstock inspection and classification upon receipt

N/A

10.3 Supplier audit for secondary and tertiary feedstock

N/A