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

First Surveillance Audit

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1 Overview

Certification Body (CB) Name:	DNV GL Business Assurance Finland Oy Ab
Primary CB contact for SBP:	Jyrki Sopanen
Primary CB contact email:	jyrki.sopanen@dnvgl.com
Audit team leader:	Karina Seeberg Kitnaes
Audit team members:	Karina Seeberg Kitnaes
Name of the Company:	Fageship ApS
Company legal address:	Ramsherred 62, DK-5610 Assens, Denmark
Company contact for SBP:	Annette Nielsen
Company contact email:	an@fageship.dk
Company website:	N/A
SBP Certificate Code:	SBP-05-13
Date of certificate issue:	07 Oct 2020
Date of certificate expiry:	06 Oct 2025

Audit closing meeting date:	09 Feb 2021
Audit cycle:	First Surveillance Audit

2 Scope of the evaluation and SBP certificate

Scope Item	Check all that apply to the Certificate Scope	Change in scope (N/A for Assessments)
Primary Activity:	Trader	☐
Approved Standards:	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 1.3	☐
Includes Supply Base Evaluation (SBE):	No	☐
Includes communication of Dynamic Batch Sustainability Data (DBSD)	No	☐
Includes Group Scheme	No	☐
Products	Chips, Pellets	☐

Feedstock types:	Primary, Secondary	☐
Feedstock origin (countries):	Russia, Latvia	☐
SBP-endorsed Regional Risk Assessments used: **Public link:** https://sbp-cert.org/documents/standards-documents/risk-assessments/	Not applicable	☐
Chain of custody system implemented:	PEFC, FSC: FSC: SA-COC-005538, PEFC: SA-PEFC-COC-005538	☐
	Transfer	☐

2.1 Description of the company

Fageship ApS is a smaller biomass trader company with its office in Denmark. The company is a pure trader without storage and 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, the company 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 by sea.

2.2 Detailed description of the Chain of Custody system

The company 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 as part of 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. The company 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. The company maintains annual volume records. The company maintains SBP volume accounting of all transactions with inputs=outputs and prepares SREG reports for each transaction.

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 Evaluation process

4.1 Timing of evaluation activities

Audit Level of Effort (LoE)		
Activity	***Auditors***	**Auditor hours**
1. Preparation	Karina Seeberg Kitnaes	2,0
2. On-site (excl. travel time)	Karina Seeberg Kitnaes	5,0
3. Report writing	Karina Seeberg Kitnaes	2,0
4. Other	Jyrki Sopanen	2,0

Audit Schedule			
Activity	**Location**	**Auditor name**	**Date/time**
Preparation and audit planning	Home office	Karina Seeberg Kitnaes	12 Jan 2021/2
Audit: Opening meeting	Teams Remote site audit	Karina Seeberg Kitnaes	09 Feb 2021/0.5
Audit: SBP Standard 4: Chain of custody	Teams Remote site audit	Karina Seeberg Kitnaes	09 Feb 2021/2
Audit: SBP Standard 5: Collection and Communication	Teams Remote site audit	Karina Seeberg Kitnaes	09 Feb 2021/2

of Data			
Audit: Closing meeting	Teams Remote site audit	Karina Seeberg Kitnaes	09 Feb 2021/0.5
Reporting	Home office	Karina Seeberg Kitnaes	09 Feb 2021/2
Technical Review and approval	Home office	Jyrki Sopanen	31 Mar 2021/2

Auditor qualification		
Auditor name	**Role**	**Qualification**
Karina Seeberg Kitnaes	SBP Lead Auditor	Biologist, M.Sc., approved SBP auditor, 25 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

4.2 Description of evaluation activities

The audit method included: records verification, document and report review and interviews of staff regarding the management system descriptions, calculations and invoicing arrangements at the office. The audit was conducted as a remote audit due to COVID-19 restrictions. The remote audit was held via TEAMs with sharing of screen and exchange of documentation via emailing.

The first periodic surveillance audit 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 recorded and reported in the SREG for wood chips and pellets including sea transport.

Critical control points included checking the chain-of-custody volume accounting and supplier documentation thoroughly against DTS recordings, as well as the data and records available as specified in SBP std. 5 and the Instruction note 5E on collection and communication of data and the resulting SREG reports in correct format.

This first periodic surveillance resulted in only 1 minor NC and 1 observations.

4.3 Sampling methodology

Sampling included review of all records of purchase, sale and shipping documentation cross-checked with recordings in the DTS, plus staff interview.

4.4 CB stakeholder engagement

N/A

4.5 Stakeholder feedback

N/A.

5 Results

5.1 Main strengths and weaknesses

The company has a good basis for trading with SBP certified biomass, with the proven COC system covering schemes (SBP, FSC and PEFC COC) in place and competent staff in charge. Overall, the implementation of SBP requirements is rather simple, since the company is a trader without storage, 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 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.

5.2 Rigour of Supply Base Evaluation

N/A

5.3 Collection and communication of data

The company has gathered relevant data for GHG calculations and transferred the GHG data to the customer.

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.

5.4 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.

6 Review of company’s risk assessments

6.1 Overview of company’s risk assessments and mitigation measures

N/A

6.2 Specified risk indicators and mitigation measures

Country/Area	Indicator	Specified risk description	Mitigation measure
N/A	N/A	N/A	N/A

7 Non-conformities and observations

NC number NC-000126	NC Grading: Observation
Standard:	SBP Standard 4: Chain of Custody
Requirement:	5.2.6 A legal owner that receives biomass with an SBP claim shall, in addition to meeting the requirements specified in the SBP-approved CoC system being implemented, record the following information: a) Invoice reference(s) b) A description of the physical product c) The volume of physical input d) The supplier e) Transaction date f) The certificate numbers of any certified suppliers
Description of Non-conformance and Related Evidence:	
The company has set up SBP material account, which will function as the annual volume summary following the calendar year. So far only one transaction in January 2021. For SBP, no purchases in 2020. The observation is maintained to remind the company to maintain material accounting records and annual volume accounts for SBP-compliant transactions.	
Timeline for Conformance:	N/A
Evidence Provided by Company to close NC:	N/A
Findings for Evaluation of Evidence:	N/A
NC Status:	N/A

NC number NC-000127	NC Grading: Minor
Standard:	Instruction Document 5E: Collection and Communication of Energy and Carbon Data 1.3
Requirement:	3.1.4 Each Legal Owner shall operate a Management System to ensure that data recorded are compliant with the requirements specified in this Instruction Document (5E).
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. The company has not yet started recording the relevant data related to the ship transport in own system. This minor NC is raised requesting the company to systematically record relevant data of the sea transport for each transaction in order to be able to complete the SREG report.	
Timeline for Conformance:	By the next surveillance audit, but no later than 12 months from report finalisation date
Evidence Provided by Company to close NC:	N/A
Findings for Evaluation of Evidence:	N/A
NC Status:	Open

8 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):	Jyrki Sopanen
Date of decision:	07 Apr 2021
Other comments:	N/A