

# NEPCon Evaluation of Verdo Energy A/S Compliance with the SBP Framework: Public Summary Report

## First Surveillance Audit

[www.sustainablebiomasspartnership.org](http://www.sustainablebiomasspartnership.org)



## Completed in accordance with the CB Public Summary Report Template Version 1.0

*For further information on the SBP Framework and to view the full set of documentation see  
[www.sustainablebiomasspartnership.org](http://www.sustainablebiomasspartnership.org)*

### *Document history*

*Version 1.0: published 26 March 2015*

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# 1 Overview

CB Name and contact: NEPCon OÜ, Filosoofi 31, 50108 Tartu, Estonia

Primary contact for SBP: Christian Rahbek, Email: [car@nepcon.org](mailto:car@nepcon.org) Mobile: +45 5059 7624

Report completion date: 16/Jan/2017

Report authors: Christian Rahbek

Certificate Holder: Verdo Energy A/S, Kulholmsvej 22, Randers NØ, 8930, Denmark

Producer contact for SBP: Benny Corneliusen

Certified Supply Base: N/A - Trader

SBP Certificate Code: SBP-01-11

Date of certificate issue: 09/Mar/2016

Date of certificate expiry: 08/Mar/2021

| Indicate where the current audit fits within the certification cycle |                                     |                           |                          |                           |
|----------------------------------------------------------------------|-------------------------------------|---------------------------|--------------------------|---------------------------|
| Main (Initial) Audit                                                 | First Surveillance Audit            | Second Surveillance Audit | Third Surveillance Audit | Fourth Surveillance Audit |
| <input type="checkbox"/>                                             | <input checked="" type="checkbox"/> | <input type="checkbox"/>  | <input type="checkbox"/> | <input type="checkbox"/>  |

## 2 Scope of the evaluation and SBP certificate

The organization is a biomass trader trading both pellets and chips, sourced from different parts of Europe (e.g. Latvia, Estonia, Lithuania or Croatia). The organization holds a valid FSC certificate with transfer system implemented. The point of purchase varies, and can be FOB and very limited part of material (only pellets) as CIF. When the material is purchased it is delivered to the Randers, where Verdo is storing the material purchased – both chips and pellets. The material is sold to several generators in Europe (e.g. Dong, Drax or Vattenfall), usually without Verdo taking Physical ownership. The point of sale is variable. The material is mostly delivered to ports in Europe, but it can be also sold out at the generator facilities.

| Scope Item                                                                                                                                                                                                                                                           | Check all that apply to the Certificate Scope                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Change in Scope<br>(N/A for Assessments) |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------|
| <b>Approved Standards:</b>                                                                                                                                                                                                                                           | SBP Standard #4 V1.0; SBP Standard #5 V1.0<br><a href="http://www.sustainablebiomasspartnership.org/documents">http://www.sustainablebiomasspartnership.org/documents</a>                                                                                                                                                                                                                                                                                                                                                                                                | <input type="checkbox"/>                 |
| <b>Primary Activity:</b>                                                                                                                                                                                                                                             | Trader with physical possession                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | <input type="checkbox"/>                 |
| <b>Input Material Categories:</b>                                                                                                                                                                                                                                    | <div> <input type="checkbox"/> SBP-Compliant Primary Feedstock           <input type="checkbox"/> SBP-Compliant Secondary Feedstock         </div> <div> <input type="checkbox"/> Controlled Feedstock           <input type="checkbox"/> SBP non-Compliant Feedstock         </div> <div> <input type="checkbox"/> SBP-Compliant Tertiary biomass           <input type="checkbox"/> Post-consumer Tertiary Feedstock           <input type="checkbox"/> Post-consumer Tertiary Feedstock           <input type="checkbox"/> SBP-approved Recycled Claim         </div> | <input type="checkbox"/>                 |
| <b>Chain of custody system implemented:</b>                                                                                                                                                                                                                          | <input checked="" type="checkbox"/> FSC <input type="checkbox"/> PEFC <input type="checkbox"/> SFI <input type="checkbox"/> GGL                                                                                                                                                                                                                                                                                                                                                                                                                                          | <input type="checkbox"/>                 |
|                                                                                                                                                                                                                                                                      | <input checked="" type="checkbox"/> Transfer <input type="checkbox"/> Percentage <input type="checkbox"/> Credit                                                                                                                                                                                                                                                                                                                                                                                                                                                         | <input type="checkbox"/>                 |
| <b>Use of SBP claim:</b>                                                                                                                                                                                                                                             | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | <input type="checkbox"/>                 |
| <b>SBE Verification Program:</b>                                                                                                                                                                                                                                     | <input type="checkbox"/> Low risk sources only <input type="checkbox"/> Sources with unspecified/ specified risk                                                                                                                                                                                                                                                                                                                                                                                                                                                         | <input type="checkbox"/>                 |
|                                                                                                                                                                                                                                                                      | New districts approved for SBP-Compliant inputs:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                          |
| <b>Sub-scopes</b>                                                                                                                                                                                                                                                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | <input type="checkbox"/>                 |
| Specify SBP Product Groups added or removed:                                                                                                                                                                                                                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                          |
| Comments: For this first annual audit, Verdo Energy is audited for compliance against the Instruction Document 5A version 1.0, which is still acceptable until 01 April 2017. The organization is aware of the new versions of Instructions Documents 5A, 5B and 5C. |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                          |

### 3 Specific objective

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

The scope of the evaluation covered:

- Review of the Biomass Trader's management procedures;
- Review of FSC system control points, analysis of the existing FSC CoC system;
- Interviews with responsible staff;
- Review of the records and calculations
- GHG data collection analysis;

## 4 SBP Standards utilised

### 4.1 SBP Standards utilised

SBP Standard 4, Version 1.0, Chain of Custody, March 2015

SBP Standard 5, Version 1.0, Collection and Communication of Data, March 2015

Instruction document 5A Collection and Communication of Data version 1.0. March 2015

<http://www.sustainablebiomasspartnership.org/documents>

## 5 Chain of Custody system

The organization has implemented the FSC transfer system for biomass (wood pellets and chips) in the scope of the certificate. The process covers trade with biomass as well as storage of the material in the harbour of Randers, where the Main office is also located. The material is purchased from different suppliers in Europe, and transported to Randers for own consumption or sold to other customers, usually full direct shipments. While stored at the harbour of Randers the material from different suppliers is physically separated (due to the traceability reasons). There are several warehouses which are used for different biomass material. The material in one warehouse is not mixed with material from other supplier (or different claim) which provides assurance that the separation is well implemented. There are also records of stored material and based on input and output material for each warehouse each delivery can be traced.

The FSC and SBP claim is mentioned on the sales invoices. The sustainability characteristics for each batch are mentioned directly on the invoice which always contains the number of the invoice as well.

## 6 Evaluation process

### 6.1 Timing of evaluation activities

The assessment was carried out on 10<sup>th</sup> January 2017. One day was needed for the onsite audit and additional half day for the documentation review.

| Activity                                                                                                                                                                                                                                                                                                                                              | Location                          | Auditors | Date/time     |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------|----------|---------------|
| Opening meeting* <ul style="list-style-type: none"> <li>- Presentation of participants</li> <li>- Changes in the organization since last audit</li> <li>- Changes in standards and requirements</li> </ul>                                                                                                                                            | Main Office                       | OT/CAR   | 9:00 - 9:30   |
| Review of Documented Control Systems for FSC and SBP <ul style="list-style-type: none"> <li>- FSC Documented procedures</li> <li>- FSC Product Group Schedule</li> <li>- FSC Supplier Records</li> <li>- FSC Volume data</li> <li>- SBP internal procedures</li> <li>- Training records FSC and SBP</li> <li>- Energy and GHG Calculations</li> </ul> | Main office                       |          | 9:30 – 11:30  |
| Interviews with staff responsible for purchase and sales                                                                                                                                                                                                                                                                                              | Purchasing department             | OT/CAR   | 11:30 – 12:00 |
| Lunch break                                                                                                                                                                                                                                                                                                                                           |                                   |          | 12:00 – 12:30 |
| Inspection and interviews in storage and productions facilities                                                                                                                                                                                                                                                                                       | Storage and production facilities | OT/CAR   | 12:30 – 13:00 |
| Evaluation of FSC logo use                                                                                                                                                                                                                                                                                                                            | Main office                       | OT/CAR   | 13:00 – 13:30 |
| Auditors summarize the evaluation                                                                                                                                                                                                                                                                                                                     |                                   | OT/CAR   | 13:30- 14:00  |
| Closing meeting*                                                                                                                                                                                                                                                                                                                                      | Main office                       | OT/CAR   | 14:00 – 14:30 |

OT – Ondřej Tarabus, CAR – Christian Anton Rahbek

On January 23<sup>rd</sup> 2017 the organization has submitted additional documentation with emission and energy data and proforma SBP Invoice (No sales have been carried out yet).

## 6.2 Description of evaluation activities

Auditor team was welcomed in Verdo Energy head office in Randers. Audit started with an opening meeting attended by Benny Cornelisusen, Mette Brandt, Jens Aaen Albrechtsen and Morten Spinding.

Lead auditor introduced the audit team, provided information about audit plan, methodology and aim of the assessment. CB's accreditation related issues and confidentiality issues were covered as well.

After that auditor went through all applicable requirements of the standard covering management system, CoC, recordkeeping requirements, emission and energy data and verification of SBP compliant biomass. During the site tour physical separation of certified and non-certified material was evaluated. During the process overall responsible person for SBP system and over responsible staff having key responsibilities within the system was interviewed.

During the closing meeting auditor explained the results of the audit and further actions were discussed.

The composition of the audit team:

| Auditor(s), roles                  | Qualifications                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Christian Rahbek<br>Lead auditor   | M.Sc. (Forestry) from University of Copenhagen. Has passed NEPCon Lead Auditor Training for FSC and PEFC FM and CoC certification. Experience from more than 200 FSC and PEFC CoC audits in Denmark and Europe. Christian had attended SBP training course and having experience with number of SBP assessments as a trainee auditor.                                                                                                                                          |
| Ondrej Tarabus,<br>Witness auditor | Czech citizen, graduated in University of Life Sciences Prague, The Faculty of Forestry. He has participated in several FSC assessments in Czech Republic, Slovakia, Italy, Germany, Vietnam, Egypt, Spain, Romania, Bosnia and Herzegovina, Austria, etc. and FSC FM audits in Czech Republic and Lithuania. Ondřej Tarabus successfully completed SBP training course and he has practical experience with carbon footprint certification as well as biofuels certification. |

## 7 Results

### 7.1 Competency of involved personnel

The overall responsible person in the company Henrik Nørbo Mosegaard, but all practical responsibilities are handled by Bioenergy Manager and Purchaser Benny Corneliusen. The overall responsible is supported by Bioenergy manager and purchase Mette Brandt, and both showed good understanding of the requirements in relation to SBP certification and of the already implemented FSC CoC system.

### 7.2 Compilation of data on Greenhouse Gas emissions

During the on-site audit good awareness was found about how the energy and emission data shall be collected and communicated, and the values were provided to the auditor. It was verified that Verdo Energy has required data in place, based on communication with the operator of the harbour facilities. After the audit Verdo Energy has provided documentation for the required energy and emission data and these data were compared to the data for the machinery used. The energy connected with transportation is calculated per each shipment as the distance change almost for each delivery of biomass.

## 8 Non-conformities and observations

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                                                                                                                                                                                                                                                                                                                                                        |                                                                        |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------|
| NCR: 01/15                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | NC Classification: MAJOR                                                                                                                                                                                                                                                                                                                                                               |                                                                        |
| Standard & Requirement:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | SBP Standard # 4 requirement 5.4.1                                                                                                                                                                                                                                                                                                                                                     |                                                                        |
| Report Section:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | Appendix A p 4.1                                                                                                                                                                                                                                                                                                                                                                       |                                                                        |
| Description of Non-conformance and Related Evidence:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                                                                                                                                                                                                                                        |                                                                        |
| <u>Finding from 2017 audit:</u><br>The organization has not made any sales with SBP claims since the 2015 assessment. The organization has documented procedures that describes the required information for sales invoices which largely meets the requirements of the standard. However, the documented procedure incorrectly states under the information needed that the Buyers GHG Profiling Code is to be included if applicable, and not the "Production Batch ID" which originates from the Biomass Producer. The documented procedure does not yet mention the "Template - Instruction Document 5B: Audit report on Energy and GHG Data for Supplied Biomass (SREG)", which is being phased in with the most recent version of the standard.<br>The organization had good awareness about the recent changes in the requirements regarding the DTS system, but had not prepared either a sample invoice or a sample SREG template. Since sufficient evidence of compliance could not be presented, the NCR 01/15 is upgraded to a Major NCR. |                                                                                                                                                                                                                                                                                                                                                                                        |                                                                        |
| <u>Finding from 2015 assessment:</u><br>The organization has established documented procedures where the content of the sales invoice is described and is in compliance with SBP sales requirements (Exhibit 1, point 4) and responsible personnel showed good awareness of this requirement. The organization has also prepared the sample on the sales invoice, however the profiling information code of the material nor the batch specific code was not mentioned on this sample invoice.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                                                                                                                                                                                                                                                                                                                                                        |                                                                        |
| Corrective action request:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Organisation shall implement corrective actions to demonstrate conformance with the requirement(s) referenced above.<br>Note: Effective corrective actions focus on addressing the specific occurrence described in evidence above, as well as the root cause to eliminate and prevent recurrence of the non-conformance.                                                              |                                                                        |
| Timeline for Conformance:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | 3 months from the report finalization                                                                                                                                                                                                                                                                                                                                                  |                                                                        |
| Evidence Provided by Organisation:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Shortly after the on-site audit, the organization has provided two examples of proforma invoices carrying all required information as per standard requirement, including name and address of buyer, date, description of the product, quantity of the product, the required Production Batch ID, SBP certificate number of buyer and seller and relevant GHG information (transport). |                                                                        |
| Findings for Evaluation of Evidence:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | The NCR was closed on the above background                                                                                                                                                                                                                                                                                                                                             |                                                                        |
| NCR Status:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | CLOSED                                                                                                                                                                                                                                                                                                                                                                                 |                                                                        |
| Is the non-conformity likely to impact upon the integrity of the affected SBP-certified products and the credibility of the SBP trademarks?                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                                                                                                                                        | Yes <input checked="" type="checkbox"/><br>No <input type="checkbox"/> |

|                                    |                                      |
|------------------------------------|--------------------------------------|
| <b>NCR: 07/15</b>                  | <b>NC Classification: MAJOR</b>      |
| <b>Standard &amp; Requirement:</b> | SBP Standard # 4 instruction note 4B |

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                                                                                                                                                                                                                                                                                                           |                                                                        |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------|
| <b>Report Section:</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | Appendix A p 9.2                                                                                                                                                                                                                                                                                                          |                                                                        |
| <b>Description of Non-conformance and Related Evidence:</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                                                                                                                                                                                                                                           |                                                                        |
| <p><u>Finding from 2017 audit:</u><br/>                 The organization has signed the Trademark Licence Agreement with SBP, but has still not included documented procedures to ensure that any SBP logo or trademark use follows the SBP Instruction Note 4B: Trademark use, and that it is sent to SBP on <a href="mailto:MKWedgbury@sustainablebiomasspartnership.org">MKWedgbury@sustainablebiomasspartnership.org</a> for approval prior to publication.</p> <p>Since sufficient evidence of compliance could not be presented, the NCR 07/15 is upgraded to a Major NCR.</p> <p><u>Finding from 2015 assessment:</u><br/>                 The organization has presented the SBP procedure covering most of the SBP requirements. However, requirements for the trademark are not covered by this procedure.</p> |                                                                                                                                                                                                                                                                                                                           |                                                                        |
| <b>Corrective action request:</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Organisation shall implement corrective actions to demonstrate conformance with the requirement(s) referenced above.<br>Note: Effective corrective actions focus on addressing the specific occurrence described in evidence above, as well as the root cause to eliminate and prevent recurrence of the non-conformance. |                                                                        |
| <b>Timeline for Conformance:</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | 3 months from the report finalization                                                                                                                                                                                                                                                                                     |                                                                        |
| <b>Evidence Provided by Organisation:</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | PENDING                                                                                                                                                                                                                                                                                                                   |                                                                        |
| <b>Findings for Evaluation of Evidence:</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | PENDING                                                                                                                                                                                                                                                                                                                   |                                                                        |
| <b>NCR Status:</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | <b>OPEN</b>                                                                                                                                                                                                                                                                                                               |                                                                        |
| Is the non-conformity likely to impact upon the integrity of the affected SBP-certified products and the credibility of the SBP trademarks?                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                                                                                                                                                                                                                                           | Yes <input checked="" type="checkbox"/><br>No <input type="checkbox"/> |

## 9 Certification decision

|                                                                                                                                                                                                                                                                                    |                                                                   |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------|
| Based on Organisation's conformance with <b>SBP requirements</b> , the auditor makes the following recommendation:                                                                                                                                                                 |                                                                   |
| <input checked="" type="checkbox"/>                                                                                                                                                                                                                                                | Certification approved:<br>Upon acceptance of NCR(s) issued above |
| <input type="checkbox"/>                                                                                                                                                                                                                                                           | Certification not approved:                                       |
| Based on auditor's recommendation and NEPCon quality review following certification decision is taken:                                                                                                                                                                             |                                                                   |
| <b>NEPCon certification decision:</b><br>The Biomass trader has been certified by NEPCon as meeting the requirements of the specified SBP Standard, the certificate can be maintained after corrective action verification confirms that all major non-conformities are addressed. |                                                                   |
| Certification decision by: Ondrej Tarabus                                                                                                                                                                                                                                          |                                                                   |
| Date of decision: 16th January 2017                                                                                                                                                                                                                                                |                                                                   |

## 10 Surveillance updates

### 10.1 Evaluation details

The surveillance evaluation Verdo Energy A/S took place on January 10<sup>th</sup>, 2017 on the Verdo facilities in Kulholmen in Randers. The evaluation included mostly office auditing activities due to the scope of the certificate, but an evaluation of the storage facilities was also conducted.

### 10.2 Significant changes

There are no significant changes to the SBP CoC system or activities of Verdo Energy A/S

### 10.3 Follow-up on outstanding non-conformities

Verdo Energy has provided follow up on the NCR 01/15 shortly after the audit, and prior to report finalization.

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                                                                                                                                                                                                                                                                                      |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>NCR: 01/15</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | <b>NC Classification: MAJOR</b>                                                                                                                                                                                                                                                                                                      |
| <b>Standard &amp; Requirement:</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | SBP Standard # 4 requirement 5.4.1                                                                                                                                                                                                                                                                                                   |
| <b>Report Section:</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Appendix A p 4.1                                                                                                                                                                                                                                                                                                                     |
| <b>Description of Non-conformance and Related Evidence:</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                                                                                                                                                                                                                                                                                                      |
| <p><u>Finding from 2017 audit:</u><br/>The organization has not made any sales with SBP claims since the 2015 assessment. The organization has documented procedures that describes the required information for sales invoices, which meets the largely meets the requirements of the standard. However, the documented procedure incorrectly states under the information needed that the Buyers GHG Profiling Code is to be included if applicable, and not the "Production Batch ID" which originates from the Biomass Producer. The documented procedure does not yet mention the "Template - Instruction Document 5B: Audit report on Energy and GHG Data for Supplied Biomass (SREG)", which is being phased in with the most recent version of the standard.</p> <p>The organization had good awareness about the recent changes in the requirements regarding the DTS system, but had not prepared either a sample invoice or a sample SREG template.</p> <p>Since sufficient evidence of compliance could not be presented, the NCR 01/15 is upgraded to a Major NCR.</p> |                                                                                                                                                                                                                                                                                                                                      |
| <p><u>Finding from 2015 assessment:</u><br/>The organization has established documented procedures where the content of the sales invoice is described and is in compliance with SBP sales requirements (Exhibit 1, point 4) and responsible personnel showed good awareness of this requirement. The organization has also prepared the sample on the sales invoice, however the profiling information code of the material nor the batch specific code was not mentioned on this sample invoice.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                                                                                                                                                                                                                                                      |
| <b>Corrective action request:</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | <p>Organisation shall implement corrective actions to demonstrate conformance with the requirement(s) referenced above.</p> <p>Note: Effective corrective actions focus on addressing the specific occurrence described in evidence above, as well as the root cause to eliminate and prevent recurrence of the non-conformance.</p> |
| <b>Timeline for Conformance:</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | 3 months from the report finalization                                                                                                                                                                                                                                                                                                |

|                                                                                                                                             |                                                                                                                                                                                                                                                                                                                                                                                        |  |                                                                        |
|---------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|------------------------------------------------------------------------|
| <b>Evidence Provided by Organisation:</b>                                                                                                   | Shortly after the on-site audit, the organization has provided two examples of proforma invoices carrying all required information as per standard requirement, including name and address of buyer, date, description of the product, quantity of the product, the required Production Batch ID, SBP certificate number of buyer and seller and relevant GHG information (transport). |  |                                                                        |
| <b>Findings for Evaluation of Evidence:</b>                                                                                                 | The NCR was closed on the above background                                                                                                                                                                                                                                                                                                                                             |  |                                                                        |
| <b>NCR Status:</b>                                                                                                                          | <b>CLOSED</b>                                                                                                                                                                                                                                                                                                                                                                          |  |                                                                        |
| Is the non-conformity likely to impact upon the integrity of the affected SBP-certified products and the credibility of the SBP trademarks? |                                                                                                                                                                                                                                                                                                                                                                                        |  | Yes <input checked="" type="checkbox"/><br>No <input type="checkbox"/> |

## 10.4 New non-conformities

No further non-conformities identified during this surveillance audit only two NCRs from last audit upgraded to major – see NCR section of the report.

## 10.5 Stakeholder feedback

None.

## 10.6 Conditions for continuing certification

The organization must provide documentation for the necessary corrective actions in relation to NCR 07/15 before 3 months after the date of report finalization.

## 10.7 Certification recommendation

Certification is maintained.

## 11 Evaluation details

|                                                                            |                                                                                                                                                                                                                                                                                                                                                              |
|----------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Primary Responsible Person:<br>(Responsible for control system at site(s)) | Henrik Nørbo Mosegaard, Administration Manager                                                                                                                                                                                                                                                                                                               |
| Auditor(s):                                                                | Christian Rahbek, Lead auditor<br>Ondrej Tarabus, Witness auditor                                                                                                                                                                                                                                                                                            |
| People Interviewed, Titles:                                                | Henrik Nørbo Mosegaard, Administration Manager<br>Benny Corneliusen, Bioenergy Manager & Purchaser<br>Mette Brandt, Bioenergy Manager & Purchaser<br>Jens Aaen Albrechtsen, Logistic Coordinator & Purchaser<br>Morten Spinding, Manager of Operations<br>Sanne Røjen, Transport Coordinator<br>Dorthe Laustsen, Produktion Assistant (Verdo Produktion A/S) |
| Brief Overview of Audit Process for this Location:                         | See audit plan.                                                                                                                                                                                                                                                                                                                                              |
| Comments:                                                                  |                                                                                                                                                                                                                                                                                                                                                              |