Compliance with the SBP Framework: Public Summary Report

Preferred by Nature OÜ
Evaluation of Verdo Trading A/S

Fourth Surveillance Audit

Sustainable Biomass Program
sbp-cert.org

Completed in accordance with the CB Public Summary Report Template Version 2.1 and SBP Bridging Requirements for Meeting the Directive EU/2023/2413 (REDIII)

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

Document history

Version 2.0	**Published 10 August 2023**
Version 2.1	Published 21 May 2025

Table of contents

1 Overview

Certification Body (CB) Name:	Preferred by Nature OÜ
Primary CB contact for SBP:	Pilar Gorria Serrano
Primary CB contact email:	pgorria@preferredbynature.org
Audit team leader:	Christian Jürgensen
Audit team members:	Helle Høgh Jørgensen, Agnese Mickeviča
Name of the Company:	Verdo Trading A/S
Company legal address:	Agerskellet 7, 8920 Randers NV, Denmark
Company contact for SBP:	Line Risgaard Mortensen
Company contact email:	limo@verdo.com
Company website:	www.verdo.com
Date of installation:	
SBP Certificate Code:	SBP-01-11
Date of certificate issue:	09 Mar 2021
Date of certificate expiry:	08 Mar 2026
Audit closing meeting date:	09 May 2025
Audit cycle:	Fourth Surveillance Audit

2 Audit conclusions

2.1 Certification decision

Based on the auditor's recommendation and the Certification Body's technical review, the following certification decision is taken:	
Certification decision:	Certification approved
Certification decision by (name of the person):	Kersti Kuum
Date of decision:	13 Jun 2025
Other comments:	N/A

2.2 Open non-conformities and observations

2.2 Closed non-conformities

NC number 5473	NC Grading: Minor
Standard:	Instruction Document EU RED: Bridging Requirements for Meeting the Directive EU/2023/2413 v2.0
Requirement:	3.1.6 The procedure for the annual internal audit process shall be documented. N/A N/A
Description of Non-conformance and Related Evidence:	
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:	Before the end of the audit the organization provided proof that internal auditing of mass balance will be included future internal audit. Thus, a reference to 'mass balance' has been included in section 2.5 of the SBP Management Procedure and a ticking box has been added in the organization template/checking list for internal audits.
Findings for Evaluation of Evidence:	Sufficient to close the non conformance.
NC Status:	Closed

2.3 Actions taken by Organisation Prior to Report Finalisation

Before the end of the audit the organization provided proof that internal auditing of mass balance will be included future internal audit. Thus, a reference to 'mass balance' has been included in section 2.5 of the SBP Management Procedure and a ticking box has been added in the organization template/checking list for internal audits. Further, the organization provided a more detailed mass balance accounting template with more specific site references etc.

2.4 Notes for the next Audit

None

3 Scope of the audit and SBP certificate

Scope item	Check all that apply to the Certificate scope
Primary activity	Trader
Secondary activity	
Approved Standards	Instruction Document 5E: Collection and Communication of Energy and Carbon data. v2.1; SBP Standard 4: Chain of Custody v2.0; SBP Standard 5: Collection and Communication of Data v2.0; Instruction Document EU RED: Bridging Requirements for Meeting the Directive EU/2023/2413 v2.0
Product Group IDs	☒ Forest feedstock (1A) ☒ Trees outside forest (TOF) - Urban and landscape feedstock (2A) ☒ Trees outside forest (TOF) - Agricultural land feedstock (3A) ☒ Processing residues feedstock (4A) ☒ Post-consumer feedstock (5A) ☐ Other (please specify)
SBP Feedstock types	☒ SBP Compliant; ☒ SBP Controlled
Includes Supply Base Evaluation (SBE)	No
Includes EU RED Scheme	Yes
Includes EU RED Supply Base Evaluation (SBE)	No
Products	Chips, Pellets
Feedstock origin (countries):	
SBP-endorsed Regional Risk Assessments used: **Public link:** **https://sbp-cert.org/documents/standards-documents/risk-assessments/**	Not applicable
Chain of custody system	☐ Physical separation ☒ Mass balance
Outsourcing	Yes
Changes in the scope	Standard 1 and 2 removed as the organization is no longer a biomass producer, Transition to version 2 of the standards and EU RED requirements.

3.1 Description of the company

Guidance: Please describe the type, structure and operations of the company including its role in the supply chain, its inputs and outputs as they related to SBP Standards.

The Organization is a biomass trader, trading both SBP-compliant/-controlled Feedstock wood pellets and wood chips and fuel wood logs. The Organization is sourcing SBP biomass from Biomass Producers globally and usually transports the biomass directly to customers by vessel, but the Organization may also transport to the customer via its own storage facilities in the port of Randers or via outsourced storage locations in accordance with the implemented SBP mass balance system. The Organization reports changes in GHG data under Verdo Trading's ownership in a SREG when applicable. The Organization also holds valid FSC and PEFC certificates with transfer system implemented.

3.2 Site details

Legal entity name	Address	Site Activity	Visited during the audit
Verdo Trading A/S	Agerskellet 7, DK-8920 Randers NV	Main Office	☒
Verdo Trading A/S	Kulholmsvej 22, 8930 Randers	Storage site	☒
Verdo Trading A/S	Vestre Kaj 18B, 4700 Næstved	Site with storage, sales and bagging	☒
Guldager Energi A/S	Grønlandsvej 28D, DK-8700 Horsens	Sub-contractor	☒
LSEZ "BaltEx Bulk"	SIA, Pulvera iela 11 Liepaja, LV-3405, Latvija	Sub-contractor	☒

3.3 Detailed description of the Chain of Custody system and Product Groups

Guidance: Please describe the operation of the CoC system including details of the mass balance management and a list of established Product Groups.

The Organisation has opted to have the ability to mix feedstock product groups during the storage and trading processes and is using the the mass balance system for that. Written procedures has been developed to ensure the implementation of all elements of the mass balance requirements. and the mass Balance account can handle each Product Group and per claim separately per site. The overall written SBP procedures covers trade and transportation of biomass as well as storage of the traded biomass at the BP's facilities in the port of Randers, where the Main office is located and at outsourced storage locations. The outsourced storage facilities at the time of the audit encompassed a outsourced site in Horsens port in Denmark, which is operated by Guldager Energi A/S and a outsourced site in Liepaja port in Latvia which is operated by BaltEx Bulk. While stored , the SBP material is physically separated from non-eligible input in separate storage areas. The organizations facility in Randers comprises several warehouses, which are used for different categories of wood pellets. At all times the products are separated according to their physical attributes and respective claims (PEFC, FSC or SBP). The Organisation is able to produce all relevant records of stored material for all its individual sites and based on input and output material for each warehouse each delivery can be traced. SBP claims are mentioned on the sales invoices. The sustainability characteristics for each batch are transferred to the customers via the DTS system as required and linked in DTS to all documentation exchanged with the seller through a unique identification number (i.e. the invoice number).

4 Specific objective of the audit

The specific objective of this evaluation was to confirm that the organization’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 organization’s management procedures;
- Review of CoC system control points, analysis of the existing CoC system;
- Interviews with responsible staff;
- Review of SREGs, Training material etc.

5 Evaluation process

5.1 Timing and duration of evaluation activities

Audit Level of Effort (LoE)		
Activity	**Auditors**	**Auditor hours**
1. Preparation	Christian Jürgensen, Helle H. J., Agnese M.	4.0
2. On-site (excl. travel time)	Christian Jürgensen, Helle H. J., Agnese M.	10.0
3. Report writing	Christian Jürgensen, Helle H. J., Agnese M.	6.0
4. Other	Christian Jürgensen, Helle H. J., Agnese M.	10.0

5.2 Auditor team qualification

Auditor qualification		
Auditor name	**Role**	**Qualification**
Christian Jürgensen	Audit team leader	Christian holds a master's degree in Forestry and Nature Management from Copenhagen University and has more than 12 years of experience within state administration, the UN system and the NGO field. He joined Preferred by Nature in February 2022 as a senior biomass auditor and coordinates and conducts evaluations in relation to SBP and RBP biomass certification, Danish biomass legislation, PEFC and FSC forest certification and PEFC and FSC traceability certification (CoC), while providing customer service for both new and existing certificate holders.
Helle Høgh Jørgensen	Team member	Helle has passed the Preferred by Nature's lead auditor education in traceability certification for FSC and Controlled Wood and PEFC's traceability education. Previously Helle has been occupied for approx. 14 years within International Sales and Project Management in the furniture industry. Furthermore, she has done substantial occupational travelling and living abroad in English speaking countries. She is educated in Sales and Marketing at The Danish School of Export and Marketing.
Agnese Mickeviča	Team member	NEPCon SIA (Preferred by Nature) since 2018. She holds a Bachelor's degree in Forest Science from the Latvian University of Agriculture and a Master's degree in Environmental Science from Riga Technical University. Approved as a NEPCon FSC Trademark Agent. As of January 2019, she has obtained the FSC and PEFC Supply Chain Auditor qualification. Qualified as an FSC FM auditor in 2025 and a Level 2 FSC Controlled Wood Auditor. As part of her experience, she has participated in FSC FM certification audits in Lithuania as well as SBP audits. Experience in the State Forest Service.

5.3 Description of evaluation activities

This audit was done concurrently with the FSC and PEFC CoC audit of the organization and verification of EU RED II compliance of the company's wood pellet imports.

Auditor meet for the first time with key staff members of Verdo Trading A/S, hereafter also referred to as the Organisation, on 11 March 2025 at one of the organizations storage facilities at Kulholmsvej in Randers and then subsequently drove to the organizational headquarter also in Randers and conducted the main office audit. The main office audit kicked off with a short opening meeting and a round of introduction by all participants. This included a brief on the organisation's internal audit report and confidentiality confirmation among the audit team members. The audit continued to cover all applicable requirements of the standards, including management system, CoC, recordkeeping requirements, emission and energy data and verification of SBP-compliant biomass. It was followed with an audit of the purchasing and sales functions. During the process, the overall responsible person for the SBP system and responsible staff with key responsibilities within the system were interviewed. During the closing meeting for the day, auditor explained the results of the audit and further actions were discussed.

On 9 April the audit continued at the organizations facilities in Næstved again initiated with an opening meeting. presentation of participants and audit schedule and initial clarifications and finished off with a closing meeting. The Organisation had made sure all relevant staff were participating and had forwarded requested documents and volumes tables for the auditor beforehand which auditor had examined in detail before reverting to the organization on the material with detailed question before the actual meeting.

The audit resumed on 10 April with a visit at a outsourced storage and bagging facility in Horsens, Denmark and a visit to a outsourced storage facility in Liepaja, Latvia on 9 May 2025 followed by a final closing meeting online with relevant staff on that same day.

5.4 List of forest management units and feedstock suppliers visited

☒ N/A – No forest sites or suppliers visited during this evaluation
N/A for trader

5.5 Describe audit sampling methodology used

The audit involved interviews with responsible staff and a review of sales documents, DTS and transactions. A sample was retrieved based on the total orders of traded material handled by the Organization in the audit period. The audit included a visit to the sub-supplier Guldager Energi A/S, who provides storage facilities in the port of Horsens in Denmark and visits to BaltEx Bulk LTD who provide storage facilities in Liepaja in Latvia.

5.6 CB stakeholder engagement

☒ N/A – Certification Body stakeholder consultation not applicable for this evaluation

Guidance: Please specify the number and types of stakeholders engaged, method of engagement and its outcomes.

5.7 Stakeholder feedback and response

☒ N/A – Certification Body stakeholder consultation not applicable for this evaluation

5.8 Main strengths and weaknesses of the management system and operations

Verdo Trading's SBP activities are quite straight forward and involves trading activities, including transport and storage, relating to the physical ownership of the claimed material. The organization has a descriptive procedure addressing the requirements in Standard #4 and #5 including the relevant instruction notes. Relative to the size of Verdo Trading A/S, it is only a small group of people that is working with SBP related activities and the responsible staff showed good knowledge about the SBP system, company procedures and how it is implemented in the Organisation.
No specific weaknesses was identified.

5.9 Summary of evaluation activities for robustness of the Supply Base Evaluation

☒ N/A – Standard 1 not in the scope of the evaluation

5.10 Summary of evaluation activities for Processing residues and/or Post-consumer feedstock requirements per Standard 2 and EU RED

☒ N/A – processing residues and/or post-consumer feedstock not used.

5.11 Summary of evaluation activities for chain of custody system per Standard 4

The Organization has implemented the requirements as defined in the SBP Standard 4. The CoC system is quite straight
forward, no mixing of compliant and non-compliant biomass is accepted before re-sell. The Organization has procedures in
case non-claimed biomass is purchased, which include a quarantine of the material in question until its status can be
verified.

5.12 Summary of evaluation activities for collection and communication of data per Standard 5

5.13 Summary of audit findings for competency of involved personnel

The personnel involved in the SBP certification are well aware of their responsibilities and how the standards are implemented in across the Organisation. The overall responsible staff showed good knowledge about the SBP system and its requirements.

5.14 Summary of audit findings for GHG methodology per Standard 6 (if applicable)

☒ N/A – Standard 6 not in the scope

6 Detailed evaluation of BP's Supply Base Evaluation (if applicable)

☒ N/A – Supply Base Evaluation not in the scope of the evaluation

6.1 Overview of BP's risk assessments and mitigation measures including EU RED scope

N/A

6.2 CB evaluation of specified risk indicators and mitigation measures