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

Scope Change Audit

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Completed in accordance with the CB Public Summary Report Template Version 1.4

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

Document history

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1 Overview

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Current report completion date:	02/Sep/2020
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Name of the Company:	Verdo Trading A/S, Kulholmsvej 22, 8930 Randers NØ, Denmark
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Certified Supply Base:	Denmark, Estonia, Latvia, Lithuania, Poland
SBP Certificate Code:	SBP-01-11
Date of certificate issue:	09/Mar/2016
Date of certificate expiry:	08/Mar/2021

This report relates to the Scope Change Audit

2 Scope of the evaluation and SBP certificate

This Scope change audit is carried out in order to expande the scope of Verdo Trading A/S SBP certificate SBP-01-11 from trading activities only, to also cover Biomass Producer (BP) activites.

Scope Description: Production, trading and transportation of wood chips and fuel wood logs wood, and trading and transportation of wood pellets, for use in energy production.

For the Biomass Producer activites, the Supply Base includes Denmark, Estonia, Latvia, Lithuania and Poland. The scope of the certificate includes Supply Base Evaluation only applied for feedstock sourced from Denmark. Feedstock sourced in other countries in the Supply Base is sourced as FSC or PEFC certified and hence SBP-compliant Feedstock. The organization delivers the SBP biomass produced to the end-points either via truck for biomass of Danish origin, or via vessel and/or truck for biomass from Estonia, Latvia, Lithuania and Poland.

For the trading activities, the organization is sourcing SBP biomass from the Biomass Producers globally and usually transports the biomass directly to customers by vessel, but the organization may also transport to the customer via storage facilities at its own address or logistics facilities in the port of Aarhus in accordance with the implemented FSC transfer system. The organization is producing SBP-compliant biomass, but could potentiallly also sell or trade SBP-controlled biomass. The organization prepares a Wood chip SAR document and reports changes in GHG data under Verdo Trading's ownership in a SREG when applicable.

The organization holds valid FSC and PEFC CoC certificates (NC-COC/CW-021375 and NC-PEFC/COC-021375). The SBP CoC system is based on the FSC transfer system.

3 Specific objective

The specific objective of this evaluation was to confirm that the Biomass Producer'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 this evaluation also includes the Supply Base Evaluation applied to feedstock from Denmark, and the implementation of required mitigation measures for sourcing of feedstock under the SBE in Denmark.

The scope of the evaluation covered:

- Review of the BP's management procedures;
- Review of PEFC system control points, analysis of the existing PEFC CoC system;
- Interviews with responsible staff;
- Review of the records, calculations and conversion coefficients;
- GHG data collection analysis.
- Evaluation of mitigation measures implemented

4 SBP Standards utilised

4.1 SBP Standards utilised

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

☒ SBP Framework Standard 1: Feedstock Compliance Standard (Version 1.0, 26 March 2015)

☒ SBP Framework Standard 2: Verification of SBP-compliant Feedstock *(Version 1.0, 26 March 2015)*

☒ SBP Framework Standard 4: Chain of Custody *(Version 1.0, 26 March 2015)*

☒ SBP Framework Standard 5: Collection and Communication of Data *(Version 1.0, 26 March 2015)*

4.2 SBP-endorsed Regional Risk Assessment

The BP has used the SBP-endorsed Regional Risk Assessment for Denmark, which is available for download at: https://sbp-cert.org/documents/standards-documents/risk-assessments/denmark/

5 Description of Company, Supply Base and Forest Management

5.1 Description of Company

The organization is primarily a biomass trader, trading both wood pellets and wood chips and fuel wood logs, but from the june 2020 scope change audit, the organization also acts as a Biomass Producer.

For the Biomass Producer activites, the Supply Base includes Denmark, Estonia, Latvia, Lithuania and Poland. The scope of the certificate includes Supply Base Evaluation only for feedstock sourced from Denmark. Feedstock sourced in other countries in the Supply Base is sourced as FSC or PEFC certified and hence SBP-compliant Feedstock. The organization delivers the SBP biomass produced to the end-points either via truck for biomass of Danish origin, or via vessel and/or truck for biomass from Estonia, Latvia, Lithuania and Poland.

For the trading activities, the organization is sourcing SBP biomass from the Biomass Producers globally and usually transports the biomass directly to customers by vessel, but the organization may also transport to the customer via storage facilities at its own address or logistics facilities in the port of Aarhus in accordance with the implemented FSC transfer system. The organization is producing SBP-compliant biomass, but could potentiallly also sell or trade SBP-controlled biomass. The organization prepares a Wood chip SAR document and reports changes in GHG data under Verdo Trading's ownership in a SREG when applicable.

The organization holds valid FSC and PEFC certificates with transfer system implemented

5.2 Description of Company's Supply Base

The following description of the organization's Supply Base has been retrieved from the Supply Base Report, which is available for download from the company's website at:
https://www.verdo.com/dk/trading/baeredygtighed-og-kvalitet/certificerede-biobraendsler/

Verdo Trading A/S is a trading company with the main objective to source and deliver fuel – primarily as Biofuel/Biomass. Biomass traded under the Verdo Trading scope of SBP Biomass Producer is Woodchips.

The Sourcing-areas are principally the entire world – and the sale is principally also taking place all over the world. Though, the primary customer is the CHP-plant in Randers (owned and operated by Verdo Energy A/S). Verdo A/S and Verdo Trading A/S is dedicated to sustainable development and has an ambition to live up to the global goals on sustainable development by 2030. This is transformed into responsible actions towards the climate, society, diversity and environment in a wide span of various actions. In 2009 Verdo converted production at the CHP plant in Randers. Coal was replaced with biomass and this was supplemented with several energy-efficient measures. In regards to biomass sourcing and trading, it is to Verdo Trading at all times an uncompromised priority to ensure responsible and sustainable sourcing.

Verdo Trading presently holds the following certificates: FSC, PEFC and SBP Chain of Custody.

Under the Scope of the Biomass Producer Certification of Verdo Trading and this Supply Base Report, Verdo Trading (VT) defines its supplybase as follows:

Denmark
Estonia
Latvia
Lithuania
Poland

VT trades the following species:

Country	Species
Denmark	Abies alba, Abies nordmanniana, Abies procera, Abies grandis, Acer pseudoplatanus, Alnus alnobetula, Alnus glutinosa, Alnus incana, Betula pendula, Betula pubescens, Corylus avellana, Cupressus sempervirens, Fagus sylvatica, Fraxinus excelsior, Larix decidua, Larix eurolepis, Larix kaempferi, Picea abies, Picea glauca, Picea omorika, Picea Sitchensis, Pinus contorta, Pinus mugo, Pinus Sylvestris, Populus tremula, Populus x canescens, Prunus avium, Pseudotsuga menziesii, Quercus petraea ,Quercus robur, Quercus Rubra, Salix spp;, Thuja occidentalis, Tsuga heterophylla
Estonia	Abies alba, Abies nordmanniana, Abies procera, Acer pseudoplatanus, Alnus alnobetula, Alnus glutinosa, Alnus incana, Betula pendula, Betula pubescens, Corylus avellana, Fagus sylvatica, Fraxinus excelsior, Picea abies, Picea Sitchensis, Pinus contorta, Pinus Sylvestris, Populus tremula, Prunus avium, Quercus petraea, Quercus robur, Quercus Rubra, Salix spp;,
Latvia	Abies alba, Abies nordmanniana, Abies procera, Acer pseudoplatanus, Alnus alnobetula, Alnus glutinosa, Alnus incana, Betula pendula, Betula pubescens, Corylus avellana, Fagus sylvatica, Fraxinus excelsior, Picea abies, Picea Sitchensis, Pinus contorta, Pinus Sylvestris, Populus tremula, Prunus avium, Quercus petraea, Quercus robur, Quercus Rubra, Salix spp;,
Lithuania	Abies alba, Abies nordmanniana, Abies procera, Acer pseudoplatanus, Alnus alnobetula, Alnus glutinosa, Alnus incana, Betula pendula, Betula pubescens, Corylus avellana, Fagus sylvatica, Fraxinus excelsior, Picea abies, Picea Sitchensis, Pinus contorta, Pinus Sylvestris, Populus tremula, Prunus avium, Quercus petraea, Quercus robur, Quercus Rubra, Salix spp;,
Poland	Abies alba, Abies nordmanniana, Abies procera, Acer pseudoplatanus, Alnus alnobetula, Alnus glutinosa, Alnus incana, Betula pendula, Betula pubescens, Corylus

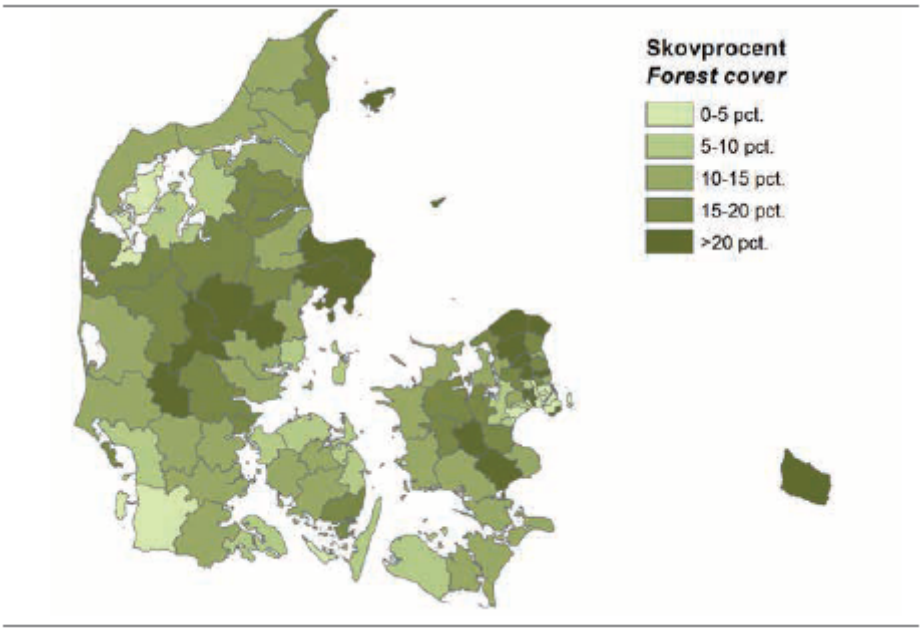
	avellana, Fagus sylvatica, Fraxinus excelsior, Picea abies, Picea Sitchensis, Pinus contorta, Pinus Sylvestris, Populus tremula, Prunus avium, Quercus petraea, Quercus robur, Quercus Rubra, Salix spp;,

1. Denmark

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

Forest cover

The Danish forestcover is estimated to be 625.603 ha or 14,5 pct of the total land area (Figur 1).
The forest area has according to previous statistics increased since 1990, but part of the increase is due to changes in calculation method. Compared to the latest calculation the forest area is fairly unchanged (Figur 2).[1]



Figur 1. Forest Cover Denmark

The largest proportion of forest land is owned by private, approximately 75% (Figure 4), either as individuals or as companies. The public share of the total forest area is about 25%

The land use development from 1851 to 2017 and distribution to forest type can be seen in figure 2 and table 1 below: The forest area has been increasing, but the last decade it has been fairly unchanged. The

[1] https://static-curis.ku.dk/portal/files/213509961/SP2017_web.pdf

percentage of conifers has been increasing until 2000 and after 2000 the area of broadleaf forest has been increasing.

In table 1 the land use distribution of the forests in Denmark is presented. As it can be seen approximately 265,000 ha's have coniferous plantings with a gross annual increment of on average 9,2 m3 and net annual increment of 1,4 m3 / ha[2] (Table 2)

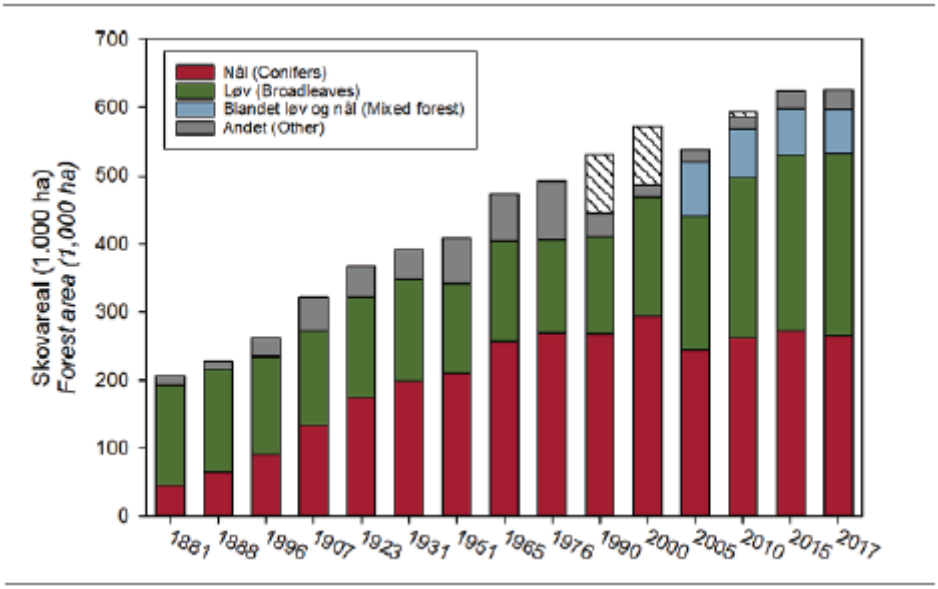


Figure 2. Forest area 1881-2017.

[2] https://static-curis.ku.dk/portal/files/213509961/SP2017_web.pdf

Arealanvendelse *Landuse*	Danmark	Hovedstaden	Midtjylland	Nordjylland	Sjælland	Syddanmark
			ha			
I alt *Total*	625.603	50.548	224.476	111.113	98.839	140.626
Skov, nål *Forest, conifer*	265.171	12.643	116.788	54.987	22.344	57.698
.... heraf højskov .... *of which high forest*	234.921	12.408	105.166	51.132	18.956	46.608
.... heraf juletræer og pyntegrønt .... *of which Christmas trees and greenery*	30.250	235	11.622	3.855	3.388	11.090
Skov, løv *Forest, broadleaves*	267.747	29.315	71.478	35.769	64.493	67.485
Skov, blandet løv og nål *Forest, mixtures of conifers and broadleaves*	63.472	5.726	24.067	16.461	7.898	9.200
Midlertidig ubevokset *Temporarily unstocked*	17.741	2.088	7.745	2.138	2.817	2.998
Hjælpearealer i skov *Unstocked forest*	11.471	776	4.397	1.758	1.287	3.245

Table 1. Forest area distributed to regions and landuse classes.

	Region					
	Danmark	Hovedstaden	Midtjylland	Nordjylland	Sjælland	Syddanmark
	Årlig tilvækst og hugst (1.000 m³/år og m³/ha/år) *Annual increment and removals (1,000 m³/year and m³/ha/year)*					
Nettotilvækst	1.586	326	847	-155	70	510
Net increment	*1,4*	*-0,5*	*2,0*	*0,5*	*-0,8*	*2,7*
Hugst i alt	4.760	391	1.492	956	864	1.058
Total removals	*7,8*	*8,8*	*7,0*	*8,1*	*9,0*	*7,7*
Hugst	3.290	299	1.026	519	689	749
Harvested	*5,4*	*6,8*	*4,8*	*4,4*	*7,2*	*5,5*
Stormfald	130	2	83	8	8	30
Windthrow	*0,2*	*0,0*	*0,4*	*0,1*	*0,1*	*0,2*
Død	489	59	149	93	109	79
Dead	*0,8*	*1,3*	*0,7*	*0,8*	*1,1*	*0,6*
Mangler	851	31	235	336	58	199
Missing	*1,4*	*0,7*	*1,1*	*2,9*	*0,6*	*1,5*
Bruttotilvækst	6.346	717	2.338	801	934	1.568
Gross increment	*9,2*	*8,3*	*9,0*	*8,6*	*8,2*	*10,4*

Table 2. Growth and harvest in the Danish forests, estimated from the remeasuring of NFI sample plots. Average annual increment and harvest per hectare are provided in italics.

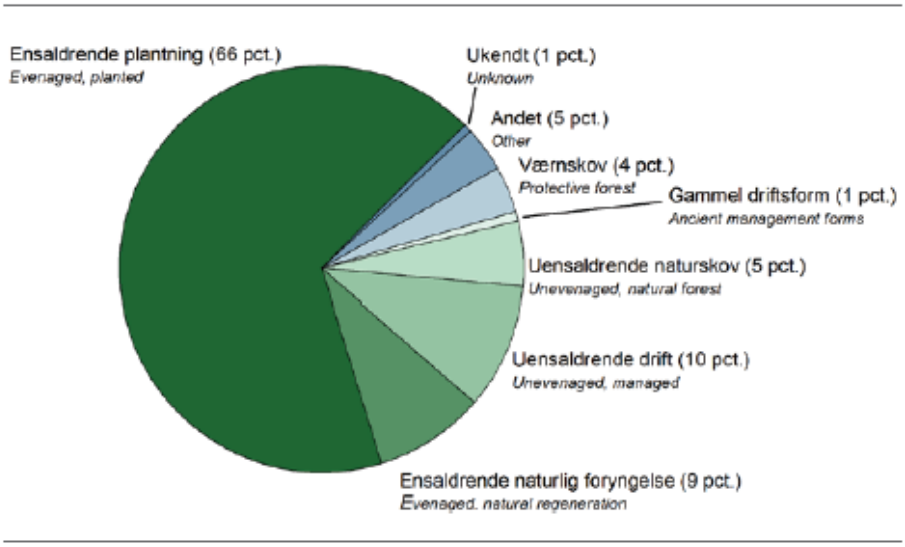
Management practices

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

There is an old tradition of planting windbreaks in Denmark.
The planting of windbreaks started in the 1880s were the Danish government set aside an annual grant for planting subsidies. From the 1960s the windbreaks where planted with mixtures of several species of trees and shrubs to ensure long-lasting, stable hedge. The mix includes fast-growing trees which provide the first shelter for the crops and the slow-growing species in the fence. The fast-growing species are then removed to make room for the enduring species.
Since then, various subsidies have existed to establish windbreaks.
Today, Denmark is estimated to have some 80,000 km of windbreaks.[3]

The existing windbreaks planted with subsidies must be maintained and it is not allowed to eliminate them.[4]

The distribution of the different management practices is presented in table 3.



3 http://denstoredanske.dk/Natur_og_milj%C3%B8/Landbrug_og_havebrug/Vanding,_afvanding_og_l%C3%A6plantning/l%C3%A6hegn

4 https://mst.dk/natur-vand/natur/tilskud-til-skov-og-naturprojekter/laehegn-og-smaabeplantninger/

Figure 3. Distribution of the forest area to management types. The percentages are of the total forest area, excluding the 2 pct. auxiliary areas. Temporarily unstocked areas are part of the evenaged, planted area.

Driftsform *Management type*	Region *Region*					
	Danmark	Hovedstaden	Midtjylland	Nordjylland	Sjælland	Syddanmark
	ha					
I alt *Total*	625.603	50.548	224.476	111.113	98.839	140.626
Ubevokset *Unstocked*	11.471	776	4.397	1.758	1.287	3.245
Ensaldrende, plantet *Evenaged, planted*	413.153	34.820	146.520	81.042	71.124	79.634
Ensaldrende, naturlig foryngelse *Evenaged, natural regeneration*	54.489	471	12.448	1.693	688	39.066
Uensaldret, drift *Unevenaged, operational*	61.043	8.902	22.979	7.334	17.861	4.309
Uensaldret, naturskov *Unevenaged, nature*	31.696	3.017	12.255	5.943	4.545	5.939
Gammel driftsform *Ancient management forms*	4.740	0	1.167	2.354	0	1.161
Værnskov *Protective forest*	22.819	212	12.924	3.272	0	6.326
Andet *Other*	22.174	1.529	10.384	7.594	2.117	450
Ukendt *Unknown*	4.019	819	1.402	123	1.218	496

Table 3. Distribution of the forest area to different regions and management types. Temporarily unstocked areas are included in "Evenaged, planted" and auxiliary areas are included in "Other" [5]

	Danmark	Hovedstaden	Midtjylland	Nordjylland	Sjælland	Syddanmark
	Antal / *Number*					
I alt	22.744	1.169	7.782	4.302	1.907	7.583
Total	*5.853*	*407*	*1.817*	*1.085*	*522*	*2.022*
0,5-19,9 ha	19.996	1.046	6.675	3.869	1.628	6.778
	4.218	*337*	*1.149*	*858*	*337*	*1.535*
20,0-49,9 ha	1.621	89	690	247	89	507
	808	*46*	*368*	*103*	*22*	*269*
50,0-99,9 ha	475	14	189	79	54	139
	267	*8*	*105*	*38*	*35*	*81*
100,0-249,9 ha	363	8	123	75	60	98
	284	*5*	*95*	*54*	*52*	*79*
250,0-499,9 ha	144	2	57	20	35	31
	133	*1*	*52*	*20*	*34*	*27*
>500,0 ha	146	10	50	13	42	30
	142	*10*	*48*	*12*	*42*	*29*

[5] https://static-curis.ku.dk/portal/files/213509961/SP2017_web.pdf

Table 4. Number of forest estates distributed according to region and the size of the forest estate. The number of estates that has reported harvesting to Statistics Denmark in 2015 is provided in italics.

In table 4 the number of forest estates distributed according to region and the size of the forest estate is presented.

Ownership

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

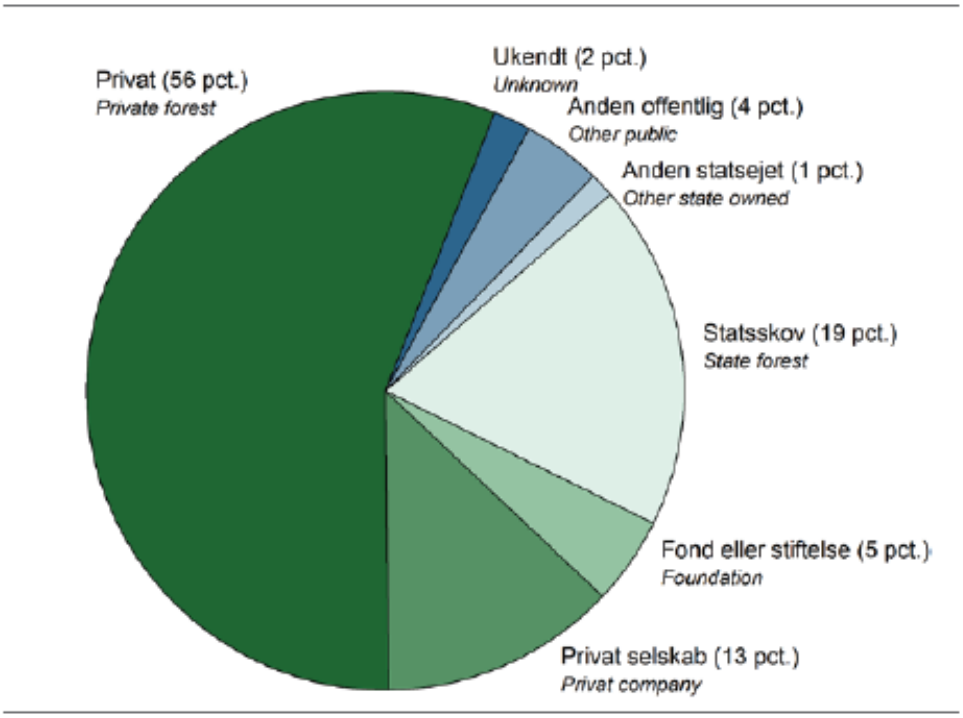


Figure 4. Forest ownership in Denmark

Socio-economic setting

The total employment in forestry is approx. 5,600 people, while 8,500 people are employed in the timber industry. Includeing the associate employment in the furniture industry, the total number is 23,000, but a large part of the raw materials for industry is imported and the share of employment, that is derived from Danish produced wood is not known. Total employment in the forest sector has been constant over a very long period, while declining in the associated industry.[6]

[6] https://static-curis.ku.dk/portal/files/213509961/SP2017_web.pdf

Conservation CITES or IUCN species

Denmark

Species traded	Latin	Danish	Cites Status[7]	IUCN classification[8]
Silver Fir	Abies alba	Ædelgran	Not on the list	Least concern (LC)
Grand Fir	Abies grandis	Kæmpegran	Not on the list	Least concern (LC)
Caucasian Fir	Abies nordmanniana	Nordmannsgran	Not on the list	Least concern (LC)
Noble Fir	Abies procera	Nobilis	Not on the list	Least concern (LC)
Maple	Acer pseudoplatanus	Ahorn	Not on the list	Least concern (LC)
Common Alder	Alnus glutinosa	Rødel	Not on the list	Least concern (LC)
Grey alder	Alnus incana	Grå-el	Not on the list	Least concern (LC)
Green Alder	Alnus Alnobetula	Grønel	Not on the list	Least concern (LC)
Silver Birch	Betula pendula	Vortebirk	Not on the list	Least concern (LC)
Downy Birch	Betula pubescens	Dunbirk	Not on the list	Least concern (LC)
Hazel	Corylus avellana	Hassel	Not on the list	Least concern (LC)
Mediterranean Cypress	Cupressus sempervirens	Almindelig cypres	Not on the list	Least concern (LC)
European Beech	Fagus sylvatica	Bøg	Not on the list	Least concern (LC)
Common Ash	Fraxinus excelsior	Ask	Not on the list	Near Threantened Ash dieback disease has been causing severe Ash dieback in central and northern Europe

[7] http://checklist.cites.org/#/en

[8] https://www.iucnredlist.org/search

				Common Ash is classified as Least Concern in Denmark and Estonia.
European Larch	Larix decidua	Europæisk lærk	Not on the list	Least concern (LC)
-	Larix eurolepis	Hybridlærk	Not on the list	Not on the list
Japanese Larch	Larix kaempferi	Japansk lærk	Not on the list	Least concern (LC)
Norway Spruce	Picea abies	Rødgran	Not on the list	Least concern (LC)
White Spruce	Picea glauca	Hvidgran	Not on the list	Least concern (LC)
Serbian Spruce	Picea omorika	Søjlegran	Not on the list	Endangered (EN)
Sitka Spruce	Picea sitchensis	Sitkagran	Not on the list	Least concern (LC)
Willow	Salix spp	Pileslægten	Not on the list	Least concern (LC)
Sweet Cherry	Prunus avium	Kirsebær	Not on the list	Least concern (LC)
Scots Pine	Pinus Sylvestris	Skovfyr	Not on the list	Least concern (LC)
Dwarf Mountain Pine	Pinus mugo	Bjergfyr	Not on the list	Least concern (LC)
Lodgepole Pine	Pinus contorta	Klitfyr	Not on the list	Least concern (LC)
Eurasian Aspen	Populus tremula	Bævreasp	Not on the list	Least concern (LC)
Gray poplar	Populus x canescens	Gråpoppel	Not on the list	-
Douglas-fir	Pseudotsuga menziesii	Grøn douglasgran	Not on the list	Least concern (LC)
European Oak	Quercus robur	Stilkeg	Not on the list	Least concern (LC)
Sessile Oak	Quercus petraea	Vintereg	Not on the list	Least concern (LC)
Northern Red Oak	Quercus rubra	Rødeg	Not on the list	Least concern (LC)

Northern White Cedar	Thuja occidentalis	Almindelig thuja	Not on the list	Least concern (LC)
Western Red-cedar	Thuja plicata	Kæmpethuja	Not on the list	Least concern (LC)
Western Hemlock	Tsuga heterophylla	Vestamerikansk hemlock	Not on the list	Least concern (LC)

Critically endangered, Endangered and vulnerable species in forests in Denmark	Latin	Danish	Cites Status[9]	IUCN classification[10]
Horse Chestnut	Aesculus hippocastanum	Hestekatanje	Not on the list	Vulnerable (VU)
Reddish pointed belly	Pedostrangalia revestita	Rødlig spidsbuk	Not on the list	Vulverable (VU)
Oak-wood click beetle	Ampedus hjorti	Ege-Skovsmælder	Not on the list	Vulnerable (VU)
Violet click beetle	Limoniscus violaceus	Violsmælder	Not on the list	Endangered (EN)
Eastern Imperial Eagle	Aquila heliacal	Kejserørn	Not on the list	Vulnerable (VU)
European Turtle-dove	Streptopelia turtur	Turteldue	Not on the list	Vulverable (VU)
Greater Spotted Eagle	Clanga clanga	Stor Skrigeørn	On Appendix II list	Vulverable (VU)
Rustic Bunting	Emberiza rustica	Pileværling	Not on the list	Vulverable (VU)
Velvet Scoter	Melanitta fusca	Fløjlsand	Not on the list	Vulverable (VU)

[9] http://checklist.cites.org/#/en

[10] https://www.iucnredlist.org/search?l

European Rabbit	Oryctolagus cuniculus	Vildkanin	Not on the list	Endangered (EN)
Full list for Denmark https://www.iucnredlist.org/search?landRegions=DK&searchType=species				

5.2.1 Estonia

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

Forest cover

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

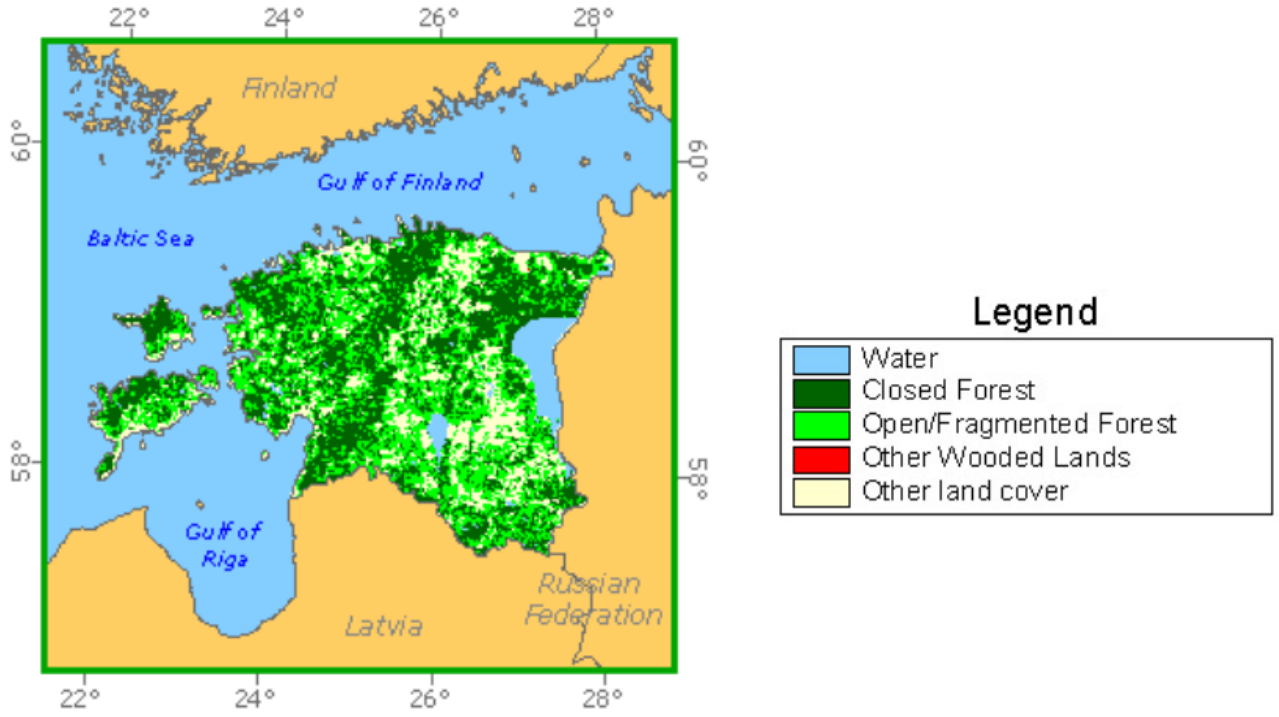
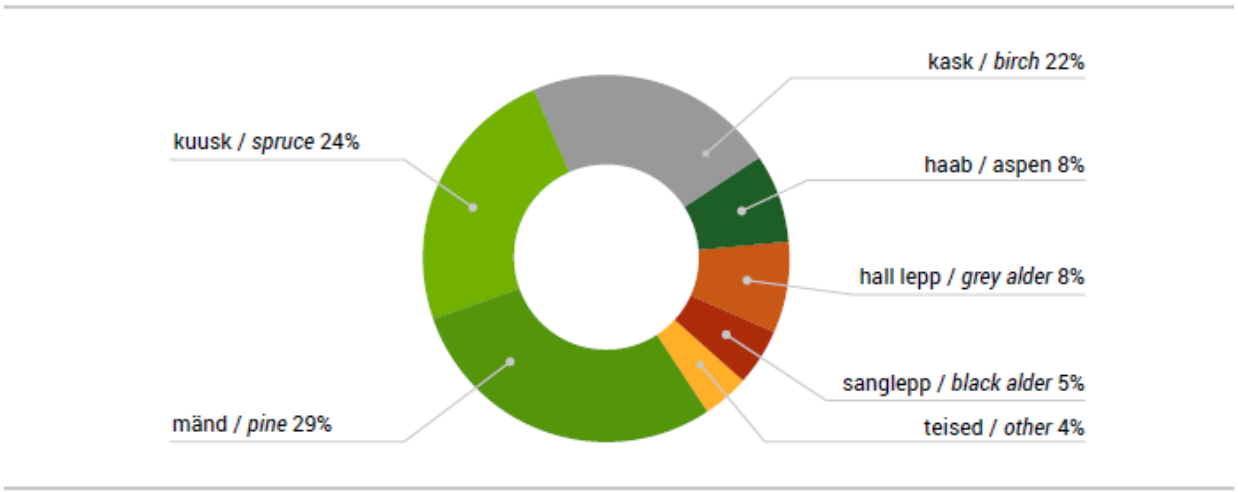


Figure 5. Forest cover of Estonia (FAO: http://www.fao.org/forestry/country/en/est/)

According to FAO data, during 2000 - 2005, the forested land grew by 29.000 ha. Yearbook Forest 2016, that gives annual reports and facts about the forest in Estonia, state that during last decade the cutting rate

in Estonian forests has grown from 4 to 11 mill m³ per year[11]. The amount is in line with sustainable development principle when the cutting rate doesn't exceed the annual increment and gives the potential to meet the long-term economic, social and environmental needs. According to the Yearbook Forest 2016 increment is around 15 mill m³ per year.[12]



Figur 6. Distribution of growing stock by tree species (Yearbook Forest 2016)

For logging in any type of forest, it is required that a valid forest inventory or forest management plan, along with a felling permit issued by the Environmental Board, is available. All issued felling permits and forest inventory data is available in the public forest registry online database[13].

Management practices

Estonia is a member of the European Union since 2004. The Estonian legislation is in compliance with the EU's legislative framework and directives. National legislative acts make references to the international framework. All legislation is drawn up within a democratic system, subject to free comment by all stakeholders[14]. The Estonian legislation provides strict outlines in respect to the usage of forestry land and the Estonian Forestry Development Plan 2020[15] has clear objectives and strategies in place to ensure the forestland is protected up to the standards of sustainable forest management techniques. The Ministry of the Environment coordinates the fulfilment of state duties in forestry. The implementation of environmental policies and its supervision are carried out by two separate entities operating under its governance. The Estonian Environmental Board monitors all of the work carried out in Estonia's forests whereas the Environmental Inspectorate exercises supervision in all areas of environmental protection. The forest is defined in the Forest Act. There are three main forest categories described in this legislation: commercial forests, protection forests and protected forests.

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[11] https://keskkonnaagentuur.ee/et/aastaraamat-mets-2016?sid=5391
[12] https://www.keskkonnaagentuur.ee/sites/default/files/mets2016_08.09.pdf

[13] https://register.metsad.ee/#/
[14] https://europa.eu/european-union/about-eu/countries/member-countries/estonia_en#estonia-in-the-eu
[15] Original title: „Eesti metsanduse arengukava aastani 2020“;; approved by Estonians parlament decision nr 909 OE 15.February 2011.a
http://www.envir.ee/sites/default/files/elfinder/article_files/mak2020vastuvoetud.pdf

Ownership

According to ownership, forests are divided into private forests, municipality forests and state-owned forests. The state-owned forest represents approximately 40% of the total forest area, 43% is privately owned and 17 % has other ownership[16] For the forests with private ownership 80 % are owned by individual and 20 % by business entities and institutions. State forests are certified according to FSC and PEFC forest management and chain of custody standards in which the indicators related to forest management planning, maps and availability of forest inventory records are being constantly evaluated and addressed[17]. The state forest is managed by State Forest Management Centre (RMK) which is a profitmaking state agency founded on the basis of the Forest Act and its main duty lies in a sustainable and efficient management of state forest.

Socio-economic setting

According to the Forestry Yearbook 2016 the wood, paper and furniture industry (751,1 mill euro) contributed 26,6 % to the total Estonian manufacturing industry providing 4,2% of the total value added. Forestry accounted for 1.1% of the value added.[18]
In Estonia, it is permitted to access natural and cultural landscapes on foot, by bicycle, skis, boat or on horseback. Unmarked and unrestricted private property may be accessed any time to pick berries, mushrooms, medicinal plants, fallen or dried branches, unless the owner forbids it. On unmarked and unrestricted private property camping is allowed for 24 hours. RMK creates exercising and recreational opportunities in nature and in recreational and protection zones and provides education about nature.

Conservation CITES or IUCN species

Estonia

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

[16] https://rmk.ee/organisation/operating-areas
[17] https://www.rmk.ee/organisation/environmental-policy-of-rmk/certificates

[18] https://www.keskkonnaagentuur.ee/sites/default/files/mets2016_08.09.pdf

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

Maple	Acer pseudoplatanus	Ahorn	Not on the list	Least concern (LC)

Critically endangered, Endangered and vulnerable species in forests in Estonia	Latin	Danish	Cites Status	IUCN classification
Fruchtbares Schlafmoos	Hypnum fertile	-	Not on the list	Critically endangered (CR)
Violet click beetle	Limoniscus violaceus	Violsmælder	Not on the list	Endangered (EN)
European Turtle-dove	Streptopelia turtur	Turdeldue	Not on the list	Vulnerable (VU)
Greater Spotted Eagle	Clanga clanga	Stor skrigeørn	On Appendix II list	Vulnerable (VU)
Rustic Bunting	Emberiza rustica	Pileværling	Not on the list	Vulnerable (VU)
Velvet Scoter	Melanitta fusca	Fløglsand	Not on the list	Vulnerable (VU)
Full list for Estonia https://www.iucnredlist.org/search?landRegions=EE&searchType=species				

5.2.1 Latvia

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

Forest cover

Latvia has the fourth highest forest cover among all EU countries, Forests in Latvia take up 3.8 mill ha's of land, or 53 % of the country's territory. Around 50 % of all trees in Latvian forests are deciduous trees, and they dominate the amount of stock volume. The number of stands of young birch trees and white alder has

increased rapidly in the past few years. The predominant forest species in Latvia are: Pine 33 %, Birch 30 %, Spruce 19 %, Grey Alder 7 %, Aspen 7 %, Black Alder 3 %, Ash 0.5 %, Oak 0.3 %, Other Species 0.3 %.[19]

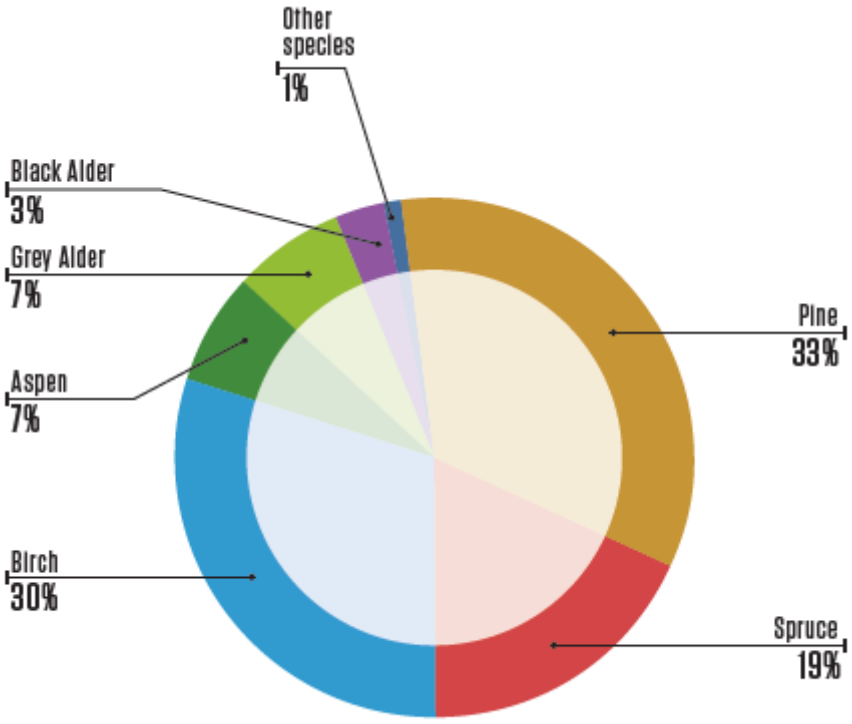

Figure 7. Forest Area by dominant species. Latvia 2019

Management practices

The forest sector in Latvia is under the supervision of the Ministry of Agriculture. It works with stakeholders to draft forest policies, development strategies for the sector, as well as regulations on forest management, the use of forest resources, environment protection and hunting. The State Forest Service, under the Ministry of Agriculture, is the responsible agency for supervising how the provisions of the laws and regulations are observed in forest management irrespective of the ownership type.
State-owned forests are managed by "Latvian State Forests", which was established in 1999. It implements the state's interests in terms of preserving and increasing the value of the forest and enhancing the contributions of the forest to the national economy. www.zm.gov.lv.
The interests of private forest owners are represented by the Latvian Forest Owners' Association. www.mezaipasnieki.lv [20]

There are management restrictions in 28.2 % of the total forest area in Latvia. This includes areas that are strictly protected from forestry, which cover 3.3 %. Also included are areas with some restrictions on forestry, which cover 10.4 % of the total forest area. In the remaining 14.5 %, other types of management are

[19] https://www.zm.gov.lv/public/ck/files/ZM/mezhi/skaitlifakti_ENG20.pdf

[20] https://www.zm.gov.lv/public/ck/files/ZM/mezhi/skaitlifakti_ENG20.pdf

restricted depending on the values in the forest. Due to the dramatic increase in forest cover in the last 100 years, the current proportion of old-growth forests in Latvia is low as such, a major challenge of forest conservation in Latvia is to ensure that such oldgrowth forests and features are protected and allowed to develop. www.lvm.lv

Ownership

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

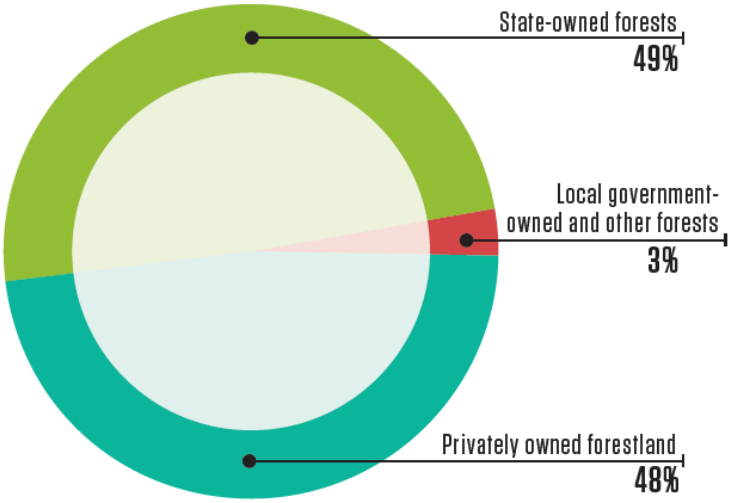

Figure 8. Forest ovnership by status 2019[21]

Socio-economic setting

The forest sector is one of the cornerstones of the national economy at this time. Forestry, wood processing and furniture manufacturing represented 5,1 % of GDP in 2018, while exports amounted to EUR 2,6 billion - 21 % of all exports.
According to the Latvian Ministry of Agriculture, Latvia is a net exporter of forestry industry products.
In 2018 Latvia exported EUR 2.6 billion worth of forest industry products, which was 18% more than in 2017 when exports amounted to EUR 2.2 billion.
The EU is the main trading partner for the Latvian wood sector with an almost 90 percent share of the total Latvian wood export volume. Traditionally, Latvia's largest forestry export markets are the UK, Germany and Sweden. [12]

Currently, the Latvian forest industry directly employs 40,000 people and gives 30,000 more jobs indirectly in such industries as transport services, metal working, education, science, construction, power engineering etc.[22]

[21] https://www.zm.gov.lv/public/ck/files/ZM/mezhi/skaitlifakti_ENG20.pdf

[22] https://www.lvm.lv/mezsaimniecibas-cikls/en/musu-mezs/kas-ir-dabai-draudziga-mezsaimnieciba

Conservation CITES or IUCN species

Latvia

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

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

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

https://www.iucnredlist.org/search?landRegions=LV&searchType=species

5.2.1 Lithuania

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

Forest cover

The forested land occupies 33,5 % of the country´s territory or 2,189 mill ha.[23] (FAO estimates the forested land in Lithuania to be 28 %)[24]
The south-eastern part of the country is most heavily forested. Average annual increase in forest area is about 7.000 ha. The huge differences in forest coverage during the last 10 years is explained by insufficient data previously used by Forest Assessment. Occupying 1,145 mill ha, coniferous stands prevail in Lithuania, covering 55.6% of the forest area. They are followed by soft wood deciduous forests (0.841 mill ha, 40.9 %). Hard wood deciduous forests occupy 72,000 ha (3.5 %). Over the last 14 years total area of soft wood deciduous forests increased by 142,700 ha. The area of hard wood deciduous has decreased by 20,400 ha over the last 14 years (mainly due to the mouth of ash woods), and coniferous forest area in last 14 years decreased by 14,900 ha.[25]

Distribution of most common species

• Scots pine (*Pinus sylvestris*) ‑ 34 %

• Norway spruce (*Picea abies*) - 21 %

• Birch (*Betula pendula*) ‑ 22 %

• Black alder (*Alnus glutinosa*) ‑ 8 %

• Grey alder (*Alnus incana*) ‑ 6 %

• Aspen (*Populus tremula*) ‑ 5 %

• Oak (*Quercus robur*) - 2 %

• Ash (*Fraxinus excelsior*) ‑ 1 % (stands diminished by 64.6 % due to disease)

• Other - 1 %

[23] https://osp.stat.gov.lt/services-portlet/pub-edition-file?id=32300
[24] http://www.fao.org/3/w3722e/w3722e22.htm
[25] https://osp.stat.gov.lt/services-portlet/pub-edition-file?id=32300

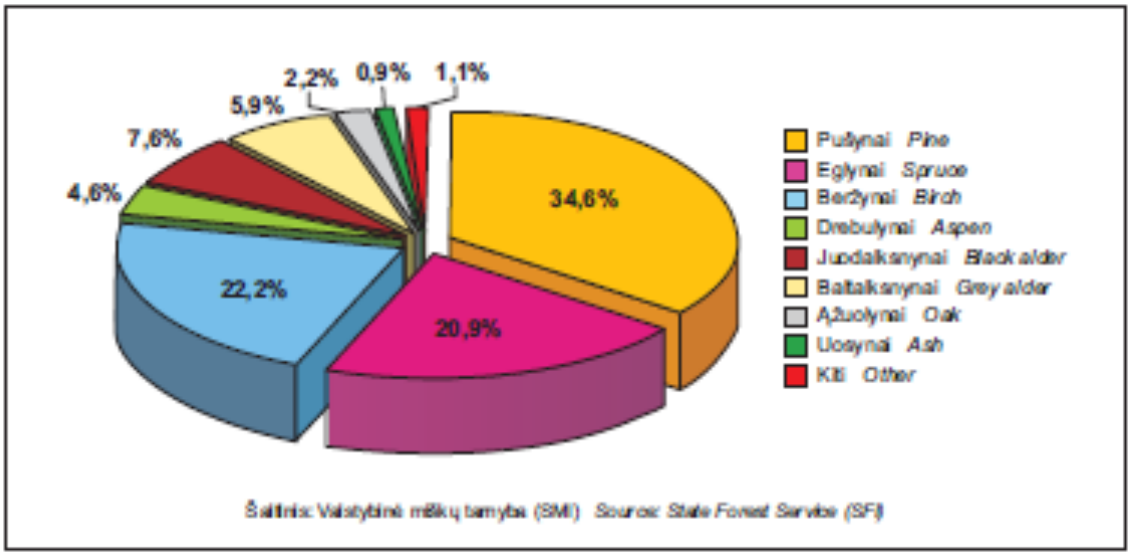

Figure 9. Forest stands area by dominant tree species 01.01.2017

Management practices

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

Fellings

Over 1990-1995 felling rates in all Lithuanian forests (irrespective of their ownership) were unstable, but still slightly increasing and reached the peak in 1995 with the total of 9.43 mill. m3 of living trees felled. After 1995 felling were decreasing to 7.71 mill. m3 of living trees felled in 1997 and then started to increase again.The highest point over the whole accounting period was reached in 2003 (10.34 mill. m3 of living trees felled) and then started slightly to decrease until 2012 (8.05 mill. m3 of living trees felled). Over the past years, marginal increase in forest felling is observed (9.86 mill. m3 in 2016).

State forest of Lithuania are FSC certified. The audit of this certification confirms the fact that Lithuanian State forests are managed responsibly, in compliance with the requirements of protection and conservation of biodiversity.[26]

Ownership

By 1st January 2017, around a half of all forest land in Lithuania was of specific interest of the state through ownership (stateforest) high preservation and recreational areas. After intersection of layers of all forests and private holdings the estimated area of private forests was 0,9 mill. ha.
Forty two State forest enterprises under subordination of the Ministry of Environment, managed 1.05 mill. ha of forest land. The number of forest districts during the last year decreased by 2 until 339 with an average

[26] http://www.fao.org/3/w3722e/w3722e22.htm

size of 3,200 ha. Property rights, according to the data of State Enterprise Centre of Registers, were registered on 9,600 ha forest land in 2016. The number of private forest owners amounted to almost 250,100, a forest estate averaging 3.4 ha.[27]

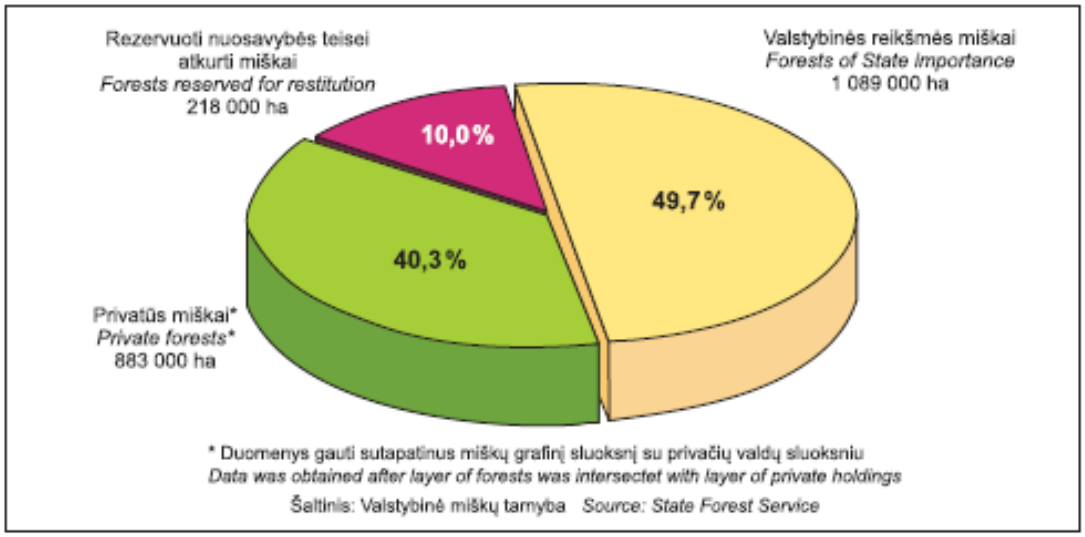

Figure 10. Forest land by ownership 01.01.2017

Socio-economic setting

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

Key products

• Sawn timber

• Prefabricated buildings

• Practical boards and board of wood

• Wooden windows and doors

• Flooring panels

• Exterior and interior planks

[27] https://osp.stat.gov.lt/services-portlet/pub-edition-file?id=32300

Conservation CITES or IUCN species

Lithuania

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

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

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

https://www.iucnredlist.org/search?landRegions=LT&searchType=species

5.2.1 Poland

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

Forest cover

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

The forest cover increased from 21% in the year 1945 to 29.4% at present. From 1995 to 2014 the forest area enlarged by 504 thousand hectares. The basis for the afforestation works in Poland is the National Programme for the Augmentation of Forest Cover with the assumption to increase the forest cover up to 30% in 2020 and up to 33% in 2050. Poland's forests are rich in flora, fauna and fungi; 65% of all species occurring in Poland live there.[28]

Management practices

The size of timber harvest is determined by the forest management plan prepared for each forest district for a 10-year period. It ensures that the size of timber logging is kept not only within the limits of the productive function of forest but it also systematically increases the so called growing stock, ie. timber remaining in the forest. To summarize, foresters' management ensures the sustainability of forests and the possibility of their biological reproduction.
In Poland about 55% of the increment is harvested. It is estimated that the current abundance of Polish forests is over 2.4 milliard cubic meters of timber.

Ownership

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

Socio-economic setting

Poland maintains rank as world's 10th biggest producer and 4th exporter of furniture. The wood industry exports the commodities of the total annual value accounting for 45 billion PLN, which constitutes 10% of the domestic export. The forestry-wood sector accounts for 2% of the Poland's gross domestic product (GDP). Not only the sector provides jobs to hundreds thousands of people but also it triggers investments and the development of innovative technology. Since the beginning of political transformation in Poland, the forestry-wood sector attracted foreign capital valued at 30 billion PLN.

The State Forests is one of the top employers in Poland. Moreover, forest and timber provide livelihood to employees of several thousand private industries providing forestry services, who at the commission of the

[28] https://www.lasy.gov.pl/en/our-forests/polish-forests

State Forests are planting and tending trees, logging and hauling timer, but most of all the State Forests provides jobs to those employed in tens of thousands companies that constitute timber, furniture and paper industries. All in all, it's about 375 thousand Poles. Statistically one in one hundred citizens of Poland works in sector connected with forestry and wood processing.

Among private industries of the forestry-wood sector there are huge corporations with foreign capital, as well big and medium domestic companies, however, 9 out of 10 entities constitute small businesses that hire less than 10 employees. Usually they are family businesses, that cultivate multigenerational traditions connected with forestry, functioning within less developed regions of the country. In those regions, forestry and timber industry along with agriculture remain the only source of income for hundreds thousands of families. About 60% of all workplaces in the forestry-wood sector is located within rural areas.[29]

Conservation CITES or IUCN species

Poland

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

[29] https://www.lasy.gov.pl/en/our-forests/polish-forests

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

Critically endangered, Endangered and vulnerable species in forests in Poland	Latin	Danish	Cites Status	IUCN classification
Green Ash	Fraxinus pennsylvanica	Rød-ask	Not on the list	Critically endangered (CR)

Fruchtbares Schlafmoos	Hypnum fertile	-	Not on the list	Critically endangered (CR)
Goryczuszka Czeska	Gentianella bohemica	-	Not on the list	Vulnerable (VU)
Jack's Scalewort	Frullania jackii	-	Not on the list	Vulnerable (VU)
-	Brachythecium geheebii	-	Not on the list	Vulnerable (VU)
Atlas Daisy	Anacyclus pyrethrum	Bertram	Not on the list	Vulnerable (VU)
Przytulia Sudecka	Galium sudeticum	-	Not on the list	Vulnerable (VU)
European Rabbit	Oryctolagus cuniculus	Vildkanin	Not on the list	Endangered (EN)
Oak-wood click beetle	Ampedus hjorti	Ege-Skovsmælder	Not on the list	Vulnerable (VU)
Sudeten ringlet	Erebia sudetica	Sudeten-ringletten	Not on the list	Vulnerable (VU)
-	Anisarthron barbipes	-	Not on the list	Vulnerable (VU)
Eastern Imperial Eagle	Aquila heliaca	Kejserørn	Not on the list	Vulnerable (VU)
Violet click beetle	Limoniscus violaceus	Violsmælder	Not on the list	Endangered (EN)
Reddish pointed belly	Pedostrangalia revestita	Rødlig spidsbuk	Not on the list	Vulverable (VU)
European Turtle-dove	Streptopelia turtur	Turteldue	Not on the list	Vulverable (VU)
Greater Spotted Eagle	Clanga clanga	Stor Skrigeørn	On Appendix II list	Vulverable (VU)
European Bison	Bison bonasus	Europæisk Bison	Not on the list	Vulnerable (VU)
Rustic Bunting	Emberiza rustica	Pileværling	Not on the list	Vulverable (VU)

-	Mycetochara roubali	-	Not on the list	Vulverable (VU)
-	Corticeus bicoloroides	-		Endangered (EN)
Giant Noctule	Nyctalus lasiopterus	Flagermus	Not on the list	Vulnerable (VU)
Velvet Scoter	Melanitta fusca	Fløjlsand	Not on the list	Vulverable (VU)
Goldstreifiger	Buprestis splendens	-	Not on the list	Endangered (EN)
-	Ropalopus ungaricus	-	Not on the list	Endangered (EN)
-	Corticeus versipellis	-	Not on the list	Endangered (EN)
-	Pseudogaurotina excellens	-	Not on the list	Endangered (EN)
Full list for Poland https://www.iucnredlist.org/search?landRegions=PL&searchType=species				

5.3 Detailed description of Supply Base

5.4 Chain of Custody system

The organization holds valid FSC and PEFC CoC certificates (NC-COC/CW-021375 and NC-PEFC/COC-021375). The SBP CoC system is based on the FSC transfer system.

Therefore, SBP claims can only be made for material where physical segregation is ensured, and no uncontrolled material ("other biomass") has been added.

All relevant information with regards to volume tracking and verification of origin is handled in the BP's system for tracking projects and traded volumes, and wood chip production documents and in the system from in- and outbound sales documents.

The organization only uses storage at the main address in Randers and a logistics site in the port of Aarhus for the wood pellet trading activities. There are no storage site for wood chips, these are always delivered directly from forest or supplier to the end-point.

6 Evaluation process

6.1 Timing of evaluation activities

The SBP Scope change audit 2020 was carried out at the BP main office in Randers, Denmark on June 22, 2020 (office audit), and on June 23, 2020, visits were carried out at a total of 8 sites where there have been or currently are being sourced feedstock and produced wood chips. Closing meeting was conducted at the company's main address ine the late afternoon of June 23, 2020.

A total of 3 days were used for this evaluation – 1 day of preparations, 1 day at the BP main office site and 1 day for audits at the forests / stands of origin: 8 sites in Region Midtjylland please note that the field visits were conducted after consulting the Biomass Producer's records of ongoing and recent wood chip production engagements. The sampling applied was 0,8 x √number of production sites; this yielded a random sample of 8 sites out of an estimated total of app. 100 production sites for the year leading up to the scope change audit. Time used for reporting and administration is not included in these figures.

The SBP scope change audit was conducted in accordance with the plan below. The field visits started and ended in the field, including a summary of the observations from the field visits. A closing meeting was conducted in the afternoon of June 23, 2020. During this meeting the auditor provided a summary of the findings from the field visits, and a formal communication about the result of the audit and NCRs raised was provided to the appointed representative of the Head of Administration.

June 22, 2020

Activity	Location	Auditor	App. Time June 22, 2020
Opening Meeting. Introduction of participants. Review of the agenda.	Verdo Trading Main office	CAR	9.00 – 9.30
Review of the Verdo control system for Biomass Producer activites • Supply Base Report and SBE • Documented procedures (Management system), including traceability, legality, health and safety, risk mitigation measures, staff qualifications and competences, Supplier Verification Program, system for complaints handling • Internal audit and management review • Training activities and registration of completed training • Complaints handling • Review of SBP logo usage	Verdo Trading Main office	CAR	9.30 – 12:00
Break	Verdo Trading Main office	CAR	12.00 – 12.30
Review of the SBP CoC traceability system • Procedures		CAR	12.30 – 13.00

• Review of documentation: (Projects, maps, purchase invoices) • Review of sales documentation (invoices and DTS)			
Review of the system for the collection and reporting of energy and emissions data: • Reporting period • Transport data • Fuel consumption at storage • SAR	Verdo Trading Main office	CAR	13.00 – 14.00
Planning of field verifications • Selection for sample of projects • Practical planning	Verdo Trading Main office	CAR	14.00 – 14.30
Start of field verifications		CAR	14.30 – 16.30
Preliminary Closing meeting. Auditor summarizes preliminary conclusions.	Verdo Trading Main office	CAR	16:30 - 17:00

June 23, 2020

Field visits were conducted on the basis of the inventory of ongoing, planned and completed projects. Auditor was responsible for selecting projects for field visits, taking into account the number of projects, as well as the type of project, size and geographical location.

Activity	**Location**	**Auditor(s)**	**App. Time** **June 23, 2020**
Evaluation at forest of origin of primary feedstock, evaluation of relevant mitigation measures.	Supplier site: Fælledvej 9, Mariager	CAR	9.00 - 9:30
Evaluation at forest of origin of primary feedstock, evaluation of relevant mitigation measures.	Supplier site: Dalhusvej 13, Mariager	CAR	10.00 - 10:30
Evaluation at forest of origin of primary feedstock, evaluation of relevant mitigation measures.	Supplier site: Houerdalsvej 33, Mariager	CAR	11.00 – 11:30
Evaluation at forest of origin of primary feedstock, evaluation of relevant mitigation measures.	Supplier site: Røjdrupvej 2, Hobro	CAR	12:00 - 13:00

Evaluation at forest of origin of primary feedstock, evaluation of relevant mitigation measures.	Supplier site: Ryddalsvej 4 Tjele	CAR	14.00 - 14:30
Evaluation at forest of origin of primary feedstock, evaluation of relevant mitigation measures.	Supplier site: Skovagervej, Nørbæk Randers NV	CAR	15.00 - 15:30
Evaluation at forest of origin of primary feedstock, evaluation of relevant mitigation measures.	Supplier site: Villavej 33, Langå	CAR	15.30 - 16:00
Evaluation at forest of origin of primary feedstock, evaluation of relevant mitigation measures.	Supplier site: Nygårdsvej 31, Lyngby, Trustrup	CAR	16.00 - 16:30
Closing meeting: Auditor summarizes audit conclusions and NCR explained.	Main office	CAR	17:00 – 17:30

6.2 Description of evaluation activities

The audit started with an opening meeting on Monday, June 22, at 9:00 - 9:30 with attendance by a appointed management representative and Biomasss Manager and the Sustainability Coordinator who is the main responsible for the BP's CoC and SBP procedures.

The audit review of documented procedures and control systems, and all required documentation. Interviews were conducted with all staff relevant to the critical control points and key responsibilities in relation to the production, storage and sales of the certified products.

The audit also included extensive documents review and check of calculations in regard to the GHG emission data reported by the BP.

The audit continued on Monday June 22 and Tuesday June 23, 2020 with field visits to a total of 8 sites where wood chips have been or will be sourced from and produced. The sample size was determined as 0.8 x Square root of the number of wood chip projects under BP legal ownership in the previous 12 months. Note that the BP also work as a contractor for other BPs but does not take legal ownership in these cases. The relevant

number of projects was estimated via review of supplier project records to be 100 and hence the sample size was 8sites.

The audit was concluded on Tuesday June 23, with a closing meeting with attendance by the appointed representative of the Head of Administration and the BPs certification coordinator. During the closing meeting the auditor presented the conclusions of the audit, including the NCRs and a few points for follow-up.

Impartiality commitment: NEPCon commits to using impartial auditors and our clients are encouraged to inform NEPCon management if violations of this are noted. Please see our Impartiality Policy here: http://www.nepcon.org/impartiality-policy

Composition of audit team:

Auditor(s), roles	Qualifications
Christian Rahbek, Lead Auditor and Local expert	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 9 years of FSC and PEFC CoC and FM audits in Denmark, Europe, Canada and Brazil. Christian was approved as SBP Lead auditor in January 2017 and has lead a number of SBP assessments and audits in Denmark and Canada.

6.3 Process for consultation with stakeholders

Stakeholder consultation processes were carried out by both the Biomass Producer via email send out May 5, 2020; and the Certification Body via email sent out May 20, 2020 prior to the 2020 Scope change audit. No comments had been received by the BP at the time of the scope change audit.

The CB had not received any comments from stakeholdes in the consultation period.

7 Results

7.1 Main strengths and weaknesses

The main strengths of the organization lie within the strong human resources, sufficient technical facilities and administrative procedures. Furthermore, that business activities of the organization are relatively simple in relation to the SBP standards. No NCRs were identified during the audit.

The main weakness of the organization's SBP certification related to the fact that for the material from Denmark, the BP relies on the suppliers to submit sufficient and correct information about the origin of the feedstock and of the risk evaluation and mitigation process. The BP has established a supplier control system, which is designed to ensure that a sufficient number of projects are sampled and visitied in the field for verification of correct traceability, risk evaluation according to sub-scope and implementation of risk mitigation as required.

7.2 Rigour of Supply Base Evaluation

At the time of the scope change audit, the Supply Base Evaluation was implemented only for primary feedstock sourced from Denmark. The BP implements the SBE for primary feedstock (forest products) that are originating from Denmark and is sold without SBP-approved Forest Management Scheme claim, SBP-approved Forest Management partial claim or SBP-approved Chain-of-Custody (CoC) System claim. Risk mitigation measures are implemented for material coming from both forest land and from other origin, e.g. landscape maintenance, or residential areas.

The BP has used the SBP endorsed regional risk assessment for Denmark (June 2017) which has been widely circulated for stakeholder consultation. Based on the "specified risks" in this risk assessment the organization has implemented relevant mitigation measures.

Supply Base Evaluation is only implemented for material sourced from Denmark, and not any other country.

7.3 Collection and Communication of Data

The organization showed very good awareness of the requirements related to collection and communication of GHG and emissions data, and responsible staff demonstrated during the audit how GHG data is collected and reported as required. It was verified that Verdo Trading has required data in place, based on communication with the shipping companies. Verdo Trading has provided documentation for the required energy and emission data where transport occurs under Verdo Trading ownership. The energy connected with transportation is calculated per each shipment as the distance change almost for every delivery of biomass. For biomass from other countries than Denmark, the transport distance data is obtained from the suppliers and verified agaist the reported origin of the feedstock as per the felling permits, which are forwarded to the BP by the suppliers.

7.4 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 and Purchase and Sustainability Coordinator Line Risgaard Mortensen.Benny Corneliusen is overall responsible for implementing the SBE requirements, including the verification of the correct implementation of the risk mitigating measures. Benny Corneliusen is a Forester by training (Forest and Landscape Engineer) and has more than 10 years of practical experience as a forester in Denmark. They are supported by Bioenergy manager and purchase Mette Brandt, and all showed good understanding of the requirements in relation to SBP certification and of the already implemented FSC CoC system.

7.5 Stakeholder feedback

Neither the CH nor the CB has received any comments or complaints pertaining any element of the SBP system or the Supply Base Report as a result of the stakeholder consultation process.

7.6 Preconditions

There are no open preconditions to the certification.

8 Review of Company's Risk Assessments

Describe how the Certification Body assessed risk for the Indicators. Summarise the CB's final risk ratings in Table 1, together with the Company's final risk ratings. Default for each indicator is 'Low', click on the rating to change. Note: this summary should show the risk ratings before AND after the SVP has been performed and after any mitigation measures have been implemented.

The BP only implements SBE for feedstock from Denmark; all other feedstock will be sourced with a SBP recognized certification claim. The BP has used the SBP endorsed Regional Risk assessment for Denmark (June 2017) and has recognized all the risk ratings from this document. The BP has established and implemented mitigating measures, with the objective of lowering the final risk rating for all indicators to "low".

The BP has not implemented the suggested mitigation measure that the result of the identification and mapping of key biotopes is made publicly available. This is in order to protect the privacy of the landowners. Auditor finds that this is acceptable.

Table 1. Final risk ratings of Indicators as determined BEFORE the SVP and any mitigation measures.

Indicator	Risk rating (Low or Specified)	
	Producer	CB
1.1.1	Low	Low
1.1.2	Low	Low
1.1.3	Low	Low
1.2.1	Low	Low
1.3.1	Low	Low
1.4.1	Low	Low
1.5.1	Low	Low
1.6.1	Low	Low
2.1.1	Specified	Specified
2.1.2	Specified	Specified
2.1.3	Low	Low
2.2.1	Low	Low
2.2.2	Low	Low
2.2.3	Specified	Specified
2.2.4	Specified	Specified
2.2.5	Low	Low
2.2.6	Low	Low
2.2.7	Low	Low
2.2.8	Low	Low

Indicator	Risk rating (Low or Specified)	
	Producer	CB
2.3.3	Low	Low
2.4.1	Low	Low
2.4.2	Low	Low
2.4.3	Low	Low
2.5.1	Low	Low
2.5.2	Low	Low
2.6.1	Low	Low
2.7.1	Low	Low
2.7.2	Low	Low
2.7.3	Low	Low
2.7.4	Low	Low
2.7.5	Low	Low
2.8.1	Low	Low
2.9.1	Low	Low
2.9.2	Low	Low
2.10.1	Low	Low

2.2.9	Low	Low
2.3.1	Low	Low
2.3.2	Low	Low

Table 2. Final risk ratings of Indicators as determined AFTER the SVP and any mitigation measures.

Indicator	Risk rating (Low or Specified)	
	Producer	CB
1.1.1	Low	Low
1.1.2	Low	Low
1.1.3	Low	Low
1.2.1	Low	Low
1.3.1	Low	Low
1.4.1	Low	Low
1.5.1	Low	Low
1.6.1	Low	Low
2.1.1	Low	Low
2.1.2	Low	Low
2.1.3	Low	Low
2.2.1	Low	Low
2.2.2	Low	Low
2.2.3	Low	Low
2.2.4	Low	Low
2.2.5	Low	Low
2.2.6	Low	Low
2.2.7	Low	Low
2.2.8	Low	Low
2.2.9	Low	Low
2.3.1	Low	Low
2.3.2	Low	Low

Indicator	Risk rating (Low or Specified)	
	Producer	CB
2.3.3	Low	Low
2.4.1	Low	Low
2.4.2	Low	Low
2.4.3	Low	Low
2.5.1	Low	Low
2.5.2	Low	Low
2.6.1	Low	Low
2.7.1	Low	Low
2.7.2	Low	Low
2.7.3	Low	Low
2.7.4	Low	Low
2.7.5	Low	Low
2.8.1	Low	Low
2.9.1	Low	Low
2.9.2	Low	Low
2.10.1	Low	Low

9 Review of Company's mitigation measures

Introductory remarks:
The BP exclusively sources feedstock in Denmark from suppliers who on an individual basis have been evaluated positively for the "Alternativ Dokumentation" evaluation or suppliers who are part of the group "Godkendt Biomasseproducent" and also have been evaluated according to the "Alternativ Dokumentation" evaluation which is a third party evaluation covering the same scope as SBP but not evaluated under SBP scope (does not result in SBP certificate for the actual biomass producer). Such evaluation covers identification and protection of HCVs. The appropriate implementation is evaluated regularly by the BP and during the audit also by the CB..

The BP´s mitigation measures are based on the finding that, the mitigation measures for compliance with "Alternativ Dokumentation" evaluation are identical with the mitigation measures for the specified risks identified in the RRA for Denmark. Therefore, when suppliers evaluated for the "Alternativ Dokumentation" evaluation have implemented procedures in order to identify specified risk and to reduce risk, then the material can be categorized as SBP compliant. If suppliers are not able to reduce the risk for parts of the biomass, then it will not be categorized as SBP compliant.

The BP will follow the developments in the RRA for Denmark and the procedures developed for "Alternativ Dokumentation"/"Godkendt biomasseproducent" in order assure that its suppliers fully mitigate the specified risks identified. When the RRA for Denmark is updated, the BP will assure that updates are implemented in the "Alternativ Dokumentation"/"Godkendt biomasseproduce" evaluations.

Suppliers delivering feedstock which is categorized as SBP compliant will be monitored strictly by VT "SBP biomass monitoring program.

The "SBP Biomass monitoring program" is controlled by Benny Corneliussen.

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

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

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

Further VT contractually agrees with suppliers that:
- Staff carrying out screenings and planning of the jobs are familiar with applicable nature and environment legislation.
- Activities are planned to minimize the negative effect on ecosystems, biodiversity and areas worth preserving.
- Areas where wood chips are harvested must be examined before startup by a physical review and must be mapped.
- All procedures shall be explained in the suppliers manuals.
- A map will be prepared for each wood chip project. If maps have been prepared in connection with certification or a green management plan, these maps must be used in the process in order to ensure HCV areas.
  - If the work area is located in a forest, it will be screened by the suppliers according to the checklist in the suppliers manual
  - If the job consists of thinning in an afforestation or thinning in a uniform conifer stand, screening may be omitted. Legality must be ensured.
  - If the work area is located outside a forest, screening may be omitted. Legality must be ensured.
  - Each wood chip project is given a unique case number and address which also appear on the job description, weighing forms and basis of settlement. Ensure traceability.
  - Each wood chip project has a checklist with relevant information. Ensure excellent communication between the various parties in the work process and note down all relevant data which the machine operator needs.

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

Monitoring of Mitigation Measures
Both the functionality of the mitigation measures as well as projects will be monitored on a pending and annual basis via internal monitoring programs

Mitigation measures will be checked annually or if they are found to be inappropriate on a pending basis. Especially, the BP will follow the developments in the RRA for Denmark and the procedures developed for “Alternativ Dokumentation”/”Godkendt Biomasseproducent” in order assure that its suppliers fully mitigate the specified risks identified.
The BP´s “SBP Biomass monitoring program” will be evaluated with focus on findings from the desk and field based controls

SBP Biomass monitoring program Suppliers and deliveries are monitored according to the following sampling system:

- It is on a pending basis checked that the screenings documents stated in the contract are supplied for all projects.
- All suppliers are monitored at least every 6 months.

- If errors are found during field visits and desk assessments, the sample size shall be increased until it is clear to what extend the errors are systematic or random and what is the appropriate action to take.
Field based monitoring
- A sampling frequency is chosen where at least the square root of the number of projects delivered by the supplier in the foregoing 6 months, are monitored by field visits. The projects are monitored with The BP´s checklist for risk assessment.

Desk based monitoring
- A sampling frequency is chosen where at least 30 % of the projects delivered by the supplier in the foregoing 6 months, are monitored by field or desk assessment. The projects are monitored with the BP´s checklist for risk assessment.

A report for each supplier covering the projects monitored shall present findings, conclusions and corrective actions agreed upon with the supplier.

10 Non-conformities and observations

Identify all non-conformities and observations raised/closed during the evaluation (a tabular format below may be used here). Please use as many copies of the table as needed. For each, give details to include at least the following:

- *applicable requirement(s)*
- *grading of the non-conformity (major or minor) or observation with supporting rationale*
- *timeframe for resolution of the non-conformity*
- *a statement as to whether the non-conformity is likely to impact upon the integrity of the affected SBP-certified products and the credibility of the SBP trademarks.*

NCR number: 47757 NCR 01/20	**NC grading:**	**Major** ☐	**Minor** ☒
Standard & Requirement:	Standard #2 V1.0 - Verification of SBP-compliant feedstock - 6.1		
Description of Non-conformance:			
The BP has provided suppliers data on feedstock from Denmark. Additionally, communication and list of origin for the feedstock sourced as FSC or PEFC certified from Estonia and Latvia was provided as well. The supplier are delivering the number of harvesting permit for each delivery. While this provides some assurance that the origin of the material is know for each delivery, it is not checked with the actual delivery notes and therefore is on basis of some kind of supplier declaration. The non-conformity is classified as minor as the material is FSC or PEFC certified and the origin information is provided by the supplier.			
Corrective action request:	Organisation shall implement corrective actions to demonstrate conformance with the requirement(s) referenced above. 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.		
NCR conformance deadline:	By next audit, but not later than 12 months after report finalisation date		
Client evidence:			
Evaluation of Evidence:			
NCR Status:	**Open**		
Comments (optional):			

NCR number: 47758 NCR 02/20	**NC grading:**	**Major** ☐	**Minor** ☒
Standard & Requirement:	Instruction Doc. 5E: Collection and Communication of Energy and Carbon Data v1.1 - 6.10.3		
Description of Non-conformance:			
The BP is sourcing wood chips also from Estonia and Latvia , in some cases the distance is only estimated value instead of actual value (e.g all distances recorded for one supplier are 40km even though the harvesting sites differ). Additionally, the evaluation of the distances was done on a sample bases and identified that there are some inconsistencies (e.g. material from supplier LEMEKS, sourced from Saaremaa, Estonia – based on felling permit – but supplied from Salacgriva port, Latvia with reported distance of 40 km) or the same value for distance was used for all deliveries.			
Corrective action request:	Organisation shall implement corrective actions to demonstrate conformance with the requirement(s) referenced above. 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.		
NCR conformance deadline:	By next audit, but not later than 12 months after report finalisation date		
Client evidence:			
Evaluation of Evidence:			
NCR Status:	**Open**		
Comments (optional):			

NCR number: 47759 NCR 03/20	**NC grading:**	**Major** ☐	**Minor** ☒
Standard & Requirement:	Instruction Doc. 5E: Collection and Communication of Energy and Carbon Data v1.1 - 6.10.5		
Description of Non-conformance:			
It was verified during the audit by review of numerous examples for both road and sea transport that the delivery records always carry the necessary information covering supplier name, type of material, date of delivery and weight or volume. The system to verify the feedstock types for the material imported from Baltic is generally in place and the supplier provide description of the feedstock and doing the classification themselves, however, this is not further verified by the organization and therefore this rely on the supplier declaration only.			
Corrective action request:	Organisation shall implement corrective actions to demonstrate conformance with the requirement(s) referenced above. 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.		
NCR conformance deadline:	By next audit, but not later than 12 months after report finalisation date		
Client evidence:			
Evaluation of Evidence:			
NCR Status:	**Open**		
Comments (optional):			

11 Certification decision

Based on the auditor's recommendation and the Certification Body's quality review, the following certification decision is taken:	
Certification decision:	Certification approved
Certification decision by (name of the person):	Ondrej Tarabus
Date of decision:	02/Sep/2020
Other comments:	It is recommended to pay more attention to the processes taking place in Estonia and Latvia covered by this certificate. Local auditors shall be involved to evaluate the performance of the suppliers and the data supplied.