##### Supply Base Report:Peder Østergaard & Son Transport A/S

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Completed in accordance with the Supply Base Report Template Version 1.3

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# Overview

*On the first page include the following information:*

Producer name: Peder Østergaard and Son A/S

Producer location: Kjeldsigvej 2, 7430 Ikast

Geographic position: Lat E/W 56 degrees 10 minutes, Long N/S 09 degrees 45 minutes

Primary contact: Dennis Flanz, Kjeldsigvej 2, 7430 Ikast, +45-22970079,df@po-son.dk

Company website: www.po-son.dk

Date report finalised: 15/10/2020

Close of last CB audit: 26/2-2021. Kjeldsigvej 2, 7430 Ikast

Name of CB: [CB Name]

Translations from English: Yes

SBP Standard(s) used: Standard 1 version 1.0, Standard 2 version 1.1, Standard 4 version 1,0. Standard 5 version 1,0

Weblink to Standard(s) used: <https://sbp-cert.org/documents/standards-documents/standards>

SBP Endorsed Regional Risk Assessment: Reference endorsed RRA or ‘not applicable’

Weblink to SBE on Company website: <https://po-son.dk/sbp-report/>

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Indicate how the current evaluation fits within the cycle of Supply Base Evaluations** | | | | |
| **Main (Initial)**  **Evaluation** | **First**  **Surveillance** | **Second Surveillance** | **Third**  **Surveillance** | **Fourth**  **Surveillance** |
| **x** | **☐** | **☐** | **☐** | **☐** |

# Description of the Supply Base

## General description

**General description of Danish forest and forestry**

There are about 633,353 hectares of forest in Denmark, or about 14.4% of the total area. Over time, there is an expectation that the area will increase. The total population in the Danish forests is 133 million m3.

The forest mass has been growing rapidly from the inventory in 2000 to the present day. This is linked to the ever-increasing forest area and probably a larger by-mass per hectare.

In the Danish forests there are generally many different tree species, the most common species are, red spruce is 15%, beech 14% and oak 10%. For the other tree species it is divided into Pine 11%, Sitka spruce 6%, Nordmnn fir 5%, Nobel fir 2%, other spruce species 10%, Sycamore 4%, Birch 7%, Ash 3% and other foliage 9%. In addition, there is an unstocked area of 4%. In total, Broadleaves make up 47 per cent of the forest area, while coniferous trees make up 49 per cent. The remainder are ungrown areas and areas where a tree species could not be determined. None of the tree species are CITES or IUCN species.

In Denmark, about 2000 species have been registered on the Danish Red List, a large part of the species on the red list is associated with forest, especially old forest. Areas where one or more redlist species have been identified are often registered as Natura 2000 area, protected by the Forest Act and/or the Nature Conservation Act.

The total number of forest properties in Denmark is estimated at 24,000. Of the total number of forest properties, 89 per cent are between 0.5 and 20 hectares.

The largest share of forest land is owned by private individuals, either as private individuals 59% or as companies 10% and funds 6%. The share of state forests in the total forest area is 19%, the share of municipalities and other public institutions is 6%. The Danish forest structure therefore has many private owners with forest under 20 hectares.

A little atypical is found in the Danish forest legislation no requirement for planning forestry on the individual property, just as the forest owner does not have to apply for or report when cutting in the forest.

The Danish forest owners are well organized in various local and national associations. [The Danish Forest Association](http://www.skovforeningen.dk/)  is the private forest owners' trade association.

In addition, up to 6,000 owners of small forest properties are organized into local [forest growers' associations,](http://www.skovdyrkerne.dk/) which partly help the owners with advice and operation of the forest and partly act as forest policy. Similarly, many private forest owners cooperate with [HedeDanmark](http://www.hededanmark.dk/) and other forestry consultants.

In forestry there are two certification options PEFC and FSC. The land of the state forests is certified according to both standards. Within the private and municipal there are approx. 56,000 hectares of PEFC certified and 20,161 hectares are FSC certified.

The total income for the production of forest products in Denmark is approx. DKK 1 billion. In 2015, sales of energy wood amounted to DKr 300 million.

Pø A/S is a Danish-owned company based in Ikast. PØ A/S produces and trades biomass for a number of Danish energy companies. Biomass is used for environmentally sound power and heat by energy supply companies or production companies. PØ A/S produce wood chips with subcontractor machines in Denmark. The wood material comes from its own tasks in forests and the open country, as well as purchased woodchips, which are produced in Denmark. The chips is purchased from a limited number of permanent partners in Denmark.

**Protected species and areas**

Denmark has a national plan for the protection of fauna, nature conservation and the improvement of biodiversity. In Denmark, about 2000 species have been registered on the Danish Red List, a large part of the species on the red list is associated with forest, especially old forest. Areas where one or more redlist species have been identified are often registered as Natura 2000 area, protected by the Forest Act and/or the Nature Conservation Act. All lakes over 100 m2, marshes, heaths, meadows, rigs and exaggerations over 2500 m2 are protected under section 3 of the Nature Conservation Act. International nature conservation in Denmark covers 252 Natura 2000 sites, as well as 5 national parks.

**General description of Danish shelter fences.** (windbreaking hedgerow)

There is a great tradition of planting shelter fences in Denmark. Systematic planting of shelter fences started in the 1930s. In 1967, the first major sheltering guilds were added and the planting of mainly 3 rows was switched to planting. and 6 rows hardwood fences. Since then, there have been various support schemes for the establishment of shelter fences and the majority have been established with grants. It is estimated that there are about 80,000 km of shelter fences in Denmark today.

Sheltered fences planted with supplements must not be removed and one is required to maintain it.

**Description of the chip supply area**

Peder Østergaard & Son's supply area is Danish forests, shelter fences, natural areas and peri-urban vegetation, where the wood chip supply area covers the whole of Denmark, but mainly Central Jutland.



Figure 1 Flisforsyningsomréde

Peder Østergaard & Søn A/S is a forest construction company that produces and sells wood chips. Wood chip production is 40,000-50,000tonnes per year, about 20% of wood chips are produced on areas outside forest, mainly in shelters and small plantations and in nature projects. In addition, there are also clearings of trees and shrubs in connection with development and expansion of infrastructure in Denmark.

In the forest it is thinning in coniferous or roundwood from coniferous forests, the rest are branches and peaks from both hardwood and coniferous wood.

**Description of forestry methods at Peder Østergaard & Søn Transport A/S**

***Thindings:***

In windbreaking hedgerow, it is mainly the removal of suckler trees and the styning of shrubs, aimed at preserving the sheltering effectof the fence and maintaining ahigh biodiversity. The work is carried out both with dual machine and harvester,as well as manual. In the forest, thinning is carried out by trapping in connection with the inlay of traces and thinning of younger stands. The subsequent chipping is carried out with an off-road chipper or truck chipper.

***Treetops:***

Chipping of branches and forest resedu, from conifers and broadleaves in connection with the logging of middle-aged or older deciduous and coniferous trees. Tops are often intertangled in stacks and chipt by road.

***Rundtræ:***

Produced as a by-product in connection with logging in coniferous wood, where timber is also produced. The chips is the use of low-quality wood that cannot be utilized for high-quality products such as timber. Produset with forests harvester, forest resedu is driven out to car-resistant roads, chipt by road side, or transported to storage space where chipping is carried out.

***Clear Cutting:***

Carried out by manual felling and subsequent exit or by forest forwarder. Wood is often joined in stacks and chipd by road. Clearing of tree growth in relation to Nature projects are carried out in dialogue or in direct cooperation with relevant authorities.

Table 1 Allocation of raw material inputs as %

|  |  |  |  |
| --- | --- | --- | --- |
|  | Conifer | Broadleaf | Mixed |
| Controlled feedstock |  |  |  |
| SBP-Compliant primary |  |  | 90% |
| SBP-Compliant Secondary |  |  | 10% |
| SBP-Compiant Tertary |  |  |  |
| SBP-non-compliant |  |  |  |

**Sources:**

Nord-Larsen, Thomas et al, *Forests and Plantations 2018,* Forest and Landscape, 2018

PEFC Denmark, <http://www.pefc.dk/bliv-certificeret/skovcertificering>

FSC Denmark, <https://dk.fsc.org/dk-dk/hvad-er-fsc/fsc-i-danske-tal>

Retsinformation: <https://www.retsinformation.dk/eli/ft/198812K00030>

Hedgerows for the benefit of animals and plants: <https://jaegernesmagasin.dk/wp-content/uploads/Levende-hegn-til-gavn-for-dyr-og-planter.pdf>

Red list species: <https://bios.au.dk/raadgivning/natur/redlistframe/>

Statistics: https://static-curis.ku.dk/portal/files/253402451/Rapport\_Skovstatistik\_2019.pdf

## Actions taken to promote certification amongst feedstock supplier

PØ A/S currently buys wood chips and energy wood from supplier certified by FSC and/or PEFC schemes to support the responsible forestry. PØ A/S encourages all suppliers to be certified to ensure their future sales, as the industry requires more and more certified wood. The industry agreement between Dansk District Heating and Dansk Energi also pushes suppliers to move towards certification because the agreement will ensure sustainable biomass and will increase until 2019, when 90% must be documented sustainably. In addition to purchasing certified wood chips, we would prefer to purchase wood chips with alternative documentation from contractors approved as Approved Biomass Producer, or other relevant certification.

## Final harvest sampling programme

At Peder Østergaard & Søn Transport A/S, there is a great focus on making a financially advantageous result for customers when working in the forest. Therefore, for logging over 40 years of age, products of high value and not just biomass will be produced. There is a significant price difference between energy wood for biomass and wood for timber, logs or packaging wood, therefore it is not economically advantageous to produce junir wood if a higher value product can be made. When wood from clean fellings over 40 years ends up in biomass, it is because part of the wood does not meet the quality requirements for e.g. timber. It may be due to rot, damage, worping, cracks, windfalls, etc.

PØ A/S uses only a limited amount from clearcutting i.e. logging of larger contiguous areas. Instead, forests are managed according to natural principles

Table 2 Final harvest sampling. Data from 5 randomly selected logging projects in. The amount of roundwood for energy wood from logging over 40 years amounts to about 29%

|  |  |  |  |
| --- | --- | --- | --- |
| Summeret |  |  |  |
| Period |  | 1.1.2019-30. 6.2020 |  |
| **Effect** |  | **Amount** | **%** |
| KTØ |  | 630,73 | 51 |
| EMB |  | 205,96 | 20 |
| CELL |  |  |  |
| TOP WOOD/ENERGY TREE |  | 417,47 | 29 |
| TOTAL |  | 1. 252,16 | 100 |

## Flow diagram of feedstock inputs showing feedstock type



Harvested volume of broadleaves and conifers (top) and according to assortments (bottom) (Statistikbanken.dk/SKOV6: Felling in forests and plantations in Denmark by time, area, area and type of wood).

## Quantification of the Supply Base

##### Supply Base

1. Total Supply Base area (ha): 633,353 ha
2. Tenure by type (ha): 439,025 privately owned, 32,034 owned by foundations, 150,298 owned by the state, 11,997 unknown owner
3. Forest by type (ha): Tempereret
4. Forest by management type (ha): 488,020 hectares of plantation or planted forest, 100,584 hectares of natural forest including historical forms of farming 36,072 other/unknown method of operation
5. Certified forest by scheme (ha): approximately 268,592 hectares are PEFC certified and 213,976 hectares are FSC certified, several properties are double certified.

##### Feedstock

1. Total volume of Feedstock: 40.000 to 50.000 Metrik tonnes
2. Volume of primary feedstock: 36.539,15 tonnes
3. List percentage of primary feedstock (g),
   * 5% Certified to an SBP-approved Forest Management Scheme
   * 95% Not certified to an SBP-approved Forest Management Scheme
4. Volume of primary feedstock from primary forest 0 tons.
5. List percentage of primary feedstock from primary forest (j),
   * Primary feedstock from primary forest certified to an SBP-approved Forest Management Scheme 0 tons.
   * Primary feedstock from primary forest not certified to an SBP-approved Forest Management Scheme
6. Volume of secondary feedstock: - 10% -
7. 3.356 tons. Sidecut and deskartet stems from sawmill, feedstock from screened roundwood
8. Volume of tertiary feedstock: 0%
9. Table 3 List of tree species

|  |  |  |
| --- | --- | --- |
| **Danish** | **English** | **Latin** |
| Ahorn | Sycamore | Acer pseudoplatanus |
| Ask | Ash | Fraxinus excelsior |
| Dunbirk | White birch | Betula pubescens |
| Vortebirk | Silver birch | Betula pendula |
| Bjergfyr | Mountain pine | Pinus mugo |
| Bævreasp | Aspen | Populus tremula |
| Bøg | Beech | Fagus sylvatica. |
| Contortafyr | Lodgepole pine | Pinus contorta |
| Cypres | Lawson cypress | Chamaecyparis lawsoniana |
| Douglas | Douglas fir | Pseudotsuga menziesii |
| Stilkeg | Common Oak | Quercus robur |
| Vintereg | Sessile Oak | Quercus petraea |
| Elm | Mountain elm | Ulmus glabra |
| Grandis | Grand fir | Abies grandis |
| Hestekastanie | Horse chestnut | Aesculus hippocastanum |
| Hvidgran | White spruce | Picea glauca |
| Lind | Common lime | Tilia cordata |
| Lærk | European larch | Larix decidua |
| Lærk | Japanese larch | Larix leptolepis |
| Hybridlærk | Dunkeld Larch | Larix eurolepis |
| Nobilis | Noble fir | Abies procera |
| Nordmannsgran | Nordmann fir | Abies normanniana |
| Omorika | Serbian spruce | Picea omorica |
| Poppel | Poplar | Populus sp. |
| Rødeg | Northern red oak | Quercus rubra |
| Rødel | Common alder | Alnus glutinosa |
| Rødgran | Norway spruce | Picea abies |
| Sitkagran | Sitka spruce | Picea sitchensis |
| Skovfyr | Scots pine | Pinus sylvestris |
| Spidsløn | Maple | Acer platanoides |
| Thuja | Western red cedar | Thuja plicata |
| Ædelgran | Silver fir | Abies alba |
| Østrigsk fyr | Austrian pine | Pinus nigra |

# Requirement for a Supply Base Evaluation

|  |  |
| --- | --- |
| **SBE completed** | **SBE not completed** |
| **x** | **☐** |

Peder Østergaard & Son Transport A/S harvests the majority of the raw material in non-certified forests. Therefore, in order to demonstrate compliance with SBP and to sell biomass as SBP compliant biomass, there is a need to prepare an evaluation of the supply area. This evaluation determines the legality and sustainability of the wood chips traded by PØ A/S. All external vendors are evaluated according to the standard set by SBP, at least.

We use SBP's well-known risk assessment for Denmark.

# Supply Base Evaluation

## Scope

The scope of the evaluation coveris the entire supply area for Peder Østergaard & Søn Transport A/S, which is considered as all existing and potential sources of primary raw materials, as well as the origin of the raw materials. The purpose of the SBE is to distinguish the level of risk from the indicators described in SBP Standard 1.

The raw materials are divided into the following categories:

1. Primary raw material from FSC or PEFC certified forests
2. Primary raw material from forests with green operating plan
3. Primary raw material from thickening in coniferous stands
4. Primary raw material from the 1st generation forest estates
5. Primary raw material from forests without green operating plan or certification
6. Primary raw material from non-forest areas, e.g. windbreaking hedgerow, city and park areas

Part of the biomass is reprocessed by its own trained staff. The second part of the raw material is produced by permanently affiliated partners. Peder Østergaard & Søn Transport A/S stands for traceability, risk assessment and risk management. To ensure that our supply chain complies with SBP Standard 1, we have focused on how to ensure that forest owners/forest contractors and our buyers secure the areas we trade our wood chips from

## Justification

This evaluation is based on and uses the Regional Risk Assessment (RRA) for Denmark, approved by SBP in June 2017. RRA for Denmark is available here: https://https://sbp-cert.org/sbp-endorsed-regional-risk-assessment-for-denmark-published/ /. The RRA for Denmark has been carried out in accordance with SBP Standard No. 1. Peder Østergaard & Son Transport A/S'sevaluation and use of RRA for Denmark has been carried out in accordance with SBP standard no. 2.

Based on the results of the RRA for Denmark and analysis of the company's working procedures, applicable risk minimisation measures and supplier verification programmes have been identified, developed and implemented to ensure low risk on all indicators related to primary feedstock production.

Peder Østergaard & Søn Transport A/S is aware that there may be changes in the SBP approved RRA for Denmark and is willing to adapt SBE in these cases.

## Results of Risk Assessment

The approved SBP RRA for Denmark, June 2017, concludes that there is a low risk compared to all criteria except the following criteria where 'specified risk' has been identified: Criteria 2.1.1, 2.1.2, 2.2.3 and 2.2.4.

Table 4 Individual indicators with "specified risk" in the national risk assessment

|  |  |
| --- | --- |
| 2.1.1 | Forests and other areas with high conservation values in the Supply Base have been identified and mapped. |
| 2.1.2 | Potential threats to forests and other areas with high conservation values from forest cultivation activities have been identified and addressed. |
| 2.2.3 | Important ecosystems and habitats are preserved or protected in their natural state (CPET S8b). |
| 2.2.4 | Biodiversity is protected (CPET S5b). |

Peder Østergaard & Son Transport A/S has concluded from the SBP approved RRA for Denmark that the wood chip supply area can be divided into the following sub-scopes, which correspond to the listed categories in RRA:

1. Primary raw material from FSC or PEFC certified forests
2. Primary raw material from forests with green operation plan
3. Primary raw material from thickening in coniferous stands
4. Primary raw material from the 1st forest properties
5. Primary raw material from forests without green operating plan or certification
6. Primary raw material from non-forest areas, e.g. shelter fences, city and park areas, nature projects.

For each of these categories, only specified risk is assigned for categories 2 and 5. These are dealt with below with supplier verification programme and prepared risk minimisation measures.

At PØ A/S, there is a special focus on the preservation of dying and dying in the Danish forests. Dying and dying by with is the value of high biodiversity left in the scuffle.

## Results of Supplier Verification Programme

Peder Østergaard & Søn's programme: Is listed under section 9.

## Conclusion

By examination and reviewing the working procedures in Peder Østergaard & Søn Transport A/S based on the SBP approved RRA for Denmark, as well as the preparation and implementation of supplier verification program (SVP) and risk mitigation measures, it is assessed that the company ensures that biomass complies with the requirements of the SBP certification.

Dennis Flanz, who is responsible for task planning, identifying key biotopes and mapping projects, has extensive experience working in the forest and taking into account nature worthy of preservation.

PØ A/S is aware that in cases where tasks are carried out in areas of specific risk, it may be necessary to let other qualified persons, such as biologists or public authorities, help with the identification of key biotopes.

# Supply Base Evaluation Process

The SBP approved RRA for Denmark, June 2017, was carried out by Preferred by Nature, at the request of Dansk Energi, Dansk Fjernvarme, Skovdyrkerforeningen, Dansk Skovforening, DM&E and HedeDanmark.

As shown by the RRA for Denmark, low risk has been identified on all indicators except the following Indicators where "specified risk" has been identified: 2.1.1, 2.1.2, 2.2.3, 2.2.4

In order to minimize the risk of these 4 indicators with specified risk when reprocessing biomass, Peder Østergaard & Søn Transport A/S has prepared a set of working procedures with implementation of risk-reducing control measures that meet the standard due diligence requirements. The working procedures including the risk mitigation measures can be found described in detail in the Company's Contractor Manual. (Entreprenørhåndbog)

Peder Østergaard & Son Transport A/S has used both internal and external resources for working with SBE. SBE has been prepared with its own staff who have extensive experience in the production of biomass. Dennis Flanz has MSc in Forest and Nature management, has been responsible for the certificationprocess at Peder Østergaard & Søn Transport A/S.

Machine operator and subcontractors at Peder Østergaard & Søn Transport A/S have a high level of competence after several years of work with sustainable wood chip production.

Peder Østergaard & Søn Transport A/S has used an external consultant from DM&E, with approx. 15 years of experience from forest certification and forestry, to work on correcting work processes and collecting additional data.

# Stakeholder Consultation

The consultation phase took place over a 30-day period from 1 May 2004 to 31 December 2006. 10. 2020 The Danish version of SBR, including the risk minimising control measures, was submitted as of 2020. e-mail to the following stakeholders:

|  |  |  |
| --- | --- | --- |
| Danish Society for Nature Conservation | Nora Skjernaa Hansen | [nsh@dn.dk](mailto:nsh@dn.dk) |
| FSC Danmark | Kristian Jorgensen | [kristian@fsc.dk](mailto:kristian@fsc.dk) |
| Forests of the World | Jakob Ryding | [jr@verdensskove.org](mailto:jr@verdensskove.org) |
| VVVF (World Wildlife Fund) | Sofie Tind Nielsen | s.tind@wwf.dk |
| University | Vivian Kvist Johansen | [vkj@ign.ku.dk](mailto:vkj@ign.ku.dk) |
| PEFC Australia | Morten Thorøe | [mt@pefc.dk](mailto:mt@pefc.dk) |
| Danish Energy | Kristine of the Erve Grunnet | [keg@danskenergi.dk](mailto:keg@danskenergi.dk) |
| Danish District Heating | Maria Dahl Hedegaard | [mh@danskfjernvarme.dk](mailto:mh@danskfjernvarme.dk) |
| Danish Forest Association | Tanja Olsen | [to@skovforeningen.dk](mailto:to@skovforeningen.dk) |
| Dea | Download the executives list | [Imj@ens.dk](mailto:Imj@ens.dk) |
| Ørsted | Peter K Kristensen | [pekkr@orsted.dk](mailto:pekkr@orsted.dk) |
| Friluftsrådet | Thorbjørn Eriksen | [toe@friluftsraadet.dk](mailto:toe@friluftsraadet.dk) |
| BAT Cartel | Gunde Odgaard | [gunde.odgaard@batkartellet.dk](mailto:gunde.odgaard@batkartellet.dk) |
| Danish Nature Agency | Niels Bølling | [niboe@nst.dk](mailto:niboe@nst.dk) |
| NOVOPAN A/S | Jette Wulff | j.wulff@kronospan-dk.dk |
| Troldtekt A/S | Orla Jepsen | [oje@troldtekt.dk](mailto:oje@troldtekt.dk) |
| Rold Forest Sawmill A/S | Henrik Thorlacius-Ussing | [htu@lindenborg.dk](mailto:htu@lindenborg.dk) |
| Norlund Savvark | Simon Mikkelsen | [smi@norlundwood.com](mailto:smi@norlundwood.com) |

## Response to stakeholder comments

Peder Østergaard & Son Transport A/S did not receive any comments from stakeholders surveyed.

# Overview of Initial Assessment of Risk

Peder Østergaard & Søn Transport A/S is based on the SBP approved RRA for Denmark.

As can be seen from the RRA for Denmark, low risk has been identified on all indicators, except for the following Indicators where "specified risk" has been identified: 2.1.1, 2.1.2, 2.2.3, 2.2.4, but not for all forest types/categories.

In order to minimize the specified risks and move "Specified risk" to "Low Risk", Peder Østergaard & Søn Transport A/S works according to their management system, described in the construction manual (Entreprenørhåndbog) and reviewed in section 9.1. The management system describes, among other things, how Peder Østergaard & Søn Transport A/S minimizes risk in areas where there is a risk that biomass is not sustainable.

Based on RRA for Denmark, Peder Østergaard & Søn Transport A/S divides the wood chip supply area into the same six sub-scopes as described in section 2.1.1 of the RRA for Denmark:

1. Primary raw material from FSC or PEFC certified forests (low risk)
2. Primary raw material from forests with green operating plan (specified risk)
3. Primary raw material from thickening in coniferous stands (low risk)
4. Primary raw material from 1st generation forest (low risk)
5. Primary raw material from forests without green operating plan or certification(specified risk)
6. Primary raw material from non-forest areas, e.g. windbreaking hedgerow, urban and park areas, nature projects (low risk).

The results of the SBP approved RRA are first reproduced below.

Table 5. Sub-categories: 1, 2, 3, 4 and 6. Overview of the RRA results for all indicators for these forest types/categories of primary raw materials:

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Indicator** | **Initial Risk Rating** | | |  | **Indicator** | **Initial Risk Rating** | | |
| **Specified** | **Low** | **Unspecified** |  | **Specified** | **Low** | **Unspecified** |
| 1.1.1 |  | X |  |  | 2.3.1 |  | X |  |
| 1.1.2 |  | X |  |  | 2.3.2 |  | X |  |
| 1.1.3 |  | X |  |  | 2.3.3 |  | X |  |
| 1.2.1 |  | X |  |  | 2.4.1 |  | X |  |
| 1.3.1 |  | X |  |  | 2.4.2 |  | X |  |
| 1.4.1 |  | X |  |  | 2.4.3 |  | X |  |
| 1.5.1 |  | X |  |  | 2.5.1 |  | X |  |
| 1.6.1 |  | X |  |  | 2.5.2 |  | X |  |
| 2.1.1 |  | X |  |  | 2.6.1 |  | X |  |
| 2.1.2 |  | X |  |  | 2.7.1 |  | X |  |
| 2.1.3 |  | X |  |  | 2.7.2 |  | X |  |
| 2.2.1 |  | X |  |  | 2.7.3 |  | X |  |
| 2.2.2 |  | X |  |  | 2.7.4 |  | X |  |
| 2.2.3 |  | X |  |  | 2.7.5 |  | X |  |
| 2.2.4 |  | X |  |  | 2.8.1 |  | X |  |
| 2.2.5 |  | X |  |  | 2.9.1 |  | X |  |
| 2.2.6 |  | X |  |  | 2.9.2 |  | X |  |
| 2.2.7 |  | X |  |  | 2.10.1 |  | X |  |
| 2.2.8 |  | X |  |  |  |  |  |  |
| 2.2.9 |  | x |  |  |  |  |  |  |

Table 6 Sub-category: 5) Primary raw material from forests without green operational plan or certification. Overview of the results of the RRA for all indicators.

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Indicator** | **Initial Risk Rating** | | |  | **Indicator** | **Initial Risk Rating** | | |
| **Specified** | **Low** | **Unspecified** |  | **Specified** | **Low** | **Unspecified** |
| 1.1.1 |  | X |  |  | 2.3.1 |  | X |  |
| 1.1.2 |  | X |  |  | 2.3.2 |  | X |  |
| 1.1.3 |  | X |  |  | 2.3.3 |  | X |  |
| 1.2.1 |  | X |  |  | 2.4.1 |  | X |  |
| 1.3.1 |  | X |  |  | 2.4.2 |  | X |  |
| 1.4.1 |  | X |  |  | 2.4.3 |  | X |  |
| 1.5.1 |  | X |  |  | 2.5.1 |  | X |  |
| 1.6.1 |  | X |  |  | 2.5.2 |  | X |  |
| 2.1.1 | X |  |  |  | 2.6.1 |  | X |  |
| 2.1.2 | x |  |  |  | 2.7.1 |  | X |  |
| 2.1.3 |  | X |  |  | 2.7.2 |  | X |  |
| 2.2.1 |  | X |  |  | 2.7.3 |  | X |  |
| 2.2.2 |  | X |  |  | 2.7.4 |  | X |  |
| 2.2.3 | X |  |  |  | 2.7.5 |  | X |  |
| 2.2.4 | X |  |  |  | 2.8.1 |  | X |  |
| 2.2.5 |  | X |  |  | 2.9.1 |  | X |  |
| 2.2.6 |  | X |  |  | 2.9.2 |  | X |  |
| 2.2.7 |  | X |  |  | 2.10.1 |  | X |  |
| 2.2.8 |  | X |  |  |  |  |  |  |
| 2.2.9 |  | X |  |  |  |  |  |  |

# Supplier Vexrification Programme

Not applicable.

# Mitigation Measures

## Mitigation measures

**Preliminary remarks:**

Peder Østergaard & Søn Transport A/S works according to the procedures in the construction manual (Entreprenørhåndbog) that are designed to take into account the indicators described in the SBP approved RRA for Denmark, June 2017. [[1]](#footnote-1)

The construction manual describes how to identify whether the forest area falls into the category of specific risk and what risk mitigation measures must be taken before the material is SBP compliant. If Peder Østergaard & Søn Transport A/S cannot reduce the risk on parts of the biomass, it will not be included in the SBP quantity.

Projects at Peder Østergaard & Søn Transport A/S are planned, directed and controlled by Dennis Flanz.

**Risk assessment of each forest area:**

At all new tasks a screening is carry out, of the areas harvested from the indicators: 2.1.1, 2.1.2, 2.2.3, 2.2.4. The screening is based on available map material and databases, as well as visual review of the area before start-up. For each task, a map and checklist are prepared to ensure that the operator is aware of protected or protected nature/culture.

It starts by classifying the forest area as one of the six categories.

1. Primary raw material from FSC or PEFC certified forests - **low risk**
2. Primary raw material from forests with green operating plan - **specified risk**
3. Primary raw material from thickening in coniferous stands –**low risk**
4. Primary raw material from 1st generation forest - **low risk**
5. Primary raw material from forests without green operating plan or certification - **specified risk**
6. Primary raw material from non-forest areas, e.g. windbreaking hedgerow, urban and park areas, nature projects –**low risk.**

This division is carried out by Dennis Flanz, who has in-depth knowledge of identifying key biotopes according to the key biotope catalog.

**Primary Feedstock**

For parts of the wood chip volume that Peder Østergaard & Søn Transport A/S sells, they are responsible for the whole process. That is, contact with the customer/forest owner, review of the area with owner, planning of the task, execution of the task, follow-up on task execution, and transport and sale of wood chips. Through the management system from the construction manual, Peder Østergaard & Søn will documente origin,risk assessment/screening of the area and possibly risk minimisation.

The second part of the wood chip is purchased by other forest contractors. This is a group of suppliers who we continuously purchased wood chips from. Often it is smaller lots and it can be years between the different suppliers sell wood chips to Peder Østergaard & Søn Transport A/S.

The procedure for purchasing external chips will be that, Peder Østergaard & Søn treats the purchase of wood chips from subcontractors as if they are own projects. Peder Østergaard & Søn is responsible for mapping, risk assessment, area review and risk minimisation.

If it is assessed in this process that parts of the wood chip volume are not SBP compliant, it will not be sold with SBP-Claim.

**Secundary feedstock**

10% of the wood chip volume comes from sawmill. The sawmill receives supplies from Danish suppliers who deliver 100% Danish wood. The sawmill processes 100% FSC and PEFC wood.

**Risk managment:**

The staff who carry out screenings and plan the tasks are aware of the legislation in force in the field of nature and the environment. All tasks are planned so that activities in the supply area minimise negative impact on ecosystems, biodiversity and areas worthy of conservation.

Areas where wood chips are harvested must be examined before start-up by a physical review and mapped according to the procedure below. All procedure is elaborated in the contractor manual.

Maps of each chip project are prepared. The map shows identified areas with high conservation value(HCV). Have maps been prepared in connection with the certification or green operating plan, these maps must be included in the planning process so that natural values(HCV)can be ensured.

* All work areas are screened through DM&Es card portal and reviewed by management before start-up based on the checklist in the contractor manual.
* Each chip project has a unique case number and address that recurs on task description, weighing slips and settlement basis. Ensure traceability.
* Each project has a checklist of relevant information. Ensure good communication between the different parties in the work process and that all relevant data that the operator needs to be noted.

Maps and checklists are provided to machine operators and subcontractors. All are trained in the company's working procedure, as well as the meaning of the elements on the map.

In order to identify areas with high natural values during work, all operators working with wood chip production in the forest are trained in "Machine traffic on natural areas".

When working in the forest, death and dying wood is an important element in preserving and increasing biodiversity in the forest. In all tasks, the operator is aware of keeping as much dead wood as possible in the forest in dialogue with the individual ownere. Dead and dying trees can advantageously be left in connection with key elements in the forest e.g. water holes or forest edges. In addition, the following procedure applies.

* PEFC/FSC certified forest. In these forests there is a very clear procedure for the preservation of dead by. These are respected.
* Forest with and without green operating plan, only the tree felled at the last logging is removed. Thinning in needles and in afforestations leaves as much as possible, often standing, discontinued trees.

Work sheets and corrected information from the operator/handmen are sent back in physical or electronic format. Store at Kjeldsigvej 2, 7430 Ikast. Both physical and electronic. In the case of new observations, they are handled according to the above.

## Monitoring and outcomes

In the first 12 months, there will be extra focus on those tasks where there is the greatest risk that logging activities may damage nature worthy of preservation. It will be in old woodlands mainly covered with deciduous trees. At the next internal audit, the impact of this measure will be assessed. All tasks with specific risk will be assessed.

For the risk-reducing control measures carried out and the SVP, with the described and incorporated procedures of screening and visual visits of all supply areas, low risk has been achieved for the specified risk indicators:

* 2.1.1 Forests with high conservation value, HNV identified and identified
* 2.1.2 Potential threats to forests and other areas with high conservation value from forest cultivation activities have been identified and addressed
* 2.2.3 Protection of key biotopes and habitats
* 2.2.4 Safeguarding biodiversity

Which is then reduced to low risk.

* For all suppliers (forest owners), Peder Østergaard & Søn Transport A/S enters into an agreement with the forest owner about the task, where during the meeting questions about whether the forest is FSC and/or PEFC certified and whether a green operating plan and/or a key biotope registration has been prepared for the property.
* For all suppliers, Peder Østergaard & Son Transport A/S is always physically out and about and reviewing the areas in connection with the screening and before being skovs. This means that there is a great deal of certainty that the areas are properly reviewed and screened correctly. Only for suppliers where Low Risk can be achieved for the four indicators where specific risk has been identified (2.1.1 / 2.1.2 / 2.2.3 / 2.2.4), through the risk minimisation measures, biomass is sold as SBP compliant biomass.
* In cases where Peder Østergaard & Søn Transport A/S buys biomass from other suppliers, Peder Østergaard & Søn Transport A/S will be responsible for risk assessment and possibly risk minimisation in the same way as described above.

**Control of suppliers**

* All suppliers (forest owners) visitace and all tasks are physically reviewed. This, together with map screening, gives you the greatest possible security to locate areas where extra attention is needed, when working in the forest. When the tasks are followed up when they are completed, Peder Østergaard & Søn Transport A/S will have the opportunity to find fault with their processes and correct any inappropriate working methods and procedure.
* Random checks of the local forest admistrator can be found that screening and mapping have been carried out correctly and that the observations are in line with the facts.
* All suppliers of certified material shall be checked by √project number, but not less than 10 projects are checked.

# Detailed Findings for Indicators

Detailed results for indicators in the risk assessment can be found in the RRA for Denmark, released June 2017.

# Review of Report

## Peer review

Have not been exposed to peer review.

## Public or additional reviews

# Approval of Report

|  |  |  |  |
| --- | --- | --- | --- |
| **Approval of Supply Base Report by senior management** | | | |
| **Report Prepared by:** | ***Dennis Flanz*** | ***Cand.Silv*** | ***2/10-2020*** |
| **Name** | **Title** | **Date** |
| **Report Prepared by:** | ***Claus Clemmensen*** | ***Chief Consultant DM&E Forest*** | ***[date]*** |
| **The undersigned persons confirm that I/we are members of the organisation’s senior management and do hereby affirm that the contents of this evaluation report were duly acknowledged by senior management as being accurate prior to approval and finalisation of the report.** | | | |
| **Report approved by:** | **Henrik Østergaard** | **Ceo** | ***29/9-2020*** |
| **Name** | **Title** | **Date** |
| **Report approved by:** | ***[name]*** | ***[title]*** | ***[date]*** |
| **Name** | **Title** | **Date** |
| **Report approved by:** | ***[name]*** | ***[title]*** | ***[date]*** |
| **Name** | **Title** | **Date** |

# Updates

Once a year prior to the external audit, Peder Østergaarsd & Son will carry out self-regulatory control according to the procedure described in the Contractors' Manual. The self-regulatory control will assess:

1. changes in the supply base. Whether changes have occurred which call for changes to elements of

the Supply Base Report.

2. It must be assessed whether the measures taken to reduce the risks are adequate. Every 10th high risk job will be reassessed.

## Significant changes in the Supply Base

## Effectiveness of previous mitigation measures

## New risk ratings and mitigation measures

## Actual figures for feedstock over the previous 12 months

*39.000 tons*

## Projected figures for feedstock over the next 12 months

30 – 40,000 tons

1. Document describing in detail the company's working procedure. [↑](#footnote-ref-1)