

NEPCon Evaluation of Södra Timber A/S Compliance with the SBP Framework: Public Summary Report

Fourth Surveillance 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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Version 1.1: published 30 January 2018

Version 1.2: published 4 April 2018

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1 Overview

CB Name and contact:	NEPCon OÜ, Filosoofi 31, 50108 Tartu, Estonia
Primary contact for SBP:	Ondrej Tarabus ot@nepcon.org, +420 606 730 382
Current report completion date:	06/May/2020
Report authors: :	Christian Rahbek
Name of the Company:	Södra Timber A/S
Company contact for SBP:	Frank Lund Larsen, Managing director Frydenborgvej 27K, 3400 Hillerød, Denmark
Certified Supply Base:	N/A - Trader
SBP Certificate Code:	SBP-01-48
Date of certificate issue:	02/Nov/2016
Date of certificate expiry:	01/Nov/2021

This report relates to the Fourth Surveillance Audit

2 Scope of the evaluation and SBP certificate

Södra Wood A/S is a secondary name of Södra Timber A/S. The SBP certification scope contain trading activities only. Södra Wood is trading wood pellets and wood chips.

The purchase and sales are usually made in exactly the same place under the INCOTERM FOB (both purchase and sale) but could also be CIF or at customer's facilities; there is no physical ownership or handling at Södra Wood facilities. The organization has established procedures for calculation and communication of GHG profile due to transport for pellets or chips under Södra Wood ownership by means of filling in the SREG document.

Scope description: The SBP certificate scope covers back-to-back purchase and sales at the same location and trade with transport by ship or truck. The scope of the certificate does not include Supply Base Evaluation.

3 Specific objective

The specific objective of this surveillance audit was to confirm that the Biomass Producer's management system is being implemented in accordance with SBP standard requirements applicable to traders, including the use outsourced storage functions, and maintaining conformance with SBP CoC and FSC CoC requirements, including activities handled by subcontractors.

This report documents the third annual surveillance audit.

The organization holds valid FSC and PEFC certificates with transfer systems implemented. The point of purchase varies, and can be FOB, at storage facilities in several ports or EXW at the biomass production facility, and the point of sale can be FOB at export harbour, CIF at harbour or at customer's facilities.

The scope of the evaluation covered:

- Review of the BP's documented procedures;
- Review of the storage / logistics processes,
- Review of FSC system control points, analysis of the existing FSC CoC system;
- Interviews with responsible staff;
- Review of the records on-site.

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

Not applicable, Trader only.

5 Description of Company, Supply Base and Forest Management

5.1 Description of Company

Södra Wood A/S is a secondary name of Södra Timber A/S. The main activity in Södra Timber is trading of sawn timber, with storage and minor production activities at subcontractors. The scope related to SBP products are handled under the Södra Wood name and is solely trading of wood pellets and wood chips.

5.2 Description of Company's Supply Base

Not applicable, Trader.

5.3 Detailed description of Supply Base

Not applicable, Trader.

5.4 Chain of Custody system

The organization holds valid FSC and PEFC certificates with transfer systems implemented. There is no physical ownership of the traded products, and physical segregation is maintained on a shipment level for all orders.

The purchase and sales are usually made in exactly the same place under the INCOTERM FOB (both purchase and sale) but could also be CIF or at customer's facilities; there is no physical ownership or handling at Södra Wood facilities. The organization has established procedures for calculation and communication of GHG profile due to transport for pellets or chips under Södra Wood ownership by means of filling in the SREG document.

6 Evaluation process

6.1 Timing of evaluation activities

The annual audit was carried out on Wednesday, April 29, 2020. One day was needed for the onsite audit and additional half day for the documentation review. The audit was carried out on-site concurrently with the annual FSC and PEFC audits.

April 29, 2020, Södra Timber A/S, Hillerød:

09.30 – 10.00

Opening meeting, presentation of participants and audit agenda (Participants: All key personnel, including a management representative)

10.00 – 12.00

Central Office functions, including status for internal audits, management review, training, responsibilities and top management commitment

1. Evaluation of documented procedures for PEFC and FSC CoC systems
2. Evaluation of:
 - a. Supplier records, risk assessments
 - b. PEFC and FSC PGS
 - c. Supplier documentation
 - d. Annual volume summaries
 - e. Sales documents
 - f. PEFC, SBP and FSC Trademark usage

12.00 – 12.30 Lunch break

12.30 – 13.00 Audit of purchase and sales functions

Review of purchase and sales documents, and review with staff responsible for supplier validation, purchase and sales execution

13.00 – 13.30 Desk audit of responsible staff of Södra Wood Project, Sweden

13.30 – 14.30 Audit of compliance with SBP standards 4 and 5

14:30 – 15:30 Continued evaluation of CoC systems

15.30 – 16.00 Closing meeting* (Preliminary)

6.2 Description of evaluation activities

Auditor was welcomed in the Södra Wood office in Hillerød, Denmark. Audit started with an opening meeting attended by Managing Director Frank Lund Larsen and Lars Herschend.

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

After that auditor went through all applicable requirements of the standard covering management system, CoC, recordkeeping requirements and verification of SBP compliant biomass. Later, the purchasing and logistics functions were audited. During the process overall responsible person for SBP system and staff having key responsibilities within the system was interviewed.

Analysis of CCPs: The scope and current activities related to the trade of SBP biomass as defined in the scope of the certificate is quite simple as all trades are done back to back with no physical possession. As all SBP claims are carried forward in the DTS directly from the supplier to the customer, the only critical control points related to the document checks, and the risks related to these are largely countered by the implementation of the DTS.

During the closing meeting auditor explained the results of the audit to Managing Director Frank Lund Larsen and Lars Herschend and further actions were discussed.

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>

The composition of the audit team:

Name	Qualifications	Role/focus during audit
Christian Rahbek	M.Sc. (Forestry) from the University of Copenhagen. Has passed NEPCon Lead Auditor Training for FSC and PEFC FM and CoC certification. Experience from more than 9 years of SBP, FSC and PEFC FM and CoC audits in Denmark and abroad.	Lead Auditor (SBP) Auditor (FSC) Auditor (PEFC)

6.3 Process for consultation with stakeholders

Not applicable, Trader only.

7 Results

7.1 Main strengths and weaknesses

The main strengths of the organization lie with the relatively simple activities relating to SBP-compliant biomass. The staff carrying the main responsibilities for the SBP CoC system and biomass sustainability characteristics showed good competence and dedication to implementing and maintaining the system during the audit. No specific weaknesses of the organization's SBP certification has been identified.

7.2 Rigour of Supply Base Evaluation

Not applicable

7.3 Collection and Communication of Data

Södra Wood is not responsible for compilation of GHG data in cases for any GHG emissions when the point of purchase is the same as the point of sale. There could potentially be sales orders where the material is transported under the ownership of the organization. In these situations, the organization is responsible for collecting and reporting the GHG data for the transport in a SREG document.

During the onsite audit the interviewed person provided good knowledge about how the energy and emission data shall be collected and calculated and passed on to customers. In the event of transport of pellets or chips under Södra Wood ownership, the company has defined procedures for filling in the SREG document and passing this on to the client.

7.4 Competency of involved personnel

The main responsible person in the company is Managing Director Frank Lund Larsen, and he is supported by Mr. Lars Herschend and both showed good understanding of the requirements in relation to SBP certification and of the already implemented FSC CoC system. Other interviewed staff showed good competence, good awareness of standard requirements and own responsibilities.

7.5 Stakeholder feedback

There has been no stakeholder consultation process conducted in connection with this audit, and neither the CH nor the CB has received any comments or complaints pertaining any element of the CoC system since the certificate was issued.

7.6 Preconditions

Not applicable

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.

No applicable, trader only.

9 Review of Company's mitigation measures

Not applicable, trader only

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.*

No NCRs identified during the audit.

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 can be maintained
Certification decision by (name of the person):	Ondrej Tarabus
Date of decision:	06.04.2020
Other comments:	