

SBP

Sustainable Biomass Partnership

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

First Surveillance Audit

www.sustainablebiomasspartnership.org



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

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

Document history

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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.net, +420 606 730 382

Report completion date: 29/Sep/2017

Report authors: Christian Rahbek and Rebecka Mc Carthy

Certificate Holder: Södra Timber A/S

Producer 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

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

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 pellets and chips, of which all material to be sold as SBP-compliant biomass will be sourced from one biomass producer via a SBP certified the intermediary. The organization holds valid certificates for FSC CoC (NC-COC-011838) and PEFC CoC (NC-PEFC/COC-000130). The CoC systems are based on the FSC transfer system and PEFC Physical separation principles. The purchase and sale is usually made in exactly the same place under the INCOTERM FOB (both purchase and sales); there is no physical ownership or handling. As a part of this first annual audit the organization has added 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.

The scope of the certificate does not include physical handling of the material. The material is at the time of the audit only intended for one Denmark based client.

Scope Item	Check all that apply to the Certificate Scope				Change in Scope (N/A for Assessments)
Approved Standards:	SBP Standard #4 V1.0; SBP Standard #5 V1.0 http://www.sustainablebiomasspartnership.org/documents				<input type="checkbox"/>
Primary Activity:	Trader without physical possession				<input type="checkbox"/>
Input Material Categories:	<input type="checkbox"/> SBP-Compliant Primary Feedstock	<input type="checkbox"/> SBP-Compliant Secondary Feedstock			<input type="checkbox"/>
	<input type="checkbox"/> Controlled Feedstock	<input type="checkbox"/> SBP non-Compliant Feedstock			
	<input type="checkbox"/> SBP-Compliant Tertiary biomass	<input type="checkbox"/> Post-consumer Tertiary Feedstock			
	<input type="checkbox"/> SBP-approved Recycled Claim	<input type="checkbox"/> Post-consumer Tertiary Feedstock			
Chain of custody system implemented:	<input checked="" type="checkbox"/> FSC	<input type="checkbox"/> PEFC	<input type="checkbox"/> SFI	<input type="checkbox"/> GGL	<input type="checkbox"/>
	<input checked="" type="checkbox"/> Transfer	<input type="checkbox"/> Percentage		<input type="checkbox"/> Credit	<input type="checkbox"/>

Points of sales	<input type="checkbox"/> Harbour (including own handling of material)	<input checked="" type="checkbox"/> Harbour (e.g. FOB incoterms) legal owner is not responsible for handling of material at the harbour	<input type="checkbox"/> Other point of sale (e.g. gate of the BP, boarder, railway station etc.)	<input type="checkbox"/>
	- - -	Copenhagen harbour	- - -	
Provide name of all points of sales				
Use of SBP claim:	<input checked="" type="checkbox"/> Yes		<input type="checkbox"/> No	<input type="checkbox"/>
SBE Verification Program:	<input type="checkbox"/> Low risk sources only	<input type="checkbox"/> Sources with unspecified/ specified risk		<input type="checkbox"/>
	New districts approved for SBP-Compliant inputs:			
Sub-scopes	N/A			<input type="checkbox"/>
Specify SBP Product Groups added or removed: Wood pellets and wood chips as SBP-compliant biomass and potentially Wood pellets and wood chips as SBP-controlled biomass				
Comments:				

3 Specific objective

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

The scope of the evaluation covered:

- Review of the Biomass Trader's management procedures;
- Review of FSC system control points;
- Interviews with responsible staff;
- Review of the records

4 SBP Standards utilised

4.1 SBP Standards utilised

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

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

Instruction documents 5A: Collection and Communication of Data,
5B Energy and GHG Data
5C Static Biomass Profiling data version 1.1, October 2016

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

5 Chain of Custody system

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 pellets and chips, of which all material to be sold as SBP-compliant biomass will be sourced from one biomass producer via a SBP certified the intermediary. The organization holds valid certificates for FSC CoC (NC-COC-011838) and PEFC CoC (NC-PEFC/COC-000130). The CoC systems are based on the FSC transfer system and PEFC Physical separation principles. The purchase and sale is usually made in exactly the same place under the INCOTERM FOB (both purchase and sales); there is no physical ownership or handling. As a part of this first annual audit the organization has added 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.

Each purchase of material is recorded including the certification status of the material and the sales always contain the same type and quantity of material as purchased.

The SBP claim is stated on the sales invoices. The SBP Batch code is also included. Theses carries the GHG profiling and batch specific data from the Biomass producer. and GHG data relating to the transport, which are the responsibility of the BP, given the INCOTERM used.

6 Evaluation process

6.1 Timing of evaluation activities

The annual audit was carried out on July 11, 2017. One day was needed for the onsite audit and additional half day for the documentation review. The audit was carried concurrently with the annual FSC and PEFC audits.

11. juli 2017, Södra Timber A/S, Hillerød

10.00 – 12.00

1. Opening meeting, presentation of participants and audit agenda (Participants: All key personnel, including a management representative)
2. Central Office functions, including status for internal audits, management review, training, responsibilities and top management commitment
3. Evaluation of documented procedures for PEFC og FSC CoC systems
4. Evaluation of:
 - a. Supplier records, risk assessments
 - b. PEFC and FSC PGS
 - c. Supplier documentation
 - d. Annual volume summaries
 - e. Sales documents
 - f. PEFC and FSC Trademark usage

12.00 – 12.30 Lunch break

12.30 – 13.30 Audit of purchase and sales functions

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

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

14.30 – 15.00 Desk audit of responsible staff of Södra Wood Project, Sweden

15.00 – 15.30 Auditor conference

15.30 – 16.00 Closing meeting*

Presentation of audit conclusions. Please note that a management representative should be present at the opening and closing meetings.

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 Frank Lund Larsen, Lars Herschend, Anders Gøricke and Tina Füst Steffensen

Auditor introduced the audit team, provided information about audit plan, methodology and aim of the assessment. 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 on 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.

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

Composition of audit team:

Name	Qualification	Role/focus in evaluation
Christian Rahbek	M.Sc. (Forestry) from University of Copenhagen. Has passed NEPCon Lead Auditor Training for FSC and PEFC FM and CoC certification. Experience from more than 200 FSC and PEFC CoC audits in Denmark and Europe. Christian has successfully completed SBP training course and has partaken in several SBP assessments.	Lead Auditor. Verification of procedures for purchase and sales of SBP-compliant biomass
Rebecka Mc Carthy		

7 Results

7.1 Compilation of data on Greenhouse Gas emissions

Södra Wood is not responsible in absolute majority of the cases for any GHG emissions as the point of purchase is the same as the point of sale. There are only some very few cases where the material is transported under the ownership of the organization. In such a situation, the organization is responsible only for the transport.

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.

7.2 Competency of involved personnel

The main responsible person in the company is Managing Director Frank Lund Larsen, who showed good understanding of the requirements in relation to SBP certification and of the already implemented FSC CoC system. All other interviewed staff showed good competence, good awareness of standard requirements and own responsibilities. The organization is being supported by an external consultant, which has helped prepare and implement the documented procedures for trade with SBP biomass.

7.3 Preconditions

No preconditions remain in the audit report.

8 Non-conformities and observations

No non-conformities identified.

OBS: 01/17	Standard & Requirement:	SBP Standard 4 requirement 5.1.2
	Report Section	Appendix A p 1.2
Description of findings leading to observation:	<p>The organization has implemented simple physical separation system for their trading activities. The material is verified during the purchasing process, the certification status is evaluated together with the supplier certification and if everything is correct than sales documents are issued. The organization does not take physical possession of the material, which is bought and sold as full shiploads, usually in the same location and on the same (FOB) incoterm. See Exh 1</p> <p>Since there has been no purchases and sales of any SBP biomass, practical demonstration of CoC procedures took place by means examples. Only very few members of staff are involved in executing SBP orders, and some hesitation was found during interview since actual sales has not yet been carried out. The overall responsible and external consultant both explained that the first number of orders will be handled in collaboration.</p>	
Observation:	The organization should ensure that all applicable procedures are correctly implemented, once SBP orders will be executed.	

9 Certification decision

Based on Organisation's conformance with SBP requirements, the auditor makes the following recommendation:	
<input checked="" type="checkbox"/>	Certification approved: No NCR(s) issued.
<input type="checkbox"/>	Certification not approved:
Based on auditor's recommendation and NEPCon quality review following certification decision is taken:	
NEPCon certification decision: Pilar Gorriá Serrano	
Certification decision by:	
Date of decision: 29-09-2017	

10 Surveillance updates

10.1 Evaluation details

The evaluation was carried out as per the audit plan in report section 6.

10.2 Significant changes

With this audit, the organization has added procedures for collecting and calculating changes in GHG data under their ownership, which was previously not included in the scope of activities.

10.3 Follow-up on outstanding non-conformities

Not applicable.

10.4 New non-conformities

Not applicable, however see Observation 01/17 in section 8 above.

10.5 Stakeholder feedback

Not applicable.

10.6 Conditions for continuing certification

There are no conditions for continuing certification

10.7 Certification recommendation

It is recommended to continue the certification.

11 Evaluation details

Primary Responsible Person: (Responsible for control system at site(s))	Frank Lund Larsen, Managing Director
Auditor(s):	Christian Rahbek, Lead Auditor Rebecka Mc Carthy, Trainee auditor
People Interviewed, Titles:	Frank Lund Larsen, Managing Director Lars Herschend, External Consultant Tina Frst Steffensen, Administration and orders execution
Brief Overview of Audit Process for this Location:	See audit plan.
Comments:	N/A