

NEPCon Evaluation of Tylöskog AB Compliance with the SBP Framework: Public Summary Report

First Surveillance Audit

www.sbp-cert.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.sbp-cert.org

Document history

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1 Overview

CB Name and contact: NEPCon OÜ, Filosoofi 31, 50108 Tartu, Estonia

Primary contact for SBP: Christian Rahbek, car@nepcon.org, +45 5059 7624

Report completion date: 26/Jan/2018

Report authors: Christian Rahbek and Rebecka Mc Carthy

Certificate Holder: Tylöskog AB

Producer contact for SBP: Jon Ruthström, Managing director

Certified Supply Base: N/A - Trader

SBP Certificate Code: SBP-01-58

Date of certificate issue: 08/Feb/2017

Date of certificate expiry: 07/Feb/2022

| 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"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

2 Scope of the evaluation and SBP certificate

The SBP certification scope contain trading activities only. Tylöskog is trading wood pellets and chips and potentially fuel wood logs, of which all material to be sold as SBP-compliant / SBP-controlled biomass will be sourced from Biomass Producer Laskana. The organization holds a valid FSC CoC /CW certificate (DNV-COC/CW-000154). The CoC systems are based on the FSC transfer system. The purchase and sale is usually made in the same place under the INCOTERM FOB (both purchase and sales); therefore there is usually no physical ownership or handling. However, with this audit the organization also add trade including transport of the traded goods to the scope of their SBP certification and hence changes in GHG profile under Tylöskog ownership will be reported in an SREG when applicable.

The scope of the certificate does not include physical possession of the material. The material is at the time of the audit only intended for Danish and Swedish clients.

Scope description: Trading and transportation of wood pellets and fuel wood logs, for use in energy production, to Liepaja. The scope of the certificate does not include Supply Base Evaluation.

| 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 https://sbp-cert.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 checked="" type="checkbox"/> |
| | Provide name of all points of sales | - - - | Liepaja harbour (Latvia) Potentially other Swedish or Danish harbours (no trade with shipment took place yet) | |
| 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, wood chips and fuel wood logs as SBP-compliant biomass and potentially the same products as SBP-controlled biomass | | | | |
| Comments: This annual audit also included the scope change to also include transport of biomass and filling in the SREG. | | | | |

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, 1.1, October 2016

5B Energy and GHG Data, 1.1, October 2016

5C Static Biomass Profiling data version 1.1, October 2016

<https://sbp-cert.org/documents>

5 Chain of Custody system

The SBP certification scope of Tylöskog AB contains trading activities only. Tylöskog is trading pellets and chips and potentially fuel wood logs, of which all material to be sold as SBP-compliant / SBP-controlled biomass is sourced from Biomass Producer Laskana. Each purchased 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 and recorded in the DTS. The SBP Batch code is also included. These carry the GHG profiling, 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 surveillance audit was carried out on the 17th of November 2017. Approximately two hours were needed for the onsite audit (via Skype) and additionally half a day for the documentation review.

10:00 – 10:15 Opening meeting: Presentation of audit team, and client representatives, review of agenda. (All key personnel present)

10:15 – 11:15 Audit of compliance with SBP standards 4 and 5. Short verification of the FSC CoC system.

Review of procedures for purchase and sales, staff interviews, orders execution, supplier verification and logistics functions.

11:15 – 11:30 Closing meeting: Presentation of audit findings and NCRs (non-compliance reports). Management representative must be present for the closing meeting.

6.2 Description of evaluation activities

The audit took place via Skype and the audit started with an opening meeting attended by Jon Ruthström.

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 /SBP-controlled biomass. Later on the purchasing and logistics functions were audited.

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 Anton 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, PEFC and SBP audits in Denmark and Europe. | Lead auditor |
| Rebecka Mc Carthy | NEPCon Auditor, Jägmästare (M.Sc. Forestry) and Ph.D. in forestry. Has passed NEPCon Lead Auditor Training for FSC and PEFC FM and CoC certification. SBP auditor-in-training. | Auditor in training |

7 Results

7.1 Compilation of data on Greenhouse Gas emissions

Tylöskog has established that the scope of the certification does include transport of SBP certified biomass after this audit. This was confirmed with the managing director during the audit. This means that in the future there might be cases where the GHG profile of the SBP Biomass change while under Tylöskog ownership.

Tylöskog has extended the scope of the certification to also include transportation of the SBP Biomass in the event of future cases. Jon Ruthström showed during the audit sufficient knowledge about how the energy and emission data shall be collected, calculated and communicated to the customer.

7.2 Competency of involved personnel

The main responsible person in the company is Managing Director Jon Ruthström, who showed good understanding of the requirements in relation to SBP certification and is implementing a FSC CoC system.

7.3 Preconditions

No preconditions remain in the audit report.

8 Non-conformities and observations

No non-conformities were detected during audit.

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's quality review, the following certification decision is taken: | |
| NEPCon certification decision: Certificate can be maintained | |
| Certification decision by: Ondřej Tarabus | |
| Date of decision: 26.01.2018 | |

10 Surveillance updates

10.1 Evaluation details

Please see section 6.2: Description of evaluation activities.

10.2 Significant changes

This annual audit also included the scope change to also include transport of biomass and filling in the SREG.

10.3 Follow-up on outstanding non-conformities

N/A

10.4 New non-conformities

N/A

10.5 Stakeholder feedback

N/A

10.6 Conditions for continuing certification

No new conditions

10.7 Certification recommendation

It is recommended to maintain the certificate

11 Evaluation details

| | |
|--|--|
| Primary Responsible Person: (Responsible for control system at site(s)) | Jon Ruthström, Managing Director |
| Auditor(s): | Christian Rahbek, Lead Auditor Rebecka Mc Carthy, Auditor in training |
| People Interviewed, Titles: | Jon Ruthström, Managing Director |
| Brief Overview of Audit Process for this Location: | See audit plan. |
| Comments: | N/A |