

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

Third 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

Version 1.0: published 26 March 2015

Version 1.1: published 30 January 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:	31/Oct/2019
Report authors:	Christian Rahbek, Lead auditor
Name of the Company:	Tylöskog AB
Company 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

This report relates to the Third Surveillance Audit

2 Scope of the evaluation and SBP certificate

Scope Description: Trading and transportation of wood chips, wood pellets and fuel wood logs, for use in energy production. Biomass comes mainly from the port of Liepaja, but other ports in the Baltic sea region can be used. The scope of the certificate does not include Supply Base Evaluation.

The organization is mainly sourcing from the Biomass Producers in the Baltic region and transport to customers is done by vessels. The company is trading SBP-compliant biomass but could potentially also sell SBP-controlled biomass.

The organization holds valid FSC and PEFC CoC certificates (DNV-COC/CW-000154 and 2018-SKM-PEFC-208). The CoC system is based on the FSC transfer system. The purchase and sale are usually made in the same place under the INCOTERM FOB (both purchase and sales). Therefore, there is usually no physical ownership, handling or trans-shipment of the biomass. However, the organization could possibly also include transport of the traded goods and has the capacity to report GHG data under Tylöskog's ownership in a SREG when applicable.

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
- Reviews of samples of supplier and customer invoices

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.

5 Description of Company, Supply Base and Forest Management

5.1 Description of Company

Tylöskog AB is trading wood chips and pellets and potentially fuel wood logs and selling the material in the same form. The material is purchased from certified Biomass Producers and can be sold as SBP-compliant or SBP-controlled biomass. The organization holds valid FSC and PEFC CoC certificates (DNV-COC/CW-000154 and 2018-SKM-PEFC-208). The CoC system is based on the FSC transfer system. The purchase and sale are usually made in the same place under the INCOTERM FOB (both purchase and sales). Therefore, there is usually no physical ownership or handling. However, the organization could possibly also include transport of the traded goods and has the capacity to report GHG data under Tylöskog's ownership in an SREG when applicable.

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 a valid FSC CoC/CW certificate (DNV-COC/CW-000154) and a valid PEFC CoC certificate (2018-SKM-PEFC-208). The SBP CoC system is based on the FSC transfer system.

The SBP certification scope of Tylöskog AB contains trading activities only (see scope and company description above). The trade of the material is simple, and that same claim is used for purchase and sale (SBP-compliant or SBP-controlled biomass). Each trade (purchase and sale) is registered and transferred in DTS including the certification status of the material, biomass type and quantity. The SBP claim is also stated on the sales invoices where also the SBP Production Batch ID is included. This ensures that relevant 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

This surveillance audit was carried out on the 22th of October 2019. Approximately two hours were needed for the desk-based audit (via Skype) and additionally approximately half a day for the documentation review. The managing director which is the SBP responsible person for all aspects participated in the audit.

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

10:15 – 11:30 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.

11:30 – 12:00 Closing meeting: Presentation of audit findings and NCRs (non-compliance reports – one OBS was closed from previous audits). Management representative was 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 himself, 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, the purchasing and logistics functions were audited.

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

Audit team:

Name	Qualification	Role/focus in evaluation
Christian Rahbek	M.Sc. in Forestry from University of Copenhagen. Has passed the SBP auditor training programme and the NEPCon Lead auditor training for FSC and PEFC FM and CoC certification. Has more than 9 years' experience from traceability (FSC / PEFC CoC), forest certification (FSC / PEFC FM), and SBP (Sustainable Biomass Program) audits in Denmark, Europe and Canada.	Lead auditor

6.3 Process for consultation with stakeholders

N/A – trader.

7 Results

7.1 Main strengths and weaknesses

Strengths: The organization is a trader of biomass and has simple scope and a simple management system. Only two people are working at the organization (the owner and one person for administrative tasks), which means that both persons have a good overview and insight in all operations going on at the company. It also makes it easy to implement the all CoC and SBP procedures.

Weaknesses: No weaknesses related to the organization's performance and the SBP requirements were found during this annual audit.

7.2 Rigour of Supply Base Evaluation

N/A – Trader.

7.3 Collection and Communication of Data

The company is, so far, only transferring data from biomass producers, but has shown an example of a fictive SREG in case they will start transporting biomass and adding new data. All data is directly transferred from seller to buyer in DTS.

7.4 Competency of involved personnel

N/A – Trader.

7.5 Stakeholder feedback

N/A – Trader.

7.6 Preconditions

No preconditions identified.

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.

N/A – Trader.

9 Review of Company's mitigation measures

N/A – Trader.

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 have been raised.

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):	Pilar Gorría Serrano
Date of decision:	31.10.2019
Other comments:	<i>Click or tap here to enter text.</i>