



NEPCon OÜ Evaluation of Fuelwood Group Sweden AB Compliance with the SBP Framework: Public Summary Report

First Surveillance Audit

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Completed in accordance with the CB Public Summary Report Template v1.5

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

Certification Body (CB) Name: NEPCon OÜ Primary

CB contact for SBP: Ondrej Tarabus

Primary CB contact email: otarabus@preferredbynature.org

Audit team leader: Rebecka McCarthy Tune

Audit team members: Rebecka McCarthy Tune

Name of the Company: Fuelwood Group Sweden AB

Company legal address: Flygstaden, Byggnad 34

Söderhamn Company contact for SBP: Tanel Teimann

Company contact email: tt@procon.ee

Company website:

SBP Certificate Code: SBP-07-70

Date of certificate issue: 2020-03-18

Date of certificate expiry: 2025-03-17

Audit closing meeting date: 2020-11-18

Audit cycle: First Surveillance Audit

2 Scope of the evaluation and SBP certificate

Scope Item	Check all that apply to the Certificate Scope	Change in scope (N/A for Assessments)
Primary Activity:	Biomass Producer	<input type="checkbox"/>
Approved Standards:	SBP Standard 2: Verification of SBP-compliant Feedstock; SBP Standard 4: Chain of Custody; SBP Standard 5: Collection and Communication of Data Instruction	<input type="checkbox"/>
Includes Supply Base Evaluation (SBE):	No	<input type="checkbox"/>
Includes communication of Dynamic Batch Sustainability Data (DBSD)	Yes	<input type="checkbox"/>
Includes Group Scheme	No	<input type="checkbox"/>
Products	Pellets	<input type="checkbox"/>

Feedstock types:	Secondary, Tertiary	<input type="checkbox"/>
Feedstock origin (countries):	Sweden, Norway, Finland	<input type="checkbox"/>
SBP-endorsed Regional Risk Assessments used:	Not applicable	<input type="checkbox"/>
Public link: https://sbp-cert.org/documents/standard-s- documents/risk-assessments/		
Chain of custody	FSC: NC-COC-055270	<input type="checkbox"/>

**system
implemented:**

Credit



2.1 Description of the company

Fuelwood Group Sweden AB is a pellet producer and sales company with a pellet plant located in the Mid-Eastern side of Sweden in Söderhamn. The company was founded in 2017 by a group of Estonian entrepreneurs. Pellet production started in 2019. Fuelwood Group Sweden produces wood pellets from industry residues. In context of regional Wood Sector, Fuelwood Group Sweden is a relatively small company. Pellet production capacity is around 50 000 tons a year. The production plant is run by a small team of employees. At present, the pellet producer has 2 feedstock suppliers, which are medium-sized timber processors. Both suppliers are FSC certified and the Organization only purchase feedstock with FSC claims. The feedstock is delivered by an air blown pipeline from the neighboring wood working company, or by trucks from other suppliers. These volumes are delivered directly to the production process (feedstock bunker). For deliveries by truck there are 3 uncovered areas where feedstock is stored in piles. Two of these are directly associated to the pellet plant and one more long-term storage pile is located close by. The wood residues used for pellet production consist of sawdust, shavings or cut-offs of Scots pine (*Pinus sylvestris*). Pellets are sold at the gate of the pellet production.

2.2 Detailed description of the Chain of Custody system

The BP is FSC certified (NC-COC-027784). Incoming tertiary feedstock originates from the secondary producer (windows producer) located at the same production site, and only has FSC Mix Credit claims. Incoming secondary feedstock arrived by truck from a sawmill in the region and only has the claim FSC Mix Credit. The BP uses a credit system for FSC claims for certified pellet production and sales, but at the moment only certified material is purchased meaning this system is close to a transfer system. The BP buys uncertified biomass to the new boiler that heats the dryer. This material is physically separated from all certified material and is not suitable to use for pellet production.

3 Specific objective

The objective of this annual surveillance audit was to confirm that the Biomass Producer's management system ensures that all applicable requirements in Standard 2, 4 and 5 are implemented over the entire scope of the certification.

4 Evaluation process

4.1 Timing of evaluation activities

Audit Level of Effort (LoE)		
Activity	Auditors	Auditor hours
4. Other		
2. On-site (excl. travel time)	Rebecka McCarthy Tune	11
3. Report writing	Rebecka McCarthy Tune	5
1. Preparation	Rebecka McCarthy Tune	3

Audit Schedule			
Activity	Location	Auditor name	Date/time
<i>Opening meeting</i>	Web-based Teams	Rebecka McCarthy Tune	2020-09-29/0:30
<i>On-site audit</i>	Pellet plant and office	Rebecka McCarthy Tune	2020-11-17/3:30
<i>On-site audit</i>	Pellet plant and office	Rebecka McCarthy Tune	2020-11-18/6:30

Auditor qualification		
Auditor name	Role	Qualification
Rebecka McCarthy Tune	Lead auditor	PhD in forestry (Swedish University of Agrucultural Sciences), M.Sc. in forest management. Has successfully completed SBP training course and the NEPCon Lead auditor training for FSC and PEFC FM and CoC certification. Has experience from audits withing forest certification (FSC / PEFC FM), traceability (FSC / PEFC CoC) and SBP (Sustainable Biomass Program). In addition, Rebecka works with evaluation of supply

		chains, education and support related to legality and EU Timber Regulation (EUTR).
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4.2 Description of evaluation activities

The on-site audit visit was focused on management system evaluation and its implementation: division of responsibilities, document review, system for input material classification (reception and registration), analysis of the FSC system and FSC system control points as well as the collection of the energy and emission data.

Description of the audit evaluation:

All SBP related documentation connected to the SBP as well as FSC system of the Organization, including SBP Procedures, GHG related data, Supply Base Reports, and SAR were evaluated.

The audit started with a web-based opening meeting due to COVID-19 travel restrictions that delayed the on-site visit. At the on-site visit, auditor was welcomed in the company and had a short opening meeting.

Auditor introduced herself, provided information about audit plan, methodology, auditor qualification, confidentiality and impartiality matters, and clarified verification scope. During the opening meeting the auditor explained the meaning of different levels of non-conformities.

After that auditor was on-site for 1.5 days and went through all applicable requirements of the SBP standards 2, 4, 5 and instruction document 5E covering input clarification, existing chain of custody system, management system, CoC, recordkeeping/mass balance requirements, emission and energy data and categorization of input and verification of SBP compliant feedstock/ biomass. During the process overall responsible person for the SBP system and other persons having key responsibilities within the system were interviewed.

Towards the end of the first audit day, the SBP-responsible person showed the pellet plant including reception of feedstock, feedstock handling, feedstock entering the pellet production line, different components of the production line and the end of production where samples of ready pellets could be observed. Also the weighbridge, boiler, dryer and silo were observed and applicable records were reviewed. The pellet factory staff was interviewed. These steps included analysis of the FSC system's critical control points.

At the end of the assessment findings were summarized and the auditor explained CB's report approval process and further steps to the company's SBP responsible person which is also one of the company owners.

4.3 Sampling methodology

A sample of all documents were taken during audit. Incoming and outgoing invoice were randomly checked for different months for the period from last audit. Documents were controlled from all suppliers and customers. SAR data was verified through summaries made by the BP and a sample of invoices these summaries were based on. Volume summaries were verified through purchase documents and DTS registrations and calculations of conversion factors were analyzed. Records in DTS were filtered and analyzed for abnormalities. All locations and places were

feedstock was placed was visited during the audit. Two out of four employees at the pellet plant was interviewed. All people involved in the administration of certification was interviewed (i.e. the SBP-responsible person).

4.4 CB stakeholder engagement

Stakeholder consultation took place during the main assessment. No stakeholder consultation was conducted during this annual surveillance audit.

4.5 Stakeholder feedback

Not applicable for this surveillance audit. The CB has not received any complaints from stakeholders during this audit period.

5 Results

5.1 Main strengths and weaknesses

Strengths: The BP only purchases feedstock with the claim FSC Mix Credit. Robust recordkeeping system. Good awareness of certification requirements by involved staff.

Weaknesses: See non-conformities.

5.2 Rigour of Supply Base Evaluation

Not applicable.

5.3 Collection and Communication of Data

The BP has collected data for most relevant processes related to pellet production and transportation, but have missed to summaries data for feedstock that was sold as biomass without SBP claims. This data is needed for the SAR.

Data was evaluated to be accurate and samples of invoices (or other proof) was provided to the auditor when a sample was taken to verify data.

5.4 Competency of involved personnel

Responsible staff showed good awareness of requirements of applicable SBP standards and Instruction Documents. The key staff involved is only the SBP responsible person and the workers at the pellet plant. Responsibilities are clearly defined and workers in the production had received relevant training. There are only 4 employees and the owners working at the Organization.

6 Review of Company's Risk Assessments

6.1 Overview of company's risk assessments and mitigation measures

Not applicable.

6.2 Specified risk indicators and mitigation measures

Country/Area	Indicator	Specified risk description	Mitigation measure
N/A	N/A	N/A	N/A

7 Non-conformities and observations

NC number NC-000016		NC Grading: Minor
Standard:	SBP Standard 2: Verification of SBP-compliant Feedstock	
Requirement:	6.2 The BP shall record the place of harvesting and the identity of the primary wood processor responsible for the supply of inputs classified as SBP-compliant secondary feedstock.	
Description of Non-conformance and Related Evidence:		
The supplier of secondary feedstock is also the primary wood processor. The feedstock is FSC certified and therefore is the supplier obliged to provide information about origin, but there was no evidence available for the location of harvest for the secondary feedstock during the audit. It is unlikely that the sawmill that is located in a region with high forest resources would source from outside the BP's supply base (Sweden, Finland and Norway), but this is not alone sufficient evidence for secondary feedstock.		
Timeline for Conformance:	By the next surveillance audit, but no later than 12 months from report finalisation date	
Evidence Provided by Company to close NC:	Pending	
Findings for Evaluation of Evidence:	Pending	
NC Status:	Open	

NC number NC-000017		NC Grading: Minor
Standard:	SBP Standard 2: Verification of SBP-compliant Feedstock	
Requirement:	6.5 The BP shall keep records of the origin of any feedstock supplied with certification claims from either a SBP-approved Forest Management Scheme or a SBP-approved Controlled Feedstock System.	
Description of Non-conformance and Related Evidence:		
The BP has no record of origin of secondary feedstock. The BP has information about the origin of the tertiary feedstock, but this information is not recorded. The reason to grade this as a minor is because all suppliers are based in the region and it likely that they source from the area and not outside of the supply base which includes all of Sweden, Norway and Finland.		
Timeline for Conformance:	By the next surveillance audit, but no later than 12 months from report finalisation date	

Evidence Provided by Company to close NC:	Withdrawn after review.
Findings for Evaluation of Evidence:	Withdrawn after review.
NC Status:	Closed

NC number NC-00018		NC Grading: Major
Standard:	SBP Standard 2: Verification of SBP-compliant Feedstock	
Requirement:	IN2C; 5.1 The SBR shall be formally updated every year (i.e. every 12 months). Each annual update shall provide actual values for the previous 12 months and forecast values for the following 12 months.	
Description of Non-conformance and Related Evidence:		
The BP had not updated the SBR annual updates section and missed to add that secondary feedstock is now part of the sourcing from the supply base.		
Timeline for Conformance:	3 months from the report finalization	
Evidence Provided by Company to close NC:	Pending	
Findings for Evaluation of Evidence:	Pending	
NC Status:	Open	

NC number NC-000199		NC Grading: Minor
Standard:	SBP Standard 2: Verification of SBP-compliant Feedstock	
Requirement:	15.3 The BP management system shall document all necessary procedures.	
Description of Non-conformance and Related Evidence:		
The BP's management system is appropriate to the type, range and volume of work performed. SBP procedures had been evaluated during the audit, staff interviews were conducted with an aim to make sure procedures are in compliance with the processes and practices implemented by the Organisation. However, the management system contained some outdated references to Instruction Documents and the old "Static Biomass Profiling Data Sheet" and new references were missing.		

Timeline for Conformance:	By the next surveillance audit, but no later than 12 months from report finalisation date
Evidence Provided by Company to close NC:	Pending
Findings for Evaluation of Evidence:	Pending
NC Status:	Open

NC number NC-000201 NC Grading: Major	
Standard:	Instruction Document 5E: Collection and Communication of Energy and Carbon Data
Requirement:	3.1.2 Each Legal Owner shall record data as specified in this Instruction Document (5E).
Description of Non-conformance and Related Evidence:	
The BP has filled out data in the latest version of the SAR document. However, some fields had incorrect or missing data at the time of the audit.	
Timeline for Conformance:	3 months from the report finalization
Evidence Provided by Company to close NC:	The BP has updated the SAR and sent information regarding the data origin after the audit.
Findings for Evaluation of Evidence:	The corrective action is considered sufficient to close the non-conformity.
NC Status:	Closed

NC number NC-000200 NC Grading: Major	
Standard:	Instruction Document 5E: Collection and Communication of Energy and Carbon Data
Requirement:	6.2.1 The SAR Reporting Period shall meet the following criteria: - the period should be 12 consecutive months; and - the start date shall not exceed 18 months before the audit onsite closing meeting date as indicated in the SAR. The BP may select a convenient Reporting Period, for example, fiscal year, civil/calendar year or any other 12-month period if it fits those requirements.
Description of Non-conformance and Related Evidence:	

Last year's SAR had the reporting period 01/04/2019 – 31/07/2019. The reporting period was shorter than 12 months since the pellet plant was commissioned in February 2019. This year, the reporting period was set to 01/10/2019 – 31/10/2020, which was more than 12-months and did not start right after the end of the last reporting period.	
Timeline for Conformance:	3 months from the report finalization
Evidence Provided by Company to close NC:	The BP has updated the SAR and the reporting period after the audit.
Findings for Evaluation of Evidence:	The corrective action is considered sufficient to close the non-conformity.
NC Status:	Closed

NC number NC-000030		NC Grading: Major
Standard:	SBP Standard 2: Verification of SBP-compliant Feedstock	
Requirement:	15.1 The BP shall implement a management and monitoring system to maintain compliance with the requirements of this and all other relevant SBP Standards, together with a process of review and feedback into planning (CPET S6b).	
Description of Non-conformance and Related Evidence:		
The BP has installed a boiler to dry feedstock when it enters the pellet production. The boiler is currently tested and not yet fully calibrated. The fuel wood used to heat the boiler comes from different sources and can be residues from the pellet production, post-consumed recycled material or other biomass. The BP has currently no system to control that the fuel wood lives up to the scope requirement of Standard 2 and is at least in compliance with SBP-controlled biomass.		
Timeline for Conformance:	3 months from the report finalization	
Evidence Provided by Company to close NC:	Pending	
Findings for Evaluation of Evidence:	Pending	
NC Status:	Open	

8 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 Gorriá Serrano
Date of decision:	2021-01-18
Other comments:	