



Supply Base Report: Fuelwood Group Sweden Ab

First Surveillance Audit

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Completed in accordance with the Supply Base Report Template Version 1.3

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1 Overview

Producer name: Fuelwood Group Sweden AB

Producer location: Sweden, Flygstaden, Byggnad 34 | 826 70 Söderhamn

Geographic position: 61.267295 latitude, 17.099656 longitude

Primary contact: Tanel Teimann +3725104661 tt@fuelwood.se

Company website: None

Date report finalised: 16/Oct/2020

Close of last CB audit: 18/Nov/2020

Name of CB: NEPCon

Translations from English: YES

SBP Standard(s) used: Standard 2 version 1.0
Standard 4 version 1.0
Standard 5 version 1.0

Weblink to Standard(s) used: <https://sbp-cert.org/documents/standards-documents/standards>

SBP Endorsed Regional Risk Assessment: not applicable

Weblink to SBE on Company website: not applicable

Indicate how the current evaluation fits within the cycle of Supply Base Evaluations				
Main (Initial) Evaluation	First Surveillance	Second Surveillance	Third Surveillance	Fourth Surveillance
☐	☒	☐	☐	☐

2 Description of the Supply Base

2.1 General description

Fuelwood Group Sweden AB is a pellet production 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 woodworking residues. It is not involved in wood harvesting operations. Regarding the regional Wood Sector, Fuelwood Group Sweden is a relatively small company. It has 2 – 5 feedstock suppliers, which are medium-sized secondary and primary wood processors. The wood residues used for pellet production consist of dried sawdust and shavings of pine (*Pinus sylvestris*).

Most of the feedstock is procured with a certification claim of an SBP-approved Forest Management Scheme (SBP-compliant tertiary feedstock). A small share is SBP-controlled tertiary feedstock. Non-certified feedstock is physically segregated (out of scope).

The Supply Base of the primary feedstock are the forest areas of Sweden, Norway and Finland. A general description on the forests and forestry management practices in these countries are given below. In general, these Scandinavian countries are renowned for their developed forestry sector, sustainable forest management, and exemplary socio-economic working conditions.

Sweden

Sweden's land area is 40.7 million ha, of which 28.1 million ha are forest land (69%). Of these 23.5 million ha are productive forest land. Productive forest land is the most dominant land use followed by Alpine areas (5.1 million ha) and agricultural land.

Over half of the forests are PEFC-certified and slightly less have a double certification of FSC and PEFC.

Sweden's forests are dominated by Norway spruce and Scots pine. Almost the whole country is within the Boreal region. Up until the 1970's an increase in standing stock was realised by spruce, since then the volumes of spruce, pine and broadleaves have all increased.

Table 1: Annual increment of standing stock in Sweden per forest dominating tree species (2015)

Increment of standing stock (10 000 m³)							
Norway Spruce	Scots Pine	Birch spp.	Lodgepole pine	Oak spp.	Beech spp.	Other broadleaves	Total
5 959	4 198	1 531	311	102	62	628	12 791

Source: Statistics Sweden

The forest products industry is significant for the Swedish economy, and accounts for 9 to 12% of the Swedish industry's total employment. Around 73 thousand people work in the forest and wood sector, of which 16 thousand in forestry, 28 thousand in wood working, and 29 thousand in the paper and paper

products industry. Sweden is the third largest exporter of wood products in the world, after Canada and the US.

The total forest harvesting volume in Sweden is around 80 million m³ annually, which is below the annual increment of forests. Calculated as dry weight, the total volume is 2642 million tons.

The share of roundwood harvested used for energy is 10 percent of total roundwood production the rest was used for sawnwood and veneers, pulp and paper production.

Sweden ranks high on the Worldwide Governance Indicator (WGI) with excellent scores on 'rule of law' and 'control of corruption'. With a Corruption Perception Index (CPI) score of 85 points (in 2018), Sweden is in the top three of less corrupt countries in the world.

Forest ownership

The largest part of the Swedish productive forest land is in private ownership. About 50% of the productive forests are owned by people, 25% is owned by private companies, 17% by the state (including state-owned companies) and the remaining 8% is the property by other private or public organisations. All forestry activities in Sweden are subject to the same legislation and requirements.

The purpose of the Timber Measurement Act (1966: 209/SFS 2014:1005) is to give the seller and buyer of logs a tool to evaluate the price of the logs delivered to the industry. The law does not provide a basis for taxes and fees, however, does contribute to a credible and transparent market for logs.

The 'right of public access' gives people the possibility to gather mushrooms, berries and flowers that are not protected in the forests.

Forest management

The forest rotation period is usually 60-100 years, mostly with 2-3 intermediate thinnings. Planting and natural regeneration are both commonly used. GMO tree species are not used in forestry.

In recent years, continuous cover forestry methods are also applied. Continuous cover forestry is based on a 15-20 years harvesting cycle using selective harvesting techniques or the felling of small sites of less than 0.5 ha.

The Swedish Forestry Act aims at promoting high long-term wood production as well as environmental protection during forestry activities. It contains:

- an obligation to regenerate forest on forest land;
- a ban to harvest trees under certain ages;
- limitations to the size of clear cuts and young forest within an estate; and
- requirements to prevent outbreaks of pests.

However, the law does not contain requirements on silviculture measures, such as pre-commercial or commercial thinnings.

The authority to enforce requirements concerning environmental protection is delegated to the Swedish Forest Agency. Besides, the Forest Agency, the County Administrative Board, and the Municipality's environmental authorities are responsible for the supervision of several forestry related activities. The Forest

Agency processes approximately 60 thousand Timber Harvesting Notifications annually, which are inspected within a 6-week period allocated for this purpose. Harvesting permits are only required for specific forest lands, e.g. mountainous forests. However, final felling on areas larger than 0.5 ha must be notified in advance to the Swedish Forest Agency.

To define which forestry actions are legal is complicated. Most of the detailed requirements regulated by authorities such as the Swedish Forest Agency and the Swedish Work Environment Authority are used as references to issue injunctions to forest owners or buyers. The injunctions normally have a preventive character. Actions deviating from some regulations are not always regarded as illegal. Transgressing requirements of the Forest Agency could however be subject to injunctions on repairing measures, e.g. restoring disturbed waterways or clearing frequently used trails.

The Swedish interpretation of 'illegal harvested timber' in the EU Timber Regulation, as given in the Law on Trade with Timber and Wood products (2014:1009), includes only activities not complying with legal requirements subject to direct sanctions, such as fines or imprisonment.

Since 1993, the production and environmental function of forests are given equal importance in the opening paragraph of Sweden's Forestry Act. The Swedish Forestry Agency has also laid down regulations on detailed requirements in order to protect species and the environment. However, such requirements may not lead to any significant economic loss for the landowner.

The Swedish Forest Agency (SFA) uses satellite imagery; the imagery is essential to detecting illegal activities and to train forest owners in best management practices. This approach has proven to have a positive impact on forest productivity and on wild-life conservation.

The Sámi people

The Sámi live in the northern part of Sweden, covering a living space of 35 to 52% of Sweden (dependant on the source of information).

The Sámi people are the only ethnic group that has the status of indigenous people (Swedish Constitution). The Sámi culture is related to traditional reindeer husbandry.

The Sámi people's rights to use private and state-owned land when practising reindeer husbandry, hunting, and fishing are defined in the Reindeer Husbandry Act.

ILO Convention 169 is not ratified and there is evidence that the legislative framework for the area of the Sámi does not cover all the key provisions of ILO and UNDRIP.

Laws and regulations are in place to resolve conflicts, but participation of the Sámi in the decision-making sometimes fails. Conflict resolutions are not broadly accepted.

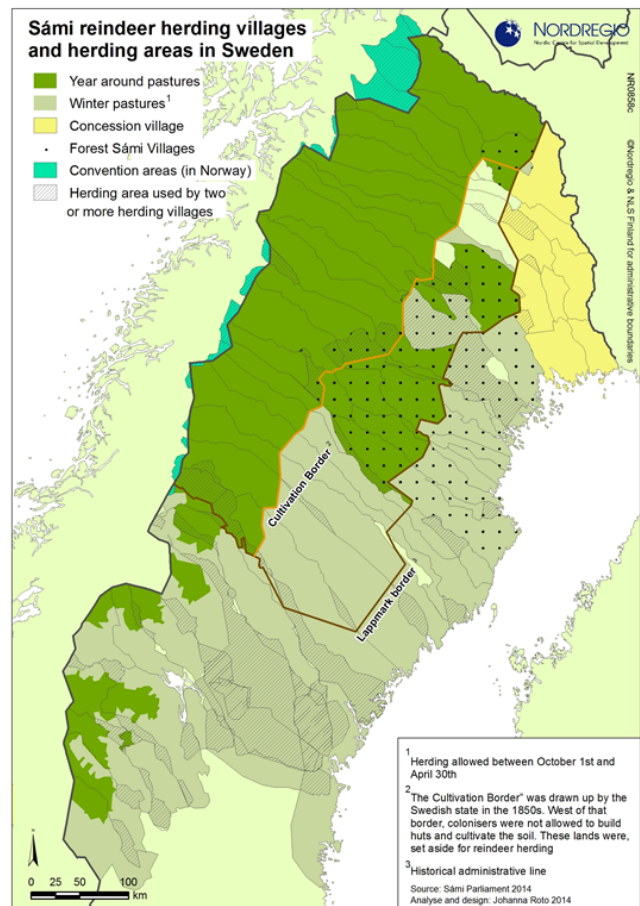


Figure 1: The Swedish Sámi reindeer herding area

There have been conflicts – of which some have been resolved in court – between the Sámi people and landowners regarding what are the traditional Sámi territories.

According to the Swedish Forestry Act forestry activities such as harvesting must take the interests of reindeer husbandry into consideration. Many of the specific regulations on this matter are to be considered by the Swedish Forest Agency when dealing with Timber Harvesting Notifications (Swedish Forestry Act, section 13b, 14, 16, 18a, 18b, 31). When timber harvesting is carried out in continuous reindeer husbandry areas, consultation with the concerned Sámi community is required.

Protected species and conservation areas

No CITES listed tree species are represented in the Swedish forestry.

A complete list of all plant and animal species that are protected throughout Sweden is available on the website of the Environmental Protection Agency. At present, there are about 300 species with the protected status throughout the country, and an additional fifty in one or more counties.

There is systematic planning of formal (legal) forest protection in Sweden through the establishment of national parks, nature reserves, habitat protection, Natura 2000-areas and nature conservation agreements.

Whereas national parks only may be established on state land, nature reserves, habitat protection, Natura 2000-areas or nature conservation agreements can be established on forest land that continues to be privately owned. A natural conservation agreement is a civil contract between the state and a forest owner through which the latter undertakes to limit its forestry activities or make specific conservation measures.

According to a regulation of the Swedish Forestry Agency (SKSFS 2011:7, Chapter 7, Section 17) harm to sensitive biotopes due to forestry activities must be avoided, or limited. The Agency has specified biotope types that it considers sensitive. Harming such biotopes during forestry activities is, however, not subject to legal sanctions, if no prior injunction was issued by the Agency.

According to statistics from the Swedish Forest Agency of 2013, around 4 300 (7,3%) of the notified final fellings were inspected before timber harvesting commenced. The inspections check if specified environmental requirements are addressed; they do not assess legality of forest activity in general. The inspections resulted in 129 injunctions to limit the harvesting area or to take specific measures.

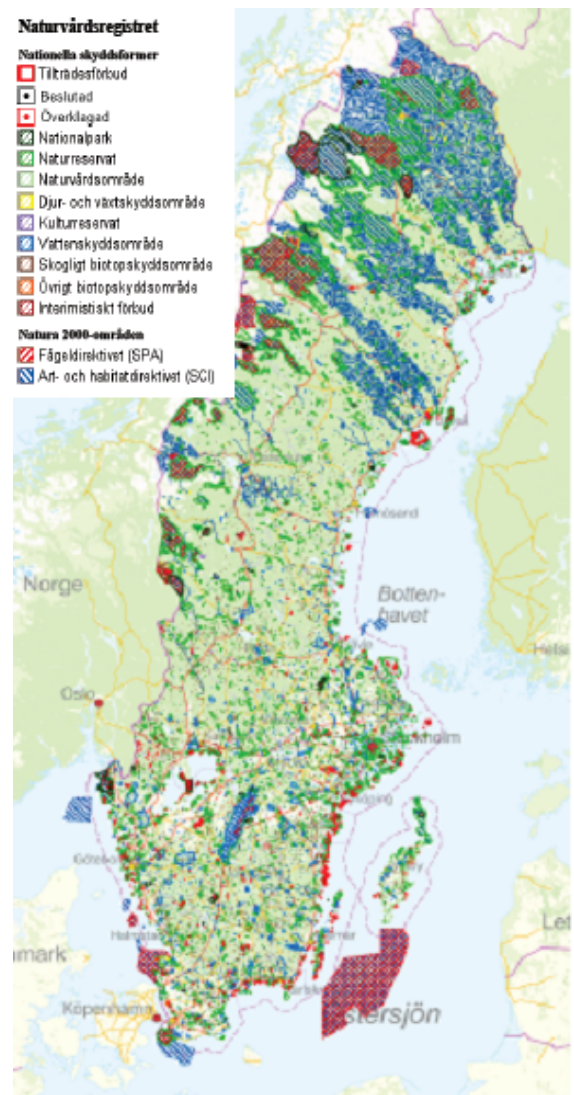


Figure 2: Protected areas in Sweden

Norway

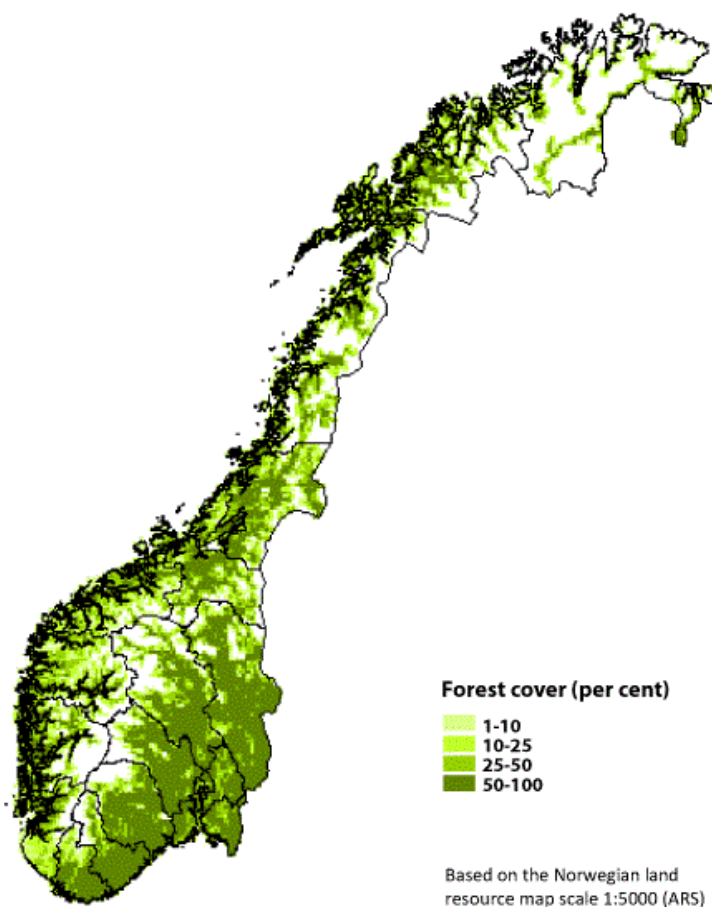
In total 37% of Norway's land area, or about 12.2 million ha is covered by forests or wooded land. Around 50% is considered productive area. Roughly 25 thousand people (of a total population of 5 million) are employed in the forest-based value chain.

Norway spruce and Scots pine are the most common tree species in Norwegian forests, representing 75% of the total standing stock. The main forest types used commercially are dominated by spruce, pine, birch, and (marginally) oak.

Almost all Norwegian forests are part of a certification scheme. PEFC certification covers 7 380 750 ha (2017), whereof 6% has a double certification FSC/PEFC (Statement PEFC, 2018).

Annually, Norwegian forests absorb 30.8 million tons of CO₂. This is about 50% of the Norwegian emissions of climate gases.

The share of roundwood harvested used for energy is 8 percent of total roundwood production the rest was used for sawnwood and veneers, pulp and paper production.



In 2018, Norway had a Corruption Perception Index (CPI) of 84 and according to the World Bank Worldwide Governance Indicators (WGI) it has excellent scores on 'Government Effectiveness', 'Rule of Law' and 'Control of Corruption'.

Table 1: The development of standing stock in Norwegian forests (2017)

Figure 3: Forest cover in Norway

	Standing stock (2017) 1 000 m ³	Share	Changes in percentages	
			2016 - 2017	2008 - 2017
Growing stock				
Total	964915	100%	1.3%	23.1%
Spruce	424432	44%	1.5%	20.4%
Pine	296255	31%	1.4%	16.4%
Broad-leaved	244228	25%	0.9%	38.1%
Annual increment				
Total	25421	100%	- 1.5%	2.1%
Spruce	13635	54%	- 0.8%	1.1%
Pine	5719	22%	- 3.4%	- 2.4%
Broad-leaved	6068	24%	- 1.3%	9.2%

Source: Statistics Norway

Forest ownership

Norwegian forestry is closely connected to family farming and cooperatives. About one third of the forest properties is smaller than 10 ha. Individual land holders own 77% of the forests, the state owns 7%, and the remainder is owned by companies, the church, forest-commons and municipalities. 80-85% of the timber for industrial use comes from family owned forests connected to forest owners' cooperatives. The timber cooperatives were formed about a hundred years ago by family forest owners.

There are six regional forest owners' cooperatives in Norway with around 36 thousand members. The cooperatives are found throughout the country and are based on democratic principles with boards composed of elected employees and forest owners.

Table 2: Forest properties and productive forest area in Norway (2017)

Property size (ha)	Number of properties	Share	Productive forest area (ha)	Share
2.5 - 9.9	43 571	34.3%	243 197	3.5%
10 - 24.9	33 218	26.2%	543 456	7.8%
25 - 49.9	21 963	17.3%	780 561	11.1%
50 - 99.9	15 499	12.2%	1 084 885	15.5%
100 - 199.9	7 976	6.3%	1 096 645	15.7%
200 - 499.9	3 589	2.8%	1 057 062	15.1%
500 - 1 999.9	988	0.8%	860 863	12.3%
≥ 2 000	234	0.2%	1 335 681	19.1%
Total	127 038	100.0%	7 002 349	100.0%

Source: Statistics Norway

In Norway, each property is registered and filed under a unique number ("gårds- og bruksnummer") with an associated map. Many property borders are also marked in the field, but not systematically. The governments have an accessible public register "Grunnboka" recording all legal rights associated to each property.

The legal rights to the land include logging and grazing rights. These two types of rights can be separate, meaning that persons other than the landowner can have grazing rights. Logging rights always belong to the owner and can be sold, while grazing rights normally cannot. To sell timber, the owner needs either to be registered as a self-employed person (sole proprietorship) or a joint-stock company.

Forest management

Norwegian forests are mainly managed as 'LNFR-areas' (abbreviation for 'Landbruks-, Natur- og Friluftsmål samt Reindrift' – areas for the purpose of agriculture, nature and outdoor activities and reindeer herding) according to each municipality's masterplan for area classification. In most of the forest areas, no permits are needed before logging. In the Protective Forests bordering the mountains, in selected areas along the coast, in the Oslomarka forests bordering the Norwegian capital Oslo, and in northern Norway (Nordland, Troms and Finnmark), various notification forms or applications must be approved by local forest authorities prior to logging. Most of the logging, thinning and planting is conducted by professional entrepreneurs on contracts for timber buyers.

The use of Norwegian forest is regulated under the Forest Act. The Forestry Act was renewed in 2005. Forestry has relatively few regulations in Norway. Harvesting is regulated by the Ministry of Agriculture and Food.

The aim of the Act is to facilitate sustainable resource management, where harvesting does not exceed the regrowth rate, to secure biological diversity, landscape, recreation for people and cultural values in the forest and develop forests as storage and sinks of carbon. When felling timber, forest owners in Norway are required to promote the regrowth of new forest - either by planting, or by leaving seed trees to provide natural regeneration. Each municipality has authorities responsible for the management of forestry and forest-owners.

Laws and taxation of the Norwegian government are aimed the long-term planning of forestry. For example, after harvest, owners are obliged to set aside a tax-exempt percentage of the profit. This forms the bases of a forest fund called 'skogfondsordningen' that can later be reinvested in the forest (education, tree planting, building roads, etc.) and often so with additional funding from government projects. Also, it is legally mandatory after harvesting to plant trees or secure regrowth. Cooperation between government, forest owners and their partners has also facilitated the development of strict environmental rules for forestry.

Public access to forests is facilitated by forest owners and by a law called 'friluftsløven', securing use of land for recreational matters to everyone even if it is private property.

The Sámi people

The Sámi are an indigenous people resident in Sapmi (the land of Sámi) in Norway, Sweden, Finland and Russia. The Sámi people is acknowledged as equal to the rest of the Norwegian people, and there are several laws and regulations to secure the Sámi people's right to continue and develop their unique languages, cultures and traditions. The Indigenous and Tribal People's Convention (ILO-Convention no 169) was ratified by Norway in 1990.



Figure 4: The Norwegian Sámi reindeer herding area

Reindeer husbandry in Norway is conducted primarily in the Sámi reindeer herding area, which is divided into six regional areas; East-Finnmark, West-Finnmark, Troms, Nordland, Nord-Trøndelag and Sør-Trøndelag/Hedmark. The reindeer herding area covers 14 million ha, what is close to 50% of Norway.

When it comes to planning of different forms of land use, including forestry and reindeer husbandry the Norwegian Plan and Building Act from 2008 has an important role. §3-1 of the Act specifies several important tasks and considerations to be considered in planning. According to the law, consultation should be conducted when the planning of different forms of land uses falls into the LNF-category (agriculture-, nature- and the open-air activities area), to which reindeer herding and forestry also belong. Both parties must find an agreement on operations which have a strong impact on reindeer herding.

In general, the Reindeer Herding Act gives the Sámi the right to use the forests as herding areas, as well as to harvest firewood and smaller trees they need for buildings and facilities to be used in the reindeer husbandry.

Protected species and conservation areas

In 2016, the Parliament decided on a target to strictly protect 10% of the Norwegian forests, partly through voluntary protection, partly through conserving public forests.

Table 3: Protected areas in the mainland of Norway - by area, amount, and proportion (2017)

Protection categories*	Protected area** (thousand ha)	Number of protected areas	Proportion of total area
National parks	31 29.4	39	9.7%
Nature reserves	6 78.2	2 265	2.1%
Landscape areas	17 23.1	194	5.3%
Other protected areas	38.7	458	0.1%

* Some protected areas belong to several protection categories

** Mainland of Norway including islands, but excluding Svalbard and Jan Mayen

Source: Statistics Norway

CITES species are present in Norway, but do not include any tree species.

Species classified as critically endangered include the Arctic fox, wolf and common guillemot. According to the Norwegian Environment Agency land-use change is a threat to 90% of all critically endangered, endangered and vulnerable species (threatened species). Commercial forestry is a threat to 41% of these vulnerable species.

Forests account for the largest proportion of red-listed species. Almost half (48%) of all threatened species are found in forests, either exclusively or both in forests and in other areas. The largest numbers of threatened species in forest habitats are in the species groups fungi (353 species), beetles (230 species), true flies or Diptera (128 species) and lichens (124 species). Many of the threatened species in forest are specialists, for example found on dead wood, large deciduous broad-leaved trees, burnt areas left by forest fires, or calcareous soils. A substantial proportion of the red-listed species found in forests are associated with rich broad-leaved forests, even though these represent only 1% of Norway's productive forest area.



Figure 5: Protected areas in Norway

4.3% of the total forest cover and 3% of the productive forest in Norway is situated in strictly protected areas such as national parks and nature reserves. During the ongoing process of protecting additional areas, care is taken to cover particularly high conservation values for species diversity, and especially threatened species.

The Norwegian Red list gives an overview of the rare, threatened and endangered species. Not all areas containing these species have an official protection status, however, as most forests are PEFC certified there should be measures taken to protect these vulnerable areas.

Norwegian forest properties are required to implement environmental surveys documenting key habitats. The key habitats are subjected by forestry legislation (§§ 4 and 5 in the regulation concerning sustainable forestry (FOR-2006-06-07-593)). After the survey, a landscape analysis of the combined results (assembly of possible key habitats) is made by a biologist. Each area is labelled on a scale A to C, where A-areas are most important. The ecological value of the key habitats shall be maintained during forestry activities, and according to §5 the management must comply to the guidelines given in the PEFC standard (requirement 21). The law itself does not give explicit guidelines, but it refers to this standard for practical execution. Almost all Norwegian forests are covered by one or more PEFC group-certificates. PEFC revision reports for the years 2014-2016 revealed very few breaches regarding key habitats.

Finland

Finland is the most forested country in Europe, with 73.1% of the land area under forest cover, representing ca. 22.22 million ha.

There are four coniferous species native to Finland, and over twenty species of deciduous trees. Almost half of the volume of the timber stock consists of pine (*Pinus sylvestris*). The other most common species are spruce (*Picea abies*) downy birch (*Betula pubescens*) and silver birch (*Betula pendula*). These species make for 97% of total timber volume in Finland.

The forest sector is one of key contributors to Finland's economy. Forestry and the forest industry account for ca. 5% of Finland's gross domestic product, and approximately 20% of the exports. The forest sector employs directly about 70 thousand people, which is around 2.8% of Finland's workforce. 20% of Finland's export income comes from the forest industries. More than 60% of the value added generated by the forest industries came from the pulp and paper industries and the rest from wood products industries. High-quality printing and writing paper make up over 40% of the total export value of the forest industry, while sawn goods and wood-based panels account for around 20%. Regionally, the importance of the forest sector is the largest in the south-eastern corner of Finland, in Etelä-Savo and the central regions, where the sector produces some 10% of the regional GDP.

In Finland the rare concept of Everyman's rights (Jokamiehenoikeus) is in force. This gives everyone, Finns and other nationalities alike, the right to move freely outdoors. Picking berries and mushrooms is permitted on privately owned land. Free forest access provides, in addition to products for local or family consumption, opportunities for those who sell non-wood forest products. This right has traditionally been exercised with due concern for the environment and courtesy to the landowner and people living in the vicinity.

The share of roundwood harvested used for energy is 11-12 percent of total roundwood production the rest was used for sawnwood and veneers, pulp and paper production.

With a Corruption Perception Index (CPI) score of 85 points (in 2018), Finland is in the top three of less corrupt countries in the world.

Forest ownership

Finnish citizens own around 60% of the forestry land. The state owns 26% of the Finnish forests, private industries, such as forest industry companies 9% and other organisations 5%. The state forests are mainly situated in the north of Finland; 45% of those forests are under strict protection. State lands are managed by Metsähallitus.

Forest management

The Forest Act regulates the felling of timber in Finland. Regional Forestry Centres control the implementation of the forestry legislation and record forest use declarations in which forest owners inform about the stand characteristics, intended measures, regeneration and ecological concerns on a website before the felling can take place. Forest owners must get an approval for forest use by the regional forest centres.

Around 75% of Finnish forests have been certified under PEFC. In practise, forest certification requirements determine the standard of silviculture in Finland. Some Finnish forests have also been certified under the Forest Stewardship Council (FSC); however, this forms only approximately 6% of the total forest area. There is ca 1 623 863 ha FSC certified forest (2019) and 18 037 840 ha PEFC certified forest (2018) in Finland.

Finnish forestry is based on the management of native tree species. The management of forests seeks to respect their natural growth and mimic the natural cycle of boreal forests. The objective is to secure the production of high-quality timber, and to preserve the biological diversity of forests as well as the preconditions for the multiple use of forest. Currently, about 120 thousand ha of forest land are planted or seeded annually favouring almost exclusively native tree species.

According to the 1st national forest inventory (1921–1924), the total growing stock volume was 1 588 million m³. The latest estimate, based on the 11th inventory, is 2 332 million m³ (103 m³/ha) with annual growth of 105 million m³ (4,6 m³/ha).

The Sámi people

A group considered as an indigenous people in Finland is the Sámi. Their rights have been secured in many laws e.g. the Constitution, the Sámi Parliament Act, the Act on the Finnish Forest and Park Service and the Act on Reindeer Husbandry.

The Sámi Parliament is the supreme political body of the Sámi in Finland. The Sámi Parliament represents the Sámi in national and international connections, and it attends to the issues concerning Sámi language, culture, and their position as an indigenous people. The Sámi Parliament can make initiatives, proposals and statements to the authorities. The Sámi Parliament Act also states that the authorities have an obligation to negotiate with the Sámi Parliament for all important measures that concern the Sámi people. These include for example the use of state land and conservation areas.

Protected species and conservation areas

Regional Environment Centres control the implementation of Nature Conservation Act. Finland's National Forest Programme also lists measures to promote sustainable forestry and to control illegal logging both nationally and internationally. Illegal logging in Finland is negligible.

Finland joined CITES in 1976. Nowadays the national legislation for the implementation of CITES and relating EU regulations is the Nature Conservation Act (1096/1996), which came into force on the 1st of January 1997. IUCN National Committee of Finland was approved by IUCN Council in 1999.

Finland has a long tradition of maintaining biodiversity through designating areas for protection. The first nature conservation area was established on the Malla fell in the far north as long ago as 1916, while the first national parks and strict nature reserves were founded in 1938. In early 2012, the total number of various protected areas came close to 9 thousand. Small nature reserves on private land account for the majority of these. The number of national parks is 37, of which the newest, those of Sipoonkorpi and the Bothnian Sea, were established in 2011. As far as habitats are concerned, the fell regions of Lapland have the best coverage by national parks.

Finland's nature reserves cover around 9% of the country's surface area.

The state-owned protected areas cover 1 496 thousand ha, while 1 22 thousand ha are on private land. No industrial activity or agriculture are permitted in the protected areas. Although there are many types of protected areas, most of them are strictly protected.

The protected areas include:

- National parks of Finland – 817 thousand ha
- Strict nature reserves of Finland – 153 thousand ha
- Mire reserves of Finland – 449 thousand ha
- Protected herb-rich forest areas – 1.3 thousand ha
- Protected old-growth forest areas – 10 thousand ha
- Grey seal protection areas – 19 thousand ha
- Other state-owned protected areas – 47 thousand ha

The primary aim of the national strategy for the conservation and sustainable use of biodiversity is to halt the loss of biodiversity in Finland. The action plan for the strategy's implementation seeks not only to secure biodiversity by means of traditional nature conservation methods, such as nature reserves, but to make environmental values an integral part of all decision-making. Areas used for common forestry and agriculture are also considered in pursuing this goal.

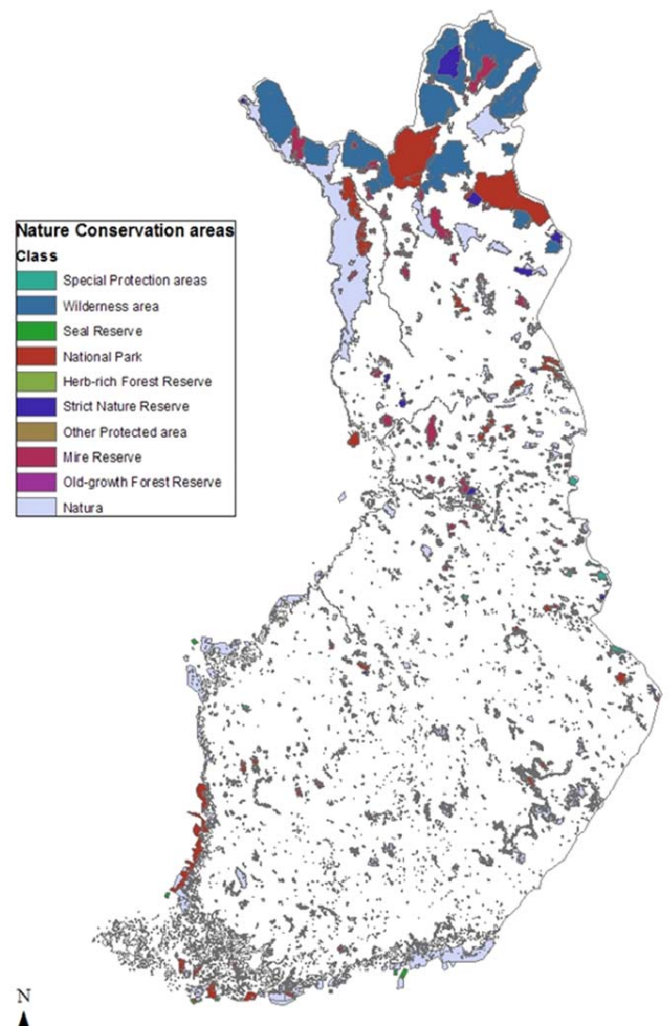


Figure 6: Protected areas in Finland

2.2 Actions taken to promote certification amongst feedstock supplier

Fuelwood Group Sweden is an FSC certified company. In Norway and Finland PEFC certification is popular and covers practically all managed forests. In Sweden both PEFC and FSC certification are common. Fuelwood Group Sweden actively communicates it is interested in both FSC and/or PEFC certified wood residues. In this way it stimulates the market for certified wood.

2.3 Final harvest sampling programme

Fuelwood Group Sweden does not conduct fellings to source raw material for pellet production, only wood residues of a secondary and primary

wood processor are used. Considering the primary feedstock supply to the relevant sawmills, most is harvested by means of clear cuts. Only a small share of the stems of commercial thinnings are processed by the sawmills. Selective harvesting systems (in combination with natural regeneration) are used increasingly often in Sweden, Norway, and Finland, but are still the exception on the rule.

2.4 Flow diagram of feedstock inputs showing feedstock type [optional]

1	Independent forest owners (private and public) in Norway, Sweden and Finland
2	Independent harvesting companies (or harvesting teams of relevant suppliers)
3	Independent saw mills (or sawmills of the relevant suppliers), making half-products
4	Wood processors producing wood products, like window frames
5	Production of wood pellets by Fuelwood Group Sweden

2.5 Quantification of the Supply Base

Supply Base

- a. Total Supply Base area (ha): 62.5 million ha (of forests and wood lands)
 - Sweden: 28.1 million ha
 - Norway: 12.2 million ha
 - Finland: 22.2 million ha
- b. Tenure by type (ha): 48.7 million ha private, 13.8 million ha public property
 - Norway: 9.6 million ha private, 2.4 million ha public property
 - Sweden: 22.5 million ha private, 5.6 million ha public property
 - Finland: 16.4 million ha private, 5.8 million ha public property
- c. Forest by type (ha): 62.5 million ha boreal forests
- d. Forest by management type (ha): 62.5 million ha managed natural forests
- e. Certified forest by scheme (ha): FSC – 15 635 417 ha; PEFC – 41 346 437 ha
 - Norway: FSC 641 003 ha (2019); 7 380 750 ha (2017)
 - Sweden: FSC 13 370 511 ha (2019); 15 927 847 ha (2018)
 - Finland: FSC 1 623 863 ha (2019); PEFC 18 037 840 ha (2018)
- f. Total volume of Feedstock: 100 000 – 360 000 m³.
- g. A range is given because the biomass producer planning to increase its production level, but new agreements for next seasons are not agreed and previous winter period was extremely warm and this infected heavily biomass producers.
- h. Volume of primary feedstock: 100 000 – 300 000 m³
- i. List percentage of primary feedstock (g), by the following categories.
Subdivide by SBP-approved Forest Management Schemes:
 - Certified to an SBP-approved Forest Management Scheme
 - Not certified to an SBP-approved Forest Management Scheme0% - not applicable
- j. List all species in primary feedstock, including scientific name
Scots pine (*Pinus sylvestris*)
- k. Volume of primary feedstock from primary forest: 0 m³ - not applicable
- l. List percentage of primary feedstock from primary forest (j), by the following categories. Subdivide by SBP-approved Forest Management Schemes:
 - Primary feedstock from primary forest certified to an SBP-approved Forest Management Scheme
0% - not applicable
 - Primary feedstock from primary forest not certified to an SBP-approved Forest Management Scheme
0% - not applicable
- m. Volume of secondary feedstock: 0% - not applicable
- n. Volume of tertiary feedstock: specify origin and composition: 100%

3 Requirement for a Supply Base Evaluation

SBE completed	SBE not completed
☐	☒

As wood residues is sourced from different countries, implementing an SBE would be too time-consuming. Fuelwood Group Sweden has access to feedstock with certification claims of SBP-approved Forest Management Schemes.

4 Supply Base Evaluation

4.1 Scope

Not applicable.

4.2 Justification

Not applicable.

4.3 Results of Risk Assessment

Not applicable.

4.4 Results of Supplier Verification Programme

Not applicable.

4.5 Conclusion

Not applicable.

5 Supply Base Evaluation Process

Not applicable.

6 Stakeholder Consultation

Not applicable.

The Certifying Body has conducted Stakeholder Consultation prior to the audit.

6.1 Response to stakeholder comments

Not applicable.

7 Overview of Initial Assessment of Risk

Not applicable.

8 Supplier Verification Programme

8.1 Description of the Supplier Verification Programme

Not applicable.

8.2 Site visits

Not applicable.

8.3 Conclusions from the Supplier Verification Programme

Not applicable.

9 Mitigation Measures

9.1 Mitigation measures

Not applicable.

9.2 Monitoring and outcomes

Not applicable.

10 Detailed Findings for Indicators

Not applicable.

11 Review of Report

11.1 Peer review

Not applicable.

11.2 Public or additional reviews

Not applicable.

The Supply Base Report was prepared with the assistance of Rens Hartkamp of BiomassConsult. His experience with SBP certification starts from the beginning of its development. He passed the SBP auditor exams in 2015. He assisted over 40 companies on SBP certification over the last 4 years. Rens Hartkamp holds an M.Sc. in forestry and a Ph.D. in forestry economics.

12 Approval of Report

Approval of Supply Base Report by senior management			
Report Prepared by:	Tanel Teimann 		
	Rens Hartkamp 	Certification manager	16 July 2020
	Name	Title	Date
The undersigned persons confirm that I/we are members of the organisation's senior management and do hereby affirm that the contents of this evaluation report were duly acknowledged by senior management as being accurate prior to approval and finalisation of the report.			
Report approved by:	Tanel Teimann 	CEO	20 July 2020
	Name	Title	Date

13 Updates

13.1 Significant changes in the Supply Base

We added secondary feedstock.

13.2 Effectiveness of previous mitigation measures

Not needed

13.3 New risk ratings and mitigation measures

Not needed.

13.4 Actual figures for feedstock over the previous 12 months

Total volume of pre-consumer tertiary feedstock:

Secondary: 91906 m³

This are untreated wood residues of a secondary wood processor (it is not recycled material)

Primary: 561 m³.

This are untreated wood residues of a primary wood processor (it is not recycled material)

13.5 Projected figures for feedstock over the next 12 months

Total volume of pre-consumer tertiary feedstock:

Secondary: 30 000 – 60 000 m³.

This are untreated wood residues of a secondary wood processor (it is not recycled material)

Primary: 100 000 – 300 000 m³.

This are untreated wood residues of a primary wood processor (it is not recycled material)

A range is given because the biomass producer planning to increase its production level, but new agreements for next seasons are not agreed and previous winter period was extremely warm and this infected heavily biomass producers.