



Preferred by Nature OÜ Evaluation of Södra Wood A/S Compliance with the SBP Framework: Public Summary Report

First Surveillance Audit

www.sbp-cert.org



The promise of good biomass



Completed in accordance with the CB Public Summary Report Template Version 1.5

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

Version 1.2: published 4 April 2018

Version 1.3: published 10 May 2018

Version 1.4: published 16 August 2018

Version 1.5: published 22 October 2020

© Copyright The Sustainable Biomass Program Limited 2020

Table of Contents

1	Overview
2	Scope of the evaluation and SBP certificate
2.1	Description of the company
2.2	Detailed description of the Chain of Custody system
3	Specific objective
4	Evaluation process
4.1	Timing of evaluation activities
4.2	Description of evaluation activities
4.3	Sampling methodology
4.4	CB stakeholder engagement
4.5	Stakeholder feedback
5	Results
5.1	Main strengths and weaknesses
5.2	Rigour of Supply Base Evaluation
5.3	Collection and communication of data
5.4	Competency of involved personnel
6	Review of company's risk assessments
6.1	Overview of company's risk assessments and mitigation measures
6.2	Specified risk indicators and mitigation measures
7	Non-conformities and observations
8	Certification decision

1 Overview

Certification Body (CB) Name:	Preferred by Nature OÜ
Primary CB contact for SBP:	Ondrej Tarabus
Primary CB contact email:	otarabus@preferredbynature.org
Audit team leader:	Simon Møller
Audit team members:	Simon Møller
Name of the Company:	Södra Wood A/S
Company legal address:	Frydenborgvej 27N 1. sal, 3400 Hillerød, Denmark
Company contact for SBP:	Frank Lunk Larsen
Company contact email:	frank.larsen@sodra.com
Company website:	www.sodra.dk
SBP Certificate Code:	SBP-01-48
Date of certificate issue:	02 Nov 2021
Date of certificate expiry:	01 Nov 2026
Audit closing meeting date:	09 Jun 2022
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:	Trader	☐
Approved Standards:	SBP Standard 4: Chain of Custody; SBP Standard 5: Collection and Communication of Data Instruction; Instruction Document 5E: Collection and Communication of Energy and Carbon Data 1.5	☐
Includes Supply Base Evaluation (SBE):	No	☐
Includes communication of Dynamic Batch Sustainability Data (DBSD)	No	☐
Includes Group Scheme	No	☐
Products	Chips, Pellets	☐

Feedstock types:	Secondary	☐
Feedstock origin (countries):	N/A	☐
SBP-endorsed Regional Risk Assessments used:	Not applicable	☐
Public link: https://sbp-cert.org/documents/standards-documents/risk-assessments/		☐
Chain of custody system implemented:	FSC: NC-COC-011838	☐
	Transfer	☐

2.1 Description of the company

Södra Wood A/S is trader in wood pellets and wood chips with its SBP scope covering trading activities only. The purchase and sales are usually made under the INCOTERM FOB terms for both purchases and sales, but could also be CIF depending on the customer's facilities. The Organisation is not in physical possession of claimed material.

2.2 Detailed description of the Chain of Custody system

The Organisation implements a FSC CoC transfer system although it is never in physical possession of claimed material.

3 Specific objective

The specific objective of this surveillance audit was to confirm that the Organisation's management system is being implemented in accordance with SBP standard requirements applicable to traders, including the use outsourced storage functions, and maintaining conformance with SBP CoC and FSC CoC requirements, including activities handled by subcontractors.

This report documents the third annual surveillance audit.

The Organisation holds valid FSC and PEFC certificates with transfer systems implemented. The point of purchase varies, and can be FOB, at storage facilities in several ports or EXW at the biomass production facility, and the point of sale can be FOB at export harbour, CIF at harbour or at customer's facilities.

The scope of the evaluation covered:

- Review of the BP's documented procedures;
- Review of the storage / logistics processes,
- Review of FSC system control points, analysis of the existing FSC CoC system;
- Interviews with responsible staff;
- Review of the records on-site.

4 Evaluation process

4.1 Timing of evaluation activities

<i>Audit Level of Effort (LoE)</i>		
Activity	Auditors	Auditor hours
1. Preparation	Simon Møller	3,0
2. On-site (excl. travel time)	Simon Møller	6,5
3. Report writing	Simon	6,0
4. Other	N/A	N/A

<i>Audit Schedule</i>			
Activity	Location	Auditor name	Date/time
<i>Opening meeting</i>	Main site	Simon Møller	09 Jun 2022/10:00
<i>Interview with the FSC, PEFC and SBP responsible personnel; review of procedures</i>	Main site	Simon Møller	09 Jun 2022/10:30
<i>Purchase department</i>	Main site	Simon Møller	09 Jun 2022/12:30

<i>SBP transactions DTS</i>	Main site	Simon Møller	09 Jun 2022/13:00
<i>Review of training records, H&S safety records & trademarks</i>	Main site	Simon Møller	09 Jun 2022/14:00
<i>Round-up and auditor's own time</i>	Main site	Simon Møller	09 Jun 2022/15:30
<i>Closing meeting</i>	Main site	Simon Møller	09 Jun 2022/16:00

Auditor qualification		
Auditor name	Role	Qualification
Simon Møller	Lead Auditor	Simon holds a joint MA in Finance and Business journalism from the City University London, the U.K, and Aarhus University, Denmark. He is currently studying a Master of Science in Forestry, concentrating in ecology and management, at the Bangor University in Wales, U.K. Simon has previous experience within forestry and consulting and completed the PEFC and FSC Forest Management lead auditor training course in 2021 and FSC Chain of Custody in 2020. He has audited various companies within the PEFC, FSC Controlled Wood, and SBP certification systems, together with bespoke services across the Scandinavian wood industry.

4.2 Description of evaluation activities

The auditor convened with representatives of the Organisation for the opening meeting on 09 June 2022. The audit kicked off with an introduction round of all participants. This included a rundown of the audit plan, sample-based methodology description and explanation of the aim of the audit. This also included a brief on the CB's internal audit report approval and confidentiality confirmation among of the auditor.

With this covered, the auditor proceeded to cover all applicable requirements of the Standards, including management system, CoC, recordkeeping requirements, emission and energy data. This was followed with an audit of the purchasing and sales functions. During the process, the overall responsible person for the SBP system and responsible staff with key responsibilities within the system were interviewed.

The closing meeting was held 09 June 2022. During the closing meeting, auditor explained the results of the audit and further actions were discussed.

Present during the opening meeting and the closing meeting were Frank Lund Larsen, Managing Director, Rasmus Vadmand, certification manager, and Lars Herschend, consultant, together with Preferred by Nature's auditor Simon Møller.

4.3 Sampling methodology

Sampling on the purchase and sales documents were reviewed

4.4 CB stakeholder engagement

N/A - trader only

4.5 Stakeholder feedback

N/A - trader only

5 Results

5.1 Main strengths and weaknesses

The Organisation is a trader of biomass and has simple scope and a simple management system with only limited trading of SBP claimed material. This produces good visibility in all operations going on at the company and easy to implement the CoC and SBP procedures.

Weaknesses: No weaknesses related to the Organisation's performance and its adherence to SBP requirements were found during the audit.

5.2 Rigour of Supply Base Evaluation

Not applicable

5.3 Collection and communication of data

The Organisation generally transfer all data via the RADIX Tree platform, but is also able to conduct trades organised with SREGs should this be necessary.

5.4 Competency of involved personnel

The Organisation has appointed competent personnel to handle to its SBP certificate and associated activities. The main responsible person is Managing Director Frank Lund Larsen supported by Lars Herschend and Rasmus Vadmand. Other interviewed staff showed good competence, good awareness of standard requirements and own responsibilities.

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**

N/A

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 Gorría
Date of decision:	19 Sep 2022
Other comments:	N/A