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

NCR-verification audit

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1 Overview

Certification Body (CB) Name:	NEPCon OÜ
Primary CB contact for SBP:	Ondrej Tarabus
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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, 826 70 Söderhamn, Sweden
Company contact for SBP:	Tanel Teimann
Company contact email:	tt@procon.ee
Company website:	N/A
SBP Certificate Code:	SBP-07-70
Date of certificate issue:	18 Mar 2020
Date of certificate expiry:	17 Mar 2025

Audit closing meeting date:	07 Apr 2021
Audit cycle:	NCR-verification 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	☐
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	☐
Includes Supply Base Evaluation (SBE):	No	☐
Includes communication of Dynamic Batch Sustainability Data (DBSD)	Yes	☐
Includes Group Scheme	No	☐
Products	Pellets	☐

Feedstock types:	Secondary, Tertiary	☐
Feedstock origin (countries):	Sweden, Norway, Finland	☐
SBP-endorsed Regional Risk Assessments used: **Public link:** **https://sbp-cert.org/documents/standards-documents/risk-assessments/**	Not applicable	☐
Chain of custody system implemented:	FSC: NC-COC-055270	☐
	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**
1. Preparation	Rebecka McCarthy Tune - RMT	0,7
2. On-site (excl. travel time)	RMT	1,8
3. Report writing	RMT	2,0
4. Other	N/A	N/A

Audit Schedule			
Activity	**Location**	**Auditor name**	**Date/time**
Corrective actions impementation review	Remote	RMT	07 Apr 2021/9:00

Auditor qualification		
Auditor name	**Role**	**Qualification**
Rebecka McCarthy Tune	Lead auditor	Rebecka is an auditor on SBP, FSC and PEFC Forest Management certifications. She also works with services related to LegalSource and EU

		Timber Regulation.

4.2 Description of evaluation activities

Audit took place remotely and consist on interviewes with the responsible staff and documentation review to verify the implementation of the corrective actions

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 where 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

Not applicable for this CVA

4.5 Stakeholder feedback

Not applicable for this CVA

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-000259	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:	The BP has provided supplier declarations for wood origin from both the secondary and tertiary feedstock suppliers (Exh 10). The declarations confirm the wood origins from the declared supply base.
Findings for Evaluation of Evidence:	The provided documents confirm that the wood origin is from within the supply base. The corrective actions are considered sufficient to close the non-conformity.The BP has provided supplier declarations for wood origin from both the secondary and tertiary feedstock suppliers (Exh 10). The declarations confirm the wood origins from the declared supply base.
NC Status:	Closed

NC number NC-000256	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 finalisation
Evidence Provided by Company to close NC:	The BP has updated the SBR and filled out the missing information (Exh 2). The BP has no webpage and can therefore not upload the SBR
Findings for Evaluation of Evidence:	The corrective actions are considered sufficient to close the non-conformity.
NC Status:	Closed

NC number NC-000257	**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-000258	**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 finalisation
Evidence Provided by Company to close NC:	The BP has updated its procedure to clarify that only post-consumed or certified/controlled material is allowed to be used as biomass to the boiler (Exh 1). The BP has approximately 1500 tons of biomass in storage that is used for the boiler (Exh 9). This material is partly post-consumed. The biomass from secondary feedstock is waste from own pellet production and or cutoffs from the supplier of tertiary feedstock. This material is verified to be certified/controlled when it arrives to the BP.
Findings for Evaluation of Evidence:	The corrective actions are considered sufficient to close the non-conformity. It is considered acceptable that the BP uses the material already in storage, but then have to provide proof for any new material to be clearly identified as post-consumed or certified/controlled.
NC Status:	Closed

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 Serrano
Date of decision:	15 Apr 2021
Other comments:	N/A