



DNV Business Assurance Finland Oy Ab Evaluation of Bitus 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 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

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1 Overview

Certification Body (CB) Name:	DNV Business Assurance Finland Oy Ab
Primary CB contact for SBP:	Jyrki Sopenen
Primary CB contact email:	jyrki.sopenen@dnvgl.com
Audit team leader:	Karina Seeberg Kitnaes
Audit team members:	Karina Seeberg Kitnaes
Name of the Company:	Bitus AB
Company legal address:	Bruksgatan 73, 57075 Fågelfors, Sweden
Company contact for SBP:	Johan Eliasson
Company contact email:	johan.eliasson@bergstimber.com
Company website:	https://bitus.se
SBP Certificate Code:	SBP-05-16
Date of certificate issue:	04 Nov 2021
Date of certificate expiry:	03 Nov 2026
Audit closing meeting date:	16 Nov 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:	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; Instruction Document 5E: Collection and Communication of Energy and Carbon Data 1.5	<input type="checkbox"/>
Includes Supply Base Evaluation (SBE):	No	<input type="checkbox"/>
Includes communication of Dynamic Batch Sustainability Data (DBSD)	No	<input type="checkbox"/>
Includes Group Scheme	No	<input type="checkbox"/>
Products	Pellets	<input type="checkbox"/>

Feedstock types:	Secondary	<input type="checkbox"/>
Feedstock origin (countries):	Sweden	<input type="checkbox"/>
SBP-endorsed Regional Risk Assessments used:	Not applicable	<input type="checkbox"/>
Public link: https://sbp-cert.org/documents/standards-documents/risk-assessments/		<input type="checkbox"/>
Chain of custody system implemented:	PEFC, FSC: PEFC: 2018-SKM-PEFC-230. 22.06.2022-21.07.2027. FSC: DNV-COC/CW-001576. 22.06.2022-21.07.2027.	<input type="checkbox"/>
	Credit	<input type="checkbox"/>

2.1 Description of the company

The BP is a saw mill complex operating under the ownership and management of Bitus AB. At the mill, the main production is solid wood products sawn and/or planed. In addition, the mill has a pellet factory utilizing the sawdust and shavings processing residues and buying sawdust processing residues from other sawmills. The pellet production are managed by the mill manager and the operational staff. The sourced feedstock to the mill is sawdust and shavings, which arrives to the pellet production either by air tube of own sawmill or by truck from other sawmills, placed at storages. The secondary feedstock of sawdust and shavings to the pellet factory originates from own saw mill or purchased as certified or controlled from other mills. The saw dust are stored at the pellet storage, where wheel loaders feed the inputs into the pellet production. The produced pellets are kept in cilo storage. The pellets are then either a) filled in bags, loaded on trucks and transported to the harbor where the customers takes over the ownership (two end-points: harbors), or b) loaded directly from the cilo into trucks, where the ownership is transferred to the buyer when loading onto the trucks (end-point at factory gate). The origin of the feedstock is the supply base Sweden, confirmed by the suppliers of the secondary feedstock. This means that the sawmill receives feedstock with different claims including FSC 100%, FSC Mix, FSC CW and x% PEFC. The feedstock supplied from the main sawmill or other sawmills to the pellet production is transferred with FSC and PEFC credit claims. The scope of the SBP certification is: Biomass Producer with purchase of feedstock and production and sale of pellets for energy production. The processes involve storage, drying and production of pellets at own pellet production and transport to harbor in Sweden, where the customer takes over the ownership. The scope end-points are either at own factory gate or at the two Swedish harbors. The supply base is Sweden. The scope of the certificate does not include Supply Base Evaluation.

2.2 Detailed description of the Chain of Custody system

The BP is (under Bitus AB multisite) holding valid FSC and PEFC COC certificates. The scopes of the FSC and PEFC certificates include pellets as product groups. All feedstock sourced to the main sawmill is covered by the BPs own wood traceability and control system, which is third party certified according to FSC Chain of Custody/Controlled Wood and PEFC COC. All feedstock is sourced to the pellet factory through the FSC COC system of the sawmill using the credit systems. Based on the reviewed supplier invoices, claims are entered into the volume credit systems, credits are calculated and transferred correctly to sales documents. The company maintains clear volume credit accounts and summaries. There is a common credit account management and calculation tool for the whole mill, where the SBP inputs and outputs are calculated, transferred to own credit account and can be verified against the FSC and PEFC volume credit accounts. The input invoices contain proper FSC and PEFC claims so that the correct SBP claim can be established for each production batch (SBP compliant biomass or SBP-controlled biomass). The BP is aware of the SBP claims and batch specific coding system, which will be used on the sales invoices and for transactions in the DTS.

3 Specific objective

The specific objective of this evaluation was to confirm that the Biomass Producer's management system of is capable of ensuring that all requirements of specified SBP Standards are implemented across the entire scope of certification.

4 Evaluation process

4.1 Timing of evaluation activities

<i>Audit Level of Effort (LoE)</i>		
Activity	Auditors	Auditor hours
1. Preparation	Karina Seeberg Kitnaes	2,0
2. On-site (excl. travel time)	Karina Seeberg Kitnaes	8,0
3. Report writing	Karina Seeberg Kitnaes	4,0
4. Other	Jyrki Sopanen	2,0

Audit Schedule			
Activity	Location	Auditor name	Date/time
<i>Audit preparation and planning</i>	Home Office	Karina Seeberg Kitnaes	16 Nov 2022/09:00
<i>Audit opening meeting</i>	On-Site BP	Karina Seeberg Kitnaes	16 Nov 2022/09:00
<i>Audit: SBP Std. 2 verification of feedstock</i>	On-Site BP	Karina Seeberg Kitnaes	16 Nov 2022/09:30
<i>Audit: SBP Std. 4 Chain of Custody</i>	On-site BP	Karina Seeberg Kitnaes	16 Nov 2022/11:30

<i>Audit: Site inspection</i>	On-Site BP	Karina Seeberg Kitnaes	16 Nov 2022/13:00
<i>Audit: SBP Std. 5 Collection and communication of data</i>	On-Site BP	Karina Seeberg Kitnaes	16 Nov 2022/14:30
<i>Audit: Closing meeting</i>	On-site BP	Karina Seeberg Kitnaes	16 Nov 2022/16:00
<i>SBP reporting</i>	Home Office	Karina Seeberg Kitnaes	01 Dec 2022/09:00
<i>Technical Review</i>	Home Office	Jyrki Sopanen	06 Dec 2022/09:00

Auditor qualification		
Auditor name	Role	Qualification
Karina Seeberg Kitnaes	SBP Lead Auditor, TL	TL, biologist, M.Sc., approved SBP auditor, FSC/PEFC COC/CW/FM auditor, 26 years of professional international experience with forest biodiversity, forestry, forest industry, certification, Natura 2000 implementation, key biotope mapping from working as expert on international projects in Northern, North-eastern and Eastern Europe and many other countries

4.2 Description of evaluation activities

The audit method included full on-site Periodic Surveillance audit with record verification, documentation and report reviews, interviews of staff at the BP:

- Review of all relevant data and records related to SBP Std. 2 on verification of feedstock, including control of data on origin and feedstock inputs crosschecked with supply base and review of supply base reports in English and Swedish.

- Review of all relevant data and records related to SBP Std. 4 on Chain of Custody, including volume calculation verification, classification of feedstock and crosscheck with DTS database records
- Review of all relevant data and records related to SBP Std. 5 on collection and communication of GHG data and review and verification of data recorded and reported in the SBP Audit Report (SAR) on Energy and Carbon Data for Pellets for Biomass Producers producing pellets, and transport to end-points.
- Inspection of on-site facilities including storages and all steps in the production of pellets.

Critical control points included verification of feedstock origin within supply base Sweden, classification as secondary feedstock (sawdust and shavings) and category (biomass output: SBP-compliant biomass and SBP-controlled biomass; feedstock inputs: PEFC/FSC certified/controlled) and checking the chain-of-custody volume accounting and supplier documentation thoroughly, as well as the data and records available as specified in SBP std. 5 and the Instruction note 5E on collection and communication of data and the resulting SAR report for pellets in correct formats.

4.3 Sampling methodology

Sampling methodology was based on the following complexity factors: - Number of Supply Bases: 1, Sweden, - Number of suppliers: four Swedish sawmill. - Feedstock classification: secondary feedstock, sawdust and shavings. - End-points: two harbors and one at factory gate. Review by sampling included: - Data related to feedstock inputs. - SAR report and all data and records related to the reported data - SBR report and all data and records related to the reported data. - Staff interview of responsible staff members. - On-site inspection of feedstock storages, pellet storages and pellet production units.

4.4 CB stakeholder engagement

N/A. This is a periodic surveillance audit.

4.5 Stakeholder feedback

No stakeholder feedback received.

5 Results

5.1 Main strengths and weaknesses

The main strengths of the BP is proven long-term experience with certification and risk mitigation of the management team, as well as well-organised recording and calculations of production volumes and GHG data.

For the supply base Sweden, the main strengths include securing only transfer of FSC/PEFC certified or controlled input volumes to the pellet production, as well as feedstock inputs limited to secondary feedstock from own sawmill or purchased from certified sawmills.

For the production of pellets, the main strengths include clear volume control, clear management system for separating inputs at storages, keeping records and calculations of production and sales volumes as well as of relevant GHG data.

5.2 Rigour of Supply Base Evaluation

N/A

5.3 Collection and communication of data

For the pellet production, the feedstock originates exclusively from the secondary processing residues and the pellet factory is clearly defined at the sawmill, the GHG data can be obtained through a quite simple routine. The data recordings, calculations and procedures are in line with the Instruction Document 5E requirements. The BP has maintained data for the digital SAR on Energy and Carbon Data for Pellets, where data are based on own data recordings and data from electricity supplier. The SAR report for pellets prepared by the BP covering the reporting period 01/08/2021 - 31/07/2022 was reviewed and approved.

5.4 Competency of involved personnel

The personnel responsible for the production and the recording and calculation of production volumes and GHG data has long-term professional management and certification experience and expertise.

The personnel responsible for the Health and Safety as well as sustainability work also has long-term professional experience and expertise.

6 Review of company's risk assessments

6.1 Overview of company's risk assessments and mitigation measures

N/A

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-002840 (SBP4-MA-2021-02)	NC Grading: Minor
Standard:	SBP Standard 4: Chain of Custody
Requirement:	5.3.1 All requirements of the relevant chain of custody control system specified in the SBP-approved CoC system shall be implemented to calculate outputs.
Description of Non-conformance and Related Evidence:	
The BP maintains a SBP volume credit account for the pellet production, which was checked during the audit. So far, no SBP outputs have been sold. However, it was observed during the audit that the SBP volume credit account did not include volumes for feedstock inputs purchased as FSC Controlled Wood. The BP shall maintain the SBP volume credit account for the feedstock inputs purchased including all input claims (FSC CW/COC and/or PEFC COC) and of sold pellets including output SBP claims.	
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:	After consultation with ASI after the audit, it was confirmed that this minor was not a strict requirement.
Findings for Evaluation of Evidence:	After consultation with ASI after the audit, it was confirmed that this minor was not a strict requirement. The BP has for the reporting period maintained SBP volume credit account for feedstock inputs and pellet outputs.
NC Status:	Closed

NC number NC-002839 (SBP4-MA-2021-04)	NC Grading: Minor
Standard:	SBP Standard 4: Chain of Custody
Requirement:	5.2.3 Only the following feedstock inputs shall be considered to be Controlled Feedstock. <ul style="list-style-type: none"> • Feedstock received with an SBP-approved - controlled feedstock systems claim. • Feedstock sourced within the scope of the BP's own SBP-approved controlled feedstock system certification, for example, non-certified feedstock sourced in compliance with the FSC® Standard for Company Evaluation of FSC® Controlled Wood, FSC-STD-40-005.

Description of Non-conformance and Related Evidence:	
The BP is always checking supplier documentation and keeping input records. Examples of system records and purchase documentation seen. However during the audit, it was observed that of the five FSC certified suppliers, three suppliers were not yet selling the feedstock with the claim: FSC Controlled Wood, nor having the FSC CW code included on their sales documents.	
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:	Supplier invoices and delivery documentation
Findings for Evaluation of Evidence:	Sampling of supplier invoices and delivery documentation showed that all suppliers delivered inputs with correct claim on invoices as recorded by the BP in credit accounts.
NC Status:	Closed

NC number NC-002838 (SBP5-PA-2021-06)	NC Grading: Minor
Standard:	Instruction Document 5E: Collection and Communication of Energy and Carbon Data 1.5
Requirement:	3.1.4 Each Legal Owner shall operate a Management System to ensure that data recorded are compliant with the requirements specified in this Instruction Document (5E).
Description of Non-conformance and Related Evidence:	
The BP was able to demonstrate all records and calculations of data reported in the SAR. However, the records and calculations of required data were not systematically presented during the audit.	
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:	Digital SAR and corresponding records and data calculations
Findings for Evaluation of Evidence:	All records and calculations reported in the SAR for the reporting period were available during the audit.
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):	Kimmo Haarala
Date of decision:	13 Jan 2023
Other comments:	N/A