



PEFC Chain of Custody Certification Audit Summary Report

Organization:	Masonite Beams AB		
Address:	Rundvik Industriområde SE-914 29 Rundvik		
Standard(s):	PEFC ST 2002:2013	Accreditation Body(s):	SAS
Type of certification	Single		
Representative:	Tommy Persson		
Phone no:	+46 (0)930-142 03	Email Representative:	tommy.persson@byggmagroup.se
Site(s) audited:	Rundvik	Date(s) of Audit(s):	2019-06-11
EA Code:	06 Wood Products	NACE Code:	20.2/20.3/20.4 Wood
Technical Area Code:	06 Wood Products	Effective No. of Personnel:	70
Lead Auditor:	Maria Lindh	Additional Team Member(s):	-
Additional Attendees and Roles:			
PEFC COC code	SE09/4362	First Issue Date:	2019-10-16
PEFC License Code:	PEFC/05-35-173	Expiry date:	2024-10-15
This report is confidential and distribution is limited to the audit team, client representative and the SGS office.			

1. Audit objectives

The objectives of this audit were:

To determine conformity of the management system, or parts of it with audit criteria and its:

- ability to ensure applicable statutory, regulatory and contractual requirements are met,
- effectiveness to ensure the client can reasonably expect to achieve specified objectives and to identify as applicable areas for potential improvement

2. Scope of certification

Purchase of PEFC certified, PEFC controlled sources and uncertified sawn timber, OSB (Oriented Strand Board), particle board and plywood, and manufacturing and sale of PEFC certified construction I-beams, I-studs, top- and bottom plates using the percentage based methods (Section 6.3) based on Appendix 1 (Specification of the PEFC claims) of the chain of custody standard.

The products are marked with the trademarks "Masonite Beams", "Swelite" and "Nordex".

Has this scope been amended as a result of this audit?

Yes No

This is a multi-site audit and an Appendix listing all relevant sites and/or remote locations has been established and agreed with the client.

Yes No

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3. Current audit findings and conclusions

The audit team conducted a process-based audit focusing on significant aspects/risks/objectives required by the standard(s). The audit methods used were interviews, observation of activities and review of documentation and records.

The structure of the audit was in accordance with the audit plan and audit planning matrix included as annexes to this summary report.

The audit team concludes that the organization has has not established and maintained its management system in line with the requirements of the standard and demonstrated the ability of the system to systematically achieve agreed requirements for products or services within the scope and the organization's policy and objectives.

Number of nonconformities identified: 0 Major 1 Minor

Therefore the audit team recommends that, based on the results of this audit and the system's demonstrated state of development and maturity, management system certification be:

Granted / Continued / Withheld / Suspended until satisfactory corrective action is completed.

4. Previous Audit Results

The results of the last audit of this system have been reviewed, in particular to assure appropriate correction and corrective action has been implemented to address any nonconformity identified. This review has concluded that:

- Any nonconformity identified during previous audits has been corrected and the corrective action continues to be effective (Refer to Section 6 for details).
- The management system has not adequately addressed nonconformity identified during previous audit activities and the specific issue has been re-defined in the nonconformity section of this report.

5. Audit Findings

The audit team conducted a process-based audit focusing on significant aspects/risks/objectives. The audit methods used were interviews, observation of activities and review of documentation and records.

The management system documentation demonstrated conformity with the requirements of the audit standard and provided sufficient structure to support implementation and maintenance of the management system. Yes No

The organization has demonstrated effective implementation and maintenance / improvement of its management system. Yes No

The organization has demonstrated the establishment and tracking of appropriate key performance objectives and targets and monitored progress towards their achievement. Yes No

The internal audit program has been fully implemented and demonstrates effectiveness as a tool for maintaining and improving the management system. Yes No

The management review process demonstrated capability to ensure the continuing suitability, adequacy and effectiveness of the management system. Yes No

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Throughout the audit process, the management system demonstrated overall conformance with the requirements of the audit standard. Yes No

PEFC Trademark use is accurate and in accordance with appropriate standard and guidance. N/A Yes No

Certification claims are accurate and in accordance with SGS guidance N/A Yes No

6. Significant Audit Trails Followed

The specific processes, activities and functions reviewed are detailed in the Audit Planning Matrix and the Audit Plan. In performing the audit, various audit trails and linkages were developed, including the following primary audit trails, followed throughout:

Clause 4: Identification of Origin

- Procedures for identification of origin: "9.3.1 leverantörer av träråvara" dated 2018-09-18 and "Inköpsunderlag 2019.xls"
- Supplier orders checked during audit: 184252 (100% PEFC), 17139-47 (part 100% PEFC and part PEFC Controlled Sources), 485745 (70% PEFC), 714640 (100% PEFC).
- Register of suppliers "9.3 Leverantörsregister" dated 2017-09-20 includes all active and also some possible suppliers. In this register, it is also noted the date the supplier was last checked using the PEFC database (latest check 2019-06-10).
- Interviews with procurement staff: Göran Eriksson, Veronica Lundqvist

Clause 5: Minimum Due Diligence System (DDS) requirements

- DDS procedures, including: Gathering information (5.2), Risk assessment (5.3), Substantiated complaints (5.4), Management of significant risk supplies(5.5) and "No placement on the market" (5.6) An annual DDS is performed by Jan Persson. Last DDS performed 2019-04-26 included all sections except 5.5, as all material originates within EU/EFTA.
- List of inputs of forest based material with material description, species, origin is included in document "9.3.2 Ursprung träråvara" and specifies that all raw material purchased originates in Sweden, Norway, Estonia, Latvia or Lithuania, species spruce, birch, pine, poplar and alder.
- Declaration of origin and species from suppliers: Declarations from Kronospan and SCA reviewed during audit.
- Basic analyses of origin and species relating to CITES, country with conflicts, genetically modified, from conversion, certifications. N/A as all material is originating within EU.
- Risk Assessments (performed 2019-04-26, resulted in Negligible risk for all suppliers). All suppliers are certified, and the material supplied is originating from Sweden, Norway and the Baltic states, certified or controlled material (PEFC or FSC).
- Complaint records: No complaints received but process in place.
- Interviews with Jan Persson, Göran Eriksson

Clause 6: Percentage Based Method

- Client is using volume credit method. They have a spreadsheet with input raw material percentage calculations and transfer to the output ("Kreditberäkningar PEFC", which is updated monthly. Spreadsheet was reviewed for transactions during May 2018 to April 2019, when purchases of 8708 m3 sawn wood (re-calculated to 100 % PEFC) and 9163 m3 OSB board (re-calculated to 100% PEFC) was recorded. During the same period, deductions were made corresponding to 10004 m3 wood and 3327 m3 OSB. Purchase and sales invoices for April 2019 were checked and found to be

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consistent with the data inserted in spreadsheet. All amounts of sold product is re-calculated to correspond to the amount used of raw materials wood and OSB, and a conversion factor is calculated for each article. This is presented in "2019 förbrukning PEFC träråvara och OSB.xls" which is an excel file including conversion factor for each specific article.

- Client is also certified against FSC CoC, however the raw material is either purchased as PEFC certified or FSC certified, not both. Client is aware that should they receive material that is double certified, they would either add it as PEFC or as FSC credits, not on both accounts.
- Waste is calculated annually, and the numbers for 2018 are used when estimating the waste for 2019. The waste percentage is around 8% in total, but is specified for each article.
- Interviews with: Veronica Lundqvist

Clause 7: Sales & communication on claimed products

- The following orders were reviewed: 521640 70% PEFC, 521800 70% PEFC, 521821 80% PEFC. Same information available on invoice and delivery note. Claim was correctly written in all invoices, and also in the routine "8.1 Processbeskrivning av order – fakturering" which describes how invoicing should be done. However, the documents did not include the correct certificate code, but instead a previous code, **Minor CAR 01**. The PEFC certificate code is inserted automatically in all documents created in Jeeves, and it was not clear why an old code was used. However, the client updated Jeeves during audit to ensure that the correct claim would be used. **Minor CAR 01 closed**.
- No use of the PEFC logo, on or off product.
- Interviews with sales staff: Camilla Jonsson, Veronica Lundqvist

Clause 8: Management System Requirements

8.2 Responsibilities and Authorities

- Commitment / policy to implement PEFC COC requirements: Policy document signed 2017-04-12 by CEO Atle Arctander and is publicly available upon request.
- Management review 2018-10-04 including results of internal audits: Internal audit was last performed 2019-04-26 by Jan Persson but this had not yet been reviewed by management at time of audit. Internal audit showed overall conformity with PEFC requirements.
- Organizational chart dated 2018-01-17 . Tommy Persson is PEFC responsible, and reports directly to the CEO.
- Interviews with: Jan Persson

8.3 Documented Procedures

- Verified documented procedures are provided in the respective sections. Some examples of the documented procedures are "9.3.1 leverantörer av träråvara" dated 2018-09-18, "9.3 Leverantörsregister" dated 2017-09-20 and Organizational chart dated 2018-01-17

8.4 Record Keeping

- All procedures and document related to PEFC are available in the quality handbook on the intranet. This was reviewed during audit
- List of required records: "1.5.1 Kritiska dokument PEFC-FSC" defines that all documents (invoices, delivery notes, internal audit reports, conversion factor calculations, complaints, supplier certificates, certificate control, logo approvals, training, credit account calculations) must be saved minimum 5 years. Financial documents stored for 7 years according to Swedish law. Customer invoice dated 2012-08-10 reviewed during audit.
- Records are kept electronically with the exception of supplier invoices and delivery notes which are kept in paper form. Jeeves system used for financial documents.

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8.5 Resource Management - Human and Technical

- "Utbildningsbehov PEFC" dated 2012-09-20: All positions shall have a generic knowledge about PEFC COC but key personnel need deeper knowledge in their specific field of responsibilities.
- Training conducted by Jan Persson on 2017-12-06. The training is recorded for each position. No new employees with key positions have been added to the organization since the last training.
- The competence of the following staff was verified during the audit: Tommy Persson, Quality manager and COC responsible; Veronica Lundqvist, credit account management; Göran Eriksson, Purchasing; Jan Persson, Consultant and internal auditor
- A matrix for competence recording is kept, where it is defined who needs to have a specific competence and if it is sufficient (green), in need of improvement/additional training (yellow) or not trained (red). All personnel who needed to have knowledge in PEFC were of green status. Interviews with personnel showed good knowledge of their respective duties.
- Technical facilities are sufficient. MBAB has the theoretical capacity to produce 48 000 meters of I-beams per day.
- Interviews with: Tommy Persson, Jan Persson

8.6 Inspection and control

- Internal audit was performed 2019-04-26 by Jan Persson, audit report was reviewed during audit and showed overall conformity with PEFC requirements. Supplier list was not updated after internal audit supplier list been updated. No non conformities where found during internal audit.

8.7 Complaints

- Complaints procedure is available in document 13.7 "Hantering av klagomål på spårbarhetssystemet" 2017-11-16 for managing complaints are in place covering the PEFC requirements and no complaints have been received.
- Interviews with: Jan Persson

Clause 9: Social, health and safety requirements

- A written policy for ensuring a good work environment has been adopted by the top management. The Policy is regularly reviewed. Latest review conducted 2017-01-20. The policy is relevant for the kind and size of business performed by the company. The Swedish law is central which includes the requirements.
- Responsible person is Johan Öhman for H & S who was interviewed during the audit. He confirmed that the H&S system is sufficient and effective.
- The H&S law AFS 2001:1 regarding systematical environmental work is well known and implemented. The top management has great focus on H&S and the systematical work is very well implemented. Safety inspections are usually carried out once a month (last performed 2019-05-29) and meetings are held every 2 weeks. All incidents (also minor) are reported in the system. This was confirmed through interview with Johan Öhman who is appointed responsible for the H&S system. The H&S system is regularly reviewed by the top management.
- During audit, no evidence of violation against any of the requirements under section 9 was found. PP equipment was available (reflective vests, protective glasses, ear protection, protective shoes), and worn by workers and also offered to auditor during site visit.

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7. Nonconformities

Non-Conformity	N° <u>1</u> of <u>1</u>	<input type="checkbox"/> Major	<input checked="" type="checkbox"/> Minor
Department / Function:	Sales	Standard Ref.:	PEFC ST 2002:2013 7.1.3.g
Document Ref.:	Sales orders 521640, 521800, 521821	Issue / Rev. Status:	Invoices issued in June 2019
Details of Nonconformity:	<p>The document(s) associated with each delivery of all claimed products did not include at least the following information:</p> <p>the identifier of the supplier's chain of custody certificate or other document confirming the supplier's certified status.</p> <p>On the order documents reviewed during audit, an older certificate number was used. Minor CAR 01.</p>		
Close-out detail:	<p>Once client realized that the old number was used, the system was updated to include the correct certificate number, Minor CAR 01 closed during audit.</p>		

Client Proposed Action to address Minor Non-Conformances Raised at this Audit:

- When the NC was discovered, client immediately updated the system to correct the certificate code.

Nonconformities detailed here shall be addressed through the organization's corrective action process, in accordance with the relevant corrective action requirements of the audit standard, including actions to analyse the cause of the nonconformity and prevent recurrence, and complete records maintained.

- Corrective actions to address identified major nonconformities shall be carried out immediately including a cause analysis and SGS notified of the actions taken within 30 days. An SGS auditor will perform a **follow up visit** within 90 days to confirm the actions taken, evaluate their effectiveness, and determine whether certification can be granted or continued.
- Corrective actions to address identified major nonconformities shall be carried out immediately including a cause analysis, and records with supporting evidence sent to the SGS auditor for close-out within 90 days.
- Corrective Actions to address identified minor non conformities including a cause analysis shall be documented on a action plan and sent by the client to the auditor within 90 days for review. If the actions are deemed to be satisfactory they will be followed up at the next scheduled visit.
- Corrective Actions to address identified minor non-conformities including a cause analysis have been detailed on an action plan and the intended action reviewed by the Auditor, deemed to be satisfactory and will be followed up at the next scheduled visit.
- Appropriate cause analysis and immediate action taken in response to each non-conformance as required.

Note:- Initial and Re-certification audit - recommendation for certification cannot be made unless all major and minor non-conformities are corrected and the corrective actions are verified by SGS.

Note: At the next scheduled audit visit, the SGS audit team will follow up on *all* identified nonconformities to confirm the effectiveness of the corrective actions taken.

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8. General Observations & Opportunities for Improvement

None.

9. Opening and Closing Meeting Attendance Record

Name	Position	Opening	Closing
Tommy Persson	PEFC responsible	X	X
Johan Öhman	Production manager	X	X
Camilla Jonsson	Finance	X	X
Veronica Lundqvist	Production planner	X	X
Jan Persson	Consultant	X	X
Göran Eriksson	Purchase manager	X	X
Maria Lindh	Lead auditor, SGS	X	X

Annex with Information for Registration (public information)

General Information

Project-Number	9912-SE
Client	Masonite Beams AB
Address	Rundvik Industriområde SE-914 29 Rundvik
Contact Person	Tommy Persson
Phone	+46 (0)930-142 03
Email	tommy.persson@byggmagroup.se
Certificate Number	SGS-PEFC/COC-1014
Type of Certificate	Single site
Scope	Purchase of PEFC certified, PEFC controlled sources and uncertified sawn timber, OSB (Oriented Strand Board), particle board and plywood, and manufacturing and sale of PEFC certified construction I-beams, I-studs, top- and bottom plates using the percentage based methods (Section 6.3) based on Appendix 1 (Specification of the PEFC claims) of the chain of custody standard. The products are marked with the trademarks "Masonite Beams", "Swelite" and "Nordex".
Date of Issue	2014-10-16
Date of Expiry	2019-10-16
Logo Licence Code	PEFC/05-35-173

PEFC Notification Fees for [Country]

Class	Turnover	Fee
-	-	4000 SEK

Certified Product Groups

Input Product Names and Type(s)*	Input Product claims	Species Code(s)*	Method	Percentage calculation	Output Product Name and Type*	Output Product claims
03020 Sawn timber 05031 OSB board 05020 Plywood	100% PEFC PEFC Controlled Sources and other material	1 (Picea abies, Alnus, Betula, Pinus, Populus)	Volume credit method	n.A.	04060 I-Joists / I- Beams ("Masonite Beams", "Swelite" and "Nordex")	x% PEFC

* Product Types Code and Species Code: see PEFC GD 1006-2012 Appendix 4.