NEPCon OÜ Evaluation of IKEA Industry Tikhvin LLC Compliance with the SBP Framework: Public Summary Report

First Surveillance Audit

www.sbp-cert.org

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

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1 Overview

Certification Body (CB) Name:	NEPCon OÜ
Primary CB contact for SBP:	Ondrej Tarabus
Primary CB contact email:	otarabus@preferredbynature.org
Audit team leader:	Nikolai Tochilov
Audit team members:	-
Name of the Company:	IKEA Industry Tikhvin LLC
Company legal address:	15 Shvedskiy proezd, 187550 Tikhvin, Leningrad region, Russia
Company contact for SBP:	Maksim Klementiev
Company contact email:	maxim.klementiev@inter.ikea.com
Company website:	http://www.ikea.com/
SBP Certificate Code:	SBP-08-18
Date of certificate issue:	30 Aug 2020
Date of certificate expiry:	29 Aug 2025

Audit closing meeting date:	29 Jun 2021
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	☐
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 1.4	☐
Includes Supply Base Evaluation (SBE):	No	☐
Includes communication of Dynamic Batch Sustainability Data (DBSD)	Yes	☐
Includes Group Scheme	No	☐
Products	Pellets	☐

Feedstock types:	Secondary	☐
Feedstock origin (countries):	Russia	☐
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-014149	☐
	Credit	☐

2.1 Description of the company

IKEA Industry Tikhvin is subsidiary company of IKEA, having the forest management units in Leningrad region of Russia in long-term concession,as well as the primary (sawmilling) and secondary (furniture and wood pellets) manufacturing facilities in Tikhvin, Leningrad region. The company was established in 2002. The scope of this certification covers the pellet plant in Tikhvin. Only sawdust is used in pellet production. Most share of sawdust has FSC Mix Credit claim and is delivered from company's own primary and secondary manufacturing facilities. Insignificant share of FSC-certified sawdust is sometimes obtained from external FSC-certified suppliers. Wood industry wastes (barks and wood chips) are used in company's boiler, which provides heat to pellet plant (belt dryer) as well as to the other wood processing facilities not related to biomass production. Pellet plant was commissioned in 2012, with the annual production capacity of 55 000 tones.

2.2 Detailed description of the Chain of Custody system

The Organisation holds valid FSC Chain of certificate https://info.fsc.org/details.php?id=a0240000005sUjTAAU&type=certificate and implements FSC credit system of claims. Organisation mostly sources roundwood with FSC 100% claim. Some share of roundwood in the reporting period was sourced from non-certified suppliers and therefore it was included into Organisation's own verification program of controlled material suppliers according to FSC-STD-40-005. After delivery, roundwood is measured and sorted, and supplied to primary manufacturing (sawmilling). Sawmilling wastes (sawdust) are used in pellet production, whereas wood chips and barks are delivered to Organisation's boiler which produces the heat used by pellet plant as well as by other production facilities of Ogranisation. Sawn wood is processed at Organisation's furniture components plant, and furthermore at the furniture plant. Wood residues from the furniture components plant and furniture plant are also delivered to Organisation's pellet plant. Conversion factor for pellet production is established and revised annually, based on actual production data. Non-certified and non-controlled wood is not accepted by Organisation.

3 Specific objective

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

The scope of the evaluation covered:

- Review of the BP’s management procedures;

- Review of the production processes, production site visit;

- Review of FSC system control points, analysis of the existing FSC CoC system;

- Interviews with responsible staff;

- Review of the records, calculations and conversion coefficients;

- GHG data collection analysis and assessment of compliance with ID 5E

4 Evaluation process

4.1 Timing of evaluation activities

Audit Level of Effort (LoE)		
Activity	***Auditors***	**Auditor hours**
1. Preparation	Nikolai Tochilov	1,0
2. On-site (excl. travel time)	Nikolai Tochilov	13,0
3. Report writing	Nikolai Tochilov	7,0
4. Other	N/A	N/A

Audit Schedule			
Activity	**Location**	**Auditor name**	**Date/time**
Opening meeting	Office in Tikhvin	Nikolai Tochilov	28 Jun 2021/09:00
SBP-related documents review (SBP Procedure, SBR, CoC control system and critical points); interview with SBP responsible	Office in Tikhvin	Nikolai Tochilov	28 Jun 2021/09:30

Evaluation of the management and monitoring system	Office in Tikhvin	Nikolai Tochilov	28 Jun 2021/13:00
Evaluation of compliance with legal requirements, H&S	Office in Tikhvin	Nikolai Tochilov	28 Jun 2021/14:00
Energy use data review, including SAR	Office in Tikhvin	Nikolai Tochilov	28 Jun 2021/15:00
End of the day	Office in Tikhvin	Nikolai Tochilov	28 Jun 2021/17:00
Onsite inspection of the pellet production, staff interviews	Production site in Tikhvin	Nikolai Tochilov	29 Jun 2021/09:00
Energy use data review, including SAR	Office in Tikhvin	Nikolai Tochilov	29 Jun 2021/11:00
Closing meeting	Office in Tikhvin	Nikolai Tochilov	29 Jun 2021/16:30
End of the evaluation	Office in Tikhvin	Nikolai Tochilov	29 Jun 2021/17:00

Auditor qualification		
Auditor name	**Role**	**Qualification**
Nikolai Tochilov	Audit team leader	NEPCon SBP lead auditor. He has successfully passed SBP auditor training in Tallinn in January 2015; previous experience with more than 60 SBP assessments and annual audits in Russia and Europe.

4.2 Description of evaluation activities

The evaluation visit was focused on management system evaluation: division of the responsibilities, document and system, input material classification (reception and registration), analysis of the existing FSC system and FSC system control points as well as GHG data availability.

All SBP related documentation connected to the SBP as well as FSC CoC system of the organisation, including SBP Procedure, SAR and GHG data calculations, Supply Base Report and FSC system description was provided by the company at the beginning of the audit, which started with an opening meeting attended by the representatives from Organisation’s management and staff.

During the opening meeting, audit team leader introduced himself, provided information about audit plan, methodology, auditor qualification, confidentiality issues, and assessment methodology and clarified certification scope. During the opening meeting the auditor explained CB’s accreditation related issues.

After that auditor went through all applicable requirements of the SBP standards nr. 2, 4, 5 and instruction document 5E covering input clarification, existing chain of custody system implementation was reviewed focusing in the Critical Control Points, in particular it was verified reception of the material and it’s classification, identification of feedstock origin, production process with the conversion factors associated, mass balance, final product storage and sales, emission and energy data and categorisation of input and verification of SBP-compliant biomass. During the process, overall responsible person for SBP system and other staff were interviewed.

After a roundtrip around BP’s pellet production was undertaken. During the site tour, applicable records were reviewed, staff was interviewed and FSC system critical control points were analysed.

At the end of the audit, findings were summarised and audit conclusions based on use of 3 angle evaluation method were communicated to staff members.

4.3 Sampling methodology

Staff interviews: the key staff involved in SBP certification was interviewed during the audit. Onsite inspection: during onsite inspection, auditor went through the whole production, starting with feedstock delivery to the pellet plant and ending with the storage of the biomass and its shipping to customers. Documents review: auditor has verified all records related to feedstock input and biomass output; moisture measurements; electricity and diesel consumption. Special attention was paid to justification of conversion factor for pellet production, established by Organisation annually.

4.4 CB stakeholder engagement

Not applicable for annual audit.

4.5 Stakeholder feedback

No stakeholder feedback received prior to, during, and after the audit.

5 Results

5.1 Main strengths and weaknesses

Strengths: Robust recordkeeping system. Good awareness of certification requirements by involved staff.

Weaknesses: no weaknesses identified during this evaluation.

5.2 Rigour of Supply Base Evaluation

not applicable.

5.3 Collection and communication of data

The following energy sources are used by BP: electricity for pellet production; biofuel for drying the feedstock (in boiler); diesel for feedstock handling; diesel for biomass handling and shipping. Energy use data is based on combination of actual consumption values and engineering calculations, it was reviewed and accepted by auditor. No non-conformities identified in this relation.

5.4 Competency of involved personnel

IKEA Industry Russia forest certification coordinator is assigned as a key person responsible for implementation of SBP system in Organisation. At the moment of initial assessment, he was the only staff member responsible for implementation of all applicable SBP requirements. In the reporting period, some of the responsibilities were delegated to the other staff members: sales, customs and logistics specialist (responsible for performance of invoices); pellet production chief (feedstock and biomass moisture value measurements and registration); financial controller (registration of the amounts of feedstock inputs and biomass outputs); chief engineer (registration of the amount of biofuel used by boiler); chief electrician (registration of the amount of electricity consumed by the pellet plant, chipper and boiler); chief of the department of exploitation of the engineering systems (registration of the amount of heat energy produced by boiler and consumed by the pellet plant); chief of the contractor providing services on feedstock transport by front-end loader (diesel consumption by the loader); chief customs specialist (compliance trade and customs requirements); chief accountant (compliance with tax legislation). Prior to, and during this audit, Organisation was supported by external consultant.

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 Serrano
Date of decision:	24 Sep 2021
Other comments:	N/A