



NEPCon OÜ Evaluation of SWOODS Export FLLC Compliance with the SBP Framework: Public Summary Report

Second 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:	NEPCon OÜ
Primary CB contact for SBP:	Ondrej Tarabus
Primary CB contact email:	otarabus@preferredbynature.org
Audit team leader:	Aliaksandr Zubkevich
Audit team members:	Aliaksandr Zubkevich
Name of the Company:	SWOODS Export FLLC
Company legal address:	Demina 11a, 22518 Borisov, Minsk region, Belarus
Company contact for SBP:	Kirill Kolesnikov
Company contact email:	kirill.kolesnikov@swse.by
Company website:	N/A
SBP Certificate Code:	SBP-01-05
Date of certificate issue:	10 Jul 2019
Date of certificate expiry:	09 Jul 2024
Audit closing meeting date:	12 May 2021
Audit cycle:	Second 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 2: Verification of SBP-compliant Feedstock; 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, Tertiary	☐
Feedstock origin (countries):	Belarus	☐
SBP-endorsed Regional Risk Assessments used: Public link: https://sbpcert.org/documents/standards-documents/risk-assessments/	Not applicable	☐
Chain of custody system implemented:	FSC: NC-COC-013395	☐
	Transfer	☐

2.1 Description of the company

The organization is a vertically integrated woodworking complex, part of the VMG Group, and one of the manufacturers and exporters of furniture for the international production and trade group of companies IKEA. The organization including office and all production facilities is located in Borisov, Minsk region. The company employs around 600 people. About 27 thousand cubic meters of lumber, 1600 cubic meters of furniture products and 12 thousand tons of fuel pellets are produced here monthly. The Organisation holds valid FSC Chain of Custody certificate with FSC transfer system in the scope. The FSC certificate contains includes the sawmill, furniture and pellet mills. Production capacity of pellet mill is 133500 metric tonnes of pellets per year. Date of commissioning of the biomass production plant is December 2014. Pellets are packed either in plastic bags or big bags. Pellets are loaded from big bags into wagons on the territory of the enterprise. The biomass is expected to be transported by rail to Belarusian/Latvian border (DAP Bigosovo), Bigosovo railway station. The Organisation was sourcing logs for their own production with FSC 100% only. For pellet production only waste from own production is used (no raw material for pellet production is bought) in reporting period. SBP compliant secondary feedstock – 92.7.2%, SBP compliant tertiary feedstock 7.3%. Secondary and tertiary feedstock: sawdust and wood chips are used for the pellet production. Secondary feedstock is used into drier. All feedstock for pellet mill is transported from sawmill and furniture mill by conveyor, front loader is used to load the drier. All feedstock used for pellet production in the last reporting periods originates from Belarus and was FSC 100% certified. The organization may source feedstock with FSC mix credit claim. In that case all feedstock will be mixed and biomass will be sold with FSC mix credit claim.

2.2 Detailed description of the Chain of Custody system

The Organisation has implemented FSC transfer system. In audit period, only feedstock (own production residues) with claim FSC 100% was used for biomass production. The organization may source feedstock with FSC mix credit claim. In that case all feedstock will be mixed and biomass will be sold with FSC mix

credit claim. In reporting period small volume of roundwood was sourced from Russian Federation. It was explained and confirmed by internal documents that this volume was processed as experiment and residues was used for the drier for furniture production and was not used for biomass production

3 Specific objective

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

The scope of the audit 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

4 Evaluation process

4.1 Timing of evaluation activities

<i>Audit Level of Effort (LoE)</i>		
Activity	Auditors	Auditor hours
1. Preparation	Aliaksandr Zubkevich	2,0
2. On-site (excl. travel time)	Aliaksandr Zubkevich	7,0
3. Report writing	Aliaksandr Zubkevich	7,0
4. Other	N/A	N/A

<i>Audit Schedule</i>			
Activity	Location	Auditor name	Date/time
<i>Opening meeting</i>	office in Borisov	Aliaksandr Zubkevich	12 May 2021/9:00
<i>Documents and procedures review (including SAR), staff interview</i>	office in Borisov	Aliaksandr Zubkevich	12 May 2021/9:20
<i>Chain of custody review (site tour)</i>	pellet mill	Aliaksandr Zubkevich	12 May 2021/15:30
<i>Closing meeting</i>	office in Borisov	Aliaksandr Zubkevich	12 May 2021/16:40

Auditor qualification		
Auditor name	Role	Qualification
Aliaksandr Zubkevich	Lead auditor	Mr Aliaksandr Zubkevich has education of engineer-economist in timber industry. He had postgraduate study at the Belarusian State Technological University. A. Zubkevich has passed FSC CoC/ FM lead auditor training course, Legal Source, ISO 14001 and SBP training coursed. Previous experience in woodworking industry and SBP pre-assessment and assessments in Belarus.

4.2 Description of evaluation activities

Assessment started with an opening meeting attended by director.

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 approval related issues. The auditor has reviewed documents provided by the BP, reviewed data in DTS and Audit portal.

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, management system, CoC, recordkeeping, 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. The auditor reviewed data registered in DTS. Chain of Custody 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, final product storage and sales.

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

At the end of the audit findings were summarised and assessment conclusions based on use of 3 angle evaluation method were provided to the management and SBP responsible person.

4.3 Sampling methodology

During audit document (way bill for round wood, invoices for biomass) were randomly checked for several months, evidences for diesels calculation, electricity records, moisture records, conversion factor calculation were reviewed. All responsible for SBP certification were interviewed. Auditor visited office, pellet mill and railway wagon loading site.

4.4 CB stakeholder engagement

The stakeholder consultation was not carried during surveillance audit.

4.5 Stakeholder feedback

None

5 Results

5.1 Main strengths and weaknesses

Strengths: Use of the FSC transfer system with FSC input secondary and tertiary feedstock after own sawmill and furniture mill (expected that FSC 100% will be used in most cases, but FSC FSC mix credit claim is also possible). Effective recordkeeping system, clearly designated responsibilities within the staff members.

Weaknesses: There are no any weaknesses identified during this audit.

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; diesel for feedstock handling, shipping and for biomass transportation to customer. Electricity consumption value is based metering; diesel consumption value is based on accounting system

5.4 Competency of involved personnel

Overall, BP staff showed good understanding and knowledge of all applicable SBP requirements. SBP related staff responsibilities are presented in different sections of the SBP Procedure. Training was provided for all staff involved in SBP certification process.

There are several staff members involved into SBP certification and interviewed during audit: SBP responsible/ Head of quality department (maintaining of the management system, staff training), pelletmill manager (control for pellet mill including moisture measurements, weight of biomass produced recording), accountant (performance of outgoing invoices and transport documents), sales specialist (DTS fill in), Quality engineer (SAR, training), Deputy Chief Power Engineer (electricity consumption) and others.

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-000378 (02/20)	NC Grading: Minor
Standard:	SBP Standard 2: Verification of SBP-compliant Feedstock
Requirement:	15.5 Records pertaining to the SBP Standards shall be kept for at least five years.
Description of Non-conformance and Related Evidence:	
The BP has updated SBP procedure (VMG ПП 22 dated 04.05.2020). In the updated procedure requirement to keep records at least five years is not included anymore.	
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:	SBP procedure dated 06.05.2021 (exh 1)
Findings for Evaluation of Evidence:	SBP manager explained that procedure was updated in the reporting period. During review of the procedure was found out that procedure is up to date and requirement to keep records pertaining to SBP Standards was added (exh 1 p.6.2). This requirement was implemented in practice.
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):	Nikolai Tochilov
Date of decision:	25 Jun 2021
Other comments:	N/A