

21 December 2011

Statement from NEPCon and the Rainforest Alliance regarding the re-certification of Swedwood Karelia LLC (FSC registration code SW-FM/COC-002041) and complaints filed by Protect the Forest and Friends of the Earth Sweden

On 21 September 2011, the Swedish non-governmental organisations Protect the Forest and Friends of the Earth Sweden lodged two identical complaints against Swedwood Karelia LLC, a forest operation based in Northwestern Russia, alleging that the operation is violating several applicable FSC requirements.

The FSC certificate is issued by the Rainforest Alliance, based on third-party assessments carried out by NEPCon. Below, NEPCon and the Rainforest Alliance offer our response to the complaints.

Key points of complaint

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The complaints include five points:

1: The complainants claim that Swedwood Karelia operates in violation of FSC Principle 9 on the maintenance of High Conservation Value Forest (HCVF). The organisations claim that "the major part of all logging conducted within the leased area of Swedwood Karelia consists of clear-cutting primeval forest, HCVF". The complaints refer to a gap analysis of high conservation value areas carried out by international and regional organisations.

2: Protect the Forest and Friends of the Earth Sweden allege that Swedwood Karelia is making false claims about its logging policies. The organisations also ask for maps depicting HCVF in the certified concession areas managed by Swedwood Karelia.

3: Swedwood Karelia's logging plans are questioned based on the perception that the operation plans to cut HCVF.

4: The complainants claim that Swedwood Karelia is conducting logging in violation of the Russian legislation and the FSC requirements, based on findings of red-listed species in or adjacent to logging sites of Swedwood Karelia.

5: The organisations claim that natural forest is being converted into plantations in the certified areas.

Protect the Forest and Friends of the Earth Sweden have enclosed photos from parts of the FSC certified concession area managed by Swedwood Karelia.

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Follow-up by NEPCon

The complaints were received by NEPCon only after the last audit (technically a re-assessment) of Swedwood Karelia had been completed; the certificate was renewed based on the recommendations contained in the report as per the certification procedures.

The auditor team responsible for the recent re-assessment performed full verification of all indicators in the Russian FSC forest management standard, and found a minor non-conformity related to Principle 9 (see below).

The standard procedure in case of minor non-conformities is to verify compliance during the following year's normal annual audit. Due to the complaints received from Protect the Forest and Friends of the Earth Sweden, NEPCon has conducted an additional short notice audit focusing on the points raised.

The additional field audit was carried out during October 10-13 2011, in order to inspect the sites covered by the complaints. A total of 16 sites located in 3 districts were visited (Kostomukshskoye Lesnichestvo, Kostomukshskoye forest district; Kalevalskoye Lesnichestvo, Voinitskoye forest district; Kostomukshskoye Lesnichestvo, Voknavolotskoye forest district). In conjunction with the field audit, key stakeholders were consulted. The [Short Notice Audit report](#) was completed and uploaded to the FSC Database on 20 December 2011.

Findings and conclusions

Based on the additional field audit and stakeholder consultation, NEPCon has not found additional evidence of non-conformance to the Russian national FSC forest management standard above what was identified in the re-assessment report (see Appendix 1).

The stakeholder consultation carried out during the Short Notice Audit brought no response from stakeholders related to the points of complaint. However, some stakeholders made the following more general remarks: Some stakeholders recommended that Swedwood Karelia should consult with the two complainants. Others made the point that any forest management system should be evaluated within the FSC certification process considering the national context, particularities and conditions of the specific country; this was one of the reasons for developing the Russian national standard, the content of which was agreed with all national stakeholders.

Below is our response to the complaints point by point.

1. Logging in HCVF: Intact Forest Landscapes mapped by Greenpeace and the World Resources Institute are excluded from logging in Swedwood Karelia's concession areas. The Russian FSC standard specifically refers to these maps for identification of large intact forest landscapes of more than 50,000 hectares.

Furthermore, a pre-selection of 81,300 hectares (27.5% of the total concession area) of potentially high biological value in other areas of the concession was carried out using a methodology developed by the Swedish organisation Pro Natura in collaboration with the Russian NGO Transparent World and other Russian organisations. The Russian FSC forest management standard requires forest operations to consider regional methodologies for the

identification of small intact forests. The 'gap analysis' referred to in the complaint is a new methodology that has not yet been widely consulted and which is not specifically required by the standard; however, the pre-selection of areas within the leased areas corresponds well to these maps. Within the pre-selected areas, Swedwood Karelia LLC has set aside biologically valuable forest areas identified through field inventories. Further field inventories are on-going and meanwhile a precautionary approach is observed in pre-selected areas. No logging takes place in these areas without prior field inventory.

Swedwood Karelia also collaborates with NGOs such as the Karelia Regional Nature Conservancy (SPOK), Greenpeace and WWF around the protection of old-growth forest in specific parts of the concession, covering more than 5,000 hectares. This year, Swedwood Karelia was rated as one of the most ecologically responsible forest operations by SPOK which recognised that they have implemented conservation policies for their leased Specially Protected Natural Areas.

A total of more than 32,000 hectares within Swedwood Karelia's concession is strictly protected and excluded from any logging. The strictly protected zones include areas identified as Biologically Valuable Forest through field surveys, areas covered by specific agreements with non-governmental organisations and official spawning protection zones.

Swedwood Karelia LLC has carried out logging in remnants of intact forest within an area that has been logged before. These harvesting operations do not constitute a violation of the Russian FSC forest management standard¹. The examples and pictures provided by Protect the Forest and Friends of the Earth Sweden do not document violations of Principle 9 in the Russian FSC forest management standard.

A clear difference between Russian forests and forests in Western Europe is the predominance of intensive forest management in Europe over the past centuries, which has resulted in a great scarcity of old-growth forest in Western Europe compared to Russia.

Another difference is that the Swedwood Karelia concession area mainly covers forest ecosystems that are naturally influenced by forest fires. Such ecosystems are generally more resilient to clear-cutting than less fire-prone forest ecosystems, such as the native forests of Germany. Fires in the certified concession area happen every 50-300 years, and old trees in the concerned areas show clear marks of forest fire. At clear-cut #3 in compartment 203 of Voinitskoje forest district of Kalevalskoje Lesnichestvo, fires are known to have happened three times during the last 450 years (this is one of the sites mentioned in the complaints).

Logging within sites designated as protected areas would constitute a violation of the certification standard. However, the additional field audit found no evidence of such logging. The complaints include two pictures that purportedly were taken in Compartment 31, which is located within a protection zone adjacent to the Kalevala National Park, where Swedwood Karelia has agreed with Russian NGOs to abstain from any logging. However, the audit team found that the pictures were not from Compartment 31, but from Compartment 12, which is located outside of the protection zone.

2. External claims: evaluation of Swedwood Karelia LLC's independent claims about its forest policy does not form part of the scope of the FSC certification, unless explicit reference to FSC

¹Clearcutting in primeval forest is not excluded in all cases under the Russian FSC forest management certification standard. Questions related to this standard should be directed to FSC-Russia.

is made. We would like to note that Swedwood Karelia LLC – not IKEA – is the certified entity. However, we have reviewed the [official forest policy of IKEA](#), which also covers Swedwood Karelia, and found Swedwood Karelia’s current logging practice to be in accordance with this. Our recent review of Swedwood’s external claims did not reveal any violations of the FSC trademark rules. As regards publicly available maps of HCVF, this point was identified and raised by NEPCon as a non-conformity during the re-assessment of Swedwood Karelia LLC (please refer to Appendix 1 of this document).

3. Planned logging: the Russian FSC standard does not exclude logging in primeval forest or Intact Forest Landscapes, but requires certified operations to take an approach that ensures preservation of the most valuable parts of such areas. NEPCon has evaluated the logging plans of Swedwood Karelia LLC and found them to be in compliance with legal requirements as well as with the FSC requirements. One important aspect is the procedure adopted by Swedwood Karelia to perform field surveys in all the pre-selected areas of potentially high biological value prior to any logging.

4. Species protection and legal compliance: Our audits have confirmed that Swedwood Karelia has adequate procedures in place for protecting and managing habitats of Red List species. Available information on Red List species is registered and used by the operation in their management operations. The operation further conducts monitoring to ensure the preservation of viable populations of the Red List species known to occur within the leased areas, including the species mentioned in the complaints.

5. Conversion of natural forest into plantations: Swedwood Karelia LLC implements forest management methodologies that preserve seed trees, biodiversity trees and key biotopes during harvesting. The operation is using natural regeneration as the predominant method of forest regeneration; planting is used as a supplementary method e.g. in cases where the natural regeneration fails. Seeds for growing seedlings are collected locally, fertilisers and pesticides are not used, and the harvest rotation period is a minimum of 101 years. Swedwood Karelia does thus not apply the intensive management methods that are normally associated with plantations. The forest resulting from these regeneration and management techniques does not correspond to the term ‘plantation’ but qualifies for the term ‘managed forest’.

Contact

If you have further enquiries regarding the handling of the complaints lodged by Protect the Forest and Friends of the Earth Sweden or the basis of the FSC certification of Swedwood Karelia LLC, please contact us:

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About NEPCon

NEPCon is a non-profit, international organisation focused on the sustainable use of natural resources. Working primarily through independent verification services and innovative projects, we help business enterprises and other organisations be part of the solution to major global challenges, such as deforestation and climate change. Our FSC, legality verification and carbon verification services are delivered in collaboration with the Rainforest Alliance. PEFC services are delivered on behalf of BMG Trada Certifiering AB. Learn more at www.nepcon.net.

About the Rainforest Alliance

The Rainforest Alliance works with people whose livelihoods depend on the land, helping them to transform the way they grow food, harvest wood and host travelers. From large multinational corporations to small community based cooperatives, businesses and consumers worldwide are involved in the Rainforest Alliance's efforts to bring responsibly produced goods and services to a global marketplace where the demand for sustainability is growing steadily. For more information visit www.rainforest-alliance.org.

Appendix 1 Re-assessment of Swedwood Karelia: process and findings

From 8-12 August 2011, NEPCon conducted a re-assessment of Swedwood Karelia LLC after the operation had completed the first 5-year cycle of FSC certification. In addition to staff interviews and document reviews, field inspections were carried out in Kalevalskoye Lesnichestvo, Lakhnozerskoye, Luusalmskoye, Voknavolokskoye and Voinitskoye forest districts. About 50% of the re-assessment time was spent on forest inspections. In addition, a public stakeholder consultation was carried out. A total of 15 man-days were spent on the re-assessment process.

The auditor team verified the operation's compliance with four existing Non-Conformity Reports (NCRs) and issued a total of 9 new NCRs. One of these (NCR 07/11, referenced in full in Annex 1 below) concerns Principle 9 in the FSC forest management standard and the corresponding indicators in the Russian national FSC standard. The non-conformance consists in the lack of publicly available maps depicting identified HCVF.

Two other Non-Conformity Reports (04/11 and 06/11, see below) are also related to mapping and management of natural values. Both of them concern insufficient cartographic materials regarding protected areas, representative samples of ecosystems, biologically valuable forests and habitats with a high concentration of rare or threatened species. In both cases, the NCRs are solely referring to the way these data are represented on maps, not the quality or scope of the data inventories themselves.

It is important to note that the identification of minor non-conformities during the auditing process is not unusual and will not lead to suspension or loss of the certificate if they are addressed within the time frames given.

Non-conformity reports (NCRs) contained in the FSC Forest Management re-assessment report, related to the complaints

NCR 07/11 states: Identification parameters and a brief description of HCVF are included in the list of HCVF, presented in public monitoring report, freely available on the website of the company. Since the company has not prepared and made available for public general maps of the selected HCVF (identified biologically valuable forests, intact forests, etc.), the auditors consider the requirements of the indicator are not fully implemented.

NCR 04/11 states: Not all the identified critical habitats with high concentration of rare, threatened, and endangered species are shown on the FME maps (such as winter habitats of reindeer).

NCR 06/11 states: The FME has a variety of cartographic materials on protected areas. At the same time, information on representative samples of ecosystems is available only in tabular form. A map of all identified biologically valuable forests isn't prepared. Cartographic data, which indicates the relative positions and relationship between all of the protected forest areas, are not available.