SBP

Sustainable Biomass Partnership

Supply Base Report

www.sustainablebiomasspartnership.org

Version 1.2
June 2016

For further information on the SBP Framework and to view the full set of documentation see www.sustainablebiomasspartnership.org

Document history

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Contents

1 Overview

Producer name: United Loggers OÜ

Producer location: Saksa k. Raplamaa Eesti 79005

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Company website: www.united-loggers.ee

Date report finalised: SBE draft

Close of last CB audit: *date and place*

Name of CB: NEPcon

Translations from English: Yes

SBP Standard(s) used: SBP Standard 1 v 1.0 (26.03.2015);
SBP Standard 2 v 1.0 (26.03.2015);
SBP Standard 4 v 1.0 (26.03.2015);
SBP Standard 5 v 1.0 (26.03.2015).

Weblink to Standard(s) used: http://www.sustainablebiomasspartnership.org/documents

SBP Endorsed Regional Risk Assessment:
http://www.sustainablebiomasspartnership.org/documents/risk-assessments/regional-risk-assessments-for-the-baltic-states/estonia

Weblink to SBE on Company website: http://www.united-loggers.ee

Indicate how the current evaluation fits within the cycle of Supply Base Evaluations				
Main (Initial) Evaluation	**First Surveillance**	**Second Surveillance**	**Third Surveillance**	**Fourth Surveillance**
X	☐	☐	☐	☐

2 Description of the Supply Base

2.1 Introduction and general description

United Loggers OÜ is an Estonian company specialised in the sales and production of wood chips. Our raw material is sourced from various Estonian suppliers, including forest stocking companies and forest owners, agricultural co-operatives, forestry products intermediaries. The primary raw material comes from cross-cut roundwood, unlopped trunks, timber offcut, tops and branches. The material originates from a variety of forests, where clear cutting, salvage cutting or thinning have been undertaken according to management plans. Raw material may also originate from land improvement or crop land restoration and renewal sites. United Loggers was issued with an FSC certificate in 2014 and, at present, some of the feedstock we use carries an FSC 100% or FSC Controlled Wood marker. You can find an overview of the feedstock product groups and their share used in the last 12 months below:

Tabel 1. Overview of Feedstock profile (01.09.2015-31.08.2016)

Feedstock product groups	**Estimated proportion, %**	**Indicative nr of suppliers**	**Species mix**
Controlled Feedstock (primary)	100	24	Picea abies, Pinus sylvestris, Betula spp, Populus spp, Alnus spp, Carpinus spp., Fagus spp., Fraxinus spp., Larix spp., Quercus spp., Acer platanoides, Salix spp., Tilia cordata Mill. = Winterlinde (Syn.: T. parvifolia), Eucalyptus spp.
Controlled Feedstock (secondary)	0	0	Picea abies, Pinus sylvestris, Betula spp, Populus spp, Alnus spp, Carpinus spp., Fagus spp., Fraxinus spp., Larix spp., Quercus spp., Acer platanoides, Salix spp., Tilia cordata Mill. = Winterlinde (Syn.: T. parvifolia), Eucalyptus spp.
SBP- compliant Primary Feedstock	0	0	Picea abies, Pinus sylvestris, Betula spp, Populus spp, Alnus spp, Carpinus spp., Fagus spp., Fraxinus spp., Larix spp., Quercus spp., Acer platanoides, Salix spp., Tilia cordata Mill. = Winterlinde (Syn.: T. parvifolia), Eucalyptus spp.
SBP-compliant Secondary Feedstock	0	0	Picea abies, Pinus sylvestris, Betula spp, Populus spp, Alnus spp, Carpinus spp., Fagus spp., Fraxinus

			spp., Larix spp., Quercus spp., Acer platanoides, Salix spp., Tilia cordata Mill. = Winterlinde (Syn.: T. parvifolia), Eucalyptus spp.
SBP non-compliant	0	0	Picea abies, Pinus sylvestris, Betula spp, Populus spp, Alnus spp, Carpinus spp., Fagus spp., Fraxinus spp., Larix spp., Quercus spp., Acer platanoides, Salix spp., Tilia cordata Mill. = Winterlinde (Syn.: T. parvifolia), Eucalyptus spp.

Estonia has been a member of the European Union since 2004 and Estonian legislation is in conformity with the Community acquis. National legislative acts refer to the international legal framework and law-making is based on democratic principles, e.g. stakeholder engagement[1]. Almost half of Estonian mainland - 2.2 million hectares - is covered by forests. The usage of forests and woodlands is regulated by law. The Estonian Forestry Development Plan 2020[2] sets out the strategy and targets for the protection and sustainable management of forests and woodlands. Departments in the Ministry of the Environment coordinate and monitor forest management and legislative compliance in the sector. The Environmental Board carries out the national policy for the use and protection of natural resource and the Environmental Inspectorate exercises supervision of environmental protection.

The Forest Act divides forests into managed, partially managed and protected forests. Forests are either in state, local government or private ownership. Around 40% of all forests and forest land belongs to the state[3]. State forest land has been certified according to the FSC and PEFC land management and supply chain standards. The State Forest Management Centre, aiming at sustainable and effective forest management, is responsible for managing state forests. Continuous forest inventory data monitoring and renewal of forest maps enable forest management planning[4].

During the last decade, the annual felling volume has been between 7-11 million scbm[5]. The annual increase, according to the Forest Management Development Plan, is between 12-15 million scbm. These figures demonstrate, that forest management has been sustainable and that there is enough resource and potential. This provides assurance for achieving economic, environmental and social goals in the long term perspective.

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[1] *https://europa.eu/about-eu/countries/member-countries/estonia/index en.htm*

[2] Original title*: "Eesti metsanduse arengukava aastani 2020";* approved by Estonian parlament decision nr 909 OE 15. february 2011 http://www.envir.ee/sites/default/files/elfinder/article files/mak2020vastuvoetud.pdf

[3] http://www.rmk.ee/organisation/operating-areas

[4] http://www.rmk.ee/organisation/environmental-policy-of-rmk/certificates

[5] Yearbook Forest 2013 http://www.keskonnainfo.ee/failid/Mets 2013.pdf (all key figures, graphs and tables are bilingual)

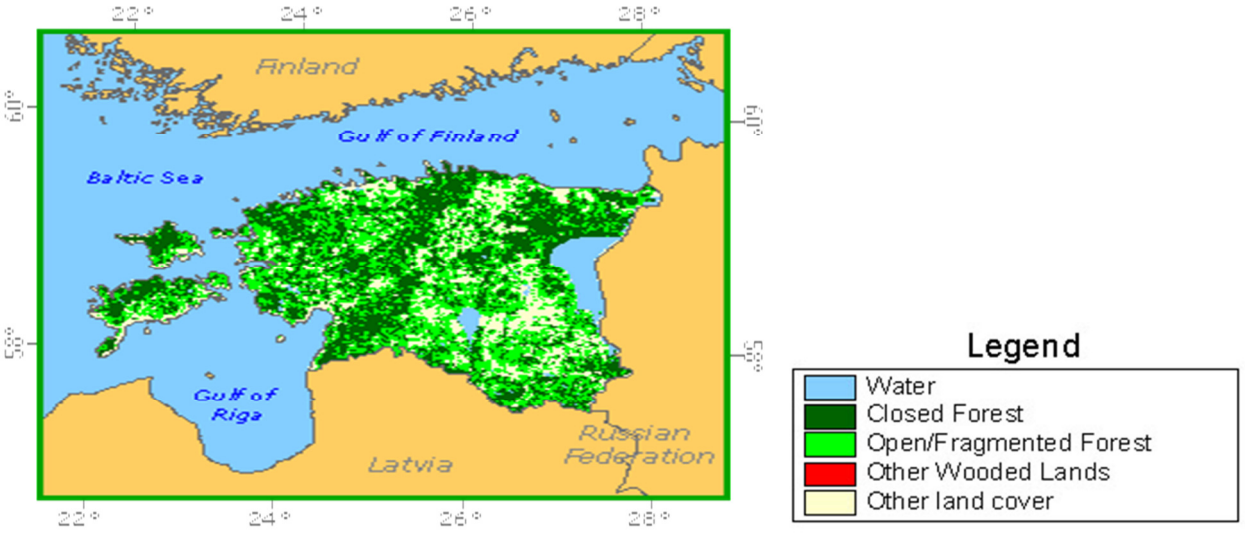


Figure 1. Forest cover of Estonia (http://www.fao.org/forestry/country/en/est/)

The distribution of growing stock by tree species in Estonia is showing on figure 2.

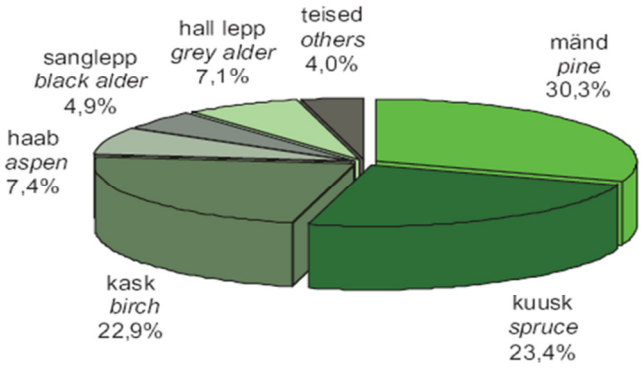


Figure 2. The distribution of growing stock by tree species (Yearbook Forest 2013)

A forest management plan must be drawn up for forest management and felling, serving as a basis for the Environmental Board to issue felling licences. All relevant data can be accessed through a public database[6].

23% of all forest land is under protected forest, the majority of it in state ownership. Nature Conservation Act regulates the use of natural resources promoting biodiversity[7] in Estonian forests. Estonia signed the 1973 Convention on International Trade in Endangered Species of Wild Flora and Fauna (CITES) in 1992[8] and joined the World Conservation Union IUCN (International Union for Conservation of Nature) in 2007[9]. No tree species under protection by CITES or IUCN grow naturally in Estonia.

[6] http://register.metsad.ee/avalik/
[7] https://www.riigiteataja.ee/en/eli/517062015004/consolide
[8] http://www.envir.ee/et/cites
[9] http://www.envir.ee/et/iucn

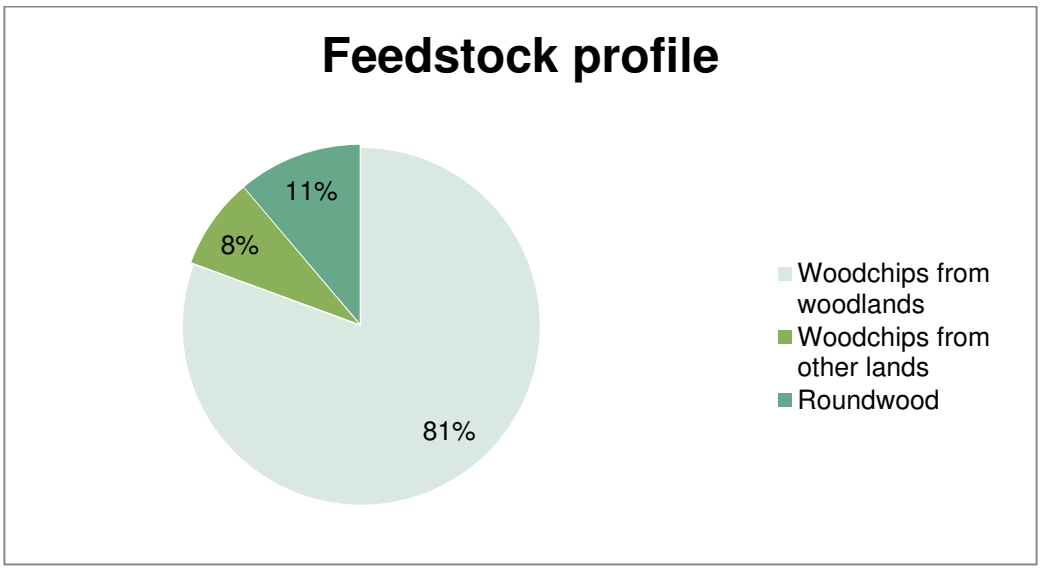
2.2 Actions taken to promote certification amongst feedstock supplier

United Loggers OÜ promoting FSC certification for Sustainable Forest Management. We explain to our suppliers requirements and regulations involved with chain custody. United Loggers has prepared a suppliers code of conduct that will be signed with all suppliers. These documents promote legal and sustainable forest management and exclude timber from undefined sources and from Woodland Key Habitants.

2.3 Final harvest sampling programme

The Estonian Environmental Agency, a governmental agency operating under the Ministry of Environment, analyses regularly the different types of fellings and proportion of sortments by collecting data from The State Forest Management Centre, private forest owners and Environmental Board. In addition a statistical forest inventory has been carried out on selected sample sites to collect additional data for the statistical analyses. This data is published by the Environmental Agency in the "Yearbook Forest". According to the latest issue "Yearbook forest 2013"[10] the proportion of firewood from the final felling volume is estimated to be 24%. This is in accordance with other sources that have estimated the proportion to be between 20 to 25%[11].

2.4 Flow diagram of feedstock inputs showing feedstock type 01.09.2015-31.08.2016



http://www.keskkonnainfo.ee/failid/Mets_2013.pdf

[11] http://www.agri.ee/sites/default/files/public/juurkataloog/BIOENERGEETIKA/Biokytuste 2006a turu ylevaate lopparuanne.pdf; http://www.erametts.ee/static/files/1356.

2.5 Quantification of the Supply Base

Supply Base

a. Total Supply Base area (ha): 2,2 million
b. Tenure by type (ha): state forests 1,09 million; municipal forests 0,042 million; privately owned 0,98 million
c. Forest by type (ha): 2,2 million temperate zone
d. Forest by management type (ha): managed natural
e. Certified forest by scheme (ha): FSC certified 1,1 million; PEFC certified 1,13 million

Feedstock

f. Total volume of Feedstock: 21 045 scbm
g. Volume of primary feedstock: 21 045 scbm
h. List percentage of primary feedstock (g), by the following categories. Subdivide by SBP-approved Forest Management Schemes:
    - Certified to an SBP-approved Forest Management Scheme – 12%
    - Not certified to an SBP-approved Forest Management Scheme – 88%
i. List all species in primary feedstock, including scientific name: Picea abies, Pinus sylvestris, Betula spp, Populus spp, Alnus spp, Carpinus spp., Fagus spp., Fraxinus spp., Larix spp., Quercus spp., Acer platanoides, Salix spp., Tilia cordata Mill. = Winterlinde (Syn.: T. parvifolia), Eucalyptus spp.
j. Volume of primary feedstock from primary forest: N/A
k. List percentage of primary feedstock from primary forest (j): N/A
l. Volume of secondary feedstock: N/A
m. Volume of tertiary feedstock: N/A

3 Requirement for a Supply Base Evaluation

SBE completed	SBE not completed
x	☐

The demand for SBP-compliant biomass is exceeding the volumes of FSC/PEFC certified feedstock that is available for woodchips production in the Baltic region. To meet the demand United Loggers OÜ will undertake a supply base evaluation for primary feedstock that is originating from Estonia according to the SBP Framework Standard 1: Feedstock Compliance Standard and Standard 2: Verfication of SBP-compliant Feedstock.

The risk assessment of the SBE is based on the SBP endorsed Regional Risk Assessment for Estonia. This assessment has been approved by SBP secretariat 22.04.2016 and is publically available on at: http://www.sustainablebiomasspartnership.org/documents/risk-assessments/regional-risk-assessments-for-the-baltic-states/estonia

The scope of the SBE was chosen based on the availability of the SBP-endorsed Regional Risk Assessments whereas the possibility to mitigate the identified “specified risk” with reasonable efforts was considered.

4 Supply Base Evaluation

4.1 Scope

United Loggers OÜ will carry out the SBE for primary feedstock that is originating from Estonia and is sold without:

- a SBP-approved Forest Management Scheme claim;
- a SBP-approved Forest Management Scheme partial claim;
- a SBP-approved Chain of Custody (CoC) System claim.

The mitigate the risks associated with primary feedstock, United Loggers will verify the origin of all primary feedstock. For a more detailed description of the risk mitigation measures please refer to Chapter 9 of the SBR.

4.2 Justification

United Loggers will rely on SBP-endorsed Regional Risk Assessment for Estonia (2016) that meets the requirements of SBP Framework Standard 1 and 2 and has been approved by the SBP secretariat on 22.04.2016.

United Loggers OÜ agrees with all the findings, conclusions and mitigation measures set out in the report and will not undertake an independent risk assessment.

4.3 Results of Risk Assessment

The risk evaluation and mitigation will be based on SBP-endorsed Regional Risk Assessment for Estonia (2016), where the only indicator evaluated as “specified risk” was indicator 2.1.2: “The BP has control systems and procedures to identify and address potential threats to forests and other areas with high conservation values from forest management activities”.

According to the Estonian legislation, protection of Woodland Key Habitats (WKH) is optional for private forest owners. They can choose to sign a contract with the state to protect WKH. In this case the state pays compensation to the owner for the protection of WKH. If the private forest owner does not want to protect WKH, the agreement ends and they are then allowed to cut it. In state forest and in FSC/PEFC certified private forest WKH are protected.

In case where the sourced material derives from private forests, it is important to know exactly from where the material was cut (FMU, sub-compartment). Public databases that can be used to control if the material comes from WKH or not, are available. In cases where no felling permits are issued and the FMU contains WKH, an on-site visit is required if material is subject to the SBE.

All other indicators were assigned as “low risk”. For a more detail please refer to the SBP-endorsed Regional Risk Assessment for Estonia (2016).

4.4 Results of Supplier Verification Programme

According to article 14.1 of the SBP Framework Standard 2: Verification of SBP-compliant Feedstock a Supplier Verification Programme will not be undertaken, as none of the indicators in the final risk assessment were assessed as “unspecified risk”. The need for a Supplier Verification Programme will be re-evaluated during the review of the risk assessment.

4.5 Conclusion

Based on the information available during the regional risk assessment process, the level of risk for each of the criteria was chosen. For Estonia all except one criteria were assigned low risk. The only “specified risk” was associated with the indicator 2.1.2: “The BP has control systems and procedures the verify that potential threats of forest management activities to the HCVs are identified and safeguards are implemented to protect them”. The indicator was assigned as “specified risk” due to the protection status of WKHs.

Based on the findings of the SBE it can be concluded: as long as the risks associated with the indicator 2.1.2 are mitigated, feedstock from Estonia is low risk and is meeting the requirements for SBP-compliant feedstock. For detailed mitigation measures please refer to Chapter 9 of the SBR.

5 Supply Base Evaluation Process

The SBP-endorsed Regional Risk Assessment is based on a number of different sources of information, including applicable legislation, reports from state authorities and other stakeholders, various databases and statistical data sources. This information was requested from state authorities such as the Environmental Inspectorate, the Estonian Tax and Customs Board, the Work Inspectorate, the Police etc. During the preparation of the RA, developers made a detailed baseline study for each of the SBP principles and criteria. During the first consultation period (23.032015-26.04.2015) SBP received comments and additional information from several stakeholders and from state institutions. Based on this information some of the specified risk designations were changed to low risk. The second stakeholder consultation period was from 05.05.2015 to 20.05.2015. During this consultation, some additional comments were raised. A detailed description of the situation for each criteria is presented in Annex 1 along with the chosen level of risk, which was based on the information provided. The regional risk assessment was approved by SBP 22.04.2016.

Based on the findings of the regional risk assessment United Loggers OÜ established procedures to mitigate the risks for primary feedstock that has been harvested in Estonia. For this purpose United Loggers will work closely together with suppliers to verify the origin of all primary feedstock. For a more detail please refer to Chapter 9 of the SBR.

The stakeholder consultation process for United Loggers SBE was undertaken from *15.09.2016 to 14.10.2016*.

6 Stakeholder Consultation

The first stakeholder consultation round of the RRA was completed from 26.03.2015 to 26.04.2015 and the second round from 05.05.2015 to 20.05.2015. The information about the risk assessment process development, along with the draft risk assessment, was sent out to all key stakeholders. The list of stakeholders can be seen in Annex 4 of the RRA. Three stakeholders, the Estonian Fund of Nature (EFN), Graanul Invest AS and the Estonian Forest and Wood Industries Association (EMPL) provided their feedback.

During the first consultation period (23.032015-26.04.2015) SBP received comments and additional information from several stakeholders and from state institutions. Based on this information some of the specified risk designations were changed to low risk. The second stakeholder consultation period was from 05.05.2015 to 20.05.2015. During this consultation, some additional comments were raised. A detailed description of the situation for each criteria is presented in Annex 1 of the RRA along with the chosen level of risk, which was based on the information provided.

SBP secretariat conducted an additional round of stakeholder consultations from 17.09.2015 to 16.10.2015. The results of these consultation process are available at: http://www.sustainablebiomasspartnership.org/documents/risk-assessments/regional-risk-assessments-for-the-baltic-states/estonia

United Loggers conducted its stakeholder consultation process of the SBE from *15.09.2016-14.10.2016*, by e-mail message to local municipalities, state institutions and authorities, State Forest Management Centre, Foundation Private Forest Centre, Estonian Private Forest Association, FSC Estonia, PEFC Estonia, Estonian Forest and Wood Industries Association, Estonian Forest Society and to Loodushoid mailing list covering app 1000 followers including various nature conservation and protection organisations. *Comments from stakeholders…*

In addition NEPcon, acting as the SBP approved certification body of United Loggers, will undertake an additional consultation process prior to the SBP audit.

6.1 Response to stakeholder comments

Comment 1:

Response 1:

Comment 2:

Response 2:

7 Overview of Initial Assessment of Risk

Based on the information available during the regional risk assessment process, the level of risk for each of the criteria was chosen in the RRA. All except one criteria were assigned low risk. Below is the summary of the indicator for which specified risk was identified.

Table 1. Overview of results from the risk assessment of all Indicators (prior to SVP)

Indicator	Initial Risk Rating		
	Specified	Low	Unspecified
1.1.1		x	
1.1.2		x	
1.1.3		x	
1.2.1		x	
1.3.1		x	
1.4.1		x	
1.5.1		x	
1.6.1		x	
2.1.1		x	
2.1.2	x		
2.1.3		x	
2.2.1		x	
2.2.2		x	
2.2.3		x	
2.2.4		x	
2.2.5		x	
2.2.6		x	
2.2.7		x	
2.2.8		x	
2.2.9		x	

Indicator	Initial Risk Rating		
	Specified	Low	Unspecified
2.3.1		x	
2.3.2		x	
2.3.3		x	
2.4.1		x	
2.4.2		x	
2.4.3		x	
2.5.1		x	
2.5.2		x	
2.6.1		x	
2.7.1		x	
2.7.2		x	
2.7.3		x	
2.7.4		x	
2.7.5		x	
2.8.1		x	
2.9.1		x	
2.9.2		x	
2.10.1		x	

WKH are forest habitats with high probability of present occurrence of endangered, vulnerable and rare species. WKH system is a tool to address high conservation value forest habitats in managed forests thus they are the primary mechanism for protection of ecologically valuable areas which are located within commercially managed forests.

According to the Estonian legislation WKHs protection is optional for private forest owners. They can sign a contract with the state and protect the WKH. In this case, the state pays compensation to the owner for protecting the WKH. If the private forest owner do not want to protect the WKH, then it is allowed to cut it. It is possible to determine the location of WKHs in Public Forest Registry and in case felling permit is issued it is possible to see if the material is cut from WKH or not. In case the felling are done without felling permit (it is allowed to do small scale sanitary cutting without felling permit) the on-site visit is only way to see if the WKH is untouched or not. Please see section 9 for a description of the detailed mitigation actions.

In state forest and in FSC/PEFC certified private forest and in private forests where WKH contract has been signed, WKH are protected.

8 Supplier Verification Programme

8.1 Description of the Supplier Verification Programme

According to article 14.1 of the SBP Framework Standard 2: Verification of SBP-compliant Feedstock a Supplier Verification Programme will not be undertaken, as none of the indicators in the final risk assessment were assessed as “unspecified risk”. The need for a Supplier Verification Programme will be re-evaluated during the review of the risk assessment.

8.2 Site visits

N/A

8.3 Conclusions from the Supplier Verification Programme

N/A

9 Mitigation Measures

9.1 Mitigation measures

The mitigation measures described below will only be applied for feedstock that is in the scope of the SBE as described in section 4.1. The responsible person for the implementation of the SBE is the Executive Director of United Loggers who is also the overall responsible person for the company's FSC and SBP certification systems.

Primary feddstock

All deliveries of primary feedstock that has been harvested in Estonia, but is not FSC or PEFC certified, United Loggers will verify that it has not been sourced from WKHs. Additional control procedures, e.g. procedures according to FSC-STD-40-005: FSC Standard for Company Evaluation of FSC Controlled Wood, are applied if applicable. All feedstock subject to SBE must meet prior the evaluation at least SBP-approved Controlled Feedstock System requirements.

United Loggers will use the delivery documents, a list of approved suppliers and publicly available databases (e.g. maps at: *http://register.metsad.ee/avalik/* or at least biannually renewed databases from competent authorities[12]) to verify that the delivered primary feedstock has not been sourced from WKHs. During the reception and registration of primary feedstock, will be carried out the following control procedure within the SBE:

1. Has the supplier signed an agreement and committed not to supply wood from WKHs?
1.1 If yes, go to 2.
1.2 If no, the products cannot be sourced.
2. Can the products be traced back to the logging site in forest?
2.1 If yes, go to 3.
2.2 If no, the products cannot be sourced.
3. Is there a felling permit issued?
3.1 If yes, go to 5.
3.2 If yes, go to 4.
4. Fellings from not woodlands and without felling permit (according to forest act).
4.1 Is there is no WKHs on the FMU according to available information: the products can be sourced.
4.2 Is there is a WKHs on FMU an on-site the products cannot be sourced as SBP-compliant.
5. Does the logging site defined in the felling permit, match with the WKH location?
5.1 If yes, the products cannot be sourced as SBP-compliant.
5.2 If no, the products can be sourced.

All instances, were primary feedstock from WKHs been offered will be recorded in a register.

[12] an inquery has been sent to Environmental Agency of Estonia (the responsible authority responsible for updating the WKH databases). These databases will be shared with the suppliers who are included in the SBE.

9.2 Monitoring and outcomes

United Loggers will keep register of all cases were material originating from WKH been offered and the suppliers are in violation with the code of conduct and feedstock purchase agreement. An investigation in all these cases will be carried out and the reason of such deliveries will be analysed. Suppliers who violate these terms repeatedly or on purpose and are not willing to take measures to avoid sourcing material from WKHs in the future will be excluded from the suppliers list and all deliveries will be stopped latest with the implementation of the FSC-STD-40-005 V3-0.
The results of these findings will be rewieved and updated annually with the SBR along with other available data about the protection status of WKHs in Estonia.

10 Detailed Findings for Indicators

Detailed findings for each Indicator are given in Annex 1 of the SBP-endorsed Regional Risk Assessment (2016): http://www.sustainablebiomasspartnership.org/documents/risk-assessments/regional-risk-assessments-for-the-baltic-states/estonia

11 Review of Report

11.1 Peer review

The SBR has been reviewed and signed by senior management. An independent third party review of the SBR will be undertaken prior the first surveillance audit.

11.2 Public or additional reviews

The SBR is publicly available at United Loggers homepage http://www.united-loggers.ee. Received comments will be addressed and the certification body will be notified.

12 Approval of Report

Approval of Supply Base Report by senior management			
Report Prepared by:	Raido Maisvee	district manager	
	Name	**Title**	**Date**
The undersigned persons confirm that I/we are members of the organisation's senior management and do hereby affirm that the contents of this evaluation report were duly acknowledged by senior management as being accurate prior to approval and finalisation of the report.			
Report approved by:	Peeter Volke	executive director	
	Name	**Title**	**Date**

13 Updates

13.1 Significant changes in the Supply Base

N/A

13.2 Effectiveness of previous mitigation measures

N/A

13.3 New risk ratings and mitigation measures

N/A

13.4 Actual figures for feedstock over the previous 12 months

N/A

13.5 Projected figures for feedstock over the next 12 months

N/A