

# NEPCon Evaluation of United Loggers OÜ Compliance with the SBP Framework: Public Summary Report

## Scope Change Audit

[www.sbp-cert.org](http://www.sbp-cert.org)



## Completed in accordance with the CB Public Summary Report Template Version 1.0

*For further information on the SBP Framework and to view the full set of documentation see  
[www.sbp-cert.org](http://www.sbp-cert.org)*

### *Document history*

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# 1 Overview

CB Name and contact: NEPCon OÜ. Filosoofi 31, 51009 Tartu, Estonia

Primary contact for SBP: Ondrej Tarabus, SBP Program Manager

Report completion date: 27/Nov/2017

Report authors: Asko Lust

Certificate Holder: United Loggers OÜ, Saksa k. Raplamaa Eesti 79005

Producer contact for SBP: Raido Maisvee, +372 515 8001, [raido.maisvee@united-loggers.ee](mailto:raido.maisvee@united-loggers.ee)

Certified Supply Base: Estonia

SBP Certificate Code: SBP-01-82

Date of certificate issue: 20/Jun/2017

Date of certificate expiry: 19/Jun/2022

Indicate where the current audit fits within the certification cycle				
Main (Initial) Audit	First Surveillance Audit	Second Surveillance Audit	Third Surveillance Audit	Fourth Surveillance Audit
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Scope change audit.

## 2 Scope of the evaluation and SBP certificate

During the scope change audit Heltermaa and Roomassaare ports were added to the scope. In both places BP stores chips before loading to vessel. The chipping is taken place in forest.

Findings from assessment:

Scope of this evaluation is based on SBP standards 1; 2; 4; and 5. United Loggers OÜ also undertakes a supply base evaluation for primary feedstock originating from Estonia only.

Organization holds valid FSC COC certificate TT-COC-005110/TT-CW-005110, covering FSC transfer system. Transfer system is used in 6 different storage yards, that company is using for storing wood chips and roundwood. Transfer system is used to segregate biomass with different FSC claims in the storage area. FSC certification also includes controlled wood verification system for roundwood originating from Estonia. Transfer system also covers trading of wood chips and roundwood without physical possession directly from the forest to the client.

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 the management plans. Raw material may also originate from land improvement or crop land restoration and renewal sites. Chipping takes usually place in the forest, in case of roundwood, it can also be transported to storage yards in chipped there, if needed.

All feedstock for SBP-Compliant biomass production are FSC certified or controlled by FSC CW verification program, where also Supply Base Evaluation is implemented. Company is implementing SBE for all primary feedstock, that is not received with FSC 100% or FSC Mix Credit Claim and already meet the criteria for SBP-Complaint biomass. Company is not purchasing any SBP non-compliant feedstock, entire feedstock is meeting the requirements of SBP-compliant feedstock.

Wood pellets are sold based on DAP, FOB and CIF incoterms conditions. Sale can be made through Pärnu, Virtsu, Saaremaa, Paldiski, Kunda Sillamäe harbours according to FOB incoterms.

Scope description: Production of wood chips at different locations in Estonia and transport to Parnu, Virtsu, Saaremaa, Paldiski, Kunda Sillamäe harbours. The scope of the certificate includes supply base evaluation for primary feedstock originating from Estonia.

Scope Item	Check all that apply to the Certificate Scope				Change in Scope (N/A for Assessments)	
<b>Approved Standards:</b>	SBP Standard #1 V1.0; SBP Standard #2 V1.0; SBP Standard #4 V1.0; SBP Standard #5 V1.0 <a href="http://www.sustainablebiomasspartnership.org/documents">http://www.sustainablebiomasspartnership.org/documents</a>				<input type="checkbox"/>	
<b>Primary Activity:</b>	Chip producer				<input type="checkbox"/>	
<b>Input Material Categories:</b>	<input checked="" type="checkbox"/> SBP-Compliant Primary Feedstock	<input type="checkbox"/> SBP-Compliant Secondary Feedstock			<input type="checkbox"/>	
	<input checked="" type="checkbox"/> Controlled Feedstock	<input type="checkbox"/> SBP non-Compliant Feedstock				
	<input type="checkbox"/> SBP-Compliant Tertiary biomass	<input type="checkbox"/> Pre-consumer Tertiary Feedstock				
	<input type="checkbox"/> SBP-approved Recycled Claim	<input type="checkbox"/> Post-consumer Tertiary Feedstock				
<b>Chain of custody system implemented:</b>	<input checked="" type="checkbox"/> FSC	<input type="checkbox"/> PEFC	<input type="checkbox"/> SFI	<input type="checkbox"/> GGL	<input type="checkbox"/>	
	<input checked="" type="checkbox"/> Transfer	<input type="checkbox"/> Percentage	<input type="checkbox"/> Credit		<input type="checkbox"/>	
<b>Points of sales</b>	<input type="checkbox"/> Harbour (including own handling of material)	<input checked="" type="checkbox"/> Harbour (e.g. FOB incoterms) legal owner is not responsible for handling of material at the harbour		<input type="checkbox"/> Other point of sale (e.g. gate of the BP, boarder, railway station etc.)	<input type="checkbox"/>	
<b>Provide name of all points of sales</b>		<ul style="list-style-type: none"> <li>- FOB Pärnu</li> <li>- FOB Virtsu</li> <li>- FOB Saaremaa</li> <li>- FOB Paldiski</li> <li>- FOB Kunda</li> <li>- FOB Sillamäe</li> <li>- FOB Heltermaa</li> <li>- FOB Roomassaare</li> </ul>				
<b>Use of SBP claim:</b>	<input checked="" type="checkbox"/> Yes		<input type="checkbox"/> No		<input type="checkbox"/>	

<b>SBE Verification Program:</b>	<input type="checkbox"/> Low risk sources only	<input checked="" type="checkbox"/> Sources with unspecified/ specified risk	<input type="checkbox"/>
	New districts approved for SBP-Compliant inputs: Estonia		
<b>Sub-scopes</b>	Only one sub-scope for SBE: Estonia – material from private forest owners		<input type="checkbox"/>
Specify SBP Product Groups added or removed: -			
Comments: -			



### 3 Specific objective

During the scope change audit Heltermaa and Roomassaare ports were added to the scope. In both places BP stores chips before loading to vessel. The chipping is taken place in forest.

Findings from assessment:

“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. This is main assessment of the SBP system.

The scope of the evaluation covered:

- Review of the BP’s FSC and SBP management procedures
- 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
- Review of Public Consultation of the risk assessment process
- Evaluation of mitigation measures implemented for primary feedstocks from Estonia
- Review of records
- Evaluation of mitigation measures implemented

## 4 SBP Standards utilised

### 4.1 SBP Standards utilised

Feedstock Compliance Standard, SBP Standard 1, Version 1.0, March 2015

Verification of SBP-compliant Feedstock, SBP Standard 2, Version 1.0, March 2015

Chain of Custody, SBP Standard 4, Version 1.0, March 2015

Collection and Communication of Data, SBP Standard 5, Version 1.0, March 2015

Instruction document 5A Collection and Communication of Data version 1.1. October 16

Instruction Document 5B: Energy and GHG Data version 1.1. October 16

Instruction Document 5C: Static Biomass Profiling Data version 1.1. October 16

<http://www.sustainablebiomasspartnership.org/documents>

### 4.2 SBP-endorsed Regional Risk Assessment

SBP-endorsed Regional Risk Assessment for Estonia (Published 22 April 2016)

<http://www.sustainablebiomasspartnership.org/documents/risk-assessments/regional-risk-assessments-for-the-baltic-states/estonia>

## 5 Description of Biomass Producer, Supply Base and Forest Management

### 5.1 Description of Biomass Producer

United Loggers OÜ is a wood chips producer, who also trades round timber. Their main activity is trading in fuel chips and firewood. All material for biomass production originates from Estonia only. They also offer timber-chipping services for other companies. United Loggers was founded in 2003 and is based on local capital.

United Loggers is the owner of the independent subsidiaries United Loggers Latvia and SIA Green Energy also based in Latvia. Latvian companies are not in the scope of this SBP evaluation.

More detailed description is provided in the SBR and in BP's webpage [www.unitedloggers.ee](http://www.unitedloggers.ee)

### 5.2 Description of Biomass Producer's Supply Base

United Loggers OÜ is an Estonian company specialised in the sales and production of wood chips. United Loggers' 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, unlogged 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. Material is originating from Estonia only!

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. Almost half of Estonian mainland - 2.2 million hectares - is covered by forests. Approximately half is state owned and half private owned, little amount is municipal forest (see detail nr in p 5.3). The woodland areas in Estonia are open to public and the principle of the freedom to roam permits everybody to move around in these areas and pick berries and mushrooms. There are conifer forests, broad-leave forests and mixed conifer-broad-leave forests. Adjacent lands are either agricultural lands, water bodies, natural grasslands, covered with households or towns and villages.

The usage of forests and woodlands is regulated by law. The Estonian Forestry Development Plan 20202 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. 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.

During the last decade, the annual felling volume has been between 7-11 million solid cubic meters (scbm). 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.

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. 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<sup>7</sup> in Estonian forests. Estonia signed the 1973 Convention on International Trade in Endangered Species of Wild Flora and Fauna (CITES) in 1992<sup>8</sup> and joined the World Conservation Union IUCN (International Union for Conservation of Nature) in 2007. No tree species under protection by CITES or IUCN grow naturally in Estonia.

United Loggers received FSC certificate in 2014 and, at present, some of the feedstock used 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:

Table 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)	88	23	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)
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)
SBP- compliant Primary Feedstock	12	1	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)
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)
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)

More detailed overview in SBR: <http://www.united-loggers.ee/web/?id=9>

## 5.3 Detailed description of Supply Base

Estonia:

### **Supply Base**

Total Supply Base area (ha): 2,2 million

Tenure by type (ha): state forests 1,09 million; municipal forests 0,042 million; privately owned 0,98 million

Forest by type (ha): 2,2 million temperate zone

Forest by management type (ha): managed natural

Certified forest by scheme (ha): FSC certified 1,1 million; PEFC certified 1,13 million Feedstock

Quantitative and qualitative description of the Supply Base can be found in the Public Summary Report:

In English: <http://www.united-loggers.ee/web/failid/File/PULeng.pdf>

In Estonian: <http://www.united-loggers.ee/web/failid/File/PUL.pdf>

## 5.4 Chain of Custody system

United Loggers OÜ holds valid FSC CoC certificate since 11th of September 2014, certificate code is TT-COC-005110/TT-CW-005110. FSC certificate also covers controlled wood verification program for Estonia. United Loggers OÜ is using FSC transfer system and their product groups for the FSC CoC certification include roundwood (W1.1); fuel wood (W1.2) and Wood chips (W3.1).

## 6 Evaluation process

### 6.1 Timing of evaluation activities

Audit was carried out between 11.01.2017 and 12.01.2017 and it included office and 6 storage sites visit in harbours all over Estonia.

Total of 3 days were used for this evaluation – 0,5 day of preparations, 2 days for on-site auditing and 0,5 day on reporting. Storage yard at Saaremaa was visited by CB before initial assessment (08.10.16). One additional day (07.04.2017) was used for CVA audit and document review to close open non-conformities.

29.08.2017

Activity	Location	Auditor(s)	Time
<i>Opening meeting*</i>	United Loggers OÜ storage site in Heltermaa	ALU	13.00
<i>Interview with SBP responsible person; other responsible staff</i>  <i>Overview of SBP and FSC management systems and procedures, SBP Risk Assessment, implementation of mitigation measures, interviews with responsible personnel.</i> <i>Interviews with responsible staff continue; review of energy and carbon balance calculation and collection; review of SAR and biomass profiling data documents; review of feedstock origin verification and sales process.</i> <i>Visiting storage/chipping yards; interviews during the field visit.</i>	United Loggers OÜ storage site in Heltermaa	ALU	13.15

Closing meeting – day 1	Heltermaa	ALU	16.00
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30.08.2017

Activity	Location	Auditor(s)	Time
Visiting storage yards	Roomassaare	ALU	12.00
Closing meeting	Roomassaare	ALU	13.00

## 6.2 Description of evaluation activities

During the scope change audit Heltermaa and Roomassaare ports were added to the scope. In both places BP stores chips before loading to vessel. The chipping is taken place in forest.

Storage sites were visited onsite. Procedures and SAR documents were reviewed by the auditor. During the audit auditor also interviewed the responsible person. Only the topics related to the new ports were discussed during the audit.

Findings from assessment:

Current evaluation was carried out as an onsite audit in United Loggers OÜ office near Rapla town in Estonia, also ongoing chipping operations and 6 harbours where biomass is stored, were visited during the 2 days. In most of the cases Chipping is done in forest but in case Saaremaa port and Virtsu port some of the chipping may take place in port. During the audit not chipping activities were taking place in ports.

Only three people – general manager and two regional managers are responsible for implementing SBP system in the company, all were present during the first day of the evaluation. First day of the evaluation was conducted by two CB auditors and whenever needed, auditors divided and evaluated separate standard requirements.

Evaluation started with an opening meeting in the office, where auditors described the audit criteria, principles, standards and audit agenda.

Opening meeting was followed by review of BP's Supply Base Report and company's SBP and FSC management systems, including volume summary review, material origin verification processes, supplier FSC certificate verification procedures as well as verification of purchase invoices.

Next, review of implementation of Supply Base Evaluation was evaluated, including review of mitigations measures implemented by the BP, system for monitoring of results for mitigation measures, supplier agreements, declarations and purchase acts.



Review of SAR documents that were prepared by the BP together with standard 5 check-list was evaluated next. This included review of methodology used to collect and calculate energy and carbon data.

This was followed by inspection of sales process – system for compiling sales invoices and using DTS was discussed.

In the afternoon, on-going chipping operation was visited, which was followed by visiting of three harbours – Paldiski, Kunda and Sillamäe. Company did not have any material at the storage areas at the time, but theoretical segregation possibilities were demonstrated.

On the next day, remaining storages – Pärnu and Virtsu were visited. Storage yard at Saaremaa was visited by CB before initial assessment on 08.10.16.

A Correction Verificaiton Audit was conducted via skype on April 7th, 2017; here the BP presented improvements to documentation and management system.

Composition of audit team:

Auditor(s), roles	Qualifications
Asko Lust, Audit team leader. Verification of SBP-compliant feedstock. Chain of Custody	BSc in Forest Industry, MSC in forest management. Asko is working as forest management and chain of custody auditor in NEPCon. He has passed SmartWood lead assessor training course in Forest Management and Chain of Custody certification. Asko has also passed SBP training and has SBP auditing experience. He has conducted over 200 CoC audits/assessments and over 20 FM audits/assessments, earlier work experience from Board of Environment.

## 6.3 Process for consultation with stakeholders

Done during the main assessment, N/A for this scope change audit.

## 7 Results

### 7.1 Main strengths and weaknesses

Main strengths: Entire feedstock used for production meets the criteria for SBP-Compliant feedstock

Weaknesses: See the non-conformities below.

### 7.2 Rigour of Supply Base Evaluation

The Supply Base Evaluation was implemented only for primary feedstock sourced from Estonia. United Loggers OÜ has implemented SBE for primary feedstock that are originating from Estonia and is sold without SBP-approved Forest Management Scheme claim, SBP-approved Forest Management partial claim or SBP-approved Chain-of-Custody (CoC) System claim.

The scope of the SBE was chosen based on the availability of the SBP-endorsed Regional Risk assessments as well as the actual operations of the company are undertaken in Estonia with local primary feedstock only.

The risk assessment used by the organization is the Approved Regional SBP Risk Assessment for Estonia available at the SBP website. One indicator is identified as specified risk in this risk assessment and the organization has implemented mitigation measures (see section 9 of SBR).

### 7.3 Compilation of data on Greenhouse Gas emissions

During the scope change audit Heltermaa and Roomassaare ports were added to the scope. In both places BP stores chips before loading to vessel. The chipping is taken place in forest. The information related to new ports are added to SAR documents.

Findings from assessment:

BP has a system to gather and record Greenhouse Gas emissions. During the assessment, BP made detailed overview of the systems and databases to gather and record GHG data that is required by SBP for wood chip producers. Evidence was provided to auditors during the assessment. The data presented was evaluated by auditors as adequate and accurate.

### 7.4 Competency of involved personnel

There are only 3 persons working in the company, who are responsible for implementation SBP system, including SBE – general manager/board member and two regional managers. Overall responsible person for implementing the systems is general manager. Supply Base Evaluation was carried out by internal staff only, as there is SBP-approved regional risk assessment available for Estonia and only one specified risk indicator defined, which necessarily do not need external experts to be involved to mitigate the risk. It was confirmed during the interviews, that staff involved has long experience in forestry sector and have sufficient competences to undertake SBE.

Competence requirements are also described in the SBP-procedures, where justification of the selection of personnel as well as description of education and experience are included.

## 7.5 Stakeholder feedback

No comments or concerns were received during the Biomass Producer's (BP) stakeholder notification period that was conducted before the main assessment. During the consultation period held by the Certification Body (CB), no feedback was received either.

No SH consultation was done during the scope change audit.

## 7.6 Preconditions

See Major NCR-s below that were the only pre-conditions for issuing certificate. All open major non-conformances were closed before the finalisation of the report. The actions done by BP for closing those NCR are described below in NCR tables.

## 8 Review of Biomass Producer's Risk Assessments

*SBP-endorsed Regional Risk Assessment for Estonia was used by the Biomass Producer. Risk ratings in table 1 are taken from the approved risk assessment, where one indicator has been evaluated as specified risk (indicator 2.1.2)*

Table 1. Final risk ratings of Indicators

Indicator	Risk rating (Low or Specified)	
	Producer	CB
1.1.1	Low	Low
1.1.2	Low	Low
1.1.3	Low	Low
1.2.1	Low	Low
1.3.1	Low	Low
1.4.1	Low	Low
1.5.1	Low	Low
1.6.1	Low	Low
2.1.1	Low	Low
2.1.2	Specified	Specified
2.1.3	Low	Low
2.2.1	Low	Low
2.2.2	Low	Low
2.2.3	Low	Low
2.2.4	Low	Low
2.2.5	Low	Low
2.2.6	Low	Low
2.2.7	Low	Low
2.2.8	Low	Low
2.2.9	Low	Low
2.3.1	Low	Low
2.3.2	Low	Low

Indicator	Risk rating (Low or Specified)	
	Producer	CB
2.3.3	Low	Low
2.4.1	Low	Low
2.4.2	Low	Low
2.4.3	Low	Low
2.5.1	Low	Low
2.5.2	Low	Low
2.6.1	Low	Low
2.7.1	Low	Low
2.7.2	Low	Low
2.7.3	Low	Low
2.7.4	Low	Low
2.7.5	Low	Low
2.8.1	Low	Low
2.9.1	Low	Low
2.9.2	Low	Low
2.10.1	Low	Low

Table 2. Final risk ratings of Indicators as determined after the SVP and any mitigation measures.

Indicator	Risk rating (Low or Specified)	
	Producer	CB
1.1.1	Low	Low
1.1.2	Low	Low
1.1.3	Low	Low
1.2.1	Low	Low
1.3.1	Low	Low
1.4.1	Low	Low
1.5.1	Low	Low
1.6.1	Low	Low
2.1.1	Low	Low
2.1.2	Low	Low
2.1.3	Low	Low
2.2.1	Low	Low
2.2.2	Low	Low
2.2.3	Low	Low
2.2.4	Low	Low
2.2.5	Low	Low
2.2.6	Low	Low
2.2.7	Low	Low
2.2.8	Low	Low
2.2.9	Low	Low
2.3.1	Low	Low
2.3.2	Low	Low

Indicator	Risk rating (Low or Specified)	
	Producer	CB
2.3.3	Low	Low
2.4.1	Low	Low
2.4.2	Low	Low
2.4.3	Low	Low
2.5.1	Low	Low
2.5.2	Low	Low
2.6.1	Low	Low
2.7.1	Low	Low
2.7.2	Low	Low
2.7.3	Low	Low
2.7.4	Low	Low
2.7.5	Low	Low
2.8.1	Low	Low
2.9.1	Low	Low
2.9.2	Low	Low
2.10.1	Low	Low

## 9 Review of Biomass Producer's 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 general manager of United Loggers who is also the overall responsible person for the company's FSC and SBP certification systems.

### Primary feedstock

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<sup>12</sup>) 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 no, 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.

The control procedures carried out by the regional manager of feedstock delivered both with and without a felling permit are described under section 9.2 in SBR. The regional manager shall forward approved feedstock verification and data to the recipient of the feedstock, who then carries out a control of origin on delivery. The recipient shall compare the data on delivery documents to that in the felling permit and other previously databases. No goods are to be accepted in case of irregularities or false data. All instances, where primary feedstock from WKHs been offered will be recorded in a register.

## 10 Non-conformities and observations

NCR: 01/17	NC Classification: minor	
Standard & Requirement:	SBP Standard 4; p 5.4.1	
Report Section:	Appendix C; 4.1	
Description of Non-conformance and Related Evidence:		
<p>BP has not recorded certificate numbers of the potential customers, which they plan to sell biomass to.</p> <p>Since BP was not aware of the requirement, but is planning to sell biomass with SBP claim to SBP-certified clients after successful certification audit and the certification numbers are also recorded in DTS, minor NCR was raised.</p>		
Corrective action request:	<p>Organisation shall implement corrective actions to demonstrate conformance with the requirement(s) referenced above.</p> <p>Note: Effective corrective actions focus on addressing the specific occurrence described in evidence above, as well as the root cause to eliminate and prevent recurrence of the non-conformance.</p>	
Timeline for Conformance:	12 months from the report finalisation date	
Evidence Provided by Organisation:	PENDING	
Findings for Evaluation of Evidence:	PENDING	
NCR Status:	OPEN	
Is the non-conformity likely to impact upon the integrity of the affected SBP-certified products and the credibility of the SBP trademarks?		Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>

NCR: 02/17	NC Classification: minor
Standard & Requirement:	SBP Standard 2, requirement 12.2
Report Section:	Appendix B p 5.3
Description of Non-conformance and Related Evidence:	
<p>BP has not determined or described competence requirements for staff implementing SBE.</p> <p>During the audit it was confirmed that overall responsible is competent enough for these tasks and he has appropriate work experience.</p> <p>Due to a fact that personnel working with SBE was competent, auditors decided to raise a minor NCR.</p>	
Corrective action request:	Organisation shall implement corrective actions to demonstrate conformance with the requirement(s) referenced above.

	Note: Effective corrective actions focus on addressing the specific occurrence described in evidence above, as well as the root cause to eliminate and prevent recurrence of the non-conformance.	
<b>Timeline for Conformance:</b>	12 months from the report finalisation date	
<b>Evidence Provided by Organisation:</b>	<b>Before finalisation of the audit report:</b> Interviews, updated SBP procedures	
<b>Findings for Evaluation of Evidence:</b>	<b>Before finalisation of the audit report:</b> Company sent updated SBP procedures, where it has been described in more detail, which competence requirements were set to staff implementing SBE. This included description of education, experience, knowledge of social and economic values and other. See Exhibit 1.	
<b>NCR Status:</b>	<b>CLOSED</b>	
Is the non-conformity likely to impact upon the integrity of the affected SBP-certified products and the credibility of the SBP trademarks?		Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>

NCR: 03/17	NC Classification: minor
Standard & Requirement:	SBP Standard 2, requirement 12.3; 12.4
Report Section:	Appendix B p 5.2; 5.3
Description of Non-conformance and Related Evidence:	
BP has not established and described a process for selecting and appointing an evaluation team with the required competences.  Auditors decided to raise a minor NCR.	
Corrective action request:	Organisation shall implement corrective actions to demonstrate conformance with the requirement(s) referenced above.  Note: Effective corrective actions focus on addressing the specific occurrence described in evidence above, as well as the root cause to eliminate and prevent recurrence of the non-conformance.
Timeline for Conformance:	12 months from the report finalisation date
Evidence Provided by Organisation:	Before finalisation of the audit report: Interviews, updated SBP procedures



<b>Findings for Evaluation of Evidence:</b>	<b>Before finalisation of the audit report:</b> Company sent updated SBP procedures, where it has been described in more detail, which competence requirements were set to staff implementing SBE and how responsible staff was selected. This included description of education, experience, knowledge of social and economic values and other. See Exhibit 1.	
<b>NCR Status:</b>	<b>CLOSED</b>	
Is the non-conformity likely to impact upon the integrity of the affected SBP-certified products and the credibility of the SBP trademarks?		Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>

MAJOR NCR: 04/17	NC Classification: MAJOR
Standard & Requirement:	SBP Standard 2, requirement 19.1
Report Section:	Appendix B p 12.1
Description of Non-conformance and Related Evidence:	
<p>The Supply Base Report (SBR) of the BP is made by regional manager and board member/manager of the company. It includes links to sources of information and means of verification.</p> <p>BP has partly implemented measures to support the credibility of the SBR, by implementing SBP-endorsed Regional Risk Assessment for Estonia and making draft SBR version available for public consultation during stakeholder consultation period before implementing SBE. No comments were received from stakeholders.</p> <p>Since BP has not fully implemented measures to support robust and credible SBR, auditors decided to raise major NCR.</p>	
Corrective action request:	<p>Organisation shall implement corrective actions to demonstrate conformance with the requirement(s) referenced above.</p> <p>Note: Effective corrective actions focus on addressing the specific occurrence described in evidence above, as well as the root cause to eliminate and prevent recurrence of the non-conformance.</p>
Timeline for Conformance:	Before issuing certificate.
Evidence Provided by Organisation:	Before finalisation of the report: SBR peer review documentation, interviews
Findings for Evaluation of Evidence:	Before finalisation of the report: Company sent documentation proof, that the SBR is peer reviewed. This also included description and qualification of the peer reviewer. Peer review report included some relevant notes and comments about the

	contents of the supply base report. Peer reviewer was considered competent and peer review report adequate to close the NCR.
<b>NCR Status:</b>	<b>CLOSED</b>
Is the non-conformity likely to impact upon the integrity of the affected SBP-certified products and the credibility of the SBP trademarks?	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>

<b>MAJOR NCR: 05/17</b>	<b>NC Classification: MAJOR</b>
<b>Standard &amp; Requirement:</b>	SBP Standard 2, requirement 2C 4.1
<b>Report Section:</b>	Appendix B p 2.8
<b>Description of Non-conformance and Related Evidence:</b>	
<p>BP has compiled Supply Base Report (SBR) using the latest available template at the time of the assessment.</p> <p>During the assessment, it was noted that SBR was not fully concise, with several aspects not fully covered – tree species unconcise, risk mitigation measures not fully aligned with practical activities; input feedstock classification and quantities not precise and equivalent with results from volume summary from the same reporting period, stakeholder list in SBR not equivalent to stakeholder list included in actual stakeholder notifications.</p> <p>Auditors decided to raise a MAJOR NCR.</p>	
<b>Corrective action request:</b>	<p>Organisation shall implement corrective actions to demonstrate conformance with the requirement(s) referenced above.</p> <p>Note: Effective corrective actions focus on addressing the specific occurrence described in evidence above, as well as the root cause to eliminate and prevent recurrence of the non-conformance.</p>
<b>Timeline for Conformance:</b>	Before issuing certificate.
<b>Evidence Provided by Organisation:</b>	<b>Before finalization of the report:</b> Updated SBR, volume summary, interviews, stakeholder list and emails
<b>Findings for Evaluation of Evidence:</b>	<b>Before finalization of the report:</b> Company sent updated supply base report, which had amendments with tree species list, risk mitigation actions description, input feedstock graphs equivalent with volume summary, stakeholder list modified and corresponding to actual list of stakeholders invited to comment. All amendments made to SBR were reviewed and considered sufficient to close the NCR.
<b>NCR Status:</b>	<b>CLOSED</b>

Is the non-conformity likely to impact upon the integrity of the affected SBP-certified products and the credibility of the SBP trademarks?

Yes ☒

No ☐

<b>MAJOR NCR: 06/17</b>	<b>NC Classification: MAJOR</b>
<b>Standard &amp; Requirement:</b>	SBP Standard 2, requirement 16.1
<b>Report Section:</b>	Appendix B, 9.1
<b>Description of Non-conformance and Related Evidence:</b>	
<p>BP has described risk mitigation measures in the SBR. As a part of the mitigation measure, it is described, that all suppliers shall sign the supplier declaration and material is not accepted before the declaration is signed. This procedure was discussed during the audit, it was noted that BP does not actually plan to enforce signing supplier declarations, but will request all suppliers to sign handover act, which includes clause, that WKH materials are not accepted. There is also a link to supplier declaration.</p> <p>As mitigation measures described in the SBR and procedures are not precisely described, MAJOR NCR was raised.</p>	
<b>Corrective action request:</b>	<p>Organisation shall implement corrective actions to demonstrate conformance with the requirement(s) referenced above.</p> <p>Note: Effective corrective actions focus on addressing the specific occurrence described in evidence above, as well as the root cause to eliminate and prevent recurrence of the non-conformance.</p>
<b>Timeline for Conformance:</b>	Before issuing certificate.
<b>Evidence Provided by Organisation:</b>	<b>Before finalisation of the report:</b> Updated SBR and SBP procedures, handover act template.
<b>Findings for Evaluation of Evidence:</b>	<p><b>Before finalisation of the report:</b> Company sent updated supply base report, which included up-to-date detailed description of the mitigation measures implemented. According to the mitigation measures, it is required for all suppliers to sign handover act, which includes clause that WKH materials are not accepted by the company. In addition, company is also implementing 100% WKH inspection on all purchase material from a public database, to verify that material is not sourced from WKH area.</p> <p>Description of the mitigation measures in the SBR is now up-to-date and same practice is implemented daily. The template of handover act was also sent to CB.</p>
<b>NCR Status:</b>	<b>CLOSED</b>
Is the non-conformity likely to impact upon the integrity of the affected SBP-certified products and the credibility of the SBP trademarks?	
<div>Yes <input checked="" type="checkbox"/></div> <div>No <input type="checkbox"/></div>	

<b>MAJOR NCR: 07/17</b>	<b>NC Classification: MAJOR</b>	
<b>Standard &amp; Requirement:</b>	SBP Standard 5B, requirement 3.1.1	
<b>Report Section:</b>	Appendix D p 6.1	
<b>Description of Non-conformance and Related Evidence:</b>		
<p>SAR was sent to CB before assessment. Latest template was used. During the audit, it turned out that SAR was missing some of the required information: reporting period, registration codes, activities undertaken in the office, maps, incoterms, SDI-s.</p> <p>Auditors decided to raise a major NCR.</p>		
<b>Corrective action request:</b>	<p>Organisation shall implement corrective actions to demonstrate conformance with the requirement(s) referenced above.</p> <p>Note: Effective corrective actions focus on addressing the specific occurrence described in evidence above, as well as the root cause to eliminate and prevent recurrence of the non-conformance.</p>	
<b>Timeline for Conformance:</b>	Before issuing certificate.	
<b>Evidence Provided by Organisation:</b>	<b>Before finalisation of the audit report:</b> New SAR documents; interviews, updated SBP-procedures	
<b>Findings for Evaluation of Evidence:</b>	<b>Before finalisation of the audit report:</b> Company sent updated SAR documents, which included all missing information. Since BP is producing only wood chips, most fields in the SAR document is left blank, only country of origin of feedstock and for both incoming feedstock and outgoing biomass, the means of transportation and the average and maximum haulage distances are recorded.	
<b>NCR Status:</b>	<b>CLOSED</b>	
Is the non-conformity likely to impact upon the integrity of the affected SBP-certified products and the credibility of the SBP trademarks?		Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>

<b>MAJOR NCR: 08/17</b>	<b>NC Classification: MAJOR</b>
<b>Standard &amp; Requirement:</b>	SBP Standard 2, requirement 15.3
<b>Report Section:</b>	Appendix B, 3.3
<b>Description of Non-conformance and Related Evidence:</b>	
<p>BP has compiled SBP procedures, which cover most SBP requirements and procedures, however it is missing some essential points as sales process, Dynamic Batch Sustainability Data, trademark use, staff responsibilities.</p> <p>Since these aspects are essential for the SBP system to work, MAJOR NCR was issued.</p>	
<b>Corrective action request:</b>	<p>Organisation shall implement corrective actions to demonstrate conformance with the requirement(s) referenced above.</p> <p>Note: Effective corrective actions focus on addressing the specific occurrence described in evidence above, as well as the root cause to eliminate and prevent recurrence of the non-conformance.</p>
<b>Timeline for Conformance:</b>	Before issuing certificate.
<b>Evidence Provided by Organisation:</b>	<b>Before finalisation of the audit report:</b> Interviews, updated SBP procedures
<b>Findings for Evaluation of Evidence:</b>	<p><b>Before finalisation of the audit report:</b> Company sent updated SBP procedures. All missing information has been added to the procedures, including description of the sales process, trademark use, staff qualifications and responsibilities, Dynamic Batch Sustainability Data etc.</p> <p>See Exhibit 1.</p>
<b>NCR Status:</b>	<b>CLOSED</b>
Is the non-conformity likely to impact upon the integrity of the affected SBP-certified products and the credibility of the SBP trademarks?	<p>Yes <input checked="" type="checkbox"/></p> <p>No <input type="checkbox"/></p>

<b>MAJOR NCR: 09/17</b>	<b>NC Classification: MAJOR</b>
<b>Standard &amp; Requirement:</b>	SBP Instruction Document 5A, requirement 2.2.1; 2.2.4; 2.2.5; 2.2.6 SBP Instruction Document 5B; requirement 2.2.1
<b>Report Section:</b>	Appendix D p 2.1; 2.4; 2.5; 2.6; 2.7
<b>Description of Non-conformance and Related Evidence:</b>	
The BP has not defined a Static Data Identifiers (SDIs) as specified in Instruction Document 5A and the relevant Energy and GHG Data is not clearly associated with any SDI.	
<b>Corrective action request:</b>	Organisation shall implement corrective actions to demonstrate conformance with the requirement(s) referenced above.  Note: Effective corrective actions focus on addressing the specific occurrence described in evidence above, as well as the root cause to eliminate and prevent recurrence of the non-conformance.
<b>Timeline for Conformance:</b>	Before issuing certificate.
<b>Evidence Provided by Organisation:</b>	<b>Before finalisation of the audit report:</b> Updated SBP-procedures; SAR documents, interviews
<b>Findings for Evaluation of Evidence:</b>	<b>Before finalisation of the audit report:</b> BP sent updated SBP-procedures with links to Static Data Identifiers (SDI-s). Also updated SAR documents for each harbour were sent SAR documents include clear link to SDI as follows: Sillamäe – SBP-01-YY-01 Kunda – SBP-01-YY-02 Paldisiki – SBP-01-YY-03 Saaremaa – SBP-01-YY-04 Virtsu - SBP-01-YY-05 Pärnu – SBP-01-YY-06
<b>NCR Status:</b>	<b>CLOSED</b>
Is the non-conformity likely to impact upon the integrity of the affected SBP-certified products and the credibility of the SBP trademarks?	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>

<b>MAJOR NCR: 10/17</b>	<b>NC Classification: MAJOR</b>
<b>Standard &amp; Requirement:</b>	SBP Standard 5C, requirement 3.1.1
<b>Report Section:</b>	Appendix D p 12.1
<b>Description of Non-conformance and Related Evidence:</b>	
<p>BP has not recorded data required in SBP Instruction Document 5C in the SBP Static Biomass Profiling Data sheet.</p> <p>Major NCR was raised.</p>	
<b>Corrective action request:</b>	<p>Organisation shall implement corrective actions to demonstrate conformance with the requirement(s) referenced above.</p> <p>Note: Effective corrective actions focus on addressing the specific occurrence described in evidence above, as well as the root cause to eliminate and prevent recurrence of the non-conformance.</p>
<b>Timeline for Conformance:</b>	Before issuing certificate.
<b>Evidence Provided by Organisation:</b>	<b>Before finalisation of the audit report:</b> SBP Static Biomass Profiling Data sheet.
<b>Findings for Evaluation of Evidence:</b>	<b>Before finalisation of the audit report:</b> BP has sent SBP Static Biomass Profiling Data sheet to CB. SBP Static Biomass Profiling Data sheet included required information.
<b>NCR Status:</b>	<b>CLOSED</b>
Is the non-conformity likely to impact upon the integrity of the affected SBP-certified products and the credibility of the SBP trademarks?	<p>Yes <input checked="" type="checkbox"/></p> <p>No <input type="checkbox"/></p>



## 11 Certification decision

Based on Organisation's conformance with <b>SBP requirements</b> , the auditor makes the following recommendation:	
<input checked="" type="checkbox"/>	Certification approved: Upon acceptance of NCR(s) issued above
<input type="checkbox"/>	Certification not approved:
Based on auditor's recommendation and NEPCon quality review following certification decision is taken:	
NEPCon certification decision: The Biomass producer has been certified by NEPCon as meeting the requirements of the specified SBP Standard, the certificate scope can be extended for Heltermaa and Roomassaare ports. The expiration of the certificate is 19/Jun/2022; five years from issue.	
Certification decision by: Ondrej Tarabus	
Date of decision: 27/11/2017	

## 12 Surveillance updates

### 12.1 Evaluation details

N/A

### 12.2 Significant changes

N/A

### 12.3 Follow-up on outstanding non-conformities

N/A

### 12.4 New non-conformities

N/A

### 12.5 Stakeholder feedback

N/A

### 12.6 Conditions for continuing certification

N/A

### 12.7 Certification recommendation

N/A