

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

Second Surveillance Audit

www.sbp-cert.org



Completed in accordance with the CB Public Summary Report Template Version 1.4

*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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Table of Contents

1	Overview
2	Scope of the evaluation and SBP certificate
3	Specific objective
4	SBP Standards utilised
4.1	SBP Standards utilised
4.2	SBP-endorsed Regional Risk Assessment
5	Description of Company, Supply Base and Forest Management
5.1	Description of Company
5.2	Description of Company's Supply Base
5.3	Detailed description of Supply Base
5.4	Chain of Custody system
6	Evaluation process
6.1	Timing of evaluation activities
6.2	Description of evaluation activities
6.3	Process for consultation with stakeholders
7	Results
7.1	Main strengths and weaknesses
7.2	Rigour of Supply Base Evaluation
7.3	Collection and Communication of Data
7.4	Competency of involved personnel
7.5	Stakeholder feedback
7.6	Preconditions
8	Review of Company's Risk Assessments
9	Review of Company's mitigation measures
10	Non-conformities and observations
11	Certification decision

1 Overview

CB Name and contact:	NEPCon OÜ, Filosoofi 31, 50108 Tartu, Estonia
Primary contact for SBP:	Ondrej Tarabus ot@nepcon.org, +420 606 730 382
Current report completion date:	12/Apr/2019
Report authors: :	Toomas Tammeleht, Szymon Jenek
Name of the Company:	United Loggers OÜ, Saksa k. Raplamaa Eesti 79005
Company contact for SBP:	Raido Maisvee, +372 515 8001, raido.maisvee@united-loggers.ee
Certified Supply Base:	Estonia, Poland, Latvia
SBP Certificate Code:	SBP-01-82
Date of certificate issue:	20/Jun/2017
Date of certificate expiry:	19/Jun/2022

This report relates to the 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)	
Approved Standards:	<i>SBP Standard #1 V1.0; SBP Standard #2 V1.0; SBP Standard #4 V1.0; SBP Standard #5 V1.0</i> https://sbp-cert.org/documents			<input type="checkbox"/>	
Primary Activity:	Chip producer			<input type="checkbox"/>	
Input Material Categories:	<input checked="" type="checkbox"/> SBP-Compliant Primary Feedstock		<input type="checkbox"/> SBP-Compliant Secondary Feedstock	<input checked="" 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			
Chain of custody system implemented:	<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"/>
Points of sales	<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 checked="" type="checkbox"/>

Provide name of all points of sales		<ul style="list-style-type: none"> - FOB Pärnu - FOB Virtsu - FOB Saaremaa - FOB Paldiski - FOB Kunda - FOB Sillamäe - FOB Heltermaa - FOB Roomassaare - <u>FOB Gdansk</u> - <u>FOB Darlowo</u> - <u>FOB Ventspils</u> 		
Use of SBP claim:	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No		<input type="checkbox"/>
SBE Verification Program:	<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: -			
Sub-scopes	Only one sub-scope for SBE: Estonia – material from private forest owners. FSC certified material comes from FSC certified state forests. Poland – material from FSC certified state forests Latvia – FSC Controlled Wood material only			<input checked="" type="checkbox"/>
Specify SBP Product Groups added or removed: -				
Comments: Latvia (Ventspils port) added to scope				

Production of wood chips at different locations in Estonia, Latvia and Poland and further transport to Pärnu, Virtsu, Saaremaa, Paldiski, Kunda, Sillamäe, Roomassaare, Heltermaa, Ventspils, Gdansk and Darlowo harbours. Some of the shipping is also done in Saaremaa and Virtsu port. The scope of the certificate includes supply base evaluation for primary feedstock originating from Estonia only. In Latvia Ventspils the woodchips bought with FSC Controlled Wood claim are already loaded to ship.

3 Specific objective

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

Please select all SBP Standards used during this evaluation. All Standards can be accessed and downloaded from <https://sbp-cert.org/documents/standards-documents/standards>

- SBP Framework Standard 1: Feedstock Compliance Standard (Version 1.0, 26 March 2015)
- SBP Framework Standard 2: Verification of SBP-compliant Feedstock (Version 1.0, 26 March 2015)
- SBP Framework Standard 4: Chain of Custody (Version 1.0, 26 March 2015)
- SBP Framework Standard 5: Collection and Communication of Data (Version 1.0, 26 March 2015)

4.2 SBP-endorsed Regional Risk Assessment

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

<https://sbp-cert.org/documents/risk-assessments/estonia>

5 Description of Company, Supply Base and Forest Management

5.1 Description of Company

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

Organization holds valid FSC COC certificate TT-COC-005110/TT-CW-005110, covering FSC transfer system. Transfer system is used in 10 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, 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 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 and 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 from Estonia, that is not received with FSC 100% or FSC Mix Credit Claim (in Poland all material is received with FSC claim) and already meet the criteria for SBP-Compliant biomass. Company is not purchasing any SBP non-compliant feedstock, entire feedstock is meeting the requirements of SBP-compliant feedstock.

Wood chips are sold based on FOB incoterm conditions. Sale can be made through Pärnu, Virtsu, Saaremaa, Paldiski, Kunda, Sillamäe, Roomassaare, Heltermaa, Ventspils, Gdansk and Darlowo harbours according to FOB incoterms

More detailed description is provided in the SBR and in BP's webpage www.united-loggers.ee

5.2 Description of Company'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, 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. Material is originating from Estonia, Latvia and Poland.

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 2020 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 in Estonian forests. Estonia signed the 1973 Convention on International Trade in Endangered Species of Wild Flora and Fauna (CITES) in 19928 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.

UL OÜ also sources from EU Member State Poland. There the material is sourced from the Polish state forest, from a region struck by a storm in August 2017.

In Latvia they source wood chips collected and loaded at the Port of Ventspils. The chips have been sourced from within 70 km of Ventspils. 50% of the raw material used for the wood chips comes from non-forest areas (arable land, sides of the roads) and 50% from forests. It is mostly residuals - cuttings and waste wood - that are sourced from forests. All timber purchased in Latvia carries an FCS CW certificate.

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:

Tabel 1. Overview of Feedstock profile (01.09.2017-31.08.2018)

Feedstock product groups	Estimated proportion, %	Indicative nr of suppliers	Species mix
Controlled Feedstock (primary)	5	2	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)	35	3	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	60	6	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. Information in Table 1 is inaccurate. See Major NCR 01/19.

5.3 Detailed description of Supply Base

Supply Base

- a. Supply base volume (ha): Estonia 2.2 million, Poland 9.1 million, Latvia 3,1 million

- b. Ownership (ha): Estonia – state forest 1.09 million, municipal 4.2 thousand, in private ownership 0.98 million. Poland – state forest 7 million, municipal or in church ownership 0.5 million, in private ownership 1.6 million. Latvia – state forest 1,7 million, private 1,6 million
- c. Type of forest (ha): boreal 14.4 million
- d. Type of management (ha): 14.4 million natural forest
- e. Certified forests (ha): FSC certified 9,1 million, PEFC certified 9,8 million

Quantitative and qualitative description of the Supply Base can be found in the Public Summary Report:
In English: <http://www.united-loggers.ee/web/?id=9>In Estonian: <http://www.united-loggers.ee/web/>

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 on 5.12.2018, 22.01.2019, 23.01.2019 and 19.02.2019. Audit included interviews in central office, 2 storage yard visits in Estonia (Heltermaa 5.12.2018 and Sillamäe 22.01.2019), 1 storage yard visit in Poland (Gdansk 19.02.2019).

Total of 5 days were used for this evaluation – 1 day of preparations, 3 days for on-site auditing and 1 day on reporting.

Activity	Location	Auditor(s)	Time
Opening meeting* (on the phone) and visit to Heltermaa port	Heltermaa port	Toomas Tammeleht	5.12.2018 17:30-18:00
Opening meeting*	United Loggers OÜ Office	Toomas Tammeleht	24.01.2019 10.00-10.15
Interview with SBP responsible person; other responsible staff <i>Overview of procedures, SBP Risk Assessment, implementaiton of mitigation measures, interviews with responsible personnell.</i>	United Loggers OÜ Office	Toomas Tammeleht	10.15-13.00
Lunch break			13:00-14.00
Interviews with SBP responsible person; other responsible staff <i>Overview of procedures, SBP Risk Assessment, implementaiton of mitigation measures, interviews with responsible personnell.</i>	United Loggers OÜ Office	Toomas Tammeleht	14.00-16:00

Closing meeting		Toomas Tammeleht	25.01.2019 16.00-16:15
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Activity	Location	Auditor(s)	Time
Visiting storage yards	Sillamäe port	Toomas Tammeleht	25.01.2019 16:30-17:00
Visiting storage yards	Darlowo port (open date and time)	Szymon Jenek	19.02.2019

6.2 Description of evaluation activities

Current evaluation was carried out as an onsite audit in United Loggers OÜ office in Rätsepa farm, Saksa Village, Raplamaa, Estonia, 3 storage yards were visited during the on-site audit. Also a woodchipper operator was interviewed over the phone. 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 no chipping activities were taking place in ports.

Only four people – general manager, bookkeeper and two regional managers are responsible for implementing SBP system in the company. One regional manager was also present during the day of the evaluation. Also the bookkeeper was present. The evaluation was conducted by auditor in Estonia and one in Poland.

Evaluation started with an opening meeting over the phone in Heltermaa port, where auditor described the audit criteria, principles, standards and audit agenda. After that the auditor visited the port. The company did not have any material present at that moment.

Sillamäe port was visited on 22.01.2019.

Office audit started with an opening meeting in the office, where auditor 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, a woodchipper operator was interviewed over the phone.

19.02.2019 auditor visited storage yards in Gdansk port in Poland.

BP has 8 permanent storage sites in Estonia and 2 in Poland. Two of them in Estonia and one in Poland were visited during the audit. For sampling of permanent storages following formula was used $0,6 \cdot \sqrt{Q}$ (quantity of storages). No storage sites in Latvia

Composition of audit team:

Name	Qualification	Role/focus in evaluation
Toomas Tammeleht [TTA]	BSc in forestry and MSc in industrial ecology. Toomas has been working in NEPCon as an auditor since 2016. He has passed NEPCons forest management and chain of custody leadauditors training. He has previously worked for Environmental Inspectorate	Audit team leader. Verification of SBP-compliant feedstock, Chain of Custody, SBP-compliant feedstock.
Szymon Jenek [SJ]	Szymon joined NEPCon in 2013. His primary area of responsibility is planning and conducting FSC and PEFC Chain of Custody audits in Poland. Szymon is a contact person for CFM clients from Poland and foreign countries. He has an educational background in Administration. He has also passed NEPCon's FSC, PEFC and FM lead auditor training courses.	Audit team member.

6.3 Process for consultation with stakeholders

According to standard 2 p13 stakeholder consultation is not required for annual audits. Stakeholder consultation was conducted prior first assessment.

SBR is publicly available on company`s web page but no stakeholders have sent company any comments regarding to that.

7 Results

7.1 Main strengths and weaknesses

Main strengths: Entire feedstock used for production meets the criteria for SBP-Compliant or SBP-controlled 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 is 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 Collection and Communication of Data

BP has a system to gather and record Greenhouse Gas emissions. During the audit, BP made detailed overview of the systems and databases to gather and record GHG data that is required by SBP for wood chip producers. All the GHG information is indicated in SAR document. All evidence was provided to auditors, auditors considered it sufficient enough to fulfil the requirements.

7.4 Competency of involved personnel

There are 4 persons working in the company, who are responsible for implementation SBP system, including SBE – general manager/board member and two regional managers and the bookkeeper. 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 and CB-s stakeholder notification period that was conducted before assessment.

7.6 Preconditions

See NCR-s below that were the only pre-conditions for maintaining the certificate.

There were identified 4 MAJOR NCRs and 2 minor NCRs. One major NCR was related to missing information in SAR, one was related to missing information in the SBR, one was related to not having up-to-date SBR publicly available and one was related to using a wrong SDI for selling SBP-controlled biomass. One minor NCR was related to missing static biomass profiling data sheet and one minor NCR was related to using different claims on invoice and waybill.

8 Review of Company’s Risk Assessments

Describe how the Certification Body assessed risk for the Indicators. Summarise the CB’s final risk ratings in Table 1, together with the Company’s final risk ratings. Default for each indicator is ‘Low’, click on the rating to change. Note: this summary should show the risk ratings before AND after the SVP has been performed and after any mitigation measures have been implemented.

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 as determined BEFORE the SVP and any mitigation measures.

Indicator	Risk rating (Low or Specified)		Indicator	Risk rating (Low or Specified)	
	Producer	CB		Producer	CB
1.1.1	Low	Low	2.3.3	Low	Low
1.1.2	Low	Low	2.4.1	Low	Low
1.1.3	Low	Low	2.4.2	Low	Low
1.2.1	Low	Low	2.4.3	Low	Low
1.3.1	Low	Low	2.5.1	Low	Low
1.4.1	Low	Low	2.5.2	Low	Low
1.5.1	Low	Low	2.6.1	Low	Low
1.6.1	Low	Low	2.7.1	Low	Low
2.1.1	Low	Low	2.7.2	Low	Low
2.1.2	Specified	Specified	2.7.3	Low	Low
2.1.3	Low	Low	2.7.4	Low	Low
2.2.1	Low	Low	2.7.5	Low	Low
2.2.2	Low	Low	2.8.1	Low	Low
2.2.3	Low	Low	2.9.1	Low	Low
2.2.4	Low	Low	2.9.2	Low	Low
2.2.5	Low	Low	2.10.1	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
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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 Company'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 OÜ 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 authorities¹² that covers forest and non-forest lands) 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 (catastre number available)?
 - 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 (information about WKH is controlled according to catastre unit from public forest registry): 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 (information about WKH is controlled according to catastre unit from public forest registry)?
 - 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, were primary feedstock from WKHs been offered will be recorded in a register.

10 Non-conformities and observations

Identify all non-conformities and observations raised/closed during the evaluation (a tabular format below may be used here). Please use as many copies of the table as needed. For each, give details to include at least the following:

- applicable requirement(s)
- grading of the non-conformity (major or minor) or observation with supporting rationale
- timeframe for resolution of the non-conformity
- a statement as to whether the non-conformity is likely to impact upon the integrity of the affected SBP-certified products and the credibility of the SBP trademarks.

Minor NCR: 01/19	NC Classification: Major
Standard & Requirement:	SBP Standard 2c; p 5.1
Report Section:	Appendix B, p 2.9, 2.10
Description of Non-conformance and Related Evidence:	
<p>BP has procedures in place for reviewing and updating SBR at least annually. However, BP had not updated the whole SBR document by the time of the audit: wrong current evaluation box was checked, the reporting period was old, table 1 included different data in English and Estonian versions, the English version was missing, Peer review description, significant changes in the supply base did not include Latvia and actual figures for feedstock were different in English and Estonian versions. Since there was a Major NCR raised during the last audit, auditor decided to rise a Major non-conformity with a one month deadline.</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:	1 months from finalizing the report
Evidence Provided by Organisation:	Pending

Findings for Evaluation of Evidence:	Pending
NCR Status:	OPEN

Minor NCR: 02/19	NC Classification: Major
Standard & Requirement:	SBP Standard 5b; p 3.1.1
Report Section:	Appendix D, p 6.1
Description of Non-conformance and Related Evidence:	
<p>The organization sent 11 different SARs, one for each port. However SBP requires to have one SAR covering all ports in scope. Therefore, the SAR was not complete. During the audit, it turned out that SARs were missing some of the required information and some information was wrong: reporting period, feedstock ID, material physical form, mass ratio for reporting period, moisture content explanation, SDI numbers. Since there was a Major NCR raised during the last audit, auditor decided to rise a Major non-conformity with a one-month deadline NCR 02/19.</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:	1 months from finalizing the report
Evidence Provided by Organisation:	Pending
Findings for Evaluation of Evidence:	Pending
NCR Status:	OPEN

NCR number 03/19	NCR Grading: Minor
Standard & Requirement:	SBP Standard 5c; p 3.1.1 (Appendix D, p 12.1)
Description of Non-conformance and Related Evidence:	

<p>The company did not have the static biomass profiling data sheet to present during the audit. Company had an old version to present during the audit. Company is aware of the requirement and said they will send the correct version soon.</p>	
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:	Before finalizing the report: static biomass profiling data sheet, interview with responsible person
Findings for Evaluation of Evidence:	Before finalizing the report: The organisation sent the static biomass profiling data sheet to the auditor. The data sheet included all the necessary data and the responsible person is aware of the requirement.
NC Status:	Closed

NCR number 04/19	NCR Grading: Minor
Standard & Requirement:	SBP Standard 4: p 5.5.3 (Appendix C, 4.5)
Description of Non-conformance and Related Evidence:	
<p>During the audit sales and delivery documentation was reviewed. It turned out that in some cases the invoice carried SBP claim and the delivery document carried FSC Controlled Wood claim. Since there were only few such cases the auditor decided to rise a minor non-conformity Minor NCR 04/19.</p>	
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:	Pending
Findings for Evaluation of Evidence:	Pending
NC Status:	Open

NC number 05/19	NC Grading: Major
Standard & Requirement:	SBP Standard 5a, 2.2.1 (Appendix D, p 2.1)
Description of Non-conformance and Related Evidence:	

<p>Before the audit the organisation notified the auditor that they want to add Latvian Ventspils port to their scope. Latvia was added to SBR. During the audit it turned out that the organisation had already sold SBP-controlled biomass from Ventspils port with the SDI number of Darlowo port (Poland). Latvia was not added to their certificate scope at that time. Organisation admitted the mistake. Auditor decided to rise a Major non-conformity NCR 05/19.</p>	
Timeline for Conformance:	3 months from the report finalisation
Evidence Provided by Company to close NC:	Pending
Findings for Evaluation of Evidence:	Pending
NC Status:	Open

NC number 06/19	NC Grading: Minor
Standard & Requirement:	SBP Standard 2; p 16.3
Description of Non-conformance and Related Evidence:	
<p>During the report review it was found that the organisation has not implemented monitoring of effectiveness of the mitigation measures and has not protocolled the results. It was also confirmed during the audit interviews. The legislation about registering woodland key habitats has changed the company has not included the issue in their monitoring protocol. However the organisation conducts regular controls of sourcing cites and is aware of the legislation, the auditor decided to rise a minor non-conformity NCR 06/19. The non-conformance was raised under this point and the other one closed because the root cause for non-conformities was different. NCR 06/19 is focused on monitoring of mitigation measures.</p>	
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:	Pending
Findings for Evaluation of Evidence:	Pending
NC Status:	Open

Minor NCR: 03/18	NC Classification: Major
Standard & Requirement:	SBP Standard 2; p 7.1

Report Section:	Appendix B, p 2.1	
Description of Non-conformance and Related Evidence:		
<p>Audit 2018: BP has prepared a Supply Base Report, sent it to Certification Body. However the SBR for the audit period is not publicly available on their web page http://www.united-loggers.ee/. Also see Exh 2. Auditors raised a Minor NCR 03/18.</p> <p>Audit 2019: Since the company has not uploaded the latest SBR to their website and a minor NCR was raised during the last audit, auditor raised the non-conformity to Major NCR 03/18.</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:	3 months from finalizing the report (3.07.2019)	
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"/>

Minor NCR: 04/18	NC Classification: Minor
Standard & Requirement:	SBP Standard 2; p 16.3
Report Section:	Appendix B, p 9.3
Description of Non-conformance and Related Evidence:	
<p>In the SBR it is generally described the mitigation measures are implemented in the case of WKH. However, it is not clearly described how the risks are mitigated and monitored when there is no felling permit issued. Therefore, it can't be said that the mitigation measures have been implemented effectively. Since the system for checking WKH is simple and the company visits all the sites (if WKH</p>	

<p>was untouched, they accept material and if WKH was cut they don't accept it (there were no such cases)), the auditor decided to rise a Minor NCR.</p>	
<p>Corrective action request:</p>	<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>
<p>Timeline for Conformance:</p>	<p>By the next annual audit, but not later than 12 months from the report finalisation date</p>
<p>Evidence Provided by Organisation:</p>	<p>SBR, SBP procedures, interviews with responsible people</p>
<p>Findings for Evaluation of Evidence:</p>	<p>SBR and procedures describe that in case of smaller scale loggings, not requiring a felling permit and when a WKH is concerned, an on-site audit must be carried out, to verify the situation in and integrity of the WKH. First check is done from online forestry database. There was no material from WKH accepted during the audit period. Confirmed by randomly checking the origin and during interviews.</p>
<p>NCR Status:</p>	<p>CLOSED</p>
<p>Is the non-conformity likely to impact upon the integrity of the affected SBP-certified products and the credibility of the SBP trademarks?</p>	<p>Yes <input type="checkbox"/></p> <p>No <input checked="" type="checkbox"/></p>

11 Certification decision

Based on the auditor’s recommendation and the Certification Body’s quality review, the following certification decision is taken:	
Certification decision:	Certification approved
Certification decision by (name of the person):	Pilar Gorriá Serrano
Date of decision:	12/Apr/2019
Other comments:	<i>Click or tap here to enter text.</i>