

Supply Base Report: United Loggers

Second Surveillance Audit

www.sbp-cert.org



Completed in accordance with the Supply Base Report Template Version 1.2

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

Document history

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1 Overview

Producer name: United Loggers OÜ
 Producer location: Saksa k. Raplamaa Eesti 79005
 Geographic position: 58°56'41"N, 24°53'31"E
 Primary contact: Raido Maisvee, +372 515 8001, raido.maisvee@united-loggers.ee
 Company website: www.united-loggers.ee
 Date report finalised: 31/Aug/2018
 Close of last CB audit: 09/Jan/.2018 Keava Raplamaa
 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: <https://sbp-cert.org/documents/standards-documents/standards>
 SBP Endorsed Regional Risk Assessment: <https://sbp-cert.org/documents/risk-assessments/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
<input type="checkbox"/>	<input type="checkbox"/>	X	<input type="checkbox"/>	<input type="checkbox"/>

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.

UL OÜ also sources from EU Member States Poland and Latvia.

In Poland, the material is sourced from the Polish state forest, from a region struck by a storm in August 2017. Primary raw material sourced outside Estonia meets the requirements of the FSC supply chain certificate.

In Latvia we 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 FSC CW certificate.

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 (01.09.2017-31.08.2018)

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)

2.1.1 Estonia

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 engagement¹. 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 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 state³. 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 planning⁴.

During the last decade, the annual felling volume has been between 7-11 million scbm⁵. 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.

¹ https://europa.eu/european-union/law_et

Original title: "Eesti metsanduse arengukava aastani 2020"; approved https://europa.eu/about-eu/countries/member-countries/estonia/index_en.htm by Estonian parliament decision nr 909 OE 15. february 2011
http://www.envir.ee/sites/default/files/elfinder/article_files/mak2020vastuvoetud.pdf

³ <http://www.rm.k.ee/organisation/operating-areas>

⁴ <http://www.rm.k.ee/organisation/environmental-policy-of-rmk/certificates>

⁵ Year <http://www.rm.k.ee/organisation/operating-areasbook> Forest 2013 http://www.keskonnainfo.ee/failid/Mets_2013.pdf

(all key figures, graphs and tables are bilingual)

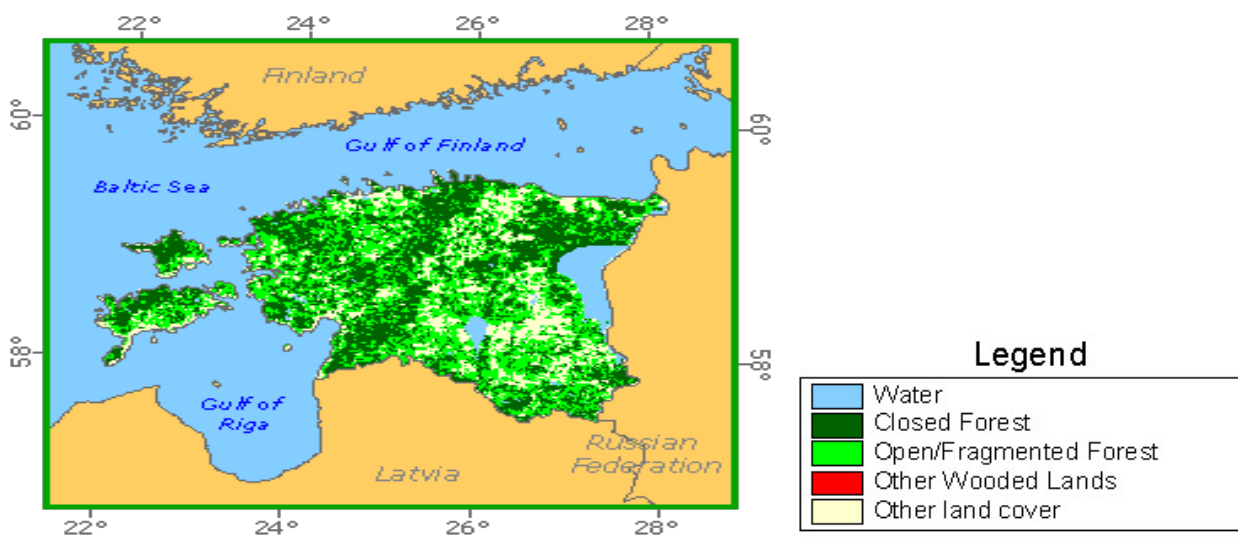


Figure 1. Forest cover of Estonia (<http://www.fao.org/forestry/country/en/est/>)

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

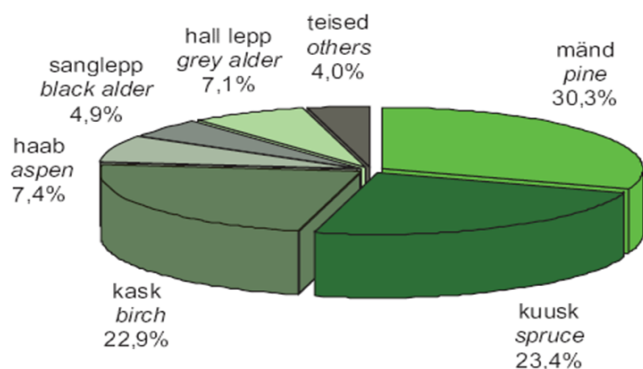


Figure 2. The distribution of growing stock by tree species (Yearbook Forest 2013)

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 database⁶.

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 biodiversity⁷ 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 2007⁹. 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>

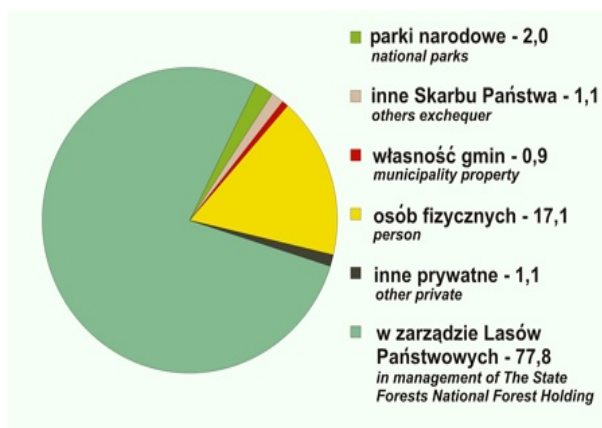
⁸ <http://www.envir.ee/et/cites>

⁹ <http://www.envir.ee/et/iucn>

2.1.2 Poland

Poland is a parliamentary democracy and joined the European Union in 2004.

29.1% or 9088 thousand hectares of Polish territory is covered in forests and that area is growing. Of the forests, 52.6% is coniferous forest and 47.4 forests of deciduous trees. Pines dominate the flat- and more fertile lands, spruce more mountainous areas. The domination of coniferous trees, especially in fertile areas and often as monocultural coppice, is a direct result of once popular regeneration felling. The past 20 years have seen a restructuring of coppice areas and giving up of renewal felling.



Share of species in Polish forests:

Pine 70%

Oak 7,3%

Birch 7%

Spruce 5.5%

Beech 5%

Alder 4.4%

Silver fir 2%

Other broad leaved species (maple, poplar, etc) 1%

A dominant part of Polish forests are public forests (82.5%), 94% (7 million hectares) of that is in state ownership, 16.4% in private ownership (1.6 million hectares). The principles of forest management are laid down in the Forest Act of 1991 (Ustawa o lasach). This Act regulates all forests, regardless of form of ownership. State forests are under the jurisdiction of the Ministry for the Environment, private forests of county heads. The state forests are managed by the National Forest Trust (PGL LP), lead by its General Manager with help from the members of the State Forest Board and heads of the 17 forestry areas. Forests are divided into districts, managed by forest inspectors. Inspectors are independent in their forest management decisions, but follow forest management plans. There are 428 such districts in the country.

Poland has 23 national parks, covering an area of 300 000 hectares or roughly 1% of the national territory. 60% of the parks are forests.

At the end of 2008, there were 1200 protected zones in the state forests, totalling about 120 000 hectares. Poland is one of the Natura 2000 European Committee members. 2.2 million hectares were SAC certified areas – 29% of state forests. 1.1 million hectares were certified as protected bird habitat (SPA approval) – 15.1% of forests.

2.1.3 Latvia

Latvia is a parliamentary democracy and since 2004 a Member State of the European Union. 54% or 3 356 000 ha of the territory is covered by forests. 1 755 00 ha of the forests are in state ownership, 1 594 000 ha are private.

The area under forests is expanding, partly through the course of nature, partly due to planting activities on infertile lands unsuitable for agriculture. During the last decade, timber production volumes have remained between 9 and 13 million cubic meters.

The composition of forests:

pine 34,3%

spruce 18,0%

birch 30,8%

alder (black and grey) 10%

aspen 5,4%

The forestry sector is managed by the Latvian Ministry for Agriculture. In cooperation with other interest groups they draft forestry policy in general, but also develop forestry strategies and legislative acts on forest management, the exploitation of forests, nature protection and hunting. The National Forestry Service, under the Ministry of Agriculture, is responsible for the execution of requirements set down in legislation. The management of forests is the responsibility of the Latvian State Forest PLC, a public limited company created in 1999. Their task is to enforce conservation and forest expansion measures in the interests of the state.

Forestry, timber and furniture industry accounted for 6% of GDP in 2012.

There are 674 protected nature preservation areas in Latvia. Some of these are part of the Natura 2000 network and most of them are on state lands. There are also micro-conservation areas to protect rare and endangered species and biotopes, according to the National Forestry Service, 40 595 ha were covered by such areas in 2015. The process of identifying and protecting endangered areas is an ongoing one, but there are also requirements regulating forest management that are compulsory for all actors in forestry to protect biodiversity. Such requirements include, for example, the requirement to keep certain old and big trees, to maintain dead trees, undergrowth, shrubs and flora to preserve habitat diversity.

Latvia signed the CITES Convention in 1997 and its requirements have been taken into account in forest management, although no tree species from the CITES list grow in Latvia.

Around 8% or 293 000 ha (2012 data) of forest land are identified as recreational areas. Observation towers, nature study trails, nature and culture related objects, rest areas are only a few examples of the infrastructure made available for the population to enjoy. Such areas are mainly on state lands and are often in national parks (under strict protection), nature reserves, areas under protection, in regions under standing timber, in areas with geological or geomorphological objects on them or in smaller, local protected areas. The management of Baltic Sea dunes, protected areas surrounding towns and forests within town limits is in the hands of the Nature Protection Service, operating under the Ministry of Nature Protection and Regional Development.

All of the Latvian State Forest and part of private forests have an FSC and PEFC certificate. 1 022 196 ha of the forests carry an FSC certificate and 1 700 889 ha and PEFC certificate.

2.2 Actions taken to promote certification amongst feedstock suppliers

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 Habitats.

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 2014”¹⁰ the proportion of firewood from the final felling volume in years 2002-2013 is estimated to be 24%. With other sources the proportion in years 2007-2009 to be between 26 to 27%¹¹.

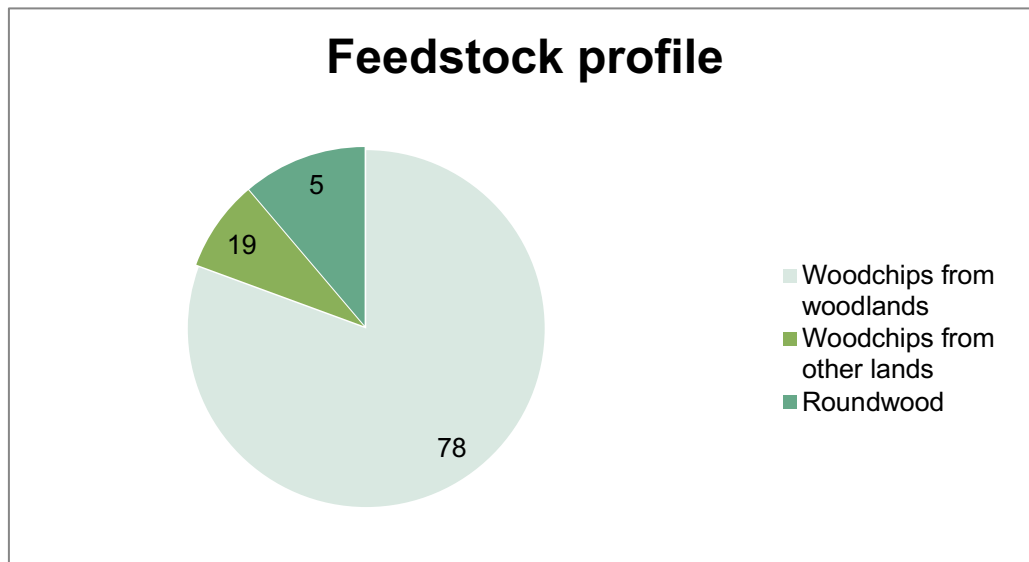
In Poland the timber is sourced from an area devastated by the worst storm in the country's history. The storm hit the Pomorski region, where most of the forest belongs to the state, on the 9th of August 2017. Therefore,

it was largely state forest that was affected. Flow diagram of feedstock inputs showing feedstock type

Link: <https://www.youtube.com/watch?v=LlgNhyomxh0>

In Latvia we buy FSC CW wood chips collected at the Port of Ventspils and loaded onto vessels.

2.4 Flow diagram of feedstock inputs showing feedstock type 01.09.2017-31.08.2018



¹⁰http://www.keskkonnaagentuur.ee/sites/default/files/aastaraamat_mets_2014.pdf

https://www.ki.ee/publikatsioonid/valmis/Ylevaade_Eesti_bioenergia_turust_2010._aastal.pdf

2.5 Quantification of the Supply Base

Supply Base

- Supply base volume (ha): Estonia 2.2 million, Poland 9.1 million, Latvia 3,1 million
- 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
- Type of forest (ha): boreal 14,6 million
- Type of management (ha): sustainable
- Certified forests (ha): FSC certified 9,1 million, PEFC certified 9,8 million

Feedstock

- Total volume of Feedstock: **37 203 scbm**
- Volume of primary feedstock: **37 203 scbm**

- c. 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 – 25%
 - Not certified to an SBP-approved Forest Management Scheme – 75%
- d. 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*).
- e. Volume of primary feedstock from primary forest: N/A
- f. List percentage of primary feedstock from primary forest (j): N/A
- g. Volume of secondary feedstock: N/A
- h. Volume of tertiary feedstock: N/A

3 Requirement for a Supply Base Evaluation

SBE completed	SBE not completed
x	<input type="checkbox"/>

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

The scope of the SBP 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.

To 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 (23.03.2015-26.04.2015) 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 29.09.2016 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 (23.03.2015-26.04.2015) 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 29.09.2016-29.10.2016, 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. No 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

N/A

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 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) 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. The regional manager shall forward approved feedstock

¹² an inquiry 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.

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.

9.2 Monitoring and outcomes

WKHs can be checked from the Environment Agency database. Valid forest notices are listed in the Forest Registry database. Proof of ownership is checked in the Land Register. The regional manager is responsible for all the checks.

Felling permits can be checked against *WKHs*. 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*. The on-site audit shall be performed by the regional manager.

WKH material is verified on-site on the basis of the forestry plan and forest notice and according to the felling allocation. The regional manager shall compile a separate report on every control visit, including a summary of the results of the visual inspection.

The regional manager will check all deliveries without an FSC or PEFC certification, to guarantee, that they are not sourced from a *WKH*. Documents of origin and databases mentioned above are used for the purpose.

The regional manager conducts regular controls of sourcing sites, to gather information on the nature and processing of material and meets suppliers, after which a control visit report will be compiled. These on-site controls also serve the purpose of making sure, that the technical equipment used has not harmed the ecosystem or natural balance in the sourcing site.

United Loggers will keep register of all cases where 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 Code of Conduct is available on company web-site and reference in feedstock purchase agreement.

The results of these findings will be reviewed 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): <https://sbp-cert.org/documents/risk-assessments/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	31.08.2018
	Name	Title	Date
<p>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.</p>			
Report approved by:	Peeter Volke	executive director	31.08.2018
	Name	Title	Date

13 Updates

13.1 Significant changes in the Supply Base

Ports of Darlowo and Gdansk were incorporated to the SBP system.

The volume of traded goods has changed.

13.2 Effectiveness of previous mitigation measures

No material sourced from key habitat areas or in any other illegal way was detected during thorough and effective checks of origin.

13.3 New risk ratings and mitigation measures

N/A

13.4 Actual figures for feedstock over the previous 12 months

Volume of input material 44 983 scbm.

13.5 Projected figures for feedstock over the next 12 months

We estimate a 20% increase in input material.