

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

Third Surveillance Audit

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

### *Document history*

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# 1 Overview

CB Name and contact:	NEPCon OÜ, Filosoofi 31, 50108 Tartu, Estonia
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Current report completion date:	03/Apr/2020
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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, Germany
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 Third 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)	
<b>Approved Standards:</b>	<i>SBP Standard #1 V1.0; SBP Standard #2 V1.0; SBP Standard #4 V1.0; SBP Standard #5 V1.0</i> <a href="https://sbp-cert.org/documents">https://sbp-cert.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> <li>- <u>FOB Gdansk</u></li> <li>- <u>FOB Darlowo</u></li> <li>- <u>FOB Ventspils</u></li> <li>- <u>FOB Wismar</u></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"/>	
<b>Sub-scopes</b>	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 – trading SBP material or using material with FSC Controlled Wood claim.  Germany - material from PEFC certified state forests		<input checked="" type="checkbox"/>	
Specify SBP Product Groups added or removed: -				
Comments: Organisation may start trading SBP material from Latvia				

Production of wood chips at different locations in Estonia, Latvia, Germany and Poland and further transport to Pärnu, Virtsu, Saaremaa, Paldiski, Kunda, Sillamäe, Roomassaare, Heltermaa, Ventspils, Wismar, 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 organisation plans to trade SBP certified woodchips or the woodchips bought with FSC Controlled Wood claim are already loaded to ship. In Poland the material comes from FSC certified state forests. In Germany the material comes from PEFC certified state forests.

### 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 third 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/standards-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, Germany 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 12 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 PEFC or 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 in Germany with PEFC 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. In Latvia the organisations plans to trade SBP certified woodchips.

Wood chips are sold based on FOB incoterm conditions. Sale can be made through Pärnu, Virtsu, Saaremaa, Paldiski, Kunda, Sillamäe, Roomassaare, Heltermaa, Ventspils, Wismar, 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](http://www.united-loggers.ee) (The webpage is under renovation, therefore only old SBRs are uploaded, new ones will be added as soon as homepage is functioning again. Meanwhile SBR can be found on SBP homepage and company will share it when asked).

## 5.2 Description of Company’s Supply Base

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 round wood, 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, Latvia and Germany. 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 FCS CW certificate.

In Germany, we source wood from bark beetle damaged spruce forests in Lower Saxony and Hesse. The series of last consecutive warm and dry summers has favoured their spreading. The dried spruce is acquired from PEFC certified forests.

United Loggers was issued with an FSC certificate in 2014 and PEFC certificate in 2019 and, at present, some of the feedstock we use carries an FSC 100 & PEFC 100 or FSC Controlled Wood and PEFC 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 (01.09.2018-31.08.2019)

Feedstock product groups	Estimated proportion, %	Indicative nr of suppliers	Species mix
Controlled Feedstock (primary)	75	36	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	25	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 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)

### 5.2.1 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 engagement<sup>1</sup>. Almost half of Estonian mainland - 2.2 million hectares - is covered by forests. The usage of forests and woodlands is regulated by law. The Estonian Forestry Development Plan 2020<sup>2</sup> 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<sup>3</sup>. 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<sup>4</sup>.

<sup>1</sup> [https://europa.eu/european-union/law\\_et](https://europa.eu/european-union/law_et)

<sup>2</sup> Original title: “Eesti metsanduse arengukava aastani 2020”; approved [https://europa.eu/about-eu/countries/member-countries/estonia/index\\_en.htm](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](http://www.envir.ee/sites/default/files/elfinder/article_files/mak2020vastuvoetud.pdf)

<sup>3</sup> <http://www.rmk.ee/organisation/operating-areas>

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

## Focusing on sustainable sourcing solutions

During the last decade, the annual felling volume has been between 7-11 million scbm<sup>5</sup>. 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.

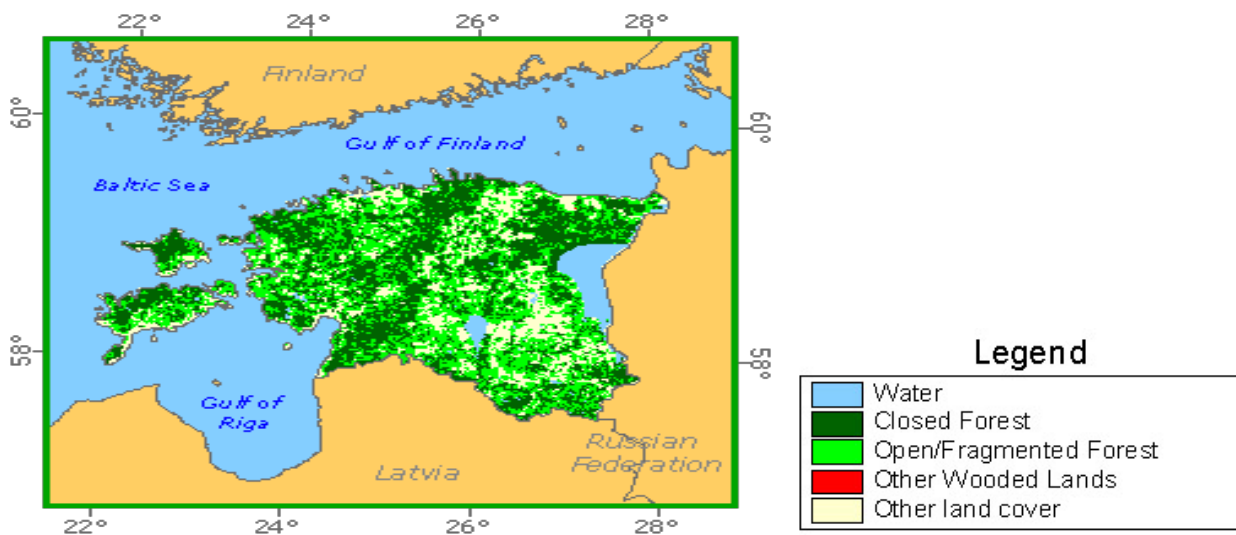


Figure 1. Forest cover of Estonia (<http://www.fao.org/forestry/country/en/est/>)

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

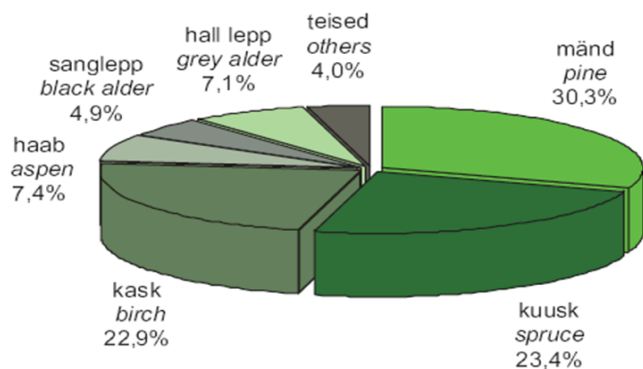


Figure 2. The distribution of growing stock by tree species (Yearbook Forest 2013)

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

<sup>5</sup> Yearbook Forest 2013 <http://www.rmk.ee/organisation/operating-areasbook> [http://www.keskonnainfo.ee/failid/Mets\\_2013.pdf](http://www.keskonnainfo.ee/failid/Mets_2013.pdf) (all key figures, graphs and tables are bilingual)

<sup>6</sup> <http://register.metsad.ee/avalik/>

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<sup>9</sup>. No tree species under protection by CITES or IUCN grow naturally in Estonia.

## 5.2.2 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.

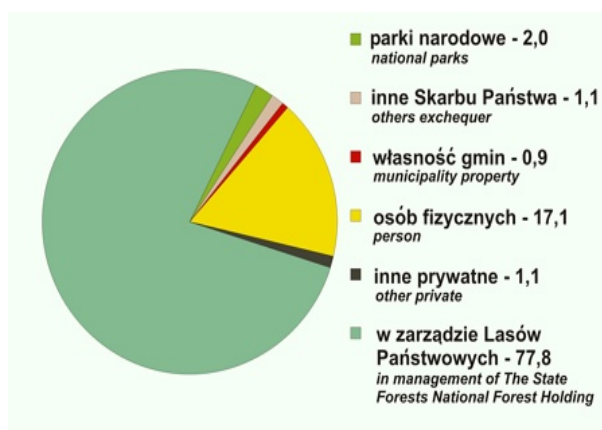


Figure 3. Forest land according to ownership and function

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

<sup>7</sup> <https://www.riigiteataja.ee/en/eli/517062015004/consolide>

<sup>8</sup> <http://www.envir.ee/et/cites>

<sup>9</sup> <http://www.envir.ee/et/iucn>

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<sup>10</sup>.

### 5.2.3 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

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<sup>10</sup> [https://www.metsaring.files.wordpress.com/2012/03/14\\_ypef-booklet-2011-12\\_poola.pdf](https://www.metsaring.files.wordpress.com/2012/03/14_ypef-booklet-2011-12_poola.pdf)

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 a PEFC certificate<sup>11</sup>.

Potential nature protection areas can be checked on the Latbio Potential Biotope Database website<sup>12</sup>.

For any additional information please visit the Natural Data Management System "Ozols" website of the Nature Protection Board.

### 5.2.4 Germany

The Federal Republic of Germany, a member of the European Communities already since 1958, is a country with one of the biggest share of forests in Europe. Forests spread over 11.4 hectares and cover a third of the territory of the country, 2/3 of which are coniferous and 1/3 deciduous forests. The forests are growing year-on-year.

The *Länder* own 29%, the federal government 4%, municipalities (towns and villages) 19% of the forests and 48% are in private ownership. There are around 2 million private forest owners in the country, the average of 2.4 ha per inhabitant. 53 million hectares of forest were harvested in 2006.

Both German federal legislation and forestry acts guarantee a sustainable ecological, economic and social management of the forests. In most *Länder*, the state forest is divided between regional forestry authorities that are made up of districts ranging between 1.500 – 3.000 hectares. These districts are presided over by a forester. The main tasks of the regional forestry authorities entail the management of assets and the economic side of forest management, including timber production as well as the acquisition and marketing of timber and non-timber products. They also have to maintain the protection and recreational function of forests. Around 1.2 million people are employed in Germany in the forestry sector, for example in forestry

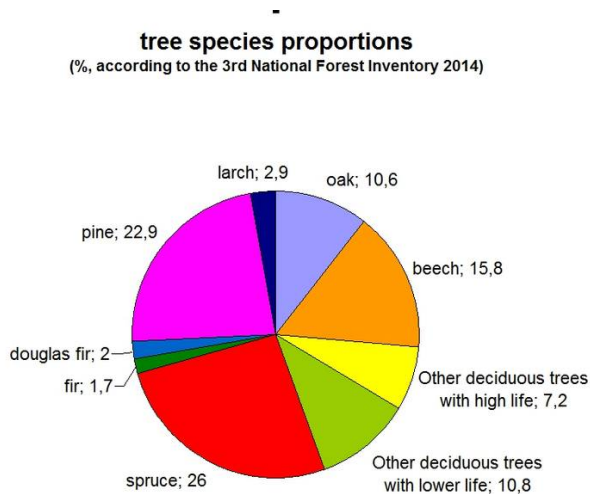
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<sup>11</sup> [www.lvm.lv](http://www.lvm.lv)

<sup>12</sup> [www.latbio.lv/MBI](http://www.latbio.lv/MBI)

authorities, in scientific institutions, sawmills and the paper industry. There are various trade unions and interest groups formed in the sector.

There are around 71 species of trees in modern Germany. The most widespread are scots pine (*Pinus sylvestris*), European spruce (*Picea abies*), European beech (*Fagus sylvatica*) and oak (*Quercus ssp.*).



<https://www.forstwirtschaft-in-deutschland.de/german-forestry/forest-facts/?L=1>  
Figure 4. Tree species proportions (%, according to the 3rd National Forest Inventory 2014)

Germany's forests have been managed according to sustainability principles for over 200 years already. Sustainable management has a very low impact on the structure of forests and has a positive effect on the structure of the eco-system. The sustainability principle has been enshrined in the federal forest act and in other forestry legislation. The frontrunner of introducing sustainable forest management was Hans Carl von Carlowitz, who in his book "Sylvicultura oeconomica" (1713) called for a direct link between logging and the growth of forests - you can harvest only as much as you plant and grow. This requirement is still in place today.

There are 14 national parks in Germany. The first of them, the Bavarian National Park, was established in 1970. The total territory covered by national parks stands at 194 182 ha or ca 0,54 % of the territory. 5% (11,1 million ha) of German forests is nature reserves.

Natura 2000 areas were brought in by legislation in 1998. There are 4 621 of them, spreading over three biogeographical areas (the Alps, the Atlantic and continental areas). 57% of German forests are protected areas, where the recreational functions of forests are at the forefront and the focus is on the general productivity and functional capacity of the natural environment. 8.7% of the forests have a FSC certificate and 66,7 % are PEFC forests.



Germany signed the CITIES convention already in 1978, although none of the listed tree species grows on its territory<sup>13</sup>.

## 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, Germany 11,2 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. Germany - 11,2 million owned by the Länder, 5,8 million by municipalities and 5.4 million are in private ownership.
- c. Type of forest (ha): boreal 25,4 million
- d. Type of management (ha): sustainable
- e. Certified forests (ha): FSC certified 10,1 million, PEFC certified 16,8 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).

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<sup>13</sup>[http://checklist.cites.org/#/en/search/country\\_ids%5B%5D=23&output\\_layout=alphabetical&level\\_of\\_listing=0&show\\_synonyms=1&show\\_author=1&show\\_english=1&show\\_spanish=1&show\\_french=1&scientific\\_name=&page=1&per\\_page=20](http://checklist.cites.org/#/en/search/country_ids%5B%5D=23&output_layout=alphabetical&level_of_listing=0&show_synonyms=1&show_author=1&show_english=1&show_spanish=1&show_french=1&scientific_name=&page=1&per_page=20)

## 6 Evaluation process

### 6.1 Timing of evaluation activities

Audit was carried out on 07.01.2020, 16.01.2020, 22.01.2020 and 23.01.2020. Audit included interviews in central office, 2 storage yard visits in Estonia (Virtsu and Saaremaa 23.01.2020), 1 storage yard visit in Poland Gdansk 16.01.2020 and 1 storage yard visit in Germany Wismar 16.01.2020.

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	Auditors	Date/time
Opening meeting (on the phone)*	NEPCon Office	TTA	07.01.2020
Opening meeting*	United Loggers OÜ office	TTA, GSA	22.01.2020 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	TTA, GSA	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. Interview with Purchasing department representative, reception of the material, evaluation of incoming feedstock; review of purchase &amp; sales documentation.</i>	United Loggers OÜ office	TTA, GSA	14:00-16:00
Closing meeting*		TTA	23.01.2020 16:00-16:15

Activity	Location	Auditors	Date/time
Visiting storage yards	Virtsu port	TTA	23.01.2020

	Saaremaa		
	Wismar port (Germany)	MK	16.01.2020
	Gdansk port (Poland)	PG	16.01.2020

## 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, 2 storage yards were visited during the on-site audit. Also a woodchipper operator and a truck driver 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. The bookkeeper was interviewed over the phone. The evaluation was conducted by one auditor in Estonia, one in Germany and one in Poland.

Evaluation started 07.01.2020 with an opening meeting over the phone in from Nepcon Estonia office, where auditor described the audit criteria, principles, standards and audit agenda to the responsible person.

Gdansk and Wismar port was visited on 16.01.2020 by different auditors.

Office audit started 22.01.2020 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.

23.01.2020 auditor visited storage yards in Estonia – Virtsu and Saaremaa port.

BP has 4 permanent storage sites in Estonia, 1 in Germany and 1 in Poland. Two of them in Estonia, one in Germany 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). In Estonia there are 4, in Latvia 1 and in Poland 1 logistic sites. Also a woodchipper operator and truck driver was interviewed over the phone.

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.
Georg Sten Andrejev [GSA]	BSc in Forest Industry. Works for NEPCon since august 2019. He has passed NEPCons chain of custody and forest management leadauditors training. Has working experience in timber industry.	Auditor in training
Michael Kutschke [MK]	He has a professional background in forestry. He has worked in several state enterprises doing forest inventories. He went to New Zealand for a year to work in a forest research company in addition to a reforestation programme. He also participated in a project related to GPS logging in Norway. He joined NEPCon in 2014.	Audit team member
Piotr Godziszewski [PG]	FSC Chain of Custody Auditor. He audits clients for compliance with timber traceability standards by FSC. He has worked as a professional Forest Manager for private sector companies in Scotland, and as a Community Forester in a remote location in the Scottish Highlands. Piotr joined NEPCon in 2018.	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 2 MAJOR NCRs and 2 minor NCRs. One major NCR was related to wrong SBP claim and one with wrong information in SBR (closed).*

*One minor NCR was related to using old SBR template and one to missing volume summary.*

## 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

**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 authorities<sup>12</sup> 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.

<b>NCR number</b> 01/20	<b>NC Grading:</b> Major
<b>Standard &amp; Requirement:</b>	SBP Standard 4; p 5.5.2
<b>Description of Non-conformance and Related Evidence:</b>	
There are two SBP claims available: SBP-compliant biomass and SBP-controlled biomass. During the audit, sales and delivery documentation was reviewed. It turned out that all randomly chosen sales invoices carried claim “SBP Biomass Compliant”. Since all randomly chosen sales documents carried wrong claim auditor decided to raise a major non-conformity Major NCR 01/20.	
<b>Timeline for Conformance:</b>	3 months from the report finalisation
<b>Evidence Provided by Company to close NC:</b>	Pending
<b>Findings for Evaluation of Evidence:</b>	Pending
<b>NC Status:</b>	<b>Open</b>

<b>NCR number</b> 02/20	<b>NC Grading:</b> Major
<b>Standard &amp; Requirement:</b>	SBP Standard 2; requirement 2C, 5.1
<b>Description of Non-conformance and Related Evidence:</b>	
Company has procedures in place for reviewing and updating SBR at least annually. During the audit, it was noted that SBR was not fully concise, with several aspects covered with old and different data from volume summary – input feedstock classification and quantities were not precise and equivalent with results from volume summary from the same reporting period. Requirement is that SBR has to be updated formally every year and needs to include up-to-date data. Since there has been non-conformance raised under the same criterion during the certification cycle and all data in feedstock is not up-to-date auditor decided to raise Major NCR 02/20.	

<b>Timeline for Conformance:</b>	1 month from the report finalisation
<b>Evidence Provided by Company to close NC:</b>	Updated SBRs, interviews with responsible persons
<b>Findings for Evaluation of Evidence:</b>	Organisation sent an updated version of the English and Estonian version of the SBR. The SBRs include matching and correct data. Interviews with general manager and regional manager confirmed that they are aware how to fill the SBRs.
<b>NC Status:</b>	<b>Closed</b>

<b>NCR number 03/20</b>	<b>NC Grading: Minor</b>
<b>Standard &amp; Requirement:</b>	SBP Standard 2; requirement 7.3 and 2C, 4.1
<b>Description of Non-conformance and Related Evidence:</b>	
Requirement is that SBR shall be completed using the latest version of the SBR template. During the audit it was noted that old version of SBR template was used. Old version was v1-2, available from the SBP website is v1-3, which is the latest version. Auditor decided to raise minor non-conformance 03/20.	
<b>Timeline for Conformance:</b>	By the next surveillance audit, but no later than 12 months from report finalisation date
<b>Evidence Provided by Company to close NC:</b>	Pending
<b>Findings for Evaluation of Evidence:</b>	Pending
<b>NC Status:</b>	<b>Open</b>

<b>NCR number 04/20</b>	<b>NC Grading: Minor</b>
<b>Standard &amp; Requirement:</b>	SBP Standard 4; p 5.3.3
<b>Description of Non-conformance and Related Evidence:</b>	
Before the audit organisation sent the volume summary about Estonia. The volume summary about Poland was not sent. Company is maintaining volume summary and recording all input and output volumes. During the audit volume summary was reviewed. Responsible person explained that summary is available, but bookkeeper didn't manage to complete it in time. Sales from Poland were seen on DTS. The volume summary of Poland was reviewed during the audit but the file was sent one day after audit. Since everything was correct in Estonian summary and Poland covers only small part of volume auditor decided to raise minor NCR 04/20.	
<b>Timeline for Conformance:</b>	By the next surveillance audit, but no later than 12 months from report finalisation date

<b>Evidence Provided by Company to close NC:</b>	Pending
<b>Findings for Evaluation of Evidence:</b>	Pending
<b>NC Status:</b>	<b>Open</b>

<b>NCR number</b> 04/19	<b>NCR Grading:</b> Minor
<b>Standard &amp; Requirement:</b>	SBP Standard 4: p 5.5.3 (Appendix C, 4.5)
<b>Description of Non-conformance and Related Evidence:</b>	
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.	
<b>Timeline for Conformance:</b>	By the next surveillance audit, but no later than 12 months from report finalisation date
<b>Evidence Provided by Company to close NC:</b>	Interviews with responsible persons, invoices, delivery documents
<b>Findings for Evaluation of Evidence:</b>	Bookkeeper and responsible person are aware that sales and delivery documents have to carry the same claim. All invoices and delivery documents carried correct claims.
<b>NC Status:</b>	<b>Closed</b>

<b>NCR number</b> 06/19	<b>NC Grading:</b> Minor
<b>Standard &amp; Requirement:</b>	SBP Standard 2; p 16.3
<b>Description of Non-conformance and Related Evidence:</b>	
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 sites 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.	
<b>Timeline for Conformance:</b>	By the next surveillance audit, but no later than 12 months from report finalisation date

<b>Evidence Provided by Company to close NC:</b>	Interviews with responsible persons, procedures, protocols.
<b>Findings for Evaluation of Evidence:</b>	Responsible person demonstrated how they implement monitoring and also there were protocols about field visits. Responsible person described how monitoring and risk mitigation is done, they are using FSC system for risk mitigation (no material comes from woodland key habitats).
<b>NC Status:</b>	<b>Closed</b>

## 11 Certification decision

**Based on the auditor’s recommendation and the Certification Body’s quality review, the following certification decision is taken:**

<b>Certification decision:</b>	Certification approved
<b>Certification decision by (name of the person):</b>	Asko Lust
<b>Date of decision:</b>	03/Apr/2020
<b>Other comments:</b>	