Supply Base Report: Baltania OÜ

Main (Initial) Audit

www.sbp-cert.org

Completed in accordance with the Supply Base 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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1 Overview

Producer name: Baltania OÜ

Producer address: Rassi tee 13, 48222 Vägari village, Põltsamaa parish, Jõgeva county, Estonia

SBP Certificate Code: N/A

Geographic position: 58.953200, 26.191830

Primary contact: Argo Tõnuri, +3725080144,argo.tonuri@baltania.ee

Company website: www.baltania.ee

Date report finalised: 09 Aug 2021

Close of last CB audit: N/A

Name of CB: NEPCon OÜ

SBP Standard(s) used: SBP Standard 1: Feedstock Compliance Standard, SBP Standard 2: Verification of SBP-compliant Feedstock, SBP Standard 4: Chain of Custody, SBP Standard 5: Collection and Communication of Data Instruction, Instruction Document 5E: Collection and Communication of Energy and Carbon Data 1.3

Weblink to Standard(s) used: https://sbp-cert.org/documents/standards-documents/standards

SBP Endorsed Regional Risk Assessment: Estonia

Weblink to SBR on Company website: https://baltania.ee/division/sustainability/

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

2 Description of the Supply Base

2.1 General description

Feedstock types: Primary, Secondary

Includes Supply Base evaluation (SBE): Yes

Feedstock origin (countries): Estonia

2.2 Description of countries included in the Supply Base

Country: Estonia

Area/Region: Whole country

Exclusions: No

Estonia's Forest Resources

Estonia is a member of the European Union since 2004. The Estonian legislation is in compliance with the EU's legislative framework and directives. National legislative acts make references to the international framework. All legislation is drawn up within a democratic system, subject to free comment by all stakeholders (http://europa.eu/about-eu/countries/member-countries/estonia/index_en.htm).

The Estonian legislation provides strict outlines in respect to the usage of forestry land and the Estonian Forestry Development Plan 2020 (Original title: „Eesti Metsanduse Arengukava Aastani 2020"; approved by Estonian parliament decision nr. 909 OE 15.February 2011 / arengukava.rtf (riigiteataja.ee)) has clear objectives and strategies in place to ensure the forestland is protected up to the standards of sustainable forest management techniques. The Ministry of the Environment coordinates the fulfillment of state duties in forestry. The implementation of environmental policies and its supervision are carried out by two separate entities operating under its governance. The Estonian Environmental Board monitors all of the work carried out in Estonia's forests whereas the Environmental Inspectorate exercises supervision in all areas of environmental protection. The forest is defined in the Forest Act. There are three main forest categories described in this legislation: commercial forests, protection forests and protected forests. According to the ownership, forests are also divided into private forests, municipality forests and state owned forests. The state owned forest represent approximately 46% of the total forest area (Yearbook Forest 2019).

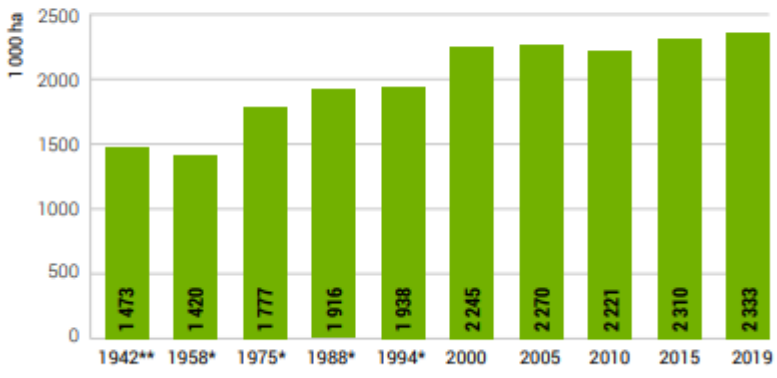
1.1.1 Eesti üldpindala jaotus maakategooriate järgi
1.1.1 Total area of Estonia by land categories

Maakategooria	Eesti pindala[1] *Total area*		Riigimetskonnad[2] *State forest*		Teised valdajad *Other owners*		Eesti pindala[3] *Total area*		*Land category*
	1000 ha	%	1000 ha	%	1000 ha	%	1000 ha	%	
Metsamaa	2 332,6	53,7	1 072,0	75,9	1 260,5	40,4	2 332,6	51,4	*Forest land*
sh metsaga	2 142,0	49,3	1 002,3	71,0	1 139,7	36,5	2 142,0	47,2	*of which stocked*
metsata	190,6	4,4	69,7	4,9	120,9	3,9	190,6	4,2	*unstocked*
Pöösastik	65,6	1,5	10,4	0,7	55,2	1,8	65,6	1,4	*Bushes*
Põllumajandusmaa	1 225,8	28,2	39,6	2,8	1 186,1	38,0	1 225,8	27,0	*Agricultural land*
Soo	220,5	5,1	196,0	13,9	24,5	0,8	220,5	4,9	*Bogs*
Siseveed[1]	75,7	1,7	29,9	2,1	45,8	1,5	75,7	1,7	*Inland water bodies*
Muud veekogud					187,1	6,0	187,1	4,1	*Other water bodies*
Asustusala	202,9	4,7	1,1	0,1	201,8	6,5	202,9	4,5	*Urban settlements*
Teed	67,3	1,5	10,7	0,8	56,6	1,8	67,3	1,5	*Roads*
Trassid	78,9	1,8	33,8	2,4	45,1	1,4	78,9	1,7	*Tracks*
Karjäärid	29,9	0,7	0,6	0,0	29,2	0,9	29,9	0,7	*Mineral extraction sites*
Muud maad	47,8	1,1	17,5	1,2	30,3	1,0	47,8	1,1	*Other land*
Kokku	4 346,8	100	1 411,6	100	3 122,3	100	4 533,9	100	*Total*

The forests are certified according to FSC and PEFC forest management and chain of custody standards in which the indicators related to forest management planning, maps and availability of forest inventory records are being constantly evaluated and addressed (http://www.rmk.ee/organisation/environmental-policy-of-rmk/certificates) .The state forest is managed by State Forest Management Centre (RMK) which is a profit-making state agency founded on the basis of the Forest Act and its main duty lies in a sustainable and efficient management of state forest.

Currently more than 2 332 575 ha, equal to 51.3% of the Estonian land territory, is covered by forest, and according to the Yearbook Forest 2019 the share of forest land is growing. See the graph below.

Joonis 1.4.1.1 Metsamaa pindala muutumine
Figure 1.4.1.1 Changing of forest land area



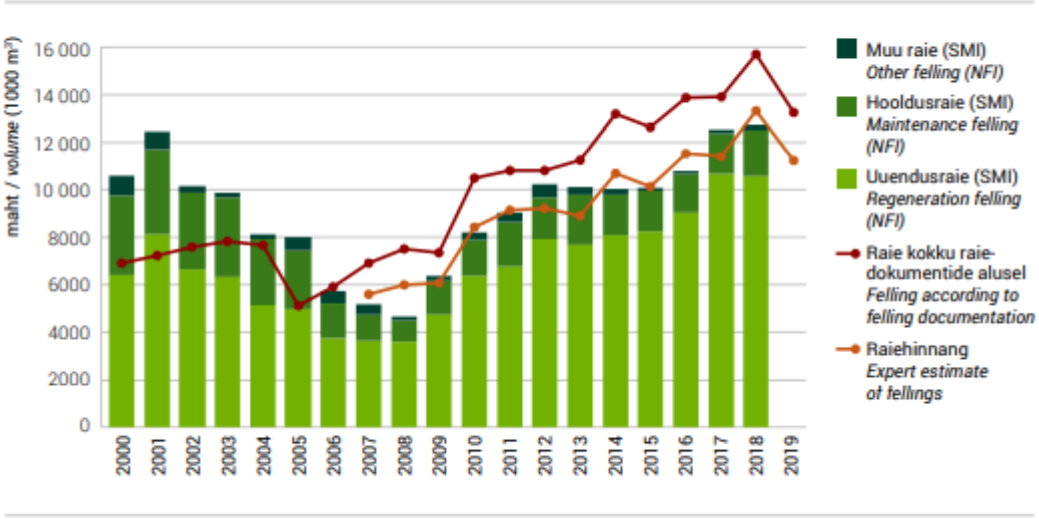
SOURCE: mets2019_0.pdf

Over 1.2 million hectares (ha) of Estonian forest are FSC certified. This is all state-owned, except for 10 000 ha that is private-owned. This amounts to half of the forest area in Estonia. (preview.the-contribution-of-fsc-certification-to-biodiversity-in-estonian-forests.a-979.pdf page4).

About 1,248 million hectares (ha) of Estonian forest are PEFC certified. (PEFC_Annual_Review_2019.pdf page18).

Forestry Development Plan 2020 and Yearbook Forest 2019, that gives annual reports and facts about the forest in Estonia, state that during last decade the cutting rate in Estonian forests is from 7 to 11 mill m³ per year (Yearbook Forest 2019).

Joonis 3.2.2.1 Raiemaht erinevate andmeallikate alusel aastail 2000–2019
Figure 3.2.2.1 Felling volume by different data sources in 2000–2019



SOURCE: mets2019_0.pdf

The amount is in line with sustainable development principle when the cutting rate doesn't exceed the annual increment and gives the potential to meet the long-term economic, social and environmental needs. According to the Forestry Development Plan 2020 the sustainable felling rate is 12-15 mil ha per year.

For logging in any type of forest, it is required that a valid forest inventory or forest management plan, along with a felling permit issued by the Environmental Board, is available. All issued felling permits and forest inventory data is available in the public forest registry online database (http://register.metsad.ee/avalik/).

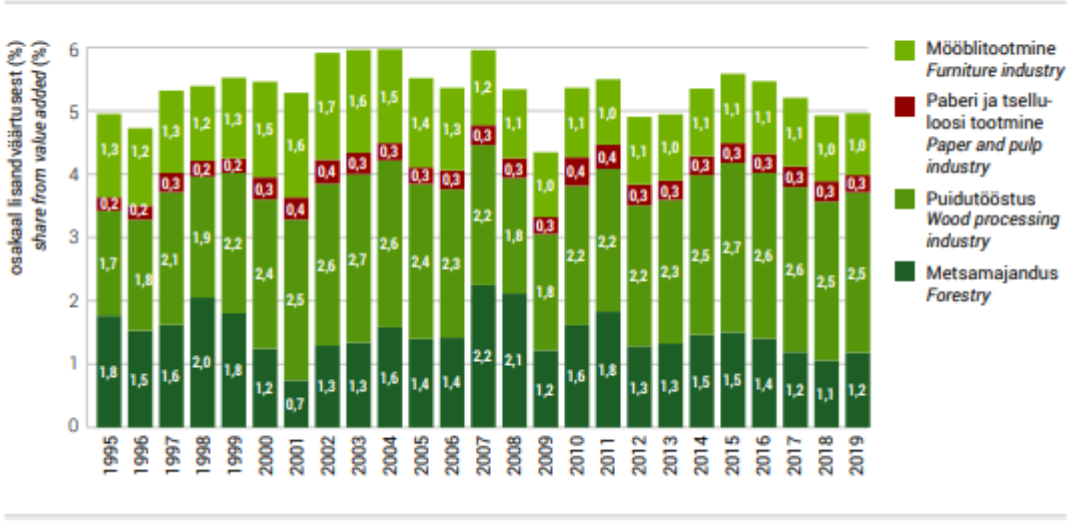
Area of protected forests accounts for 25.3% of the total forest area whereas 14% is considered to be under strict protection. The majority of protected forests are located on state property. The main regulation governing the preservation of biodiversity and the sustainable use of natural resources is the Nature Conservation Act (https://www.riigiteataja.ee/en/eli/517062015004/consolide). Estonia has signed the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) in 1992 (List of

Contracting Parties | CITES) and joined the International Union for Conservation of Nature (IUCN) in 2007 (IUCN Members | IUCN). There are no CITES or IUCN protected tree species naturally growing in Estonia.

According to the Yearbook Forest 2019 The wood, paper and furniture industry (value added at current prices totaled 922.1 million euros) accounted for 25.6% of the manufacturing industry (3.6 billion euros) and 3.8% of total value added. Forestry accounted for 1.2% of the value added.

Joonis 10.1.1.2 Metsasektori ettevõtete osakaal lisandväärtusest (jooksevhindade järgi) aastail 1995–2019

Figure 10.1.1.2 Share of forest industry from total added value (by current prices) in 1995–2019



SOURCE: mets2019_0.pdf

According to Ministry of Environment of Estonia, the total volume of the wood balance in 2017 was 16.9 million m3. The most important sources of timber were harvesting (73% of the total balance) and imports (20%). The largest areas of use were exports of wood and wood products (62%) and domestic use for energy (34%). Also, wood and wood products include about 30% of products used in energy production (including wood pellets). In other words, about 50% of all wood (JRC study indicates that the corresponding figure for the EU is 63%) eventually finds an energy output/use (local energy consumption + exported products).

40% of the wood procured from Estonian forest land was used as sawn logs, 24% as pulp & paper and 36% as energy wood/firewood. 50-60% of such energy wood is low quality deciduous firewood (the rest is coniferous). Energy wood (mainly wood chips) makes up the majority of wood procured from non-forest land.

(Forest management and bioenergy | Keskkonnaministeerium (envir.ee))

In Estonia, it is permitted to access natural and cultural landscapes on foot, by bicycle, skis, boat or on horseback. Unmarked and unrestricted private property may be accessed any time to pick berries, mushrooms, medicinal plants, fallen or dried branches, unless the owner forbids it. On unmarked and unrestricted private property camping is allowed for 24 hours. RMK creates exercising and recreational opportunities in nature and in recreational and protection zones and also provides education about nature.

During the reporting period Baltania OÜ purchased 100% SBP non-compliant feedstock (species - Alder/ alnus glutinosa and Spruce / Picea abies). The plant had 2 feedstock suppliers.

2.3 Actions taken to promote certification amongst feedstock supplier

BALTANIA OÜ is a new production plant that has not yet started full operation. Nevertheless, the company promotes sustainable forest management from the very first purchases of raw material, because the mission of the company was to strive for FSC and SBP certification. The plant refuses to accept raw material from unspecified harvesting sites and from Woodland Key Habitats (referred to as WKH). The company provides their suppliers with guidelines how to follow the requirements set out in FSC standards and how to mitigate risks of possible sourcing from WKH's.

2.4 Quantification of the Supply Base

Supply Base

a. **Total Supply Base area (million ha)**: 2,33
b. **Tenure by type (million ha):**1.07 (Public), 1.26 (Privately owned)
c. **Forest by type (million ha):**2.33 (Temperate)
d. **Forest by management type (million ha):**2.33 (Managed natural)
e. **Certified forest by scheme (million ha):**1.20 (FSC), 1.25 (PEFC)

Describe the harvesting type which best describes how your material is sourced: Clearcutting
Explanation: All feedstock used is sourced in Estonia, where the maximum size of clearcuttings is restricted by the Forest Act with up to 7 hectares. The majority of the harvesting works are carried out by harvesters.
Was the forest in the Supply Base managed for a purpose other than for energy markets? Yes - Majority
Explanation: In Estonia from where all primary feedstock is sourced, energy markets do not compete for feedstock with other wood based industry. Pulp wood and saw timber is more expensive and forest owners and forest management companies sell better quality material to those industries. Energy markets are supplied with low quality forest products.

For the forests in the Supply Base, is there an intention to retain, restock or encourage natural regeneration within 5 years of felling? Yes - Majority
Explanation: In Estonia from where all primary feedstock the Forest Act obliges forest owners to renew its forest land within five years after harvest and in some forest types where growing conditions are worse, within ten years after harvest.

Was the feedstock used in the biomass removed from a forest as part of a pest/disease control measure or a salvage operation? No
Explanation: N/A

Feedstock

Reporting period from: 01 Jan 2021

Reporting period to: 30 Jun 2021

a. **Total volume of Feedstock**: 1-200,000 m3
b. **Volume of primary feedstoc**k: 1-200,000 m3
c. **List percentage of primary feedstock, by the following categories.**
    - Certified to an SBP-approved Forest Management Scheme: 0%
    - Not certified to an SBP-approved Forest Management Scheme: 80% - 100%
d. **List of all the species in primary feedstock, including scientific name:** Alnus glutinosa (Black alder); Alnus incana (Grey alder); Betula pendula (Silver birch); Betula pubescens (Downy birch); Pinus sylvestris (Scots pine); Picea abies (Norway spruce); Populus tremula (European aspen); Prunus padus (Bird cherry); Salix spp (Willows);
e. **Is any of the feedstock used likely to have come from protected or threatened species?** No
    - Name of species: N/A
    - Biomass proportion, by weight, that is likely to be composed of that species (%): N/A
f. **Hardwood (i.e. broadleaf trees): specify proportion of biomass from (%):** 56,00
g. **Softwood (i.e. coniferous trees): specify proportion of biomass from (%):** 44,00
h. **Proportion of biomass composed of or derived from saw logs (%):** 0,00
i. **Specify the local regulations or industry standards that define saw logs:** The general requirements are in line with the State Forest Saw Logs standard available at: https://adr.rmk.ee/dokument/57396
j. **Roundwood from final fellings from forests with > 40 yr rotation times - Average % volume of fellings delivered to BP (%):** 0,00
k. **Volume of primary feedstock from primary forest:** 0 m3
l. **List percentage of primary feedstock from primary forest, by the following categories. Subdivide by SBP-approved Forest Management Schemes**:
    - Primary feedstock from primary forest certified to an SBP-approved Forest Management Scheme: 80% - 100%
    - Primary feedstock from primary forest not certified to an SBP-approved Forest Management Scheme: 0%
m. **Volume of secondary feedstock**: 0 m3
    - Physical form of the feedstock: N/A
n. **Volume of tertiary feedstock**: 0 N/A
    - Physical form of the feedstock: N/A

Proportion of feedstock sourced per type of claim during the reporting period				
Feedstock type	**Sourced by using Supply Base Evaluation (SBE) %**	**FSC %**	**PEFC %**	**SFI %**
Primary	100,00	0,00	0,00	0,00
Secondary	0,00	0,00	0,00	0,00

Tertiary	0,00	0,00	0,00	0,00
Other	0,00	0,00	0,00	0,00

3 Requirement for a Supply Base Evaluation

Is Supply Base Evaluation (SBE) is completed? Yes

BALTANIA OÜ torrefied pellet plant is purchasing only certified raw material today, since the aim is to produce SBP-compliant torrefied pellets. However, having in mind the potential rapid growth in feedstock demand for the plant's production, after its full operation commences, Baltania decided to complete the Supply Base evaluation for Estonia. Estonia has already implemented strict forest management laws, and in combination with the Baltania's control procedures of their feedstock suppliers, we can assure that the controlled feedstock shall be well traced and low risk, and therefore considered as SBP-compliant. The sourcing of feedstock is planned to be strictly in the borders of Estonia. For this SBE the SBP endorsed Regional Risk Assessment for Estonia was used, and additional risk assessment was not required. This assessment has been approved by SBP secretariat 22.04.2016 and is publicly available on at: https://sbp-cert.org/wp-content/uploads/2018/12/SBP-endorsed-Regional-RiskAssessment-for-Estonia.pdf

4 Supply Base Evaluation

4.1 Scope

Feedstock types included in SBE: Primary, Secondary

SBP-endorsed Regional Risk Assessments used: Estonia

List of countries and regions included in the SBE:

Country: Estonia

Indicator with specified risk in the risk assessment used:
2.1.2 The BP has implemented appropriate control systems and procedures to identify and address potential threats to forests and other areas with high conservation values from forest management activities.

Specific risk description:

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

According to Estonian legislation, protection of WKH is optional for private forest owners and they can choose to sign a contract with the state to protect WKH. If such a contract is entered into the state pays compensation to the forest owner for the protection of WKH. If the private forest owner does not want to protect WKH, the agreement (if entered into) ends and they are then allowed to cut it. According to the statistics, the amount of felling permits issued for WKH in private forest is relatively high.

In state forest and in FSC/PEFC certified private forest and in private forests where WKH contract has been signed, WKH are protected. (source: SBP RRA for Estonia).

4.2 Justification

As mentioned before, Baltania fully acknowledge and follow the SBP endorsed regional risk assessment for Estonia (22.04.2016) which is in compliance with SBP standards 1 and 2.

Baltania agrees with all the findings, conclusions and mitigation measures set out in the report and will not undertake an independent risk assessment. For the specified risk, described as indicator 2.1.2 Baltania shall use their additionally implemented mitigation measures to avoid raw material from WKH.

4.3 Results of risk assessment and Supplier Verification Programme

The only specified risk identified in the SBP endorsed risk assessment for Estonia is indicator 2.1.2: “Potential threats to forests and other areas with high conservation values from forest management activities are identified and addressed.

In Estonia, legislation covers all aspects of this indicator. According to the Estonian legislation protection of Woodland Key Habitat (WKH) is optional for private forest owners. Private forest owners can sign a contract with the state and protect WKH. In which case the state pays compensation to the owner. If a private forest owner does not want to protect WKH then the owner is allowed to cut it. It is possible to determine the location of WKH from the Public Forest Registry and where felling permits are issued it is possible to see if the material is cut from WKH. In cases where fellings are carried out without a felling permit (small scale sanitary cutting is allowed without a felling permit) then an on-site visit is only way to see if the WKH is untouched or not. In state forest, FSC or PEFC-certified private forest, and in private forests where a WKH contract has been signed, WKH are protected.”

This report points out one specified risk mentioned above, that requires additional mitigation measures from Baltania and their suppliers. Other potential risks are determined as low and do not require actions directly from Baltania.

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”.

4.4 Conclusion

Based on the SBP endorsed regional risk assessment for Estonia, there is only one specified risk area in Estonia – indicator 2.1.2 referring to potential threats from forest management activities to areas with high conservation value. Specifically for Estonia the potential threats to Woodland Key Habitats (WKHs).

Baltania’s Suppliers’ list is not yet well established. During the reporting period they purchased feedstock from several producers that are FSC CW certified.

However, they have already worked out their approach to mitigate the specified risk of sourcing material from WKH, described in paragraph 7. The system allows verification of the present suppliers, as well as the potential suppliers.

5 Supply Base Evaluation process

The SBE scope was decided based on Baltania feedstock suppliers list and high demand of SBP-compliant feedstock. The existing controlled feedstock suppliers were assessed and the preliminary suppliers list was completed. The existing suppliers were approached and informed about SBP and the WKH risk mitigation requirements. The suppliers who shall be ready to implement the mitigation measures will be further consulted and provided with indications/guidelines on how to move forward with the WKH risk mitigation measures and documentation requirements.

Baltania's suppliers list shall only include the suppliers who agree on their provided requirements and provide credible evidence whenever asked. If the supplier refused to implement mitigation measured in their supplies, they shall not be considered as potential suppliers until they change their policy.

In addition, public databases are consulted to avoid sourcing from WKHs: http://geoportaal.maaamet.ee/ , https://register.metsad.ee/ , https://vep.lank.ee , the key habitat database of the Estonian Environment Agency, updated at least twice a year and the Land Registry helps to identify land ownership.

When necessary, an inspection is carried out in harvesting sites to identify HCV areas as well as an on-site audit.

The work group for SBE includes: Argo Tõnuri / Plant manager, Jūratė Žimkienė / SBP certification consultant „MK Laivyba“. Consultations with stakeholders are planned to be held with this prepared draft.

6 Stakeholder consultation

The first stakeholder consultation round of the RRA was completed from 26.03.2015 - 26.04.2015 and the second round from 05.05.2015 - 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 for Nature (ELF), Graanul Invest AS and the Estonian Forest and Wood Industries Association (EMPL) provided their feedback. During the first consultation period (26.03.2015 - 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: https://sbp-cert.org/documents/standards-documents/risk-assessments/estonia/

Baltania OÜ conducted its stakeholder consultation process of the SBE from 22.06.2021-22.07.2021, by e-mail message to:

State Forest Management Centre, Estonian Private Forest Centre, Estonian Private Forest Union, FSC Estonia, PEFC Estonia, Estonian Forest and Wood Industries Association, Estonian Forest Aid. No comments or feedstock from the stakeholders were received.

6.1 Response to stakeholder comments

N/A

7 Mitigation measures

7.1 Mitigation measures

Country:	Estonia
Specified risk indicator:	N/A
Specific risk description:	
Mitigation measure:	

Country:	Estonia
Specified risk indicator:	2.1.2 The BP has implemented appropriate control systems and procedures to identify and address potential threats to forests and other areas with high conservation values from forest management activities.
Specific risk description:	Woodland Key Habitat (WKH) is a forest habitat with high probability of present occurrence of endangered, vulnerable and rare species. WKH systems are a tool to address high conservation value forest habitats in managed forests, thus they are the primary mechanism for protection of ecologically valuable areas located within commercially managed forests. According to Estonian legislation, protection of WKH is optional for private forest owners and they can choose to sign a contract with the state to protect WKH. If such a contract is entered into the state pays compensation to the forest owner for the protection of WKH. If the private forest owner does not want to protect WKH, the agreement (if entered into) ends and they are then allowed to cut it. According to the statistics, the amount of felling permits issued for WKH in private forest is relatively high. In state forest and in FSC/PEFC certified private forest and in private forests where WKH contract has been signed, WKH are protected. (source: SBP RRA for Estonia).
Mitigation measure:	BALTANIA implemented the following approach for mitigating the specified risk for sourcing of raw materials. The mitigation measures described below will only be applied for feedstock that is in the scope of the SBE. The measures shall be applied for present suppliers, as well as for potential ones. In order to become a supplier for Baltania, the following steps need to be completed: 1. The supplier has a valid FSC, PEFC certificate and can be found in the public certificate database (FSC Public Search and Find Certified - PEFC - Programme for the Endorsement of Forest Certification).

2. The certificate shall include the feedstock types supplied.

3. Their feedstock is sourced inside the borders of Estonia, inside the scope of SBE.

4. They already have, or are ready to implement mitigation measures, and can prove it with documentation.

5. In case the purchase is contracted, they sign the contract with the Annex about the mitigation measures applied to WKH.

6. In case the purchase is not contracted, they agree on the Baltania's provided guidelines, describing the mitigation measures required for WKH.

7. In case, the feedstock is controlled, the main requirement is to be able to trace the feedstock till the felling site. Therefore, the supplier is required to indicate harvesting site information on the invoice.

8. Controlled feedstock is defined as feedstock with certification claims "FSC Controlled Wood" and "PEFC Controlled Sources".

9. In case the controlled feedstock does not have the harvesting site information on the invoice, then the certain risk remains, though the supplier might have mitigation measures in place. Such supplier needs to be audited before any purchases are made. During the on-site visit the origin of the feedstock is checked, assuring that none of it was harvested in WKH area. The supplier then is accepted as audited. The audit for this supplier has to be performed at least once a year.

10. If the controlled feedstock documentation includes the harvesting site information then the site is checked by Baltania in the Environmental Agency's WKH database or Forest Registry's WKH map. If the harvesting site does not have a WKH on it, the material is considered as SBP-compliant. (links: http://geoportaal.maaamet.ee/ , https://register.metsad.ee/ , https://vep.lank.ee)

Baltania system for feedstock sourcing in summary:

Suppliers with claim	Suppliers with claim	Audited suppliers of controlled feedstock
FSC100%, FSC Mix, PEFC100%	FSC CW, PEFC CS	
Check the certificate	Check the certificate	
Within the scope of Estonian SBE	Within the scope of Estonian SBE	Within the scope of Estonian SBE

Mitigation measures implemented for WKH	Mitigation measures implemented for WKH	Mitigation measures implemented for WKH
Sigh contract or purchase order + Guidelines for WKH	Sigh contract or purchase order + Guidelines for WKH	Sigh contract or purchase order + Guidelines for WKH
	Harvesting site shown on the invoice.	Harvesting site is not shown on the invoice.
	Harvesting site checked in database of map, no WKH found	Audit at least once/12 months.
SBP-compliant feedstock	SBP-compliant feedstock	SBP-compliant feedstock

7.2 Monitoring and outcomes

As mentioned above, the plant has not yet started full operation and the monitoring period is relatively short. The Plant manager is aware of the checkups that can mitigate the possible risks as per Indicator 2.1.2:

1. - WKHs are checked through the links (links: http://geoportaal.maaamet.ee/ , https://register.metsad.ee/ , https://vep.lank.ee);

2. Valid forest notices are listed in the Forest Registry database;

3. Proof of ownership is checked in the Land Register

4. Felling permits can be also 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 and integrity of the WKH.

Detailed findings for each Indicator are given in the SBP endorsed regional risk assessment for Estonia dated 22.04.2016 and found here: SBP-endorsed Regional Risk Assessment for Estonia FINAL_Apr 16 (sbp-cert.org)

8 Detailed findings for indicators

Detailed findings for each Indicator are given in Annex 1 in case the Regional Risk Assessment (RRA) is not used.

Is RRA used? Yes

9 Review of report

9.1 Peer review

The company used both, the internal and the external peer review. The SBR was reviewed by expert Henrik Välja (Managing Director of Estonian Forest and Wood Industries Association) reviewed the SBR. This report was also reviewed internally by Baltania's central office's management: Argo Tõnuri/Plant Manager, Oliver Pappel / Business Manager, Hester Schimmel / SHEQ Manager fo PerpetualNext. The SBR was sent out to stakeholders for consultation and feedback will be provided to whoever expresses interest or concern.

9.2 Public or additional reviews

The SBR was sent to the following key stakeholders: State Forest Management Centre, Estonian Private Forest Centre, Estonian Private Forest Union, FSC Estonia, PEFC Estonia, Estonian Forest and Wood Industries Association, Estonian Forest Aid. No comments or feedstock from the stakeholders were received.

10 Approval of report

Approval of Supply Base Report by senior management			
Report Prepared by:	**Jūratė Žimkienė**	**Deputy / MK Laivyba**	**09 Aug 2021**
	Name	**Title**	**Date**
The undersigned persons confirm that I/we are members of the organisation's senior management and do hereby affirm that the contents of this evaluation report were duly acknowledged by senior management as being accurate prior to approval and finalisation of the report.			
Report approved by:	**Argo Tõnuri**	**Plant Manager**	**09 Aug 2021**
	Name	**Title**	**Date**
Report approved by:	**Oliver Pappel**	**Business Manager**	**09 Aug 2021**
	Name	**Title**	**Date**
Report approved by:	**Hester Schimmel**	**SHEQ Manager / Perpetual Next**	**09 Aug 2021**
	Name	**Title**	**Date**

Annex 1: Detailed findings for Supply Base Evaluation indicators

N/A