Supply Base Report:
Warmeston OÜ - Sauga production

Second Surveillance Audit

www.sbp-cert.org

Completed in accordance with the Supply Base Report Template Version 1.5

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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Contents

1 Overview

Producer name: Warmeston OÜ - Sauga production

Producer address: Kilksama küla Tori vald, 85003 Pärnu maakond, Estonia

SBP Certificate Code: SBP-01-08

Geographic position: 58.438600, 24.576200

Primary contact: Viljo Aros, +372 528 8250,viljo.aros@warmeston.ee

Company website: www.warmeston.ee

Date report finalised: 19 Jan 2023

Close of last CB audit: 27 Jan 2023

Name of CB: Preferred by Nature 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 1.5

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: www.warmeston.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**	**Re-assessment**
☐	☐	☒	☐	☐	☐

2 Description of the Supply Base

2.1 General description

Feedstock types: Primary, Secondary, Tertiary

Includes Supply Base evaluation (SBE): Yes

Includes REDII SBE: No

Feedstock origin (countries): Estonia, Latvia, Finland, Sweden, Norway

2.2 Description of countries included in the Supply Base

Country: Estonia

Area/Region: Estonia

Exclusions: No

General description for Supply Base: Adjacent lands include grass lands, wetlands, water resources, urban spaces, transportation and agriculture lands. Non-confidential information about SBP certified feedstock and feedstock groups is given in table 3.3 and section 3.4.

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[1].

The Estonian legislation provides strict outlines in respect to the usage of forestry land and the Estonian Forestry Development Plan 2020[2] 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 fulfilment of state duties in forestry. The implementation of environmental policies and its supervision are carried out by Estonian Environmental Board.

The forest is defined in the Forest Act. There are three main forest categories are described in this legislation: commercial forest, protection forest and protected forests. According to the ownership, forests are also divided into private forests, municipality forests and state-owned forests. The state-owned forest represents approximately 45% of the total forest area[3] and is certified according to FSC and PEFC forest management and chain of custody standard in which the indicators related to forest management planning, maps and availability of forest inventory records are being constantly evaluated and addressed[4]. 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. Overall, there is 1 240 488 ha[5] of FSC certified and 1 566 751 ha[6] of PEFC certified forest.

56% or approximately 2 438 000 ha of the Estonian land territory has forest cover.[7] Forestry Development Plan 2012-2020 and Yearbook Forest 2020, that gives annual reports and facts about the forest in Estonia,

state that during last decade the cutting rate in Estonian forests is from 8 to 14 million m³ per year[8]. 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 the economic, social and environmental needs. In 2020 the fuelwood share in was estimated to be 38.9 % from the total roundwood felling volume of 10.64 million m3. [9]

The distribution of growing stock by tree species in Estonia is shown in Figure 1.

Figure 1 The distribution of growing stock by tree species (Yearbook Forest 2019).

For logging in any type of forest, it is required that a valid forest inventory or forest management plan, along with a forest notification issued by the Environmental Board, is available. All approved forest notifications and forest inventory data is available in the public forest registry online database[10].

Area of protected forests accounts to 25.3% of the total forest area whereas 10% is considered to be under strict protection. The majority of protected forests is located on state property. The main regulation governing the preservation of biodiversity and the sustainable use of natural resources is the Nature Conservation Act[11]. Estonia has signed the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) in 1992[12] and joined the International Union for Conservation of Nature (IUCN) in 2007[13]. There are no CITES protected tree species naturally growing in Estonia. There are no IUCN tree species growing in Estonia, that are critically endangered or endangered.[14]

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 and 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 provides education about the natural environment which are free to access.[15]

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[1] http://europa.eu/about-eu/countries/member-countries/estonia/index_en.htm

[2] Original title: „Eesti metsanduse arengukava aastani 2020“; approved by Estonians Parliament decision no 909 OE 15.February
2011.a http://www.envir.ee/sites/default/files/elfinder/article_files/mak2020vastuvoetud.pdf

[3] http://www.rmk.ee/organisation/operating-areas

[4] http://www.rmk.ee/organisation/environmental-policy-of-rmk/certificates

[5] FSC Facts and Figures, October 2022

[6] PEFC Global Statistics, September 2022

[7] State of Europe’s Forests 2020. Published by: Ministerial Conference on the Protection of Forests in Europe FOREST EUROPE Liaison Unit Bratislava

[8] Yearbook Forest 2020 https://keskkonnaportaal.ee/et/metsa-aastaraamatud (all key figures, graphs and tables are bilingual)

[9] https://ec.europa.eu/eurostat/statistics-explained/index.php/Wood_products_-_production_and_trade#Wood-based_industries

[10] http://register.metsad.ee/avalik/

[11] https://www.riigiteataja.ee/en/eli/530062021001/consolide

[12] http://www.envir.ee/et/cites

[13] http://www.envir.ee/et/iucn

[14] https://www.iucnredlist.org/search?landRegions=EE&searchType=species

[15] https://www.eesti.ee/eng/topics/citizen/keskkond_loodus/maa/metsandus_1

Country: Latvia

Area/Region: Latvia

Exclusions: No

Latvia is a parliamentary republic that joined the EU in 2004. In Latvia, forests cover area is approximately 3 411 000 hectares which is nearly 55,0%[1] of the land territory. The joint Stock Company “Latvia’s State Forests” manages and administers 1.63 million ha of land, including 1.60 million ha of forest land, which incorporates 1.41 million ha of forest.[2] The area covered by forest is increasing. The expansion happens both naturally and by afforestation of infertile land unsuitable for agriculture.

Distribution of forests by the dominant species:

- Pine 34.3%;
- Spruce 18.0%;
- Birch 30.8%;
- Black alder & grey alder 10.0%;

· Aspen 5.4%

The field of forestry In Latvia is supervised by the Ministry of Agriculture, which in cooperation with stakeholders of the sphere develops forest policy, development strategy of the field, as well as drafts of legislative acts concerning forest management, use of forest resources, nature protection and hunting.

Implementation of requirements of the national law and regulations issued by the Cabinet of Ministers notwithstanding the type of tenure is carried out by the State Forest Service under the Ministry of Agriculture.[3]

Management of the state-owned forests is performed by the public limited company Latvijas Valsts Meži, established in 1999. The enterprise ensures implementation of the best interests of the state by preserving value of the forest and increasing the share of forest in the national economy. [4]

In 2020, the fuelwood share was 17.1 % from the felling volume of 15,3 million m3. [5]

For the sake of conservation of natural values, a total number of 674 protected areas have been established. Part of the areas have been included in the European network of protected areas Natura 2000. Most of the protected areas are state-owned. In order to protect highly endangered species and biotopes located without the designated protected areas, if a functional zone does not provide that, micro reserves are established. According to data of the State Forest Service (2015), the total area of micro reserves is 40 595 ha. Identification and protection planning of biologically valuable forest stands is carried out continuously. On the other hand, for preservation of biological diversity during forest management activities, general nature protection requirements binding to all forest managers have been developed. They stipulate that at felling selected old and large trees, dead wood, undergrowth trees and shrubs, land cover around micro-depressions are to be preserved, thus providing habitat for many organisms. Latvia has been a signatory of the CITES Convention since 1997. CITES requirements are respected in forest management, but there are no CITES tree species naturally growing in Latvia.

There are no IUCN tree species growing in Latvia, that are critically endangered or endangered.[6]

Areas where recreation is one of the main forest management objectives add up to 8 % of the total forest area or 293 000 ha (2012). Observation towers, educational trails, natural objects of culture history value, picnic venues: they are just a few of recreational infrastructure objects available to everyone free of charge. Special attention is devoted to creation of such areas in state-owned forests. Recreational forest areas include national parks (excluding strictly protected areas), nature parks, protected landscape areas, protected dendrological objects, protected geological and geomorphologic objects, nature parks of local significance, the Baltic Sea dune protection zone, protective zones around cities and towns, forests within administrative territory of cities and towns. Management and governance of specially protected natural areas in Latvia is co-ordinated by the Nature Conservation Agency under the Ministry for Environmental Protection and Regional Development.

All forest area of Latvijas valsts meži as well as some part of forests in private and other ownership are FSC and PEFC certified. All together there is 1 210 137 ha[7] FSC certified and 1 754 351 ha[8] PEFC certified forest in Latvia.

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[1] State of Europe's Forests 2020. Published by: Ministerial Conference on the Protection of Forests in Europe FOREST EUROPE Liaison Unit Bratislava

[2] https://www.lvm.lv/en/about-us

[3] https://www.vmd.gov.lv

[4] https://www.lvm.lv

[5] https://ec.europa.eu/eurostat/statistics-explained/index.php/Wood_products_-_production_and_trade#Wood-based_industries

[6] https://www.iucnredlist.org/search?landRegions=LV&searchType=species

[7] FSC Facts and Figures, October 2022

[8] PEFC Global Statistics, September 2022

Country: Finland

Area/Region: Finland

Exclusions: No

Finland is a parliamentary republic that is a member of the EU since 1995.

Forests cover nearly 74% of Finland's land are which accounts to 22,409 million ha[1]. Almost half of the volume of the timber stock consists of pine (*Pinus sylvestris*). The other most common species are spruce *(Picea abies*) downy birch (*Betula pubescens*) and silver birch (*Betula pendula*). These species make for 97% of total timber volume in Finland.[2]

The Forest Act regulates the felling of timber in Finland. Regional Forestry Centres control the implementation of the forestry legislation and accept forest use declarations in which forest owners inform about the stand characteristics, intended measures, regeneration and ecological concerns on the site before the felling can take place. Regional Environment Centres control the implementation of Nature Conservation Act. The Finland's National Forest Programme also states the importance of legal wood and lists measures to promote sustainable wood and to control illegal logging both nationally and internationally.[3]

Private forest owners (mostly families) own the majority (60%) of Finnish forests. Owner needs to get acceptance for forest use declaration from regional forest centres. The state owns 26% of the Finnish forests, private industries, such as forest industry companies 9% and other bodies 5%. The state forests are mainly situated in the north of Finland, and 45% of them are under strict protection. State lands are managed by Metsähallitus.

Certification is voluntary for the forest owner however nearly 90% of Finnish forests are under third party certification schemes, mostly PEFC, with some forests being certified under both FSC and PEFC. Certification criteria are stricter than decrees or legislation, which means that in practise, certification determines the standard of silviculture in Finland. The share of FSC certified forests is approximately 9% of the total forest area.

There is ca 2 248 255 ha[4] FSC certified forest and 18 985 343 ha[5] PEFC certified forest in Finland.

According to a report by UNECE[6] the amount of illegal logging in Finland is negligible. An extensive national forest inventory, national forest programme and regional forest programmes, widely spread individual forest management plans and large share of private non-industrial ownership of forests contribute to almost non-existence of markets for illegal timber and negligible amount of illegal logging in Finland.

Finland joined CITES in 1976. Nowadays the national legislation for the implementation of CITES and relating EU regulations is the Nature Conservation Act (1096/1996), which came into force in the 1st of January 1997. IUCN National Committee of Finland was approved by IUCN Council in 1999. There are no IUCN tree species growing in Finland that are critically endangered or endangered.[7]

The forest sector is one of key supporters of Finland’s economy. In 2011 it employed directly about 70,000 people in Finland, which was 2.8% of all employees. One fifth of Finland’s export income comes from forest industries. More than 60% of the value added generated by the forest industries came from pulp and paper industries and the rest from wood products industries in 2011. Regionally, the importance of the forest sector is largest in south-eastern corner of Finland and in Etelä-Savo and Central Finland regions, where the sector produces some 10% of the regional GDP. In 2020, the fuelwood share was 14.8 % from the felling volume of 60.2 million m3.[8]

Similar to Estonia, Finland has a relatively rare concept of Everyman’s rights (Jokamiehenoikeus) which gives everyone, Finns and other nationalities alike, the right to move freely outdoors. Picking berries and mushrooms is permitted even on privately owned land; thus, free forest access provides, in addition to products for local or family consumption, income-earning opportunities for those who sell non-wood forest products. Everyman’s right has traditionally been exercised with due concern for the environment and common courtesy to the landowner or those living in the vicinity.

A group considered as an indigenous people in Finland is the Sámi. Their rights have been secured in many laws e.g. the Constitution, the Sámi Parliament Act, the Act on the Finnish Forest and Park Service and the Act on Reindeer Husbandry. The Sámi Parliament is the supreme political body of the Sámi in Finland. The Sámi Parliament represents the Sámi in national and international connections, and it attends to the issues concerning Sámi language, culture, and their position as an indigenous people. The Sámi

Parliament can make initiatives, proposals and statements to the authorities. The Sámi Parliament Act also states that the authorities have an obligation to negotiate with the Sámi Parliament for all important measures that concern the Sámi people. These include for example the use of state land and conservation areas.

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[1] State of Europe's Forests 2020. Published by: Ministerial Conference on the Protection of Forests in Europe FOREST EUROPE Liaison Unit Bratislava

[2] http://www.smy.fi/en/forest-fi/finnish-forests-resources/

[3] http://fsc.force.com/servlet/servlet.FileDownload?file=00P3300000YU8ihEAD

[4] FSC Facts and Figures, October 2022

[5] PEFC Global Statistics, September 2022

[6] http://www.unece.org/fileadmin/DAM/timber/docs/sem/2004-1/full_reports/Finland.pdf

[7] https://www.iucnredlist.org/search/list?landRegions=FI&searchType=species

[8] https://ec.europa.eu/eurostat/statistics-explained/index.php/Wood_products_-_production_and_trade#Wood-based_industries

Country: Sweden

Area/Region: Sweden

Exclusions: No

Sweden is a parliamentary constitutional monarchy that joined the EU in 1995.

The Swedish Forest Agency is the national authority responsible for matters relating to the forest. It strives to ensure that the nation's forests are managed in such a way as to yield an abundant and sustainable harvest while at the same time preserving biodiversity. Its most important tasks are to give advice on forest-related matters, supervise compliance with the Forest Act, provide services to the forest industry, support nature conservation efforts and conduct inventories.

Sveaskog is Sweden's largest forest owner and is owned by the State. Sveaskog owns 14% of forest land in Sweden, spread across the entire country.

Sweden has Europe's second biggest afforested area after Russia with more than two thirds forest cover (68,7%). The total forest land area is 27,980 million hectares. Spruce and pine are by large the predominant species in Swedish forests. These two species count for more than 80% of the timber stock. In northern Sweden pine is the most common species, whereas spruce, mixed with some birch, dominates in southern Sweden.

In 2020, the fuelwood share was 7.3 % from the felling volume of 74.4 million m3.[1]

The amount of protected forests in Sweden amounts to circa 1.9 million hectares. A great extent, about 90% of these forests are the kind of forests in which minor interventions are allowed. The share of strictly protected forests, where no human interventions are allowed is 0.3 % from the forest area. National parks, nature reserves and nature conservation areas cover an area of 4.2 million hectares, i.e. 10% of Sweden's land area. There are at least 220.000 hectares of protected forests which still in terms of forest growth are productive. In addition, there are about 12.000 hectares of protected habitat types and 25.000 hectares of wood land set aside and protected by environment conservation agreements. Large forest areas are also protected through forest owners' voluntary activities. Sweden signed the Convention on International Trade in Endangered Species of Wild Fauna and Flora in August 1974 and the convention entered into force in July 1975. Sweden has also established an IUCN National Committee. The Sorbus faohraei is the only IUCN tree species growing in Sweden, that is critically endangered. There are no IUCN tree species growing that are endangered.[2]

Private forest owner families hold about 50% of Swedish forests, privately owned forestry companies about 25% and the State and other public owners have the remaining 25%. The ownership of forests in Sweden varies between regions. In Southern parts of the country forests are mainly owned by private persons whereas in Northern Sweden companies own more significant amounts of forests. Similar to Estonia and Finland, in Sweden everyone has the Right of Public Access to roam the Swedish countryside including walking, camping, climbing and picking flowers.

FSC certified forests amount to 19 625 754 ha[3] and PEFC certified to 16 832 436 ha.[4]

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[1] https://ec.europa.eu/eurostat/statistics-explained/index.php/Wood_products_-_production_and_trade#Wood-based_industries

[2] https://www.iucnredlist.org/search?landRegions=SE&searchType=species

[3] FSC Facts and Figures, October 2022

[4] PEFC Global Statistics, September 2022

Country: Norway

Area/Region: Norway

Exclusions: No

Norway provides a wide diversity of landforms, nature-types and biodiversity with forests covering 40% of the land area i.e. 12,18 million hectares. 60 % of forests (7.38 million ha) are PEFC certified and 0.45 million ha are double certified under FSC and PEFC certification schemes.[1] The main forest types used for commercial forestry are spruce forest, pine forest, birch forest, and (marginally) oak forest. Boreal deciduous forests, beech forests and termophilous deciduous forests are currently in minor degree relevant areas for forestry.

There are ca. 127.500 properties with productive forests in Norway. 231 properties are larger than 2 000 hectares, covering 19 % of these forests, and 90 % of the forest properties are smaller than 100 hectares. Most of the forests are owned by private forest owners (77 %), while the state owns 7 % (Statskog SF). The rest is owned by companies, the church, forest-commons and municipalities.

Norwegian forests are mainly managed as areas for the purpose of agriculture, nature and outdoor activities and reindeer herding) according to each municipality's masterplan for area classification. In most of the forest areas, no permits are needed before logging however in Protective Forests bordering the mountains, in selected areas along the coast and in some other regions various notification forms or applications must be sent to and approved by local forest authorities prior to logging. The Forestry Act was renewed in 2005, and forestry has relatively few regulations in Norway. Each municipality has authorities responsible for the management of forestry and forest-owners. Harvesting is regulated by the Ministry of Agriculture and Food. Most of the logging, thinning and planting is conducted by professional entrepreneurs on contracts for timber buyers.

3,2 % of all the productive forests are strictly protected within nature reserves and national parks in Norway. Protected areas where forestry is allowed are controlled through specific regulations made for each applicable area. These regulations specify whether a management plan or harvesting plan is mandatory for the area in question. Management plans are approved by the Norwegian Environment Agency, and conducted at county-, or municipality level depending on the given authority. Norwegian Nature Inspectorate has the task to ensure that the rules are followed in accordance with regulations and management plans.

Norway had ratified the CITES Convention and there are no Norwegian tree species in the CITES list. [2] The Smalasal (*Sorbus lancifolia*) is the only IUCN tree species growing in Norway, that is critically endangered. The Sogneasal (*Sorbus sognensis*), the Nordlandsasal (*Sorbus neglecta*), the Småasal (*Sorbus subarranensis*) and the Grenmarasal (*Sorbus subpinnata*) are endangered IUCN tree species growing in Norway. [3]

There are 71 FSC Chain of Custody certificates issued. FSC certified forest area is 680 604 ha.[4] For PEFC, there is 7 351 500 ha certified forest area and 85 enterprises are certified according to the Chain of Custody PEFC schemes in Norway.[5]

In 2020, the fuelwood share was 12.8 % from the felling volume of 11.8 million m3. [6]

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[1] State of Europe's Forests 2020. Published by: Ministerial Conference on the Protection of Forests in Europe FOREST EUROPE Liaison Unit Bratislava

[2] FSC-NRA-NO V1-0

[3] https://www.iucnredlist.org/search?landRegions=EE&searchType=species

[4] FSC Facts and Figures, October 2022

[5] PEFC Global Statistics, September 2022

[6] https://ec.europa.eu/eurostat/statistics-explained/index.php/Wood_products_-_production_and_trade#Wood-based_industries

2.3 Actions taken to promote certification amongst feedstock supplier

Warmeston OÜ is promoting FSC and PEFC certification for Sustainable Forest Management. We explain to our suppliers its criteria and importance and give priority to FSC and/or PEFC certified suppliers. Warmeston OÜ has prepared a supplier's code of conduct that will be signed with all suppliers. Amongst other this document promotes legal and sustainable forest management and excludes timber from undefined sources.

2.4 Quantification of the Supply Base

Supply Base

a. **Total Supply Base area (million ha)**: 68,42
b. **Tenure by type (million ha):**50.66 (Privately owned), 17.76 (Public)
c. **Forest by type (million ha):**63.79 (Boreal), 4.63 (Temperate)
d. **Forest by management type (million ha):**68.42 (Managed natural)
e. **Certified forest by scheme (million ha):**25.00 (FSC), 46.49 (PEFC)

Describe the harvesting type which best describes how your material is sourced: Mix of the above
Explanation: All primary feedstock used in the factory is with Estonian origin, where the maximum size of clearcuttings is restricted by the Forest Act with up to 7 hectares. The area restriction does not apply in cases were there felling is done within one sub-compartment of the forest management unit. 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 5 years after harvest and in some forest types where growing conditions are worse, within 10 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? Yes - Minority
Explanation: Storm salvage, forest pests and fires.

What is the estimated amount of REDII-compliant sustainable feedstock that could be harvested annually in a Supply Base (estimated): N/A N/A

Explanation:N/A

Feedstock

Reporting period from: 01 Jan 2022

Reporting period to: 31 Dec 2022

a. **Total volume of Feedstock**: 200,000-400,000 tonnes
b. **Volume of primary feedstoc**k: 1-200,000 tonnes
c. **List percentage of primary feedstock, by the following categories.**
    - Certified to an SBP-approved Forest Management Scheme: 20% - 39%
    - Not certified to an SBP-approved Forest Management Scheme: 60% - 79%
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); Picea abies (Norway spruce); Pinus sylvestris (Scots pine); Populus tremula (European aspen); Quercus robur (English oak); Fraxinus excelsior (European ash);
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 (%):** 56,10
g. **Softwood (i.e. coniferous trees): specify proportion of biomass from (%):** 43,90
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 local standards vary slightly between sawmills but 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 (%):** N/A
k. **Volume of primary feedstock from primary forest:** 0 N/A
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: N/A
    - Primary feedstock from primary forest not certified to an SBP-approved Forest Management Scheme: N/A
m. **Volume of secondary feedstock**: 1-200,000 tonnes
    - Physical form of the feedstock: Chips, Sawdust
n. **Volume of tertiary feedstock**: 1-200,000 tonnes
    - Physical form of the feedstock: Offcuts, Shavings, Sawdust (dry)
o. **Estimated amount of REDII-compliant sustainable feedstock that could be collected annually by the BP:** N/AN/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 %
Secondary	50,95	49,05	0,00	0,00
Tertiary	0,00	79,67	20,33	0,00
Primary	59,27	36,23	4,50	0,00
Other	0,00	0,00	0,00	0,00

3 Requirement for a Supply Base Evaluation

Note: Annex 1 is generated by the system if the SBE is used without Region Risk Assessment(s). Annex 2 is generated if RED II SBE is in the scope.

Is Supply Base Evaluation (SBE) is completed? Yes

To reduce the risk of sourcing from high conservative value forests and meet the demand for SBP-compliant biomass Warmeston OÜ will undertake a supply base evaluation for primary and secondary 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 – Minor update and extension of validity" as published in October 2021. The risk assessment for Estonia has been approved by SBP's secretariat on 22nd October 2021 and is publicly available on at: https://sbp-cert.org/documents/standards-documents/risk-assessments/estonia/ (30.11.2021).

The scope of the SBE 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.

Is REDII SBE completed? N/A

N/A

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:
The following specified risk factors under Indicator 2.1.2 have been identified:

- Officially registered WKHs
- Potential Woodland Key Habitats (WKHs);
- Natura forest habitat types that are in Natura 2000 protection areas limited management zones;
- Natural Sacred grounds; and
- Cross trees.

Since the current SBP Standard 2 accepts FSC and PEFC forest management claims as SBP compliant and since all State Forest is FSC or PEFC-certified then the specified risks above are valid only for non-certified private forests (i.e., a Supply Base Evaluation is not required for the feedstock sourced with the SBP-approved Forest Management Scheme claim).

4.2 Justification

Warmeston OÜ will rely on SBP-endorsed Regional Risk Assessment for Estonia - Minor update and extension of validity (2021) that meets the requirements of SBP Framework Standard 1: Feedstock Compliance Standard and Standard 2: Verification of SBP-compliant Feedstock and has been approved by the SBP secretariat on 22nd October 2021.

Warmeston 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 and Supplier Verification Programme

The risk evaluation and mitigation will be based on SBP-endorsed Regional Risk Assessment for Estonia - Minor update and extension of validity (2021), where the only indicator evaluated as specified risk was:

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".

Management activities in the high conservation value forests is regulated by the Nature Conservation Act, Forest Act and related acts and regulations.

The Environmental Inspectorate and the Environmental Board are responsible for controlling the fulfilment of these laws. The Environmental Inspectorate determines sanctions where violations are identified.

The Woodland Key Habitats (WKHs) are forest habitats with a high probability of the current occurrence of endangered, vulnerable or rare species. The WKH mapping tool is used to address high conservation value forest habitats in managed forests.

According to Estonian legislation, the protection of WKHs is optional for private forest owners. They can choose to sign a contract with the State to protect WKHs. In such cases, the State pays compensation to the owner for the protection of the WKH. If the private forest owner does not want to protect the WKH they are allowed to cut it. In State forests and private forests, FSC and PEFC require the protection of registered WKHs.

In accordance with the above the level of risk for this indicator is specified for uncertified private forest and low for both State forests and for FSC or PEFC certified private forest.

In cases where the sourced feedstock derives from private forests, it is important to know exactly where the feedstock was harvested (forest management unit (FMU), sub-compartment). Public databases can be used to determine if the material comes from a WKH. Please see Annex 1 for a description of the detailed mitigation actions.

In 2017, the legal act "Väärislupaiga klassifikaator, valiku juhend, kaitse korraldamine ning väärislupaiga kaitseks lepingu sõlmimine ja kasutusõiguse tasu arvutamise täpsustatud alused" ("Woodland Key Habitat classification methodology, selection, protection and protection contract signing and compensation calculation detailed instruction") was changed such that before new WKHs are added to the State registry there must be approval from the landowner who has a conflict of interest. As such potential WKHs in private forests are not always recorded on the public State registry.

In order to protect **Natura 2000 habitat types in Natura protection areas**, the State has created Special Management Zones and Strict Reserve Zones so that it is possible to protect the majority and most valuable HCVs including Natura 2000 forest habitat types. In these zones commercial forest management is not allowed. As the state has decided that it is not feasible to protect all Natura 2000 forest habitat types with such strict zones some of these habitats are covered with the limited management zones where commercial felling with restrictions is allowed. Today the Board of Environment is not conducting Natura habitat impact assessments each time before issuing felling permits and the felling permits may be issued even if the habitat type will be destroyed or damaged.

Based on the information from FSC Estonia and relevant stakeholders there are approximately 700 mapped **Natural Sacred Grounds and Cross Tree Sites** (sites with one or more culturally significant Cross Trees in Estonian “ristipuud”) that are fully or partly on forest land. Additionally, they estimate that there is a number of unmapped natural sacred grounds.

According to Estonian legislation, harvesting is allowed in unprotected natural sacred grounds and Cross Trees are not legally protected from logging. When these areas and objects are protected by the Heritage Conservation Act, restrictions set by Heritage Board need to be followed. In the opinion of interested stakeholders, the Heritage Board restrictions do not protect these sites in the way they would like to see it.

Based on latest information from the Heritage Board Natural sacred Grounds inventories have been done approximately on half of Estonia and the results of this inventories are not publicly available. Digitalising inventory results is still in progress. So, today, the Environmental Board does not have a full overview of inventoried sites and felling that is taking place on Natural Sacred Grounds will not be subject to any additional restrictions by the Heritage Board.

As a risk mitigation measure in the FSC Controlled Wood system a map was created by stakeholders of the relevant areas and objects. It is important to note that a mapping and classification methodology has not been formally agreed between State agencies and stakeholders and, therefore, differences in interpretation remain.

Based on the information above there are five specified risk objects under this Indicator:

- Officially registered WKHs
- Potential WKHs
- Natura forest habitat types that are in Natura protection areas limited management zones
- Natural Sacred grounds
- Cross trees

NOTE: Since the current SBP Standard 2 accepts FSC and PEFC forest management claims as SBP-compliant and since all State Forest is FSC or PEFC-certified then the specified risks above are valid only for non-certified private forests (that is, a Supply Base Evaluation is not required for the feedstock sourced with the SBP-approved Forest Management scheme claim).

All other indicators were assigned as “low risk”. For more detail please refer to the SBP-endorsed Regional Risk Assessment for Estonia - Minor update and extension of validity (2021).

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.

4.4 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 to 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 officially registered WKHs, potential WKHs, Natura forest habitat types that are in Natura protection areas limited management zones, Natural Sacred grounds and Cross trees.

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.

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 (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 along with the chosen level of risk, which was based on the information provided. The initial regional risk assessment was approved by SBP on 22nd April 2016.

Since the publication of the initial RRA for Estonia the FSC CNRA has been published and several additional risk factors were identified within Indicator 2.1.2 compared to the SBP RRA. The main objective was to study the FSC CNRA and evaluate if there was a need to adjust SBP RRA accordingly. This was done through the desk-based comparison of the two documents, evaluating new information about these topics and adjusting the SBP RRA for Estonia.

Also, stakeholders have shared some comments in the media about the sustainability of forest management in Estonia, in particular in relation to regional carbon stocks. Since this topic is covered in SBP Standard 1 under Criterion 2.9, it was important to review the RRA for Indicators 2.9.1 and 2.9.2 and verify if the risk designations were still accurate.

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.

In accordance with the RRA Procedure, during a minor revision the Working Body does not need to conduct a stakeholder consultation. The WB did not conduct a public stakeholder consultation, but has contacted several stakeholders directly to obtain the latest available data and statistics. A public stakeholder SBP Regional Risk Assessment for Estonia ± minor update 2021 consultation was organised by SBP. Stakeholder comments and SBPs response may be found on the SBP website in a separate document ³Estonia RRA Minor Update: Response to Consultation´

The stakeholder consultation process for Warmeston OÜ's SBE procedure were undertaken:

- from 4th May 2016 to 3rd June 2016,
- from 1st September 2020 to 2nd October 2020 and
- from 30th November 2021 to 31st December 2021.

Warmeston OÜ contacted stakeholders by e-mails which were sent to all local municipalities, state institutions and authorities responsible forest management activities, State Forest Management Centre, Foundation Private Forest Centre, Estonian Private Forest Association, FSC Estonia, PEFC Estonia and the Estonian Forest and Wood Industries Association and to Loodusaeg's mailing list covering app 1000 followers including various nature conservation and protection organisations. During the consultations, no comments from the stake holders were received.

In addition Nepcon, acting as the SBP approved certification body of Warmeston, undertook an additional consultation process prior to the SBE audit, re-evaluation audit and prior the implementation of the Regional Risk Assessment for Estonia - Minor update and extension of validity (2021) by Warmeston OÜ.

Based on the findings of the regional risk assessment Warmeston OÜ established procedures to mitigate the risks for primary and secondary feedstock that has been harvested in Estonia.

6.1 Response to stakeholder comments

N/A

7 Mitigation measures

7.1 Mitigation measures

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:	The following specified risk factors under Indicator 2.1.2 have been identified: • Officially registered WKHs • Potential Woodland Key Habitats (WKHs); • Natura forest habitat types that are in Natura 2000 protection areas limited management zones; • Natural Sacred grounds; and • Cross trees. Since the current SBP Standard 2 accepts FSC and PEFC forest management claims as SBP compliant and since all State Forest is FSC or PEFC-certified then the specified risks above are valid only for non-certified private forests (i.e., a Supply Base Evaluation is not required for the feedstock sourced with the SBP-approved Forest Management Scheme claim).
Mitigation measure:	The responsible person for the implementation of the SBE is the Quality and Environmental Manager of Warmeston OÜ who is also the overall responsible person for the company's FSC, PEFC and SBP certification systems. ***Primary feedstock*** Warmeston OÜ will verify all deliveries of primary feedstock which have been harvested in Estonia and are purchased without an FSC claim, whether they have been sourced from areas that are known to include any Indicator 2.1.2 Risk Factors. Warmeston OÜ will use a list of approved suppliers, delivery documents, publicly available official databases (e.g. https://register.metsad.ee, https://kratt.envir.ee, https://geoportaal.maaamet.ee/) and databases provided by competent authorities or FSC Estonia and expert reports, to verify that the delivered

primary feedstock has not been sourced from areas known to include any Indicator 2.1.2 Risk Factors.

Warmeston OÜ will carry out the following control procedure within the SBE prior to or during the reception and registration of primary feedstock:

1. Has the supplier signed a code of conduct?

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 without felling permit.

4.1 If there are no Indicator 2.1.2 Risk Factors on the FMU according to available information, the products can be sourced.

4.2 If there is a Indicator 2.1.2 Risk Factor on FMU, the products cannot be sourced.

5.Does the logging site defined in the felling permit, provided with the supplied material, match with the Indicator 2.1.2 Risk Factor area?

5.1 If yes, the products cannot be sourced.

5.2 If no, the products can be sourced.

Feedstock that originates from Estonia and is sold with an FSC Controlled Wood Claim is accounted by Warmeston OÜ as meeting the requirements of SBE according to the results of Warmeston OÜ's risk assessment "SBE for Estonian feedstock with an FSC Controlled Wood claim". All these suppliers are subject to Supplier audits.

Secondary feedstock

Warmeston OÜ will verify all deliveries of secondary feedstock which have been harvested in Estonia and are purchased without an FSC claim

whether they have been sourced from areas that are known to include any Indicator 2.1.2 Risk Factors. To mitigate the risks Warmeston OÜ will:

- train its suppliers and develop procedures necessary to apply the risk mitigation measures described under Primary feedstock in points 2-5 and
- verify during supplier audits the developed procedures have been implemented and the mitigation measures described under Primary feedstock in points 2-5 are effective.

The trainings and supplier audits are the responsibility of Warmeston OÜ's Quality and Environmental manager who is also responsible for collecting and analyzing suppliers' monitoring results of the Indicator 2.1.2 Risk Factors mitigation measures.

Warmeston OÜ will accept the delivered secondary feedstock without an FSC claim only as "low risk" if:

- the supplier has been trained;
- the supplier has been audited (supplier audit) and no substantial issues in the Indicator 2.1.2 Risk Factors control procedures have been raised;
- the delivered feedstock can be traced back to an Estonian forest where no Indicator 2.1.2 Risk Factors are present at the felling site.

Feedstock that originates from Estonia and is sold with an FSC Controlled Wood Claim is accounted by Warmeston OÜ as meeting the requirements of SBE according to the results of Warmeston OÜ's risk assessment "SBE for Estonian feedstock with an FSC Controlled Wood claim". All these suppliers are subject to Supplier audits.

Frequency of supplier audits

The supplier audits will cover the following aspects:

- the scope of the suppliers FSC and/or PEFC certification
- demonstration of the control procedure carried out by the supplier's responsible person(s);
- documentation of deliveries and suppliers;
- random selection of a sample of primary feedstock deliveries and the verification of the risk mitigation procedures (if needed);
- demonstration of the supplier's Indicator 2.1.2 Risk Factors register and corrective actions taken (if needed);

- feedstock storage conditions;

All audit findings and results will documented.

Warmeston OÜ has 2 supplier groups in the SBE system to determine the frequency of the SBE supplier audits:

1. Suppliers without an FSC CoC certificate and/or suppliers who sell their feedstock without an FSC claim are audited annually.
2. Suppliers with a FSC CoC certificate and selling the material at least with a FSC Controlled Wood claim are audited once during the certification period or when the results of Warmeston's risk assessment „SBE of Esonian feedstock with an FSC Controlled Wood claim" change.

Warmeston OÜ has considered sample based audits for SBE group 2 sufficient for the following reasons:

- The FSC's Centralised National Risk Assessment for Estonia has determined sourcing material from areas where Indicator 2.1.2 Risk Factors are found as a spefcified risk (indicators 3.3 and 3.6 under HCV 3 in FSC's CNRA (https://fsc.org/en/document-centre/documents/resource/309).
- Companies that sell material which has been harvested in Estonia with a valid FSC claim must mitigate the risk associated with Indicator 2.1.2 Risk Factors. FSC certified companies are in addition to the supplier audits audited annually by an independent FSC Cerfication Body.

Other Countries of Origin

If a supplier is sourcing its feedstock from different countries a mass balance approach for determining the proportion of Estonian feedstock will only be accepted if

- the supplier holds a valid SBP-approved chain of custody certificate and
- all feedstock sold to Warmeston OÜ carries a claim from an SBP-approved Controlled Feedstock System.
- the supplier must demonstrate during the supplier audit, that on a country level the origin of feedstock is monitored and registered on a regular bases.

If this information is not available the material will not be accepted as SBP-compliant feedstock.

7.2 Monitoring and outcomes

In 2022 there was a total on 293 different catastrial units which where offered to Warmeston and had a HCV area present within its borders. In 226 of these cases the HCV area did not overlap with the actual harvesting site and in 24 cases a WKH expert was used who determined that a HCV was not present at the felling site. In 43 cases the offered material was rejected.

A total of 4 secondary feedstock suppliers were audited in the SBE program. No deviations were found during the audits.

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 SBR has been reviewed and signed by senior management. The report has been peer reviewed by professionals, educated and engaged in the wood industry and forestry on 21.01.2022.

9.2 Public or additional reviews

The □SBR□ is □publicly □available□ at □Warmeston□ OÜ's □homepage□ (http://warmeston.ee/). □Received□ comments□ will be addressed and the certification body will be notified.

10 Approval of report

Approval of Supply Base Report by senior management			
Report Prepared by:	**Kaire Toomingas**	**Quality and Environmental Specialist**	**17 Jan 2023**
	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:	**Viljo Aros**	**Quality and Environmental Manager**	**19 Jan 2023**
	Name	**Title**	**Date**

Annex 1: Detailed findings for Supply Base Evaluation indicators

N/A

Annex 2: Detailed findings for REDII Supply Base Evaluation indicators (Level B)

N/A