SBP

Sustainable Biomass Partnership

Supply Base Report: Stora Enso Eesti AS Näpi

www.sustainablebiomasspartnership.org

Completed in accordance with the Supply Base Report Template Version 1.0

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

Document history

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Contents

1 Overview

Producer name:	Stora Enso Eesti AS Näpi
Producer location:	Stora Enso Eesti AS Näpi pellet plant, Näpi tee 2E, 44 3015, Näpi, Estonia
Geographic position:	Lat E/W 26 degrees 24 minutes, Long N/S 59 degrees 21 minutes
Primary contact:	Margus Floren, Stora Enso Eesti Näpi Mill, Näpi tee 2E, Estonia, tel.: +372 5164448, margus.floren@storaenso.com
Company website:	https://www.storaenso.com, http://buildingandliving.storaenso.com
Date report finalised:	26/Feb/2016
Close of last CB audit:	
Name of CB:	DNV GL
Translations from English:	N/A
SBP Standard(s) used:	Standard 1 version 1.0, Standard 2 version 1.1
Weblink to Standard(s) used:	http://www.sustainablebiomasspartnership.org/documents
SBP Endorsed Regional Risk Assessment:	Estonia, Latvia, Lithuania; SBP risk assessments Russia, Sweden, Finland; FSC risk assessments
Weblink to SBE on Company website:	http://buildingandliving.storaenso.com

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

2 Description of the Supply Base

2.1 General description

Pellet production		Pellet production is based on sawmill residues only. No primary feedstock used. For sawmill wood sourcing, please see country specific supply base descriptions below.
Estonia	Regional context of sourcing	Estonia.

	Supplier base	Sawmill residues are used for pellet production.
		In Estonia, wood to Stora Enso's mills is sourced from private smallholders, companies and publicly owned forests.
		In Estonia, private and company owned forests make 60 % and publicly owned forests 40 % of the forests.
		In addition, sawmill wood residues for pellet production can be sourced from Stora Enso's mills in Estonia, Latvia, Lithuania, Finland, Russia or Sweden.
		Recycled or treated materials are not used.
		Overview of the proportions of SBP feedstock product groups (Controlled Feedstock, SBP- Compliant Primary Feedstock, SBP-compliant Secondary Feedstock, SBP-Compliant Tertiary Feedstock, SBP non-compliant Feedstock):
		• The 1st tier supply of raw materials to the pellet production
		  ○ Pellet production is integrated to the sawmill (only Näpi sawmill plaining line by products re the feedstock)
		  ▪ SBP Compliant Secondary Feedstock: 29 % of the volume
		  ▪ SBP Controlled Secondary Feedstock: 71 % of the volume
		  ▪ Uncontrolled: 0 %
		• The 2nd tier supply to sawmill include:
		  ○ Sawlogs - Stora Enso Wood Supply (1)
		  ○ Sawn timber - Stora Enso sawmills and external sawmills (27)
		• The 3rd tier supply
		  ○ Log suppliers via Wood Supply to Näpi sawmill (94)

	Forest base and forest management practices	Estonian forests are semi-natural managed forests with native tree species. Tree species in Stora Enso's sourcing for sawmills are Pine (Pinus sylvestris) and Spruce (Picea abies).

		In addition, forests are with birch (Betula sp), Aspen (Populus Tremula), Alder (Alnus sp), and occassionally with Oak, (Querqus), ash (Fraxinus), Larch (Larix sp) and Willows (Salix sp). There are no CITES listed forest tree species in the sourcing. The forest area of Estonia is 2.2 million hectares. Over 20 % of the forest area is represented by different types of forest conservation areas and conservation restrictions. Annual forest harvest represents one half of the annual growth of the forests. Forest management practices are based on the forestry law, forestry guidelines, and forest management planning practice. The forest rotation period is 60-100 years, mostly with 2-3 quality thinnings, a final harvesting and regeneration of a mature stand. Planting or natural seeding can be used in regeneration. GMO trees or introduced tree species are not used. In recent years, continuous cover forestry practice has also become available. Continuous cover forestry is based on a 15-20 year harvesting cycle with selective harvesting, or forest regeneration through mini-logging sites (for instance 0.2 -0.5 ha each).
	FM certification	Stora Enso has FSC® (C125195) Forest Management certified its own forests, and runs FSC group certification for forest owners to promote the growth of forest certified area. Stora Enso also supports the Certified Logger system and developed it together with WWF in order to make forest management certification available also to the smallest forest owners.
	Supply chain certification (Chain of Custody)	All Stora Enso's wood sources, including wood and wood residues, are covered by the Stora Enso wood traceability system, which is third party certified according to FSC Chain of Custody/Controlled Wood. All wood sourcing is in line with • Stora Enso policy for the sustainable sourcing of wood and fibre, and land management, • Stora Enso Supplier Code of Conduct, • national and international laws • FSC Controlled Wood requirements.
	Risk assessment	SBP risk assessment draft is available. FSC risk assessments are also available at https://www.globalforestregistry.org Suppliers and their supply chains are also assessed in line with the FSC Chain of Custody/Controlled Wood rules. All other than low risk supply chains are included in the annual supplier auditing programme in line with the FSC Chain of Custody/Controlled Wood rules.

	Supply chain type	Stora Enso operated logging makes most of the wood sourcing in company forests and private forests. The rest of the logging is operated by the suppliers. Stora Enso is a minor forest owner in Estonia. All Stora Enso owned lands are FSC Forest Management Certified.
Finland	Regional context of sourcing	Finland (South-East Finland and East Finland).

	Supplier base	Sawmill residues are used for pellet production.
		Wood for Stora Enso's sawmills is sourced by Stora Enso Wood Supply Finland, who holds both FSC Chain of Custody/Controlled Wood and PEFC Chain of Custody/Due Diligence certifications for its wood traceability system.
		In addition, raw material for pellet production can be sourced from the Stora Enso's Russian sawmills, who are supplied by Stora Enso Wood Supply Russia and hold FSC Chain of Custody/Controlled Wood certifications.
		In Finland, wood suppliers are private families and smallholders, companies and publicly owned forests. Most suppliers are private people and families, who own more than 60% of the forest area. More than 10 % of the forests are owned by companies, including the partly Stora Enso-owned forests, and 25 % of the forests are owned by the State of Finland.
		The number of suppliers in each SBP product group:
		• No 1st tier supply of raw materials to pellet production
		• The 2nd tier supply of raw materials to the pellet production
		  ○ 1 supplier: The integrated sawmill
		  ▪ SBP Compliant: 80-90 % of the volume
		  ▪ SBP Controlled: 10-20 % of the volume
		  ▪ Uncontrolled: 0 %
		• The 3rd tier supply to sawmill include:
		  ○ Stora Enso Wood Supply (1)
		  ○ Stora Enso sawmills and external sawmills (0-20)
		• The 4th tier supply
		  ○ Log suppliers (10-100)

	Forest base and forest management practices	Finland is represented by semi-natural managed forests with native tree species in their natural growth environments. Tree species that are sourced are Pine (Pinus sylvestris)a and Spruce (Picea abies). In addition, forests are with birch (Betula sp), Aspen (Populus Tremula), Alder (Alnus sp) and Willows (Salix sp). In Southern Finland, other European deciduous species (Querqus, Fraxinus) may occur locally. No CITES listed tree species are represented in the sourcing.

		The forest area of Finland is 22 million hectares. Different types of conservation areas cover over 3 million hectares (14.5% of the forest area). Strictly protected areas, which are beyond any economic activity, cover 10 % of the forests. The annual forest harvesting volume represents only 60 % of the annual growth of the forests. Forest management practices are based on the forestry law, forestry guidelines, and forest management planning practice. The forest rotation period is 60-100 years, mostly with 2-3 quality thinnings, a final harvesting and regeneration of a mature stand. Planting or natural seeding can be used in regeneration. GMO trees or introduced tree species are not used. In recent years, continuous cover forestry practice has also become available. Continuous cover forestry is based on a 15-20 year harvesting cycle with selective harvesting, or forest regeneration through mini-logging sites (for instance 0.2 -0.5 ha each).
	FM certification	Approximately 90 % of the forest base is PEFC Forest Management certified and approximately 10 % of the forest base is FSC Forest Management certified. All partly Stora Enso owned forests are PEFC and FSC Forest Management certified. Stora Enso runs a group certification according to FSC and PEFC for forest owners to ensure high level of forest certified area and to make the forest management certification available also to the smallest forest owners.
	Supply chain certification (Chain of Custody)	All Stora Enso's wood sourcing to sawmills, including wood and wood residues, are covered by the Stora Enso wood traceability system, which is third party certified according to FSC Chain of Custody/Controlled Wood and PEFC Chain of Custody/Due Diligence. All wood sourcing is in line with • Stora Enso policy for the sustainable sourcing of wood and fibre, and land management, • Stora Enso Supplier Code of Conduct, • national and international laws • FSC Controlled Wood and PEFC Due Diligence requirements.
	Risk assessment	See FSC Country Risk Assessment enclosed, including risks assessed for legality, High Conservation Values of forests, GMOs, indigenous peoples, and forest conversion. Draft FSC national risk assessment is also available at https://www.globalforestryregistry.org

		Suppliers and their supply chains are assessed in line with the FSC Chain of Custody/Controlled Wood rules and PEFC Chain of Custody/Due Diligence rules. All other than low risk supply chains are included in the annual supplier auditing programme in line with the FSC Chain of Custody/Controlled Wood and PEFC Chain of Custody/Due Diligence rules.
	Supply chain type	In Finland, most wood is harvested and transported by Stora Enso's own contractors. Rest of the supply is operated by suppliers. If Russian wood is imported, it is sourced by Stora Enso Wood Supply Russia, or Stora Enso's sawmills in Russia. Recycled or treated materials are not used.
Latvia	Regional context of sourcing	Latvia

	Supplier base	Sawmill residues are used for pellet production.
		In Latvia, wood to Stora Enso's mills is sourced from private smallholders, companies and publicly owned forests.
		In Latvia, private and company make one half of the forest area, and publicly owned forests make one half.
		Recycled or treated materials are not used.
		The number of suppliers in each SBP product group:
		• No 1st tier supply of raw materials to the pellet production:
		  ○ 1 supplier: The integrated sawmill
		  ▪ SBP Compliant: 20-30% of the volume
		  ▪ SBP Controlled: 70-80% of the volume
		  ▪ Uncontrolled: 0%
		• The 2nd tier supply of raw materials to the pellet production
		  ○ Stora Enso wood supply (1)
		  ○ Stora Enso sawmill and external sawmills (0-20)
		• The 3rd tier supply to sawmill include:
		  ○ Log suppliers (10-100)

	Forest base and forest management practices	Latvian forests are semi-natural managed forests with native tree species. Tree species in Stora Enso's sourcing for sawmills are Pine (Pinus sylvestris) and Spruce (Picea abies). In addition, forests are with birch (Betula sp), Aspen (Populus Tremula), Alder (Alnus sp), and occassionally with Larch (Larix sp), Willows (Salix sp), Oak, (Querqus) and ash (Fraxinus). There are no CITES listed forest tree species in the sourcing. The forest area of Latvia is 3.4 million hectares. 15 % of the forest area is represented by different types of forest conservation areas and conservation restrictions.

		Forest management practices are based on the forestry law, forestry guidelines, and forest management planning practice. The forest rotation period is 60-100 years, mostly with 2-3 quality thinnings, a final harvesting and regeneration of a mature stand. Planting or natural seeding can be used in regeneration. GMO trees or introduced tree species are not used. In recent years, continuous cover forestry practice has also become available. Continuous cover forestry is based on a 15-20 years harvesting cycle with selective harvesting, or forest regeneration through mini-logging sites (for instance 0.2 -0.5 ha each).
	FM certification	Half the forest base is FSC or PEFC Forest Management certified. Stora Enso supports the FSC Certified Logger system and piloted it to make forest management certification available also to the smallest forest owners.
	Supply chain certification (Chain of Custody)	All Stora Enso's wood sources, including wood and wood residues, are covered by the Stora Enso wood traceability system, which is third party certified according to FSC Chain of Custody/Controlled Wood and PEFC Chain of Custody/Due Diligence. All wood sourcing is in line with • Stora Enso policy for the sustainable sourcing of wood and fibre, and land management, • Stora Enso Supplier Code of Conduct, • national and international laws • FSC Controlled Wood and PEFC Due Diligence requirements.
	Risk assessment	SBP national risk assessment is available. FSC National Risk Assessment enclosed, including risks assessed for legality, High Conservation Values of forests, GMOs, indigenous peoples, and forest conversion is publicly available at http://www.globalforestregistry.org Suppliers and their supply chains are also assessed in line with the FSC Chain of Custody/Controlled Wood and PEFC Chain of Custody/Due Diligence rules. All other than low risk supply chains are included in the annual supplier auditing programme in line with the FSC Chain of Custody/Controlled Wood and PEFC Chain of Custody/Due Diligence rules.
	Supply chain type	Stora Enso operated logging and transport makes most of the wood sourcing. The rest of the logging is operated by the suppliers.
Lithuania	Regional context of sourcing	Lithuania
	Supplier base	Sawmill residues are used for pellet production.

		In Lithuania, wood for Stora Enso's mills is sourced from private smallholders, companies and publicly owned forests.
		In Lithuania, private and company forests make 20 % of the forest area, and publicly owned forests 80 %.
		Recycled or treated materials are not used.
		The number of suppliers in each SBP product group:
		• No 1st tier supply of raw materials to the pellet production:
		  ○ 1 supplier: The integrated sawmill
		  ▪ SBP Compliant: 20-30 % of the volume
		  ▪ SBP Controlled: 70-80 % of the volume
		  ▪ Uncontrolled: 0 %
		• The 2nd tier supply of raw materials to the pellet production
		  ○ Stora Enso Wood Supply (1)
		  ○ Stora Enso sawmills and external sawmills (0-20)
		• The 3rd tier supply to sawmill include:
		  ○ Log suppliers (10-100)

	Forest base and forest management practices	Lithuanian forests are semi-natural managed forests with native tree species. Tree species in Stora Enso's sourcing for sawmills are Pine (Pinus sylvestris) and Spruce (Picea abies). In addition, forests are with birch (Betula sp), Aspen (Populus Tremula), Alder (Alnus sp), and occassionally with Larch (Larix sp), Willows (Salix sp), Oak, (Querqus) and ash (Fraxinus). There are no CITES listed forest tree species in the sourcing. The forest area of Lithuania is 2.2 million hectares. 17 % of the forest area is represented by different types of forest conservation areas and conservation restrictions. Annual forest harvest represents some 80% of the annual growth of the forests. Forest management practices are based on the forestry law, forestry guidelines, and forest management planning practice. The forest rotation period is 60-100 years, mostly with 2-3 quality thinnings, a final harvesting and regeneration of a mature stand. Planting or natural seeding can be used in regeneration. GMO trees or introduced tree species are not used. In recent years, continuous cover forestry practice has also become available. Continuous cover forestry is based on a 15-20 year harvesting cycle with selective harvesting, or forest regeneration through mini-logging sites (for instance 0.2 -0.5 ha each).
	FM certification	One half of the forest base is FSC Forest Management certified. Stora Enso supports the FSC Certified Logger system and piloted it to make forest management certification available also to the smallest forest owners.

	Supply chain certification (Chain of Custody)	All Stora Enso's wood sources, including wood and wood residues, are covered by the Stora Enso wood traceability system, which is third party certified according to FSC Chain of Custody/Controlled Wood. All wood sourcing is in line with • Stora Enso policy for the sustainable sourcing of wood and fibre, and land management, • Stora Enso Supplier Code of Conduct, • national and international laws • FSC Controlled Wood requirements.
	Risk assessment	SBP national risk assessment is available. FSC National Risk Assessment enclosed, including risks assessed for legality, High Conservation Values of forests, GMOs, indigenous peoples, and forest conversion are available at https://www.globalforestregistry.org Suppliers and their supply chains are also assessed in line with the FSC Chain of Custody/Controlled Wood rules. All other than low risk supply chains are included in the annual supplier auditing programme in line with the FSC Chain of Custody/Controlled Wood rules.
	Supply chain type	Stora Enso operated logging and transport makes most of the wood sourcing. The rest of the logging is operated by the suppliers.
Russia	Regional context of sourcing	Sawmill residues are used for pellet production. The sawmills wood sourcing area is the North-West Region, including the Republic of Karelia, and the Regions of Leningrad, Vologda, Novgorod and Pskov.

	Supplier base	Rough wood for Stora Enso's sawmills is sourced by Stora Enso Wood Supply Russia. The supplier base includes both Stora Enso managed long term forest lease areas and external supplying companies.
		The number of suppliers in each SBP product group:
		• No 1st tier supply of raw materials to the pellet production:
		  ○ 1 supplier: The integrated sawmill
		  ▪ SBP Compliant: 40-50 % of the volume
		  ▪ SBP Controlled: 50-60 % of the volume
		  ▪ Uncontrolled: 0 %
		• The 2nd tier supply of raw materials to the pellet production:
		  ○ Stora Enso Wood Supply (1)
		  ○ Stora Enso sawmills and external sawmills (0-20)
		• The 3rd tier supply to sawmill include:
		  ○ Log suppliers (10-100)

	Forest base and forest	Supply area is represented by semi-natural managed forests with native tree species.

	management practices	Tree species that Stora Enso sawmills use are Pine (Pinus sylvestris) and Spruce (Picea abies). Other species (Betula sp, Larix, Populus, Alnus, Salix) are also present in the forests. No CITES listed forest tree species are represented in the sourcing. The total forest area of Russia is 0.8 billion hectares. The average annual harvesting volume represents only 0.3 % of the annual growth of the forests, while the net annual increment of forests is 1.3%. The missing infrastructure leaves large parts of the forests beyond economic access. The forest conservation network in the European Russia is relatively well defined, strictly protected areas being approximately 5 % of the forest area, and exceeding 10% of the forest area if different partly or temporarily protected and restricted areas are included. Stora Enso has a policy in Russia since 1990's not to source wood from designated natural old-growth forests, from conservation areas unless in line with the conservation programme, or from areas designated for conservation planning. In addition, high conservation values of forests are protected in the managed forests. All Stora Enso's forest lease areas are managed in line with FSC Forest Management certification. Forest management practices are based on the forestry law, forestry guidelines, and forest management planning practice by the state forestry organization. Also long term forest lease holders (companies) must hold a valid forest management plan. The forest rotation period is 60-120 years. Forest is grown with 1-2 thinnings during the rotation period, with a final harvesting and a regeneration of a mature stand. Planting or natural seeding can be used in regeneration. Alternatively, forest regeneration is done in narrow stripes, which are regenerated naturally before proceeding into the next stripe. GMO trees or introduced tree species are not used. In Russia, continuous cover forestry practice is also available. Continuous cover forestry is based on a 15-20 years harvesting cycle with selective harvesting and preservation of the viable undergrowth to form the next tree generation. In the North-West Russia's two-storey spruce-birch stands, where spruce was naturally generated under a pioneering birch layer, it is common to remove the upper birch layer with preservation of the viable spruce understorey.
	FM certification	Approximately 50 % of the supplying forest base is FSC Forest Management certified. All Stora Enso managed forest lease areas are FSC Forest Management certified (0.4 million hectares).

		Stora Enso runs an FSC group certification also for its suppliers to promote the growth of the forest certified area. The Stora Enso driven FSC certification groups have certified all together about one million hectares of forests in the North-West Russia. 1-5 % of the forest base is PEFC Forest Management certified.
	Supply chain certification (Chain of Custody)	All Stora Enso's wood sources, including wood and wood residues, are covered by the Stora Enso wood traceability system, which is third party certified according to FSC Chain of Custody/Controlled Wood. All wood sourcing is done in line with • Stora Enso policy for the sustainable sourcing of wood and fibre, and land management, • Stora Enso Supplier Code of Conduct, • national and international laws • FSC Controlled Wood requirements.
	Risk assessment	FSC National Risk Assessment enclosed, including risks assessed for legality, High Conservation Values of forests, GMOs, indigenous peoples, and forest conversion is available at https://www.globalforestregistry.org Suppliers and their supply chains are also assessed in line with the FSC Chain of Custody/Controlled Wood rules. All other than low risk supply chains are included in the annual supplier auditing programme in line with the FSC Chain of Custody/Controlled Wood rules.
	Supply chain type	Stora Enso operated forest management and forest logging makes approximately one half of the wood sourcing. The rest of the logging is operated by the suppliers. Recycled or treated materials are not used.
Sweden	Regional context of sourcing	Sweden (South and Central)
	Supplier base	Sawmill residues are used for pellet production. In Sweden, wood for Stora Enso mills is sourced by Stora Enso Wood Supply Sweden, who holds both FSC Chain of Custody/Controlled Wood and PEFC Chain of Custody/Due Diligence certifications for its wood traceability system. In Sweden, wood suppliers are private forest owners and families, companies and publicly owned forests. Most suppliers are private people and families, who own more than 50 % of the forest area. More than 30 % of the forests are owned by companies, including the partly Stora Enso-owned forests, and the rest of the forests are publicly owned. The number of suppliers in each SBP product group: • No 1st tier supply of raw materials to the pellet production:

		○ 1 supplier: The integrated sawmill ▪ SBP Compliant: 50-60 % of the volume ▪ SBP Controlled: 40-50 % of the volume ▪ Uncontrolled: 0 % • The 2nd tier supply of raw materials to the pellet production ○ Stora Enso Wood Supply (1) ○ Stora Enso sawmills and external sawmills (0-20) • The 3rd tier supply to sawmill include:: ○ Log suppliers (10-100)
	Forest base and forest management practices	Sweden is represented by semi-natural managed forests with native tree species in their natural growth environments. Tree species that are sourced are Pine (Pinus sylvestris)a and Spruce (Picea abies). In addition, forests are with birch (Betula sp), Aspen (Populus Tremula), Alder (Alnus sp) and Willows (Salix sp). In Southern Sweden, other European deciduous species (Querqus, Fraxinus) occur. No CITES listed tree species are represented in the sourcing. The forest area of Sweden is 28.6 million hectares. Different types of conservation areas cover over 1.3 million hectares (approximately 5% of the forest area). Forest management practices are based on the forestry law, forestry guidelines, and forest management planning practice. The forest rotation period is 60-100 years, mostly with 2-3 quality thinnings, a final harvesting and regeneration of a mature stand. Planting or natural seeding can be used in regeneration. GMO trees or introduced tree species are not used (earlier some Pinus contorta may have been used). In recent years, continuous cover forestry practice has also become available. Continuous cover forestry is based on a 15-20 years harvesting cycle with selective harvesting, or forest regeneration through mini-logging sites (for instance 0.2 -0.5 ha each).
	FM certification	2/3 of the forest base is PEFC Forest Management certified and/or FSC Forest Management certified. Many of the forests are covered by both systems. All partly Stora Enso owned forests are PEFC and FSC Forest Management certified. Stora Enso runs a group certification according to FSC and PEFC for forest owners to ensure high level of forest certified area and to make the forest management certification available also to small forest owners.
	Supply chain certification	All Stora Enso's wood sourcing, including wood and wood residues, are covered by the Stora Enso wood traceability system, which is

	(Chain of Custody)	third party certified according to FSC Chain of Custody/Controlled Wood and PEFC Chain of Custody/Due Diligence. All wood sourcing is in line with • Stora Enso policy for the sustainable sourcing of wood and fibre, and land management, • Stora Enso Supplier Code of Conduct, • national and international laws • FSC Controlled Wood and PEFC Due Diligence requirements.
	Risk assessment	See FSC Country Risk Assessment enclosed, including risks assessed for legality, High Conservation Values of forests, GMOs, indigenous peoples, and forest conversion. Draft national risk assessments are also publicly available at https://www.globalforestregistry.org. Suppliers and their supply chains are assessed in line with the FSC Chain of Custody/Controlled Wood rules and PEFC Chain of Custody/Due Diligence rules. All other than low risk supply chains are included in the annual supplier auditing programme in line with the FSC Chain of Custody/Controlled Wood and PEFC Chain of Custody/Due Diligence rules.
	Supply chain type	In Sweden, most wood is harvested and transported by Stora Enso's contractors. In addition, external suppliers can deliver wood to the mill gate. Recycled or treated materials are not used.

2.2 Actions taken to promote certification amongst feedstock supplier

Stora Enso has forest management certified all the lands that are managed or owned, or partly owned by Stora Enso. Most of the lands are certified according to both FSC and PEFC Forest Management systems.

In Finland and Sweden this covers some 2 million hectares of lands, which are certified according to both FSC and PEFC.

In Russia this covers 0.4 million hectares of long term forest lease areas, where Stora Enso operates forest management, forest harvesting and transport of woof. These are FSC certified.

In the Baltic countries Stora Enso's forest area is certified according to FSC.

For the external wood suppliers, Stora Enso runs forest management certification groups. In Russia this has resulted additional 0.6 million hectares of FSC certified forests which are managed by the external suppliers.

In Finland, and Sweden, both FSC and PEFC forest management certification group is available to forest owners.

In Estonia, FSC forest management group is available for forest owners.

Together with WWF, the Certified Logger system was piloted and developed in Estonia. Certified Logger system is intended to bring also the very smallest (less than 5-8 hectares) forest owners to the framework of forest management certification.

2.3 Final harvest sampling programme

Only sawmill residues are used in the moment for pellet production. No primary feedstock is used.

The wood procurement for Stora Enso's mills has a solid task to source wood in a responsible way, from sustainably managed forests, and to optimize the value of all wood that is made available for industrial use. Value optimization is important to all forest owners.

In wood harvesting, the value output of each tree stem is measured and optimized with automation-assisted measuring and cutting of each tree stem. In the harvesting machines, automatized systems measure each tree stem and optimize the yield of the high-value sawn wood and fibre wood. Logging residues such as branches and tree tops are used for direct energy generation.

In the sawmill manufacturing, the output of high-value sawn wood is optimized through automatized measuring and cutting. Only barks and residues of manufacturing are used for energy generation and/or pellet production.

2.4 Flow diagram of feedstock inputs showing feedstock type [optional]

Not published.

2.5 Quantification of the Supply Base

Supply Base

a.	Total Supply Base area (ha):	For sawmills: 60 mill. ha in Europe, 60 mill. ha in N-W Russia
b.	Tenure by type (ha):	See forest ownership in the relevant country descriptions
c.	Forest by type (ha):	Boreal (south and central)
d.	Forest by management type (ha):	Semi-natural managed forests, domestic species
e.	Certified forest by scheme (ha):	Over one half of the supply base of sawmills is FM certified

Feedstock

f.	Total volume of feedstock:	11 677,49 tons
g.	Volume of primary feedstock:	No primary feedstock, pellet production is based on residues

h. List percentage of primary feedstock (g):

- Large forest holdings certified to an SBP-approved Forest Management Schemes --
- Large forest holdings not certified to an SBP-approved Forest Management Schemes --
- Small forest holdings certified to an SBP-approved Forest Management Schemes --
- Small forest holdings not certified to an SBP-approved Forest Management Schemes

i. List all species in primary feedstock, including scientific name:
   - No primary feedstock, sawmill residues include Pine (Pinus sylvestris), and Spruce (Picea abies)

j. Volume of primary feedstock from primary forest: NA

k. List percentage of primary feedstock from primary forest (i):
   - Primary feedstock from primary forest certified to an SBP-approved Forest Management Schemes N/A
   - Primary feedstock from primary forest not certified to an SBP-approved Forest Management Schemes N/A

l. Volume of secondary feedstock: 11678 ton output of pellets (moisture 7,54%)

m. Volume of tertiary feedstock: No recycled materials used

3 Requirement for a Supply Base Evaluation

SBE completed	SBE not completed
☐	☑

According to the “SBP Framework Standard 2: Verification of SBP compliant Feedstock” 8.2: feedstock types (only SBP-approved CoC System or SBP-approved Controlled Feedstock claim material is used) used for pellet production in Imavere may be excluded from a Supply Base Evaluation.

4 Supply Base Evaluation

4.1 Scope

SBE not applicable, please look paragraph 3 above.

4.2 Justification

Not applicable.

4.3 Results of Risk Assessment

Not applicable.

4.4 Results of Supplier Verification Programme

Not applicable.

4.5 Conclusion

Not applicable.

5 Supply Base Evaluation Process

Not applicable.

6 Stakeholder Consultation

Not applicable.

6.1 Response to stakeholder comments

Not applicable.

7 Overview of Initial Assessment of Risk

Not applicable.

8 Supplier Verification Programme

8.1 Description of the Supplier Verification Programme

The supplier risk assessment and country risk assessment are done according to FSC Chain of Custody/Controlled Wood. Where SBP country risk assessment is available, that is applied.

All the supply to the mill is from certified forests or from controlled sources. Consequently, no supplier auditing programme required for 2015/2016. However, a supplier auditing could be triggered with special circumstances: Initial audit of a supplier, stakeholder complaint or supplier performance failure.

8.2 Site visits

Not applicable.

8.3 Conclusions from the Supplier Verification Programme

Not applicable.

9 Mitigation Measures

9.1 Mitigation measures

Not applicable.

9.2 Monitoring and outcomes

Not applicable.

10 Detailed Findings for Indicators

Not applicable.

11 Review of Report

11.1 Peer review

No peer review done. Pre-auditing by the SBP auditor was done.

11.2 Public or additional reviews

No peer review done. Pre-auditing by the SBP auditor was done.

12 Approval of Report

Approval of Supply Base Report by senior management			
Report Prepared by:	*Margus Kuusk*	*Production and Development Manager*	*[26 february 2016]*
	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:	*[Tonu Saaber]*	*[Mill Manager, Näpi Mill]*	*[26 february 2016]*
	Name	Title	Date
Report approved by:	*[Margus Floren]*	*[SBP Manager, Näpi mill]*	*[26 february 2016]*
	Name	Title	Date
Report approved by:	*[name]*	*[title]*	*[date]*
	Name	Title	Date

13 Updates

First finalized and approved version 12 January 2016.

Second modified and approved version 26 February 2016.

13.1 Significant changes in the Supply Base

No changes expected.

13.2 Effectiveness of previous mitigation measures

Not applicable.

13.3 New risk ratings and mitigation measures

Not applicable.

13.4 Actual values of feedstock over the previous 12 months

Not applicable.

13.5 Projected values of feedstock over the next 12 months

Not applicable.