

SBP™

Supply Base Report for Biomass Producer

Stora Enso Division Wood Products

Stora Enso Eesti AS / Imavere Pellet Plant

20 January 2017

Template version 1.2

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

© Copyright The Sustainable Biomass Partnership Limited 2016

1. Overview

Producer name: Stora Enso Wood Products / Stora Enso Eesti AS / Imavere

Producer location: Stora Enso Eesti AS, 72 401 Imavere, Estonia

Geographic position: Lat E/W 25 degrees 45 minutes, Long N/S 58 degrees 43 minutes

Primary contact: Janar Nõmmik, Department Manager, Imavere Pellet Plant, 72401 Imavere, Estonia, +3725129601, janar.nommik@storaenso.com

Company website: <https://www.storaenso.com>, <http://buildingandliving.storaenso.com>
www.imavere.ee

Date report finalised: 20 January 2017

Close of last CB audit: Periodical audit done 19 January 2017

Name of CB: DNV GL

Translations from English: NA

SBP Standard(s) used: Standards 1-6: version 1.0

Weblink to Standard(s) used: <http://www.sustainablebiomasspartnership.org/documents>

SBP Endorsed Regional Risk Assessment: Estonia, Lithuania; SBP risk assessments
Russia, Poland; National risk assessment (FSC-PRO-60-002 V2-0)
Sweden, Finland, Lithuania, Belarus; Company risk assessments

Weblink to SBE on Company website: <http://buildingandliving.storaenso.com>

FSC® trademark licence number: C125195

Indicate how the current evaluation fits within the cycle of Supply Base Evaluations				
Main (Initial) Evaluation	First Surveillance	Second Surveillance	Third Surveillance	Fourth Surveillance
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

2. Description of the supply base

2.1. General Description

Provide a general description of the supply base within the regional context including country of harvest. Include a comparison of the scale of harvesting compared to other forest based industries in the region. Provide a general description of the forest resources (land use and ownership status, socio-economic conditions, forest composition, profile of adjacent lands).

The description must include a description of the forestry management practices or land management practices used and the presence of any CITES or IUCN species.

Include an 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) showing the proportions of each which are certified and uncertified. Provide an indication of the number of suppliers for each SBP feedstock product group. Include species mix.

<p>Imavere pellet production</p>		<p>Pellet production of the Imavere Pellet Plant is based on sawmill residues only (sawdust and shavings). Primary or tertiary feedstocks are not used.</p> <p>The tree species used are <i>Pinus sylvestris</i> and <i>Picea abies</i>.</p> <p>The countries of origin are mainly Estonia, additionally Latvia and Lithuania, and potentially also Finland, Russia, Belarus, Poland and Sweden.</p> <p>All wood supply chains are covered by the Stora Enso wood traceability system, which is third party certified according to FSC Chain of Custody/Controlled Wood and PEFC CoC/CS. All wood sourcing is in line with</p> <ul style="list-style-type: none"> • Stora Enso policy for the sustainable sourcing of wood and fibre, and land management • Stora Enso Supplier Code of Conduct • National and international laws • Applicable FSC or PEFC requirements. <p>The pellet mill, the integrated sawmill, beam mill and component mill are FSC Chain of Custody/Controlled Wood certified (DNV-COC/CW-001077), covering all product groups.</p> <p>The pellet mill has an SBP certificate SBP-05-02. All feedstock to the Pellet Plant are FSC certified or FSC Controlled Wood inputs.</p> <p>Countries, suppliers and their supply chains are also risk assessed in line with the SBP or FSC Chain of Custody/Controlled Wood rules. When SBP country risk assessment is available, that is used.</p>
---	--	--

		<p>Other than low risk supply chains are included in the annual supplier auditing programme.</p> <p>SBP National risk assessments for Estonia and Lithuania are available at http://www.sustainablebiomasspartnership.org/</p> <p>FSC National Risk Assessments or their drafts, including risks assessed for legality, High Conservation Values of forests, GMOs, indigenous peoples, and forest conversion are available for Russia, Sweden, Finland, Poland and Belarus at https://www.globalforestregistry.org</p> <p>Summary of country risks As all supplies are third party CoC certified or controlled risk is low</p>
Estonia		
	Supplier base, forest base and forest management practices	<p>Private and company owned forests make 60% and publicly owned forests 40% of the forest area in Estonia.</p> <p>Estonian forests are semi-natural managed forests (southern boreal/mixed forests zone) with native tree species. Tree species in Stora Enso's sourcing are Pine (<i>Pinus sylvestris</i>) and Spruce (<i>Picea abies</i>).</p> <p>In addition, forests are with birch (<i>Betula</i> sp), Aspen (<i>Populus Tremula</i>), Alder (<i>Alnus</i> sp), and occasionally with Oak, (<i>Quercus</i>) and ash (<i>Fraxinus</i>). There are no CITES listed forest tree species in the sourcing.</p> <p>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.</p> <p>Annual forest harvest represents one half of the annual growth of the forests.</p> <p>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.</p> <p>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).</p>
	FM certification	Stora Enso runs FSC® (C125195) group certification for forest owners to promote the growth of forest certified area. Stora Enso 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.
Finland		
	Supplier base Forest base and forest management practices	<p>In Finland, wood suppliers are private families and smallholders, companies and publicly owned forests. Private people, families and companies own more than 60% of the forest area. 35% of the forests are owned by the State of Finland. 5% is owned by communities etc.</p> <p>Finland is represented by semi-natural managed forests (boreal forest zone) with native tree species in their natural growth environments. Tree species that are sourced are Pine (<i>Pinus sylvestris</i>) and Spruce (<i>Picea abies</i>). Pine represents 50% of the standing stock in Finnish forests, and spruce 30%. In addition, forests are with birch (<i>Betula</i> sp, 17%), Aspen (<i>Populus Tremula</i>, 1%) and Alder (<i>Alnus</i> sp, 1%). In Southern Finland, other deciduous species (<i>Quercus</i>, <i>Fraxinus</i>) may occur locally. No CITES listed tree species are represented in the sourcing.</p> <p>The forest area of Finland is 22.8 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.</p> <p>The annual forest harvesting volume represents 60-70% of the annual growth of the forests.</p> <p>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.</p> <p>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).</p>
	FM certification	<p>Approximately 90% of the forest base is PEFC Forest Management certified and approximately 10% of the forest base is FSC Forest Management certified.</p> <p>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.</p>
Latvia		

	<p>Supplier base Forest base and forest management practices</p>	<p>In Latvia, private and company forests make 51% of the forest area, and publicly owned forests make 49%.</p> <p>Latvian forests are semi-natural managed forests (mixed forest zone) with native tree species. Tree species sourced are Pine (<i>Pinus sylvestris</i>, 34% of the forest area) and Spruce (<i>Picea abies</i>, 18%).</p> <p>In addition, forests are with birch (<i>Betula sp</i>, 31%), Aspen (<i>Populus Tremula</i>, 5%), Alder (<i>Alnus sp</i>, 10%), and occasionally with Oak, (<i>Quercus</i>, 0.3%) and ash (<i>Fraxinus</i>, 0.5%). There are no CITES listed forest tree species in the sourcing.</p> <p>The forest area of Latvia is 3.4 million hectares. The forested area in Latvia is increasing. 15% of the forest area is represented by different types of forest conservation areas and conservation restrictions.</p> <p>The annual amount of forest harvesting has been between 9 and 13 million m³ in the recent years.</p> <p>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.</p> <p>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).</p>
	<p>FM certification</p>	<p>Half the forest base is FSC or PEFC Forest Management certified.</p>
<p>Lithuania</p>		
	<p>Supplier base forest base and forest management practices</p>	<p>In Lithuania, private and company forests make 20% of the forest area, and publicly owned forests 80%.</p> <p>Lithuanian forests are semi-natural managed forests (mixed forests zone) with native tree species. Tree species sourced are Pine (<i>Pinus sylvestris</i>) and Spruce (<i>Picea abies</i>). Pine makes 38% of the forest area and spruce 24%. In addition, forests are with birch (<i>Betula sp</i>, 20%), Alder (<i>Alnus sp</i>, 12%), Aspen (<i>Populus Tremula</i>, 3%) and occasionally with Oak, (<i>Quercus</i>, 2%) and ash (<i>Fraxinus</i>, 2%). There are no CITES listed forest tree species in the sourcing.</p> <p>The forest land area of Lithuania is 2.2 million hectares (30% of the total land area), while half of the total land area is agricultural lands. 23% of the forest area is represented by different types of forest conservation areas and conservation restrictions (reserves make 2%, ecologically restricted areas 5.8% and protected areas 14.9%).</p>

		<p>Annual growth of forest is calculated to be close to 12 million m³, with a potential annual cut of 5 million m³, while the actual annual harvesting has remained in the level of 3 million m³.</p> <p>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.</p> <p>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).</p>
	FM certification	One half of the forest base is FSC Forest Management certified.
Russian Federation		
	Supplier base, forest base and forest management practices	<p>Sourcing area in Russia is the Republic of Karelia and North-West Russia, including the Regions of Leningrad, Vologda, Novgorod and Pskov.</p> <p>The supply area is represented by semi-natural managed forests (southern boreal) with native tree species. Tree species sourced are Pine (<i>Pinus sylvestris</i>) and Spruce (<i>Picea abies</i>). Other species (<i>Betula</i> sp, <i>Larix</i>, <i>Populus</i>, <i>Alnus</i>, <i>Salix</i>) are also present in the forests. The coniferous species make 68% of the forest area. No CITES listed forest tree species are represented in the sourcing.</p> <p>The total forest area of Russia is 764 million hectares. The average harvesting volume represents 0.3 m³/ha/year, while the average annual growth of forests is 1.3 m³/ha/year. The missing infrastructure leaves large parts of the forests beyond any economic access.</p> <p>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.</p> <p>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. Forests are</p>

		<p>leased to companies for 1-49 years.</p> <p>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.</p> <p>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 understory.</p>
	<p>FM certification</p>	<p>Approximately 50% of the supplying forest base in North-West Russia is FSC Forest Management certified. Altogether 40 Million hectares have been FSC certified in Russia.</p> <p>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.</p> <p>1-5% of the forest base is PEFC Forest Management certified.</p>

Sweden	Supplier base, forest base and forest management practices	<p>In Sweden, private people and families 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.</p> <p>Sweden is represented by semi-natural managed forests with native tree species in their natural growth environments. Tree species sourced are Pine (<i>Pinus sylvestris</i>) and Spruce (<i>Picea abies</i>). In addition, forests are with birch (<i>Betula sp</i>), Aspen (<i>Populus Tremula</i>), Alder (<i>Alnus sp</i>) and Willows (<i>Salix sp</i>). In Southern Sweden, other deciduous species (<i>Quercus</i>, <i>Fraxinus</i>) occur. No CITES listed tree species are represented in the sourcing.</p> <p>The forest area of Sweden is 28.6 million hectares. Different types of conservation areas (11%) and non-managed unproductive forest lands (14%) cover over 7 million hectares (25%) of the total forest land area.</p> <p>The total forest harvesting volume in Sweden is annually some 80 million m³, which is below the annual growth (ca 120 million m³) of forests.</p> <p>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 regeneration.</p> <p>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).</p>
	FM certification	<p>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.</p> <p>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.</p>
Poland		

	Supplier base, forest base and forest management practices	<p>The supplier base includes supplying companies and direct purchases from the Polish state forests.</p> <p>82% of the Polish forests are state owned. 18% belong to private owners (1.5-2 million smallholders).</p> <p>Poland is represented by semi-natural managed forests (mixed forests zone) with native tree species. Tree species sourced are Pine (<i>Pinus sylvestris</i>) and Spruce (<i>Picea abies</i>). Other species (<i>Betula</i> sp, <i>Larix</i>, <i>Populus</i>, <i>Alnus</i>, <i>Salix</i>, <i>Quercus</i> and <i>Fraxinus</i> etc.) are also present in the forests. No CITES listed forest tree species are represented in the sourcing.</p> <p>The forest area of Poland is over 9 million hectares, which makes some 30% of the land area. The share of forest area is expected to grow up to 33% by 2050.</p> <p>The growing stock of forests has increased in past years from 1.4 to 1.7 billion m³.</p> <p>The State Forests National Forest Holding is responsible for managing the state forests with its 430 forest districts. General Directorate for Environmental Protection is in charge of the nature conservation management. 29% of the land area (49% of the forest area) in Poland is defined with a Natura 2000 status. National Parks cover 1% of the country.</p> <p>Forest management practices are based on the forest act, nature conservation act, forestry guidelines, and forest management planning practice by the state forestry organization. National Forest Programme and National Forest Inventory set the framework for forest resources use.</p> <p>The forest rotation period for coniferous species is 60-100 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.</p>
	FM certification	More than 90% of the supplying forest base is FSC Forest Management certified. 1-10% of the forest base is PEFC Forest Management certified.
Belarus		
	Supplier base Forest base and forest management practices	Belarus is represented by managed forests (temperate/mixed forests zone). Tree species sourced are Pine (<i>Pinus sylvestris</i> , 50% of the forests) and Spruce (<i>Picea abies</i> , 10%). Other species (<i>Betula</i> sp, <i>Larix</i> , <i>Populus</i> , <i>Alnus</i> , <i>Salix</i> , <i>Quercus</i> and <i>Fraxinus</i> etc.) are also present in the forests. No CITES listed forest tree species are represented in the sourcing.

		<p>The forest area of Belarus is 8.6 million hectares, which makes some 40% of the land area. During the past 60 years the forested land area has doubled in Belarus, and its growth continues. In the same time, also the area of mature or over mature stands has more than doubled.</p> <p>Average forest growth is 3.6 m³/ha/year while the average forest harvesting is 2.2 m³/ha/year.</p> <p>Practically all Belarus forests are state owned. 92% are under the Ministry of Forestry and the rest are under other government branches. The Ministry of Forestry and Belgosles forestry enterprise are responsible for planning and managing the state forests in 95 forest districts.</p> <p>28% of the forest area in Belarus is under different protective forests and nature conservation restrictions, including 1.6% strictly conserved forest areas. 5.3% of the country belong to IUCN categories I-V.</p> <p>Forest management practices are based on the forest act, nature conservation act, forestry guidelines, and forest management planning practice by the state forestry organization. National Development Programme and Strategy, and National Forest Inventory set the framework for forest resources use, which is much oriented to the development and increasing of the forest resources base.</p> <p>The forest rotation period for coniferous species is some 60 years. Forest is grown with a final harvesting and a regeneration of a mature stand. Planting or seeding can be used in regeneration. Much of the forest regeneration activity has been planting of pine trees in old agricultural lands or degraded lands and so increasing the forested area. Primary forests only represent 0.4 million hectares in Belarus, including the protected areas. GMO trees or introduced tree species are not used.</p>
	FM certification	Almost all forest land (8.9 million hectares) in Belarus is FSC Forest Management certified and PEFC Forest Management certified.

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.

For the external wood suppliers, Stora Enso runs forest management certification groups. In Estonia, Russia, Finland and Sweden FSC or PEFC forest management certification groups are available to 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

Provide a description of the process and results from the sampling programme undertaken to determine the proportion of final fellings which ends up in biomass compared to other end uses. This is only applicable for final fellings (not thinnings) from stands with an expected rotation length of more than 40 years

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 and to all actors in the value chain.

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 can be 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

Annexed. Not public to avoid any conflict with the competition laws. Stora Enso is unable to publish the requested information due to the fact that it contains competitively sensitive information. In order to comply with applicable competition law rules (Article 101 of the Treaty on the Functioning of the European Union and equivalent national competition law rules) as well as Stora Enso's internal policy guidelines.

2.5. Quantification of the supply base

Provide metrics for the Supply Base including the following. Where estimates are provided these shall be justified.

Supply base

- | | |
|-------------------------------------|---|
| a. Total Supply Base area (ha): | 70 mill. ha in Europe, 70 mill. ha in N-W Russia or Belarus |
| b. Tenure by type (ha): | See country descriptions |
| c. Forest by type (ha): | Boreal (central / southern) and mixed forests zone |
| d. Forest by management type (ha): | Managed semi-natural forests with natural species |
| e. Certified forest by scheme (ha): | About one half of the supply area is FM certified |

f. Feedstock

- g. Total volume of Feedstock: tonnes or m³ - Band 1: 0-200.000 tonnes in 2016. Banding of feedstock and production figures is used to avoid any potential noncompliance with the competition laws. Stora Enso is unable to publish the requested information due to the fact that it contains competitively sensitive information. In order to comply with applicable competition law rules (Article 101 of the Treaty on the Functioning of the European Union and equivalent national competition law rules) as well as Stora Enso's internal policy guidelines, the answer is therefore published in a consolidated format.
- h. Volume of primary feedstock: tonnes or m³ – NA
- i. List percentage of primary feedstock (g), by the following categories.
- Certified to an SBP-approved Forest Management Scheme NA
 - Not certified to an SBP-approved Forest Management Scheme NA
- j. List all species in primary feedstock, including scientific name – NA
- k. Volume of primary feedstock from primary forest – NA
- l. List percentage of primary feedstock from primary forest (j), by the following categories. Subdivide by SBP-approved Forest Management Schemes:
- Primary feedstock from primary forest certified to an SBP-approved Forest Management Scheme- NA
 - Primary feedstock from primary forest not certified to an SBP-approved Forest Management Scheme-NA
- m. Volume of secondary feedstock: specify origin and type – Band 5 (100% sawmill residues). Banding of feedstock and production figures is used to avoid any potential noncompliance with the competition laws (justifications as above 2.5 g.).
- n. Volume of tertiary feedstock: specify origin and composition – NA

* Bands for (f) and (g) are:

1. 0 – 200,000 tonnes or m³
2. 200,000 – 400,000 tonnes or m³
3. 400,000 – 600,000 tonnes or m³
4. 600,000 – 800,000 tonnes or m³
5. 800,000 – 1,000,000 tonnes or m³
6. >1,000, 000 tonnes or m³

Bands for (h), (l) and (m) are:

1. 0%-19%
2. 20%-39%
3. 40%-59%
4. 60%-79%
5. 80%-100%

NB: Percentage values to be calculated as rounded-up integers.

3. Requirement for a supply base evaluation

Provide a concise summary of why a SBE was determined to be required or not required

According to the SBP Framework Standard nr 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

NA

4.2. Justification

NA

4.3. Results of risk assessment

NA

4.4. Results of supplier verification programme

NA

4.5. Conclusion

NA

5. Supply base evaluation process

NA

6. Stakeholder consultation

6.1. Response to stakeholder comments

NA

7. Overview of initial assessment of risk

NA

8. Supplier verification programme

8.1. Description of the supplier verification programme

Give a general description of the Supplier Verification Program (SVP) including the criteria used for monitoring suppliers (e.g. supplier characteristics, risk factors, or local circumstances) as applicable. Describe how the control system in place will ensure that all Feedstock remains in compliance with SBP Standards. If applicable, explain how the sampling frequency and intensity was chosen, and why certain suppliers were grouped together for sampling purposes.

The supplier, supply chain and country risk assessments are done according to applicable FSC, PEFC and SBP rules.

Where SBP country risk assessment is available, that is applied.

Feedstock supply to the pellet plant is from SBP Compliant or SBP Controlled sources only, and classified as a low risk supply. If other than low risk supply of feedstock would take place, such supply has to be part of the Stora Enso supplier auditing and risk mitigation programme in line with applicable FSC, PEFC and SBP requirements. A supplier auditing and other risk mitigation actions can be triggered also by special circumstances: An initial validation of a supplier, a stakeholder complaint or a supplier performance failure.

8.2. Site visits

NA

8.3. Conclusions from the supplier verification programme

NA

9. Mitigation measures

9.1. Mitigation measures

NA

9.2. Monitoring and outcomes

NA

10. Detailed findings for indicators

NA

11. Review of report

11.1. Peer review

No peer review of the report.

11.2. Public or additional reviews

No additional reviews.

12. Approval of report

Approval of Supply Base Report by senior management			
Report Prepared by:	<i>Margus Kuusk</i>	<i>Production and Development Manager</i>	<i>20 Jan 2017</i>
	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:	<i>Argo Aavik</i>	<i>Mill Manager</i>	<i>20 Jan 2017</i>
Report approved by:	<i>Janar Nõmmik</i>	<i>Department Manager</i>	<i>20 Jan 2017</i>
	Name	Title	Date

13. Updates

Note: Updates should be provided in the form of additional pages, either published separately or added to the original public summary report

The first Supply Base Report was approved in 26 February 2016. This is the second updated version from 5 January 2017.

13.1. Significant changes in the supply base

No significant changes.

13.2. Effectiveness of the previous mitigation measures

NA

13.3. New risk ratings and mitigation measures

NA

13.4. Actual figures for feedstock over previous 12 months

*Using the categories in Section 2.5 'Quantification of the Supply Base' (above), give an update on the actual figures for the previous 12 month period. Volume may be shown in a banding between XXX,000 to YYY,000 tonnes or m³ if a compelling justification is provided**

2016: Band 1: 0-200.000 tonnes of feedstock. Banding of feedstock and production figures is used to avoid any potential noncompliance with the competition laws. Stora Enso is unable to publish the requested information due to the fact that it contains competitively sensitive information. In order to comply with applicable competition law rules (Article 101 of the Treaty on the Functioning of the European Union and equivalent national competition law rules) as well as Stora Enso's internal policy guidelines, the answer is therefore published in a consolidated format.

13.5. Projected figures for feedstock over the next 12 months

*Using the categories in Section 2.5 'Quantification of the Supply Base' (above), give an updated projection for the coming 12 month period. Volume may be shown in a banding between XXX,000 to YYY,000 tonnes or m³ if a compelling justification is provided**

Bands are:

1. 0 – 200,000 tonnes or m³
2. 200,000 – 400,000 tonnes or m³
3. 400,000 – 600,000 tonnes or m³
4. 600,000 – 800,000 tonnes or m³
5. 800,000 – 1,000,000 tonnes or m³
6. >1,000, 000 tonnes or m³

2017: Band 1: 0-200.000 tonnes of feedstock. Banding of feedstock and production figures is used to avoid any potential noncompliance with the competition laws. Stora Enso is unable to publish the requested information due to the fact that it contains competitively sensitive information. In order to comply with applicable competition law rules (Article 101 of the Treaty on the Functioning of the European Union and equivalent national competition law rules) as well as Stora Enso's internal policy guidelines, the answer is therefore published in a consolidated format.