

Supply Base Report: RBRS LOGISTICS SIA

www.sbp-cert.org



Completed in accordance with the Supply Base Report Template Version 1.3

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

Document history

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1 Overview

Producer name: SIA “RBRS Logistics”
Producer location: SIA “RBRS Logistics” Kaplavas 5-59, LV1058, Riga, Latvia, location of production facility SIA Baltic Biogran: Ezermalas 1A, Rīga, Latvia, LV-1014
Geographic position: 56.993143, 24.177153
Primary contact: Sergejs Gailiss, +37126330077, logistics@rbrs.lv
Company website: www.rbrs.lv
Date report finalised: 22/Mar/2020
Close of last CB audit: 22/Mar/2020
Name of CB: NEPCon SIA
Translations from English: Yes as appropriate
SBP Standard(s) used: SBP Standard 2-V1.0 ; SBP Standard 4-V1.0. ; SBP Standard 5-V1.0 (instructions documents 5E;ID5E 1.1.
Weblink to Standard(s) used: <https://sbp-cert.org/documents/standards-documents/standards>
SBP Endorsed Regional Risk Assessment: not applicable
Weblink to SBE on Company website: not applicable

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

2 Description of the Supply Base

2.1 General description

The SIA RBRS Logistic company is a trader company, selling and buying different types of biomass and other products. An outsourced production agreement was signed in between the SIA RBRS Logistics and pellet production mill owned by Baltic Biogran SIA recently. Production will take place in the Baltic Biogran pellet mill situated at Ezermalas street 1A, Riga, LV-1014, Latvia. According to the agreement feedstock for the pellet production is provided by RBRS Logistics SIA, Baltic Biogran is producing pellets, which are sold by RBRS Logistics SIA to its buyers. As soon as no outsourced production is started and it is planned that supply area and feedstock types will remain the same, the reporting is based on Baltic Biogran SIA previous production recordkeeping done outside the outsourcing agreement during the period of 01/01/2019-31/12/2019

SIA RBRS Logistic is planning to purchase the all feedstock (residues after wood processing) from Latvia (100%) in the future.

Planned Biomass proportion by certification status:

SBP-compliant primary feedstock: 0 %

SBP-compliant secondary feedstock, 100 % (as FSC 100% or FSC Mix Credit, industry residues/ sawdust originating from Latvia appr.~3-4 suppliers)

SBP-compliant tertiary feedstock: 0%

SBP-noncompliant feedstock: 0 %

Species: Picea abies (L.) H. Karst.; Pinus sylvestris (L.);

LATVIA forest resources

Forest cover

Latvia has the fourth highest forest cover among all EU countries, surpassed only by Finland (77 %), Sweden (76 %) and Slovenia (63 %). Forests in Latvia take up 3.412 million hectares of land, or 53% of the country's territory. The Latvian state owns around one-half of the country's forests, while most of the rest of the forest belongs to approximately 135,000 private owners. The amount of forestland, moreover, is constantly expanding, both naturally and thanks to afforestation of infertile land and other land that is not used for agriculture.

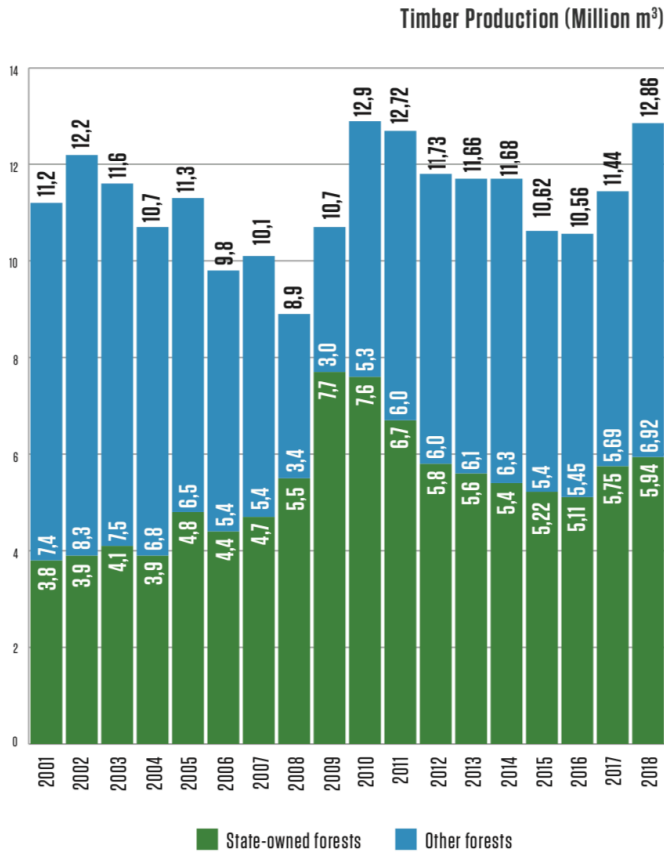
In 2019, the predominant forest species in Latvia are: Pine 33%, Birch 30 %, Spruce 19%, Grey Alder 7%, Aspen 7%, Black Alder 3 %, Other Species 1%. (State Forest Service data in Latvian Forest Sector in Facts & Figures 2020, published by the Ministry of Agriculture:

https://www.zm.gov.lv/public/ck/files/ZM/mezhi/skaitlifakti_ENG20.pdf)

An average of approximately 11 million m³ of timber have been harvested each year in Latvia's forests during the past decade. That is less than the annual increment, and so forestry in Latvia can be described as

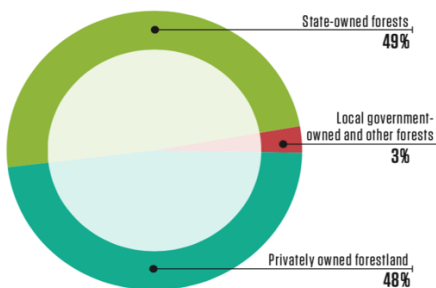
Focusing on sustainable sourcing solutions

sustainable. (State Forest Service data in Latvian Forest Sector in Facts & Figures 2020, published by the Ministry of Agriculture: https://www.zm.gov.lv/public/ck/files/ZM/mezhi/skaitlifakti_ENG20.pdf)



Ownership

The Latvian state owns around one-half of the country's forests, while most of the rest of the forest belongs to approximately 135,000 private owners. Forest ownership by status, 2019 (State Forest Service).



Management practices

The forest sector in Latvia is under the supervision of the Ministry of Agriculture. It works with stakeholders to draft forest policies, development strategies for the sector, as well as regulations on forest management, the use of forest resources, environment protection and hunting. www.zm.gov.lv. The State Forest Service, under the Ministry of Agriculture, is the responsible agency for supervising how the provisions of the laws and regulations are observed in forest management irrespective of the ownership type. www.vmd.gov.lv. State-owned forests are managed by Stock Company "Latvian State Forests", which was established in 1999. It implements the state's interests in terms of preserving and increasing the value of the forest and enhancing the contributions of the forest to the national economy.

Limitations on economic activity apply to 28,2% of Latvia's forests at this time, and most of this territory is owned by the state. 683 especially protected environmental territories have been set aside to protect nature. Many are included in the unified and pan-European NATURA 2000 network of protected territories.

There are various restrictions on economic activity in the specially protected areas, ranging from a complete ban on forestry throughout the calendar year to a ban on tree felling in certain months of the year or on specific conditions for felling. Overall, in around 13.5% of Latvia's forests there are some form of forest management restrictions in place, in 3.4% of these areas all forest management activities are prohibited.

Due to the dramatic increase in forest cover in the last 100 years, the current proportion of old-growth forests in Latvia is low and as such, a major challenge of forest conservation in Latvia is to ensure that such old-growth forests and features are protected and allowed to develop. www.lvm.lv

According to the State Forest Service data, the total growing stock volume was 682 million m³ in 2019. Latvian forest land consists of:

Forest land consists of:

- Forests 3.04 mln. ha (90.6%);
- Marshes 0.17 mln. ha (5.1%);
- Glades 0.031 mln. ha (0.9%);
- Flooded areas 0.017 mln. ha (0.5%);
- Objects of infrastructure 0.081 mln. ha (2.4%);
- Other forest land 0.017 mln. ha (0.5%).

State Forest Services: vmd.gov.lv, 2019.

The field of forestry

In Latvia, the field of forestry 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 (www.zm.gov.lv). Implementation of requirements of the national law and regulations notwithstanding the type of tenure is carried out by the State Forest Service under the Ministry of Agriculture (State Forest Services: www.vmd.gov.lv). Management of the state-owned forests is performed by the *Joint Stock Company "Latvia's State Forests"*, 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 (www.lvm.lv).

Export yielded 2,645 billion euro (approx. 21% of all exports in 2018).

Socio-Economic setting

According to the Latvian Ministry of Agriculture, the forest sector is one of the cornerstones of the national economy at this time. Forestry, wood processing and furniture manufacturing represented 5,1% of GDP in 2018, while exports amounted to EUR 2,645 billion – 21% of all exports. There is no parish in Latvia with no larger or smaller wood processing company. Often these are the most important employers in the surrounding area, thus being the main pillar of support for local economies and residents.

The forest industry has always been Latvia's export leader. About 71 % of forestry-sector output is exported. The foreign trade balance of the Latvian woodworking industry is positive, having reached EUR 1.7 billion in 2018. In 2018, the value of forest product exports was EUR 2.645 billion, 17 % higher than in 2017, while the value of forest products import was EUR 939 million. The main export destinations traditionally are the EU countries: the United Kingdom, Germany, and Sweden that together account for more than 40% of Latvia's wooden product exports.

Biological diversity

In historical terms, the intensive use of Latvia's forests for economic purposes began comparatively later than in many other European countries, and that has allowed us to preserve extensive biological diversity. Limitations on economic activity apply to 28,2% of Latvia's forests at this time, and most of this territory is owned by the state. 683 especially protected environmental territories have been set aside to protect nature. Many are included in the unified and pan-European NATURA 2000 network of protected territories.

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. In 2018, the State Forest Service has established and maintained 2417 micro-reserves in forest lands with a total area of 43.7 thousand. ha, of which 91% of micro-restricted areas are in state forests, 7% - in private forests and 2% - in municipal forests. Identification and protection planning of biologically valuable forest stands is carried out continuously.

Moreover, there are national laws in place designed for the preservation of biological diversity and general nature protection requirements must be followed during the forest management activities. These are binding to all forest managers. These requirements stipulate that selected old and large trees, dead wood, underwood trees and shrubs, land cover around wet micro-lowlands (terrain depressions) are to be preserved at felling, thus providing habitat for many organisms.

Latvia has been a signatory of the CITES Convention since 1997. CITES requirements are respected in forest management, although there are no species included in the CITES lists in Latvia.

Forest and community

Areas where recreation is one of the main forest management objectives add up to 8 % of the total forest area or 272 960 ha (2019). 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.

Certification

All forest area of Latvijas Valsts Meži as well as some part of forests in private and other ownership are FSC or PEFC certified. From a total forest area of 3.412 million hectares more than a half of Latvian forest areas have been certified according to FSC or PEFC certification scheme. Both the FSC and PEFC systems have found their way into Latvia.

Conservation CITES or IUCN species

Species	CITES status	IUCN classification
Oak (<i>Quercus robur</i>)	Not on the list	Least concern (LC)
Oak (<i>Quercus petraea</i>)	Not on the list	Least concern (LC)
Other CITES / IUCN registrations	<p>Accession 1997</p> <p>https://cites.org/eng/cms/index.php/component/cp/country/LV</p> <p>Other CITES species are present but do not include softwood or deciduous trees which are threatened.</p> <p>Full list:</p> <p>http://checklist.cites.org/#/en/search/country_ids%5B%5D=196&cites_appendices%5B%5D=I&cites_appendices%5B%5D=II&cites_appendices%5B%5D=III&output_layout=alphabetical&level_of_listing=0&show_synonyms=1&show_author=1&show_english=1&show_spanish=1&show_french=1&scientific_name=Plantae&page=1&per_page=20</p>	<p>Common Ash (<i>Fraxinus excelsior</i>) – Near Threatened</p> <p>https://www.iucnredlist.org/species/203367/67807718</p> <p>Full list</p> <p>https://www.iucnredlist.org/search?l andRegions=LV&searchType=species</p>

2.2 Actions taken to promote certification amongst feedstock supplier

For the production of SBP pellets are used FSC certified supplier material (100%). The company policy is to give a preference to certified suppliers. Raw material consists of wood waste from main production of suppliers. Therefore, uncertified and new suppliers are invited to certify their base production and get benefit from residues.

2.3 Final harvest sampling programme

Not applicable.

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

Wood industry residues/ sawdust wet 100 %

Species: *Picea abies* (L.) H. Karst.; *Pinus sylvestris* (L.);

2.5 Quantification of the Supply Base

Supply Base

- a. Total Supply Base area (ha): Latvia 3.412 milj/ha
- b. Tenure by type (ha): Latvia 1,67 mln/ha state forests; 1,64 mln/ha private forests. Local Government 0,102 mln/ha
- c. Forest by type (ha): Latvia 3.412 milj/ha hemi boreal.
- d. Forest by management type (ha): 3.412 milj/ha managed natural.
- e. Certified forest by scheme (ha): Latvia FSC ~1,13 mil/ ha are certified according to FSC and/or ~1,71 milj ha PEFC certification systems,

Feedstock

- f. Total volume of Feedstock: 82994 m³ (the aggregate amount of assumptions in the future taken from the actual activities of the subcontractor)
- g. Volume of primary feedstock: 0 tonnes or m³ -
- h. List percentage of primary feedstock (g), by the following categories. - following categories. – 0%:
 - Certified to an SBP-approved Forest Management Scheme
 - Not certified to an SBP-approved Forest Management Scheme
- i. List all species in primary feedstock, including scientific name: *Picea abies* (L.) H. Karst.; *Pinus sylvestris* (L.)
- j. Volume of primary feedstock from primary forest- 0%
- k. 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 0%
 - Primary feedstock from primary forest not certified to an SBP-approved Forest Management Scheme 0%
- l. Volume of secondary feedstock: plan from previous about 24987.10 tonnes Sawmill residues (sawdust from Latvia 100 %)
- m. Volume of tertiary feedstock: 0%

3 Requirement for a Supply Base Evaluation

SBE completed	SBE not completed
<input type="checkbox"/>	<input checked="" type="checkbox"/>

The SBE system of the Organisation is not finished and is not ready at the moment.

For the production of SBP fuel pellets, FSC-certified wood is used, i.e. 100% of the total pellet production will have a FSC statement of 100% or FSC Mix Credit. An assessment of the resource base is not required.

4 Supply Base Evaluation

4.1 Scope

Not applicable.

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

Not applicable.

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

Not applicable.

11.2 Public or additional reviews

Not applicable.

12 Approval of Report

Approval of Supply Base Report by senior management			
Report Prepared by:	<i>Marina Buziashvili</i>	<i>Sales manager of Baltic Biogran SIA</i>	<i>1 March 2020</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>Sergey Galiss</i>	<i>Member of board</i>	<i>1 March 2020</i>
	Name	Title	Date

13 Updates

13.1 Significant changes in the Supply Base

Not applicable.

13.2 Effectiveness of previous mitigation measures

Not applicable.

13.3 New risk ratings and mitigation measures

Not applicable.

13.4 Actual figures for feedstock over the previous 12 months

Please see 2.5.

13.5 Projected figures for feedstock over the next 12 months

Volume of secondary feedstock ~27000 tonnes.