



Supply Base Report: Baltic Forest SIA

First Surveillance Audit

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The promise of good biomass



Completed in accordance with the Supply Base Report Template Version 1.4

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

Document history

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1 Overview

Producer name: Baltic Forest SIA

Producer address: Jūras iela 8, LV-4033 Salacgrīva, Latvia

SBP Certificate Code: SBP-08-06

Geographic position: 57.697400, 24.363100

Primary contact: Dana Ramba, +371 293 310 05,dana@balticforest.lv

Company website: <http://www.balticforest.lv>

Date report finalised: 26 Apr 2021

Close of last CB audit: 18 May 2021

Name of CB: NEPCon OÜ

SBP Standard(s) used: SBP Standard 2: Verification of SBP-compliant Feedstock, SBP Standard 4: Chain of Custody, SBP Standard 5: Collection and Communication of Data Instruction

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

SBP Endorsed Regional Risk Assessment: Estonia, Latvia

Weblink to SBR on Company website: <http://www.balticforest.lv>

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
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2 Description of the Supply Base

2.1 General description

Feedstock types: Primary, Secondary

Includes Supply Base evaluation (SBE): Yes

Feedstock origin (countries): Latvia, Estonia

2.2 Description of countries included in the Supply Base

Country: Latvia

Area/Region: Vidzeme

Exclusions: No

In Latvia, forests cover area of 3,412 million ha. According to the data of the State Forest Service (concerning the surveyed area allocated to management activities regulated by the Forest Law), woodness amounts to 53 %. Latvia is one of the most forested EU member states. The amount of forestland is constantly expanding, both naturally and thanks to afforestation of infertile land and other land that is not used for agriculture.

The Latvian State owns 1,517 million ha of forest (46 % of the total forest area), while the other 1,78 million ha (54. % of the total forest area) belong to other owners. Forests owned by the state are managed by state stock company Latvijas Valsts Meži (Latvian State Forests). Private forest owners in Latvia amount to approximately 140,000.

Forest land consists of:

- forests: 91,58%;
- bog: 3.41%;
- ice: 0.83%;
- flooded areas: 1.13%;
- infrastructure objects: 2.72%;
- other forest land: 0.33%

For most of forest the dominant tree species are coniferous trees - pine and spruce. Latvia forests mainly consists of coniferous trees, but significant part are also occupied by other species.

Forest area by dominant species:

- pine 33 %
- spruce 20 %
- birch 24 %
- gray alder 6 %
- black alder 6 %
- aspen 9 %
- oak 1 %
- ash 0 %
- other species 1 %.

The amount of forestland is constantly expanding, both naturally and thanks to afforestation of infertile land and other land that is not used for agriculture.

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 to preserve extensive biological diversity. Limitations on economic activity apply to 12% 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 of the areas have been included in the European network of protected areas Natura 2000. In order to ensure the protection of a specially protected species or a biotope outside specially protected nature territories, micro-reserves are created, if any of the functional zones does not provide it. According to the State forest service, the total area of the micro-reserves in October 2016 was 43 217.30 ha.

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.

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.

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. It manages and administers 1.60 million ha of forest land, of which 1.39 million ha is forest

During the past decade, forest owners and manufacturing companies in Latvia have sought to receive certification of the sustainable use of forest resources. Forest management processes and timber product delivery chains in Latvia are certified on the basis of the two most widely used systems in the world – FSC and PEFC. This proves that the country's forests are managed according to internationally acknowledged standards of good forestry.

In December 2020 total PEFC Certified Forest Area in Latvia was 1,72 milj hectares and 91 Chain of Custody Certificates. (PEFC Global Statistics: SFM & CoC Certification, December 2020).

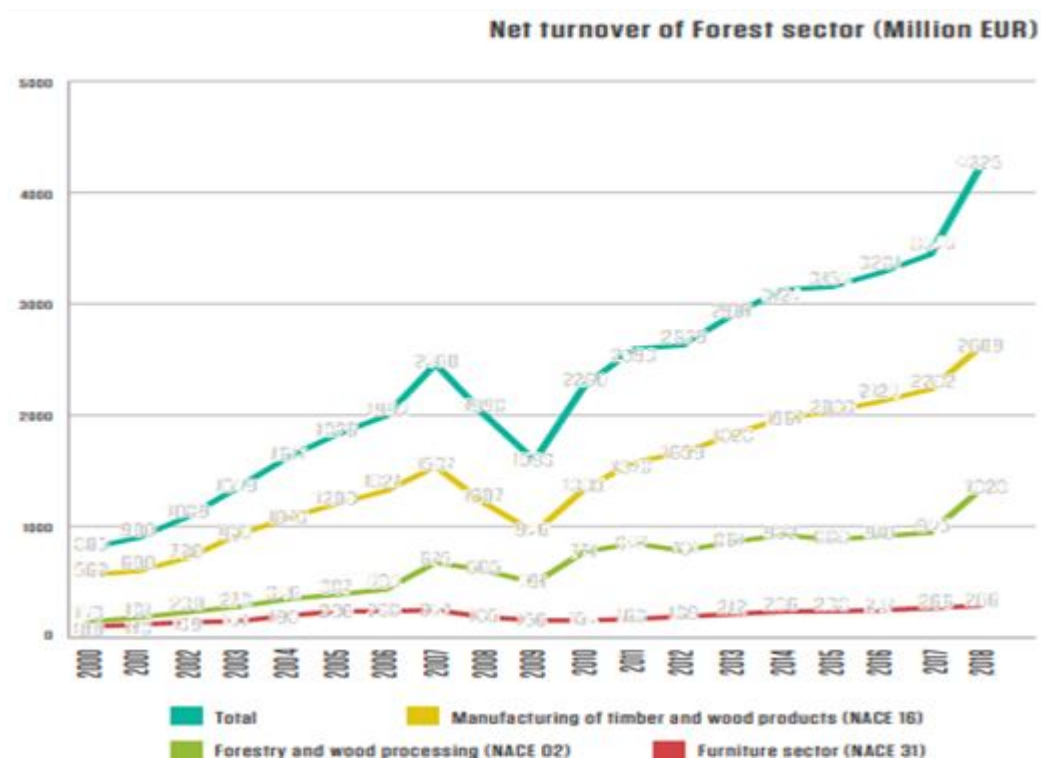
In December 2020 total FSC Certified Forest Area in Latvia was 1,2 milj hectares and 323 Chain of Custody Certificates. (FSC Facts & Figures, December, 2020)

CITES came into force in Latvia on 12/05/1997. Trade in CITES-listed species requires import and export permits. Information on CITES species can be found at: <http://www.cites.org/>; [http; // www.traffic.org](http://www.traffic.org) .; [http; // www.redlist.org](http://www.redlist.org). Species of wild trees in Latvia are not included in the CITES species list.

Resources:

www.zm.gov.lv <http://www.vmd.gov.lv/valsts-meza-dienests/statiskas-lapas/-meza-apsaimniekosana>;
<http://www.liaa.gov.lv/en/trade/industry-profiles/forest-industry>;
PEFC Global Statistics: SFM & CoC Certification, December 2020;
FSC Facts & Figures, December 2020.

Net turnover of the forest sector



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 2,6 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 sector plays an essential role in providing employment for the population. The sector directly employs more than 54 thousand people, while together with related industries, forestry and the forest sector provide income for more than 80 thousand people. The forest sector plays a particularly important role in regional development and regional employment. For example, in the wood industry, about 80% of jobs are located in one of the regions of Latvia, and only 20% of jobs are located in Riga.

Country: Estonia

Area/Region: All regions

Exclusions: No

Estonia has been a member of the European Union since 2004. Estonian legislation is in line with EU legislation and directives. National legislation refers to a body of international law. All legislation is in a democratic system and can be freely commented on by all stakeholders. Estonian legislation sets strict requirements for the use of forest land, and the Estonian Forestry Development Plan 2020 sets out clear objectives and strategies to ensure that forest land is protected to the standards of sustainable forest management techniques. The Ministry of the Environment coordinates the fulfillment of state obligations in the forestry sector. The implementation and monitoring of environmental policies are carried out by two separate bodies under its authority. The Estonian Environmental Board supervises all work carried out in Estonian forests, while the Environmental Inspectorate supervises all protected environmental areas.

The concept of forest is defined in the Forest Law. The legislation delineates three main forest categories: commercial forest, protection forest and the protected forest. Based on ownership, forests can be divided into private forests, municipal forests and state forests. National forests cover about 40% of the total forest area and are certified according to the FSC and PEFC forest management systems and a number of different standards in which indicators related to forest management planning, maps and the availability of forest inventory records are continuously assessed and recorded. . State forests are managed by the State Forest Management Center (RMK), a state profit organization established on the basis of the Forest Law, and its main responsibility is sustainable and efficient state forest management.

The main wood species are pine 30.3%, spruce 23.4% and birch 22.9%. Other wood species are aspen, alder, grey alder,

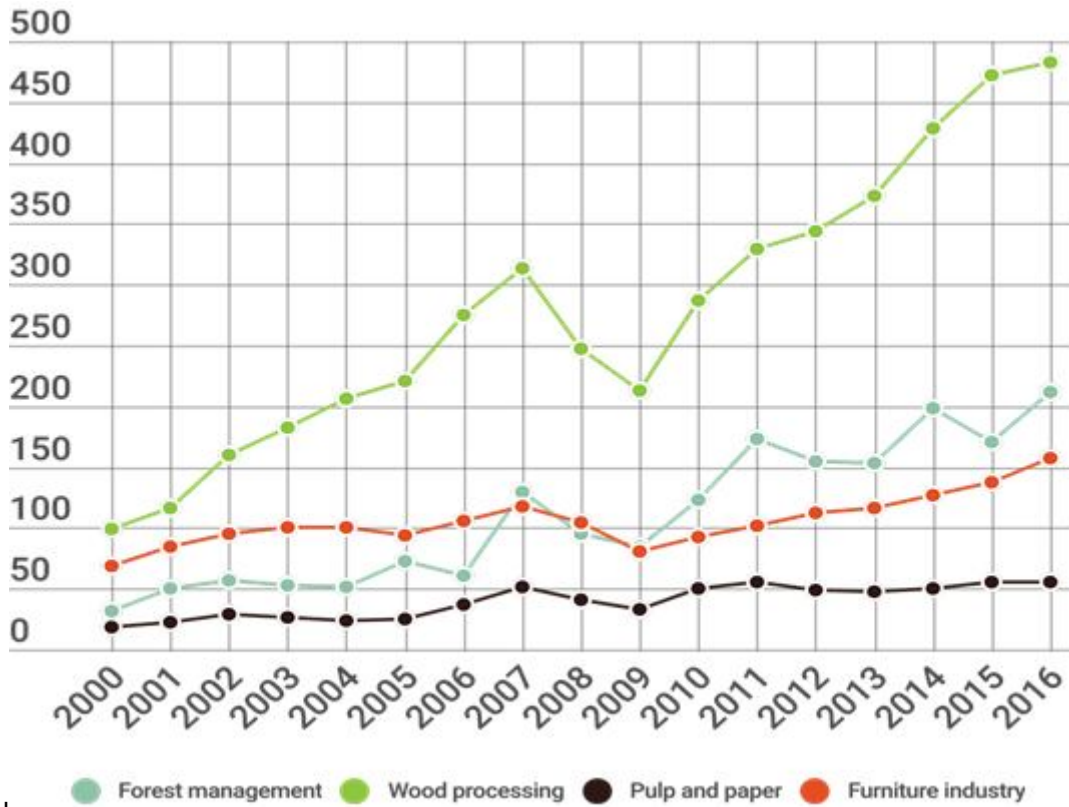
At present, more than 2,332 600 ha or 51% of Estonia's land area is covered by forests and the forest covered area is growing. The Forest Yearbook 2013, which provides annual reports and facts on forests in Estonia, states that the rate of deforestation in Estonian forests has ranged from 7 to 11 million tonnes over the last decade. m3 per year. This indicator is in line with the principle of sustainable development, where the harvesting rate does not exceed annual growth and allows for long-term economic, social and environmental needs. According to the Forestry Development Plan 2012-2020. The sustainable felling rate for 2006 is 12-15 million tonnes. ha per year.

The territory of protected forests makes up up to 25.3% of the total forest area, while 10% of the forest is under strict protection. Most protected forests are state-owned. The main regulation governing the conservation of biological diversity and the sustainable use of natural resources is the Nature Protection Act. Estonia signed the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) in 1992 and joined the International Union for Conservation of Nature and Natural Resources (IUCN) in 2007. In Estonia, tree species protected by CITES or IUCN do not grow naturally.

State forests are FSC/ PEFC certified. In addition to state forest enterprise, 8 private forest managers are managing forests in accordance with FSC standard requirements.

In December 2020 total PEFC Certified Forest Area in Estonia was 1,295 milj hectares and 83 Chain of Custody Certificates. (PEFC Global Statistics: SFM & CoC Certification, December 2020).

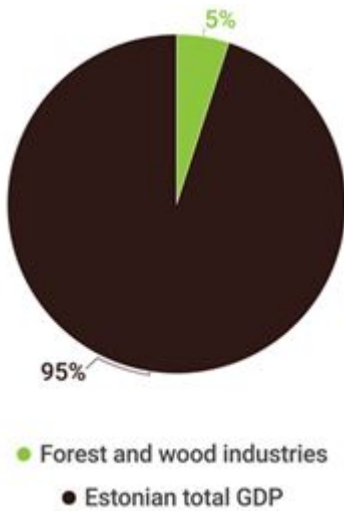
In December 2020 total FSC Certified Forest Area in Estonia was 1,198 milj hectares and 289 Chain of Custody Certificates. (FSC Facts & Figures, December, 2020)



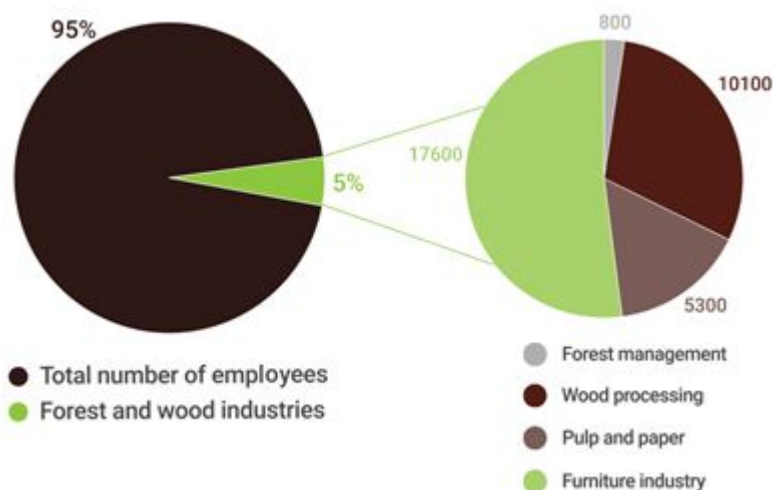
N
 Forest sector in Estonia (million EUR)

et turnover of

Share of Estonian forest and timber industry in Estonian GDP



Number of employees



Resources: <https://www.envir.ee/et/metsastatistika>

2.3 Actions taken to promote certification amongst feedstock supplier

As a priority, materials for the production of SBP biomass are purchased from suppliers certified by FSC or PEFC or compliant with the FSC Controlled Wood requirements. The company policy is directed at cooperation with certified suppliers. Feedstock (saw dust, woodchips) is comprised of wood by-products from the suppliers' production of their primary product. For this reason, uncertified and new suppliers are encouraged to have their primary product certified and put the leftovers to good use. Since March 2018, the amount of FSC certified and FSC Controlled Wood tends to decrease, which is related to the national risk assessment and the performance of risk mitigation measures. This is why the decision of the company management is to assess overall supply risks and decrease these in accordance with SBP risk assessment in Latvia, both for FSC Controlled and uncertified primary and secondary feedstock, so that the entire amount meets at least the SBP Compliant biomass or SBP Controlled Biomass status..

2.4 Quantification of the Supply Base

Supply Base

- Total Supply Base area (million ha):** 5,74
- Tenure by type (million ha):** 2.92 (Privately owned), 2.71 (Public)
- Forest by type (million ha):** 5.74 (Boreal)
- Forest by management type (million ha):** 5.74 (Managed natural)
- Certified forest by scheme (million ha):** 2.40 (FSC), 3.01 (PEFC)

Describe the harvesting type which best describes how your material is sourced: Mix of the above

Explanation: The maximum clear-cutting area is 2-5 ha (it depends on the forest type); tree felling used harvesters and chain saws.

Was the forest in the Supply Base managed for a purpose other than for energy markets? Yes - Majority

Explanation: Logs are mainly used in the wood industry and furniture production

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: Defined in the Forest Law and related regulatory enactments.

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

Explanation: No information

Feedstock

Reporting period from: 01 Apr 2020

Reporting period to: 31 Mar 2021

- a. **Total volume of Feedstock:** 1-200,000 m³
- b. **Volume of primary feedstock:** 1-200,000 m³
- c. **List percentage of primary feedstock, by the following categories.**
 - Certified to an SBP-approved Forest Management Scheme: 1% - 19%
 - Not certified to an SBP-approved Forest Management Scheme: 40% - 59%
- d. **List of all the species in primary feedstock, including scientific name:** Alnus glutinosa (Alder); Alnus incana (Grey alder); Picea abies (Norway spruce); Pinus sylvestris (Scots pine); Populus tremula (Aspen); Betula pendula (Birch);
- 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 (%):** 75,00
- g. **Softwood (i.e. coniferous trees): specify proportion of biomass from (%):** 24,00
- h. **Proportion of biomass composed of or derived from saw logs (%):** 1,00
- i. **Specify the local regulations or industry standards that define saw logs:** rejected saw logs (LVS 80:1997 "Kokmateriālu sortimenti mežizstrādē")
- j. **Roundwood from final fellings from forests with > 40 yr rotation times - Average % volume of fellings delivered to BP (%):** 44,00
- 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

n. **Volume of tertiary feedstock:** 0 N/A

- Physical form of the feedstock: N/A

Proportion of feedstock sourced per type of claim during the reporting period				
Feedstock type	Sourced by using Supply Base Evaluation (SBE) %	FSC %	PEFC %	SFI %
Primary	90,00	10,00	0,00	0,00
Secondary	0,00	100,00	0,00	0,00
Tertiary	0,00	0,00	0,00	0,00
Other	0,00	0,00	0,00	0,00

3 Requirement for a Supply Base Evaluation

Is Supply Base Evaluation (SBE) is completed? Yes

SBP biomass supply evaluation includes:

- primary wood (round wood)
- secondary wood (chips)

To Baltic Forest SIA which confirms the supplied primary feedstock for the production of biomass as SBP - compliant. The evaluation process use the SBP endorsed risk assessment for Latvija.

Baltic Forest SIA defines the biomass received from the approved biomass extraction sources and supplies as a SBP-compliant biomass.

Risk assessment:

BP uses the SBP- endorsed Regional Risk Assessment for Latvia.

The risk assessment is divided into: "Low risk" and "Defined risk".*Provide a concise summary of why a SBE was determined to be required or not required.*

4 Supply Base Evaluation

4.1 Scope

Feedstock types included in SBE: Primary, Secondary

SBP-endorsed Regional Risk Assessments used: Estonia, Latvia

List of countries and regions included in the SBE:

Country: Latvia

Indicator with specified risk in the risk assessment used:

2.1.1 The BP has implemented appropriate control systems and procedures for verifying that forests and other areas with high conservation value in the Supply Base are identified and mapped.

Specific risk description:

High conservation value forests, category 3: includes Natura 2000 sites, EU protected habitats, key forest habitats - the risk level of this subcategory is considered to be a certain risk for non-certified forests.

High conservation value forests, category 6: Forests and parks in or around cultural heritage sites, such as manor parks, urban forests, forests of important historical sites - no information has been collected on the location of such cultural heritage sites in the forest. The status of cultural heritage sites is not fully protected in private forests owned by municipalities and churches.

Country: Latvia

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:

High conservation value forests, category 1. With regard to the identification and protection of protected values, experts are concerned about the nesting sites of several species listed in Annex I of the Birds Directive, which have not been identified and registered in forest register databases and are therefore not "de facto" protected outside protected areas.

High conservation value forests, category 3: problems with the protection of key forest habitats (WKH) and / or EU protected forest habitats in non-certified forests.

High conservation value forests, category 6: isolated cases of destruction / damage of cultural heritage sites in private forests.

Country: Latvia

Indicator with specified risk in the risk assessment used:

2.8.1 The BP has implemented appropriate control systems and procedures for verifying that appropriate safeguards are put in place to protect the health and safety of forest workers (CPET S12).

Specific risk description:

The following can be considered low risk: • companies that work as subcontractors to certified forest managers; • logging companies that only work with harvesters.

"Identified risk" - in logging operations where hand-held chainsaws are used in non-certified forests. Particular attention should be paid to the self-employed and micro-enterprise workers.

4.2 Justification

The risk assessment has been developed in accordance with SBP standard No. 1; No. 2 version 1.0, March 2019, evaluating the risk categories for each SBP indicator. In describing and evaluating the risks, the company acquired an in-depth understanding of the risks of wood supply that could affect the acceptance of inappropriate SBP material for biomass production.

By implementation of effective risk mitigation measures, the company has the ability to purchase a SBP-approved and appropriate assortment to produce the required volume of SBP-compliant biomass products

The classification of developed risk indicators has been graded from the potential risk to the lower risk.

In addition, the risk assessment has been carried out through communication and consultation with stakeholders and leading experts in the nature protection and forestry sectors.

Baltic Forest SIA has developed risk mitigation and control mechanism for the evaluation and confirmation of its biomass supplies and suppliers, delivered products of which comply with the SBP-compliant biomass status, by attracting independent biotope experts, professional logging companies' experts and nature protection specialists.

4.3 Results of risk assessment and Supplier Verification Programme

The risk assessment analysis included requirements regulated by the regulatory enactments of the Republic of Latvia.

Taking into account the specifics of Latvia as well as the recommendations and advice of experts, "Defined risk" was used for biotope protection (HCV category 3), occupational safety, conservation of bird habitats (HCV category 1) and cultural heritage objects (HCV category 6).

4.4 Conclusion

Since January 1, 2020, when the requirements of SBE standards were initiated and implemented, the compliance of wood resource suppliers with the specified risks has been reviewed.

The amount of PEFC or FSC certified wood alone is not enough to ensure that 100% biomass is 'SBP compliant biomass'.

As a result of the implementation of risk mitigation measures, SIA Baltic Forest has confirmed that suppliers who extract timber from their own or other owners' forests and submit all required information can provide risk mitigation measures and meet the SBE low risk category at the supply level.

Suppliers who are competent and informed about the assessment of potential risks but have not been certified in accordance with the requirements of PEFC or FSC standards are approved as suppliers of SBP wood.

In the reporting year period, the company is taking risk mitigation measures for the supplies of 25% suppliers at the forest plot level to confirm the correspondence of all feedstock to SBP compliant material.

5 Supply Base Evaluation process

Baltic Forest SIA assessment of the SBP-compliant biomass is related to supplies from Latvia only, as well as to the extraction of the biomass from:

- the SBP-approved forestry scheme;
- the SBP – low-risk feedstock source that was approved within the SBE system;
- the SBP-approved supply chain in compliance (CoC) with system requirements;
- the SBP-approved supply after processing as wood residues.

The results of the risk assessment were obtained through audits of logging companies, which confirmed the necessary actions to be taken in order to reduce risks. Additional consultations with other forestry, logging companies were carried out, and the results and experience gained were discussed publicly with non-governmental organizations.

When confirming the fulfilment of the SBP requirements and assessing the competence of suppliers, loggers and processors, the experts were involved, both for occupational safety and for the identification of biotopes and bird nests as well as for identification of potential cultural heritage objects.

The company has developed and applies a risk mitigation procedure that describes the identified risk mitigation measures and tools.

The company has prepared and applied verification questionnaires for each risk indicator in order to objectively evaluate and obtain general information for each wood extraction site that has been approved or not approved as the SBP-compliant biomass.

The frequency and plan of the audits has been developed in such a way that the wood from the cutting sites (forest management units), which came from approved suppliers (using the testing tools Ozols) has been audited during the six-month period. Audits are carried out before, after and during logging. The audit procedure is available in the company only on request, subject to confidentiality, and is presented and discussed with stakeholders in order to effectively improve it.

SBE system development for supply assessment and risk mitigation measures are performed by Baltic Forest SIA company manager. Baltic Forest SIA is the company with 20 years long experience in the procurement market of Latvia, long-term experience in maintaining FSC system and assessment of wood origin at forest management and 20 years long experience and knowledge in forestry, supplies of wood, procurement and legislation.

As the basis for the establishment of the SBP and SBE risk mitigation system, there were taken requirements of the FSC supply and FSC Forest certification system standards, staff competence in the wood supply chain as well as knowledge in forestry, wood industry and the legality of wood supplies.

6 Stakeholder consultation

On **1.february 2020**, SIA BALTIC FOREST published a SBP risk assessment on the website. A letter of information on the developed risk assessment in accordance with the SBP standard was sent electronically to stakeholders. A list of stakeholders has been developed in such a way that to include the maximum number of recipients representing the economic, social and environmental interests of the society as well as local governments. The total number of recipients is 80

During the public consultation, correspondence and telephone interviews with stakeholders are planned.

SBP risk assessment is available on the company's website. <http://www.balticforest.lv>

6.1 Response to stakeholder comments

Description: During the public consultation, no objections and comments were received from stakeholders.

Comment: During the public consultation, no objections and comments were received from stakeholders.

Response: During the public consultation, no objections and comments were received from stakeholders.

7 Mitigation measures

7.1 Mitigation measures

Country: Latvia

Specified risk indicator: 2.1.1 The BP has implemented appropriate control systems and procedures for verifying that forests and other areas with high conservation value in the Supply Base are identified and mapped.

Specific risk description:

High conservation value forests, category 3: includes Natura 2000 sites, EU protected habitats, key forest habitats - the risk level of this subcategory is considered to be a certain risk for non-certified forests.

High conservation value forests, category 6: Forests and parks in or around cultural heritage sites, such as manor parks, urban forests, forests of important historical sites - no information has been collected on the location of such cultural heritage sites in the forest. The status of cultural heritage sites is not fully protected in private forests owned by municipalities and churches.

Mitigation measure:

Risk mitigation measures are related to the following feedstock categories:

Ø supplies of primary feedstock from Latvian forest properties before logging and after logging as well as during logging;

Ø secondary feedstock suppliers;

Ø the primary biomass cannot be qualified and does not apply to tree species such as oak, ash, maple, wych elm, elm, if their diameter on the stump is more than 70 cm

Ø For primary feedstock supplies, the company registers and checks all the information on the origin of incoming wood at the forest plot level to exclude the possibility that logging certificates are submitted by suppliers for other properties, not related to the wood supply.

Ø Cadastre plots of the wood supplier are checked in database Ozols to determine if protected forest biotope may be present or environmental protection limitations established.

Ø Additional information, survey data are obtained from databases or forest proprietors, loggers.

Ø For all property plots that have protected forest biotope may be present or environmental protection limitations established, are physically visited in real life.

Ø For property plots that have protected forest biotope may be present or environmental protection limitations established, during the audit, biotope expert confirmed audit forms are checked and filled in (check page, control page). For the plots audited after or before logging and where signs of possible biotopes are found, the material is separated separately. If a possible biotope is confirmed, the company assesses future cooperation with the supplier, does not accept the wood from the corresponding cadastre plot, in case of delivery cancels the amount of the corresponding assortment. In the risk mitigation process, when assessing plots before logging, adjacent plots are also examined to check for the presence of possible bird nests or historical and cultural objects.

Data is verified using the database – <https://ozols.gov.lv>

Country:

Latvia

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:

High conservation value forests, category 1. With regard to the identification and protection of protected values, experts are concerned about the nesting sites of several species listed in Annex I of the Birds Directive, which have not been identified and registered in forest register databases and are therefore not "de facto" protected outside protected areas.

High conservation value forests, category 3: problems with the protection of key forest habitats (WKH) and / or EU protected forest habitats in non-certified forests.

High conservation value forests, category 6: isolated cases of destruction / damage of cultural heritage sites in private forests.

Mitigation measure:

Risk mitigation measures are related to the following feedstock categories:

Ø supplies of primary feedstock from Latvian forest properties before logging and after logging as well as during logging;

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Ø Additional information, survey data are obtained from databases or forest proprietors, loggers.

Ø For all property plots that have protected forest biotope may be present or environmental protection limitations established, are physically visited in real life.

Ø For property plots that have protected forest biotope may be present or environmental protection limitations established, during the audit, biotope expert confirmed audit forms are checked and filled in (check page, control page). For the plots audited after or before logging and where signs of possible biotopes are found, the material is separated separately. If a possible biotope is confirmed, the company assesses future cooperation with the supplier, does not accept the wood from the corresponding cadastre plot, in case of delivery cancels the amount of the corresponding assortment. In the risk mitigation process, when assessing plots before logging, adjacent plots are also examined to check for the presence of possible bird nests or historical and cultural objects.

Habitat inspections are carried out using the database – <https://ozols.gov.lv>

Country:

Latvia

Specified risk indicator:

2.8.1 The BP has implemented appropriate control systems and procedures for verifying that appropriate safeguards are put in place to protect the health and safety of forest workers (CPET S12).

Specific risk description:

The following can be considered low risk: • companies that work as subcontractors to certified forest managers; • logging companies that only

work with harvesters.

"Identified risk" - in logging operations where hand-held chainsaws are used in non-certified forests. Particular attention should be paid to the self-employed and micro-enterprise workers.

Mitigation measure:

Risk mitigation measures are related to the following feedstock categories:

ØAdditional information, survey data are obtained from databases or forest proprietors, loggers.

Information on the involvement of subcontractors in logging is obtained from all suppliers. Work safety risk mitigation audits are planned or performed spontaneously for all suppliers which outsource or do the logging themselves with manual teams. Taking into account the deficit of human resources in logging, companies use forest machinery more and more. In the report for the audit year it was found that approximately 65% of all supplies are made with forest machinery.

A work safety assessment questionnaire has been developed, which includes the minimum requirements for compliance with work safety requirements in the forest.

7.2 Monitoring and outcomes

- Labour protection and occupational safety supervision risk programme

In the period from 01.04.2020 to 31.03.2021 labour protection audits were carried out - 7 audits of logging companies were carried out during logging work, previously requesting information from suppliers on logging sites and service providers. The selection of territories and suppliers to be audited was carried out in such a way that to cover both the supply regions and the different logging companies and their contractors. The regions included in the audit programme are: Vidzeme. Records and observations have been made for each supplier's audit performed.

After the performed audits, it can be concluded that the requirements of occupational safety and health are observed and no significant violations were found if the logging was performed with hand-held chainsaws.

- Biotopes, bird habitats and cultural heritage objects identification and supervision risk programme.

In the period from 01.04.2020 to 31.03.2021 within the framework of the programme approximately 54 potential habitats were tested, before the beginning of the logging work and during logging. Those cutting sites and areas adjacent to the cutting site were audited, where, according to database Ozols, Nature protection board the potential of natural forest biotopes has been identified.

The selection of territories and suppliers to be audited was carried out in such a way that to cover both the different supply regions and the different logging companies and contractors. The audit programme includes Vidzeme. Records and observations have been made for each audit.

The following conclusions were made from the performed audits:

1) Suppliers have an understanding of the biotope evaluation mechanism, suppliers are aware of the need for a biotope evaluation audit before the beginning of the logging work. Potential cutting sites in managed forests or on agricultural lands, where there was a small possibility for the existence of a forest biotope, have been inspected in audits on site. In 5 plots it was determined how the habitat is possible and requires the involvement of an expert.

2) There were no sites of cultural heritage value found in the forest plots selected during the testing process. The audits found that suppliers are aware that the protection of cultural heritage values is regulated by the legislation of the Republic of Latvia. A survey of logging companies concluded that if a cultural heritage object was detected on the cutting site during the logging work, the State forest service and the relevant local government are informed about it in writing. The logging work is terminated until the relevant decision is received from the responsible authorities.

3) No large bird nests (over 50 cm) were found on the cutting sites visited during the audit. Suppliers have an understanding of what to do if they spot large bird nests (over 50 cm). Logging companies understand the need to leave dead wood and ecological trees on the cuttings sites as well as to comply with other requirements for nature conservation in forest management. Audits have found that various logging restrictions imposed by the administrative territory are being observed.

During the audit, it was found that logging companies are ready to present to the auditor of SIA BALTIC FOREST the forest properties that are left as biologically valuable forests (forest biotopes of EU importance, natural forest biotopes), where logging will not be carried out or about which the management of the SIA BALTIC FOREST company will be informed. Wood from these forest units/properties (enterprises) will not be purchased or delivered. Company uses the SBP- endorsed Regional Risk Assessment for Latvia.

If the supplier does not wish to cooperate with SIA Baltic Forest in identifying the presence of habitats, protected bird species, cultural and historical objects and compliance with occupational safety requirements, thus reducing the risks of SBP non-compliant raw material supply, it is not approved for SBP timber deliveries.

All suppliers were be tested on OZOLS database resources to ensure SBP compliant raw material deliveries

8 Detailed findings for indicators

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

Is RRA used? Yes

9 Review of report

9.1 Peer review

The company uses the database "Ozols" to identify forest habitats. The assessment is performed for all plots specified in cutting license by analyzing forest taxation data and soil composition. An independent forest habitat expert (Aija Karlivāne) found this inspection mechanism appropriate.

9.2 Public or additional reviews

No additional information has been received.

10 Approval of report

Approval of Supply Base Report by senior management			
Report Prepared by:	Dana Ramba	Cheaf accountant	26 Apr 2021
	Name	Title	Date
<p>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.</p>			
Report approved by:	Andris Gailums	Chairman of the board	26 Apr 2021
	Name	Title	Date

Annex 1: Detailed findings for Supply Base Evaluation indicators

N/A