



Supply Base Report: Palleteries SIA

Main (Initial) 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

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2 Description of the Supply Base

2.1 General description

Feedstock types: Secondary, Primary

Includes Supply Base evaluation (SBE): No

Feedstock origin (countries): Latvia

2.2 Description of countries included in the Supply Base

Country:Latvia

Area/Region: Kurzeme

Exclusions: No

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 2020. Latvian forest land consists of:

Forest land consists of:

- Forests 3,292 ha (91,5%);

- Marshes 0,125 ha (3,5%);
- Glades 0,030 ha (0,8%);
- Flooded areas 0,042 ha (1,2%);
- Objects of infrastructure 0,097 ha (2,7%);
- Other forest land 0,011 ha (0,3%).

(<https://www.zm.gov.lv/20.>)

Forest Area by Dominant Species. Whole country, 2020

(<https://www.zm.gov.lv/>)

Timber production by types of cuts, by volume produced:

(<https://www.zm.gov.lv/>)

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).

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 .

See attachments

diagrammas 1.docx

2.3 Actions taken to promote certification amongst feedstock supplier

As aSIA Palleteries informs suppliers about FSC and PEFC criteria and significance.

80% of raw materials (packaging blocks) from which biomass is produced are supplied from Latvian State Forests (FSC and PEFC certified) and a small part from other certified suppliers

2.4 Quantification of the Supply Base

Supply Base

- a. **Total Supply Base area (million ha):** 3,29
- b. **Tenure by type (million ha):**1.52 (Public), 1.77 (Privately owned)
- c. **Forest by type (million ha):**3.29 (Boreal)
- d. **Forest by management type (million ha):**3.29 (Managed natural)
- e. **Certified forest by scheme (million ha):**1.24 (FSC), 1.72 (PEFC)

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

Explanation: SIA Palleteries production is organized with 0 waste technologies.SIA Palleteries ses round wood in their sawing operations and does not harvest trees with the goal to produce pellets. SIA Palleteries only use wood wastes,originating from woodworking or bought with FSC claim. The resources originatefrom well-managed multifunctional forests with along rotation period.SIA Palleteries sources are either FSC certified wood,or FSC controlled wood.

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

Explanation: Forest from which SIA Palleteries sourced sawn logs generally is meant for lumber processing.

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: Each of the supply regions where sawn logs are sourced have the following main principles of sustainable forest management (SFM) and land management.

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: Forest from which SIA Palleteries sourced sawn logs was not dead, infected by bugs or salvaged by any means.

Feedstock

Reporting period from: 01 Apr 2020

Reporting period to: 31 Mar 2021

- a. **Total volume of Feedstock:** 1-200,000 tonnes
- b. **Volume of primary feedstock:** 1-200,000 tonnes
- c. **List percentage of primary feedstock, by the following categories.**
 - Certified to an SBP-approved Forest Management Scheme: 0%

- Not certified to an SBP-approved Forest Management Scheme: 0%
- d. List of all the species in primary feedstock, including scientific name:** Picea abies (Picea abies (L.) H. Karst.); Pinus sylvestris (Pinus sylvestris (L.);); Alnus glutinosa (Alnus glutinosa (L.) Gaertn.); Alnus incana (Alnus incana (L.) Moench.); Populus tremula (Populus tremula (L.);); Betula pendula (Betula pendula (Roth.);); Betula pubescens (Betula pubescens (Ehrh.););
- 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 (%):** N/A
- g. Softwood (i.e. coniferous trees): specify proportion of biomass from (%):** N/A
- h. Proportion of biomass composed of or derived from saw logs (%):** 12,00
- i. Specify the local regulations or industry standards that define saw logs:** Technological wood from LVM, which was used for wood chips
- j. Roundwood from final fellings from forests with > 40 yr rotation times - Average % volume of fellings delivered to BP (%):** 50,00
- k. Volume of primary feedstock from primary forest:** 0 tonnes
- 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: 1% - 19%
 - Primary feedstock from primary forest not certified to an SBP-approved Forest Management Scheme: 0%
- m. Volume of secondary feedstock:** 1-200,000 tonnes
- Physical form of the feedstock: Chips, Sawdust
- n. Volume of tertiary feedstock:** 0 tonnes
- 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	0,00	50,00	50,00	0,00
Secondary	0,00	38,60	61,40	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? No

N/A

4 Supply Base Evaluation

4.1 Scope

Feedstock types included in SBE: N/A

SBP-endorsed Regional Risk Assessments used: N/A

List of countries and regions included in the SBE:

Country: N/A

Indicator with specified risk in the risk assessment used:
N/A

Specific risk description:

4.2 Justification

N/A

4.3 Results of risk assessment and Supplier Verification Programme

N/A

4.4 Conclusion

N/A

5 Supply Base Evaluation process

N/A

6 Stakeholder consultation

N/A

6.1 Response to stakeholder comments

N/A

7 Mitigation measures

7.1 Mitigation measures

N/A

7.2 Monitoring and outcomes

N/A

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? N/A

9 Review of report

9.1 Peer review

N/A

9.2 Public or additional reviews

N/A

10 Approval of report

Approval of Supply Base Report by senior management			
Report Prepared by:	Arita Upmale	Production manager	08 Feb 2021
	Name	Title	Date
Report Prepared by:	Edijs Ošs	Member of the Board	08 Feb 2021
	Name	Title	Date
Report Prepared by:	Vilnis Kalniņš	Director of the branch	08 Feb 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:	Arita Upmale	Production manager	16 May 2021
	Name	Title	Date

Annex 1: Detailed findings for Supply Base Evaluation indicators

N/A