



Supply Base Report: Laskana SIA LSEZ

Second Surveillance Audit

www.sbp-cert.org



The promise of good biomass



Completed in accordance with the Supply Base Report Template Version 1.5

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: Laskana SIA LSEZ

Producer address: Brivostas str. 40, LV-3405 Liepāja, Latvia

SBP Certificate Code: SBP-01-71

Geographic position: 56.529500, 20.999900

Primary contact: Ojārs Zeme, +371 6342 3111,ojars.zeme@laskana.lv

Company website: www.laskana.lv

Date report finalised: 02 Feb 2024

Close of last CB audit: 13 Feb 2024

Name of CB: Preferred by Nature OÜ

SBP Standard(s) used: SBP Standard 1: Feedstock Compliance Standard, SBP Standard 2: Verification of SBP-compliant Feedstock, SBP Standard 4: Chain of Custody, SBP Standard 5: Collection and Communication of Data Instruction, Instruction Document 5E: Collection and Communication of Energy and Carbon Data 1.5

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

SBP Endorsed Regional Risk Assessment: Latvia

Weblink to SBR on Company website: <https://laskana.lv/laskana/lv/sakums/>

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

Includes REDII: No

Includes REDII SBE: No

Feedstock origin (countries): Latvia

2.2 Description of countries included in the Supply Base

Country: Latvia

Area/Region: Latvia

Sub-Scope: N/A

Exclusions: No

LSEZ SIA LASKANA purchases the most of its feedstock for production of biomass (woodchip) as round timber, forest branch chip and non-forest land branch chip. Biomass is mainly obtained from our own forestry. The region of biomass origin is Latvia via direct purchase and supply.

Species: Norway spruce - *Picea abies*; Scots pine - *Pinus sylvestris*; Black alder - *Alnus glutinosa*; Grey alder - *Alnus incana*; European aspen - *Populus tremula*; Silver birch - *Betula pendula*; downy birch - *Betula pubescens*; Pedunculate Oak - *Quercus robur*; Norway Maple - *Acer platanoides*; Ash - *Fraxinus excelsior*; wych Elm - *Ulmus glabra* Huds; Fluttering elm - *Ulmus laevis*.

LATVIAN forest resources

In Latvia, forests covers area of 3,441 million hectares. According to the data of the State Land Service forest land amounts to 53% from the entire territory of the country. Other types of land by use in Latvia are: agricultural land (35%); artificial areas (4%); bush areas/wetlands (2%); swamp (3%); water bodies (4%); the other lands (3%).

The Latvian State owns 1,62 million ha of forest (47% of the total forest area), while the other 1,82 million ha (53% of the total forest area) belong to other owners. Private forest owners in Latvia amount to approximately 135 thousand. 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. More important, however, is another indicator – the volume of timber in the forest is increasing three times more than the area of forestland. This proves that the forest area in Latvia is not expanding because of bushes that are not counted as part of the area of forest. On the contrary, forestry work in Latvia has been very targeted. An average of approximately 13,01 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 sustainable.

(Ministry of Agriculture: Latvian forest sector in facts & figures 2023; zm.gov.lv <https://mezaskaitli.lv/en#territories> ; <https://forest.eea.europa.eu/countries/latvia/latvia-basic-data> <https://www.lvm.lv/en/about-us> <https://data.gov.lv/dati/lv/dataset/zemes-sadalijums-zemes-lietosanas-veidos>)

Forest land consists of:

- forests 3,05 million ha (90,6%);
- marshes 0,17 million ha (5,0%);
- glades (forest meadows) 0,03 million ha (0,9%);
- flooded areas 0,017 million ha (0,5%);
- objects of infrastructure 0,083 million ha (2,5%);
- other forest lands 0,017 million ha (0,05%).

(Meža īpašniekiem | Valsts meža dienests (vmd.gov.lv))

Distribution of forests by the dominant species:

- pine 33 %;
- spruce 19 %;
- birch 30 %;
- black alder 3 %;
- grey alder 7 %;
- aspen 7 %;
- other species 1 %.

(Ministry of Agriculture: Latvian forest sector in facts & figures 2023; zm.gov.lv).

Share of species used in reforestation, by planting area (2021):

- pine 19%;
- spruce 24%;
- birch 24%;
- grey alder 13%;
- aspen 15%;
- other species 5%.

(Ministry of Agriculture: Latvian forest sector in facts & figures 2023; zm.gov.lv).

Timber production in terms of felling type (ha), 2021:

- final felling 40,21 %;
- thinning 31,68 %;
- sanitary felling 22,59 %;
- other felling 5,46 %;
- unlawful felling 0,07%.

(Ministry of Agriculture: Latvian forest sector in facts & figures 2023; 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.

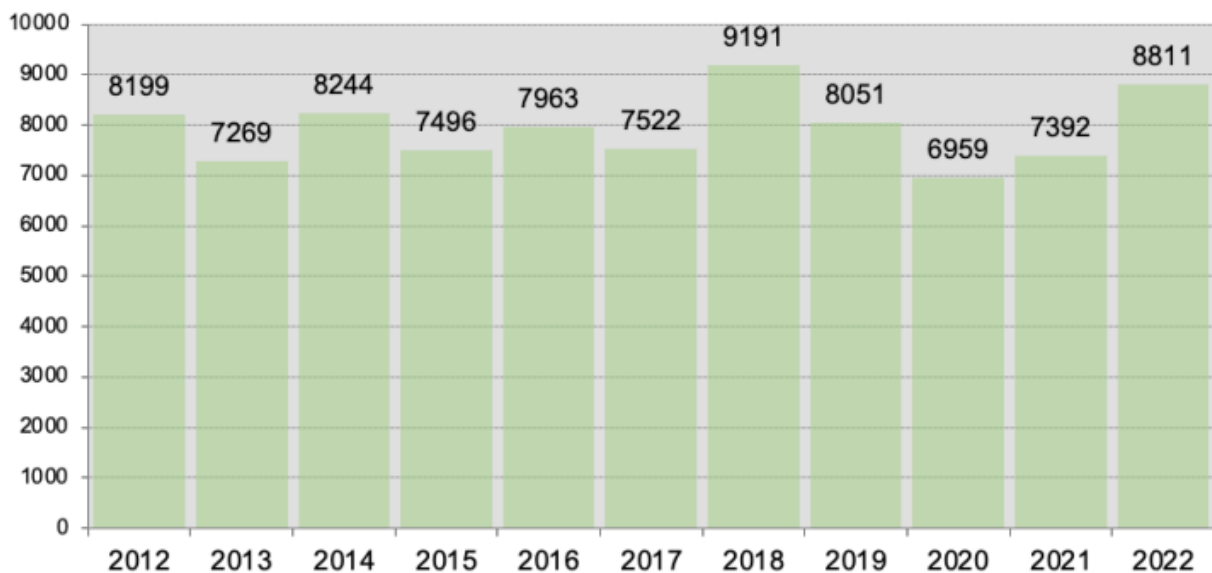
(www.lvm.lv)

The forest sector is one of the cornerstones of the national economy at this time. Forestry, wood processing and furniture manufacturing represented 6,5% of GDP in 2021, while exports amounted to EUR 6,6 billion – 22% 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.

In 2021 a total of 13,08 million m³ of wood resources were harvested from Latvian forests, which also includes the amount of energy wood biomass produced.

The amount of energy wood biomass production in Latvia from 2012 until 2022

(thousand m³):



(https://www.lbtu.lv/sites/default/files/files/projects/Biomasas%20projekts_2023v19_final.pdf)

Types of energy-wood in total output is:

- firewood – 30%
- briquettes – 1%
- Pellets – 30%
- Wood scraps – 4%
- Wood chips – 38%

(Ministry of Agriculture: Latvian forest sector in facts & figures 2023; zm.gov.lv).

Net turnover of forest sector, 2020:

- Manufacturing of timber and wood production – 2512 million EUR;
- Forestry and wood processing – 1162 million EUR;
- Furniture sector – 309 million EUR.

(Ministry of Agriculture: Latvian forest sector in facts & figures 2023; zm.gov.lv).

Employment in the forest sector, 2021:

- Manufacturing of timber and wood production – 20 thousand people;
- Forestry and wood processing – 14 thousand people;
- Furniture sector – 6 thousand people.

(Ministry of Agriculture: Latvian forest sector in facts & figures 2023; zm.gov.lv).

Biological diversity

Historically, extensive use of forests as a source of profit began later than in many other European countries, therefore a greater biological diversity has been preserved in Latvia. For the sake of conservation of natural values, a total number of 658 protected areas have been established. Part of the areas has been included in the European network of protected areas Natura 2000. Most of the protected areas are state-owned. 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. According to data of the State Forest Service (2023), the total area of micro reserves is 48,41 thousand ha. <https://stat.gov.lv/lv/statistikas-temas/vidē/dabas-resursi-geografiskas-zinas/cits/8312-ipasi-aizsargajamo-dabas>

Identification and protection planning of biologically valuable forest stands is carried out continuously. On the other hand, for preservation of biological diversity during forest management activities, general nature protection requirements binding to all forest managers have been developed. They stipulate that at fellingmselected old and large trees, dead wood, underwood trees and shrubs, land cover around wet micro lowlands (terrain depressions) are to be preserved, 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.

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/option/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>https://checklist.cites.org/#/en/search/country_id%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?andRegions=LV&searchType=species</p>

Socio-economic conditions

Territories in which recreation is one of the main areas of forest management took up 8% of forestland in 2023. Viewing platforms, educational trails, cultural and historical destinations, areas for picnics – those are just a few of the leisure infrastructure objects that are found in Latvia's forests. They are open to one and all at no cost at all. Special attention to improving such areas has been paid to state owned forests.

The areas of recreation-based forestland include national parks (except reserves), nature parks, protected landscape areas, protected dendrology plants, protected geological and geomorphologic monuments, nature parks of local importance, the protected zone of dunes along the shores of the Baltic Sea, protected zones around cities, and forests in the administrative territories of cities.

Specially protected natural areas are supervised and managed by the Nature Conservation Agency of the Ministry of Environmental Protection and Regional Development. Education in the area of the forest sector can be obtained at 10 professional educational institutions, the Forest Faculty of the Latvian Agricultural University (LLU), and the Textile Technology and Design Institute of the Rīga Technical University's Faculty of Material Sciences and Applied Chemistry. The Latvian Chamber of Craftsmanship has offered informal wood processing training sessions taught by experienced craftspeople. Graduates from such programmes receive a craftsman's card or a diploma as an apprentice or master craftsman.

(Ministry of Agriculture: Latvian forest sector in facts & figures 2023; zm.gov.lv).

Certification

All forest area of Latvijas Valsts Meži as well as some part of forests in private and other ownership is FSC and PEFC certified.

- PEFC Certified Forest Area in Latvia is 1 764 979 hectares.
- FSC Certified Forest Area in Latvia is 1 226 315 hectares.

Both the FSC and PEFC systems have found their way into Latvia.
(<https://www.pefc.org/discover-pefc/facts-and-figures>; <https://connect.fsc.org/impact/facts-figures>)

Suppliers and received material

During the reporting period, the company has received:

- FSC 100% certified primary material with country of origin Latvia from 2 suppliers;
- FSC Mix certified secondary material with country of origin Latvia from 1 supplier;
- PEFC 100% certified primary material with country of origin Latvia from 1 supplier;
- PEFC 100% certified secondary material with country of origin Latvia from 2 suppliers;
- from 1 supplier, the company has received FSC Controlled Wood material SBE with country of origin Latvia.

Data from deliveries period 01 Jan 2023 – 31 Dec 2023:

Primary feedstock with in SBE - 0,13%;
SBP- compliant Primary Feedstock - 17,09%;
SBP- compliant Secondary Feedstock - 82,78%;
SBP- compliant Tertiary Feedstock - 0%;
SBP non- compliant Feedstock - 0%.

2.3 Actions taken to promote certification amongst feedstock supplier

Biomass is obtained after logging, round timber, branch chip, a part of which is from our own FSC certified areas (total area 6482,33 ha). The company policy is directed at cooperation with certified suppliers. In year 2019 company established differentiated prices for material purchase in Liepaja terminal, price is higher for FSC certified material. Biomass is formed from obtaining logging waste, after non-forest land processing.

Round timber chipping in port was very small during in this reporting period, because more economically efficient was woodchip purchase. LSEZ SIA LASKANA initiates and offers better supply conditions to FSC certified suppliers and raises interest of non-certified round timber processors, as well as motivates forest owners to obtain certification. At the time of preparation for SBP certification, the company increased the amount of feedstock certified by FSC– from 40 to 75 %. In 2023. increased the amount of FSC certified feedstock to 95 %.

2.4 Quantification of the Supply Base

Supply Base

- Total Supply Base area (million ha):** 3.44
- Tenure by type (million ha):**1.62 (Privately owned), 1.82 (Public)
- Forest by type (million ha):**3.44 (Temperate)
- Forest by management type (million ha):**3.44 (Managed natural)
- Certified forest by scheme (million ha):**1226.31 (FSC), 1764.97 (PEFC)

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

Explanation: The proportion of biomass quantity as primary raw material after final fellings is about 30-40% company data register on the type of cutting type used compared to quantity of other raw material assortment. The primary raw material has been procured from the Supply Base area and it consists of round wood/firewood. The raw materials are procured in well developed, free and open market with competition of other customers. Different assortments of raw materials are obtained from the logging. All companies of forest industry have public price lists for the assortments. The price lists reflect the solvency of the industry for different assortments. The price lists clearly indicate that logs and veneer logs are the most valuable assortments while firewood (e.g. for pellet production) is less valuable assortment. This information is derived from the documents and data submitted by suppliers and forest developer.

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

Explanation: The priority in logging is round wood, the company uses a low-quality firewood assortment as wood waste.

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: There is mostly natural regeneration as well as reforestation after logging.

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: N/A

What is the estimated amount of REDII-compliant sustainable feedstock that could be harvested annually in a Supply Base (estimated): N/A

Explanation:N/A

Feedstock

Reporting period from: 01 Jan 2023

Reporting period to: 31 Dec 2023

- 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: 80% - 100%
 - Not certified to an SBP-approved Forest Management Scheme: 1% - 19%
- d. **List of all the species in primary feedstock, including scientific name:** Betula pendula (Birch); Betula pubescens (Birch); Populus tremula (Aspen); Picea abies (Spruce); Pinus sylvestris (Pine); Fraxinus excelsior (Ash); Alnus glutinosa (Black alder); Alnus incana (Grey alder); Tilia cordata (Linden); Quercus robur (Oak);
- 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 (%):
- f. **Hardwood (i.e. broadleaf trees): specify proportion of biomass from (%):** 70.00
- g. **Softwood (i.e. coniferous trees): specify proportion of biomass from (%):** 30.00
- h. **Proportion of biomass composed of or derived from saw logs (%):** 0

- i. **Specify the local regulations or industry standards that define saw logs:** Latvijas standarts LVS 82:2020 – Apaļo kokmateriālu uzmērīšana
- j. **Roundwood from final fellings from forests with > 40 yr rotation times - Average % volume of fellings delivered to BP (%):** 72.00
- 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 m3
- Physical form of the feedstock: Chips
- n. **Volume of tertiary feedstock:** 0 N/A
- Physical form of the feedstock:
- o. **Estimated amount of REDII-compliant sustainable feedstock that could be collected annually by the BP:** 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	0.73	94.16	5.11	0.00
Secondary	0.00	59.58	40.42	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

Note: Annex 1 is generated by the system if the SBE is used without Region Risk Assessment(s). Annex 2 is generated if RED II SBE is in the scope.

Is Supply Base Evaluation (SBE) is completed? Yes

SBP-endorsed Regional Risk Assessment for Latvia (accepted 28.09.2017.) has been used as a base for SBE. SBP Biomass supply evaluation includes: · Primary feedstock (firewood and branch chip) · Non-forest land feedstock (overgrown agricultural areas.) Laskana SIA defines the biomass received from approved biomass sources and supply as SBP compliant biomass.

Is REDII SBE completed? N/A

N/A

4 Supply Base Evaluation

Note: Annex 2 is generated if RED II is in the scope.

4.1 Scope

Feedstock types included in SBE: Primary

SBP-endorsed Regional Risk Assessments used: 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:

Wood from forests where HCVs are threatened by management activities has not been completed.

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:

Wood from forests where HCVs are threatened by management activities has not been completed.

Country: Latvia

Indicator with specified risk in the risk assessment used:

2.2.8 The BP has implemented appropriate control systems and procedures for verifying that there is controlled and appropriate use of chemicals, and that Integrated pest management (IPM) is implemented wherever possible in forest management activities (CPET S5c).

Specific risk description:

Health & Safety

4.2 Justification

Company uses SBP-endorsed Regional Risk Assessment for Latvia (accepted 28.09.2017.).

4.3 Results of risk assessment and Supplier Verification

Programme

3 indicators are stated as specified in SBP-endorsed Regional Risk Assessment for Latvia: 2.1.1.; 2.1.2.; 2.8.1. Indicator 2.1.1. states that forests and other areas with high conservation values in the Supply Base should be identified and mapped. Indicator 2.1.2. states that potential threats to forests and other areas with high conservation values from forest management activities should be identified and addressed. Indicator 2.8.1. states that appropriate safeguards are put in place to protect the health and safety of forest workers. This applies to loggers in BP supply base.

4.4 Conclusion

Since September of 2017 company uses SBP-endorsed Regional Risk Assessment for Latvia. Supply Base Evaluation is applied only to primary feedstock. Company has been created and developed strong system for Supply Base Evaluations as it is working in both – SBP and FSC systems.

5 Supply Base Evaluation process

SIA LASKANA SBP biomass compliant assessment refers to supplies from Latvia only and obtaining of biomass from:

- Feedstock received with an SBP-approved FM Scheme Claim or SBP- approved recycled claim.
- Feedstock sourced from within the BP's defined Supply Base (SB) and for which a valid SBE has determined that all the indicators are low risk.
- Feedstock sourced within the scope of the BP's own SBP-approved Chain of Custody (CoC) System certification, for example, non-certified reclaimed feedstock sourced in compliance with FSC-STD40- 007.
- Feedstock received with an SBP-approved -controlled feedstock systems claim.
- Feedstock sourced within the scope of the BP's own SBP-approved controlled feedstock system certification, for example, non-certified feedstock sourced in compliance with the FSC® Standard for Company Evaluation of FSC® Controlled Wood. Risk assessment results were obtained by carrying out audits at logging companies which approved taking necessary measures for risk mitigation. Additional consultation with other forestry and logging companies was carried out, and the results and experience obtained was publically discussed with non-governmental organizations. During confirmation of fulfilment of SBP requirements and assessment of the competence of suppliers, loggers and processors, experts in work safety, biotope and bird nest exploration and identification of possible cultural and historical sites were involved. The company has developed and implemented a risk mitigation procedure where the identified risk mitigation measures and tools are described. Questionnaires to test each risk indicator were designed and applied to objectively assess and obtain all information on each wood acquisition site, which is or is not approved as SBP compliant biomass. Audit frequency and plan is designed so that timber from felling (forest management units) that originates from approved suppliers is audited in a 12-month period. Audits are performed prior to and during logging. The audit procedure is available at the company only by request, taking into account confidentiality, and is presented and discussed with interested parties to improve it effectively. SBE was performed by employees of LASKANA. The risk categories, risk mitigation and approval audits defined by the SBE shall be carried out by a specific group of employees under the management of the Production Director. Employees are selected according to their competence, which can be attested by an educational document, a certificate or a certificate of acquired knowledge/skills in courses, as well as work experience in the field of assignment.

6 Stakeholder consultation

On 1. December 2021, the company published SBP Supply Base Report. (SBR is available on the company's website: <https://laskana.lv/laskana/lv/sakums/>) An informative letter was sent electronically to the interested parties on the SBR developed according to SBP standard. The list of interested parties was created so that it includes the maximum number of recipients that represent economic, social and environmental interests of society, as well as local municipalities. The total number of recipients is 86 correspondents.

After the stakeholder informed, no recommendations or claims were received regarding the SBR and risk mitigation development process.

A video meeting was held (21.02.2022.) with one of the nature experts about the organization Supply Base Report (U. V. natural expert in habitat group "XXX"). He made recommendations for the organisation's SBR and risk mitigation development process.

On 17 March 2022, the organisation received comments from I.M. Head of the natural census (Skaitam dabu skaitamdabu@daba.gov.lv).

As well as the National Heritage Administration, made its comment in 15 December 2021.

6.1 Response to stakeholder comments

Description: I. M. Head of the natural census

Comment: As regards the publication of data in the nature data management system, Ozola <https://ozols.gov.lv/pub>, can be informed that all habitats identified during the Nature census have been published and made available to all interested parties.

Response: Organisation is used <https://ozols.gov.lv/ozols/Account/LogOn> for future habitats in specific forest units.

Description: S.Č. Head of the Monument Documentation Centre

Comment: The Management Card Explorer shows that the data displayed in a public part, including cards, is informative, because all information comparison has not yet been completed. The management works on updating and improving data within the available resources. Consequently, in order to avoid risks or misunderstandings, please refer to the Board of Governors regarding the potential of links to State protected cultural monuments or their protection zones.

Response: The Management Card Explorer shows that the data displayed in a public part, including cards, is informative, because all information comparison has not yet been completed. The management works on updating and improving data within the available resources. Consequently, in order to avoid risks or misunderstandings, please refer to the Board of Governors regarding the potential of links to State protected cultural monuments or their protection zones.

Description: E.N. Job Protection Specialist

Comment: The company carries out a safety audit of workers in logging, carries out job testing, identifies and evaluates the occupational environmental risk factors (risk sources) that may potentially cause harm to the safety and health of employees. Pay particular attention to the health status of employees, the results of mandatory health checks. Follow noise, hand vibration and body vibration.

Response: Organisation collect information from suppliers about logging company, which harvested delivered material. The process of work protection and work safety risk assessment takes place during logging, during which a competent person performs checks according to a special form that includes minimal requirements for maintaining work safety in the forest

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:

Wood from forests where HCVs are threatened by management activities has not been completed.

Mitigation measure:

Risk mitigation measures refer to the following feedstock categories:

- Primary feedstock supplies from Latvian forest properties prior to and after logging;
- Primary feedstock supplies from Latvian overgrown agricultural land areas;
- Not applicable to secondary feedstock and other regions of origin;
- Primary biomass is not qualified and is not applicable to tree species such as oak, ash, maple, wych, fluttering elm, if the diameter on the stump exceeds 80cm.

Risk mitigation measures refer to the following biomass supply risk categories:

- Identification of the signs of forest biotopes and natural forest biotopes of European significance;
- Identification of cultural and historical monuments and objects of cultural and historical value in the process of logging;
- Identification of bird nesting sites;
- Mitigation of work protection and work safety risks.

SIA LASKANA groups SBP suppliers in two categories:

1st category: SBP compliant supplier - the suppliers who have signed an agreement on the supplies of SBP compliant feedstock and are trained in identification of risk categories; the supplier tests feedstock supplies from all wood units of origin; the supplier has been audited and received written confirmation from SIA LASKANA. If the supplier has not assessed the logging unit and has ignored any of the risk categories that it has not identified or has concealed, the supplier is excluded from SBP compliant feedstock supplier list.

2nd category: SBP non-compliant supplier – includes all suppliers that have not performed risk assessment for the entire amount of supplied wood and with whom an agreement has not been signed on SBP compliant feedstock supplies. The supplier has been trained on risk identification, but the supplier does not carry out risk mitigation measures using SIA LASKANA risk mitigation tools. The supplier may be audited, but has not received written confirmation from SIA LASKANA. An independent, international auditing company performs the compliance assessment and verification of the suppliers approved by SIA LASKANA. If the audit finds that any of the suppliers has ignored risk categories during audit, the assessment programme is reviewed, and the supplier is excluded from SBP compliant feedstock supplier list.

General measures of risk mitigation 2.1.1.:

- The purchase of FSC certified wood as priority for procurement of SBP-compliant biomass;
- Signing suppliers self-declaration and including the conditions of SBP standards for biomass supply, identifying and decreasing in a timely manner the risks of supplying SBP non-compliant feedstock;
- Performing biotope risk assessment procedures prior to logging, during or after logging, which includes the following measures;
- Checking cadastre numbers prior to logging, during or after logging, using the Natural data management system “Ozols” <http://ozols.daba.gov.lv/pub/>. If the database “Ozols” shows a desirable habitat, or if its existence is tested in nature, as well as by attracting an identified natural expert to the needs.
- Observations are made in nature: presence of large bird nests, distance, characteristics of cultural and historical objects; wood with a diameter of > 80 cm at breast height. An observation in nature is marked on the ozols.gov.lv printout of the database;
- Trainings and seminars are provided for the company employees and biomass suppliers. The objective of the trainings is to teach involved parties to recognize the signs of potential possible biotopes, bird nesting sites, cultural and historical objects, and to fully guarantee work safety requirements at our own company and the companies of service providers.

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:

Wood from forests where HCVs are threatened by management activities has not been completed.

Mitigation measure:

General measures of risk mitigation 2.1.2.:

- The purchase of FSC certified wood as priority for procurement of SBP-compliant biomass;
- Signing suppliers self-declaration and including the conditions of SBP standards for biomass supply, identifying and decreasing in a timely manner the risks of supplying SBP non-compliant feedstock;
- Collecting documents of origin of purchased material, make sure the product can be tracked back to the logging site;
- Checking cadastre numbers prior to logging, during or after logging, using the Natural data management system “Ozols” <http://ozols.daba.gov.lv/pub/>. If the database “Ozols” shows a desirable habitat, or if its existence is tested in nature, as well as by attracting an identified natural expert to the needs.
- Observations are made in nature: presence of large bird nests, distance, characteristics of cultural and historical objects; wood with a diameter of > 80 cm at breast height. An observation in nature is marked on the ozols.gov.lv printout of the database;
- Trainings and seminars are provided for the company employees and biomass suppliers. The objective of the trainings is to teach involved parties to recognize the signs of potential possible biotopes, bird nesting sites, cultural and historical objects, and to fully guarantee work safety requirements at our own company and the companies of service providers.

Country:

Latvia

Specified risk indicator:

2.2.8 The BP has implemented appropriate control systems and procedures for verifying that there is controlled and appropriate use of chemicals, and that Integrated pest management (IPM) is implemented wherever possible in forest management activities (CPET S5c).

Specific risk description:

Health & Safety

Mitigation measure:**General measures of risk mitigation 2.8.1.:**

- The purchase of FSC certified wood as priority for procurement of SBP-compliant biomass;
- Collect information from suppliers about logging company, which harvested delivered material.
- The process of work protection and work safety risk assessment takes place during logging, during which a competent person performs checks according to a special form that includes minimal requirements for maintaining work safety in the forest. The form is designed in collaboration with a company licensed work safety specialist;
- Trainings and seminars are provided for the company employees and biomass suppliers. The objective of the trainings is to teach involved parties to recognize the signs of potential possible biotopes, bird nesting sites, cultural and historical objects, and to fully guarantee work safety requirements at our own company and the companies of service providers.

7.2 Monitoring and outcomes

LSEZ SIA LASKANA one time in 12 months performs internal audits to assess risks mitigation factors to ensure effectiveness and compliance of suppliers with SBE risk mitigation measures. LSEZ SIA LASKANA has FSC and PEFC certificates, the internal audits is carried out within these systems. Also, the organization conducts an internal audit based on the requirements of the SBP 5th standard instruction document 5E- Energy and carbon data collection standard.

Risk mitigation measure	Desired outcome
Checking documents (cutting licence; documents as invoices, contracts between forest owner and supplier)	To obtain proof that the timber purchased is of legal origin. If the person in the cutting licence does not match the supplier, be assured that the supplier has obtained the material by legal means.
Assessment of potential habitats (ozols.lv; assessment audit form)	Using the Forest Habitats Instrument available in the ozols.gov.lv to provide a proof of the potential or absence of habitats in the forest unit concerned. If the database shows the potential for habitats, full information can be obtained by environmental habitat assessment.
Work security audit for forest harvesters	To verify the conformity of forest harvesters with the work safety requirements specified in Latvian legislation. To draw the forest developers' attention to the incompleteness, to inform them of the requirements, thereby avoiding accidents and non-conformities in the case of a 3-party inspection.
Signing suppliers self-declaration	Documented evidence that, where necessary, the supplier is prepared to cooperate with the organisation, both by providing ondemand information and by receiving third-party checks.
Inspection of the supplier's yard or place	Obtaining reliable evidence that materials are not mixed in the

of production and documentation at least every 12 months storage or production process. The assurance that the supplier's employees are aware of the risk mitigation system and that this system is maintained in the company on a daily basis.

Switching off suppliers Mitigate any risks associated with that supplier if they have failed to be mitigated by other risk mitigation measures.

Observations in nature for the following indicators: presence of large bird nests, distance, signs of cultural and historical objects, tree with diameter > 80 cm at chest height. Obtain confirmation of the presence or absence of specific indicators in the forest unit. An observation in nature is marked on the printout of the database (ozols.gov.lv).

Before the material is included in the SBP material flow, its origin is assessed: the forest unit has been studied in the public database of the Nature Protection Board "Ozols". Until 2020 year organisation applied the latbio.lv and ozols.gov.lv instruments. Since 2021 year to use only the natural data monitoring system (DDPS) ozols.gov.lv database.

Suppliers are informed that SIA LASKANA do not accept cargos, within timber from potentially high biologically valuable areas, if the risk is not reduced. Suppliers are signed self-declarations, which demonstrate understanding of the company's policies and procedures for high-value forests. As a priority, those properties and plots are visited that show signs of potential biologically valuable stands, bird nests, cultural and historical sites.

1 supplier was included in SBE system, therefore a small number of risk mitigation measures were applied.

7 forest management units - forest properties (farms) were visited in reported period with in the framework of the programme for identification of potential biotopes, bird nests, cultural and historical sites and work safety risks, and risk mitigation:

- 7 forest properties - visited prior or after logging;
- 0 non-forest land properties were visited prior and after logging;
- 2 producers that supply chips after processing.

Identification of biotopes, bird habitats and cultural and historical sites, and monitoring risk programme

7 audits of high conservation values (biotopes) were carried out. Audit results confirms that mitigations measures ensure that risk is low.

- During audits in 0 cases there were identified areas with woodland key habitats. In all cases the biological value of the forest land was very low.
- There were identified 0 cultural heritage object.
- During audits there were identified 0 nesting places. There were no identified any case when the birds' nest be destroyed.

The following conclusions were made from the audits:

- 1) The suppliers have an understanding of the biotope evaluation mechanism; the suppliers are aware of the need for biotope assessment audit prior to starting the logging. During audits, potential felling areas in economic forests or on agricultural lands were inspected on site with a small possibility of a forest biotope. Suppliers have evidence of competence about biotope assessment in field.
- 2) In the logging process, no objects of cultural or historical value were found in the selected forest areas. The audits found that suppliers are aware that the protection of cultural values is governed by Latvian legislation. It has been concluded from the survey of the logging companies that if before logging an object of cultural or historical value is found in the felling area, the State Forest Service and State Inspection for Heritage Protection are informed about it in written manner. The logging is suspended until an appropriate decision and rules from the competent authorities is received.

3) No large bird-nests (over 50 cm) and trees with diameter above 80 cm in chest height were found during audit of inspected felling areas. The suppliers are aware of the actions to be taken if large bird-nests (over 50 cm) are found. The logging companies are aware of the need to leave deadwood and ecological trees, as well as to comply with the other requirements of nature protection in forest management. It was found during audits that different logging restrictions set by administrative territories are observed.

Work protection and work safety audit results and monitoring programme

The audits were pre-planned and carried out for one supplier, 13 audits in total during logging, having requested information from suppliers about logging sites and service providers in advance. The auditable areas and suppliers are selected so that both supply regions and a variety of wood harvesting companies and their sub-contractors are maximally covered. Records and observations are made for each supplier audit.

Work protection and work safety risks related to logging for both forest lands and non-forest lands can be divided into two categories:

- 1) Logging with mechanized multi-operational harvesting machines (harvesters) maximally minimizes risks related to work protection and work safety. Minor deficiencies were not found during the audits.
- 2) Suppliers and their contactors are performing logging forest fellings using hand motor-saws as well. Audits did not find significant discrepancies in work safety. Audits of health and safety are performed by selection. In none safety audits were detected non-conformity. Total results of audits confirm that risk is low and mitigation measures are effective.

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

N/A. No external peer review of this report was done prior to finalisation.

9.2 Public or additional reviews

N/A. No review was done prior to finalisation of this report.

10 Approval of report

Approval of Supply Base Report by senior management			
Report Prepared by:	Ojārs Zeme	Director of manufacturing	02 Feb 2024
	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:	Krišjānis Vēsmiņš	Chairman of the Board	02 Feb 2024
	Name	Title	Date

Annex 1: Detailed findings for Supply Base Evaluation indicators

N/A

Annex 2: Detailed findings for REDII
Section 1. RED II Supply Base Evaluation

N/A

Section 2. RED II detailed findings for secondary and tertiary feedstock

10.1 Verification and monitoring of suppliers

N/A

10.2 Feedstock inspection and classification upon receipt

N/A

10.3 Supplier audit for secondary and tertiary feedstock

N/A