



# Supply Base Report: SIA Avoti

First Surveillance Audit

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## 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  
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# 1 Overview

**Producer name:** SIA Avoti

**Producer address:** Avoti Lizuma pagasts, LV-4425 Gulbenes novads, Latvia

**SBP Certificate Code:** SBP-04-35

**Geographic position:** 26.369900, 57.192300

**Primary contact:** Arnita Apine, +371 644 711 80,arnita.apine@avoti.lv

**Company website:** www.avoti.lv

**Date report finalised:** 17 Nov 2023

**Close of last CB audit:** 24 Nov 2023

**Name of CB:** SCS Global Services

**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://www.avoti.lv/uploads/2023/11/biomass-producer-supply-base-report-sia-avoti-eng.pdf>

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
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

## 2 Description of the Supply Base

### 2.1 General description

**Feedstock types:** Primary, Secondary, Tertiary

**Includes Supply Base evaluation (SBE):** Yes

**Includes REDII:** No

**Includes REDII SBE:** No

**Feedstock origin (countries):** Latvia, Estonia, Finland, Sweden, Norway

### 2.2 Description of countries included in the Supply Base

**Country:** Latvia

**Area/Region:** All regions

**Sub-Scope:** N/A

**Exclusions:** No

Latvia is located in Northern Europe by the Baltic Sea and covers an area of 6.46 million ha. According to the State Forest Service data, forests cover 3.412 million ha in Latvia and account for 53% of the total national territory. 49% of the total forest area belongs to the state, 48% are private forests, 3% are municipal and other forests.

According to information published by the Ministry of Agriculture: "The amount of forestland, moreover, is constantly expanding, both naturally and thanks to afforestation of infertile land and other land that is 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 11 million m<sup>3</sup> of timber has 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."

(Source : [https://www.zm.gov.lv/public/ck/files/ZM/mezhi/buklets/skaitlifakti\\_ENG\\_2021.pdf](https://www.zm.gov.lv/public/ck/files/ZM/mezhi/buklets/skaitlifakti_ENG_2021.pdf))

**According to forest resource monitoring data as of 01.01.2020, forest land consists of (ha):**

- The forest 91.53%
- Swamps 3.51%
- Forest glades 0.84%
- Overflowing plains 1.17%
- Land under infrastructure objects 2.67%
- Other forest land 0.28%

**Distribution of tree species in Latvian forest stands, m3 (forest monitoring data as of 01.01.2020):**

Pine 33.03%

Spruce 19.80%

Birch 23.71%

Black alder 6.04%

White alder 5.95%

Aspen 9.23%

Oak 0.70%

Ash tree 0.24%

Other species 1.30%

(Source [https://www.zm.gov.lv/public/ck/files/Statistikai\\_NMM\\_dati\\_052020.xls](https://www.zm.gov.lv/public/ck/files/Statistikai_NMM_dati_052020.xls) )

### **Forestry sector**

The forestry sector in Latvia is under the responsibility of the Ministry of Agriculture, which in cooperation with the sector's interest groups develops forest policy, sector development strategy, as well as draft projects of regulations on forest management, use of forest resources, nature protection and hunting. ([www.zm.gov.lv](http://www.zm.gov.lv) )

Compliance with the regulatory requirements contained in Latvian laws and regulations of the Cabinet of Ministers in forest management, regardless of the type of property, is controlled by the State Forest Service under the supervision of the Ministry of Agriculture. (<https://www.zm.gov.lv/valsts-meza-dienests/> )

The management of state-owned forests is ensured by JSC "Latvia's State Forests" ("Latvijas valsts meži") established in 1999. The company pursues public interest in maintaining the value of forest as conservation and development as well as raising the forest sector's contribution to the national economy. (<https://www.lvm.lv/>)

Timber production by types of cutting sites, m3 (Year 2019):

Final felling 81.68%

Thinning 11.71%

Sanitary felling 3.53%

Other types of felling 3.08%

(<https://stat.gov.lv/lv/statistikas-temas/noz/mezsaimnieciba/cits/5320-mezizstrades-apjomi-un-izcirstasplatibas>)

The BP does not participate in forest harvesting and the forests are not harvested for the purpose of selling to the BP. The harvesting in the region is completely driven by non-energy industries like sawmills, plywood and pulp. Harvests in the region are mainly carried out for the purpose of non-energy products and the % of forestry returns that end up in the energy sector are low quality wood, logging residues and defective logs. These represent the minority of the volume and would not be harvested if the other industries would not exist. In 2019, the total stock amounted to 679 million m3, a total of 13.3 million m3 of roundwood was produced and 24% (3.2 million m3) of which was used for production of heating materials. (<https://www.em.gov.lv/sites/em/files/content/fact-sheet-on-forest-biomass-in-latvia.pdf>)

Forest are managed for the purpose of long-term vitality and to supply high value non-energy sectors with timber. Forest are managed according to local forest law and forest management regulations as well as international best management practises. Forests are regenerated within 5 years either through planting, seeding or assisted natural regeneration. The species mix in regulated so that the habitat and forest type would be similar to the area and the FMU before harvests. (Forest law: <https://likumi.lv/ta/id/2825-meزالikums>).

Regulations for reforestation, afforestation and plantations

<https://likumi.lv/ta/id/247349-mezaatjaunosanas-meza-ieaudzesanas-un-plantaciju-meza-noteikumi>)

### **Biodiversity**

658 specially protected nature territories have been established for the preservation of natural values.

(<https://www.daba.gov.lv/lv/par-ipasi-aizsargajamam-dabas-teritorijam> ) Part of these territories is included in the unified network of protected areas of European significance Natura 2000 . Most protected areas are state-owned.

In order to ensure the protection of a specially protected species or habitat (biotope) outside specially protected nature territories, if any of the functional zones does not provide it, micro-reserves shall be established. According to the information of the State Forest Service, in 2019 there are 2589 microreserves in force with the total area of 45.1 thousand ha, of which 91% of the areas of micro-reserves are located in state forests, 7% - in private forests and 2% - in municipal forests.

"In terms of the number and area of micro-reserves, the largest number of micro-reserves has been established for birds, accounting for 88% of the total micro-reserve area, as well as 60% of the number of micro-reserves, determining the largest areas for the protection of wood grouse, black stork, little eagle and sea eagle".

(Source: <https://www.vmd.gov.lv/valsts-meza-dienests/statiskas-lapas/dabas-aizsardziba/mikroliegumi-un-ipasi-aizsargajamie-meza-iecirkni?nid=1694#jump> )

In order to preserve biological diversity in the forest management process, general nature protection requirements have been developed, which apply to all forest managers. They stipulate that logging must preserve certain older and larger trees, dead wood, undergrowth and shrubs, as well as stands around small lowlands, thus helping to preserve the habitats of many organisms.

Latvia signed the CITES Convention (Convention on International Trade in Endangered Species of Wild Fauna and Flora) in 1997. Forest management complies with CITES requirements, although Latvia does not have CITES-listed species (<https://cites.org/eng>), nor do IUCN-listed protected tree species. (<https://www.iucnredlist.org>)

#### **Forest and community**

Forest territories in which provision of recreation is one of the main objectives of forest management account for up to 8 % of the total forest area (State Forest Service, 2018). Sight towers, cognitive trails, cultural heritage natural sites and recreational areas – these are just a few of the recreational infrastructure facilities available in forests that can be used by anyone. Special attention is devoted to creation of such areas in state-owned forests. Recreational forest areas include national parks (excluding strictly protected areas), nature parks, protected landscape areas, protected dendrological objects, protected geological and geomorphologic objects, nature parks of local significance, the Baltic Sea dune protection zone, protective zones around cities and towns, forests within administrative territory of cities and towns. Management and governance of specially protected natural areas in Latvia is coordinated by the Nature Conservation Agency under the Ministry for Environmental Protection and Regional Development.

#### **SBP product groups in 2022:**

Latvia	Percent	Number of suppliers	The share of certified feedstock in this group
Controlled feedstock	17.08	7	0%
SBP compliant primary feedstock	14.09	8	6.39%
SBP compliant secondary feedstock	31.93	8	100%
SBP compliant tertiary feedstock	0.29	1	100%
SBP non-compliant feedstock	0	0	0%

**Country:** Estonia

**Area/Region:** All regions

**Sub-Scope:** N/A

**Exclusions:** No

Estonian forestry has been molded by its turbulent history. Under the USSR all private lands were nationalized 60% managed by the state and 40% managed by collective farms. The state managed their forests actively while forests in the hands of collective farms were widely neglected and declined in quality during this period. Estonia regained independence in 1991 and the privatization of forest began. After the restitution of forests, private owners currently own 48,3% of the forests. The near 30 past years of independence have seen the country rapidly develop and so have the forests and forestry. Estonia is one of Europe's most forested countries with 51,4% of mainland covered with forests- this is 2 332 600 hectares of forest area. 91,8% of this is forested and the rest are bogs, mashes, forest glades, land under infrastructure objects etc. Estonian forests have grown during the last decades from 1 916 400 hectares in 1990 to 2 244 800 hectares in 2000 to 2 332 600 today. (<https://www.envir.ee/et/metsastatistika>) As a successful forestry country Estonia is also active in forest protection by having one of the highest protected area proportion. 25,4% of total forest area is under protection and more than half of that

is strict protection. (<https://www.envir.ee/et/metsastatistika>)

In order to preserve biological diversity in the forest management process, general nature protection requirements have been developed, which apply to all forest managers. These are publicly available through a centralized database and map system (<https://register.metsad.ee/#/>) for maximal transparency and communication of protection requirements/areas. This information is also included in harvest permits in more detail. This system is used to communicate the requirements and protected species under multiple EU wide directives, like the habitat directive, and would include IUCN and CITES species if there were any detected.

Estonia signed the CITES Convention (Convention on International Trade in Endangered Species of Wild Fauna and Flora) in 1992. Forest management complies with CITES requirements, although Estonia does not have CITES-listed species (<https://cites.org/eng>), nor do IUCN-listed protected tree species. (<https://www.iucnredlist.org>)

The dominant tree species in Estonian forests are pine, birch and spruces.

(<https://www.envir.ee/et/metsastatistika>)

31,1 % Pines

29,3 % Birch

18,9 % Spruce

8,9 % Grey Alder

6,4 % Aspen

3,9 % Black Alder

1,5 % Other

With increasing forest area, the country also has seen an increase in forest growth. In 2000 the forest annual increment was 13 895 440 solid cubic meters and today it is 16 445 800 solid cubic meters. The country has been responsible with forest harvest intensity by keeping harvest rates well below the annual increment. The last official annual harvest was 11 300 000 solid cubic meters and the average of the last 5 years has been 11 480 000. The forestry sector is operating in stable and sustainable ranges even with the forest increment allowing for larger volumes. (<https://www.envir.ee/et/metsastatistika>)

Around 3,500 Estonian companies operate within the forestry and wood industry. These constituted to 4% of the total active companies in Estonia in 2017. In 2018, the industry employed 28 178 people, which constituted around 6% of the total employment in Estonia. Moreover, the forestry and wood industry has an active role in creating employment outside the usual main employment centers. In rural areas the wood and forest industry is up to 14,5% of total employment.

The revenues and operating profits of the companies in the forestry and wood industry constituted 7\*% and 6,8\*% respectively, and the gross value added 14,7 % of the total in Estonia in 2018.

([https://empl.ee/wpcontent/ploads/2020/12/EY\\_EMPL\\_metsa-ja-puidusektori-uuring\\_2020\\_11.12.20.pdf](https://empl.ee/wpcontent/ploads/2020/12/EY_EMPL_metsa-ja-puidusektori-uuring_2020_11.12.20.pdf))

According to latest analysis 73% of wood resources were obtained through forest management and the rest is import and carried over volume from last periods. 62% of volume goes to export of wood and wood products and 34% of wood is used in the energy sector.

([https://www.keskkonnaagentuur.ee/sites/default/files/elfinder/article\\_files/puidubilanss\\_2017\\_0.pdf](https://www.keskkonnaagentuur.ee/sites/default/files/elfinder/article_files/puidubilanss_2017_0.pdf))

### SBP product groups in 2022:

Estonia	Percent	Number of suppliers	The share of certified feedstock in this group
Controlled feedstock	0.37	2	0%
SBP compliant primary feedstock	0	0	0%
SBP compliant secondary feedstock	0.31	3	100%
SBP compliant tertiary feedstock	0.02	1	100%
SBP non-compliant feedstock	0	0	0%



**Country:**Sweden

**Area/Region:** All regions

**Sub-Scope:** N/A

**Exclusions:** No

Sweden is a parliamentary constitutional monarchy that joined the EU in 1995.

The Swedish Forest Agency is the national authority responsible for matters relating to the forests. It strives to ensure that the nation's forests are managed in such a way as to yield an abundant and sustainable harvest while at the same time preserving biodiversity. The Agency also strives to increase awareness of the forest's significance, including its value for outdoor recreation. The Agency has offices throughout the country. Its most important tasks are to give advice on forest-related matters, supervise compliance with the Forest Act, provide services to the forest industry, support nature conservation efforts and conduct inventories.

According to the latest forest inventory "Riksskogstakseringen" from 2018 the total area of Sweden is 40,7 million ha (100%). Of these 28,1 million ha (69%) are forest area and 23,5 million ha (58%) of these are defined as productive forests.

In Sweden there are at least 3 layers of tenure regimes influencing forest use and forestry: private land tenure, rights to use the land held by the Sami people in the northern parts of Sweden and the right of public access. While the private ownership of forest is based on possession rights, the two other forms relate to user rights. Private ownership has been important, first and foremost as a basis for sustainable land use and longterm planning and investments in the regeneration of forests. About half of all forest land in Sweden is owned by private enterprises. There are some 200 000 families with forests area bigger than 5 ha and most farms are passed on from one generation to the next. The average holding is 50 ha. Some 90 000 family forest entities are members of a forest cooperative. All the cooperatives together form a National Federation of Family Forest Owners, who seeks to influence national and international forest policies. A small number of large private sector industrial forest enterprises own approximately 25 % of all forest land in Sweden. Most of the State forest belongs to the state-owned company Sveaskog, which accounts for 14 % of all forest land. Sveaskog is Sweden's largest single forest owner and supply logs, pulp wood and biofuel.

The main intention of the Swedish National Forest Policy is to ensure sustainable forest management and it focuses on three major objectives, one for production, one for environmental concerns and one for social concerns. To obtain a long-term sustainable flow of timber from the forests, an even age-class distribution on the regional level is a longterm target in forest policy. The legal demands on forestry are mainly set by the Forestry Act and the Environmental Code. The forest sector is considered a commercial sector which should be economically self-sustained and not subsidized. There are, however some state subsidies to enhance the forest sector's environmental value. The National Forest Policy is influenced by several international regulations and agreements:

- EU Timber Regulation
- The Habitat Directive
- The Water Framework Directive
- Convention on Biological Diversity (CBD)
- UN Framework Convention on Climate Change (UNFCCC)
- United Nations Forum on Forests (UNFF)

Scots pine (*Pinus sylvestris*) and Norway spruce (*Picea abies*) are the dominant tree species in all Sweden. Lodgepole pine (*Pinus contorta*) and the deciduous species Birch (*Betula pendula*), Aspen (*Populus tremula*) and Alder (*Alnus glutinosa*) are used to some extent in northern Sweden. European larch (*Larix decidua*), Douglas fir (*Pseudotsuga menziesii*) and Sitka spruce (*Picea sitchensis*) and oak (*Quercus robur*) and Beech (*Fagus sylvatica*) is used in the south. The main part of the deciduous forest cover is naturally regenerated.

The Swedish forest products industry provides direct employment for almost 60 000 people. Together with subcontractors and the forest operations, including transportation the sector source about 200 000 jobs. In several counties, the forest products industry accounts for 20 % or more of industrial employment. The primary focus for conservation of Swedish forests are to protect high conservation forests and include sufficient biodiversity measures in all forest. Of Sweden's 28 million ha of forestland, approximately 2 millions are protected for conservation purposes, mostly in national parks and nature reserves. In these areas, timber extraction is not allowed unless it is to specifically improve the value of the land or nature and/or for cultural conservation. Unproductive forestland which accounts for some 4 million ha are protected through the Forestry Act. On the remaining land the forests are managed with equal respect to biomass production and environmental and social goals.

Sweden has a number of IUCN categories mapped and registered:

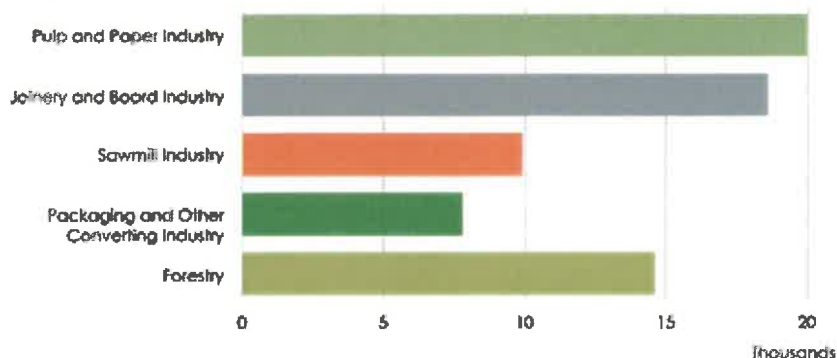
- Strict nature reserves;
- National parks;
- Habitat/species management areas;
- Protected landscapes;
- Habitat Directive sites and Bird Directive sites.

The system of red List categories and criteria has been developed by the IUCN to measure the conservation status of individual species. It strictly evaluates the risk of going extinct in Sweden, without any other considerations such as attractiveness or usefulness/harmfulness to man. The Red List is a powerful tool for making conservation prioritizations, but it has no juridical status. It is produced by the SLU Swedish Species Information Centre SLU, and ratified by the Swedish Environmental Protection Agency and the Swedish Agency for marine and Water Management.

The 2015 Red List of Swedish Species, published on April 28 2015, is the fourth Swedish Red List based on the international IUCN criteria.

[http://checklist.cites.org/#/en/search/country\\_ids%5B%5D=77&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=&page=1&per\\_page=20](http://checklist.cites.org/#/en/search/country_ids%5B%5D=77&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=&page=1&per_page=20)

### Employment in Forestry and Forest Industry Sector



Source: Statistics Sweden. Structural Business, figures 2017

### Forestry production

Area	Element	Item	Year	Unit	Value
Sweden	Production	Roundwood	2018	m3	73028000
Sweden	Production	Wood chips, particles and residues	2018	m3	20519000
Sweden	Production	Wood pellets and other agglomerates	2018	tonnes	2135000
Sweden	Production	Sawnwood	2018	m3	18373000
Sweden	Production	Wood-based panels	2018	m3	635000
Sweden	Production	Fibreboard	2018	m3	0
Sweden	Production	Total fibre furnish	2018	tonnes	12612000
Sweden	Production	Pulp for paper	2018	tonnes	11464000
Sweden	Production	Paper and paperboard	2018	tonnes	10140999
Sweden	Production	Paper and paperboard, excluding newsprint	2018	tonnes	9163999
Sweden	Production	Packaging paper and paperboard	2018	tonnes	6224000

Source: FAOSTAT - Forestry database

### SBP product groups in 2022:

Sweden	Percent	Number of suppliers	The share of certified feedstock in this group
Controlled feedstock	0	0	0%
SBP compliant primary feedstock	0	0	0%
SBP compliant secondary feedstock	0	0	0%
SBP compliant tertiary feedstock	0.27	1	100%
SBP non-compliant feedstock	0	0	0%

**Country:**Finland

**Area/Region:** All regions

**Sub-Scope:** N/A

**Exclusions:** No

Finland is a Parliamentary Republic that is a member of the EU since 1995.

Forests cover more than 70 % of the land area of Finland. Measured by the proportional share of forest land, Finland is the most forested country in Europe. A total of 20.3 million ha is available for wood production, 61 % of this is privately owned.

In the past decades the volume of wood harvested has been clearly below the growth, which means that the wood resources keep growing. Today they are about 2.3 billion cubic metres. Finland has the fifth largest wood resources in Europe, after Russia, France, Sweden and Germany.

Three million hectares of the Finnish forests are protected or under restricted use, which represents 13 % of the forest area. This is the highest share in Europe.

The Ministry of Agriculture and Forestry directs and develops forest policy and legislation in Finland and participates EU decision-making through the Government. Metsähallitus (State Forests), the Natural Resources institute and the Finnish Forest Centre operate under the guidance Ministry.

About 60 % of productive forest land in Finland is owned by private people. There are about 620,000 forest owners in Finland; this figure includes the owners and their spouses, as well as the shareholders of consortia and death estates, with holdings larger than two hectares. This means that almost 14 % of the

population are forest owners.

The state owns 26 %, companies (including forest industry) 9 % and other entities 5 % of productive forest land. State forests are managed by the state forest company Metsähallitus.

A typical Finnish forest holding is small in size. The number of holdings over two hectares in size is about 344,000, and the average size is 30.5 hectares. The share of forest holdings over a hundred hectares in size is only five percent. The structure of forest ownership is polarized in that the number of both small and large holdings is increasing.

The share of productive forest land owned by families and individuals is higher than that owned by other groups, because lands owned by the state and partly also those owned by companies are mainly located in less productive areas in north and east Finland. As a result, the share of harvesting of private lands is clearly greater than their share of the ownership, or about 80 percent.

A significant share of the living species in Finland are directly or indirectly dependent on the forests. About 36 % of all threatened species live in mineral soil forests. However, only about 10 % of the assessed mineral soil species are threatened. This means that Finnish forests still contain most of the species that naturally occur there. In addition, a few percent of all threatened species live in forested peatlands.

According to the NFI, the annual increment of growing stock was 107 million m<sup>3</sup>. The annual increment has exceeded the annual fellings by about 30%. The amount of harvested volume since the mid-1970s equals to the current volume of the tree stock. The allowable sustainable felling potential of Finnish forests is estimated as 84 million m<sup>3</sup> per year for the years 2015 to 2024.

Finnish forestry is based on the management of native tree species. The management of forests seeks to respect their natural growth and mimic the natural cycle of boreal forests. The objective is to secure the production of high-quality timber, and to preserve the biological diversity of forests as well as the preconditions for the multiple use of forest.

Maintenance and enhancement of biological diversity of forests is an integral element of the Finnish forest policy, legislation and practices. In Finland certification systems (PEFC, FSC) drawn up in participatory processes which are independent of any public authorities are widely used on a voluntary basis to ensure the sustainability of forest management.

The backbone of forest biodiversity conservation is the network of protected areas. These are supplemented by voluntary forest protection and biodiversity conservation in commercial forests. Majority of national parks and strict nature reserves are located in northern Finland, thus voluntary forest protection is very important and promoted by the State in southern part of the country.

The vast majority of Finland is situated in the boreal coniferous zone. In the boreal coniferous zone the soil is poor and acid and there are only few forest tree species. Almost half of the volume of the timber stock consists of pine (*Pinus Sylvestris*). Pine predominates on 67% of forest land, spruce (*Picea Abies*) on 22% and broadleaves (*Betula pubescens*, *Betula Pendula*) on 11%. Broadleaves, which are important to forest biodiversity and the soil and grow mostly in mixed stands, account for 20% of the total volume of growing stock, which is clearly more than the total area of predominantly deciduous stands.

Public access allows everyone to move freely in Finnish forests and pick berries and mushrooms. No specific permits are needed for this, not even on private lands. The use of forests for recreation is founded on the so-called everyman's right. Certain rules regarding the activities that are allowed are laid down by law. Most importantly, the exercise of everyman's right may not cause damage or disturbance to the environment or other people.

There are 40 national parks in Finland, with a total surface area of 10 002 square kilometres. Hiking areas on state lands offer excellent and diverse opportunities for camping and outdoor recreation. More challenging environments for experienced hikers can be found in the vast wilderness areas in Lapland. National parks and other hiking areas on state lands are managed by the Parks and Wildlife Finland, which is a unit of Metsähallitus.

Almost all Finns engage in some form of outdoor recreation and, for example, about two million Finns pick mushrooms. Relative to the total population, there are more hunters than in any other country in Europe (200000–300000). Recreational fishing is a national hobby, with almost every other Finn engaged in leisure fishing in one form or another.

A new assessment of threatened species indicates an increasing loss of biodiversity in Finnish nature. Of the 22,000 species evaluated, 11.9% were classified as threatened. The highest proportion of threatened species is found among birds and bryophytes (mosses). The primary threat is the decline and deterioration

of natural habitat – urgent action is needed to stop this decline.

The threat status of Finnish species is evaluated every ten years; most recently in 2019. The results of the assessment are published in the Red List of Finnish Species, listing Regionally Extinct, Threatened, Near Threatened and Data Deficient species.

Experts in charge of the evaluation assess all species in Finland using the classification and criteria prepared by the International Union for Conservation of Nature (IUCN). This assessment takes account of matters such as the size and development or decline of the species' population, the size of and changes in the natural range of the species, fragmentation in its occurrences, changes in the quality and quantity of its natural habitats, and its reproductive capacity. Note is also taken of the habitats, causes of threat and threat factors of all species.

The 2019 Red List of Finnish species can be considered to be one of the most comprehensive performed in the world, as sufficient data forming the basis for evaluation has been gathered on almost a half of the approximately 48,000 species in Finland. Many more species than before have been included in this research, most of which are not threatened.

Finland joined CITES in 1976. Nowadays the national legislation for the implementation of CITES and relating EU regulations is the Nature Conservation Act (1096/1996), which came into force in the 1st of January 1997. IUCN National Committee of Finland was approved by IUCN Council in 1999.

[http://checklist.cites.org/#/en/search/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](http://checklist.cites.org/#/en/search/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)

A group considered as an indigenous people in Finland is the Sámi. Their rights have been secured in many laws e.g. the Constitution, the Sámi Parliament Act, the Act on the Finnish Forest and Park Service and the Act on Reindeer Husbandry. The Sámi Parliament is the supreme political body of the Sámi in Finland. The Sámi Parliament represents the Sámi in national and international connections, and it attends to the issues concerning Sámi language, culture, and their position as an indigenous people. The Sámi Parliament can make initiatives, proposals and statements to the authorities. The Sámi Parliament Act also states that the authorities have an obligation to negotiate with the Sámi Parliament for all important measures that concern the Sámi people. These include for example the use of state land and conservation areas.

### Forestry production

Area	Element	Item	Year	Unit	Value
Finland	Production	Roundwood	2018	m3	68289165
Finland	Production	Wood chips, particles and residues	2018	m3	14138268
Finland	Production	Wood pellets and other agglomerates	2018	tonnes	407000
Finland	Production	Sawnwood	2018	m3	11840000
Finland	Production	Wood-based panels	2018	m3	1342000
Finland	Production	Fibreboard	2018	m3	20000
Finland	Production	Total fibre furnish	2018	tonnes	11900000
Finland	Production	Pulp for paper	2018	tonnes	11260000
Finland	Production	Paper and paperboard	2018	tonnes	10544019
Finland	Production	Paper and paperboard, excluding newsprint	2018	tonnes	10239027
Finland	Production	Packaging paper and paperboard	2018	tonnes	3819009

Source : FAOSTAT - Forestry database

### SBP product groups in 2022:

Finland	Percent	Number of suppliers	The share of certified feedstock in this group
Controlled feedstock	0	0	0%
SBP compliant primary feedstock	0	0	0%

SBP compliant secondary feedstock	0	0	0%
SBP compliant tertiary feedstock	0.61	1	100%
SBP non-compliant feedstock	0	0	0%

**Country:**Norway

**Area/Region:** All regions

**Sub-Scope:** N/A

**Exclusions:** No

#### Norwegian forests

Forest cover about 12 million ha or about 38 % of the total land area. Coniferous forests covers 57 % of area, hardwoods 41 % and without trees 2 %. National parks and nature reserves covers about 4,3 % of forest area.

Species	Standing volume 2019		Growth 2019		Harvesting 2019	
	[1.000 m3]	[%]	[1.000 m3]	[%]	[1.000 m3]	[%]
Spruce	428 329	44 %	12 845	53 %	7 934	72 %
Pine	301 858	31 %	5 451	23 %	2 802	25 %
Hardwood	248 291	25 %	5 890	24 %	302	3 %
<b>Total</b>	<b>978 478</b>	<b>100 %</b>	<b>24 186</b>	<b>100 %</b>	<b>11 038</b>	<b>100 %</b>

<https://www.ssb.no/statbank/table/06289/tableViewLayout1/> <https://www.ssb.no/jord-skog-jakt-og-fiskeri/statistikker/skogav/aar-endelige>

About 70 % of the annual harvesting is utilized by the domestic forest industry. The remaining 30 % is exported to forest industry abroad, mainly Sweden and Germany.

Owners category 2019	Forest properties	Productive area	Unproductive area
	[no]	[ha]	[ha]
Private, individuals	118 334	5 491 482	2 249 634
Private, others	1 736	396 235	653 749
State	807	616 198	598 827
Municipality, county	527	213 881	54 812
Rural community	53	180 202	34 363
Estate	2 975	79 532	40 073
Other	732	20 997	10 545
	125 164	6 998 523	3 642 002

<https://www.ssb.no/statbank/table/10613/tableViewLayout1/>

### Forest management

Forestry in Norway is mainly regulated by the Forestry Act. In the Forestry Act, the forest owner has been given freedom under responsibility, if it is the forest owner who is responsible for ensuring that all measures in the forest have been implemented in accordance with law and regulations. The forest owner must have an overview of the environmental values on the property and, if necessary, refrain from logging out of consideration for the environment. The forest owner is also responsible for ensuring that those who implement measures in the forest know and follow laws and regulations. In order to ensure and document that forestry takes place in accordance with laws and regulations, practically all Norwegian forestry has been certified since the year 2000. The certification has specified the requirements in law and regulations such as deals with considerations when felling and managing the forest.

CITES species are present in Norway but do not include coniferous or deciduous trees which are threatened (<https://www.cites.org/eng/parties/country-profiles/no>).

Norway have a high proportion of IUCN Categories (<https://www.iucn.org/theme/protected-areas/about/protected-area-categories>). Norway has adopted a Red List classification of species in accordance with criteria from IUCN

([https://www.biodiversity.no/Pages/135380/Norwegian\\_Red\\_List\\_for\\_Species?Key=1467016848](https://www.biodiversity.no/Pages/135380/Norwegian_Red_List_for_Species?Key=1467016848)).

Protected areas in Norway under The Nature Conservation Act:

Protected areas 2019	Protected land area	
	[km2]	[%]
National parks	31 524	9,7 %
Nature reserves	7 401	2,3 %
Landscape protection areas	17 262	5,3 %
Other protection areas	394	0,1 %
	<b>56 581</b>	<b>17,4 %</b>

<https://www.ssb.no/natur-og-miljo/statistikker/arealvern/aar>

The Norwegian Parliament has decided that 10 % of the forest areas shall be protected. 4,9 % of the total forest area are protected by January 2019. In 2003/2004 there were adopted a system for voluntary protection of forest, which gives the forest owners the possibility to offer forest areas for future protection.

#### SBP product groups in 2022:

Norway	Percent	Number of suppliers	The share of certified feedstock in this group
Controlled feedstock	0	0	0%
SBP compliant primary feedstock	0	0	0%
SBP compliant secondary feedstock	0	0	0%
SBP compliant tertiary feedstock	0.005	1	100%
SBP non-compliant feedstock	0	0	0%

### 2.3 Actions taken to promote certification amongst feedstock supplier

For the production of SBP pellets, preference is given to suppliers certified according to FSC and PEFC systems and delivering certified material. In cooperation with suppliers of controlled wood, the company prefers those who undertake to mitigate the risks in accordance with the procedures developed by the company to obtain SBP compliant material. The effectiveness of the measures is evidenced by a significant increase in SBP-compliant material in recent years: before certification started SBP-compliant primary feedstock has increased from 20.46% (2017) to 100% (2023), secondary feedstock has increased from 35.98% (2017) to 64.88% (2023). The company policy is to give a preference to certified suppliers. Raw material (sawdust, chips) consists of wood waste from main production of suppliers. Therefore, uncertified and new suppliers are invited to certify their base production and get benefit from residues.

### 2.4 Quantification of the Supply Base



## Supply Base

- a. **Total Supply Base area (million ha):** 66.05
- b. **Tenure by type (million ha):**34.95 (Privately owned), 14.31 (Public), 16.79 (Community concession)
- c. **Forest by type (million ha):**66.05 (Boreal), 0.00 (Temperate)
- d. **Forest by management type (million ha):**66.05 (Managed natural)
- e. **Certified forest by scheme (million ha):**25.03 (FSC), 46.41 (PEFC)

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

**Explanation:** The primary raw material has been procured from Latvia and it consists of roundwood/firewood. The proportion of biomass quantity as primary raw material after final felling is about 40,21%, after thinning 10.84% (the State Forest Service, 2019). Maximum area of clear felling in Latvia is 2-5 ha (it depends on forest type). Harvesters are mostly used in logging in Latvia.

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

**Explanation:** The primary raw material has been procured from Latvia 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 developers.

**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:** The primary raw material consists of round wood/firewood and wood chips from forest residues from Latvia. The Law on Forests stipulates that a forest owner or legal possessor is obliged to restore a forest stand after felling or other factors, if the cross-sectional area of the forest stand has become smaller than the critical cross-sectional area, as well as to ensure maintenance of the restored or planted forest stand. In accordance with the regulations of the Cabinet of Ministers on Forest restoration, Reforestation and Plantation Forestry after the influence of felling or other factors, if due to them cross-sectional area of the forest stand has become smaller than the critical cross-sectional area, depending on the type of forest, the forest shall be restored within the following term: - within five calendar years after the year of felling or the year of the influence of other factors - silage, moor, lynx, dahlia, ox, goose, green, wet mint, wet dam, wet beet, wet goose, heather, mint, broadleaf, narrow-leaved arena, heather peat, mint peat, narrow-leaved peat, broad-leaved peat; - within 10 calendar years after the year of felling of the year of the influence of other factors - in the bog, reed, bog and curve.

**Was the feedstock used in the biomass removed from a forest as part of a pest/disease control measure or a salvage operation? Yes - Majority**

**Explanation:** If the forest stand has not yet reached the main felling parameters, but has suffered from wind, snow and fire damage, or the destruction of trees or pests or diseases caused by loss of viability, felled and dead trees are felled in sanitary felling. According to Latvian Law of Forests, if the cross-sectional area of the growing trees of the forest stand is smaller than the cross-sectional area, the forest stand may be felled in sanitary felling after receipt of the sanitary opinion of the State Forest Service. The provisions of this section shall not apply to specially protected nature territories, the individual protection and use regulations of which do not allow sanitary felling after receipt of a sanitary opinion of the State Forest Service or sanitary felling in a random manner.

**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 Nov 2022

**Reporting period to:** 31 Oct 2023

- a. **Total volume of Feedstock:** 200,000–400,000 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: 20% - 39%
  - Not certified to an SBP-approved Forest Management Scheme: 60% - 79%
- d. **List of all the species in primary feedstock, including scientific name:** Alnus glutinosa (Black alder); Alnus incana (Grey alder); Betula pendula (Silver birch); Betula pubescens (Downy birch); Fraxinus excelsior (Ash); Picea abies (Norway spruce); Pinus sylvestris (Scots pine); Populus tremula (Aspen); 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 (%):** 53.00
- g. **Softwood (i.e. coniferous trees): specify proportion of biomass from (%):** 47.00
- h. **Proportion of biomass composed of or derived from saw logs (%):** 0
- i. **Specify the local regulations or industry standards that define saw logs:** 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 developers. Latvian Law "On Accounting of Trees and Round Timber in Transactions", entered into force on 01.07.2005. The purpose of the law is to introduce a uniform accounting procedure for timber and round timber in transactions at all stages of the circulation of timber and round timber, as well as to promote fair competition and tax collection. The accounting is also regulated by the Cabinet of Ministers Regulations No. 744 "Regulations on the Accounting of Trees and Round Timber".
- j. **Roundwood from final fellings from forests with > 40 yr rotation times - Average % volume of fellings delivered to BP (%):** 40.21
- 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, Sawdust
- n. **Volume of tertiary feedstock:** 1-200,000 tonnes
  - Physical form of the feedstock: Sawdust (dry)
- 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	71.31	28.69	0.00	0.00
Secondary	0.00	94.91	5.09	0.00
Tertiary	0.00	100.00	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**

The basis of the provisions of agreements concluded by AVOTI SIA with pellets buyers since 2017 is the supply of SBP-compliant products. Therefore, the decision of the company management is to design SBE risk mitigation measures, cooperate with suppliers, attract independent environmental specialists and experts to exclude the purchase of wood that does not meet the SBP-certified product status.

**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:**

Substantial areas of high conservation value (HCV) for nature in Latvian forests have been identified, are known and mapped. An active examination and identification of EU protected habitats and Woodland Key Habitats (WKHs) is taking place in state forests and FSC-certified forests. However, there is not enough information about the location of HCV forest, and major gaps in knowledge about HCV forest, in non-certified, primarily privately-owned, forest.

Information on the geographical distribution of major concentrations of large-scale nature conservation areas is sufficient and there are no major gaps for this aspect. Many of the important forest areas are designated as protected/nature conservation areas on national or EU level (Natura 2000 sites). Given the lack of information on HCV forests – WKHs and/or EU protected habitats in non-certified forests, particularly in private forests, this category is assigned “specified risk” status.

See more information: <https://sbp-cert.org/docs/SBP-endorsed-Regional-Risk-Assessment-for-Latvia.pdf>

**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:**

Representative samples of natural forest habitats and valuable ecosystems in Latvia are surveyed, identified and protected under the Habitats Directive (Council Directive 92/43/EEC on the Conservation of natural habitats and of wild fauna and flora) and designated as Natura 2000 sites. Parcels of semi-natural forests with high biodiversity value concentrations are identified as EU Protected habitats and/or Woodland key habitats (WKH). Aggregations of WKHs and EU protected habitats are designated as protected territories at a national level or as Natura 2000 sites in EU level. However, part of the high conservation value areas such as WKHs and EU protected habitats remain outside protected areas. Based on different sources of information, such as reports, databases and statistical data it is evident that HCV forest – WKHs and EU protected habitats - have only a partial level of protection, either by falling inside Natura 2000 site

or through voluntary protection by certified forest managers. However, significant areas of HCV forest, which are part of private, municipal and other forest properties, do not have any protection. For detailed findings, please see: <https://sbp-cert.org/docs/SBP-endorsed-Regional-Risk-Assessment-for-Latvia.pdf>

**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:**

Logging companies that are working in FSC FM/COC certified forest operations (for example, state forest enterprise, certified forest owners and managers) based on subcontracting agreements, are monitored not only by the forest managers who require fulfilment of FSC requirements set in P4 (P2 in FSSTD-01-001 v 5-0), but also by the accredited FSC certification bodies that do field observations of such companies during certification audits. However, there are concerns regarding contractors working in noncertified forests because of periodically occurring death and serious injuries at the work places. In addition, there are not enough efficient measures implemented to ensure that contractors working in non-certified forests follow the health and safety requirements. Therefore, it was proposed to designate this criterion with "specified risk" for contractors working in non-certified forests.

All major forest harvesting companies have solid health and safety procedures in place. Major timber harvesting companies have improved their H&S procedures and performance in the last 10 years by introducing modern and advanced harvesting techniques and equipment. Most of the harvesting work (80%) are done in a mechanised way. High standards with regard to the health and safety issues are maintained in the manual felling/harvesting work through good specialised professional education and solid regulatory legislation frameworks. Official labour protection statistics showing a decreasing trend in accidents in the forestry sector. According to outcome of the forestry sector company survey regarding occupational health and safety issues, and the opinion of professional Occupational Health & Safety (OH&S) institutions, the risk level cannot be specified overall as "low risk". Information from the consulted enforcement and professional institutions shows that the level of OH&S performance may vary among the companies working in the forestry sector. There are companies with very good OH&S performance records as well as companies who are working as subcontractors for certified forest managers and who are routinely checked for OH&S issues, such are considered as a low risk group. On the other hand, it is generally acknowledged that self-employed persons working in the forest sector generally have worse OH&S performance records, which is why they can be considered as a specific risk group. The risk level for this indicator is therefore designated as "specified risk", since the risk level may vary depending on the biomass feedstock supply base. More information: <https://sbp-cert.org/docs/SBP-endorsed-Regional-Risk-Assessment-for-Latvia.pdf>

## 4.2 Justification

The basis of the provisions of agreements concluded by AVOTI SIA with pellets buyers is the supply of SBP-compliant products. Therefore, the decision of the company management is to design SBE risk mitigation measures, cooperate with suppliers, attract independent environmental specialists and experts to exclude the purchase of wood that does not meet the SBP-certified product status.

The company recognizes and follows the risk assessment of Latvia approved by the SBP and develops procedures according to the risks mentioned in assessment.

AVOTI SIA, by attracting independent biotope experts, professional logging company experts and nature conservation specialists, has designed a risk mitigation and control mechanism to assess and approve those biomass supplies and suppliers whose products supplied meet the SBP-compliant biomass status.

## 4.3 Results of risk assessment and Supplier Verification Programme

The risk assessment analysis includes the requirements provided by the laws and regulations of the Republic of Latvia, regulatory activities of the State legislation and laws and regulations for primary and secondary wood supply from the Latvian forest properties.

Considering the specific nature of Latvia and expert recommendations, "Specified risk" was applied with regard to biotope conservation (HCV category 3), occupational safety, bird habitat preservation (HCV category 1), and historical and cultural objects (HCV category 6).

### **Feedstock supplies from Latvian forest properties**

Communicating with logging and wood processing companies and experts on risk mitigation options, a specified risk mitigation procedure was developed for inclusion in the risk assessment. The procedure determines actions for field inspections and document requirements.

SBP risk mitigation and supplier audits and results described below and related to specified risks are available to third and interested parties as documental evidence of the audits performed. Information, the database of assessments performed includes property names, cadastre, plots, notes on indicators of biological diversity, independent expert reports, recommendations, decisions made regarding biomass suppliers.

Information obtained during risk assessment and field audits of the information for all SBE risk categories confirmed that for 4 categories – biotope conservation (HCV category 3), occupational safety, bird habitat preservation (HCV category 1), and historical and cultural objects (HCV category 6) – a specified risk is applicable, whereas for the other categories the risk is low.

Risk assessment and risk mitigation mechanism in primary wood audits before logging confirm that specified risks are urgent in logging.

Secondary wood approval is possible only for those processors who have an AVOTI SIA SBE-approved supplier and who have agreed to cooperation to assess and mitigate risks before logging (biological and historical and cultural values), or during logging (occupational safety) at the wood procurement site.

## 4.4 Conclusion

### **Feedstock supplies from Latvian forest properties**

Since January 2018, by introducing the SBE system and reviewing cooperation with wood suppliers, effective information exchange has been achieved, obtaining information on forest properties before logging, during and after logging. This is significant for effective implementation of corrective or preventive activities in case of possible risks to preserve biological diversity, study and initiate the implementation of occupational safety measures in the logging process, and to decline suppliers or materials supplied which may threaten the effectiveness of the SBE system where risks have been identified.

"AVOTI" SIA can overall conclude that cooperation is effective with suppliers who take fair risk mitigation measures. All the information required for risk survey and prevention and the conservation of nature values is provided, in keeping with the recommendations of the experts invited.

## 5 Supply Base Evaluation process

The system of risk mitigation measures, supplier audits, property plot visiting criteria, registers, assessment forms, expert involvement process, occupational safety assessment procedure, are defined in the general SBE system procedures.

SBE system effectiveness summary report and risk assessment results were achieved by performing forest plot risk assessment, physical audits with or without the presence of logging companies. Additional consultation took place with experts, other forestry and logging companies, and the results and experience gained were discussed at the company management level, the results are submitted to the auditor company.

For confirming the fulfilment of SBE risk mitigation requirements and assessing the competency of suppliers, logging companies, processors, and experts in occupational safety and biotope and bird nest surveys, as well as identification of possible historical and cultural objects were invited.

For SBE system design and supply assessment, the risk mitigation measures, audits, and communication with approved suppliers and experts is implemented by AVOTI SIA quality manager with 20 years of experience in wood industry, many years of experience in FSC system maintenance and wood origin assessment in forestry, and 15 years of experience and knowledge in forestry and the field of wood supply, procurement and Legislation.

As the basis for the SBP SBE risk mitigation system, an audit program has been designed and FSC CRN mitigation measures program guidelines, FSC supply and FSC Forest certification system experience and knowledge in forestry and in the field of wood supply legislation have been used.



## 6 Stakeholder consultation

The list of interested parties created so to include a maximum number of recipients who represent the economic, social, and environmental interests of society, and the local governments. An informative letter in accordance with SBP Standard sent to the interested parties.

AVOTI SIA quality manager performs consultations with interested parties in person, by phone, by attending seminars on biotope identification, logging processes and conservation of biological values of nature in logging, on the assessment of effects on the environment, on occupational safety in logging.

### 6.1 Response to stakeholder comments

## 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:**

Substantial areas of high conservation value (HCV) for nature in Latvian forests have been identified, are known and mapped. An active examination and identification of EU protected habitats and Woodland Key Habitats (WKHs) is taking place in state forests and FSC-certified forests. However, there is not enough information about the location of HCV forest, and major gaps in knowledge about HCV forest, in non-certified, primarily privately-owned, forest.

Information on the geographical distribution of major concentrations of large-scale nature conservation areas is sufficient and there are no major gaps for this aspect. Many of the important forest areas are designated as protected/nature conservation areas on national or EU level (Natura 2000 sites). Given the lack of information on HCV forests – WKHs and/or EU protected habitats in non-certified forests, particularly in private forests, this category is assigned “specified risk” status.

See more information: <https://sbp-cert.org/docs/SBP-endorsed-Regional-Risk-Assessment-for-Latvia.pdf>

**Mitigation measure:**

Nature data management system of the Nature Protection Board OZOLS (<https://ozols.gov.lv>) is used for habitat identification.

Habitats identification by using a questionnaire approved by the habitat expert in areas where the habitat inventory has not yet been performed or results have not yet been included in the database.

Bird habitats and cultural monuments identification by using a questionnaire approved by the habitat expert. Agreements (self-declarations) with feedstock suppliers.

On-site inspections carried out to ensure that the requirements are met.

**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:**

Representative samples of natural forest habitats and valuable ecosystems in Latvia are surveyed, identified and protected under the Habitats Directive (Council Directive 92/43/EEC on the Conservation of natural habitats and of wild fauna and flora) and designated as Natura 2000 sites. Parcels of semi-natural forests with high biodiversity value concentrations are identified as EU Protected habitats and/or Woodland key habitats (WKH). Aggregations of WKHs and EU protected habitats are designated as protected territories at a national level or as Natura 2000 sites in EU level. However, part of the high conservation value areas such as WKHs and EU protected habitats remain outside protected areas. Based on different sources of information, such as reports, databases and statistical data it is evident that HCV forest – WKHs

and EU protected habitats - have only a partial level of protection, either by falling inside Natura 2000 site or through voluntary protection by certified forest managers. However, significant areas of HCV forest, which are part of private, municipal and other forest properties, do not have any protection.

For detailed findings, please see: <https://sbp-cert.org/docs/SBP-endorsed-Regional-Risk-Assessment-for-Latvia.pdf>

**Mitigation measure:**

Nature data management system of the Nature Protection Board OZOLS (<https://ozols.gov.lv>) is used for habitat identification.

Habitats identification by using a questionnaire approved by the habitat expert in areas where the habitat inventory has not yet been performed or results have not yet been included in the database.

Bird habitats and cultural monuments identification by using a questionnaire approved by the habitat expert. Agreements (self-declarations) with feedstock suppliers.

On-site inspections carried out to ensure that the requirements are met.

There is diameter restriction of roundwood that is accepted in production (70 cm). This reduces the risk of receiving timber from historic sites.

The procedure has been developed for suppliers that include risk mitigation requirements. This procedure also provides a recommendation to use the information available on the website of the National cultural heritage board of cultural and historical values: <https://is.mantojums.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:**

Logging companies that are working in FSC FM/COC certified forest operations (for example, state forest enterprise, certified forest owners and managers) based on subcontracting agreements, are monitored not only by the forest managers who require fulfilment of FSC requirements set in P4 (P2 in FSSTD-01-001 v 5-0), but also by the accredited FSC certification bodies that do field observations of such companies during certification audits. However, there are concerns regarding contractors working in noncertified forests because of periodically occurring death and serious injuries at the work places. In addition, there are not enough efficient measures implemented to ensure that contractors working in non-certified forests follow the health and safety requirements. Therefore, it was proposed to designate this criterion with "specified risk" for contractors working in non-certified forests.

All major forest harvesting companies have solid health and safety procedures in place. Major timber harvesting companies have improved their H&S procedures and performance in the last 10 years by introducing modern and advanced harvesting techniques and equipment. Most of the harvesting work (80%) are done in a mechanised way. High standards with regard to the health and safety issues are maintained in the manual felling/harvesting work through good specialised professional education and solid regulatory legislation frameworks. Official labour protection statistics showing a decreasing trend in accidents in the forestry sector. According to outcome of the forestry sector company survey regarding occupational health and safety issues, and the opinion of professional Occupational Health & Safety (OH&S) institutions, the risk level cannot be specified overall as "low risk". Information from the consulted enforcement and professional institutions shows that the level of OH&S performance may vary among the companies working in the forestry sector. There are companies with very good OH&S performance records as well as companies who are working as subcontractors for certified forest managers and who are routinely checked for OH&S issues, such are considered as a low risk group. On the other hand, it is generally acknowledged that self-employed persons working in the forest sector generally have worse OH&S performance records, which is why they can be considered as a specific risk group. The risk level for this indicator is therefore designated as "specified risk", since the risk level may vary depending on the biomass feedstock supply base. More information: <https://sbp-cert.org/docs/SBP-endorsed-Regional-Risk-Assessment-for-Latvia.pdf>

**Mitigation measure:**

Suppliers have signed an agreement/self-declaration on compliance with the labor protection requirements specified in the legislation of the Republic of Latvia in logging works. Field audits are performed to assess compliance with labor protection requirements.

Representative of Avoti SIA performs a field audit to evaluate compliance with work safety requirements in logging operations. The questionnaire is used for the evaluation. It is based on requirements of Cabinet of Ministers Regulations No.310 "Labor protection requirements in forestry" (09.05.2012.) Emphasis is placed on loggers who use hand saws.

## 7.2 Monitoring and outcomes

On-site audits are performed for all suppliers for each kind of the risks. During period 1st Nov, 2022 - 31st Oct, 2023 following number of audits performed for primary wood of Latvian origin.

On-site audits are performed for all suppliers for each kind of the risks. Starting from 2021 since the database OZOLS was introduced, the number of territories where it is necessary to identify habitats by questionnaires is significantly reduced, therefore the risk of receiving wood from habitats is even lower. During period 1st Nov, 2022 - 31st Oct, 2023 40 habitat audits performed. The results of the audits show that the company has not received timber from habitat areas. No cultural monuments or destroyed bird nests have been found.

During period 1st Nov, 2022 - 31st Oct, 4 occupational safety audits have been performed. Audits results show that occupational safety requirements in forestry are observed.

## 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


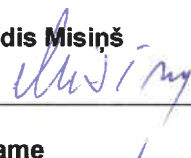
### 9.1 Peer review

No external peer review of this report done.

### 9.2 Public or additional reviews

This report published to all stakeholders and feedback will be provided to whoever expresses interest or concern.

## 10 Approval of report

Approval of Supply Base Report by senior management			
Report Prepared by:	Arnita Apine 	Quality Manager	17 Nov 2023
	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:	Uldis Misiņš 	Chairman of the Board	17 Nov 2023
	Name	Title	Date
Report approved by:	Jānis Misiņš 	Key Account Manager	17 Nov 2023
	Name	Title	Date

## Annex 1: Detailed findings for Supply Base Evaluation indicators



Annex 2: Detailed findings for REDII  
Supply Base Evaluation

Section 1. RED II

## 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

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