Sustainable Biomass Program

ACA TIMBER SIA
Supply Base Report

May 2019

www.sbp-cert.org

Completed in accordance with the Supply Base Report Template Version 1.3

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

Document history

Version 1.0: published 26 March 2015

Version 1.1 published 22 February 2016

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Version 1.3 published 14 January 2019

Contents

1 Overview

On the first page include the following information:

Producer name: ACA TIMBER SIA

Producer location: Izstazu str 11, Valdlauci, Kekava region, LV-1076

Geographic position: 56.901145, 24.148358

Primary contact: Armands Apfelbaums, +371 20262756; apfelbaums@acatimber.lv

Company website: http://www.acatimber.lv

Date report finalised: 20.05.2019

Close of last CB audit: [Date and location of the closing meeting CB]

Name of CB: [CB Name]

Translations from English: [Yes/No/NA as appropriate]

SBP Standard(s) used: 1 version 1.0, SBP Standard 2-V1.0 ; SBP Standard 4-V1.0. ; SBP Standard 5-V1.0 (instructions documents 5A;B;C V1.1.)

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

SBP Endorsed Regional Risk Assessment: not applicable

Weblink to SBE on Company website: http://www.acatimber.lv

Indicate how the current evaluation fits within the cycle of Supply Base Evaluations				
Main (Initial) Evaluation	**First Surveillance**	**Second Surveillance**	**Third Surveillance**	**Fourth Surveillance**
X	☐	☐	☐	☐

2 Description of the Supply Base

2.1 General description

ACA TIMBER SIA purchases the most of its feedstock for production of biomass (woodchip), wood residues after processing,

A small part of chips as biomass is obtained after the branches as wood residues, barks and branches from forest and non-forest lands, also firewood for chiping.

The region of biomass origin is Latvia, Estonia (FSC or PEFC certified);, Russia (FSC or PEFC certified); and Belarus (FSC certified); Finland (FSC or PEFC certified) ; Sweden (FSC or PEFC certified); and from Lithuania (FSC certified).

Data from deliveries period: From / Till 1,January 2019 / 1.may 2019

Controlled Feedstock:

SBP-compliant Primary Feedstock: ~0%

SBP-controlled Primary Feedstock:0%

SBP-compliant Secondary Feedstock: 88% (~5-12 suppliers)

SBP-controlled Secondary Feedstock: 12% (1-5 suppliers)

SBP-compliant Tertiary Feedstock: 0%

SBP non-compliant Feedstock: 0 %

Generic: Picea abies (L.) H. Karst.; Pinus sylvestris L.; Alnus glutinosa (L.) Gaertn.; Alnus incana (L.)

Moench; Populus tremula (L.); Betula pendula (Roth); Betula pubescens (Ehrh.)

Actions taken to promote certification amongst feedstock supplier

Provide a description of actions taken to promote certification amongst feedstock supplier.

Information about LATVIAN forest resources

Forests in Latvia cover 3 036475 ha. According to the data of the State forest service (regarding the areas under consideration, which are subject to economic activity regulated by the Forest Law), the forest territory occupies 51.8 % (the percentage of the forest land area (3 350684 ha) to the total area of the State territory). In Latvia, the State owns the forest, area of which is 1,495,616 ha (48.97% of

the total forest area), while the total area of forests of other owners is 1,560,961 ha (51.68 % of the total forest area). The number of private forest land owners in Latvia is about ~135 thousand.
The area occupied by forests is increasing. The increase in forest areas occurs both naturally and artificially by afforestation of barren and non-agricultural land.
Wood production in the last decade in Latvia varies from 9 to 13 million cubic meters (the State forest service: vmd.gov.lv, 2019).

Forest lands consist of:

- forests: 3 036475 ha (91.3 %);
- marshes: 168 424,67 ha (5.3 %);
- clearings: 35,446,7 ha (1.1 %);
- flooded territories: 18,453.2 ha (0.5 %);
- infrastructure facilities: 61,813.4 ha (1.8 %).

(the State forest service: vmd.gov.lv, 2018)

Breakdown of forests by dominant species:

- Pine: 33 %
- Spruce: 19 %
- Birch: 30 %
- Black alder: 3 %
- White alder: 7 %
- Aspen: 7 %
- Other species: 1 %

(the State forest service: vmd.gov.lv, 2019)

Share of tree species in forest renewal, breakdown by area (2017):

- Pine: 15 %
- Spruce: 19 %
- Birch: 30%
- White alder: 14 %
- Aspen: 18 %

- Other species: 4 %

(the State forest service: vmd.gov.lv, 2019)

Wood extraction according to types of cutting, breakdown by volume of production (2017):

- Final harvest: 45,3 %
- Thinning: 33,8 %
- Sanitary clear cutting: 14,5 %
- Deforestation cutting: 0.04 %
- Other types of cutting 6,3 %

(the State forest service: vmd.gov.lv, 2019)

Forestry sector

The forestry sector in Latvia is managed by the Ministry of agriculture, which, in cooperation with the sector interest groups, develops forest policy, sector development strategy as well as forest management, forest resource use, nature conservation and hunting draft regulatory enactments (the Ministry of agriculture: www.zm.gov.lv).

The implementation of the regulatory requirements included in the Latvian laws and the Cabinet of ministers regulations in the management of forests, regardless of the type of property, is controlled by the State forest service under the supervision of the Ministry of agriculture (the State forest service: 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 country's economy. In 2017, the share of forestry, wood processing and furniture production in the gross domestic product made up 4.8%, while the export volume reached 2.2 billion euros - 20% of the country's total exports.

Biodiversity

Historically, the extensive use of Latvian forests for economic purposes began relatively later than in many other European countries, therefore, greater biodiversity has been preserved in Latvia.

For the preservation of nature values, 683 specially protected nature territories have been created. Part of these territories is included in the Natura 2000, unified network of protected territories of European importance. The most part of the protected territories are in State ownership.

In order to ensure the protection of a specially protected species or a biotope outside specially protected nature territories, micro-reserves are created, if any of the functional zones does not provide it. According to the State forest service, the total area of the micro-reserves in October 2016 was 43,217.30 ha. The identification of biologically valuable forest stands and the implementation of protective measures are performed continuously.

In total, the protected areas occupy 28.2% of the total forest area. In just over half of these areas, there are no restrictions on forestry activities. 6.9% of the total forest area is forbidden clearing, 1.2% forbidden main felling, and 2.3% forbidden care and main felling. Only 100.3 thousand hectares, corresponding to 3.3% of the total forest area, is subject to a complete limitation of forestry activities. Most of the protected areas with restrictions on economic activity are owned by the state.

In turn, for the conservation of biodiversity in the forest management process, general nature conservation requirements have been developed that apply to all forest managers. They stipulate that during logging work the older and larger trees, dead wood, underwood and brushwood must be kept separately in wet micro-lowlands and other structures to promote the preservation of many habitats.

Latvia has ratified the CITES Convention (the Convention on International Trade in Endangered Species of Wild Fauna and Flora) in 1997. In Latvian, as well as in Lithuanian forests, the species of trees mentioned in the CITES lists do not grow.

FOREST AND SOCIETY

- Areas where recreation is one of the main forest management objectives add up to 8 % of the total forest area or 293 000 ha (2012y). Observation towers, educational trails, natural objects of culture history value, picnic venues: they are just a few of recreational infrastructure objects available to everyone free of charge. Special attention is devoted to creation of such areas in state-owned forests. Recreational forest areas include national parks (excluding strictly protected areas), nature parks, protected landscape areas, protected dendrological objects, protected geological and geomorphologic objects, nature parks of local significance, the Baltic Sea dune protection zone, protective zones around cities and towns, forests within administrative territory of cities and towns. Management and governance of specially protected natural areas in Latvia is co-ordinated by the Nature

Conservation Agency under the Ministry for Environmental Protection and Regional Development.

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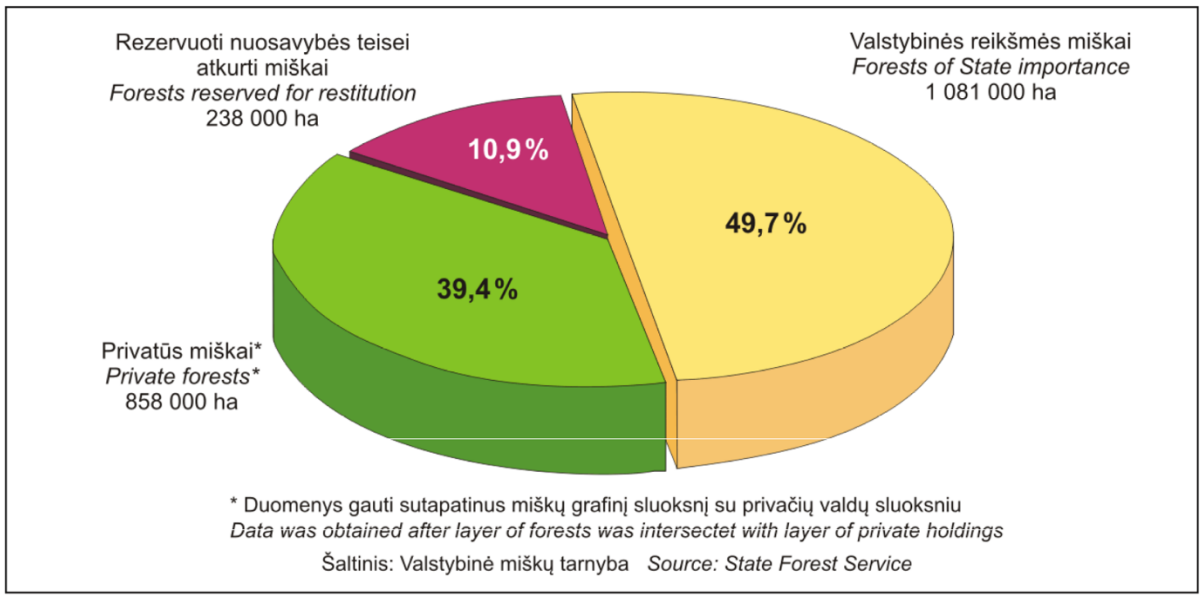
Certification

Forests of JSC Latvijas valsts meži and private owners are certified according to FSC and PEFC certification systems. Approximately 1.737 million ha of Latvian forests from the total forest area of 3,056,578 ha are certified according to FSC and/or PEFC certification systems. In Latvia, more than 300 FSC supply chain certificates have been issued to more than 550 companies. Most of the largest forest industry companies have FSC certification.Both these systems are operating in Latvia.

Information about LITHUANIAN forest resources

Agricultural land covers more than 50 % of Lithuania. The forested land occupies about 28 % or 2.18 million ha, while the land classified as forest occupies about 30 % of the total land area. The south-eastern part of the country is most heavily forested, and here forests cover about 45 % of the land. The total land area belonged to the State forest enterprises is divided into forest and non-forest land. Forest land is divided into forested and non-forested land. The total value added in the forestry sector (including manufacture of furniture) reached LTL 4.9 billion in 2013 and was 10 % higher than in 2012.

FOREST LAND BY OWNERSHIP 01.01.2014



Forest land is divided into four protection categories: reserves (2 %), ecological category (5.8 %), protected category (14.9 %) and commercial category (77.3 %). All types of cuttings are prohibited in reserves. Clear cuttings are prohibited in national parks, while thinning and sanitary cuttings are allowed there. Clear cutting is permitted, however, with certain restrictions, in protected forests; and thinning as well. Almost no restrictions as to logging methods exist in the forests of commercial category.

Lithuania has signed the CITES Convention in 2001. CITES requirements are respected in forest management, although there are no species included in the CITES lists in Lithuania.

Lithuania is situated within the so-called mixed forest belt with a high percentage of broadleaves and mixed conifer-broadleaved stands. Most of the forests – especially spruce and birch – often grow in mixed stands. Pine forests are the most common type of forests, covering about 38 % of the woodland. Spruce and birch forests account for 24 % and 20 % respectively. Alder forests occupy about 12 % of the forest area, which is a relatively high figure that indicates the moisture level on specific sites. Oak and ash account for about 2 % of the forest area each. The area occupied by aspen stands is almost 3 %.

The growing stock in Lithuanian forests is about 180 m^3 per hectare. In nature stands, the average growing stock in all Lithuanian forests is 244 m^3 per hectare. Total annual growth is almost 11,900,000 m^3 and the average annual wood increase has reached 6.3 m^3 per hectare.

The expected annual logging volume is 5.2 million m^3, 2.4 million m^3 of which are sawn wood and the remaining 2.8 million m^3 are small dimension wood for production of paper pulp or boards or for using as firewood. The calculations refer to the nearest 10-year period. If more intensive and efficient forest management systems are implemented, successful growth should be achieved.

Certification of all State forests in Lithuania is performed according to the strictest certification system in the world – the FSC (Forest Stewardship Council) certificate. The audit of this certification confirms the fact that Lithuanian State forests are managed responsibly, in compliance with the requirements of protection and conservation of biodiversity.

(Source: http://www.fao.org/docrep/w3722e/w3722e22.htm)

Estonia’s Forest Resources

Estonia is a member of the European Union since 2004. The Estonian legislation is in compliance with the EU's legislative framework and directives. National legislative acts make references to the international framework. All legislation is drawn up within a democratic system, subject to free comment by all stakeholders[1].The Estonian legislation provides strict outlines in respect to the usage of forestry land and the Estonian Forestry Development Plan 2020[2] has clear objectives and strategies in place to ensure the forestland is protected up to the standards of sustainable forest management techniques. The Ministry of the Environment coordinates the fulfilment of state duties in forestry. The implementation of environmental policies and its supervision are carried out by two separate entities operating under its governance. The

Estonian Environmental Board monitors all of the work carried out in Estonia's forests whereas the Environmental Inspectorate exercises supervision in all areas of environmental protection.

The forest is defined in the Forest Act. There are three main forest categories described in this legislation: commercial forests, protection forests and protected forests. According to the ownership, forests are also divided into private forests, municipality forests and state owned forests. The state owned forest represent approximately 40% of the total forest area[3] and are certified according to FSC and PEFC forest management and chain of custody standards in which the indicators related to forest management planning, maps and availability of forest inventory records are being constantly evaluated and addressed[4]. The state forest is managed by State Forest Management Centre (RMK) which is a profit-making state agency founded on the basis of the Forest Act and its main duty lies in a sustainable and efficient management of state forest.

Currently more than 2 230 000 ha, equal to 51% of the Estonian land territory, is covered by forest as indicated in Figure 1 and the share of forest land is growing. According to FAO data, during 2000 - 2005, average annual change in the forest cover was +0.4 %[5]. Forestry Development Plan 2012-2020 and Yearbook Forest 2014, that gives annual reports and facts about the forest in Estonia, state that during last decade the cutting rate in Estonian forests is from 7 to 11 mill m3 per year[6]. The amount is in line with sustainable development principle when the cutting rate doesn't exceed the annual increment and gives the potential to meet the long-term economic, social and environmental needs. According to the Forestry Development Plan 2012-2020 the sustainable cutting rate is 12-15 mil ha per year.

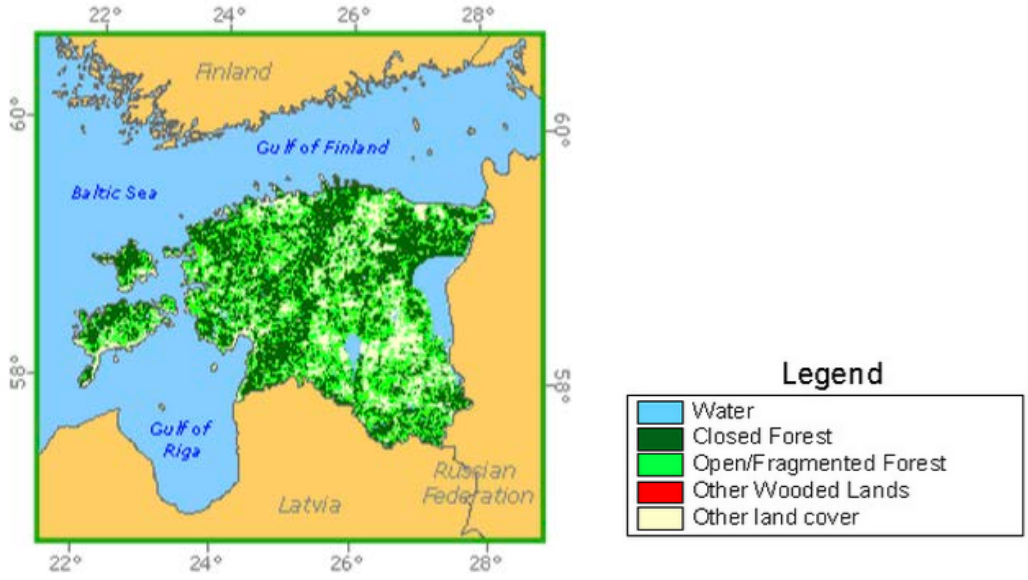


Figure 1. Forest cover of Estonia (FAO: http://www.fao.org/forestry/country/en/est/).

Figure 2. The distribution of growing stock by tree species (Yearbook Forest 2014).

For logging in any type of forest, it is required that a valid forest inventory or forest management plan, along with a felling permit issued by the Environmental Board, is available. All issued felling permits and forest inventory data is available in the public forest registry online database[7].

Area of protected forests accounts for 25.3% of the total forest area whereas 10% is considered to be under strict protection. The majority of protected forests are located on state property. The main regulation governing the preservation of biodiversity and the sustainable use of natural resources is the Nature Conservation Act[8]. Estonia has signed the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) in 1992[9] and joined the International Union for Conservation of Nature (IUCN) in 2007[10]. There are no CITES or IUCN protected tree species naturally growing in Estonia.

According to the Forestry Yearbook 2014 the wood, paper and furniture industry (646,4 million euro) contributed 23.7% to the total sector providing 3.8% of the total value added. Forestry accounted for 1.5% of the value added.

In Estonia, it is permitted to access natural and cultural landscapes on foot, by bicycle, skis, boat or on horseback. Unmarked and unrestricted private property may be accessed any time to pick berries, mushrooms, medicinal plants, fallen or dried branches, unless the owner forbids it. On unmarked and unrestricted private property camping is allowed for 24 hours. RMK creates exercising and recreational opportunities in nature and in recreational and protection zones and also provides education about nature.

Belarus forest resources

In Belarus forests cover area of 9,5 milj hectares. According to the data of the State Forest Ministry Woodenness amounts to 39,3 % Forest industry input into IKP is 1,1%;; The area covered by forest is increasing. The expansion happens both naturally and by afforestation of infertile land unsuitable for agriculture. Within the last decade, the timber production in Belarus has fluctuated aprox., 11 million cubic metres (http://www.mlh.by , 2015.)

Total land area 20,748;; Inland water bodies 12;; Total area of country 20,76 Source: http://www.mlh.by , 2015.

Distribution of forests by the dominant species: • pine 50,4%;; • spruce 9,2%;; • birch 23,1%;; • black alder 3,3%;; • grey alder 3,3 %: • aspen 2,1%;; • other species 3,3%.

Source: http://www.mlh.by , 2015.

Timber production by types of cuts, by volume produced (2013): • final cuts 34,5 %;; • thinning 45,79 %;; • other types of cuts 19,62 %. Source: http://www.mlh.by,

Biological diversity

Belarus has been a signatory of the CITES Convention since 1995. CITES requirements are respected in forest management, although there are no species included in the CITES lists in Belarus. Forest regeneration is carried out annually over an area of 32,000 ha, including 81% of the forest planting planting and seeding and 19% by natural regeneration. http://belstat.gov.by/ (2015.y.) There are 2 strictly protected Nation reserves and 4 National parks present in Belarus at the moment. Area of National reserves accounts 2,98 milj ha and area of National parks is 3,98 milj ha.

Forest and community

In 2014 in all kinds of felling there were harvested 12,5 million m3 marketable timber. Foreign trade surplus made USD 104 million. 1.9 million cubic meter round timber and 191.8 thousand cubic meter sawn timber were sold abroad. Forest products and services were exported to 25 states, including 95,3% to the near abroad and 4,7% to the remote countries. Among the main forest export directions are Poland (47,9% of the total export volume in value terms), Germany (11,4%), Lithuania (10%), Latvia (8,62%), the Netherlands (3,3%), Belgium (3,46%), Sweden (3,25%).

All forest area is certified by PEFC certification scheme..

RUSSIA

The total area of FSC forest land on the territory of the Russian Federation is 764 million hectares, accounting for about 21% of world reserves of standing timber. Forests cover 46.6% of the area of the Russian Federation, which is 1183.3 million hectares. Forests are mainly boreal. The main wood species are pine, spruce, birch, aspen. Areas occupied by the main wood species plantations remain rather stable within last decades. Hardwood species compose 68.4%, softwood – 21,7%. Other wood species compose less than 1% of the forests. The total reserve of the wood in the forests located on forest fund land is 80 billion m3. In accordance with Russian legislation all forest fund land are state property. Legal entities can use forest areas in lease and short-term use. Lease relations are the dominant legal form of forests using. The lease term may continue from 10 to 49 years. The using of forests as an entrepreneurial activity, can be given to entities registered in the territory of the Russian Federation as a legal entity or individual entrepreneur (in accordance with the legislation of the Russian Federation). Entering into the lease agreement or sale contract of forest plantations is carried out at the auction for the selling the right to enter into such agreements. Forest areas for a lease must pass a state cadastral registration. According to the Forest Code of the Russian Federation each forest user taking a lease forest land obliged:

- to carry out the activities on protection and reproduction of forests;
- to provide annual forest declaration;
- to issue a project of forest assimilation;
- to provide a report on the use of forests, their protection and reproduction.

Allowable wood-cutting area in the Russian Federation is about 660 million m3, including softwood - 370 million m3. Using the allowable wood-cutting area does not exceed 35% of the country territory. According to Rosleskhoz (Russian Forestry) data the total recourses of increased volumes of cutting with the aim of cutting within the country is about 400 million m3 per year. High quality reproduction of forest resources and protective forestation is a prerequisite for use of forests. All reforestation activities in leased forest areas are planned and carried out by forest users at their own expense in accordance with the forest management projects. The main way of reforestation in the Russian Federation is the procurement of natural regeneration. Artificial reforestation is carried out by creating forest plantations: planting or seeding of forest plants in the region of the supply base where active wood-cutting is taking place. As well all forest users plan and implement a set of fire-prevention measures aimed at preventing and reducing the after-effects of forest fires in the summer period.

According to the forest legislation of the Russian Federation the species listed in the Red Book shall be preserved as well as their habitats when harvesting. Banned is harvesting of precious, become extinct and specially protected wood species.

Traditionally in Russia softwood is harvested. However, for the pellets production a substantial part of the raw material is hardwood.

Forest complex of the Russian Federation, including the forestry and forest industry of harvesting and wood handling occupies an important place in the economy of the country. Products of forest complex are widely used in many industries, construction, agriculture, printing, trade and medicine.

The forest complex of the Russian Federation employs about 60 thousand of large, medium and small enterprises in all regions of the country.

The share of the forestry sector accounts 1.3% of GDP; 3.7% of the total industrial output, 2.4% of foreign profits in the scale of the Russian Federation. The total number of employees in the forest complex of Russia is about 1 million people.

From the total production of forest complex of the Russian Federation about 60% products are for the domestic market and 40% - for export.

The consumers of the forest products at shaped and expanding markets require from their suppliers to refuse from the participation in the harvesting of forest products of dubious origin, as well their processing and marketing.

Forest certification is an effective tool for combating against illegal harvesting and illegal wood trade. The forest certification FSC (Forest Stewardship Council) is widely used in Russia. Also the certification system PEFC (Program for the Endorsement of Forest Certification Schemes) is used but less extensively. Certified forest area in Russia is about 40 million hectares, or 30% of the total number of forest under lease. Certified forests are located in 25 regions of Russia. The number of FM certificates on forest management is 121, the number of chain of custody certificate CoC is 320. Also the number of certificates for controlled wood is growing steadily, according to recent data it was about 140. The dynamics of forest certification in Russia points to the ever-increasing activity of wood companies, which indicates to the responsibility to ensure the legality of wood harvested and compliance with environmental and other requirements.

SWEDEN

Forest resources

Sweden is parliamentary constitutional monarchy that joined EU in 1995.
The Swedish Forest Agency us the national authority responsible for matter relating to the forest. 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. Sweden has Europe's second biggest afforested area after Russia. Sweden's productive forests cover about 23 million hectares. However, if this area is calculated according to international forest land definitions, it is 27 million hectares. Spruce and pine are by large the predominant species in Swedish forests. These two species count more than 80 % of the timber stock. In northern Sweden pine is the most common species, whereas, spruce, mixed with some birch, dominates in southern Sweden. Due to effective and far-sighted forest management, the timber stock in Sweden has increased by more than 60 % in the last hundred years and it is now 300 million m3. In recent years felled quantities have been between 85 and 90 million m3, whereas annual growth amounts approximately to 120 million m3.

Biological diversity

The amount of protected forests in Sweden amounts to circa 1.9 million hectares. A great extent, about 90 % of these forests are the kind of forests in which minor interventions are allowed. The share of strictly protected forests, where no human interventions are allowed is 0.3 % from the forest area. National parks, nature reserves and nature conservation areas cover as area of 4.2 million hectares, i.e. 10% of Sweden's land area. There are at least 220.00 hectares of protected forests which still in terms of forest growth are productive. In addition, there are about 12.000 hectares of protected habitat types and 25.000 hectares of wood land set aside and protected by environment conservation agreements. Large forest areas are also protected trough forest owners' voluntary activities. Swedensigned the Convention on International Tarde in

Endangered Species of Wild Fauna and Flora in August 1974 and the convention entered into force in July 1975. Sweden has also established an IUCN National Committee.

Forest and community

Private forest owner families hold about 50 % of Swedish forests, privately owned forestry companies about 25 % and the State and other public owners have the remaining 25 %. The ownership of forests in Sweden varies between regions. In Southern parts of the country forests are mainly owned by private persons whereas in Northern Sweden companies own more significant amounts of forests.11

Certification

Focusing on sustainable sourcing solutions 80 % of the Swedish forest land is certified under either the FSC or under PEFC certification schemes. FSC certified forests amount to 10.2 million hectares and PEFC certified to 7.5 million hectares. Of the total 7.5 million hectares certified under the PEFC scheme, 3 million hectares are family owned.

FINLAND

Finnish forests resources

The amount of timber in Finnish forests increases every year. Annual fellings have for a long time been smaller than growth.

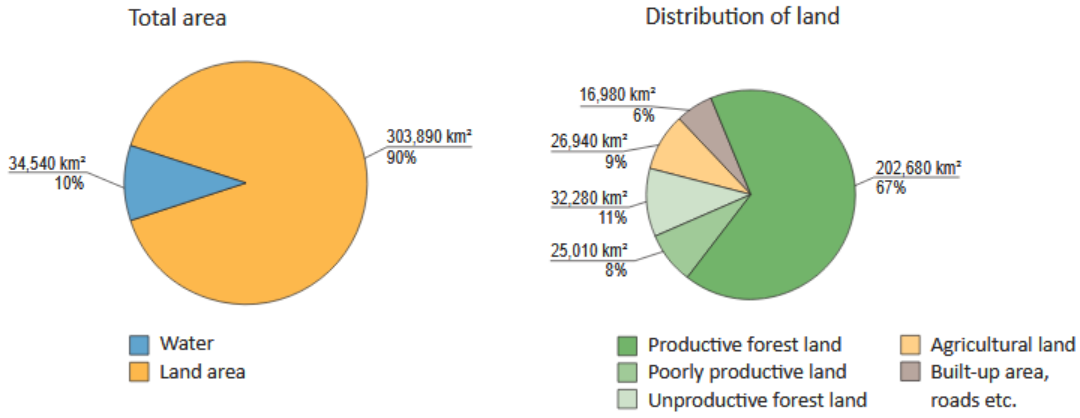
The total volume of timber in Finnish forests was 2,360 million cubic metres in 2014. The annual growth of Finnish forests has for a few years already exceeded one hundred million cubic metres. Trees grow only during the growing season, which in Finland is about 80 days long. In 2014, the annual growth was 104 million cubic metres so the daily growth was over one million cubic metres.

When annual removals are subtracted from annual growth the result is annual increment: the amount the timber volume increases in forests per year. Removals include fellings, the parts of trees left in forests from felled trees and trees which die naturally. For all tree species and all forestry areas of Finland, the annual growth is greater than annual removals.

TOTAL AREA	33.8 mill. ha
Water	3.5 mill. ha
TOTAL FOREST AREA	26.2 mill. ha
Share of land area	86 %
Productive forest land	20.3 mill ha
Low productive forest land	2.5 mill. ha
Other forestry land	3.2 mill. ha
Logging roads etc.	0.2 mill. ha
Family forests	53 %
State-owned	35 %
Industry-owned	12 %
POPULATION	5.5 mill
FOREST PER PERSON (productive and low productive forest land)	4.1 ha
PROTECTED FORESTS	2.7 mill. ha
Share of productive and low productive forest land	12 %

STANDING TIMBER STOCK	2,356 mill. m³
FOREST GROWTH PER YEAR	105.5 mill. m³
LOGGINGS PER YEAR	70 mill. m³
HARVESTED FOREST AREA	3.0 %
Fellings for regeneration	0.7 %
Thinnings 2.2 %	
CERTIFIED FOREST (PEFC & FSC)	19,1 mill. ha
FOREST SECTOR'S SHARE OF GDP	4.1 %
Value of exports	11,7 bill. €
Share of exports	21.7 %
Employees	65 000
Share of total employment	2.6 %

FINLAND – A LAND OF FORESTS



Compared to the start of the 21st century, the timber resources in Finland have increased by 60 percent, even though over ten percent of land area and best forest resources of Finland were ceded to the Soviet Union after the Winter War in 1940. On the average, there is 111 cubic metres of timber on a hectare of forest land;; in 1970's the figure was 75 cubic metres.

Forests cover 75 percent of Finland's land area. For every Finn, there is around 4,2 hectares of forest.In Finland, land area is classified according to its use. 86 percent of land area is forestry land. The rest is agricultural land, built-up areas etc.
Forestry land is further divided into different types according to the productivity of the land: productive forest land, where the annual wood growth is over one cubic meter per hectare, poorly productive forest land, where growth is between 0.1 and 1 cubic metres, and unproductive forest land, where the annual growth is below 0.1 cubic metres.

When Finns talk about forests, they mean the area of forest land and poorly productive forest land combined. Most of Finnish forests grow on productive forest land, which covers an area of 20.3 million hectares.
34 percent of forestry land consists of peatlands. The area of forest land increased from the 1950's up to the 1980's, because peatlands were drained for forestry use. This resulted in higher productivity per hectare.

In terms of phytogeography, 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 trees species.
Almost half of the volume of the timber stock consists of pine (*Pinus sylvestris*). The other most common species are spruce (*Picea abies*) downy birch (*Betula pubescens*) and silver birch (*Betula pendula*). These species make for 97 percent of total timber volume in Finland.

The majority of Finnish forests are mixed, which means that they are made of more than one species. In all, Finland has about thirty indigenous tree species.

Private forest owners - family forests predominate

As in other countries in western Europe, forests in Finland are mainly owned by private people and families. In the principal growth area, southern and central Finland, about 3/4 of all for ests are in private ownership, and in some areas in southern Finland the percentage can exceed 90%. State forests are for the most part situated in northern and eastern Finland.

Forest certification is a voluntary instrument for market actors. It serves as an adjunct to the implementation of sustainable forest management, ensuring the commitment by the actors to silvicultural instructions and standards. In forest certification, an independent third party grants a certificate (sustainable forestry certificate) vouching for the sustainable management and use of the forest holding in accordance with an agreed standard. The major international certification systems are the PEFC (Programme for the Endorsement of Forest Certification Schemes) and the FSC (Forest Stewardship Council).Finland has its own national certification system, the FFCS (Finnish Forest Certification System), designed in the 1990s for family forestry. The system was accepted as part of the PEFC in 2000. Finland's PEFC forest certification standards have been updated twice since acceptance in 2000. Today, 95% (22 million hectares) of Finland's forests are certified under the PEFC system. Finland's FSC certification standards were completed and approved by the international FSC in 2010. The number of forest holdings certified under the FSC system is expected to increase in Finland in the near future.

Sources: https://www.smy.fi/en/forest-fi/graphs/forest-resources/ https://www.smy.fi/en/forest-fi/forest-facts/finnish-forests-resources/

http://www.metla.fi/julkaisut/seuranta/pdf/state-of-finlands-forests-2011.pdf

2.2 Final harvest sampling programme

The proportion of provided Biomass from primary feedstock from the base logging area is approximately 5-10% compared to other types of feedstock. Primary feedstock is obtained from Supply Base Area and is formed by roundwood (firewood, pulpwood assortment), also branches as wood residues.

Feedstock is obtained on well developed, free and open market where competition of other consumers is present. The price-lists of the assortment offered are publicly available to all companies in the field of forestry. The price-lists clearly state that saw log (including finishing log) is the most valuable product, whereas wood intended for fuel (for SBP biomass) is significantly less valuable. This information is obtained from documents and data submitted by suppliers and persons involved in forest development.

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

Insert flow diagram.

2.4 Quantification of the Supply Base

Provide metrics for the Supply Base including the following. Where estimates are provided these shall be justified.

Supply Base

a. Total Supply Base area (ha): Estonia 2,23 mln;; Latvia 3,05 mln;; Finland 1,24 mln;; Sweden 12,59 mln;; Russia 885 mln.;; Belarus 7,894 mln. Total: 912 mln ha
b. Tenure by type (ha): Estonia and Latvia 2,65 mln state forests;; 2,63 mln private forests, Russia 885 mln state forests;; Belarus 7,894 mln ha state forests (for Sweden and Finland the exact distribution is not known but using the countries' statistical averages the total split for the countries is 10,8 mln private forests and 4,7 mln state forests.)
c. Forest by type (ha): boreal 912 mln
d. Tenure by type (ha): privately owned/public/community concession
e. Forest by type (ha): boreal/temperate/tropical
f. Forest by management type (ha): plantation/managed natural/natural
g. Certified forest by scheme (ha): FSC 68,273 mln;; PEFC 24,791 mln

Feedstock

h. Total volume of Feedstock: 35566,90 m^3
i. Volume of primary feedstock 0 m^3 - *
j. List percentage of primary feedstock (g), by the following categories.. Subdivide by SBP-approved Forest Management Schemes:
    - Certified to an SBP-approved Forest Management Scheme ~0%
    - Not certified to an SBP-approved Forest Management Scheme ~0%
k. List all species in primary feedstock, including scientific name:

    Picea abies;; Pinus sylvestris;; Alnus glutinosa;; Alnus incana;; Populus tremula;; Betula pendula;; Betula pubescens;; Fraxinus excelsior;; Tilia cordata;; Salix spp.

l. Volume of primary feedstock from primary forest: 0%
m. List percentage of primary feedstock from primary forest (j), by the following categories. Subdivide by SBP-approved Forest Management Schemes: NA
    - Primary feedstock from primary forest certified to an SBP-approved Forest Management Scheme NA
    - Primary feedstock from primary forest not certified to an SBP-approved Forest Management Scheme NA
n. Volume of secondary feedstock: specify origin and type – woodchips 32101,87 m3, bark 3465,03 m3
o. Volume of tertiary feedstock: specify origin and composition – 0 m3

3 Requirement for a Supply Base Evaluation

SBE completed	SBE not completed
X	☐

SBP biomass supply evaluation includes:

- primary wood (round wood)
- secondary wood (chips, sawdust after processing)

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

SIA ACA TIMBER used the already developed interim risk assessment project for Latvia as a basis

The risk category and justification for both types of biomass origin is a "defined risk", where the level of risk has been changed and reviewed in the regional risk assessment and evaluation process, taking into account the type of activity and profile of SIA ACA TIMBER

A revised and updated risk assessment was sent to the public consultation. The risk assessment (RA) was sent to the public consultation on 20may 2019.

The supply base report, which describes the risk mitigation measures that are combined with the risk assessment, is publicly available on the website of SIA ACA TIMBER.

The risk assessment is divided into: "Low risk", "Defined risk" or "Undefined risk".

Provide a concise summary of why a SBE was determined to be required or not required.

4 Supply Base Evaluation

4.1 Scope

Applies to pre-logging, logging or post-logging time.

Applies to the secondary feedstock after round wood processing as wood residues: sawdust and chips.

4.2 Justification

The risk assessment has been developed in accordance with SBP standard No. 1; No. 2 version 1.0, March 2015, evaluating the risk categories for each SBP indicator. In describing and evaluating the risks, the company acquired an in-depth understanding of the risks of wood supply that could affect the acceptance of inappropriate SBP material for biomass production.

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

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

At the risk assessment stage, the risk assessment for Latvia, which was available during the consultation process on the SBP website, was taken into account.

SIA ACA TIMBER initially developed a risk assessment based on the SBP standard No. 1 version 1.0, 2015 Risk assessment and the public risk assessment developed by NEPCon.

Indicators of the specified risk category "defined risk" and those indicators, the risk level of which was changed during the risk assessment process (for example, 1.1.2, 1.4.1, 2.2.5, see the draft version of the Regional Risk Assessment for Latvia), were reviewed, assessed in accordance with requirements of the State laws and regulatory enactments, State policies (in the area of forest sector, nature protection, biodiversity, etc.), an annual report and publications for the responsible State institutions and bodies). In addition, the risk assessment has been carried out through communication and consultation with stakeholders and leading experts in the nature protection and forestry sectors.

During the public consultation with the stakeholders as well as contacting biomass suppliers, additional information related to the current "defined risk" and "low risk" indicators has been obtained

as well as indices, information given in risk indicators were not changed during risk assessment. Thus, the risk assessment report for SIA ACA TIMBER is no different from the Regional risk assessment project for Latvia.

In consultation with stakeholders, communicating with biomass suppliers, information and approval were obtained which of the risk indicators are of immediate interest in the Latvian forest sector.

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

4.3 Results of Risk Assessment

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

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

4.4 Results of Supplier Verification Programme

Audits of the SBP-approved suppliers and results described below and related to the defined risks are available to third parties and stakeholders as documentary evidence of audits performed.

In the course of the risk assessment, information was obtained based on both regulatory enactments and physical check of information on site for all SBE risk categories; it was confirmed that a certain risk may be assigned to four categories – biotope protection (HCV category 3), occupational safety, conservation of bird habitats (HCV category 1) and cultural heritage objects (HCV category 6), while risk for the other categories is low.

Risk assessment and risk mitigation mechanism compliance audits for primary wood confirmed the relevance of the defined risks in forestry.

Secondary wood supply verification, direct supply from saw mills, for which risk mitigation measures are taken at the forest plot supply level.

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4.5 Conclusion

From January 1, 2019, when requirements of the SBE standards were initiated and implemented, compliance with the defined risks of wood suppliers was reviewed. Only a small percentage of suppliers having direct logging and competence to assess potential risks that are approved as SBP suppliers for wood are not certified according to FSC or PEFC standard requirements.

The volume of FSC- or PEFC-certified forests and access to certified wood is not enough to ensure that at least 100 % of the biomass is a SBP-compliant biomass.

As a result of the implementation of risk mitigation measures, SIA ACA TIMBER has confirmed all suppliers (loggers that extract wood from their own or other owners' forests) can provide risk mitigation measures and meet the SBE low risk category at supply level.

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

5 Supply Base Evaluation Process

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

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

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

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

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

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

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

SBE system development for supply assessment and risk mitigation measures are performed by SIA ACA TIMBER company Timber logistic (Bc.silv. forestry education) manager Matīss Kreklis with more then five years long experience in the procurement market of Baltic States, long-term experience in maintaining FSC system and assessment of wood origin at forest management and 8 years long experience and knowledge in forestry, supplies of wood, procurement and legislation.

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

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6 Stakeholder Consultation

On 20.may 2019, SIA ACA TIMBER published a SBP risk assessment on the website. A letter of information on the developed risk assessment in accordance with the SBP standard was sent electronically to stakeholders. A list of stakeholders has been developed in such a way that to include the maximum number of recipients representing the economic, social and environmental interests of the society as well as local governments. The total number of recipients is 86.

During the public consultation, the meetings with stakeholders face-to-face and both correspondence and telephone interviews are planned.

SBP risk assessment is available on the company's website:

http://www.acatimber.lv

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6.1 Response to stakeholder comments

Provide a summary of all stakeholder comments received and how the comments were taken into consideration in the SBE process.

Comment 1:

After the consultation process, was received a letter from the Nature Conservation Agency were company recived recommending the updating of forests data in Latvia, as well as a request for clarification of the supply base.

Responses with clarifications and corrections to the text were made within two weeks and a statement of action was sent back to the Nature Conservation Agency

7 Overview of Initial Assessment of Risk

A summary of the Risk assessment results is provided in the table below.

The risk assessment level for each indicator revised by SIA ACA TIMBER has been developed with the SBP Regional risk assessment in Latvia, developed by NEPCon on the basis of the SBP standard No. 1 version 1.0 of 19 September 2016.

Indicators of the defined risk specification "special risk" and those indicators, the risk level of which was changed during the risk assessment process, were reviewed, assessed in accordance with requirements of the laws, State policies (in the area of forest sector, nature protection, biodiversity, etc.), an annual report and publications for the responsible State institutions and bodies). In addition, the risk specification has been carried out through consultation with stakeholders and leading experts in the nature protection and forestry sectors.

Prior to and after the publication of the risk assessment, SIA ACA TIMBER has started the risk mitigation process for the specified risk categories. The results are shown in Table 7 and Table 8 below.

The results of the risk assessment are summarized in the table below.

After publication of the risk assessment, SIA ACA TIMBER began verification of two selected defined risks on site. The results are presented in Paragraph 7 and Paragraph 8.

Table 1. Risk assessment results report for all indicators (before the supplier verification programme (SVP))

Indicator	Initial Risk Rating		
	Specified	Low	**Unspecified**
1.1.1	X		
1.1.2	X		
1.1.3	X		
1.2.1	X		
1.3.1	X		
1.4.1	X		
1.5.1	X		

Indicator	Initial Risk Rating		
	Defined	Low	**Unspecified**
2.3.1	X		
2.3.2	X		
2.3.3	X		
2.4.1	X		
2.4.2	X		
2.3.4	X		
1.5.2	X		

1.6.1	X		
1.1.2		X	
2.1.2		X	
2.3.1	X		
1.2.2	X		
2.2.2	X		
2.3.2	X		
2.2.4	X		
2.2.5	X		
2.2.6	X		
2.2.7	X		
2.2.8	X		
2.2.9	X		

2.5.2	X		
1.6.2	X		
2.7.1	X		
2.7.2	X		
2.3.7	X		
2.7.4	X		
2.7.5	X		
2.8.1		X	
2.9.1	X		
2.9.2	X		
2.10.1	X		

8 Supplier Verification Programme

8.1 Description of the Supplier Verification Programme

Risk mitigation measures are related to the following feedstock categories:

- supplies of primary feedstock from Latvian forest properties before logging and after logging as well as during logging;
- secondary feedstock suppliers;
- the primary biomass cannot be qualified and does not apply to tree species such as oak, ash, maple, wych elm, elm, if their diameter on the stump is more than 70 cm
- For primary feedstock supplies, the company registers and checks all the information on the origin of incoming wood at the forest plot level to exclude the possibility that logging certificates are submitted by suppliers for other properties, not related to the wood supply.
- Cadastre plots of the wood supplied are checked in Latbio to find the indication "Protected forest biotope may be present or environmental protection limitations established".
- Additional information, survey data are obtained from databases or forest proprietors, loggers.

- For all property plots that have the indication "Protected forest biotope may be present or environmental protection limitations established" an assessment in available databases is performed and/or the plots are physically visited in real life.
- For properties with the indication "Protected forest biotope may be present or environmental protection limitations established", during the audit, biotope expert confirmed audit forms are checked and filled in (check page, control page). For the plots audited after or before logging and where signs of possible biotopes are found, a biotope expert is invited. If a possible biotope is confirmed, the company assesses future cooperation with the supplier, does not accept the wood from the corresponding cadastre plot, in case of delivery cancels the amount of the corresponding assortment. In the risk mitigation process, when assessing plots before logging, adjacent plots are also examined to check for the presence of possible bird nests or historical and cultural objects.

Information on the involvement of subcontractors in logging is obtained from all suppliers. Work safety risk mitigation audits are planned or performed spontaneously for all suppliers which outsource or do the logging themselves with manual teams. Taking into account the deficit of human resources in logging, companies use forest machinery more and more. In the report for the audit year it was found that approximately 60-90% of all supplies are made with forest machinery.

8.2 Site visits

Risk mitigation measures are related to the following feedstock categories:

- supplies of primary feedstock from Latvian forest properties after logging
- the primary biomass cannot be qualified and does not apply to tree species such as oak, ash, maple, wych elm, elm, if their diameter on the stump is more than 70 cm
- For primary feedstock supplies, the company registers and checks all the information on the origin of incoming wood at the forest plot level to exclude the possibility that logging certificates are submitted by suppliers for other properties, not related to the wood supply.
- Cadastre plots of the wood supplied are checked in Latbio to find the indication "Protected forest biotope may be present or environmental protection limitations established".
- Additional information, survey data are obtained from databases or forest proprietors, loggers.

- For all property plots that have the indication "Protected forest biotope may be present or environmental protection limitations established" an assessment in available databases is performed and/or the plots are physically visited in real life.
- For properties with the indication "Protected forest biotope may be present or environmental protection limitations established", during the audit, biotope expert confirmed audit forms are checked and filled in (check page, control page). For the plots audited after or before logging and where signs of possible biotopes are found, a biotope expert is invited. If a possible biotope is confirmed, the company assesses future cooperation with the supplier, does not accept the wood from the corresponding cadastre plot, in case of delivery cancels the amount of the corresponding assortment. In the risk mitigation process, when assessing plots before logging, adjacent plots are also examined to check for the presence of possible bird nests or historical and cultural objects.

Information on the involvement of subcontractors in logging is obtained from all suppliers. Work safety risk mitigation audits are planned or performed spontaneously for all suppliers which outsource or do the logging themselves with manual teams. Taking into account the deficit of human resources in logging, companies use forest machinery more and more. In the report for the audit year it was found that approximately 80-95% of all supplies are made with forest machinery.

8.3 Conclusions from the Supplier Verification Programme

Labour protection and occupational safety supervision risk programme

Labour protection audits were launched in September 2016. The audits were previously planned and carried out for all suppliers; totally 3 audits of logging companies were carried out during logging work, previously requesting information from suppliers on logging sites and service providers. The selection of territories and suppliers to be audited was carried out in such a way that to cover both the supply regions and the different logging companies and their contractors. The regions included in the audit programme are: all Latvia region. Records and observations have been made for each supplier's audit performed.

After the performed audits it can be concluded that labour protection and occupational safety risks associated with logging work on both forest lands and non-forest lands are divided into two categories:

1) Logging with mechanized logging machines (so called harvesters) performing many operations decreases the risks associated with labour protection and occupational safety as much as possible. The performed audits revealed insignificant shortcomings.
2) Occupational safety and labour protection violations; no discrepancies were found where logging was done with hand-operated chainsaws.

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

The audits of the biotopes supervision risk programme began in March 2017. Within the framework of the programme, before the beginning of the logging work and during logging, those cutting sites and areas adjacent to the cutting site were audited, where, according to Latbio, Nature protection board the potential of natural forest biotopes has been identified.

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

The following conclusions were made from the performed audits:

1) Suppliers have an understanding of the biotope evaluation mechanism, suppliers are aware of the need for a biotope evaluation audit before the beginning of the logging work. Potential cutting sites in managed forests or on agricultural lands, where there was a small possibility for the existence of a forest biotope, have been inspected in audits on site.
2) There were no sites of cultural heritage value found in the forest plots selected during the logging process. The audits found that suppliers are aware that the protection of cultural

heritage values is regulated by the legislation of the Republic of Latvia. A survey of logging companies concluded that if a cultural heritage object was detected on the cutting site during the logging work, the State forest service and the relevant local government are informed about it in writing. The logging work is terminated until the relevant decision is received from the responsible authorities.

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

During the audit, it was found that logging companies are ready to present to the auditor of SIA ACA TIMBER the forest properties that are left as biologically valuable forests (forest biotopes of EU importance, natural forest biotopes), where logging will not be carried out or about which the management of the ACA TIMBER company will be informed. Wood from these forest units/properties (enterprises) will not be purchased or delivered.

Summarise conclusions from the SVP.

9 Mitigation Measures

9.1 Mitigation measures

9.1.1. Risk mitigation measures are related to the following biomass supply risk categories:

- Identification of signs of forest biotopes of European importance, natural forest biotopes,
- Identification of cultural heritage monuments, sites of cultural heritage value in the logging process,
- Identification of bird nesting sites,
- Reduction of labour protection and occupational safety risks.

9.1.2. Audit process:

9.1.2.1. Monitoring audits are performed for all plots of the wood supplied by the suppliers for all plots with the indication “Protected forest biotope may be present or environmental protection limitations established”.

9.1.2.1. For suppliers that are approved as SBP-compliant feedstock suppliers, audits and evaluation for all categories are performed only before or during logging.

9.1.2.2. Following the results of surveillance audits and supplier evaluation, the management of the company takes a decision on further cooperation with the supplier, wood supply conditions and the volume of supply. Suppliers that refuse to inform ACA TIBER SIA on planned logging volumes as well as refuse to cooperate with ACA TIBER SIA during audits may be excluded from the list of suppliers.

9.1.2.3. ACA TIBER SIA by attracting relevant biotope experts, specialists as well as forestry occupational safety specialists carries out additional informative seminars for suppliers in order to familiarize as much as possible the suppliers with SBP-compliant feedstock supply conditions and potential risks, thus reducing delivery risks of feedstock that is not compliant with SBP standards.

9.1.3. General description of the risk mitigation system:

9.1.3.1. General measures for risk mitigation:

9.1.3.1.1. Purchase of the FSC-certified wood as a priority for the purchase of the SBP-compliant biomass.

9.1.3.1.1. Concluding supply contracts and including provisions of SBP standards for biomass supply, timely identification and mitigation of SBP-noncompliant feedstock supply risks.

9.1.3.1.2. Carrying out a biotope risk assessment procedure before logging, during logging or after logging, which includes the following set of measures:

a) check of cadastral numbers before the beginning of logging on cutting sites, during logging or after logging, using the "Biotope tool" available in the Latbio database http://latbio.lv/MBI/search_db;

b) Check of the existence of the forest biotope of European importance, the potential forest biotope (FB) in each territory of the potential cutting site, using the Natural data management system "OZOLS" http://www.daba.gov.lv/public/lat/dati1/dabas_datu_parvaldibas_sistema_ozols/ http://www.daba.gov.lv/public/lat/publikacijas/parskati_zinojumi/

c) An evaluation form (questionnaire) before logging has been developed, which includes all three risk categories. The form has been developed together with forest biotope experts to identify and minimize impact on potential biotopes, recognize and protect cultural heritage objects and bird nesting sites.

9.1.3.1.3. The process of assessment of labour protection and occupational safety risks takes place during the logging work, within which the logging master performs checks based on a developed form that includes the minimum requirements for occupational safety in the forest

9.1.3.1.4. The company's logging masters and biomass suppliers are undergoing training and seminars. The purpose of the training is to enable loggers, suppliers to identify signs of potentially available biotopes, bird nesting sites, cultural heritage objects as well as to fully ensure the occupational safety requirements at their and service provider companies.

9.1.3.1.5. Evaluation of the effectiveness of risk mitigation measures and the results of audits are available upon request from stakeholders, meeting face-to-face and explaining the general mechanism of risk mitigation measures, benefits as well as encouraging further collaboration in the risk identification and mitigation process.

9.2 Monitoring and outcomes

Accepting the wood of all suppliers with CA that meets the origin criteria, the company during the annual review has found that suppliers are not forced to select and specify the CA number and submit a CA copy to the company, which does not correspond to the actual wood origin.

The company has also refused to accept wood from suppliers for which a field evaluation was performed before logging or recommended to preserve the possible natural values.

Supply regions – Latgale, Zemgale, Vidzeme,

After the SBP risk mitigation audits, training is recommended for suppliers – forest proprietors, logging companies. An understanding of SBE requirements has formed regarding risk categories, their identification and risk mitigation mechanism.

As a result of the risk assessment, during the past 5 months the number of indications with the reference “Protected forest biotope may be present or environmental protection limitations established” has decreased.

Detailed information on each indicator is provided in the risk assessment..

10 Detailed Findings for Indicators

Detailed information on each indicator is provided in the risk assessment. The risk assessment is available on the website of SIA ACA TIMBER at: http://www.acatimber.lv .

11 Review of Report

11.1 Peer review

Jānis Rozītis – the World Wildlife Fund (WWF associate partner in Latvia) – experience in sustainable forestry practice, assessment.

11.2 Public or additional reviews

If another type of external review was done prior to finalisation of this report (e.g. publication for comments by stakeholders, NGOs, or other independent third parties), describe the process here.

12 Approval of Report

Approval of Supply Base Report by senior management			
Report Prepared by:	***ARMANDS APFELBAUMS***	***Member of the Board***	***20.05.2019***
	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:	***Matīss Krekls***	***Timber logistic manager***	***20.05.2019***
	Name	**Title**	**Date**
Report approved by:	***Iveta Krastiņa***	***Finance director***	***20.05.2019***
	Name	**Title**	**Date**
Report approved by:	***[name]***	***[title]***	***[date]***
	Name	**Title**	**Date**

13 Updates

Note: Updates should be provided in the form of additional pages, either published separately or added to the original public summary report.

13.1 Significant changes in the Supply Base

Provide a description of any significant changes to the supply base.

13.2 Effectiveness of previous mitigation measures

For each mitigation measure identified during the evaluation, give a detailed account of whether the measures were shown to be effective or not.

13.3 New risk ratings and mitigation measures

Provide an update of risk ratings for all relevant Indicators.

13.4 Actual figures for feedstock over the previous 12 months

Taking into consideration that SBR is publicly available document, which is available not only for the purchasers of the product, but also for others interested, he management of the company has decided to display the data as limit indicators in order not to display the exact data of raw materials and the product.

1 January – 20 May 2019.

Tottal volume: 35 566,90 m3

*

13.5 Projected figures for feedstock over the next 12 months

Taking into consideration that SBR is publicly available document, which is available not only for the purchasers of the product, but also for others interested, he management of the company has decided to display the data as limit indicators in order not to display the exact data of raw materials and the product.

1 January 2019 – 31.December 2019.

Tottal volume: 100 000 m3