



# Supply Base Report: ACA Timber SIA

Third Surveillance Audit

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# Completed in accordance with the Supply Base Report Template Version 1.4

For further information on the SBP Framework and to view the full set of documentation see [www.sbp-cert.org](http://www.sbp-cert.org)

## *Document history*

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# 1 Overview

**Producer name:** ACA Timber SIA

**Producer address:** Izstāžu komplekss Rāmava, Valdlauči, Ķekavas pagasts, LV-1076  
Ķekavas novads, Latvia

**SBP Certificate Code:** SBP-07-37

**Geographic position:** 56.900430, 24.148640

**Primary contact:** Armands Apfelbaums,+371 202 627 56,apfelbaums@acatimber.lv

**Company website:** <http://www.acatimber.lv/>

**Date report finalised:** N/A

**Close of last CB audit:** N/A

**Name of CB:** Preferred by Nature OÜ

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

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

**SBP Endorsed Regional Risk Assessment:** Latvia

**Weblink to SBR on Company website:** N/A

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

## 2 Description of the Supply Base

### 2.1 General description

**Feedstock types:** Primary, Secondary

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

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

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

**Country:** Latvia

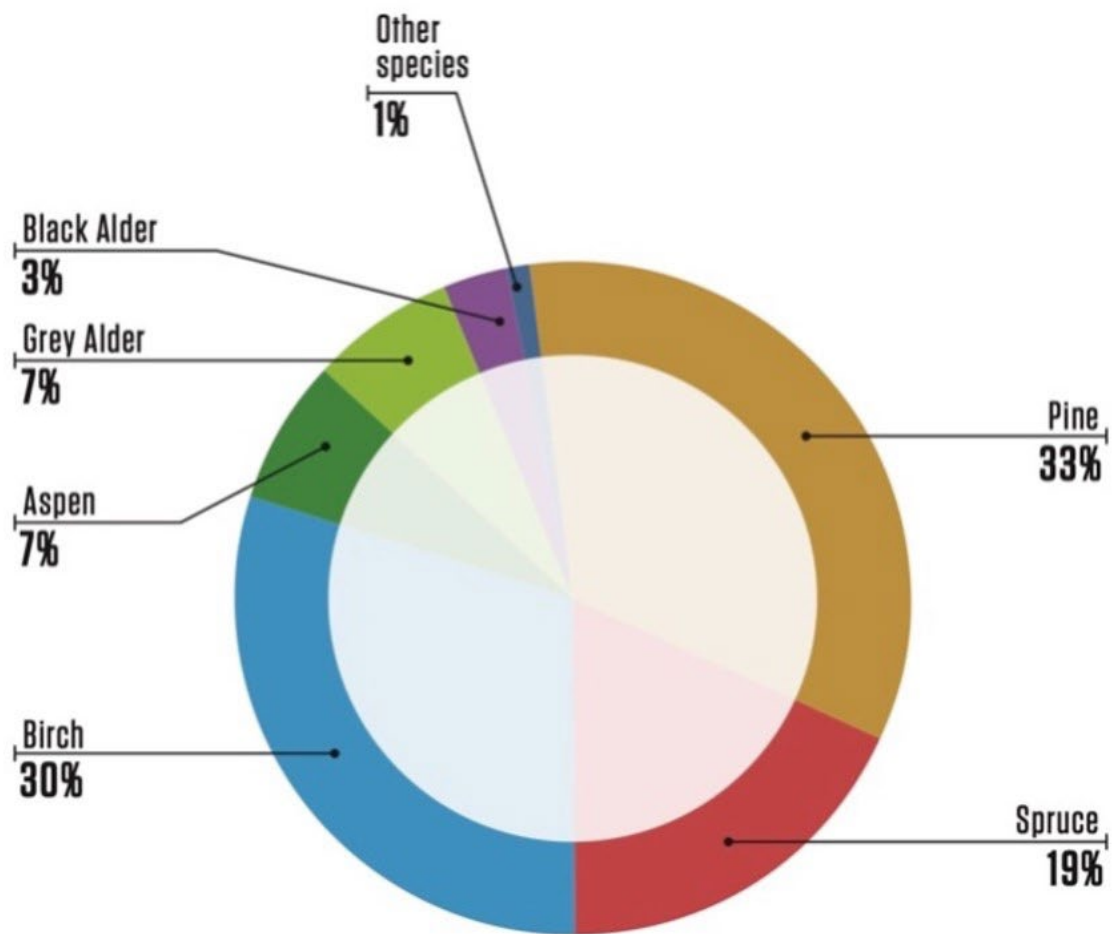
**Area/Region:** All region

**Exclusions:** No

Latvia has the fourth highest forest cover among all EU countries, surpassed only by Finland (77 %), Sweden (76 %) and Slovenia (63 %). Forests in Latvia take total forest area 3 597 000 hectares of land, or 53% of the country's territory. The Latvian state owns around one-half of the country's forests, while most of the rest of the forest belongs to approximately 135,000 private owners. The amount of forestland, moreover, is constantly expanding, both naturally and thanks to afforestation of infertile land and other land that is not used for agriculture.

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

**Forest Area by Dominant Species. Whole country, 2020**

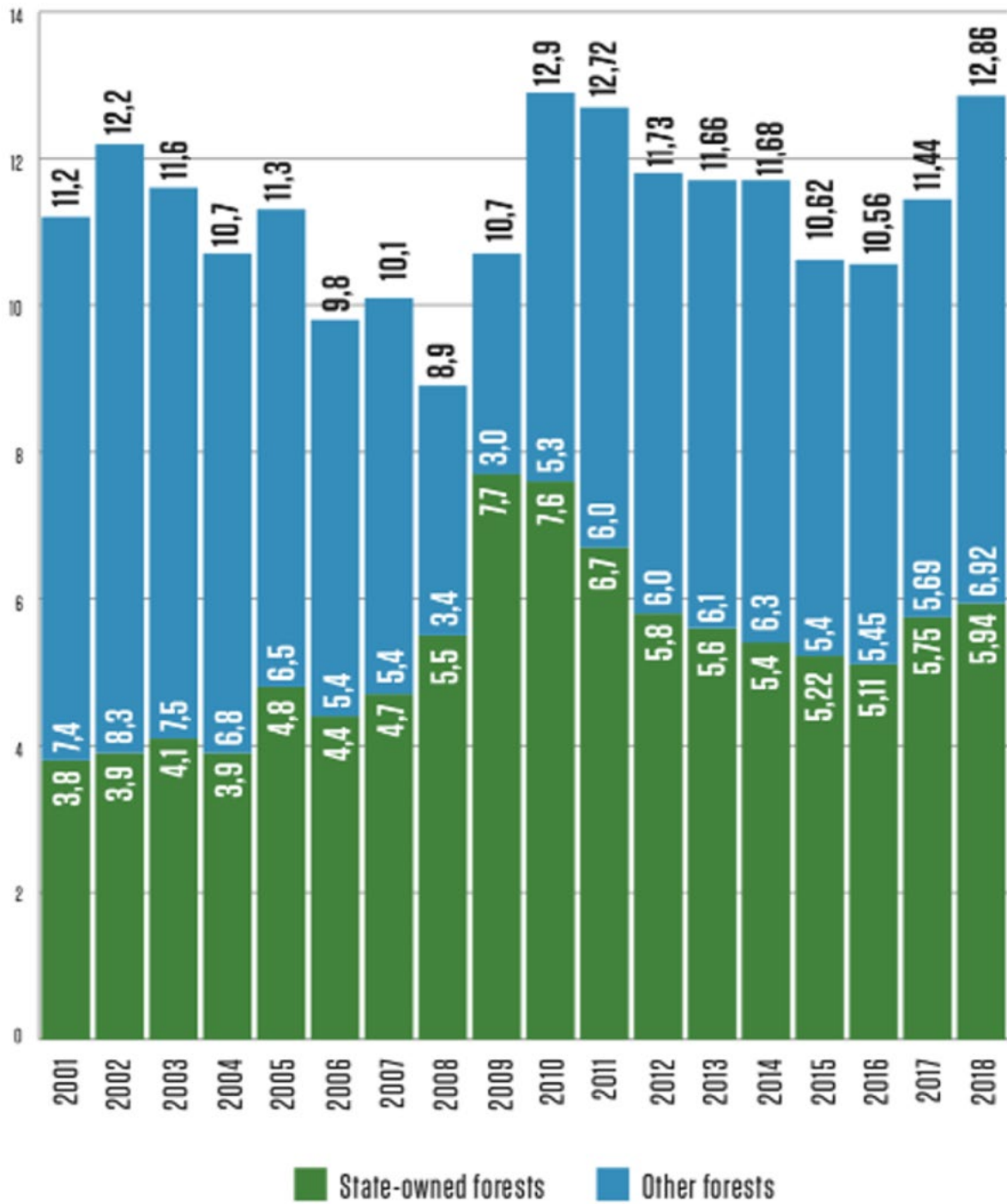


(State Forest Service data in Latvian Forest Sector in Facts & Figures 2020, published by the Ministry of Agriculture:

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

An average of approximately 11 million m<sup>3</sup> of timber have been harvested each year in Latvia's forests during the past decade. That is less than the annual increment, and so forestry in Latvia can be described as sustainable. (State Forest Service data in Latvian Forest Sector in Facts & Figures 2020, published by the Ministry of Agriculture: (<https://www.zm.gov.lv/20>.)

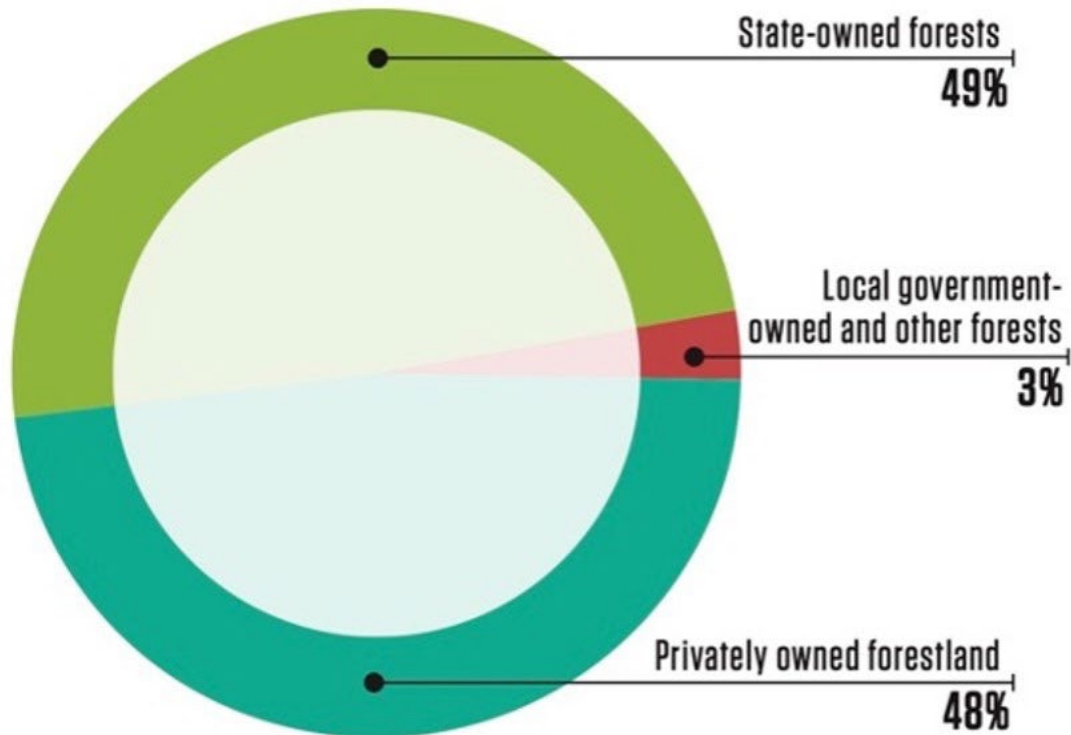
Timber Production (Million m<sup>3</sup>)



Ownership

The Latvian state owns around one-half of the country's forests, while most of the rest of the forest belongs to approximately 135,000 private owners. Forest ownership by status, 2020 (State Forest Service).

(<https://www.zm.gov.lv/2020>.)



gov.lv/20.)

### Management practices

The forest sector in Latvia is under the supervision of the Ministry of Agriculture. It works with stakeholders to draft forest policies, development strategies for the sector, as well as regulations on forest management, the use of forest resources, environment protection and hunting. [www.zm.gov.lv](http://www.zm.gov.lv). The State Forest Service, under the Ministry of Agriculture, is the responsible agency for supervising how the provisions of the laws and regulations are observed in forest management irrespective of the ownership type. [www.vmd.gov.lv](http://www.vmd.gov.lv). State-owned forests are managed by Stock Company "Latvian State Forests", which was established in 1999. It implements the state's interests in terms of preserving and increasing the value of the forest and enhancing the contributions of the forest to the national economy.



Limitations on economic activity apply to 28,2% of Latvia's forests at this time, and most of this territory is owned by the state. 683 especially protected environmental territories have been set aside to protect nature. Many are included in the unified and pan-European NATURA 2000 network of protected territories.

There are various restrictions on economic activity in the specially protected areas, ranging from a complete ban on forestry throughout the calendar year to a ban on tree felling in certain months of the year or on specific conditions for felling. Overall, in around 13.5% of Latvia's forests there are some form of forest management restrictions in place, in 3.4% of these areas all forest management activities are prohibited.

Due to the dramatic increase in forest cover in the last 100 years, the current proportion of old-growth forests in Latvia is low and as such, a major challenge of forest conservation in Latvia is to ensure that such old-growth forests and features are protected and allowed to develop. [www.lvm.lv](http://www.lvm.lv)

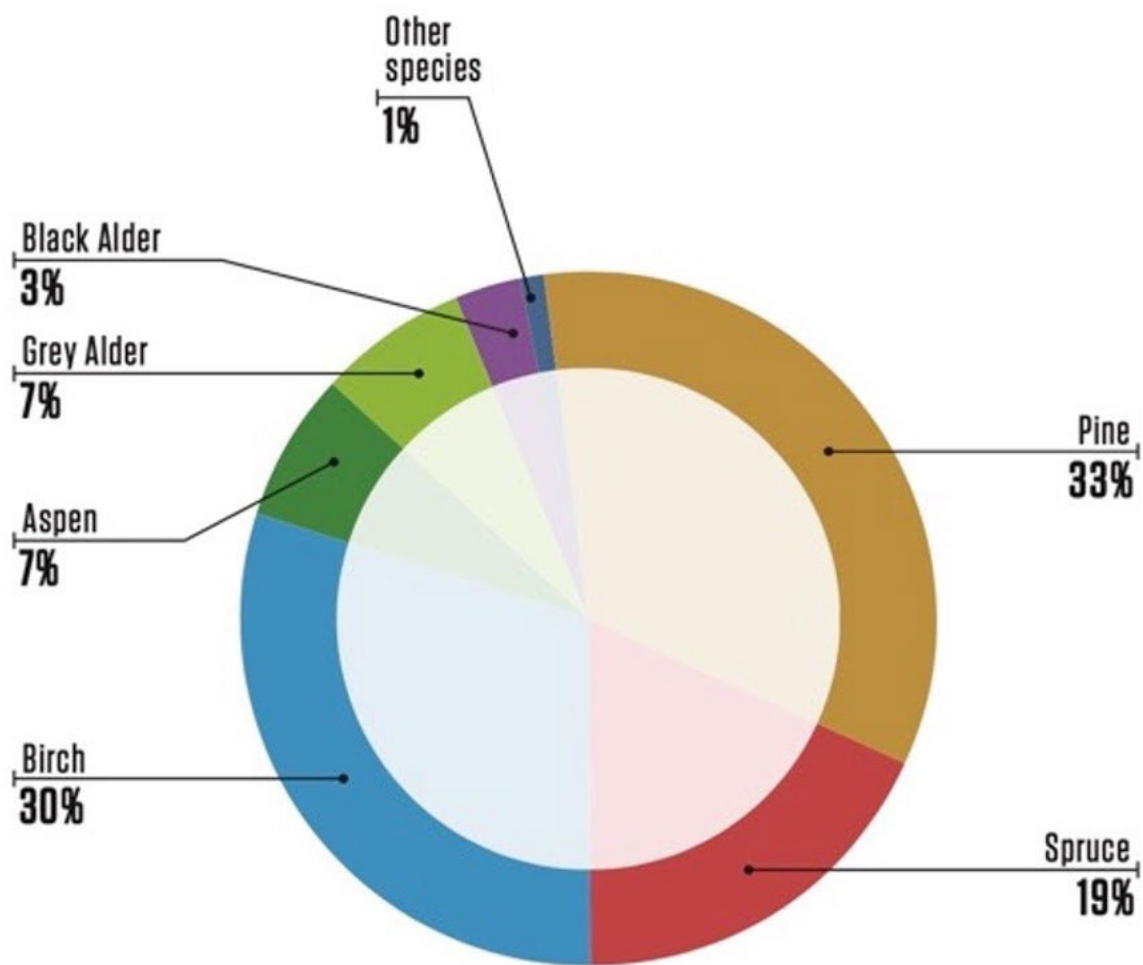
According to the State Forest Service data, the total growing stock volume was 682 million m<sup>3</sup> in 2020. Latvian forest land consists of:

**Forest land consists of:**

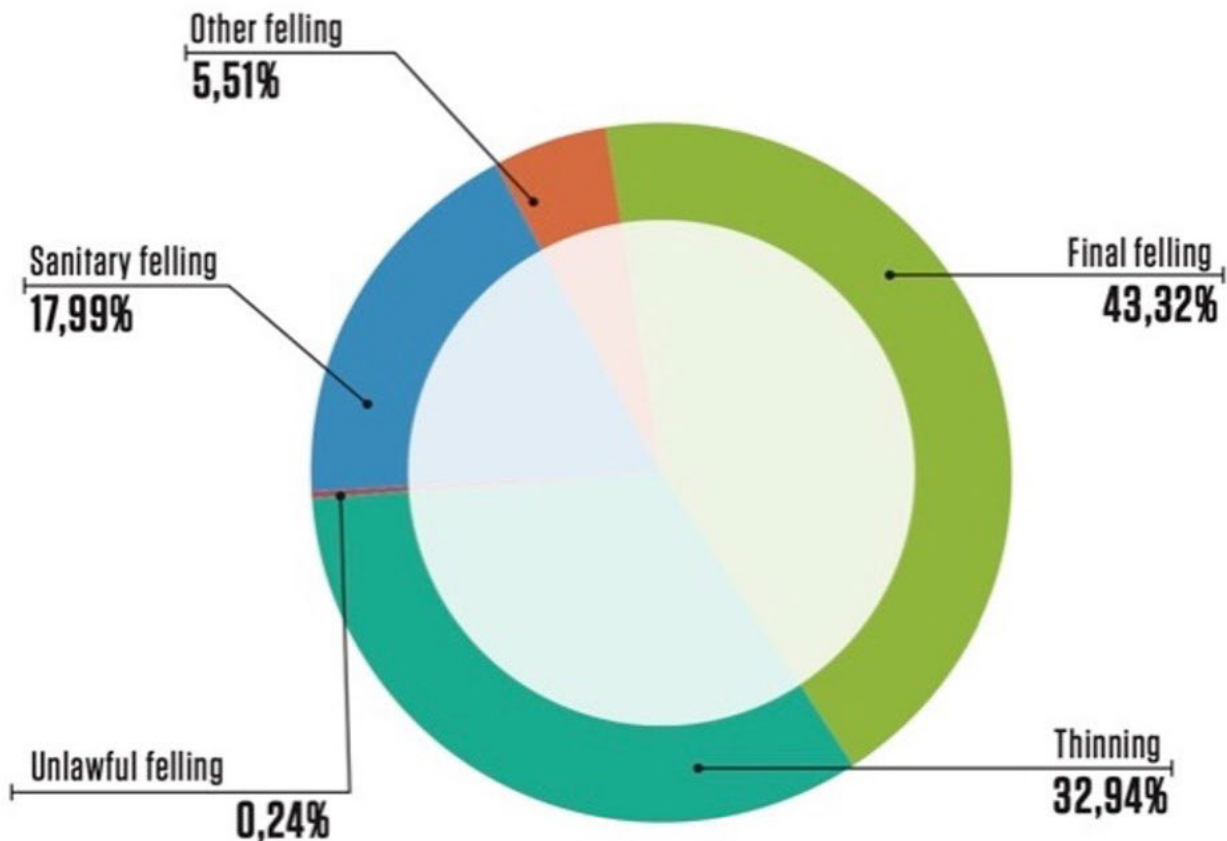
- Forests 3292 tha/ha (91,5%);
- Marshes 125 tha/ha (3,5%);
- Glades 30 tha/ha (0,8%);
- Flooded areas 42 tha/ha (1,2%);
- Objects of infrastructure 97tha/ha (2,7%);
- Other forest land 11 tha/ha (0,3%).

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

**Forest Area by Dominant Species. Whole country, 2020**



Timber production by types of cuts, by volume produced:



### The field of forestry

In Latvia, the field of forestry is supervised by the Ministry of Agriculture, which in cooperation with stakeholders of the sphere develops forest policy, development strategy of the field, as well as drafts

of legislative acts concerning forest management, use of forest resources, nature protection and hunting ([www.zm.gov.lv](http://www.zm.gov.lv)). Implementation of requirements of the national law and regulations notwithstanding the type of tenure is carried out by the State Forest Service under the Ministry of Agriculture (State Forest Services: [www.vmd.gov.lv](http://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](http://www.lvm.lv)).

### Socio-Economic setting

According to the Latvian Ministry of Agriculture, the forest sector is one of the cornerstones of the national economy at this time. Forestry, wood processing and furniture manufacturing represented 5,1% of GDP in

2018, while exports amounted to EUR 2,645 billion – 21% of all exports. There is no parish in Latvia with no larger or smaller wood processing company. Often these are the most important employers in the surrounding area, thus being the main pillar of support for local economies and residents.

The forest industry has always been Latvia's export leader. About 71 % of forestry-sector output is exported. The foreign trade balance of the Latvian woodworking industry is positive, having reached

EUR 1.7 billion in 2018. In 2018, the value of forest product exports was EUR 2.645 billion, 17 % higher than in 2017, while the value of forest products import was EUR 939 million. The main export destinations traditionally are the EU countries: the United Kingdom, Germany, and Sweden that together account for more than 40% of Latvia's wooden product exports.

### **Biological diversity**

In historical terms, the intensive use of Latvia's forests for economic purposes began comparatively later than in many other European countries, and that has allowed us to preserve extensive biological diversity. Limitations on economic activity apply to 28,2% of Latvia's forests at this time, and most of this territory is owned by the state. 683 especially protected environmental territories have been set aside to protect nature. Many are included in the unified and pan-European NATURA 2000 network of protected territories.

In order to protect highly endangered species and biotopes located without the designated protected areas, if a functional zone does not provide that, micro-reserves are established. In 2018, the State Forest Service has established and maintained 2417 micro-reserves in forest lands with a total area of 43.7 thousand ha, of which 91% of micro-restricted areas are in state forests, 7% - in private forests and 2% - in municipal forests. Identification and protection planning of biologically valuable forest stands is carried out continuously.

Moreover, there are national laws in place designed for the preservation of biological diversity and general nature protection requirements must be followed during the forest management activities. These are binding to all forest managers. These requirements stipulate that selected old and large trees, dead wood, underwood trees and shrubs, land cover around wet micro-lowlands (terrain depressions) are to be preserved at felling, thus providing habitat for many organisms.

Latvia has been a signatory of the CITES Convention since 1997. CITES requirements are respected in forest management, although there are no species included in the CITES lists in Latvia.

### **Forest and community**

Areas where recreation is one of the main forest management objectives add up to 8 % of the total forest area or 272 960 ha (2019). Observation towers, educational trails, natural objects of culture history value, picnic venues: they are just a few of recreational infrastructure objects available to everyone free of charge. Special attention is devoted to creation of such areas in state-owned forests. Recreational forest areas include national parks (excluding strictly protected areas), nature parks, protected landscape areas, protected dendrological objects, protected geological and geomorphologic objects, nature parks of local significance, the Baltic Sea 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.

### **Forest Sector / Statical pages**

## Forestry production

Area	Element	Item	Year	Unit	Value
Latvia	Production	Roundwood	2018	m3	12942170
Latvia	Production	Wood chips, particles and residues	2018	m3	4740200
Latvia	Production	Wood pellets and other agglomerates	2018	tonnes	1622000
Latvia	Production	Sawnwood	2018	m3	3775000
Latvia	Production	Wood-based panels	2018	m3	1363583
Latvia	Production	Fibreboard	2018	m3	0
Latvia	Production	Total fibre furnish	2018	tonnes	70000
Latvia	Production	Pulp for paper	2018	tonnes	0
Latvia	Production	Paper and paperboard	2018	tonnes	16000
Latvia	Production	Paper and paperboard, excluding newsprint	2018	tonnes	16000
Latvia	Production	Packaging paper and paperboard	2018	tonnes	16000

Source: FAOSTAT - Forestry database

## Certification

All forest area of Latvijas Valsts Meži as well as some part of forests in private and other ownership are FSC or PEFC certified. From a total forest area more than a half of Latvian forest areas have been certified according to FSC 1,204 milj/ha or PEFC 1,723 milj/ha certification scheme. Both the FSC and PEFC in totally 867,297 milj/ ha systems have found their way into Latvia.

**Country:**Norway

**Area/Region:** N/A

**Exclusions:** N/A

NORWAY

Forest facts

About 36,95% of the surface area in Norway is covered by forest. The total forested area amounts to 11 455 464 ha, including more than 7 200 000 ha or 23% of which are productive forest. 15% of the productive forest has been estimated as non-economic operational areas due to difficult terrain and long distance transport, which means that economical forestry may only be operated in about 50% of the forested area.

Distribution of forests by the dominant species: Norway spruce (47%); Scots pine (33%); Birch (18%).

Forest and community

The productive forest is distributed between 125,000 forest properties. About 79% of the productive forest area is owned by private individuals, 12% by state and municipalities, 4% by industrial private and also 4% is local common land. Norwegian forests have been exploited intensively for export of roundwood, sawn timber and wood tar. A lot of people use the forest for recreational activities, both traditional and modern, including walking, picking berries and mushrooms, game hunting and fishing.

## Certification

All productive forests in Norway are certified, i.e. 7.397.000 hectares (PEFC/FSC). The number of certified forest owners is approximately 43.000 (private, municipalities, state).

## Areas protected under the Nature Conservation Act 2008 Biological diversity

Approximately 6.4% of mainland Norway has protected area status. In addition, 15,000 square km of Spitsbergen is designated as conservation area - national parks, nature reserves or other kinds of protected area cover 10-12% of the area of the remote islands.

The total number of species in Norway is estimated to be 45,000, of which approximately 33,000 are known and described. It exists information enough to estimate whether a species is threatened or not for only 10,000 species. Of these, 150 are threatened by extinction, 279 are deemed vulnerable, 800 are categorized as rare (the last number also includes species which are rare of natural causes, and not only because of human intervention). 359 are deemed species of special concern, 36 species are indeterminate, while 169 species are classified as insufficiently known.

Species "Red lists" can be used to point out the habitats containing an especially rich variety of endangered species. Red list species have often proved to be the red warning lights of nature to tell us that a biotope is threatened or something else is wrong in nature. The red lists also give us a picture of the condition of our flora and fauna, and may contribute to the efforts of securing and improve the ecosystem for these species.

In the country there are areas of endangered high conservation value forests. More specifically there are Global200 and IFL areas in the northern mountain regions.

Those regions identified by Conservation International as a Biodiversity Hotspot <http://www.biodiversityhotspots.org/xp/hotspots/Pages/default.aspx> Those forest, woodland, or mangrove ecoregions identified by World Wildlife Fund as a Global 200 Ecoregion and assessed by WWF as having a conservation status of endangered or critical. Those regions identified by the World Resources Institute as a Frontier Forest Intact Forests Landscapes, as identified by Greenpeace

## Forest sector in Norway's national economy

In 2006 forestry and the forest industries accounted for about 0.8% of the Gross National Product in Norway. Of the total employment of 2.443.000 persons in Norway approximately 40.000 people receive their income from forestry and from the forest industry. 6.700 persons (0.3%) are directly employed in forestry.

About 50 percent of the Norwegian round wood harvested is used by sawmills. There are 225 sawmills in Norway operating on an industrial scale.

Sources: [http://www.borealforest.org/world/world\\_norway.htm](http://www.borealforest.org/world/world_norway.htm) [www.intactforests.org](http://www.intactforests.org)

**Country:**Estonia

**Area/Region:** all

**Exclusions:** No

General description for Supply Base: Adjacent lands include grass lands, wetlands, water resources, urban spaces, transportation and agriculture lands. Non-confidential information about SBP certified feedstock and feedstock groups is given in table 3.3 and section 3.4.

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 Estonian Environmental Board.

The forest is defined in the Forest Act. There are three main forest categories are described in this legislation: commercial forest, protection forest and protected forests. According to the ownership, forests are also divided into private forests, municipality forests and state-owned forests. The state-owned forest represents approximately 45% of the total forest area[3] and is certified according to FSC and PEFC forest management and chain of custody standard 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. Overall, there is 1 239 143 ha[5] of FSC certified and 1 309 705 ha[6] of PEFC certified forest.

56% or approximately 2 438 000 ha of the Estonian land territory has forest cover.[7] Forestry Development Plan 2012-2020 and Yearbook Forest 2019, that gives annual reports and facts about the forest in Estonia, state that during last decade the cutting rate in Estonian forests is from 8 to 14 million m<sup>3</sup> per year[8]. 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 the economic, social and environmental needs. In 2020 the fuelwood share in was estimated to be 38.9 % from the total roundwood felling volume of 10.64 million m<sup>3</sup>. [9]

The distribution of growing stock by tree species in Estonia is shown in Figure 1.

Figure 1 The distribution of growing stock by tree species (Yearbook Forest 2019).

For logging in any type of forest, it is required that a valid forest inventory or forest management plan, along with a forest notification issued by the Environmental Board, is available. All approved forest notifications and forest inventory data is available in the public forest registry online database[10].

Area of protected forests accounts to 25.3% of the total forest area whereas 10% is considered to be under strict protection. The majority of protected forests is located on state property. The main regulation governing the preservation of biodiversity and the sustainable use of natural resources is the Nature Conservation Act[11]. Estonia has signed the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) in 1992[12] and joined the International Union for Conservation of Nature (IUCN) in 2007[13]. There are no CITES protected tree species naturally growing in Estonia. There are no IUCN tree species growing in Estonia, that are critically endangered or endangered.[14]

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 and 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 provides education about the natural environment which are free to access.[15]

[1] [http://europa.eu/about-eu/countries/member-countries/estonia/index\\_en.htm](http://europa.eu/about-eu/countries/member-countries/estonia/index_en.htm)

[2] Original title: „Eesti metsanduse arengukava aastani 2020“; approved by Estonians Parliament decision no 909 OE 15.February 2011.a [http://www.envir.ee/sites/default/files/elfinder/article\\_files/mak2020vastuvoetud.pdf](http://www.envir.ee/sites/default/files/elfinder/article_files/mak2020vastuvoetud.pdf)

[3] <http://www.rmk.ee/organisation/operating-areas>

[4] <http://www.rmk.ee/organisation/environmental-policy-of-rmk/certificates>

[5] FSC Facts and Figures, December 2021

[6] PEFC Global Statistics, September 2021

[7] State of Europe's Forests 2020. Published by: Ministerial Conference on the Protection of Forests in Europe FOREST EUROPE Liaison Unit Bratislava

[8] Yearbook Forest 2019 <https://keskkonnaagentuur.ee/keskkonnaagentuuri-tegevusvaldkonnad/mets/valjaanded-ulevaated> (all key figures, graphs and tables are bilingual)

[9] [https://ec.europa.eu/eurostat/statistics-explained/index.php/Wood\\_products\\_-\\_production\\_and\\_trade#Wood-based\\_industries](https://ec.europa.eu/eurostat/statistics-explained/index.php/Wood_products_-_production_and_trade#Wood-based_industries)

[10] <http://register.metsad.ee/avalik/>

[11] <https://www.riigiteataja.ee/en/eli/530062021001/consolide>

[12] <http://www.envir.ee/et/cites>

[13] <http://www.envir.ee/et/iucn>

[14] <https://www.iucnredlist.org/search?landRegions=EE&searchType=species> [15]

[https://www.eesti.ee/eng/topics/citizen/keskkond\\_loodus/maa/metsandus\\_1](https://www.eesti.ee/eng/topics/citizen/keskkond_loodus/maa/metsandus_1)

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

As a priority, materials for the production of SBP pellets are purchased from suppliers certified by FSC or PEFC as the certified wood. The company policy is directed at cooperation with certified suppliers. For this reason, uncertified and new suppliers are encouraged to have their primary product certified and put the



leftovers to good use. Decision of the company management is to assess overall supply risks and decrease these in accordance with SBP risk assessment in Latvia, both for FSC Controlled and uncertified primary and secondary feedstock, so that the entire amount meets at least the SBP Compliant biomass or SBP Controlled Biomass status.

## 2.4 Quantification of the Supply Base

### Supply Base

- a. **Total Supply Base area (million ha):** 17,31
- b. **Tenure by type (million ha):**11.74 (Privately owned), 4.26 (Public)
- c. **Forest by type (million ha):**11.90 (Boreal), 5.40 (Temperate)
- d. **Forest by management type (million ha):**11.74 (Managed natural)
- e. **Certified forest by scheme (million ha):**3.24 (FSC), 9.13 (PEFC)

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

**Explanation:** The proportion of biomass quantity as primary raw material after final fellings is about 48% company data register on the type of cutting type used compared to quantity of other raw material assortment. The primary raw material has been procured from the Supply Base area and it consists of round wood/firewood. The raw materials are procured in well developed, free and open market with competition of other customers. Different assortments of raw materials are obtained from the logging. All companies of forest industry have public price lists for the assortments. The price lists reflect the solvency of the industry for different assortments. The price lists clearly indicate that logs and veneer logs are the most valuable assortments while firewood (e.g. for pellet production) is less valuable assortment. This information is derived from the documents and data submitted by suppliers and forest developer

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

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

**For the forests in the Supply Base, is there an intention to retain, restock or encourage natural regeneration within 5 years of felling?** Yes - Majority

**Explanation:** There is mostly natural regeneration as well as reforestation after logging

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

**Explanation:** N/A

### Feedstock

**Reporting period from:** 01 Sep 2021

**Reporting period to:** 31 Aug 2022

- a. **Total volume of Feedstock:** 200,000-400,000 N/A
- b. **Volume of primary feedstock:** 200,000-400,000 m<sup>3</sup>
- c. **List percentage of primary feedstock, by the following categories.**
  - Certified to an SBP-approved Forest Management Scheme: 1% - 19%
  - Not certified to an SBP-approved Forest Management Scheme: 80% - 100%

- d. List of all the species in primary feedstock, including scientific name:** Betula pubescens (Birch); Betula pendula (Birch); Alnus glutinosa (Alder); Alnus incana (Gray Alder); Pinus sylvestris (Scots Pine); Picea abies (Spruce); Populus tremula (Aspen); Acer platanoides (Norway maple);
- e. Is any of the feedstock used likely to have come from protected or threatened species?** No
- Name of species: N/A
  - Biomass proportion, by weight, that is likely to be composed of that species (%): N/A
- f. Hardwood (i.e. broadleaf trees): specify proportion of biomass from (%):** N/A
- g. Softwood (i.e. coniferous trees): specify proportion of biomass from (%):** N/A
- h. Proportion of biomass composed of or derived from saw logs (%):** N/A
- i. Specify the local regulations or industry standards that define saw logs:** N/A
- j. Roundwood from final fellings from forests with > 40 yr rotation times - Average % volume of fellings delivered to BP (%):** N/A
- k. Volume of primary feedstock from primary forest:** N/A 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:** 0 N/A
- Physical form of the feedstock: N/A

Proportion of feedstock sourced per type of claim during the reporting period				
Feedstock type	Sourced by using Supply Base Evaluation (SBE) %	FSC %	PEFC %	SFI %
Primary	86,00	14,00	0,00	0,00
Secondary	32,00	36,00	32,00	0,00
Tertiary	0,00	0,00	0,00	0,00
Other	0,00	0,00	0,00	0,00

### 3 Requirement for a Supply Base Evaluation

Is Supply Base Evaluation (SBE) is completed? Yes

**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:**

see the description of risk and "specified risk" justification for 2.1.1 indicator in Regional Risk Assessment for Latvia in <https://sbp-cert.org/documents/standards-documents/risk-assessments/latvia/>

**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:**

see the description of risk and "specified risk" justification for 2.1.2 indicator in Regional Risk Assessment for Latvia in <https://sbp-cert.org/documents/standards-documents/risk-assessments/latvia/>

**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:**

see the description of risk and "specified risk" justification for 2.8.1 indicator in Regional Risk Assessment for Latvia in <https://sbp-cert.org/documents/standards-documents/risk-assessments/latvia/>

## 4 Supply Base Evaluation

### 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:**

2.2.1 The BP has implemented appropriate control systems and procedures to verify that feedstock is sourced from forests where there is appropriate assessment of impacts, and planning, implementation and monitoring to minimise them.

**Specific risk description:**

See the description of risk and "specified risk" justification for 2.1.1 indicator in Regional Risk Assessment for Latvia in <https://sbp-cert.org/documents/standards-documents/risk-assessments/latvia/>

**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:**

See the description of risk and "specified risk" justification for 2.1.2 indicator in Regional Risk Assessment for Latvia in <https://sbp-cert.org/documents/standards-documents/risk-assessments/latvia/>

**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:**

See the description of risk and "specified risk" justification for 2.8.1 indicator in Regional Risk Assessment for Latvia in <https://sbp-cert.org/documents/standards-documents/risk-assessments/latvia/>

### 4.2 Justification

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.

Since 28.09.2017 the BP uses the SBP- endorsed Regional Risk Assessment for Latvia

## **4.3 Results of risk assessment and Supplier Verification Programme**

The BP is using the SBP- endorsed Regional Risk Assessment for Latvia

Since 28.09.2017 the BP uses the SBP- endorsed Regional Risk Assessment for Latvia

## **4.4 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.

Since 28.09.2017 the BP uses the SBP- endorsed Regional Risk Assessment for Latvia

## 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.) manager with 5 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.

## 6 Stakeholder consultation

On 20.may 2019, SIA ACA TIMBER published a SBP report 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.

Since 28.09.2017 the BP uses the SBP- endorsed Regional Risk Assessment for Latvia

### 6.1 Response to stakeholder comments

**Description:** NA

**Comment:** NA

**Response:** N/A

# 7 Mitigation measures

## 7.1 Mitigation measures

<b>Country:</b>	Latvia
<b>Specified risk indicator:</b>	2.2.1 The BP has implemented appropriate control systems and procedures to verify that feedstock is sourced from forests where there is appropriate assessment of impacts, and planning, implementation and monitoring to minimise them.
<b>Specific risk description:</b>	See the description of risk and "specified risk" justification for 2.1.1 indicator in Regional Risk Assessment for Latvia in <a href="https://sbp-cert.org/documents/standards-documents/risk-assessments/latvia/">https://sbp-cert.org/documents/standards-documents/risk-assessments/latvia/</a>
<b>Mitigation measure:</b>	<p>For forest habitats</p> <p>In the reporting period for 2020-2021, additional cadastral sections of all imported timber were evaluated with the Ozols database to ensure that no timber from habitats was accepted during the year. During the year, taking into account the registered data, field audit inspections, switches of hired experts, audits of suppliers, delivery criteria - to prevent the supply of wood from habitats are fulfilled. A set of risk mitigation measures has reduced the risks of supplying timber from potential habitats.</p> <p>Wood from approved habitats was not accepted.</p>
<b>Country:</b>	Latvia
<b>Specified risk indicator:</b>	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.
<b>Specific risk description:</b>	See the description of risk and "specified risk" justification for 2.1.2 indicator in Regional Risk Assessment for Latvia in <a href="https://sbp-cert.org/documents/standards-documents/risk-assessments/latvia/">https://sbp-cert.org/documents/standards-documents/risk-assessments/latvia/</a>
<b>Mitigation measure:</b>	<p>With regard to Cultural and Historical Objects:</p> <p>The total information on all volumes of wood origin obtained during the year (cadastres) was compared with the data submitted from the National Cultural Heritage Board on the damaged cultural and historical objects - the general conclusion that the company did not receive timber from endangered or damaged cultural and historical objects.</p> <p>For nests of large birds:</p> <p>The total information on all timber volumes obtained during the year (cadastres) was compared with the submitted data from suppliers, additional information from developers, such as the Association of</p>



Ornithologists, - the overall conclusion that the company did not receive timber from endangered or damaged bird nests. In many cases, such properties have been preserved without development, as well as by preserving a group of trees around bird nests.

For nests of large birds:

The total information on all timber volumes obtained during the year (cadastres) was compared with the submitted data from suppliers, additional information from developers, such as the Association of Ornithologists, - the overall conclusion that the company did not receive timber from endangered or damaged bird nests. In many cases, such properties have been preserved without development, as well as by preserving a group of trees around bird nests.

<b>Country:</b>	Latvia
<b>Specified risk indicator:</b>	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).
<b>Specific risk description:</b>	See the description of risk and "specified risk" justification for 2.8.1 indicator in Regional Risk Assessment for Latvia in <a href="https://sbp-cert.org/documents/standards-documents/risk-assessments/latvia/">https://sbp-cert.org/documents/standards-documents/risk-assessments/latvia/</a>
<b>Mitigation measure:</b>	<p>Regarding Labor Protection:</p> <p>An overall average score of at least 3 points is allowed as a eligibility criterion. Reviewing ~ 15 audits, it was concluded that the average number of annual audit points is ~ 3.8- ~ 4.2. In occupational safety audits, detailed criteria are met to confirm low-risk delivery. If the field audits revealed significant violations of labor protection, the company refused further delivery, which was ~ 4-6 suppliers during the year;</p> <p>With regard to Cultural and Historical Objects:</p> <p>The total information on all volumes of wood origin obtained during the year (cadastres) was compared with the data submitted from the National Cultural Heritage Board on the damaged cultural and historical objects - the general conclusion that the company did not receive timber from endangered or damaged cultural and historical objects.</p>

## 7.2 Monitoring and outcomes

For forest habitats

In the reporting period for 2021-2022, additional cadastral sections of all imported timber were evaluated with the Ozols database to ensure that no timber from habitats was accepted during the year. During the year, taking into account the registered data, field audit inspections, switches of hired experts, audits of

suppliers, delivery criteria - to prevent the supply of wood from habitats are fulfilled. A set of risk mitigation measures has reduced the risks of supplying timber from potential habitats.

Wood from approved habitats was not accepted.

Regarding Labor Protection:

An overall average score of at least 3 points is allowed as a eligibility criterion. Reviewing ~ 8-12 audits, it was concluded that the average number of annual audit points is ~ 3.8- ~ 4.2. In occupational safety audits, detailed criteria are met to confirm low-risk delivery. If the field audits revealed significant violations of labor protection, the company refused further delivery, which was ~ 4-6 suppliers during the year;

With regard to Cultural and Historical Objects:

The total information on all volumes of wood origin obtained during the year (cadastres) was compared with the data submitted from the National Cultural Heritage Board on the damaged cultural and historical objects - the general conclusion that the company did not receive timber from endangered or damaged cultural and historical objects.

For nests of large birds:

The total information on all timber volumes obtained during the year (cadastres) was compared with the submitted data from suppliers, additional information from developers, such as the Association of Ornithologists, - the overall conclusion that the company did not receive timber from endangered or damaged bird nests. In many cases, such properties have been preserved without development, as well as by preserving a group of trees around bird nests.

## 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**

NA

### **9.2 Public or additional reviews**

NA

## 10 Approval of report

Approval of Supply Base Report by senior management			
Report Prepared by:	Armands Apfelbaums	Board member	22 Aug 2022
	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. N/A			

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

N/A