

Supply Base Report: for Biomass Producers Varpa SIA

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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

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1 Overview

Producer name: SIA Varpa

Producer location: Legal/Sawmill address: "Priedkalnes", Vecborne, Kaplava parish, LV-5668 Kraslava county, Latvia

Office address: Indras iela 15, LV-5601 Kraslava, Latvia.

Geographic position: Sawmill: Lat E 27 degrees 0 minutes, Long N 55 degrees 51 minutes

Office: Lat E 27 degrees 11 minutes, Long N 55 degrees 53 minutes

Primary contact: Bernards Baranovskis; Indras iela 15, LV-5601 Kraslava, Latvia; +37165626653;
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Company website: www.varpa.eu

Date report finalised: 11.03.2020.

Close of last CB audit: 17.03.2020.

Name of CB: NEPCon Latvia

Translations from English: To Latvian

SBP Standard(s) used: SBP Standard 1-V1.0, SBP Standard 2-V1.0 ; SBP Standard 4-V1.0. ; SBP Standard 5-V1.0 (Instruction Document 5E V1.0.)

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

SBP Endorsed Regional Risk Assessment: RRA for Latvia (version of 28.09.2017.).

RRA for Lithuania (version of 15.06.2016.).

Web link to SBP related info on the Company website: <http://www.varpa.eu/>

Indicate how the current evaluation fits within the cycle of Supply Base Evaluations				
Main (Initial) Evaluation	First Surveillance	Second Surveillance	Third Surveillance	Fourth Surveillance
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	X

2 Description of the Supply Base

2.1 General description

The largest part of Feedstock for biomass production has been bought by VARPA SIA as low grade round firewood and wood processing residues at saw mills. The major country of origin of the feedstock is Latvia, about one fifth is obtained from Lithuania.

Overview of the proportions of SBP feedstock product groups

Production Group	Proportion of the PG, %	Amount of Suppliers
Controlled Feedstock	6.41	5
SBP – compliant primary Feedstock	32.43	10
SBP – compliant secondary Feedstock	60.59	17
SBP – compliant tertiary Feedstock	0.57	1

Feedstock's mixture of species: Spruce (*Picea abies* (L.) Karst), Pine (*Pinus sylvestris* L.), Birch (*Betula pendula*), Pubescent birch (*Betula pubescens* (Ehrh.)) Aspen (*Populus* spp.), Grey Alder (*Alnus glutinosa* (L.) Gaertner), Black Alder (*Alnus incana* (L.) Moench).

Latvian forest resources.

In Latvia, forests cover area of 3 056 578 hectares. According to the data of the State Forest Service (concerning the surveyed area allocated to management activities regulated by the Forest law), woodness amounts to 51.8% (ratio of the 3 347 409 hectares covered by forest to the entire territory of the country). The Latvian State owns 1 495 616 ha of forest (48.97% of the total forest area), whilst the other 1 560 961 ha (51.68% of the total forest area) belong to other private forest owners. Private forest owners in Latvia amount to approximately 144 thousand.

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 Latvia has fluctuated between 9 and 13 million cubic meters (source: vmd.gov.lv).

Forest land consists of:

- Forests 3 056 578 ha (91.3%)
- Marshes 175 111.8 ha (5.3%)
- Open areas 35 446.7 ha (1.1%)

- Flooded areas 18 453.2 ha (0.5%)
- Objects of infrastructure 61 813.4 ha (1.8%)

(source: vmd.gov.lv)

Distribution of forests by the dominant species:

- Pine 34.3%
- Spruce 18%
- Birch 30.8%
- Black Alder 3%
- Grey Alder 7.4%
- Aspen 5.4%
- Other species (each less than 1%) 1.1%

(source: vmd.gov.lv)

Share of species used in reforestation, by planting area:

- Pine 20%
- Spruce 17%
- Birch 28%
- Grey Alder 12%
- Aspen 20%
- Other Species 3%

(source: vmd.gov.lv)

Timber production by types of cuts, by volume produced:

- Final cuts 81%
- Thinning 12.57%
- Sanitary clear-cuts 3.63%
- Sanitary selective cuts 1.43%
- Deforestation cuts 0.76%
- Other types of cuts 0.06%

(source: vmd.gov.lv)

The field of forestry

In Latvia, the field of forestry is supervised by the Ministry of Agriculture, which in cooperation with stakeholders of the sphere develops forest policy, development strategy of the field, as well as drafts of legislative acts concerning forest management, use of forest resources, nature protection and hunting (www.zn.gov.lv). Implementation of requirements of the national laws and regulations is issued by the Cabinet of Ministers notwithstanding the type of tenure is carried out by the State Forest Service under the Ministry of Agriculture (www.vmd.gov.lv).

Management of the state-owned forests is performed by the public limited company Latvian State Forests, established in 1999. The enterprises 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 share of forestry, wood-working industry and furniture production amounted in 2018 to 2.609 billion EUR.

Harvesting

In order to commence commercial activities in the forest, the State Forest Department requires a long-term forest management plan for every forest unit and owner. After acceptance of the plan, the State Forest Department issues a Harvesting Licence for separate sites. The Harvesting License determines what kind of forest felling system is allowed, and which species and in what amount can be harvested in that area. It also determines the forest regeneration method for the each harvesting site. After the harvesting operation, the site owner signs a report on the harvested volumes and planned forest regeneration method. The site is inspected by a representative of the State Forest department. The Harvesting Licence (licence number) is the main document for suppliers to track the supply chain and secure sustainable log purchases.

Biological diversity

Historically, extensive use of forests as a source of profit began later than in many other European countries, therefore a greater biological diversity has been preserved in Latvia.

For the purpose of conservation of natural values, a total number of 683 protected areas have been established, what covers 28.2% of woodland territories. Part of the areas has been included in the European network of protected areas NATURA 2000. Most of the protected areas are state-owned.

Micro reserves were established in order to protect highly endangered species and woodland key habitats located without the designated protected areas. According to the data provided by the State Forest Service in 2015, the total area of micro reserves is 40 595 ha. Identification and protection planning of biologically valuable forest stands is carried out continuously.

On the other hand, for preservation of biological diversity during forest management activities, general nature protection requirements binding to all forest managers have been developed. They stipulate that at felling selected old and large trees, dead wood, undergrowth trees and shrubs, land cover around micro-depressions are to be preserved, thus providing habitats for many organisms.

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

775 IUCN species are strictly protected by Latvian legislation, the protection measures has been taken into account permitting economical activities in the forests, including issuing of cutting licences.

State organized WKH inventory takes place at the moment.

Forest and community

Areas where recreation is one of the main forest management objectives add up to 8% of the total forest area or 293 000 ha (2012). 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 specifically protected natural areas in Latvia is co-ordinated by the Nature Conservation Agency under the Ministry of Environmental Protection and Regional Development.

Certification

The forests of both public limited company Latvian State Forests and private owners may be certified against sustainable forest management standards, whereas woodworking enterprises can contribute to sustainable forest management by certification against the chain of custody system requirements.

Both FSC® and PEFC® systems have found their way into Latvia. Latvian forests are certified according to FSC on 1,133,584 ha and PEFC certification scheme on 1 690 052 ha.

SIA Varpa only uses FSC certified and controlled wood, as well as PEFC certified or controlled by PEFC DDS feedstock, in the form of wood waste from its own woodworking plant and purchased from other suppliers.

Varpa SIA is obtaining raw material, which is claimed as FSC or PEFC certified, mainly originating from Latvian State Forests and large private owners.

Varpa SIA is also implementing by PEFC DDS to other materials from variety of suppliers in Latvia.

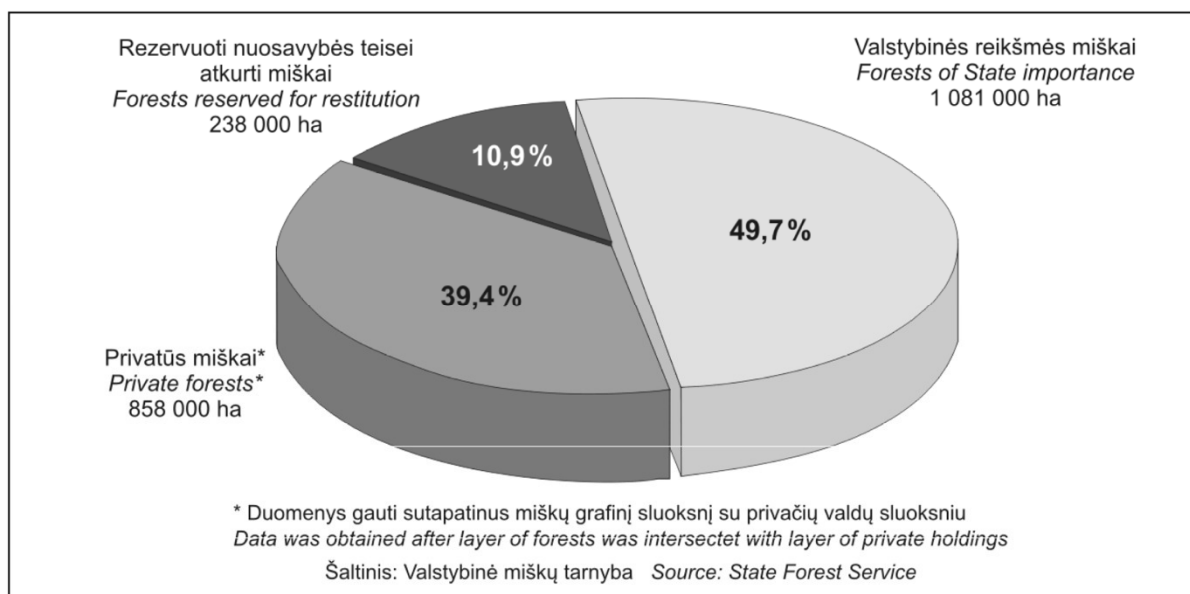
Lithuania

Agricultural land covers more than 50 percent of Lithuania. Forested land consists of 2,186,700 ha, covering 33.5% of the country's territory according to the National Forest Inventory data (2016). The south-eastern part of the country is most heavily forested, and here forests cover about 45 percent of the land. The total land area under the state Forest Enterprises is divided into forest and non-forest land. Forest land is divided into forested and non-forested land. Lithuania forest land ownership is divided into: Forests of state importance (1 088 000 ha or 49.8 %), Private forests (873 000 ha or 39.9 %) and Forests reserved for restitution (225 000 ha or 10.3 %). The total value added in the forest sector (including manufacture of furniture) reached LTL 4.9 billion in 2013 and was 10% higher than in 2012.

Forest land is divided into four protection classes: reserves (1.2 %); ecological (12.2 %); protected (15.2 %); and commercial (71.4 %). In reserves all types of cuttings are prohibited. In national parks, clear cuttings are prohibited while thinnings and sanitary cuttings are allowed. Clear cutting is permitted, however, with certain

restrictions, in protected forests; and thinnings as well. In commercial forests, there are almost no restrictions as to harvesting methods. Since the 1st January 2003, the forest land area has increased by 141,500 ha corresponding to 2.2% of the total forest cover.

FOREST LAND BY OWNERSHIP 01.01.2014



Lithuania has been a signatory of the CITES Convention since 9 March 2002. CITES requirements are respected in forest management, although there are no species included in the CITES lists in Lithuania. IUCN Red Book species are strictly protected by Lithuanian legislation, and protection measures are taken into account during any economical activity in forests.

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 forest is the most common forest type, covering about 38 percent of the forest area. Spruce and birch account for about 24 and 20 percent respectively. Alder forests make up about 12 percent of the forest area, which is fairly high, and indicates the moisture quantity of the sites. Oak and ash can each be found on about 2 percent of the forest area. The area occupied by aspen stands is close to 3 percent.

The growing stock given as standing volume per hectare is on the average of 180 m³ in Lithuania. In nature stands, the average growing stock in all Lithuanian forests is about 244 m³ per hectare. Total annual growth comes to 11 900 000 m³ and the mean timber increment has reached 6.3 m³ per year and per hectare. Current harvest has reached some 3.0 million m³ u.b. per year. The consumption of industrial wood in the domestic forest industry, including export of industrial wood, is estimated to be less than 2.0 million m³. The remainder is used for fuel or stored in the forests, with a deteriorating quality as a result.

The potential future annual cut is calculated at 5.2 million m³, of which 2.4 million m³ is made up of sawn timber and the remaining 2.8 million m³ of small dimension wood for pulp or board production, or for fuel. The figures refer to the nearest 10-year period. Thereafter a successive increase should be possible if more intensive and efficient forest management systems are introduced.

Certification of all state forests in Lithuania is done according to the strictest certification in the world – the FSC (Forest Stewardship Council) certificate - 1,180,605 ha. The audit of this certificate testifies to the fact that Lithuanian state forests are managed especially well – following the principles of the requirements set to protection of and an increase in biological diversity.

(Resources: <http://www.fao.org/docrep/w3722e/w3722e22.htm>)

Varpa SIA is obtaining raw material, which is claimed as FSC certified, mainly originating from Lithuanian State Forest Enterprises.

Varpa SIA is also implementing by PEFC DDS to other materials from variety of suppliers in Lithuania and includes controlled Lithuanian supplies into SBE.

2.2 Actions taken to promote certification amongst feedstock supplier

Company's procurement contracts contain demand for suppliers to provide information on the origin of forest raw materials upstream from the point of delivery and the obligation to support Varpa SIA in inspecting this information. SIA Varpa supply managers explained for suppliers that the best way to fulfil these contracts' demands is the participation in wood chain of custody certification. Thus, the attention of all involved responsables from the woodworking and logging enterprises has been turned to the necessity to implement sustainable forestry certification methods.

Varpa SIA also declared on a regular basis to their suppliers its preference to FSC or PEFC certified supplies, compared with supplies having other sustainability data.

In September 2016 Varpa SIA has broadcasted among its uncertified suppliers a letter with invitation to participate in FSC COC certification. This invitation explained the role and importance of the CoC certification, as well as benefits for the supplier resulting from this certification.

As the result of all activities taken, several Varpa's suppliers became certified during the current period, as well as the share of FSC certified supplies at Varpa SIA has increased till 40.7% in 2017, and surpassed 50% starting with 2018.

2.3 Final harvest sampling programme

All feedstock supplied to Varpa SIA pellet production is derived from long-term rotation period forests (over 40 years) in line with Baltic forest management traditional practice, which also is aligned with state legislations.

Different assortments of raw materials are obtained from the logging activity. The determination of the share of fellings coming directly to the biomass production is based on transport documentation originating from a cutting area, which includes the specification and, correspondingly, usage purpose of the delivered logs.

Quality log has ever been used for higher value wood based product (sawn timber, veneer, etc.) manufacturing. Wooden waste derived at those production processes has been used as feedstock for biomass production.

Part of logs at the final harvest, which quality is too low to be used in different way than as fire wood, comes directly as feedstock for pellet production. The assessment of the average share of such logs has been undertaken in 2018 basing on the random choice in quantity of 0.8 times the square root of the number of cutting areas from one major supplier. The share of round firewood from cutting areas was found at the level of 27.9%.

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

N/A

2.5 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): 5.24 Mio ha.
- b. Tenure by type (ha):
 - privately owned 2.44 Mio ha.
 - public/community concession 2.80 Mio ha.
- c. Forest by type (ha): temperate - 5.24 Mio ha.
- d. Forest by management type (ha): managed semi-natural – 5.24 Mio ha.
- e. Certified forest by scheme (ha):
 - FSC -certified forest 2.31 Mio ha;
 - PEFC-certified forest 1.69 Mio ha.

Feedstock

- f. Total volume of Feedstock: the band 0 – 200,000 tonnes (the exact volume has not been shown by reason of commercial sensibility, because that may give competitive advantages for some market players).
- g. Volume of primary feedstock: the band 0 – 200,000 tonnes (the exact volume has not been shown by reason of commercial sensibility, because that may give competitive advantages for some market players).
- h. 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 - 13.9%.
 - Not certified to an SBP-approved Forest Management Scheme - 20.4 %.
- i. List all species in primary feedstock, including scientific name
 - Spruce (Picea abies (L.) Karst)
 - Pine (Pinus sylvestris L.)
 - Birch (Betula pendula)
 - Pubescent birch (Betula pubescens (Ehrh.))
 - Aspen (Populus lpp.)
 - Black alder (Alnus glutinosa (L.) Gaertner)
 - Grey alder (Alnus incana (L.) Moench)
- j. Volume of primary feedstock from primary forest: None
- k. List percentage of primary feedstock from primary forest (j), by the following categories. Subdivide by SBP-approved Forest Management Schemes:
 - Primary feedstock from primary forest certified to an SBP-approved Forest Management Scheme
0 %.
 - Primary feedstock from primary forest not certified to an SBP-approved Forest Management Scheme
0 %.
- l. Volume of secondary feedstock as a % of the figure in (f):
Processing residues, Sawmill and wood industry residues – 65.1%.
- m. Volume of tertiary feedstock a % of the figure in (f):
Sawmill and wood industry residues, Shavings - 0.6 %.

3 Requirement for a Supply Base Evaluation

SBE completed	SBE not completed
X	<input type="checkbox"/>

SIA Varpa defines only part of feedstock received as SBP- compliant, when it is obtained from SBP- approved Forest Management Schemes. Market demands for SBP-compliant biomass therefore the SBE needs to be implemented.

SBP Biomass Supply Base Evaluation includes:

- **Primary** wood (rough wood),
- **Secondary** wood (woodchips and sawdust as sawmill and wood industry residues).

Till 28th September, 2017 the developed and published by NepCon Risk Assessment was used as BP's Risk Assessment (Local Applicable Verifiers) and its compliance has been checked by consultations with the interested parties.

Starting with 28th September, 2017 the SBP-endorsed RRA for Latvia has been applied.

Starting with 02nd January, 2019 SIA Varpa began introduction of SBE to Lithuanian supplies. SBP-endorsed RRA for Lithuania dated by 15.06.2016 has been applied for determination of indicators having specified risk, which need implementation of risk mitigation measures in the frame of company's SVP.

The supply base report describing risk mitigation measures is publicly available on the website of Varpa SIA

Used standards: SBP Standard Nr.1 v 1.0; Standard Nr.2 v 1.0.

4 Supply Base Evaluation

4.1 Scope

4.1.1. This relates to primary Feedstock supplies from Latvian and Lithuanian forest properties before or after harvesting process.

4.1.2. This relates to secondary Feedstock from Latvia and Lithuania after rough wood processing in form of wood residues (sawdust and woodchips).

SBE to Lithuanian primary and secondary feedstock supplies has been introduced in 2019.

4.2 Justification

The assessment according SBP Standard No 1 and No 2, version 1.0 dated by March 2015, has been developed by evaluating Risk categories for each SBP indicator. While describing and evaluating risks, company has got deeper understanding about wood delivery risks, which may lead to SBP non-compliant materials reception for biomass producing.

Initiating an effective Risk mitigation measures the company has got an opportunity to buy approved and SBP-compliant assortments, to produce necessary volume of SBP-compliant biomass.

The classification of the developed risks indicators is graded, from potentially high risk to the low risk.

While developing risk indicators, company took into account Risk Assessment for Latvia, which was available in consultation process on SBP home page.

At the beginning SIA Varpa made Risk Assessment development according to SBP Standard Nr.1. version 1.0 dated by the year 2015 and Public Risk Assessment developed by NepCon.

After the 28th September 2017 SIA Varpa passed to SBP-endorsed RRA for Latvia.

The defined risk category's indicators, which level of risks has been changed during the risk evaluating process (for exam. 1.1.2., 1.4.1., 2.2.5., see project version of Regional Risk Assessment for Latvia), have been overviewed, evaluated in accordance with national law and regulatory requirements, national policies (forest industry, nature protection, biodiversity etc.), the annual reports and publications of the national institutions and authorities. In addition, company's Risk Assessment has been discussed with the interested parties and the leading experts in the field of environmental protection and forestry sectors.

During the Public Discussion with interested parties, also communicating with the biomass suppliers, the extra information has been obtained, which is connected to the current indicators of "specified risks" and "low

risks". No change in the Risk Assessment indicators or indicators information has been made. Therefore the Risk Assessment overview of SIA Varpa do not differ from Regional Risk Assessment for Latvia.

While having consultation with the interested parties and communicating with the biomass suppliers, approvals have been got about risk indicators actual for Latvian forestry industry.

Starting with 02nd January, 2019 SIA Varpa began introduction of SBE to Lithuanian supplies. SBP-endorsed RRA for Lithuania dated by 15.06.2016 is used.

SIA Varpa has developed risk mitigation and control system with the assistance of independent biotope experts, professional logging company experts and nature protection specialists. This system helps to evaluate and approve biomass deliveries and suppliers for Latvia and Lithuania, which delivered feedstock is appropriate to SBP-compliant biomass status from.

4.3 Results of Risk Assessment

Latvia

The regulatory requirements of the Republic of Latvia law and regulations are included in the analyses of BP's Risk Assessment.

Taking into account Latvian particularity, experts advices and recommendations were used while applying "specified risk" to the protection of biotopes (HCV category 3), conservation of birds habitats (HCV category 1), culture and historical objects (HCV category 6) and work safety of forest workers (indicator 2.8.1).

After the 28th September 2017 SIA Varpa passed to SBP-endorsed RRA for Latvia, which applies "Specified" risk to the same indicators.

Lithuania

SBP-endorsed RRA for Lithuania dated by 15.06.2016 is used.

"Specified risk" is defined to the protection measures about biotopes (HCV category 3) (indicator 2.1.2.) and work safety of forest workers (indicator 2.8.1).

4.4 Results of Supplier Verification Programme

The results of audits of SBE approved SBP Suppliers, which are related to the defined risks, are described further in the text. These results of audits are available to the third parties and stakeholders. They are based on audit documents.

For Latvia

During the risk evaluation time the information was collected from public sources and also by the check of the information truthfulness in reality. This collected information about all SBE Risk categories has been proved according to 4 categories – Protection of the biotope (HCV category 3), conservation of birds' habitat (HCV category 1), culture and historical objects (HCV category 6) and work safety. "Specified risk" relates to these categories, for other categories the risk is defined as low.

Risk evaluation and risk mitigation actions for primary feedstock compliance are based on audits at forest management units.

For Lithuania

According to the RRA the information shall be collected for 2 indicators – Protection of WKH (HCV category 3) in private forests and work safety in private uncertified forests, where the "Specified risk" has been identified.

Risk evaluation for primary feedstock about WKH presence can be done at the state database <https://geoportal.lt>, and compliance with work safety demands shall be based on audits at forest management units.

For both, Latvia and Lithuania, secondary feedstock approval is possible only for those processors who have rough wood suppliers, which correspond to Risk mitigation requirements and who agreed to cooperate for the purpose of evaluation and mitigation of risks on their processing places before processing the wood.

4.5 Conclusion

The volume of the FSC or PEFC certificated forests and the access to the certified feedstock is not sufficient to provide the SBP-compliant biomass at the level demanded by the market.

Since the beginning of the year 2017 wood feedstock suppliers' conformity about specified-risk indicators has been assessed for Latvia. Just a small part of suppliers, who has a competence to evaluate potential risks was approved as SBP compliant feedstock suppliers, who was not FSC or PEFC certified, was accepted.

As the result of risk mitigation measures assessment, Varpa SIA has approved 5 suppliers, who can provide risk mitigation measures and corresponds to SBE low risks category, initially.

At the end of 2019 the quantity of corresponding suppliers has achieved 22.

The approval of the SBE compliant feedstock suppliers in Lithuania started in 2019. Three secondary feedstock suppliers have agreed to participate in SBE SVP.

5 Supply Base Evaluation Process

The SBE approved feedstock, which SIA Varpa is obtaining for SBP-compliant biomass, refers to supplies from Latvia, and from 2019 supplies - from Lithuania.

The results of Risk assessment were received by performing audits at logging companies, who approved and agreed to do necessary actions for risk mitigation. Extra consultations with other logging and forestry companies have been done. The results and experience was publicly discussed with non-governmental organizations.

While looking for the approval of the SBP requirements implementation and evaluation of the competence of suppliers, loggers and processors, experts in work safety, in biotope, in birds` nests and possible cultural or historical objects identification has been invited.

The company has developed and uses Risk mitigating procedure, which describes specified risks mitigation measures and instruments.

For each risk indicator, a questionnaire has been developed and applied, so that it would be possible to evaluate objectively and get the full necessary information about wood obtaining places, which are included into the scope of the SBE.

The WKH presense risk for Lithuania is the subject for desk-top verification.

The audits frequency is 12 months according to the developed plan, so that wood received from approved suppliers cutting areas (forests management units) would be audited every 12 month. Audits are to be taken before and during processing time. The audits procedure is available by request, it is confidential. The results are presented to the interested parties and discussed with the intention to improve the effectiveness.

The person involved into BP's 'in-house' SBE audits at the level of suppliers has high and checked by BP qualification.

6 Stakeholder Consultation

Latvia

The company has published Risk Assessment on its home page in 2016. The information about developed Risk assessment in accordance with SBP standards has been sent to the interested parties. The list of stakeholders includes maximum of possible interested parties. The stakeholders in the list represent economic, social, environmental interests and also local authorities. Totally, 86 correspondents were inquired.

The company has received 4 comments, some with recommendations about Risk Assessment, but non about BP's Risk mitigation measures and their implementation process.

The approval and note about Risk Assessment developing and the general conclusion has been received from Mr. Roberts Kuznerevics, Southlatgale forest district, Kraslava department, the Chief Forester.

Lithuania

The Risk Mitigation Meathures were published on Varpa SIA home page on 2nd January, 2019. 146 stakeholders from different society segments were invited to consultations about Varpa SIA mitigation meathures. The stakeholders in the list represent economic, social, environmental interests, as well as local authorities.

No feedback has been received.

6.1 Response to stakeholder comments

Latvia

Comment 1: Recommendation about corrections and comments were received from A. Zeize the director of the Regional Administration of Latgale.

Response 1: SIA Varpa has been evaluated comments and made corrections in the text. Replies to A.Zeize was given by the phone.

Comment 2: Recommendation and the qualifying comment have been received from Viesturs Kerus, The chairman of the Board of the Latvian Ornithology community.

We have received your invitation to comment SIA Varpa Risk mitigation measures, however attached to the email information with the describe of measures is too general and it's impossible to evaluate, how these measures reduce the risks to the birds. Please, send more details about birds` nesting site identification and "audits table for cuts", which is in your opinion, is a good thing in order to determinate and minimize the impact of birds nesting sites.

Response 2: While consultation process took a place, it was arranged the meeting with the Latvian Ornithology community project manager Roland Lebus. During these meetings it was discussed Risk mitigation measures and further action, if birds` nests sites are identified. Also attention was paid to the information exchange between audit`s company and The ornithology community, because the nests site location is the confidential information.

Comment 3: The recommendation on the necessary corrections or qualifying comment is received from Janis Rozitis, The director of the World Wildlife Fund.

About Risk Assessment

The World Wildlife Fund got familiarized with SIA Varpa SBP Risk Assessment. From The World Wildlife Fund point of view SBP standards requirements` implementation in the Risk assessment are reasonable. Reasonable specific risks for indicators 2.1.1, 2.1.2., 2.8.1. This indicators shows on the problem with biotope identifying and protection, protection of birds nesting sites, work safety, conservation of the cultural and historical values.

The World Wildlife Fund gives following suggestion:

1) The specific risk of the 2.1.1. Indicator is relating to all non-certified forests, forest stand with the key biotope and EU biotope identification. There is no need to pay a lot of attention for private forests as local authorities forests, church forest and others, because there aren't proof, what environmentally friendly forest management would be implemented there.

For risk mitigation there is used data base with possible biotope summary, as well there is developed audit system for the tests in the forests. In the same time, the training about biotope identification should be provided for logging work managers / workers. They should understand, which structure of wood is necessary to save for biodiversity, while logging. The certified forest ecology experts should be invited to both initial courses and for further qualification courses. If there is a specific cases experts should be invited to evaluate the situation before obtaining resources too.

2) The specific risk of the 2.1.2. Indicator is relating to all non-certified forests. There is no need to pay a lot of attention for private forests. See comment of indicator 2.1.1.

3) For the indicators 2.2.1., 2.2.3., 2.2.4., 2.2.5., 2.2.6. in the part "Finding" there is mentioned Low risk. However it should be paid high level of attention in the future as well, because increase of biomass obtaining, changes in the laws and legalization, there are risks for the negative effects for biodiversity (the removal of dead wood, the cut of all underwood etc.), soil and water ecosystem.

4) For the indicators 2.2.5. in the part “Finding” there is suggestion to switch off point Nr.3 “Felling residues should not be removed in certain forest site types such as SI (Cladinoso–callunosa), Ln (Myrtillosa) and Mr (Vacciniosa), to avoid depletion of soil humus according to authors of study on impacts of forestry machinery on forest soils”, because this might cause confusion and get contradictions with the biological diversity conservation necessity, reducing this forest type overgrowing.

5) We can agree what for the indicator 2.3.2. Specific risk is not promotable, but in the part “Finding” it should be said, what logging workers still need to improve their knowledge about the implementation of the requirements of the environment and the protection of nature while doing logging works, biotope protection.

Response 3: During the consultations time the meeting with World Wildlife Fund director in Latvia – Mr. Janis Rozitis has been arranged. SIA Varpa affirms that actively participates in the Risk mitigation measures, so the all system would correspond to effective Risk mitigation program and it wouldn't be just formal, but to grasp all chosen suppliers wood deliveries, which are compliant with SBP requirements and Risk mitigations measures.

Comment 4: The recommendation on the necessary corrections or qualifying comment is received from

Senior expert Stella Boķe, The State Forest Center, stella.boke@vmd.gov.lv

Below there are some comments from VMD, but they are more related to the indicators, where are mentioned imported wood and EU Regulation of wood (EUTR).

“Stakeholders have underlined that

The share of imported timber from countries with a specified risk level with regard to the timber legality, i.e. the Russian Federation, the Republic of Belarus and Ukraine, is small” (5.page.)

In general, we agree to this and also others statements and we can say this is “low risk” indicator.

* “Most of the timber imported to Latvia from the Russian

Federation is FSC certified or controlled material (FSC Controlled Wood),

Supported by the fact that timber from Russian Federation is mostly purchased by large sawmills that are FSC/PEFC certified.” (5.page)

We don't know is this statement right or not. Our experience shows, that a large part (but we don't say, that the most) of wood from Russia is not certified/controlled. Is there somebody who had counted which one part is larger? (if yes, then OK). The fact is, what if sawmills are certificated, it doesn't mean what wood materials which they buy/ import are certified/ controlled.

***Said in the end of 5th page and in the beginning of 6th page in connection with EUTR and Competent Authority is true”.

* The text for indicator 1.3.1. (in connection with the Regulation) is not true or partly true. This one wasn't right from the beginning and Nepcon LV, Nepcon central bureau and FSC central bureau/Europe were informed. At the moment the text is in the correction process. For example, while text was still in the developing process, the test had been started, but all companies were informed, all amounts of companies was known, nothing was developed in cooperation with the Nature Protection Administration. This is mentioned on the 6th page and there is wrong amount of fine, which are related to import/all EUTR. They are legal from July 2015. In the end of description ("Finding") there is mentioned "most issues, particularly those indicated in WWF Barometer survey have already been resolved or are in the process of implementation", but even this is not true, because there is nothing in the implementation process, but everything has been implemented.

Response 4: The correction has been accepted and implemented in the Risk Assessment.

Lithuania

N/A

7 Overview of Initial Assessment of Risk

Latvia

Starting with 28th September, 2017 the SBP-endorsed RRA for Latvia has been applied.

The overview of RRA results for all indicators (before Suppliers Verification program (SVP) implementation) is:

Indicators	Initial Risk Assessment		
	Low	Specified	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		
1.6.1	X		
2.1.1		X	
2.1.2		X	
2.1.3	X		
2.2.1	X		
2.2.2	X		
2.2.3	X		
2.2.4	X		
2.2.5	X		
2.2.6	X		
2.2.7	X		

Indicators	Initial Risk Assessment		
	Low	Specified	Unspecified
2.4.1	X		
2.4.2	X		
2.4.3	X		
2.5.1	X		
2.5.2	X		
2.6.1	X		
2.7.1	X		
2.7.2	X		
2.7.3	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		

2.2.8	X		
2.2.9	X		
2.3.1	X		
2.3.2	X		
2.3.3	X		

All specified risk indicators relate to uncertified (by FSC or PEFC Forest Management Scheme) forests, indicator 2.8.1. – to manual loggers only.

Lithuania

Starting with 15th June, 2016 the SBP-endorsed RRA for Lithuania has been introduced.

The overview of RRA results for all indicators (before Suppliers Verification program (SVP) implementation) is:

Indicators	Initial Risk Assessment		
	Low	Specified	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		
1.6.1	X		
2.1.1	X		
2.1.2		X	
2.1.3	X		
2.2.1	X		

Indicators	Initial Risk Assessment		
	Low	Specified	Unspecified
2.4.1	X		
2.4.2	X		
2.4.3	X		
2.5.1	X		
2.5.2	X		
2.6.1	X		
2.7.1	X		
2.7.2	X		
2.7.3	X		
2.7.4	X		
2.7.5	X		
2.8.1		X	

2.2.2	X		
2.2.3	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		
2.3.1	X		
2.3.2	X		
2.3.3	X		

2.9.1	X		
2.9.2	X		
2.10.1	X		

Both indicators having specified risk relate to private uncertified (by FSC or PEFC Forest Management Scheme) forests.

8 Supplier Verification Programme

8.1 Description of the Supplier Verification Programme

Latvia

Risk mitigation measures are related to following feedstock categories:

- primary feedstock deliveries from Latvian forests properties before, during and after logging operations;
- secondary feedstock (woodchips, sawdust) of Latvian origin.

This does not apply to other origin regions.

SIA Varpa divides SBP suppliers in 2 categories:

Category Nr.1. SBE NR compliant supplier - suppliers, who has signed the Agreement about SBE Compliant feedstock deliveries, the training about identifying risk categories has been done, the supplier is making tests for all delivered to Varpa SIA feedstock from all wood origin units, SIA Varpa has made an audit for this supplier and gave a written confirmation. If a supplier has not evaluated or has ignored any of Risk categories at a cutting area, when risks haven't been identified or haven't been told about them, such supplier is to be excluded from the list of SBE compliant feedstock suppliers.

Category Nr.2. SBE NR non-compliant supplier – include all suppliers, whom a Risk assessment to all delivered wood volume hasn't been made, and with these suppliers an Agreement about SBE Compliant feedstock deliveries hasn't been signed. The training about identifying risk categories has been done, but suppliers doesn't apply Risk mitigation measures by the way of usage of SIA Varpa Risk mitigations instruments. The audit at this supplier might be made, but SIA Varpa hasn't given a written confirmation to him.

During the process of SBP certification, the company was evaluating suppliers, loggers in forests and processors, who agreed and signed an Agreement about fulfillment of SBE requirements, in way of doing evaluation of logging area before work and identifying all risk categories.

Audits are performed at least once in a year for approved suppliers to make sure what they compliant for SBE requirements and at least once in a year for non-approved suppliers before or during logging works.

There is an additional program for those non-approved suppliers, who would like to supply a compliant biomass and have competency to evaluate the risk categories. This program includes a test before logging works. In the company's procedures there is described a minimum criteria for suppliers to be approved as SBE compliant.

The number and choice of visiting places are planned in advance. Before logging operations the company receives information about planned logging work places, cadaster numbers, coordinates of cutting areas from the approved suppliers.

To get an additional information there is used the following sources: Latbio, the potential biotope data base (www.latbio.lv/MBI/), The Nature Conservation Agency's data base "Ozols" (http://www.daba.gov.lv/public/lat/dati1/dabas_datu_parvaldibas_sistema_ozols/). There information about recommendation from forestry and nature protections' experts can be found. During audits, we have got an approval, what suppliers understand about risks relating long-term biomass obtaining, they correctly identify risk categories and do everything to mitigate the risks.

SIA Varpa's tasks in the SBP certification are to test all the feedstock suppliers, performing audits, evaluating compliance to SBP standards requirements, evaluating competency and ability to identify risks, which are connected to 3 mentioned risk categories in Latvia.

All suppliers approved have been evaluated about work safety system, all actions to safe WKH, actions to identify WKH before logging works, actions to safe cultural and historical values and birds' nests protection.

During audit time it was checked, how the forestry company implements the Risk mitigation measures, filling specials check lists, which were approved by biotope experts. After checking these reports (check lists), SIA Varpa makes a conclusion if supplier is ready to supply SBE compliant feedstock or supplier has to do corrections in his work and audits should be done once again.

In the process of Risk mitigation all cutting areas were checked using <http://latbio.lv/MBI/> and in the Ozols data base.

Lithuania

The risk mitigation measures refer to the supply of primary and secondary raw materials from Lithuanian forests: round timber, firewood after logging, wood chips after logging, chips from overgrown agricultural areas, sawdust, chips as wood residues after wood processing.

Proactive field test audits system, as well as available 3-party documentary evidences, allows obtaining information about the supply risk on the delivery level for each supplier.

All supplies of primary feedstock shall identify the origin of the biomass, by attaching a copy of the wood cutting license to waybills.

The risk mitigation plan and the intensity are determined for each risk individually or simultaneously before harvesting, during and after harvesting.

The number of field inspections is determined by the number of potentially risky biomass supplies.

All contracts with suppliers comprise demands on necessary checks and measures to exclude biomass of risky origin.

At field tests the company uses its developed checklists, where all criteria and indicators are assessed by an auditor to recognize whether the risk is low or high.

In disputable of sophisticated cases the company attracts experts to carry out risk mitigation measures, or with the purpose to improve the effectiveness of company's risk mitigation system.

Risk mitigation procedure for Indicator 2.1.2.

Most High Conservation Values (HCV) in the forest are duly protected by Lithuanian legislation, and threats for these HCV are addressed.

Nevertheless one exception exists, it is the protection of Woodland key habitats (WKH).

Lithuanian state forests by their initiative have implemented comprehensive measures to protect WKH, and therefore risk for WKH in state forests is considered as low. Correspondingly, the feedstock coming from state forests does not need mitigation.

Risk mitigation measures shall be applied to feedstock originating from private forests.

WKH were invented in Lithuania in 2013. The information about areas with WKH among others is acceptable at the web page <https://geoportal.lt>. Each supplier wanting to supply primary feedstock to Varpa SIA as compliant with SBE requirements shall check cutting areas on the presence of WKH at the given web-site, as well as document the results of these checks (eg. printout of screenshots).

If a cutting area appears having no WKH, the wooden feedstock from it can be supplied as compliant with SBE requirements, and the supplier places the inscription “SBE NR” on waybills what indicates the Negligible Risk.

If WKH are present on the cutting area, such feedstock cannot be supplied to Varpa SIA.

To exclude the risk of improper supplies by new suppliers, at the beginning of co-operation SIA Varpa double checks supplier’s cutting area at the above mentioned web-site.

Being convinced in proper checks implementation at a supplier SIA Varpa continues to make random checks at him as a 0.8 multiplied by square root of total quantity of risky cutting areas offered for Varpa SIA by each supplier during the year.

Secondary feedstock (waste of sawmilling) suppliers shall have all supplies of their feedstock (sawlogs) corresponding to the FSC® or PEFC® controlled wood requirements.

They shall track the origin of all their feedstock supplies and gather documentary evidences correspondingly.

These suppliers, can get “SBE NR” marked feedstock from Varpa SIA approved forestry companies.

Secondary feedstock suppliers can supply part of their sawmilling waste, corresponding to the volume of their feedstock received as “SBE NR”, with “SBE NR” inscription in their waybills.

For the purpose of determination of the wooden waste volume, which can be supplied with “SBE NR” mark, these suppliers shall keep up-to-date credit accounts.

Risk mitigation procedure for Indicator 2.8.1.

Forestry in Lithuania has the highest risk in relation to health and safety.

Corresponding measures have been prepared in Lithuanian state forest, namely: periodical monitoring of all contractors and subcontractors working in state forest and checks if they are following health and safety requirements.

Logging companies that are working in FSC FM/COC certified forest operations based on subcontracting agreements are monitored not only by the forest managers, but are required to fulfill the FSC requirements set in P4 (P2 in FSC-STD-01-001 v 5-0).

Therefore logging companies, which have valid contracts with state forests or FSC FM certified forest owners are exempt from risk mitigation activities.

Mechanized forestry operations (by harvesters) represent much lower risk level compared with traditional hand-held chainsaw operations.

Therefore occupational safety risk mitigation measures only apply to hand-held chainsaws, operating in non-certified private forests.

The Varpa SIA Licensing Audit Specialist carries out audits in the forest during logging in advance and checks if all occupational safety measures are in place.

The task of the audit is to make sure that the supplier complies with labor safety regulations in accordance with the legislation of the Republic of Lithuania.

The auditor fills the questionnaire "Safety Requirements Questionnaire" (is available on request) and assesses each safety aspect by five-point grading scale.

Initially, the Licensing Auditor carries out the audit before the first delivery is agreed. Audits cover all supplier's hand-logging squads.

For SBE-compliant raw material suppliers repeated audits are performed every 12 months.

8.2 Site visits

Territories for audit and suppliers were chosen in the next way: to cover maximum of deliveries regions, service providers, different forestry companies and the subcontracts of these companies.

Audits were performed randomly before or during logging works.

Latvia

Forests parts with the signs of potential biologically high conservation values were attended first of all.

SIA Varpa uses a formula $x=0,8\sqrt{\text{FMU}}$ rounded up to plan a number of audits for each supplier. The FMU means the quantity of planned cutting areas for Varpa SIA by the supplier during the year. x – the amount of visited FMU before or after logging works.

30 Manufacturers sites were audited, for the purpose of inspecting the compliance with SBE compliant feedstock procurement.

Lithuania

Audits at suppliers are performed before the start of co-operation on SBE, and afterwards every 12 monthes.

Field audits on work safety initially, to minimize the risks at the beginning, are carried out before the first supply is agreed, afterwards - every 12 months.

The first audits have been carried out together with the surveillance audit, one at the primary feedstock supplier and one at the secondary feedstock supplier. Afterwards 3 audits have been performed.

8.3 Conclusions from the Supplier Verification Programme

Latvia

Labour protection audits were started the 1st of January 2017. Audits were planned is advance and were performed to all suppliers and processors. Before doing tests SIA Varpa asked suppliers to give information about logging places service providers.

Territories for audit and suppliers were chosen in the next way: to cover maximum of deliveries regions, different forestry companies and the subcontracts of these companies. The main region if audit: Eastern Latvia.

Notes and records were done for each audit of supplier.

After audits we can make a conclusion, what the risks related to labour protection and work safety in logging works in the forest can be divided in two parts:

- 1) the logging with the special machines (harvesters) maximum reduce all risks related to labour protection and work safety. During audits were found just a few minor failures.
- 2) the high level of risk related to labour protection and work safety was found in logging places, where logging was made with the hand saws. During audits were found sometimes significant discrepancies. The management of these companies was invited to pay more attention to the labour protection and repeated audits were performed.

WKH, bird habitat, cultural and historical objects risk identification and monitoring program

Firstly were tested that cutting areas and territories near cutting areas, by Latbio and Ozols database. These tests were done usually before logging work.

Territories for audit and suppliers were chosen in the next way: to cover maximum of deliveries regions, service providers, different forestry companies and the subcontracts of these companies. The region of wood obtaining in audit's program is Latvia. Notes and records were done for each audit.

The following conclusions are done after performed audits:

1) suppliers have understanding about HKV evaluation mechanism, suppliers understand the necessity of doing HKW evaluating audit before any logging work, the necessity of HKV audits in economic forests and agricultural land. In the cases of doubt forest HKV experts are invited for consultation.

2) on the chosen for supply forests plots during logging works weren't found any cultural or historical values. It means, what suppliers understand, what protection of the cultural and historical values is regulated by the Law of the Republic of Latvia. If any of cultural and historical values are founded, the State Forest Service and relevant local authorities are informed about this by written note. The logging works are suspended until the decision of the competent authorities.

3) there are not found big birds' nests (more than 50cm) on the visited cutting areas during audits. Suppliers know what to do, in case if they find big birds' nests (more than 50cm). Logging companies understand the need to leave on the glades dead trees and ecological trees. Audits found that the administrative territories restrictions for logging are followed.

Audits founds, what logging companies are ready to show to SIA Varpa auditors forest territories, which they recognize as highly valuated biological forest (EU definition - forest biotope, natural forest biotope) and loggings work won't be done there, or in the other case SIA Varpa management will be informed about this. The wood from these forests sites/properties won't be delivered.

Lithuania

Three companies were accepted to participate at Varpa SIA SBE in Lithuania.

9 Mitigation Measures

9.1 Mitigation measures

Latvia

9.1.2. Risk mitigation measures are related to following biomass deliveries risk categories:

- forest biotope of European interest, identification of forest biotope.
- cultural and historical monuments, identification of objects with the cultural and historical value during logging process
- identification of the birds` nests
- labour protection and work safety`s risk mitigation.

9.1.3. The process of audit

9.1.3.1. Audits were performing randomly to all suppliers despite are they approved as SBE supplier or are not.

9.1.3.2. For those suppliers, who are approved as SBP compliant feedstock supplier, audits and all categories evaluation are performed before or during logging works.

9.1.4. After analyzing audit`s results, the management of SIA Varpa makes a decision about further cooperation, volumes of deliveries. If suppliers refuse to give information about planned processing volumes or refuse to cooperate with the SIA Varpa audits, then these suppliers have to be switched off from the SBE suppliers` list.

9.1.5. SIA Varpa invites biotope experts, specialists, forest work`s safety specialists and manage additional informative seminars. This is doing to inform suppliers as much as possible about SBP compliant feedstock deliveries requirements and potential risks, reducing this way SBP non-compliant feedstock deliveries risks.

9.1.6. General description of risk mitigation system:

9.1.6.1. General Risk mitigation measures:

9.1.6.1.2. FSC and PEFC certified wood procurement, as priority SBP compliant biomass procurement.

9.1.6.1.3. Inclusion of necessary terms of SBP standards in the Supply contracts for feedstock deliveries, thereby identifying and reducing risk of SBP non-compliant feedstock deliveries.

9.1.6.1.4. Biotope Risk Assessment procedure is made before logging works, including following actions:

9.1.6.1.4.1. Check of cadaster number before, during or after processing, using Latbio data base "Biotope instrument" http://latbio.lv/MBI/search_db;

9.1.6.1.4.2. Check of possible existence of HCV, potential forest biotope (MB) on each forest site, which was bought, using data base system “OZOLS”

http://www.daba.gov.lv/public/lat/dati1/dabas_datu_parvaldibas_sistema_ozols/

9.1.6.1.4.3. There is developed audit's form of evaluating before logging works. This form includes all 4 risks categories. The form is developed together with the biotope experts in order to determinate and minimize impact on potential biotope, identify and protect cultural and historical objects and birds' nesting sites.

9.1.6.1.5. Labour protection and work safety's risk assessment is occurring during logging works. The inspector is doing check following specially developed check list. This list includes minimum requirements for the safety in the forest. This check list has been developed together with the company's licensed safety specialist.

9.1.6.1.6. The training has been done to the company's masters of forest and biomass suppliers. The aim of the trainings is to teach loggers and suppliers to identify the indicators of possibly potential biotopes, birds' nesting sites, cultural and historical objects, also to fully ensure work safety requirements in own company and service provider's company.

The evaluation of Risk assessment effectiveness and results of the audits are available on request from the third parties. While face-to-face meeting the mechanism of Risk mitigation measures will be explained, the yield from such action and further cooperation is the process of risk reduction.

Lithuania

The explicit explanation of Varpa SIA risk mitigation measures is given in the section “Description of the Supplier Verification Programme”

9.2 Monitoring and outcomes

Latvia

2 suppliers – loggers were not approved for wood deliveries in 2016. This happen, because the violations of work safety was found during audits, and suppliers didn't want to cooperate with the SIA Varpa in reducing SBP non-compliance risks.

After surveillance audits and HCV and work safety risk evaluating, the management of SIA Varpa decided to exclude those suppliers, who didn't meet the criteria of risk mitigation program, developed by SIA Varpa.

After SBP Risk mitigation audits and trainings for suppliers, all participants (suppliers, forest properties holders, logging companies) got the understanding about SBP requirements related to risk categories, risk identifying and risk mitigation mechanism. In 2018 minor inconsistencies were noticed at forest workers about labor safety in 48% of inspections total quantity, major inconsistencies were not found.

In 2019 after audits 23 companies were co-operating as participants in SBE system.

Details for each indicator are provided in the risk assessment.

Lithuania

The three inspected in the frame of SBE companies were accepted to participate at Varpa SIA SBE for Lithuania.

The documentation available: SIA “Varpa” in the office, at the address Krāslava, Indras street 15.

10 Detailed Findings for Indicators

N/A , regional RA for Latvia exists from 20.09.2017, for Lithuania – from 15.06.2016.

11 Review of Report

11.1 Peer review

The final version of this report was submitted for review of the specialist connected to woodworking, wood growing and forest environmental processes.

The report has been considered by and received back with comments from: Riga State Technical School Principal of Kraslava Branch **Mr. Aivars Andžāns** who has extensive experience in wood processing.

The reviewer asserts, that he has studied the SBR and believes that the document is professional, with versatile analysis and includes the substantiated information. Based on his experience, he concludes that the information in this document really reflects the situation and shows the nature and diversity of the woodworking company SIA Varpa.

11.2 Public or additional reviews

Other opinion (except opinions presented in 11.1) has not been received.

12 Approval of Report

Approval of Supply Base Report by senior management			
Report Prepared by:	<i>Bernards Baranovskis</i>	<i>Board Member</i>	<i>12.03.2020.</i>
	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:	<i>Edvards Baranovskis</i>	<i>Chairman of the Board</i>	<i>12.03.2020.</i>
	Name	Title	Date
Report approved by:	<i>Josifs Vorslovs</i>	<i>Board Member</i>	<i>12.03.20.</i>
	Name	Title	Date
Report approved by:	<i>Aleksandrs Bartkevičs</i>	<i>Board Member</i>	<i>12.03.20.</i>
	Name	Title	Date

13 Updates

13.1 Significant changes in the Supply Base

In 2019 SBE has been introduced for Lithuania.

13.2 Effectiveness of previous mitigation measures

Latvia

The mitigation measures, i.e HCV in forest identification and protection, as well as labor safety in the forest, have shown high level of effectiveness.

Lithuania

Three inspected in the frame of SBE companies were accepted to participate at Varpa SIA SBE from Lithuania.

13.3 New risk ratings and mitigation measures

Starting with 28th September, 2017 the SBP-endorsed RRA for Latvia has been applied.

The SBP-endorsed RRA of 15.06.2016 for Lithuania is used for Lithuanian supplies.

13.4 Actual figures for feedstock over the previous 12 months

Bands for each feedstock category are: primary feedstock - 0 – 200,000 tonnes, secondary feedstock - 0 – 200,000 tonnes, tertiary feedstock - 0 – 200,000 tonnes (the exact volumes have not been shown by reason of commercial sensibility, because these may give competitive advantages for some market players).

13.5 Projected figures for feedstock over the next 12 months

Bands for each feedstock category will not change and will be: primary feedstock - 0 – 200,000 tonnes, secondary feedstock - 0 – 200,000 tonnes, tertiary feedstock - 0 – 200,000 tonnes (the exact volumes have not been shown by reason of commercial sensibility, because these may give competitive advantages for some market players).