Supply Base Report:

Latgran SIA - Jēkabpils
NCR-verification audit

Sustainable Biomass Program
sbp-cert.org



Completed in accordance with the Supply Base Report Template Version 2.2 and SBP Bridging Requirements for Meeting the Directive EU/2023/2413 (REDIII)

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:	Latgran SIA - Jēkabpils
Producer address:	Muižas iela 3, LV-5222 Jēkabpils, Jēkabpils novads, Latvia
SBP Certificate Code:	SBP-01-67
Geographic position:	56.506930, 25.908720
Primary contact:	Līga Hermane, +371 2631 7722, liga@latgran.com
Company website:	www.latgran.com
Date report finalised:	11 May 2026
SBR reporting period from:	01 Jan 2025
SBR reporting period to:	31 Dec 2025
Name of the Certification Body:	Preferred by Nature OÜ
Certification Body Approval date:	23 Oct 2026
SBP Standard(s) used:	SBP Standard 1: Feedstock Compliance v2.0, SBP Standard 2: Feedstock Verification v2.0, SBP Standard 4: Chain of Custody v2.0, SBP Standard 5: Collection and Communication of Data v2.0, Instruction Document 1A: SBP Requirements for Primary Feedstock from Trees Outside Forests (TOF) v1.0, Instruction Document 5E: Collection and Communication of Energy and Carbon Data v2.0, Instruction Document EU RED: Bridging Requirements for Meeting the Directive EU/2023/2413
Feedstock origin (countries)	Latvia (Whole country), Lithuania (Whole country), Estonia (Whole country)
Weblink to Standard(s) used:	https://sbp-cert.org/documents/standards-documents/standards

2 Description of the Biomass Producer and the Supply Base

2.1 Description of the company

Graanul Invest Group is the world's leading sustainable biomass and bioenergy producer. For over 20 years, we have dedicated ourselves to developing and re-inventing the bioenergy sector.
As a forefront player in renewable energy, we operate 12 modern pellet plants, 6 CHPs, and 4 vessels in the Baltics and the U.S. Our commitment and leadership in biomass are key to meeting the global climate challenge. With our cutting-edge processes and technologies, we have established ourselves as the industry leader in efficiency, sustainability, and reliability.
Graanul Invest operates in two main business areas: producing environmentally friendly, carbon-neutral wood pellets and generating green electricity and heat from forestry and wood industry by-products. We make both premium-grade and industrial wood pellets with exemplary quality.

Main Office Estonia Address: Humala str. 2, 10617 Tallinn, ESTONIA

6 pellet plants in Latvia

- SIA Graanul Invest Address: "Ezerini", Launkalne, district Smiltene, LV 4718, LATVIA (founding year 2011)
- SIA Graanul Pellets Address: Planupes street 34, Incukalns, Parish Incukalns, district Siguldas, LV-2141, LATVIA (founding year 2012)
- SIA Latgran, Jaunjelgava Address: Meza street 4B, Jaunjelgava, district Aizkraukles, LV-5134, LATVIA (opening year 2005)
- SIA Latgran, Jekabpils Address: Muižas iela 3, Jēkabpils, district Jekabpils, LV-5222, LATVIA (opening year 2008)
- SIA Latgran, Kraslava Address: "Latgran", Parish Udrisu, district Kraslava, LV-5601, LATVIA (opening year 2011)
- SIA Latgran, Gulbene Address: "Alksni", Daukstu, district Gulbene, LV-4417, LATVIA (opening year 2014)

4 pellet plants in Estonia
• AS Graanul Invest ImavereAddress: Imavere, Järva parish, 72401 Järvamaa, ESTONIA
• OÜ Helme Graanul Address: Patküla, Tõrva parish, 68613 Valgamaa, ESTONIA
• OÜ Ebavere Graanul Address: Tehase 1, Ebavere village, Väike-Maarja parish, 46209 Lääne-Virumaa, ESTONIA
• OÜ Osula Graanul Address: Varese village, Võru parish, 66642 Võrumaa, ESTONIA

1 pellet plant in Lithuania
• UAB Graanul Invest Address: Artoju g 3c, Alytus, LT62175 LITHUANIA

1 pellet plant in the US
• Woodwille Pellets LLC Address: 164 County Road 1040 Woodville, Texas 75979, USA

Graanul Invest has implemented several management systems and has been certified within the following standards:
• ISO 9001:2015 – Quality management systems
• ISO 14001:2015 – Environmental management systems
• ISO 45001:2018 – Occupational health and safety

• ISO 50001:2018 – Energy management
• SBP - Sustainable Biomass Program
• PEFC – Programme for the Endorsement of Forest Certification
• ENplus® – Pellet quality certification
• DINplus – Pellet quality certification

Graanul Invest AS pellet plant is producing environmentally friendly, carbon-neutral wood pellets.

Products included in the scope of SBP Certification: *WB 1.1 Wood pellets*

Number of employees: *20*

Annual maximum production capacity (metric tonnes): *200000*

Number of direct feedstock suppliers: *77*

Approximate number of feedstock sub-suppliers: *84*

Description of the chain-of-custody and upstream supply chain:

At the Latvian production plants of AS Graanul Invest, feedstock is purchased with a preference for certified suppliers. However, there are also suppliers who are monitored in accordance with the PEFC DDS system, and additionally checks are carried out to ensure alignment with the sustainability criteria set by the SBP certification. The origin of the material, including the felling site, is always known and supported by appropriate documentation.

The entire supply chain is fully traceable, and each shipment must be accompanied by an electronic or paper waybill containing the following information: cadastral number, tree species, name of the supplier, assortment, quantity, statement and code of the certificate, distance from the place of delivery. The information on the waybill is automatically checked before the material is received at the gate.

2.2 Detailed description of the Supply Base

Guidance: Tables below have been generated automatically for each sourcing country based on the selection of 'Feedstock origin (countries)' in section 1 above.

Annex 1 is generated by the system if the SBP SBE is used without Regional Risk Assessment(s) (RRAs). In case RRA(s) is used, further details shall be given only in section 3 below.

Annex 2 is generated if EU RED SBE is in the scope for each country separately.

Country	Latvia
Area/Region	Whole country
Exclusions	No
Feedstock types	Primary feedstock, Processing residues
Feedstock Product Groups	Forest feedstock (1A), Trees outside forest (TOF) - Urban and landscape feedstock (2A), Trees outside forest (TOF) - Agricultural land feedstock (3A), Processing residues feedstock (4A)
Feedstock inputs	SBP Compliant feedstock , SBP Controlled feedstock
Is the forest managed to supply energy and non-energy markets?	Yes - Majority

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
Risk assessment(s)	Yes – Regional Risk Assessment (RRA) used, Yes – Biomass Producer's own risk assessment used (SBE)
Provide a concise summary of why a SBE was determined to be required or not required here:	
GI promotes highest possible sustainability and therefore gives strong preference to SBP compliant biomass. Our client list shares these values and demands SBP Compliant biomass from us. The SBE system is designed to ensure that noncertified forest owners implement sustainable forestry practices. SBE includes RED EU, but from year 2025 includes TOF.	
Feedstock types included in SBE:	Primary feedstock, Processing residues
Includes EU RED SBE:	Yes
Includes EU RED II SBE grandfathering	No
Includes EU RED TOF:	Yes
Includes EU RED II TOF grandfathering	No
Size of Supply Base area (million ha):	3.4545
Map(s) of the Supply Base area:	
Source: https://www.worldometers.info/maps/latvia-map/	



Country	Lithuania
Area/Region	Whole country
Exclusions	No
Feedstock types	Primary feedstock, Processing residues
Feedstock Product Groups	Forest feedstock (1A), Processing residues feedstock (4A)
Feedstock inputs	SBP Compliant feedstock , SBP Controlled feedstock
Is the forest managed to supply energy and non-energy markets?	Yes - Majority
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
Risk assessment(s)	Yes – Regional Risk Assessment (RRA) used
Provide a concise summary of why a SBE was determined to be required or not required here:	
GI promotes highest possible sustainability and therefore gives strong preference to SBP compliant biomass.	

Our client list shares these values and demands SBP Compliant biomass from us.	
Feedstock types included in SBE:	Primary feedstock, Processing residues
Includes EU RED SBE:	Yes
Includes EU RED II SBE grandfathering	No
Includes EU RED TOF:	No
Includes EU RED II TOF grandfathering	No
Size of Supply Base area (million ha):	2.2130
Map(s) of the Supply Base area:	

Source: https://www.worldometers.info/maps/lithuania-map/



Country	Estonia
Area/Region	Whole country
Exclusions	No

Feedstock types	Primary feedstock, Processing residues
Feedstock Product Groups	Forest feedstock (1A), Processing residues feedstock (4A)
Feedstock inputs	SBP Compliant feedstock , SBP Controlled feedstock
Is the forest managed to supply energy and non-energy markets?	Yes - Majority
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
Risk assessment(s)	Yes – Regional Risk Assessment (RRA) used
Provide a concise summary of why a SBE was determined to be required or not required here:	
GI promotes highest possible sustainability and therefore gives strong preference to SBP compliant biomass. Our client list shares these values and demands SBP Compliant biomass from us.	
Feedstock types included in SBE:	Primary feedstock, Processing residues
Includes EU RED SBE:	Yes
Includes EU RED II SBE grandfathering	No
Includes EU RED TOF:	No
Includes EU RED II TOF grandfathering	No
Size of Supply Base area (million ha):	2.3260
Map(s) of the Supply Base area:	
Source: https://www.worldometers.info/maps/estonia-map/	


FINLAND
Gulf of Finland
Naissaar
Prangli
Aegna
Bay of Narva
TALLINN
Maardu
Sillamäe
Rakvere
Kiviõli
Kohtla-Järve
Tapa
Osmussaar
Väike-Pakri
Suur-Pakri
Harjumaa
Lääne-Virumaa
Ida-Virumaa
BALTIC
SEA
Vormsi
Läänemaa
Raplamaa
Rapla
Hiiumaa
Kärdla
Haapsalu
Paide
Järvamaa
Peipsi Järv
(Lake Peipus)
Kassari
Jõgevamaa
Muhu
Saaremaa
Pärnumaa
Tartu
Vilsandi
Pärnu
Viljandimaa
Viljandi
Tartumaa
Kuressaare
Abruka
Lake
Pskov
Sõrve Poolsaar
Otepää kõrgustik
Põlvamaa
Valgamaa
Irbe Strait
Ruhnu
Kihnu
Manilaid
Võrumaa
Haanja
kõrgustik
Valga
Gulf
of
Rīga
LATVIA
LATVIA
National Capital (399,000
over 100,000
over 50,000
over 10,000
other main city
other city
Chief town of district
200 m
100 m
0 m
ESTONIA
0 km 15 30 45 km
©2018 GEOATLAS® for Worldometer.org

2.3 Feedstock information

a. **Total volume of Feedstock:** 200,000-400,000 tonnes

b. **Volume of primary feedstock:** 200,000-400,000 tonnes

c. **List of all the species in primary feedstock, including scientific name:**

Picea abies	Norway spruce
Pinus sylvestris	Scots pine
Alnus glutinosa	Black alder
Alnus incana	Grey alder
Populus tremula	Eurasian aspen
Betula pendula	Silver birch
Betula pubescens	Downy birch

d. **Was the feedstock used in the biomass removed from a forest as part of a pest/disease control measure or a salvage operation?** N/A
Explanation:

e. **Hardwood (i.e. broadleaf trees): specify proportion of feedstock from (%)**: 59.16

f. **Softwood (i.e. coniferous trees): specify proportion of feedstock from (%):** 40.84

g. **Proportion of feedstock composed of or derived from saw logs by weight (%):** 0.00

h. **Indicate how you determine the proportion of saw log:** Specification issued by a body exercising functions of a public nature and issued for use by sawmills in the area in which the wood was grown.

i. **Roundwood from fellings from forests with > 40 yr rotation times - Average % volume of fellings delivered to BP (%):** 36.87

j. **Select forest type(s) where the primary feedstock was sourced from:** Mix of The Above

k. **Select the main harvesting system(s) used for the sourced primary feedstock:** Clearcutting

l. **Volume of primary feedstock from primary forest:** 0 tonnes

m. **Volume of processing residues feedstock:** 1-200,000 tonnes
Physical form of the feedstock: Chips, Sawdust

n. **Share of SBP-recognised system claim for processing residues:**

72.00 % N/A

28.00 % N/A

o. **Volume of post-consumer feedstock:** 0
Physical form of the feedstock: Chips, Sawdust

p. **Estimated amount of EU RED-compliant sustainable feedstock that could be collected annually by the BP:** 400000 tonnes

q. **What is the estimated amount of EU RED-compliant sustainable feedstock that could be harvested annually in a Supply Base (estimated):** 400000.00 tonnes
Explanation:

3 Supply Base Risk Assessments and Risk Management Measures

Guidance: Biomass Producers shall demonstrate that any specified risks of sourcing feedstock not in compliance with SBP Standard 1 have been adequately reduced to low risk, following Standard 2 requirements. Following section applies to Biomass Producer's implementing SBP Supply Base Evaluation (SBP RRA or company own risk assessment). EU RED Supply Base Evaluation details are reported in Annex 2.

☐ **Not Applicable – Supply Base Evaluation not implemented**

3.1 Summary of the Supply Base Evaluation

SBE for Latvian feedstock includes Forest feedstock (1A), Trees outside forest (TOF) - Urban and landscape feedstock (2A), Trees outside forest (TOF) - Agricultural land feedstock (3A), Processing residues feedstock (4A).
SBE for Lithuanian feedstock includes Forest feedstock (1A), Processing residues feedstock (4A).
SBE for Estonian feedstock includes Forest feedstock (1A), Processing residues feedstock (4A).

To reduce the risk of sourcing from high conservation value forests, SBE assessments are already being carried out for feedstock originating from Latvia and Lithuania. In addition, a procedure for conducting SBE assessments for feedstock originating from Estonia has been developed and will be implemented starting from May 2026, in accordance with the SBP Framework Standard 1: Feedstock Compliance Standard and Standard 2: Verification of SBP-compliant Feedstock.

The risk assessment of the SBE is based on the Revised Regional Risk Assessments for Latvia, Lithuania and Estonia V2.0 as published on 12 July 2024. Risk assessments are available on SBP homepage: https://sbp-cert.org/documents/normative-documents/version-2/risk-assessments/

The scope of the SBE was chosen based on the availability of the SBP-endorsed Regional Risk assessments whereas the possibility to mitigate the identified "specified risks". Graanul Invest AS has developed the risk mitigation measures so that feedstock can be sourced as SBP compliant feedstock. For more details see Risk management measures section.

As part of the SBE, the evaluation also takes into account the SBP-commissioned benchmarking document: "Evaluation of the Forest Stewardship Council (FSC®) scheme using the Framework for benchmarking and recognition of certification schemes relevant to the scope of SBP certification", which supports recognition of FSC-certified material as contributing to risk mitigation in specified areas.

3.2 Conflicts with applicable national and sub-national legislation

No conflicts.

3.3 Risk Management Measures

Guidance: Please provide more details about specified risk indicators in each supply country and describe mitigation measures taken to address all specified risks associated with indicators.

Country: Latvia
Area/sub-scope: Whole country

Risk Assessment used:	
	☐SBP-RRA-AS-VN-FOR_v1.0 RRA for Vietnam FOR_Interim ☐SBP-RRA-US-NF-FOR_v1.0 RRA for US National FOR_Interim ☐SBP-RRA-US-PF-FOR_v1.0 RRA for US Private FOR_Interim ☐SBP-RRA-EU-DK-FOR_v2.0 RRA for Denmark FOR_Endorsed ☐SBP-RRA-EU-DK-TOF_v1.0 RRA for Denmark TOF_Interim ☐SBP-RRA-EU-EE-FOR_v2.0 RRA for Estonia FOR_Endorsed ☒SBP-RRA-EU-LV-FOR_v2.0 RRA for Latvia FOR_Endorsed ☐SBP-RRA-EU-LT-FOR_v2.0 RRA for Lithuania FOR_Endorsed ☐SBP-RRA-CA-QC-FOR_v2.0 RRA for Quebec FOR_Interim ☐SBP-RRA-CA-AB-FOR_v1.0 RRA for Alberta FOR_Interim ☐SBP-RRA-CA-BC-FOR_v2.0 RRA for British Columbia FOR_Interim ☐SBP-RRA-CA-NB-FOR_v1.0 RRA for New Brunswick FOR_Interim ☐SBP-RRA-CA-NS-FOR_v1.0 RRA for Nova Scotia FOR_Interim ☐SBP-RRA-EU-NO-FOR_v1.0 RRA for Norway FOR_Interim ☐ Biomass Producer's own risk assessment
Indicator with specified risk:	
2.1.1 Key species, habitats, ecosystems, and areas of high conservation value (HCV) pertaining to biodiversity in the Supply Base shall be identified.	
Description of the specific risk:	
The risk assessment states that more than half of forest habitats of EU importance in Latvia are without any legal protection status and thus can be harvested for timber production. "Under the Nature Census, the mapping of the habitats of EU importance in Latvia was undertaken during 2017-2022. However, mapping the protected species was not the task of the Nature Census. Therefore, data on protected species was not collected comprehensively during Nature Census surveys." It is separately highlighted that the following species habitats do not have designated protected areas: Unio crassus, Osmoderma eremita, Barbastella barbastellus. "Consequently, as the consultation with the Nature Conservation Agency suggests, the data on protected species is fragmented, and not all locations of the protection of species are mapped and protected. While data on locations of the protected species are updated on a regular basis, operators must establish robust routines to evaluate the location of origin of energy wood to prevent supplies from HCV category 1." "For the above reason, HCV category 1 is considered to a specified risk in Latvia."	
Mitigation measure:	
The risk mitigation measures implemented by the company are aimed at preventing the inclusion of feedstock from areas containing High Conservation Value (HCV) forests in the wood supply chain. This approach serves as an incentive for the forestry sector to preserve these biologically valuable elements. As a result, all three biodiversity-related risks are simultaneously mitigated—identification (2.1.1), threat assessment (2.1.2), and habitat conservation (2.1.3). Each supplier is informed about the SBP risks and the required actions for risk mitigation. An agreement is signed confirming that the supplied wood will comply with the company's established requirements and will not be sourced from areas where HCV areas or protected species have been identified. Furthermore, the wood must not be mixed with non-compliant material at any stage of the supply chain. Primary Feedstock Verification Regardless of the certification status of the purchased feedstock under FSC or PEFC systems, the company verifies the origin of each load of primary feedstock using the nature data management system "Ozols"	

during the acceptance process. This ensures that the feedstock is not sourced from areas identified as HCV. Feedstock from HCV areas is not accepted.

To ensure the protection of species highlighted as high-risk in the risk assessment, the company carries out additional checks. To identify bird habitats, the company performs data monitoring for each load of primary feedstock, using information on bird habitats available in the "Ozols" nature data management system. For identifying other species mentioned in the risk assessment, the number of audits is determined based on the number of felling permits, and felling sites are selected randomly using the website www.random.org to determine the sequence number in the list. The initial stage includes a detailed review of origin information in the "Ozols" system for the relevant place of origin, after which, if certain criteria are met, field inspections are carried out.

Secondary Feedstock Verification
Each secondary feedstock supplier delivering FSC or PEFC controlled wood is audited according to the company's internal procedures, which define both frequency and scope. The audit involves a review of origin documentation for feedstock purchased during the reporting period. For a defined number of origins, in-depth primary feedstock verification is conducted as described above. Company-developed forms are used during the audit.
Each visit to a secondary feedstock supplier also includes verifying that the secondary feedstock is indeed a processing residue.
For suppliers who deliver only FSC or PEFC certified secondary feedstock, the number of suppliers to be visited is calculated using a formula defined in the company's internal procedures. This formula includes the number of certified feedstock suppliers during the reporting period. Supplier selection is carried out randomly using the website www.random.org to determine the ordinal number in the list. During the supplier visit, the company's form is completed with the goal of confirming that the secondary feedstock is a by-product.
Only feedstock that has been harvested in a way that minimizes all risks and has not been mixed with feedstock of non-compliant origin at any stage of the supply chain is recognized as SBP-compliant feedstock. In the case of secondary feedstock, it must additionally meet the SBP definition of processing residues.

Monitoring and outcomes:

Primary wood checks
To identify woodland key habitats, the company checks each load, and if a woodland key habitat has been identified at the place of origin according to the nature data management system "Ozols", the load is not accepted; therefore, in the SBP-compliant feedstock during the 2025 reporting period no such places of origin were identified.

In 2025, 452 bird habitat checks were carried out, including 30 field inspections, and no destroyed bird habitats were identified in the origin of SBP-compliant biomass. To ensure that suppliers comply with the agreement conditions regarding the protection of habitats of other species mentioned in the risk assessment, 942 checks of origin site information were carried out in 2025, and no destroyed habitats of these species were identified.

Secondary raw material checks
To ensure that secondary wood suppliers comply with the agreement conditions regarding the protection of woodland key habitats and species habitats, 311 origin site checks were carried out in 2025. In one case, a

non-compliance was identified; consequently, further cooperation with this supplier was terminated, appropriate corrections were made in the records, and the feedstock from this supplier was not recognised as SBP-compliant wood.

Based on the above evaluation, it was concluded that the developed risk mitigation system ensures that the risk of receiving feedstock of non-compliant origin is low, and no changes to the existing risk mitigation measures are necessary.

Country: Latvia

Area/sub-scope: Whole country

Risk Assessment used:

☐SBP-RRA-AS-VN-FOR_v1.0 RRA for Vietnam FOR_Interim
☐SBP-RRA-US-NF-FOR_v1.0 RRA for US National FOR_Interim
☐SBP-RRA-US-PF-FOR_v1.0 RRA for US Private FOR_Interim
☐SBP-RRA-EU-DK-FOR_v2.0 RRA for Denmark FOR_Endorsed
☐SBP-RRA-EU-DK-TOF_v1.0 RRA for Denmark TOF_Interim
☐SBP-RRA-EU-EE-FOR_v2.0 RRA for Estonia FOR_Endorsed
☒SBP-RRA-EU-LV-FOR_v2.0 RRA for Latvia FOR_Endorsed
☐SBP-RRA-EU-LT-FOR_v2.0 RRA for Lithuania FOR_Endorsed
☐SBP-RRA-CA-QC-FOR_v2.0 RRA for Quebec FOR_Interim
☐SBP-RRA-CA-AB-FOR_v1.0 RRA for Alberta FOR_Interim
☐SBP-RRA-CA-BC-FOR_v2.0 RRA for British Columbia FOR_Interim
☐SBP-RRA-CA-NB-FOR_v1.0 RRA for New Brunswick FOR_Interim
☐SBP-RRA-CA-NS-FOR_v1.0 RRA for Nova Scotia FOR_Interim
☐SBP-RRA-EU-NO-FOR_v1.0 RRA for Norway FOR_Interim
☐ Biomass Producer's own risk assessment

Indicator with specified risk:

2.1.2 Threats to and impacts on the identified key species, habitats, ecosystems, and areas of high conservation value (HCV) pertaining to biodiversity in the Supply Base shall be identified and evaluated.

Description of the specific risk:

In the risk assessment, the analysis of this criterion repeats much of the information specified in paragraph 2.1.1, therefore only the information provided in addition is specified below.
"As explained in Indicator 2.1.1, in Latvia not all protected areas are Natura 2000 sites. (..) As consultation with the Nature Conservation Agency suggests the location/inclusion of a forest habitat in the Natura 2000 area does not automatically provide the required protection. What is important in terms of protection is the restrictions on economic activity set for the concerned territory. The protection of habitats of EU importance depends on whether the habitats are located in the Natura 2000 territory zones where appropriate restrictions on economic activity are defined (..) Forest harvesting is allowed in the forest habitats of EU importance if they are not included under strict regimes zones of SPNT/ Natura 2000 sites."
"Intensive logging is linked to the disturbance and loss of forest habitats of several rare, threatened and endangered bird species particularly in areas important for bird breeding and nesting (Bird International's Important Bird Areas). Most of these areas are overlapping with existing nature protection territories, most of which are territories with less stringent nature protection requirements such as nature parks, protected

landscape areas, and National Parks (except strict nature protection zoning), where active forest management, including harvesting in clearcuts, is allowed. Thus, the actual protection regime in these territories in practice does not differ much from commercial forests outside protected nature territories where rare, threatened and endangered species and habitats are protected only through microreserves. The reduction of nature protection and biological diversity needs in favour of commercial interests can be linked to the unfavourable status of protection of several rare, threatened and endangered forest bird species (black stork, lesser spotted eagle, for instance).
The above means there is a risk that the threats to and impacts on some key species and their habitats are not fully identified and evaluated particularly in areas with HCV 1 objects."

Mitigation measure:

The risk mitigation measures implemented by the company are aimed at preventing the inclusion of feedstock from areas containing High Conservation Value (HCV) forests in the wood supply chain. This approach serves as an incentive for the forestry sector to preserve these biologically valuable elements. As a result, all three biodiversity-related risks are simultaneously mitigated—identification (2.1.1), threat assessment (2.1.2), and habitat conservation (2.1.3).
Each supplier is informed about the SBP risks and the required actions for risk mitigation. An agreement is signed confirming that the supplied wood will comply with the company's established requirements and will not be sourced from areas where HCV areas or protected species have been identified. Furthermore, the wood must not be mixed with non-compliant material at any stage of the supply chain.
Primary Feedstock Verification
Regardless of the certification status of the purchased feedstock under FSC or PEFC systems, the company verifies the origin of each load of primary feedstock using the nature data management system "Ozols" during the acceptance process. This ensures that the feedstock is not sourced from areas identified as HCV. Feedstock from HCV areas is not accepted.
To ensure the protection of species highlighted as high-risk in the risk assessment, the company carries out additional checks. To identify bird habitats, the company performs data monitoring for each load of primary feedstock, using information on bird habitats available in the "Ozols" nature data management system. For identifying other species mentioned in the risk assessment, the number of audits is determined based on the number of felling permits, and felling sites are selected randomly using the website www.random.org to determine the sequence number in the list. The initial stage includes a detailed review of origin information in the "Ozols" system for the relevant place of origin, after which, if certain criteria are met, field inspections are carried out.
Secondary Feedstock Verification
Each secondary feedstock supplier delivering FSC or PEFC controlled wood is audited according to the company's internal procedures, which define both frequency and scope. The audit involves a review of origin documentation for feedstock purchased during the reporting period. For a defined number of origins, in-depth primary feedstock verification is conducted as described above. Company-developed forms are used during the audit.
Each visit to a secondary feedstock supplier also includes verifying that the secondary feedstock is indeed a processing residue.
For suppliers who deliver only FSC or PEFC certified secondary feedstock, the number of suppliers to be visited is calculated using a formula defined in the company's internal procedures. This formula includes the number of certified feedstock suppliers during the reporting period. Supplier selection is carried out randomly using the website www.random.org to determine the ordinal number in the list. During the supplier visit, the company's form is completed with the goal of confirming that the secondary feedstock is a by-product.

Only feedstock that has been harvested in a way that minimizes all risks and has not been mixed with feedstock of non-compliant origin at any stage of the supply chain is recognized as SBP-compliant feedstock. In the case of secondary feedstock, it must additionally meet the SBP definition of processing residues.
Monitoring and outcomes:
Primary wood checks To identify woodland key habitats, the company checks each load, and if a woodland key habitat has been identified at the place of origin according to the nature data management system “Ozols”, the load is not accepted; therefore, in the SBP-compliant feedstock during the 2025 reporting period no such places of origin were identified. In 2025, 452 bird habitat checks were carried out, including 30 field inspections, and no destroyed bird habitats were identified in the origin of SBP-compliant biomass. To ensure that suppliers comply with the agreement conditions regarding the protection of habitats of other species mentioned in the risk assessment, 942 checks of origin site information were carried out in 2025, and no destroyed habitats of these species were identified. **Secondary raw material checks** To ensure that secondary wood suppliers comply with the agreement conditions regarding the protection of woodland key habitats and species habitats, 311 origin site checks were carried out in 2025. In one case, a non-compliance was identified; consequently, further cooperation with this supplier was terminated, appropriate corrections were made in the records, and the feedstock from this supplier was not recognised as SBP-compliant wood. Based on the above evaluation, it was concluded that the developed risk mitigation system ensures that the risk of receiving feedstock of non-compliant origin is low, and no changes to the existing risk mitigation measures are necessary.

Country: Latvia	
Area/sub-scope: Whole country	
Risk Assessment used:	
	☐SBP-RRA-AS-VN-FOR_v1.0 RRA for Vietnam FOR_Interim ☐SBP-RRA-US-NF-FOR_v1.0 RRA for US National FOR_Interim ☐SBP-RRA-US-PF-FOR_v1.0 RRA for US Private FOR_Interim ☐SBP-RRA-EU-DK-FOR_v2.0 RRA for Denmark FOR_Endorsed ☐SBP-RRA-EU-DK-TOF_v1.0 RRA for Denmark TOF_Interim ☐SBP-RRA-EU-EE-FOR_v2.0 RRA for Estonia FOR_Endorsed ☒SBP-RRA-EU-LV-FOR_v2.0 RRA for Latvia FOR_Endorsed ☐SBP-RRA-EU-LT-FOR_v2.0 RRA for Lithuania FOR_Endorsed ☐SBP-RRA-CA-QC-FOR_v2.0 RRA for Quebec FOR_Interim ☐SBP-RRA-CA-AB-FOR_v1.0 RRA for Alberta FOR_Interim ☐SBP-RRA-CA-BC-FOR_v2.0 RRA for British Columbia FOR_Interim ☐SBP-RRA-CA-NB-FOR_v1.0 RRA for New Brunswick FOR_Interim ☐SBP-RRA-CA-NS-FOR_v1.0 RRA for Nova Scotia FOR_Interim ☐SBP-RRA-EU-NO-FOR_v1.0 RRA for Norway FOR_Interim ☐ Biomass Producer’s own risk assessment
Indicator with specified risk:	

2.1.3 Key species, habitats, ecosystems, and areas of high conservation value (HCV) pertaining to biodiversity in the Supply Base shall be maintained or enhanced.

Description of the specific risk:

In the risk assessment, the analysis of this criterion repeats much of the information specified in paragraph 2.1.1 and 2.1.2.
“The detailed assessment done concerning forests under various HCV Categories under indicators 2.1.1 and 2.1.2 suggests that the risks and threats to certain key species and their habitats (related to HCV category 1 in all forests) are not identified and evaluated. Without such identification and evaluation, there is a risk that those key species and habitats cannot be maintained or enhanced adequately.”

Mitigation measure:

The risk mitigation measures implemented by the company are aimed at preventing the inclusion of feedstock from areas containing High Conservation Value (HCV) forests in the wood supply chain. This approach serves as an incentive for the forestry sector to preserve these biologically valuable elements. As a result, all three biodiversity-related risks are simultaneously mitigated—identification (2.1.1), threat assessment (2.1.2), and habitat conservation (2.1.3).

Each supplier is informed about the SBP risks and the required actions for risk mitigation. An agreement is signed confirming that the supplied wood will comply with the company’s established requirements and will not be sourced from areas where HCV areas or protected species have been identified. Furthermore, the wood must not be mixed with non-compliant material at any stage of the supply chain.

Primary Feedstock Verification

Regardless of the certification status of the purchased feedstock under FSC or PEFC systems, the company verifies the origin of each load of primary feedstock using the nature data management system “Ozols” during the acceptance process. This ensures that the feedstock is not sourced from areas identified as HCV. Feedstock from HCV areas is not accepted.

To ensure the protection of species highlighted as high-risk in the risk assessment, the company carries out additional checks. To identify bird habitats, the company performs data monitoring for each load of primary feedstock, using information on bird habitats available in the ″Ozols″ nature data management system. For identifying other species mentioned in the risk assessment, the number of audits is determined based on the number of felling permits, and felling sites are selected randomly using the website www.random.org to determine the sequence number in the list. The initial stage includes a detailed review of origin information in the ″Ozols″ system for the relevant place of origin, after which, if certain criteria are met, field inspections are carried out.

Secondary Feedstock Verification

Each secondary feedstock supplier delivering FSC or PEFC controlled wood is audited according to the company’s internal procedures, which define both frequency and scope. The audit involves a review of origin documentation for feedstock purchased during the reporting period. For a defined number of origins,

in-depth primary feedstock verification is conducted as described above. Company-developed forms are used during the audit.

Each visit to a secondary feedstock supplier also includes verifying that the secondary feedstock is indeed a processing residue.

For suppliers who deliver only FSC or PEFC certified secondary feedstock, the number of suppliers to be visited is calculated using a formula defined in the company's internal procedures. This formula includes the number of certified feedstock suppliers during the reporting period. Supplier selection is carried out randomly using the website www.random.org to determine the ordinal number in the list. During the supplier visit, the company's form is completed with the goal of confirming that the secondary feedstock is a by-product.

Only feedstock that has been harvested in a way that minimizes all risks and has not been mixed with feedstock of non-compliant origin at any stage of the supply chain is recognized as SBP-compliant feedstock. In the case of secondary feedstock, it must additionally meet the SBP definition of processing residues.

Monitoring and outcomes:

Primary wood checks To identify woodland key habitats, the company checks each load, and if a woodland key habitat has been identified at the place of origin according to the nature data management system "Ozols", the load is not accepted; therefore, in the SBP-compliant feedstock during the 2025 reporting period no such places of origin were identified.
In 2025, 452 bird habitat checks were carried out, including 30 field inspections, and no destroyed bird habitats were identified in the origin of SBP-compliant biomass. To ensure that suppliers comply with the agreement conditions regarding the protection of habitats of other species mentioned in the risk assessment, 942 checks of origin site information were carried out in 2025, and no destroyed habitats of these species were identified.
Secondary raw material checks To ensure that secondary wood suppliers comply with the agreement conditions regarding the protection of woodland key habitats and species habitats, 311 origin site checks were carried out in 2025. In one case, a non-compliance was identified; consequently, further cooperation with this supplier was terminated, appropriate corrections were made in the records, and the feedstock from this supplier was not recognised as SBP-compliant wood.
Based on the above evaluation, it was concluded that the developed risk mitigation system ensures that the risk of receiving feedstock of non-compliant origin is low, and no changes to the existing risk mitigation measures are necessary.

Country: Latvia	
Area/sub-scope: Whole country	
Risk Assessment used:	
	☐SBP-RRA-AS-VN-FOR_v1.0 RRA for Vietnam FOR_Interim ☐SBP-RRA-US-NF-FOR_v1.0 RRA for US National FOR_Interim ☐SBP-RRA-US-PF-FOR_v1.0 RRA for US Private FOR_Interim

	☐SBP-RRA-EU-DK-FOR_v2.0 RRA for Denmark FOR_Endorsed ☐SBP-RRA-EU-DK-TOF_v1.0 RRA for Denmark TOF_Interim ☐SBP-RRA-EU-EE-FOR_v2.0 RRA for Estonia FOR_Endorsed ☒SBP-RRA-EU-LV-FOR_v2.0 RRA for Latvia FOR_Endorsed ☐SBP-RRA-EU-LT-FOR_v2.0 RRA for Lithuania FOR_Endorsed ☐SBP-RRA-CA-QC-FOR_v2.0 RRA for Quebec FOR_Interim ☐SBP-RRA-CA-AB-FOR_v1.0 RRA for Alberta FOR_Interim ☐SBP-RRA-CA-BC-FOR_v2.0 RRA for British Columbia FOR_Interim ☐SBP-RRA-CA-NB-FOR_v1.0 RRA for New Brunswick FOR_Interim ☐SBP-RRA-CA-NS-FOR_v1.0 RRA for Nova Scotia FOR_Interim ☐SBP-RRA-EU-NO-FOR_v1.0 RRA for Norway FOR_Interim ☐ Biomass Producer's own risk assessment
Indicator with specified risk:	
3.2.3 feedstock shall not be sourced from forest areas in the Supply Base which, according to local definitions or norms, are classified as having combined attributes of high carbon stocks and high conservation value (HCV).	
Description of the specific risk:	
"The EU (e.g. RED II) considers high carbon stocks to be in wetlands, peatlands and forests (..). In the context of forest ecosystems, mature and old-growth forests have the highest carbon stocks, and old-growth forests are also important for biodiversity". "There is a risk that some old-growth forests and wetland forest priority habitats remain without protection; when assessing indicator 2.1.1, specified risk for HCV category 1 was identified in relation to the state of identification of all key species, habitats, ecosystems, and HCVs pertaining to biodiversity under the HCV category 1 (see indicator 2.1.1 for in-depth analysis)." "The Nature Census completed in 2020 will significantly improve the degree of mapped nature values." "However, there are HCV areas and habitats of EU importance and EU-protected habitats that are outside protected areas particularly in privately owned forests. (..) Moreover, harvesting is allowed in protected areas or zones which do not have a strict management restriction regime. Important habitats falling outside of strict protection may be used to source feedstock." "There is a risk that insufficiently mapped HCV areas remain and there are significant gaps in the information. The possibility that these areas overlap with areas with high carbon stocks such as mature secondary forests, cannot be ruled out."	
Mitigation measure:	
Research on areas with the highest carbon stocks has shown that these are found in old forests and mature stands (i.e., fully grown and, to a slightly lesser extent, overgrown forest stands), where the biomass of living trees and deadwood is greater. The characteristics of such areas correspond to biologically valuable territories, including those designated as protected under Latvian legislation, as well as European Union priority HCV areas identified in the "Ozols" database. These areas are of high biological value and play a significant role in carbon sequestration and storage. Each supplier is informed about the SBP risks and the required mitigation actions. An agreement is signed confirming that the supplied feedstock will comply with the company's requirements and will not be sourced from areas classified as having combined attributes of high carbon stocks and High Conservation Value (HCV). Furthermore, it shall not be mixed with non-compliant feedstock at any stage of the supply chain. Primary Feedstock Verification Regardless of the certification status of the purchased feedstock (FSC or PEFC), the company checks the origin of each load during the primary feedstock acceptance process using the nature data management	

system “Ozols”. This ensures that no feedstock is accepted from areas identified as HCV, which may also be classified as high carbon stock areas. Feedstock from such areas is not accepted.

Secondary Feedstock Verification
Each supplier of secondary feedstock classified as FSC or PEFC Controlled Wood is audited according to the company’s internal procedures regarding both frequency and scope. The audit includes a review of documentation related to the origin of feedstock acquired during the reporting period. For a determined number of origin locations, in-depth primary feedstock verification is performed as described above. Audits are conducted using company-developed forms.
Each visit to a secondary feedstock supplier also includes the task of verifying that the material supplied qualifies as processing residues resulting from a manufacturing process.
For suppliers delivering only FSC or PEFC certified secondary feedstock, the number of suppliers to be visited is determined using a formula defined in the company’s internal procedures. This formula considers the number of certified feedstock suppliers during the reporting period. Supplier selection is randomised using www.random.org to assign ordinal numbers. During the supplier visit, the company form is completed with the objective of confirming that the secondary feedstock meets the SBP definition of processing residues.
Only feedstock that has been harvested in a way that minimizes all risks and has not been mixed with feedstock of non-compliant origin at any stage of the supply chain is recognized as SBP-compliant feedstock. In the case of secondary feedstock, it must additionally meet the SBP definition of processing residues.

Monitoring and outcomes:

Primary wood checks
To identify HCV areas, which may also be classified as areas with high carbon stocks, the company checks each load. If, according to the “Ozols” nature data management system, an HCV area that may also be classified as an area with high carbon stocks is identified at the place of origin, the load is not accepted. Therefore, during the 2025 reporting period, no such places of origin were identified in SBP-compliant feedstock.

Secondary raw material checks
To ensure that secondary feedstock suppliers comply with the agreement conditions regarding the protection of HCV areas that may also be classified as areas with high carbon stocks, 311 origin site checks were carried out in 2025. In one case, a non-compliance was identified; consequently, further cooperation with this supplier was terminated, appropriate corrections were made in the records, and the feedstock from this supplier was not recognised as SBP-compliant.

Based on the above evaluation, it was concluded that the developed risk mitigation system ensures that the risk of receiving feedstock of non-compliant origin is low, and no changes to the existing risk mitigation measures are necessary.

Country: Lithuania

Area/sub-scope: Whole Lithuania

Risk Assessment used:

	☐SBP-RRA-AS-VN-FOR_v1.0 RRA for Vietnam FOR_Interim ☐SBP-RRA-US-NF-FOR_v1.0 RRA for US National FOR_Interim ☐SBP-RRA-US-PF-FOR_v1.0 RRA for US Private FOR_Interim ☐SBP-RRA-EU-DK-FOR_v2.0 RRA for Denmark FOR_Endorsed ☐SBP-RRA-EU-DK-TOF_v1.0 RRA for Denmark TOF_Interim ☐SBP-RRA-EU-EE-FOR_v2.0 RRA for Estonia FOR_Endorsed ☐SBP-RRA-EU-LV-FOR_v2.0 RRA for Latvia FOR_Endorsed ☒SBP-RRA-EU-LT-FOR_v2.0 RRA for Lithuania FOR_Endorsed ☐SBP-RRA-CA-QC-FOR_v2.0 RRA for Quebec FOR_Interim ☐SBP-RRA-CA-AB-FOR_v1.0 RRA for Alberta FOR_Interim ☐SBP-RRA-CA-BC-FOR_v2.0 RRA for British Columbia FOR_Interim ☐SBP-RRA-CA-NB-FOR_v1.0 RRA for New Brunswick FOR_Interim ☐SBP-RRA-CA-NS-FOR_v1.0 RRA for Nova Scotia FOR_Interim ☐SBP-RRA-EU-NO-FOR_v1.0 RRA for Norway FOR_Interim ☐ Biomass Producer's own risk assessment
Indicator with specified risk:	
2.1.3 Key species, habitats, ecosystems, and areas of high conservation value (HCV) pertaining to biodiversity in the Supply Base shall be maintained or enhanced.	
Description of the specific risk:	
A significant portion of biologically valuable forests (WKH) and Natura 2000 sites are located in private forests, where they lack legal protection and rely solely on voluntary measures by landowners. Not all Natura 2000 areas have dedicated nature management plans; many are managed only under forest management plans, which do not always ensure sufficient protection. The National Audit Office of Lithuania (2022) has stated that the protection of rare and endangered species, habitats, and ecosystems is not ensured across all forest areas. Deficiencies have been identified in the monitoring and enforcement of environmental protection measures Based on the above, some habitats of EU importance, particularly those located in private forests, (notably, Natura 2000 sites and WKHs) are not protected and thus their maintenance and enhancement are at risk.	
Mitigation measure:	
In 2025 the organization sources only FSC 100% certified wood from the Lithuanian State Forests. Graanul Invest AS utilizes the SBP-prepared comparison of FSC management standard requirements with SBP risks mitigating measures, which states that the FSC certification system requirements sufficiently cover the corresponding risk. Consequently, for wood sourced from Lithuanian State Forests with an FSC 100% claim, no additional actions are required and the risk is considered low. In 2026, the organisation developed a Graanul Invest Group risk mitigation plan for Lithuania SBP and RED EU applicable to all suppliers delivering both FSC-certified and non-certified raw materials. The following risk mitigation measures are applied:	

Indicator No.	Feedstock category	Risk mitigation measures	Risk level
2.1.3	Primary feedstock from FSC-certified forests	Biodiversity protection is ensured when the forest plot is certified under the FSC	Low risk

		scheme; therefore, no additional measures are required.
Primary feedstock from non-certified forests	1. Each delivered wood batch must be accompanied by a forest harvesting permit or other equivalent document for each delivered batch to prove its origin (e.g. for sanitary fellings - a notification of intent to harvest the forest). 2. The waybill must indicate the loading location, the type of material, quantity, etc. 3. Using the cadastral data and/or coordinates from the harvesting permit, the Lithuanian Spatial Information Portal (geoportal.lt) is checked to confirm that the area where the wood was harvested is not located within woodland key habitats, Natura 2000, or other High Conservation Value (HCV) areas. 4. Suppliers shall submit, once per year, a signed Wood Origin Declaration, which includes clauses obligating them to comply with SBP requirements and not to supply wood from High Conservation Value (HCV) forests or other protected areas. 5.To verify compliance with natural value protection requirements, the company's Responsible person shall carry out on-site inspections using the checklist. The sample number is determined using the formula: $X = 0.3 \times \sqrt{Y}$ (where X is the number of sites to be checked, and Y is the total number of suppliers from which FSC-certified and/or non-certified sites was supplied during the previous SBP reporting period). Priority is given to areas near to protected territories and to non-certified forests. Field audits are carried out before harvesting in order to verify compliance with SBP requirements (e.g. HCV areas, protected sites, wetlands, peatlands, permits). In addition, post-harvest inspections may be conducted where necessary to assess the effectiveness of soil and water protection measures and to verify that no damage has occurred to forest or biodiversity values. 6. The feedstock cannot be included in SBP accounting, if any of the following conditions are identified: -evidence of illegal logging or harvesting without the required permits; -identify whether the harvested area overlaps with woodland key habitats, Natura 2000 or other HCV areas. 7. If the inspection is performed after raw material reception and non-conformities are identified: - all feedstock originating from areas that do not comply with biodiversity/HCV requirements shall be excluded from SBP mass balance; - a correction must be made in the records;	Specified risk

- require the supplier to provide documented evidence proving that the feedstock did not originate from HCV areas or that appropriate protective measures were implemented before harvesting. - carry out a follow-up on-site inspection. - if the non-conformity hasn‘t been corrected, the supplier shall be removed from the approved supplier list.
Monitoring and outcomes:
In 2025, upon receipt of the shipment, a document check was carried out to verify the feedstock’s certification status and origin information. In accordance with procedures, the validity of the certificate is verified at least once per quarter. The organization commits to reviewing the relevant documents at least once a year to ensure that the FSC certified wood complies with SBP requirements. Information on the results of the risk mitigation measures established in 2026 will be available in the next supply base report.

Country: Lithuania	
Area/sub-scope: Whole Lithuania	
Risk Assessment used:	
	☐SBP-RRA-AS-VN-FOR_v1.0 RRA for Vietnam FOR_Interim ☐SBP-RRA-US-NF-FOR_v1.0 RRA for US National FOR_Interim ☐SBP-RRA-US-PF-FOR_v1.0 RRA for US Private FOR_Interim ☐SBP-RRA-EU-DK-FOR_v2.0 RRA for Denmark FOR_Endorsed ☐SBP-RRA-EU-DK-TOF_v1.0 RRA for Denmark TOF_Interim ☐SBP-RRA-EU-EE-FOR_v2.0 RRA for Estonia FOR_Endorsed ☐SBP-RRA-EU-LV-FOR_v2.0 RRA for Latvia FOR_Endorsed ☒SBP-RRA-EU-LT-FOR_v2.0 RRA for Lithuania FOR_Endorsed ☐SBP-RRA-CA-QC-FOR_v2.0 RRA for Quebec FOR_Interim ☐SBP-RRA-CA-AB-FOR_v1.0 RRA for Alberta FOR_Interim ☐SBP-RRA-CA-BC-FOR_v2.0 RRA for British Columbia FOR_Interim ☐SBP-RRA-CA-NB-FOR_v1.0 RRA for New Brunswick FOR_Interim ☐SBP-RRA-CA-NS-FOR_v1.0 RRA for Nova Scotia FOR_Interim ☐SBP-RRA-EU-NO-FOR_v1.0 RRA for Norway FOR_Interim ☐ Biomass Producer’s own risk assessment
Indicator with specified risk:	
2.2.2 Ecosystems, their health, vitality, functions and services in the Supply Base shall be maintained or enhanced.	
Description of the specific risk:	
A significant portion of biologically valuable forests (WKHs), especially those in private forests, lack legal protection and rely only on voluntary actions by landowners. Although many habitats of EU importance are protected through Natura 2000 or voluntary measures, this	

does not cover all critical areas—especially WKHs outside designated protected zones.
The National Audit Office of Lithuania (2022) has confirmed that the protection of rare, endangered, or vulnerable habitats, species, and ecosystems is not fully ensured across all forest types.
While legal frameworks and monitoring institutions exist, the actual enforcement and effectiveness of protection measures remain insufficient to guarantee ecosystem health and function.
As a result, the overall risk that ecosystem health, vitality, functions, and services are not maintained or enhanced is considered specified.

Mitigation measure:

In 2025, the organization sources only FSC 100% certified wood from the Lithuanian State Forests. Graanul Invest AS utilizes the SBP-prepared comparison of FSC management standard requirements with SBP risks mitigating measures, which states that the FSC certification system requirements sufficiently cover the corresponding risk. Consequently, for wood sourced from Lithuanian State Forests with an FSC 100% claim, no additional actions are required and the risk is considered low.

In 2026 the organization sets Graanul Invest group Risk Mitigation Plan for Lithuania SBP and RED EU. A risk assessment is carried out for all suppliers delivering both FSC-certified and non-certified feedstock. The following risk mitigation measures are applied:

Indicator No.	Feedstock category	Risk mitigation measures	Risk level
2.2.2	Primary feedstock from FSC-certified forests	Proper forest management is ensured when the forest site is certified under the FSC scheme; therefore, **no additional measures are required**.	Low risk
Primary feedstock from non-certified forests		1. Each delivered wood batch must be accompanied by a forest harvesting permit or other supply chain documents required to prove the origin of the wood (e.g., for sanitary fellings – a notification of intent to harvest the forest). 2. The waybill must indicate the loading location, the type of material, quantity, etc. 3. The Wood Origin Declaration includes provisions obligating suppliers to comply with forest management requirements: to restore the forest within the period specified by law, while preserving soil fertility and protecting water body buffer zones. 4. On-site audits may be carried out to ensure that forest areas are properly regenerated. If, during the inspection, it is found that the supplier is not complying with the requirements (fails to regenerate the forest, causes damage to soil or water bodies), such a supplier will be removed from the list of approved suppliers. 5. **The feedstock cannot be included in SBP accounting, if any of the following conditions are**	Specified risk

identified:
-evidence of illegal logging or harvesting without the required permits;
-visible soil erosion or significant soil compaction caused by harvesting operations;
-buffer zones along water bodies have been damaged, reduced, or not maintained according to legal requirements;
-water pollution prevention measures (e.g., erosion control, sediment traps) are not implemented where required;
-excessive removal of deadwood or other key habitat features, impacting biodiversity;
-clear signs of habitat degradation or reduction in ecosystem functionality due to harvesting practices.
6. **If the inspection is performed after raw material reception and non-conformities are identified:**
- All feedstock that do not comply with requirements shall be excluded from SBP mass balance;
- a correction must be made in the records;
- the supplier must provide evidence that the cause of the non-conformity has been eliminated (e.g., part of the forest restored, protection measures implemented, additional documents provided);
- carry out a follow-up on-site inspection;
- if the non-conformity hasn‘t been corrected, the supplier shall be removed from the approved supplier list.

Monitoring and outcomes:

Upon receipt of the shipment, a document check is carried out to verify the wood’s certification status and origin information. In accordance with procedures, the validity of the certificate is verified at least once per quarter.
The organization commits to reviewing the relevant documents at least once a year to ensure that the certified wood complies with SBP requirements.

Information on the results of the risk mitigation measures established in 2026 will be available in the next supply base report.

Country: Lithuania	
Area/sub-scope: Whole Lithuania	
Risk Assessment used:	
	☐SBP-RRA-AS-VN-FOR_v1.0 RRA for Vietnam FOR_Interim

	☐SBP-RRA-US-NF-FOR_v1.0 RRA for US National FOR_Interim ☐SBP-RRA-US-PF-FOR_v1.0 RRA for US Private FOR_Interim ☐SBP-RRA-EU-DK-FOR_v2.0 RRA for Denmark FOR_Endorsed ☐SBP-RRA-EU-DK-TOF_v1.0 RRA for Denmark TOF_Interim ☐SBP-RRA-EU-EE-FOR_v2.0 RRA for Estonia FOR_Endorsed ☐SBP-RRA-EU-LV-FOR_v2.0 RRA for Latvia FOR_Endorsed ☒SBP-RRA-EU-LT-FOR_v2.0 RRA for Lithuania FOR_Endorsed ☐SBP-RRA-CA-QC-FOR_v2.0 RRA for Quebec FOR_Interim ☐SBP-RRA-CA-AB-FOR_v1.0 RRA for Alberta FOR_Interim ☐SBP-RRA-CA-BC-FOR_v2.0 RRA for British Columbia FOR_Interim ☐SBP-RRA-CA-NB-FOR_v1.0 RRA for New Brunswick FOR_Interim ☐SBP-RRA-CA-NS-FOR_v1.0 RRA for Nova Scotia FOR_Interim ☐SBP-RRA-EU-NO-FOR_v1.0 RRA for Norway FOR_Interim ☐ Biomass Producer's own risk assessment

Indicator with specified risk:

3.2.2 Primary feedstock shall not be sourced from forest areas where site productivity is low and, according to local definitions or norms, the areas are classified as low-productive or difficult to regenerate.

Description of the specific risk:

Although Lithuanian legislation restricts final felling in low-productivity forests (e.g. coniferous stands with Site Index Va or lower), these restrictions apply only to state forests.
Private forest owners are not subject to the same restrictions and are allowed to harvest timber from stands of any productivity level, including low-productivity areas.
While clear-cut areas must be regenerated within three years, there is no guaranteed enforcement to ensure that the regenerated stands match or exceed the original productivity.
Many low-productivity forests, such as wetland forests, are protected, but not all of them fall under protection, leaving some areas vulnerable to sourcing.
Monitoring and enforcement in private forests are limited, which increases the risk of non-compliance with this criterion.
The risk for non-compliance with this indicator is concluded as 'specified' as primary feedstock can be sourced
from low-productivity forest areas in private forests.

Mitigation measure:

In 2025, the organization sources only FSC 100% certified wood from the Lithuanian State Forests. Graanul Invest AS utilizes the SBP-prepared comparison of FSC management standard requirements with SBP risks mitigating measures, which states that the FSC certification system requirements sufficiently cover the corresponding risk. Consequently, for wood sourced from Lithuanian State Forests with an FSC 100% claim, no additional actions are required and the risk is considered low.

In 2026 the organization sets Graanul Invest group Risk Mitigation Plan for Lithuania SBP and RED EU. A risk assessment is carried out for all suppliers delivering both FSC-certified and non-certified feedstock. The following risk mitigation measures are applied:

Indicator No.	Feedstock category	Risk mitigation measures	Risk level
3.2.2	Primary feedstock from FSC-certified forests	Strict management requirements apply to FSC-certified forests; therefore,	Low risk

		no additional measures are required.
Primary feedstock from non-certified forests	1. The company's specialists, using official forest inventory data and/or approved forest management plans, verify the forest site index (productivity class) for each harvesting site. If the plot is classified as bonitet class V (very low productivity or difficult to regenerate), the material from such a plot is not accepted. 2. GIS and cadastral is checked in the Lithuanian geoportal to ensure the area is not a wetland, peatland, heatland or other HCV area. 3. The Wood Origin Declaration shall include provisions ensuring that primary feedstock is not sourced from forest areas that are difficult to regenerate or are of low productivity. 4. **Actions in case of non-conformity:** -wood supply from the supplier harvesting in such a plot shall be suspended; -supply may be resumed only upon submission of evidence proving that the feedstock did not originate from low-productive or difficult-to-regenerate areas; -if the information cannot be obtained or verified, the feedstock shall not be included in SBP accounting. 5. **If the inspection is performed after raw material reception and non-conformities are identified:** - have been made the necessary corrections in the records; - require the supplier to present documented evidence that the feedstock did not originate from areas with low productivity or difficult regeneration; - if uncertainty remains, conduct a follow-up on-site inspection to confirm the bonitet class and site conditions' - if the non-conformity hasn't been corrected, the supplier shall be removed from the approved supplier list.	Specified risk

Monitoring and outcomes:

Upon receipt of the shipment, a document check is carried out to verify the wood's certification status and origin information. In accordance with procedures, the validity of the certificate is verified at least once per quarter.

The organization commits to reviewing the relevant documents at least once a year to ensure that the certified wood complies with SBP requirements.

Information on the results of the risk mitigation measures established in 2026 will be available in the next supply base report.

Country: Lithuania	
Area/sub-scope: Whole Lithuania	
Risk Assessment used:	
	☐SBP-RRA-AS-VN-FOR_v1.0 RRA for Vietnam FOR_Interim ☐SBP-RRA-US-NF-FOR_v1.0 RRA for US National FOR_Interim ☐SBP-RRA-US-PF-FOR_v1.0 RRA for US Private FOR_Interim ☐SBP-RRA-EU-DK-FOR_v2.0 RRA for Denmark FOR_Endorsed ☐SBP-RRA-EU-DK-TOF_v1.0 RRA for Denmark TOF_Interim ☐SBP-RRA-EU-EE-FOR_v2.0 RRA for Estonia FOR_Endorsed ☐SBP-RRA-EU-LV-FOR_v2.0 RRA for Latvia FOR_Endorsed ☒SBP-RRA-EU-LT-FOR_v2.0 RRA for Lithuania FOR_Endorsed ☐SBP-RRA-CA-QC-FOR_v2.0 RRA for Quebec FOR_Interim ☐SBP-RRA-CA-AB-FOR_v1.0 RRA for Alberta FOR_Interim ☐SBP-RRA-CA-BC-FOR_v2.0 RRA for British Columbia FOR_Interim ☐SBP-RRA-CA-NB-FOR_v1.0 RRA for New Brunswick FOR_Interim ☐SBP-RRA-CA-NS-FOR_v1.0 RRA for Nova Scotia FOR_Interim ☐SBP-RRA-EU-NO-FOR_v1.0 RRA for Norway FOR_Interim ☐ Biomass Producer's own risk assessment
Indicator with specified risk:	
3.2.3 feedstock shall not be sourced from forest areas in the Supply Base which, according to local definitions or norms, are classified as having combined attributes of high carbon stocks and high conservation value (HCV).	
Description of the specific risk:	
Old-growth and primary forests have high carbon stocks and significant biodiversity value, but their area in Lithuania is limited—only about 7% of forests are older than 100 years. Around 12% of forest area falls under EU-defined valuable habitat types, but not all of these areas are fully protected, particularly old-growth forests outside designated protected zones. The National Audit Office of Lithuania (2022) identified that forest ecosystems and natural values are not adequately protected. The designation of areas important for habitat conservation, such as Natura 2000 sites, is delayed, and forestry policy goals are not fully met. Even though data on HCV forests and biodiversity exists and is regularly updated, in practice these areas are not always effectively protected. There are areas with both high carbon stocks and HCV attributes that lack legal protection and could potentially be used for sourcing primary feedstock. Therefore, there is a significant risk that primary feedstock may be sourced from forests with high carbon stock and high conservation value that are not protected, leading to a specified risk classification for this indicator.	
Mitigation measure:	
In 2025, Feedstock from Lithuanian state forests is supplied with an FSC 100% claim, and according to the	

FSC system assessment developed by SBP, “Evaluation of the Forest Stewardship Council (FSC®) scheme using the Framework for benchmarking and recognition of certification schemes relevant to the scope of SBP certification”, the FSC system partially covers this risk.
The FSC-STD-60-004 standard requires that High Conservation Values (HCVs) are maintained or enhanced. The definition of HCVs includes critical ecosystem services, and the definition of ecosystem services includes climate regulation. Carbon stocks are a relevant feature in this context.
Lithuanian state forests manage approximately 1.1 million hectares of state-owned forest, of which around 300,000 hectares are reserves, protected forests, and Natura 2000 areas where economic activity is restricted or discontinued. When assessing the remaining areas, attention is also given to high-value ecosystems within productive forests to preserve biodiversity and maintain ecological processes, taking into account the ecological importance and carbon sequestration potential of these areas. Carbon storage in these areas is documented in the Emission Management Plan. Biodiversity maintenance measures are also implemented in accordance with EU requirements.
Biodiversity maintenance felling and other nature conservation measures are also implemented in accordance with EU habitat and species protection requirements.
Based on the available information on Lithuanian state forests, it has been concluded that feedstock is not sourced from forests with high carbon stock and HCV value, and therefore, the risk of receiving non-compliant feedstock under this indicator is low.
At the time of feedstock acceptance, the origin information and certification status are verified.

In 2026 the organization sets Graanul Invest group Risk Mitigation Plan for Lithuania SBP and RED EU. A risk assessment is carried out for all suppliers delivering both FSC-certified and non-certified feedstock. The following risk mitigation measures are applied:

Indicator No.	Feedstock category	Risk mitigation measures	Risk level
3.2.3	Primary feedstock from FSC-certified forests	As Lithuanian legislation does not specifically designate high carbon stock areas, the company does not accept feedstock from forests located within woodland key habitats, Natura 2000, or other HCV areas. This means that feedstock is not purchased from old-growth forests, peatlands, wetlands or other protected areas. The forest plot of origin is verified in the same way as described under indicator 2.1.3 in the row “Primary feedstock from non-certified forests.”	Specified risk

Monitoring and outcomes:

Upon receipt of the shipment, a document check is carried out to verify the wood’s certification status and origin information. In accordance with procedures, the validity of the certificate is verified at least once per quarter.
The organization commits to reviewing the relevant documents at least once a year to ensure that the certified wood complies with SBP requirements.

Information on the results of the risk mitigation measures established in 2026 will be available in the next supply base report.

Country: Lithuania	
Area/sub-scope: Whole Lithuania	
Risk Assessment used:	
	☐SBP-RRA-AS-VN-FOR_v1.0 RRA for Vietnam FOR_Interim ☐SBP-RRA-US-NF-FOR_v1.0 RRA for US National FOR_Interim ☐SBP-RRA-US-PF-FOR_v1.0 RRA for US Private FOR_Interim ☐SBP-RRA-EU-DK-FOR_v2.0 RRA for Denmark FOR_Endorsed ☐SBP-RRA-EU-DK-TOF_v1.0 RRA for Denmark TOF_Interim ☐SBP-RRA-EU-EE-FOR_v2.0 RRA for Estonia FOR_Endorsed ☐SBP-RRA-EU-LV-FOR_v2.0 RRA for Latvia FOR_Endorsed ☒SBP-RRA-EU-LT-FOR_v2.0 RRA for Lithuania FOR_Endorsed ☐SBP-RRA-CA-QC-FOR_v2.0 RRA for Quebec FOR_Interim ☐SBP-RRA-CA-AB-FOR_v1.0 RRA for Alberta FOR_Interim ☐SBP-RRA-CA-BC-FOR_v2.0 RRA for British Columbia FOR_Interim ☐SBP-RRA-CA-NB-FOR_v1.0 RRA for New Brunswick FOR_Interim ☐SBP-RRA-CA-NS-FOR_v1.0 RRA for Nova Scotia FOR_Interim ☐SBP-RRA-EU-NO-FOR_v1.0 RRA for Norway FOR_Interim ☐ Biomass Producer's own risk assessment
Indicator with specified risk:	
4.1.10 Safeguards shall be put in place to protect the health and safety of workers by developing, communicating and implementing policies and procedures.	
Description of the specific risk:	
In Lithuania, the forestry sector is among the most hazardous in terms of worker safety, with 1–3 fatal accidents per year and the fourth highest occupational safety risk in the EU forest sector (3 per 100,000 workers). The State Labour Inspectorate conducts only 7.4% of its total inspections in forestry and agriculture, indicating low monitoring intensity. Additionally, there is no specific data on undeclared workers in forestry, which may conceal further risks. These factors indicate insufficient practical protection and justify the specified (high) risk classification.	
Mitigation measure:	
In 2025, the organization sources only FSC 100% certified wood from the Lithuanian State Forests. Graanul Invest AS utilizes the SBP-prepared comparison of FSC management standard requirements with SBP risks mitigating measures, which states that the FSC certification system requirements sufficiently cover the corresponding risk. Consequently, for wood sourced from Lithuanian State Forests with an FSC 100% claim, no additional actions are required and the risk is considered low. In 2026 the organization sets Graanul Invest group Risk Mitigation Plan for Lithuania SBP and RED EU. A risk assessment is carried out for all suppliers delivering both FSC-certified and non-certified feedstock. The following risk mitigation measures are applied:	

Indicator No.	Feedstock category	Risk mitigation measur	Risk level

4.1.10	Primary feedstock from FSC-certified forests	**es** Contractors who have worked within the past year on the property of an FSC-certified forest owner are not included in the inspection sample, and **no additional measures are required**.	Low risk
Primary feedstock from non-certified forests	1.The Responsible person collects information from suppliers on who carried out the harvesting operations and records this information in the relevant documents stored on the company's server. 2.The company's Responsible person conducts periodic on-site supplier inspections under verification checklist to verify compliance with occupational safety requirements. 3. For contractors operating chainsaws, the number of contractors selected for inspection is determined using the formula: X = 0.3 × √Y (where X is the number of contractors to be inspected, and Y is the total number of contractors during the previous SBP reporting period). During the inspection, it is observed whether contractors comply with safety requirements, whether workers use protective clothing and helmets, whether the equipment is in good condition, whether the harvesting site is properly cordoned off, and whether other forest work safety requirements in line with the recommendations are followed.: https://am.lrv.lt/uploads/am/documents/files/Mi%C5%A1ko%20darb%C5%B3%20saugos%20rekomendacijos(1).pdf		Specified risk

4. If it is determined that a contractor does not meet the requirements listed below, a repeat on-site inspection of the contractor shall be organised:
-the Responsible person does not hold a valid qualification certificate;
-personal protective equipment (helmet, safety boots, trousers) is not worn or is in poor condition;
-the chainsaw is not in safe working order (no chain catcher, no toothed stop, chain brake not functioning properly, throttle lock not functioning properly, fuel/oil leakage present);
-no fuel spill protection mats or absorbents are available;
- Responsible person do not maintain a safe distance from each other;
-no first aid kit is available at the work site;
-felling operations are not conducted using correct and safe felling techniques (e.g., incorrect use of undercut and back cut, unsafe cutting of leaning trees, incorrectly stacked logs), and hazardous areas are not marked with safety signs;
-no warning signs are placed on the road near the felling site to indicate ongoing felling operations.
If non-conformities are identified, the supply of raw material from suppliers whose forest was harvested by that contractor shall be suspended. Wood supply will resume only after a repeat inspection confirms that all non-conformities have been adequately corrected.

Exception: Contractors who have delivered timber felled with a harvester are not included in the inspection sample, as worker safety is significantly increased when using a harvester.

Monitoring and outcomes:

Upon receipt of the shipment, a document check is carried out to verify the wood's certification status and origin information. In accordance with procedures, the validity of the certificate is verified at least once per quarter.

The organization commits to reviewing the relevant documents at least once a year to ensure that the certified wood complies with SBP requirements.

Information on the results of the risk mitigation measures established in 2026 will be available in the next supply base report.

Country: Estonia

Area/sub-scope: Whole Estonia

Risk Assessment used:	
	☐SBP-RRA-AS-VN-FOR_v1.0 RRA for Vietnam FOR_Interim ☐SBP-RRA-US-NF-FOR_v1.0 RRA for US National FOR_Interim ☐SBP-RRA-US-PF-FOR_v1.0 RRA for US Private FOR_Interim ☐SBP-RRA-EU-DK-FOR_v2.0 RRA for Denmark FOR_Endorsed ☐SBP-RRA-EU-DK-TOF_v1.0 RRA for Denmark TOF_Interim ☒SBP-RRA-EU-EE-FOR_v2.0 RRA for Estonia FOR_Endorsed ☐SBP-RRA-EU-LV-FOR_v2.0 RRA for Latvia FOR_Endorsed ☐SBP-RRA-EU-LT-FOR_v2.0 RRA for Lithuania FOR_Endorsed ☐SBP-RRA-CA-QC-FOR_v2.0 RRA for Quebec FOR_Interim ☐SBP-RRA-CA-AB-FOR_v1.0 RRA for Alberta FOR_Interim ☐SBP-RRA-CA-BC-FOR_v2.0 RRA for British Columbia FOR_Interim ☐SBP-RRA-CA-NB-FOR_v1.0 RRA for New Brunswick FOR_Interim ☐SBP-RRA-CA-NS-FOR_v1.0 RRA for Nova Scotia FOR_Interim ☐SBP-RRA-EU-NO-FOR_v1.0 RRA for Norway FOR_Interim ☐ Biomass Producer's own risk assessment
Indicator with specified risk:	
2.1.1 Key species, habitats, ecosystems, and areas of high conservation value (HCV) pertaining to biodiversity in the Supply Base shall be identified.	
Description of the specific risk:	
From SBP risk assessment: "Risk conclusion and justification The above analysis suggests that although the key species, ecosystems, and HCVs in forests are generally identified, some WKHs and Natura 2000 forest land are not inventoried and thus this indicator is assigned a specified risk." Risk is related to WKH s and Natura 2000 forest habitats on Natura 2000 protection areas that have not been inventoried.	
Mitigation measure:	
The risk mitigation measures implemented by the company are aimed at preventing the inclusion of feedstock from areas containing High Conservation Value (HCV) forests in the wood supply chain. This approach serves as an incentive for the forestry sector to preserve these biologically valuable elements. As a result, all three biodiversity-related risks are simultaneously mitigated—identification (2.1.1), threat assessment (2.1.2), and habitat conservation (2.1.3). Graanul Invest AS purchases roundwood only from contractual partners and accepts only certified or controlled feedstock. At Graanul Invest AS Group plants, software integrated with DESKIS restriction controls is used. Based on cadastral numbers and compartment data, the software automatically verifies the wood origin data and checks whether the material's origin includes woodland key habitats, potential woodland key habitats, or Natura 2000 forest habitats. A double-check mechanism is in place for Natura 2000 forest habitats, as the Environmental Board does not issue felling permits in these areas. In the event of software issues or restrictions, the receiver of raw material notifies the purchasing specialist, and the consignment is placed separately. The purchasing team specialist ensures manual verification to confirm whether the material originates from Natura 2000 forest habitats, woodland key habitats, or potential woodland key habitats. Graanul Invest AS carries out additional field inspections to identify natural values. These field inspections are conducted on the properties of Graanul Invest AS suppliers before the start of logging operations. Field inspections are carried out based on the number of cadastral units supplying PEFC Controlled Sources and	

100% PEFC-certified material during the previous SBP reporting period. The number of field inspections is determined using the formula 0.3√x, where x is the number of cadastral units for PEFC Controlled Sources and 100% PEFC-certified material supplied to all Graanul Invest AS plants in Latvia during the previous SBP reporting period.
Monitoring and outcomes:
In 2025 and up to the time of preparation of the report, no deliveries were made from Estonia. Information on the 2026 results will be included in the next Supply Base Report.

Country: Estonia	
Area/sub-scope: Whole Estonia	
Risk Assessment used:	
	☐SBP-RRA-AS-VN-FOR_v1.0 RRA for Vietnam FOR_Interim ☐SBP-RRA-US-NF-FOR_v1.0 RRA for US National FOR_Interim ☐SBP-RRA-US-PF-FOR_v1.0 RRA for US Private FOR_Interim ☐SBP-RRA-EU-DK-FOR_v2.0 RRA for Denmark FOR_Endorsed ☐SBP-RRA-EU-DK-TOF_v1.0 RRA for Denmark TOF_Interim ☒SBP-RRA-EU-EE-FOR_v2.0 RRA for Estonia FOR_Endorsed ☐SBP-RRA-EU-LV-FOR_v2.0 RRA for Latvia FOR_Endorsed ☐SBP-RRA-EU-LT-FOR_v2.0 RRA for Lithuania FOR_Endorsed ☐SBP-RRA-CA-QC-FOR_v2.0 RRA for Quebec FOR_Interim ☐SBP-RRA-CA-AB-FOR_v1.0 RRA for Alberta FOR_Interim ☐SBP-RRA-CA-BC-FOR_v2.0 RRA for British Columbia FOR_Interim ☐SBP-RRA-CA-NB-FOR_v1.0 RRA for New Brunswick FOR_Interim ☐SBP-RRA-CA-NS-FOR_v1.0 RRA for Nova Scotia FOR_Interim ☐SBP-RRA-EU-NO-FOR_v1.0 RRA for Norway FOR_Interim ☐ Biomass Producer's own risk assessment
Indicator with specified risk:	
2.1.2 Threats to and impacts on the identified key species, habitats, ecosystems, and areas of high conservation value (HCV) pertaining to biodiversity in the Supply Base shall be identified and evaluated.	
Description of the specific risk:	
From SBP risk assessment: "Risk conclusion and justification The above analysis suggests that some WKHs and Natura 2000 forest land are not inventoried and thus, threats to and impacts on the identified key species, habitats, ecosystems, and HCV pertaining to biodiversity in these areas are not known. Therefore, the risk class for this indicator is assessed to be specified." Risk is related to HCV values in the WKH s and Natura 2000 forest habitats on Natura 2000 protection areas that have not been inventoried.	
Mitigation measure:	
The risk mitigation measures implemented by the company are aimed at preventing the inclusion of feedstock from areas containing High Conservation Value (HCV) forests in the wood supply chain. This approach serves as an incentive for the forestry sector to preserve these biologically valuable elements. As a result, all three biodiversity-related risks are simultaneously mitigated—identification (2.1.1), threat	

assessment (2.1.2), and habitat conservation (2.1.3).
Graanul Invest AS purchases roundwood only from contractual partners and accepts only certified or controlled feedstock. At Graanul Invest AS Group plants, software integrated with DESKIS restriction controls is used. Based on cadastral numbers and compartment data, the software automatically verifies the wood origin data and checks whether the material's origin includes woodland key habitats, potential woodland key habitats, or Natura 2000 forest habitats. A double-check mechanism is in place for Natura 2000 forest habitats, as the Environmental Board does not issue felling permits in these areas.
In the event of software issues or restrictions, the receiver of raw material notifies the purchasing specialist, and the consignment is placed separately. The purchasing team specialist ensures manual verification to confirm whether the material originates from Natura 2000 forest habitats, woodland key habitats, or potential woodland key habitats.
Graanul Invest AS carries out additional field inspections to identify natural values. These field inspections are conducted on the properties of Graanul Invest AS suppliers before the start of logging operations. Field inspections are carried out based on the number of cadastral units supplying PEFC Controlled Sources and 100% PEFC-certified material during the previous SBP reporting period.
The number of field inspections is determined using the formula $0.3\sqrt{x}$, where x is the number of cadastral units for PEFC Controlled Sources and 100% PEFC-certified material supplied to all Graanul Invest AS plants in Latvia during the previous SBP reporting period.

Monitoring and outcomes:

In 2025 and up to the time of preparation of the report, no deliveries were made from Estonia. Information on the 2026 results will be included in the next Supply Base Report.

Country: Estonia

Area/sub-scope: Whole Estonia

Risk Assessment used:

☐SBP-RRA-AS-VN-FOR_v1.0 RRA for Vietnam FOR_Interim
☐SBP-RRA-US-NF-FOR_v1.0 RRA for US National FOR_Interim
☐SBP-RRA-US-PF-FOR_v1.0 RRA for US Private FOR_Interim
☐SBP-RRA-EU-DK-FOR_v2.0 RRA for Denmark FOR_Endorsed
☐SBP-RRA-EU-DK-TOF_v1.0 RRA for Denmark TOF_Interim
☒SBP-RRA-EU-EE-FOR_v2.0 RRA for Estonia FOR_Endorsed
☐SBP-RRA-EU-LV-FOR_v2.0 RRA for Latvia FOR_Endorsed
☐SBP-RRA-EU-LT-FOR_v2.0 RRA for Lithuania FOR_Endorsed
☐SBP-RRA-CA-QC-FOR_v2.0 RRA for Quebec FOR_Interim
☐SBP-RRA-CA-AB-FOR_v1.0 RRA for Alberta FOR_Interim
☐SBP-RRA-CA-BC-FOR_v2.0 RRA for British Columbia FOR_Interim
☐SBP-RRA-CA-NB-FOR_v1.0 RRA for New Brunswick FOR_Interim
☐SBP-RRA-CA-NS-FOR_v1.0 RRA for Nova Scotia FOR_Interim
☐SBP-RRA-EU-NO-FOR_v1.0 RRA for Norway FOR_Interim
☐ Biomass Producer's own risk assessment

Indicator with specified risk:

2.1.3 Key species, habitats, ecosystems, and areas of high conservation value (HCV) pertaining to biodiversity in the Supply Base shall be maintained or enhanced.

Description of the specific risk:
From SBP risk assessment: “Risk conclusion and justification As the above analysis suggests, the enhancement and maintenance of key species, habitats, ecosystems, and HCVs pertaining to biodiversity in some WKHs and Natura 2000 forest land cannot be guaranteed. Therefore, the level of risk for this indicator is assessed as “specified”.” Risk is related to cutting of WKHs and Natura 2000 forest habitats on Natura 2000 protection areas.
Mitigation measure:
The risk mitigation measures implemented by the company are aimed at preventing the inclusion of feedstock from areas containing High Conservation Value (HCV) forests in the wood supply chain. This approach serves as an incentive for the forestry sector to preserve these biologically valuable elements. As a result, all three biodiversity-related risks are simultaneously mitigated—identification (2.1.1), threat assessment (2.1.2), and habitat conservation (2.1.3). Graanul Invest AS purchases roundwood only from contractual partners and accepts only certified or controlled feedstock. At Graanul Invest AS Group plants, software integrated with DESKIS restriction controls is used. Based on cadastral numbers and compartment data, the software automatically verifies the wood origin data and checks whether the material’s origin includes woodland key habitats, potential woodland key habitats, or Natura 2000 forest habitats. A double-check mechanism is in place for Natura 2000 forest habitats, as the Environmental Board does not issue felling permits in these areas. In the event of software issues or restrictions, the receiver of raw material notifies the purchasing specialist, and the consignment is placed separately. The purchasing team specialist ensures manual verification to confirm whether the material originates from Natura 2000 forest habitats, woodland key habitats, or potential woodland key habitats. Graanul Invest AS carries out additional field inspections to identify natural values. These field inspections are conducted on the properties of Graanul Invest AS suppliers before the start of logging operations. Field inspections are carried out based on the number of cadastral units supplying PEFC Controlled Sources and 100% PEFC-certified material during the previous SBP reporting period. The number of field inspections is determined using the formula **0.3**$\sqrt{\mathbf{x}}$, where *x* is the number of cadastral units for PEFC Controlled Sources and 100% PEFC-certified material supplied to all Graanul Invest AS plants in Latvia during the previous SBP reporting period.
Monitoring and outcomes:
In 2025 and up to the time of preparation of the report, no deliveries were made from Estonia. Information on the 2026 results will be included in the next Supply Base Report.

Country: Estonia	
Area/sub-scope: Whole Estonia	
Risk Assessment used:	
	☐SBP-RRA-AS-VN-FOR_v1.0 RRA for Vietnam FOR_Interim ☐SBP-RRA-US-NF-FOR_v1.0 RRA for US National FOR_Interim ☐SBP-RRA-US-PF-FOR_v1.0 RRA for US Private FOR_Interim ☐SBP-RRA-EU-DK-FOR_v2.0 RRA for Denmark FOR_Endorsed ☐SBP-RRA-EU-DK-TOF_v1.0 RRA for Denmark TOF_Interim ☒SBP-RRA-EU-EE-FOR_v2.0 RRA for Estonia FOR_Endorsed

	☐SBP-RRA-EU-LV-FOR_v2.0 RRA for Latvia FOR_Endorsed ☐SBP-RRA-EU-LT-FOR_v2.0 RRA for Lithuania FOR_Endorsed ☐SBP-RRA-CA-QC-FOR_v2.0 RRA for Quebec FOR_Interim ☐SBP-RRA-CA-AB-FOR_v1.0 RRA for Alberta FOR_Interim ☐SBP-RRA-CA-BC-FOR_v2.0 RRA for British Columbia FOR_Interim ☐SBP-RRA-CA-NB-FOR_v1.0 RRA for New Brunswick FOR_Interim ☐SBP-RRA-CA-NS-FOR_v1.0 RRA for Nova Scotia FOR_Interim ☐SBP-RRA-EU-NO-FOR_v1.0 RRA for Norway FOR_Interim ☐ Biomass Producer's own risk assessment
Indicator with specified risk:	
3.2.3 feedstock shall not be sourced from forest areas in the Supply Base which, according to local definitions or norms, are classified as having combined attributes of high carbon stocks and high conservation value (HCV).	
Description of the specific risk:	
From SBP risk assessment: "Risk conclusion and justification Based on the evidence reviewed, the risk for non-compliance with this indicator is concluded to be specified. Related to the risk conclusion, see also indicators 2.1.1 and 2.1.3.	
Mitigation measure:	
Based on the SBP Regional Risk Assessment, Risk 3.2.3 is associated with areas of high conservation value and areas with high carbon stock as defined by local standards or norms. Since Estonian legislation does not define high carbon stock areas, the risk mitigation measure involves excluding material sourced from high conservation value areas (Natura 2000 forest habitats, woodland key habitats, potential woodland key habitats). Graanul Invest AS sought validation of this interpretation of risk mitigation from both SBP and Preferred by Nature OÜ. Graanul Invest AS purchases roundwood only from contractual partners and only accepts certified or controlled material. All Graanul Invest AS plants in Estonia use gate software integrated with DESKIS restriction controls. Based on cadastral numbers and compartment data, this software automatically verifies whether the material's origin includes woodland key habitats, potential woodland key habitats, or Natura 2000 forest habitats. A double-check mechanism is in place for Natura 2000 forest habitats, as the Environmental Board does not issue logging permits for these areas. In the event of software issues or restrictions, the wood receiver notifies the purchasing specialist, and the consignment is placed separately. The purchasing team specialist ensures manual checks to verify whether the material originates from Natura 2000 forest habitats, woodland key habitats, or potential woodland key habitats. Graanul Invest AS conducts additional field inspections to identify natural values. These field inspections are carried out on the properties of Graanul Invest AS suppliers before logging operations begin. Additional natural value checks are conducted based on the number of cadastral references of PEFC Controlled Sources, 100% PEFC Certified and FSC Controlled Wood material supplied during the previous SBP reporting period. The formula for selecting property samples is $0.3\sqrt{x}$, where x is the number of cadastral units for PEFC Controlled Sources, 100% PEFC-certified and FSC Controlled Wood material supplied to all Graanul Invest AS plants in Estonia during the previous SBP reporting period. In addition to the above risk mitigation measures, Graanul Invest AS relies on Estonian legislation. In Estonia, according to SMI 2023, there are 18.4% of forests that are strictly protected and 13.2% of forests	

with economic restrictions. Of the total area of forest land, 31.6% is under protection. The extent of restrictions and obligations applied in a protected area is established by the Government of the Republic with a conservation regulation. A protected area may be divided into zones, which shall be taken into account in the planning of the protected area, and the establishment of a conservation regime shall be carried out on a zone-by-zone basis. The territory of the protected area can be divided into up to three different zones, depending on the type: nature reserves, conservation zones and limited management zones (source Ministry of Climate). Each protected area has its own conservation regime, which is established by a conservation regulation approved by a regulation of the Government of the Republic. Economic activities in protected areas are regulated by the Nature Conservation Act and other applicable acts, which set out separate rules for works carried out in protected areas (e.g. felling time, area, type of felling, etc.). All special conditions for forest management are always indicated in the forest notification. Forest notifications are publicly available from the Forest Register.

The forest owner can see the natural values on his or her property either in the forest management plan or in the inventory data (available register.metsad.ee). All information about the protected areas can be found in the ADVANTAGE database. The Water Act regulates the protection and monitoring of water resources (incl. economic restrictions on the shores of water bodies). When logging, the restrictions of all applicable legislation must be observed in order to avoid contamination and damage to water bodies (depending on the type of natural water body, the water protection zone is 1-20 m). Information about the restrictions is added to the forest notification and all maps and necessary data are available from the forest register. Estonia has joined the Natura 2000 network and the Estonian Natura 2000 network consists of 66 bird areas and 542 nature areas based on 2017 data. In addition, Estonia has also joined the Ramsar Convention, and as of 2012, 17 wetlands from Estonia have been included in this list.
Supervision of legislation related to the environment (incl. Forest Act, Nature Conservation Act, Water Act) is carried out by the Supervision Department of the Environmental Board.
Based on the above explanations, risk 3.2.3 does not require any additional risk mitigation measures.

Monitoring and outcomes:

In 2025 and up to the time of preparation of the report, no deliveries were made from Estonia. Information on the 2026 results will be included in the next Supply Base Report.

4 Stakeholder engagement

4.1 General description

Biomass Producer's stakeholder engagement start date: 17 Apr 2026

Biomass Producer's stakeholder engagement end date: 17 May 2026

Total number of stakeholders contacted: 44

Give a general description of the process of Stakeholders Engagement, including stakeholders contacted, method of communication and a summary of the comments received:

Stakeholder consultations on risk mitigation measures for wood of Latvian origin were initiated shortly after the publication of the updated SBP risk assessment in autumn 2024, including an in-person meeting with the Nature Conservation Agency and communication with the Latvian State Forest Research Institute "Silava". On 24 February 2025, emails were prepared and sent to 23 organisations, including state authorities, non-governmental organisations, research institutions, wood processing industry associations, and forest owner organisations. The emails included documents describing risk mitigation measures for forest lands, as well as the risk assessment and planned risk mitigation measures for wood sourced from areas outside forest land (TOF – Trees Outside Forests). As the risk assessment and planned risk mitigation measures for wood sourced from areas outside forest land (TOF) were later updated, repeated stakeholder consultations were carried out in the period from 17 June to 21 July 2025. Information on the results of these consultations was included in the company's previous Supply Base Report, and as no changes in risks occurred during the current reporting period and no significant amendments to the risk mitigation measures were required, no additional stakeholder consultations on risk mitigation measures for wood of Latvian origin were conducted during the reporting period of this document.

In 2026, it was decided to integrate the risk mitigation measures developed within the AS "Graanul Invest" group production sites also for wood of Lithuanian and Estonian origin; therefore, on 17 April 2026 stakeholder consultations were announced regarding SBP and RED EU risk mitigation plans for raw material sourced from forests in Lithuania and Estonia. In total, 23 consultation letters were sent regarding risk mitigation measures for Lithuania and 21 letters regarding risk mitigation measures for Estonia. One response was received during the consultation period. The low level of stakeholder engagement may be related to the fact that other AS "Graanul Invest" group companies had already carried out stakeholder consultations on these risk mitigation measures in September 2025.
The identified stakeholders included state and municipal forestry institutions, government authorities responsible for forestry, environmental protection and protected areas, professional and industry associations related to forestry, biomass and bioenergy, forestry service providers, educational and research institutions providing forestry and environmental education, environmental and nature conservation non-governmental organisations, trade unions representing forestry and forest industry workers, biofuel market operators, certification bodies and their national representatives, as well as organisations representing the interests of private forest owners and local communities.

4.2 Response to stakeholder comments

Stakeholder description: Wood processing company

Stakeholder comment: The company states that, as a wood processing company (rather than a forest operator), most of the Risk Mitigation Plan requirements are not directly applicable to its activities; however, the company ensures traceability, legal origin of the feedstock, compliance with FSC Chain of Custody requirements, and considers SURE certification to be sufficient for meeting RED III requirements, while also recommending a clearer distinction between

requirements for forest operators and downstream processors.

Response to the stakeholder: “The comment is acknowledged. The Risk Mitigation Plan primarily addresses forestry-related risks associated with primary feedstock sourcing. Requirements applicable to downstream wood processing companies are applied, taking into account existing certifications and supply chain roles.”

5 Report updates and approval

This document is: New Supply Base Report (Assessments/reassessments)

Summary of changes: N/A

Name	Haralds Vīgants
Title	Management representative
Date of report approval	11 May 2026

Name	Līga Hermane
Title	Report author
Date of report approval	11 May 2026

Annex 1: Detailed findings for Supply Base Evaluation indicators

Latvia Whole country	Indicator
1.1.1	Operations related to feedstock sourcing and biomass production shall comply with all existing applicable laws and regulations.
Supply Base Verifiers	Law on Protective Zones Law on Specially Protected Nature Territories Land Management Law Cabinet Regulation No. 309 “Regulations Regarding Tree Felling Outside Forests Audit reports conducted by the company The company’s verification procedures include confirming the origin documentation for each load of primary wood. As proof of origin, either a felling permit issued by the State Forest Service is accepted for forest-sourced wood, or a document compliant with Cabinet Regulation No. 309 is accepted for wood harvested outside forest areas. Additionally, the company monitors the total volumes of feedstock obtained from each origin location to ensure legality of origin and consistency of declared quantities. In addition the company performs periodic, random checks of full supply chain documentation, including contracts between landowners and harvesting operators.
Risk Rating justification	The assessment carried out for the following TOF sources of feedstock purchased by the company: • Urban and landscape feedstock, 2A (Landscape - low grade stemwood, tree residues without stumps, trees removed for nature conservation), for example, biomass from small wooded areas, shelterbelts, trees along water bodies, clearing of overgrown agricultural land (arable land, meadows, pastures). • Urban and landscape feedstock, 2A (Urban, domestic and infrastructure - low grade stemwood, tree residues without stumps), for example, cleaning of railway and roadside vegetation, clearing of utility corridors under power lines. • Agricultural land feedstock, 3A (Woody energy crops), for example, plantation-type stands established on agricultural land that are not classified as fast-growing energy crops. Wood harvesting both in forests and outside forest areas is regulated by a comprehensive set of laws covering land ownership, felling permits, taxation, and environmental restrictions. These legal requirements are enforced by national and regional authorities. For land outside forests, the applicable framework includes the Land Management Law, the Law on Protective Zones, and the Law on Specially Protected Nature Territories. Tree felling outside forests is regulated by Cabinet Regulation No. 309.

	There is no separate information available regarding illegal activities related to wood harvested outside forests. According to the annual public reports of the State Forest Service, since 2020, illegally harvested wood accounts for between 0.01% (in 2023) and 0.09% (in 2020) of the total volume of harvested wood. Furthermore, during the entire period of AS “Graanul Invest” operations, no requests have been received from the State Police or other competent authorities regarding potentially illegally harvested wood from outside forest areas. AS “Graanul Invest” only accepts primary feedstock accompanied by appropriate origin documentation—either a felling permit issued by the State Forest Service for forest-sourced material or documentation in accordance with Regulation No. 309 for feedstock from non-forest areas. The company also monitors the volumes obtained from each origin location. In addition the company performs periodic, random checks of full supply chain documentation, including contracts between landowners and harvesting operators. A detailed risk assessment is available upon request at the company.
Risk Rating	Low Risk

Latvia **Whole country**	**Indicator**
1.1.2	Legal ownership of land and resource use rights shall be respected.
Supply Base Verifiers	Land Management Law Law on Protective Zones State Land Service Public Report 2023 State Land Service Report on Cadastral Surveying Works in 2023 Open Data Portal Cabinet Regulation No. 309 “Regulations Regarding Tree Felling Outside Forests” (adopted in Riga on 2 May 2012) Audit reports conducted by the company
Risk Rating justification	The assessment carried out for the following TOF sources of feedstock purchased by the company: • Urban and landscape feedstock, 2A (Landscape - low grade stemwood, tree residues without stumps, trees removed for nature conservation), for example, biomass from small wooded areas, shelterbelts, trees along water bodies, clearing of overgrown agricultural land (arable land, meadows, pastures). • Urban and landscape feedstock, 2A (Urban, domestic and infrastructure - low grade stemwood, tree residues without stumps), for example, cleaning of railway and roadside vegetation, clearing of utility corridors under power lines. • Agricultural land feedstock, 3A (Woody energy crops), for example, plantation-type stands established on agricultural land that are not classified

	as fast-growing energy crops. According to the Land Management Law, landowners have rights and obligations regarding land use, in compliance with regulations and spatial planning documents. The Protection Zones Law may restrict landowners' rights if the land lies within a protected zone. Tree felling outside forests must comply with ownership rights and require permits where applicable. The State Land Service (SLS) oversees land use registration and property rights verification. In 2022, SLS introduced an electronic system for reporting data issues and requesting consultations via Kadastrs.lv and the Open Data Portal. In 2023, 194 reports were submitted—39% confirmed cadastral data errors; 27% were unconfirmed. The 2023 SLS report notes a 6% decrease in measured land units compared to 2022, though a 37% increase is observed over nine years, indicating continued progress.AS "Graanul Invest" only accepts feedstock accompanied by appropriate proof of origin—either a felling permit issued by the State Forest Service for forest-sourced feedstock or a document compliant with Cabinet Regulation No. 309 for non-forest areas. In addition to volume control, the company performs periodic, random checks of full supply chain documentation, including contracts between landowners and harvesting operators. A detailed risk assessment is available upon request at the company. Conclusion: The company ensures compliance with land ownership and resource use requirements. The risk of receiving non-conforming feedstock is low.
Risk Rating	Low Risk

Latvia **Whole country**	**Indicator**
1.1.3	Feedstock shall be legally harvested, supplied and produced, including in compliance with CITES, EUTR and other applicable legal trade requirements.
Supply Base Verifiers	Forest Law European Union Timber Regulation (EUTR) European Union Deforestation Regulation (EUDR) CITES Convention Nature Conservation Agency CITES Species Cabinet Regulation No. 309 "Regulations Regarding Tree Felling Outside Forests" (adopted in Riga on 2 May 2012) State Land Service Public Report 2023 Contracts between suppliers and AS "Graanul Invest'
Risk Rating justification	The assessment carried out for the following TOF sources of feedstock purchased by the company:

	• Urban and landscape feedstock, 2A (Landscape - low grade stemwood, tree residues without stumps, trees removed for nature conservation), for example, biomass from small wooded areas, shelterbelts, trees along water bodies, clearing of overgrown agricultural land (arable land, meadows, pastures). • Urban and landscape feedstock, 2A (Urban, domestic and infrastructure - low grade stemwood, tree residues without stumps), for example, cleaning of railway and roadside vegetation, clearing of utility corridors under power lines. • Agricultural land feedstock, 3A (Woody energy crops), for example, plantation-type stands established on agricultural land that are not classified as fast-growing energy crops. The legal harvesting and production of wood in Latvia is regulated by national legislation, as outlined earlier. European Union Timber Regulation (EUTR) requirements are in force in Latvia and are implemented at AS “Graanul Invest”. EUTR sets out the requirements that only legally harvested wood may be placed on the market. The company verifies the legality of documentation for each load. For wood harvested outside forests, documents must comply with Cabinet Regulation No. 309 on tree felling. CITES requirements apply to the trade of protected species, and must be followed when tree species are listed. In Latvia, the responsible authority is the Nature Conservation Agency, which issues permits and certificates, coordinates interagency cooperation, and maintains a species-specific database. The company does not purchase any species listed under CITES. Starting from 1 January 2025, AS “Graanul Invest” group companies included in their contracts the obligation for suppliers to provide, upon request, the geographical location data of the origin of the wood in accordance with the EU Deforestation Regulation (EUDR). A detailed risk assessment is available upon request at the company. Conclusion: Given the above, the risk of sourcing illegally harvested wood is low.
Risk Rating	Low Risk

Latvia **Whole country**	**Indicator**
1.1.4	Payments for harvest rights and feedstock, including duties, relevant royalties and taxes related to timber harvesting shall be complete and up-to-date.
Supply Base Verifiers	Cabinet Regulation No. 309 “Regulations Regarding Tree Felling Outside Forests” State Revenue Service report “Key Annual Report Indicators Declared by Taxpayers for 2023” State Revenue Service public tax debtor database
Risk Rating justification	The assessment carried out for the following TOF sources of feedstock

	purchased by the company: • Urban and landscape feedstock, 2A (Landscape - low grade stemwood, tree residues without stumps, trees removed for nature conservation), for example, biomass from small wooded areas, shelterbelts, trees along water bodies, clearing of overgrown agricultural land (arable land, meadows, pastures). • Urban and landscape feedstock, 2A (Urban, domestic and infrastructure - low grade stemwood, tree residues without stumps), for example, cleaning of railway and roadside vegetation, clearing of utility corridors under power lines. • Agricultural land feedstock, 3A (Woody energy crops), for example, plantation-type stands established on agricultural land that are not classified as fast-growing energy crops. Cabinet Regulation No. 309 sets the methodology for calculating compensation for tree felling in urban and village areas. Landowners and land users are required to pay all applicable taxes and fees related to tree felling outside forest areas. According to publicly available data from the State Revenue Service (SRS) for 2023, the forestry sector is fulfilling its tax obligations. The sector's net turnover in 2023 amounted to over EUR 1.9 million. There is no evidence of unpaid taxes or royalties related to timber harvesting. Before entering into contracts for the transfer or use of timber harvesting rights, AS “Graanul Invest” companies verify that the contracting party is registered with the SRS and has no outstanding tax debts. This verification is performed using the SRS public tax debtor database by entering the registration number of the individual or company. This approach not only ensures compliance with legal requirements but also supports assessment of the contractor’s financial reliability and reduces risks of non-performance. A detailed risk assessment is available upon request at the company. Conclusion: The risk that AS “Graanul Invest” would purchase timber for which taxes have not been paid is low.
Risk Rating	Low Risk

Latvia Whole country	**Indicator**
1.1.5	There shall be adequate protection of the Supply Base from unauthorised and illegal activities, such as illegal logging, mining, and encroachment.
Supply Base Verifiers	Not applicable
Risk Rating justification	The following TOF sources of feedstock purchased by the company and this risk is not applicable to these types: • Urban and landscape feedstock, 2A (Landscape - low grade stemwood, tree residues without stumps, trees removed for nature conservation), for

	example, biomass from small wooded areas, shelterbelts, trees along water bodies, clearing of overgrown agricultural land (arable land, meadows, pastures). • Urban and landscape feedstock, 2A (Urban, domestic and infrastructure - low grade stemwood, tree residues without stumps), for example, cleaning of railway and roadside vegetation, clearing of utility corridors under power lines. • Agricultural land feedstock, 3A (Woody energy crops), for example, plantation-type stands established on agricultural land that are not classified as fast-growing energy crops.
Risk Rating	Low Risk

Latvia **Whole country**	**Indicator**
2.1.1	Key species, habitats, ecosystems, and areas of high conservation value (HCV) pertaining to biodiversity in the Supply Base shall be identified.
Supply Base Verifiers	Law on Specially Protected Nature Territories Nature Data Management System "Ozols" SBP Regional Risk Assessment for Latvia (2024) Audit reports conducted by the company
Risk Rating justification	The assessment carried out for the following TOF sources of feedstock purchased by the company: • Agricultural land feedstock, 3A (Woody energy crops), for example, plantation-type stands established on agricultural land that are not classified as fast-growing energy crops. • Urban and landscape feedstock, 2A (Landscape - low grade stemwood, tree residues without stumps, trees removed for nature conservation), for example, biomass from small wooded areas, shelterbelts, trees along water bodies, clearing of overgrown agricultural land (arable land, meadows, pastures). Criteria 2.1.1 to 2.1.3 are analysed together, as they include the requirement to identify key species, habitats, ecosystems, and areas of high conservation value, assess the impact on them, and ensure their maintenance or enhancement. Therefore, the first step is to identify these areas, and by maintaining or enhancing the identified areas, compliance with all three criteria is ensured simultaneously. Latvian legislation protects specially protected habitats. These are habitats with particular ecological value or vulnerability. However, not all habitats are included in this list, and therefore not all are legally protected. From 2017 to 2022, the Nature Conservation Agency (NCA) implemented the national habitat mapping initiative "Dabas skaitīšana" ("Nature Census"), which revealed that:

	• A total of 334,597 ha of EU-priority forest habitats were identified in Latvia, of which 19% are located on private land. • Approximately 5,000 ha of these habitats have been lost or converted into clearcuts since 2017. • Sources of feedstock from outside forests partially overlap with these areas. The "Ozols" Nature Data Management System (https://ozols.gov.lv/pub) stores and manages the data obtained during the habitat mapping, including information on protected areas, meadow habitats, species, microreserves, and conservation measures. It also includes data on habitats that are not legally protected but have significant ecological or scientific value. The system provides up-to-date data for nature conservation planning and biodiversity protection in Latvia. Company representatives consulted with the Nature Conservation Agency in person regarding the risks related to compliance with these criteria. The NCA representative explained that, for non-forest areas, the removal of overgrowth is not only desirable but necessary for the preservation of EU-priority grassland habitats. However, the removal must be carried out in a way that preserves biodiversity. Both stump removal and soil milling are allowed to level the land, which supports future use for mowing or grazing. AS "Graanul Invest" Group representatives discussed the planned mitigation measures with the NCA representative and received confirmation that the information available in the "Ozols" Nature Data Management System must be used to identify valuable habitats outside the forest. Although the Nature Census has provided consolidated data on key species, habitats, ecosystems, and areas of high conservation value in the "Ozols" system, a high risk is assigned to obtaining wood from these areas, as harvesting is not fully protected by national legal instruments. There is a possibility that ecologically valuable areas not protected by law may be altered or degraded, thus potentially threatening species and habitats of high conservation value. In the SBP-published Regional Risk Assessment for Latvia (RRA, 2024), when assessing risks for forest-based biomass, it is concluded that not only habitats but also specially protected and threatened species must be identified, including nesting birds, whose habitats may also be affected in non-forest areas such as grasslands and overgrown meadows. The document emphasizes that operations like overgrowth removal during the nesting season can negatively impact species populations if not performed with seasonal restrictions or without prior verification of species presence. Therefore, it is justifiable to conclude that non-forest areas, from which biomass may be sourced (e.g. grasslands, overgrown agricultural land), pose similar environmental risks as forest areas. These areas are often important for bird migration, foraging, or nesting, where biodiversity conservation is essential. Based on the above, a high risk is assigned to criteria. The fulfilment of all three criteria is ensured by identifying the respective areas and maintaining their conservation status. To ensure that wood is not sourced from EU-priority habitats that are not

	legally protected, the company uses the Nature Data Management System “Ozols” to identify such areas and evaluates the origin of each delivery based on the cadastral number. Additionally, the available database information on bird habitats is also assessed. The company has set a requirement for its suppliers to carry out harvesting in a way that does not negatively impact biodiversity and to avoid damaging protected bird habitats. In selected cases, the company conducts field inspections in such areas to ensure that the removal of overgrowth has not caused negative impacts and that the nesting sites of protected bird species within the area have not been destroyed. Based on the evaluation of implemented actions and audit results carried out since 2018, it can be concluded that the company's operations ensure a low risk for this criterion.
Risk Rating	Specified Risk

Latvia **Whole country**	**Indicator**
2.1.2	Threats to and impacts on the identified key species, habitats, ecosystems, and areas of high conservation value (HCV) pertaining to biodiversity in the Supply Base shall be identified and evaluated.
Supply Base Verifiers	Law on Specially Protected Nature Territories Nature Data Management System “Ozols” SBP Regional Risk Assessment for Latvia (2024) Audit reports conducted by the company
Risk Rating justification	The assessment carried out for the following TOF sources of feedstock purchased by the company: • Urban and landscape feedstock, 2A (Landscape - low grade stemwood, tree residues without stumps, trees removed for nature conservation), for example, biomass from small wooded areas, shelterbelts, trees along water bodies, clearing of overgrown agricultural land (arable land, meadows, pastures). • Agricultural land feedstock, 3A (Woody energy crops), for example, plantation-type stands established on agricultural land that are not classified as fast-growing energy crops. Criteria 2.1.1 to 2.1.3 are analysed together, as they include the requirement to identify key species, habitats, ecosystems, and areas of high conservation value, assess the impact on them, and ensure their maintenance or enhancement. Therefore, the first step is to identify these areas, and by maintaining or enhancing the identified areas, compliance with all three criteria is ensured simultaneously. Latvian legislation protects specially protected habitats. These are habitats with particular ecological value or vulnerability. However, not all habitats are

	included in this list, and therefore not all are legally protected. From 2017 to 2022, the Nature Conservation Agency (NCA) implemented the national habitat mapping initiative “Dabas skaitīšana” (“Nature Census”), which revealed that: • A total of 334,597 ha of EU-priority forest habitats were identified in Latvia, of which 19% are located on private land. • Approximately 5,000 ha of these habitats have been lost or converted into clearcuts since 2017. • Sources of feedstock from outside forests partially overlap with these areas. The "Ozols" Nature Data Management System (https://ozols.gov.lv/pub) stores and manages the data obtained during the habitat mapping, including information on protected areas, meadow habitats, species, microreserves, and conservation measures. It also includes data on habitats that are not legally protected but have significant ecological or scientific value. The system provides up-to-date data for nature conservation planning and biodiversity protection in Latvia. Company representatives consulted with the Nature Conservation Agency in person regarding the risks related to compliance with these criteria. The NCA representative explained that, for non-forest areas, the removal of overgrowth is not only desirable but necessary for the preservation of EU-priority grassland habitats. However, the removal must be carried out in a way that preserves biodiversity. Both stump removal and soil milling are allowed to level the land, which supports future use for mowing or grazing. AS "Graanul Invest" Group representatives discussed the planned mitigation measures with the NCA representative and received confirmation that the information available in the "Ozols" Nature Data Management System must be used to identify valuable habitats outside the forest. Although the Nature Census has provided consolidated data on key species, habitats, ecosystems, and areas of high conservation value in the "Ozols" system, a high risk is assigned to obtaining wood from these areas, as harvesting is not fully protected by national legal instruments. There is a possibility that ecologically valuable areas not protected by law may be altered or degraded, thus potentially threatening species and habitats of high conservation value. In the SBP-published Regional Risk Assessment for Latvia (RRA, 2024), when assessing risks for forest-based biomass, it is concluded that not only habitats but also specially protected and threatened species must be identified, including nesting birds, whose habitats may also be affected in non-forest areas such as grasslands and overgrown meadows. The document emphasizes that operations like overgrowth removal during the nesting season can negatively impact species populations if not performed with seasonal restrictions or without prior verification of species presence. Therefore, it is justifiable to conclude that non-forest areas, from which biomass may be sourced (e.g. grasslands, overgrown agricultural land), pose similar environmental risks as forest areas. These areas are often important for bird migration, foraging, or nesting, where biodiversity conservation is essential. Based on the above, a high risk is assigned to criteria.

	The fulfilment of all three criteria is ensured by identifying the respective areas and maintaining their conservation status. To ensure that wood is not sourced from EU-priority habitats that are not legally protected, the company uses the Nature Data Management System "Ozols" to identify such areas and evaluates the origin of each delivery based on the cadastral number. Additionally, the available database information on bird habitats is also assessed. The company has set a requirement for its suppliers to carry out harvesting in a way that does not negatively impact biodiversity and to avoid damaging protected bird habitats. In selected cases, the company conducts field inspections in such areas to ensure that the removal of overgrowth has not caused negative impacts and that the nesting sites of protected bird species within the area have not been destroyed. Based on the evaluation of implemented actions and audit results carried out since 2018, it can be concluded that the company's operations ensure a low risk for this criterion.
Risk Rating	Specified Risk

Latvia **Whole country**	**Indicator**
2.1.3	Key species, habitats, ecosystems, and areas of high conservation value (HCV) pertaining to biodiversity in the Supply Base shall be maintained or enhanced.
Supply Base Verifiers	Law on Specially Protected Nature Territories Nature Data Management System "Ozols" SBP Regional Risk Assessment for Latvia (2024) Audit reports conducted by the company
Risk Rating justification	The assessment carried out for the following TOF sources of feedstock purchased by the company: • Urban and landscape feedstock, 2A (Landscape - low grade stemwood, tree residues without stumps, trees removed for nature conservation), for example, biomass from small wooded areas, shelterbelts, trees along water bodies, clearing of overgrown agricultural land (arable land, meadows, pastures). • Agricultural land feedstock, 3A (Woody energy crops), for example, plantation-type stands established on agricultural land that are not classified as fast-growing energy crops. Criteria 2.1.1 to 2.1.3 are analysed together, as they include the requirement to identify key species, habitats, ecosystems, and areas of high conservation value, assess the impact on them, and ensure their maintenance or enhancement. Therefore, the first step is to identify these areas, and by maintaining or enhancing the identified areas, compliance with all three criteria is ensured simultaneously.

	Latvian legislation protects specially protected habitats. These are habitats with particular ecological value or vulnerability. However, not all habitats are included in this list, and therefore not all are legally protected. From 2017 to 2022, the Nature Conservation Agency (NCA) implemented the national habitat mapping initiative “Dabas skaitīšana” (“Nature Census”), which revealed that: • A total of 334,597 ha of EU-priority forest habitats were identified in Latvia, of which 19% are located on private land. • Approximately 5,000 ha of these habitats have been lost or converted into clearcuts since 2017. • Sources of feedstock from outside forests partially overlap with these areas. The "Ozols" Nature Data Management System (https://ozols.gov.lv/pub) stores and manages the data obtained during the habitat mapping, including information on protected areas, meadow habitats, species, microreserves, and conservation measures. It also includes data on habitats that are not legally protected but have significant ecological or scientific value. The system provides up-to-date data for nature conservation planning and biodiversity protection in Latvia. Company representatives consulted with the Nature Conservation Agency in person regarding the risks related to compliance with these criteria. The NCA representative explained that, for non-forest areas, the removal of overgrowth is not only desirable but necessary for the preservation of EU-priority grassland habitats. However, the removal must be carried out in a way that preserves biodiversity. Both stump removal and soil milling are allowed to level the land, which supports future use for mowing or grazing. AS "Graanul Invest" Group representatives discussed the planned mitigation measures with the NCA representative and received confirmation that the information available in the "Ozols" Nature Data Management System must be used to identify valuable habitats outside the forest. Although the Nature Census has provided consolidated data on key species, habitats, ecosystems, and areas of high conservation value in the "Ozols" system, a high risk is assigned to obtaining wood from these areas, as harvesting is not fully protected by national legal instruments. There is a possibility that ecologically valuable areas not protected by law may be altered or degraded, thus potentially threatening species and habitats of high conservation value. In the SBP-published Regional Risk Assessment for Latvia (RRA, 2024), when assessing risks for forest-based biomass, it is concluded that not only habitats but also specially protected and threatened species must be identified, including nesting birds, whose habitats may also be affected in non-forest areas such as grasslands and overgrown meadows. The document emphasizes that operations like overgrowth removal during the nesting season can negatively impact species populations if not performed with seasonal restrictions or without prior verification of species presence. Therefore, it is justifiable to conclude that non-forest areas, from which biomass may be sourced (e.g. grasslands, overgrown agricultural land), pose similar environmental risks as forest areas. These areas are often important for bird migration, foraging, or nesting, where biodiversity conservation is

	essential. Based on the above, a high risk is assigned to criteria. The fulfilment of all three criteria is ensured by identifying the respective areas and maintaining their conservation status. To ensure that wood is not sourced from EU-priority habitats that are not legally protected, the company uses the Nature Data Management System “Ozols” to identify such areas and evaluates the origin of each delivery based on the cadastral number. Additionally, the available database information on bird habitats is also assessed. The company has set a requirement for its suppliers to carry out harvesting in a way that does not negatively impact biodiversity and to avoid damaging protected bird habitats. In selected cases, the company conducts field inspections in such areas to ensure that the removal of overgrowth has not caused negative impacts and that the nesting sites of protected bird species within the area have not been destroyed. Based on the evaluation of implemented actions and audit results carried out since 2018, it can be concluded that the company's operations ensure a low risk for this criterion.
Risk Rating	Specified Risk

Latvia **Whole country**	**Indicator**
2.2.1	Feedstock shall not be sourced from land that had one of the following statuses in January 2008 and no longer has that status due to land conversion: a. Forests b. Wetlands c. Peatlands d. Highly biodiverse grasslands.
Supply Base Verifiers	Forest Law Land Management Law Spatial Development Planning Law Cabinet Regulation No. 47 “Regulations on the Procedure and Scope for Submitting Information Required for the Maintenance of the State Cadastre Information System” Cabinet Regulation No. 562 “Regulations on the Classification of Land Use Types and Criteria for Their Determination” Cabinet Regulation No. 628 “Regulations on Municipal Spatial Development Planning Documents” SBP Regional Risk Assessment for Latvia (2024)
Risk Rating justification	The assessment carried out for the following TOF sources of feedstock purchased by the company: • Urban and landscape feedstock, 2A (Landscape - low grade stemwood, tree residues without stumps, trees removed for nature conservation), for example, biomass from small wooded areas, shelterbelts, trees along water bodies, clearing of overgrown agricultural land (arable land, meadows, pastures).

	• Agricultural land feedstock, 3A (Woody energy crops), for example, plantation-type stands established on agricultural land that are not classified as fast-growing energy crops. In Latvia, land-use change is a regulated process requiring municipal approval and compliance with spatial planning documents. To change the land-use purpose, a landowner must submit an application to the municipality along with required documents (e.g., proof of ownership and land boundary plan). If compliant with legal and planning regulations, the change is approved and recorded by the State Land Service. According to the SBP Regional Risk Assessment for Latvia (2024), wood obtained from forest land converted after 2008 is considered low risk. In practice, non-forest wood originates mainly from overgrown or abandoned agricultural land, pastures, or infrastructure zones. Although theoretical land-use change is possible, there is no evidence of systematic land conversion after 2008 for the purpose of wood harvesting. Furthermore, regulations tightly restrict forest-to-other-use conversions. A detailed risk assessment is available upon request at the company. Conclusion: The risk of sourcing non-conforming wood due to land-use change is low.
Risk Rating	Low Risk

Latvia **Whole country**	**Indicator**
2.2.2	Ecosystems, their health, vitality, functions and services in the Supply Base shall be maintained or enhanced.
Supply Base Verifiers	Law on Protective Zones Water Management Law Environmental Protection Law Cabinet Regulation No. 309 “Regulations Regarding Tree Felling Outside Forests” SBP Regional Risk Assessment for Latvia (2024)
Risk Rating justification	The assessment carried out for the following TOF sources of feedstock purchased by the compan: • Urban and landscape feedstock, 2A (Landscape - low grade stemwood, tree residues without stumps, trees removed for nature conservation), for example, biomass from small wooded areas, shelterbelts, trees along water bodies, clearing of overgrown agricultural land (arable land, meadows, pastures). • Agricultural land feedstock, 3A (Woody energy crops), for example, plantation-type stands established on agricultural land that are not classified as fast-growing energy crops.

	In Latvia, the protection of ecosystem functions is embedded in national legislation and land management practices. Areas near water bodies are designated as protective zones regulated by the Law on Protective Zones and the Water Management Law. These laws aim to preserve ecosystem continuity, prevent erosion and pollution, and ensure habitat integrity. Regarding non-forest feedstock, such as vegetation near water bodies, harvesting is typically carried out to improve ecosystem conditions—for example, to prevent invasive species spread or maintain open landscapes. These activities are guided by land and landscape management plans and must follow environmental authority guidelines and legal requirements. The SBP Regional Risk Assessment for Latvia (2024) indicates that the risk of reduced ecosystem services from forest operations is low due to strong legislation and oversight—especially in protected zones near water bodies. This reasoning also applies to non-forest areas, where harvesting is done to maintain or enhance ecosystems, not for commercial purposes. A detailed risk assessment is available upon request at the company. Conclusion: When legal requirements are respected, wood harvesting from non-forest areas for landscape maintenance and protective zone management poses a low risk to ecosystem functionality.
Risk Rating	Low Risk

Latvia Whole country	**Indicator**
2.2.3	Soil quality in the Supply Base shall be maintained or enhanced
Supply Base Verifiers	Law on Protective Zones Water Management Law Environmental Protection Law Cabinet Regulation No. 309 “Regulations Regarding Tree Felling Outside Forests”
Risk Rating justification	The assessment carried out for the following TOF sources of feedstock purchased by the company: • Agricultural land feedstock, 3A (Woody energy crops), for example, plantation-type stands established on agricultural land that are not classified as fast-growing energy crops. • Urban and landscape feedstock, 2A (Landscape - low grade stemwood, tree residues without stumps, trees removed for nature conservation), for example, biomass from small wooded areas, shelterbelts, trees along water bodies, clearing of overgrown agricultural land (arable land, meadows, pastures). In Latvia, soil and water resource protection is ensured through the designation of protective zones around water bodies and the implementation of erosion control measures. According to the Law on Protective Zones and related legislation, strict conditions apply to tree felling near watercourses and

	water bodies to prevent soil erosion, nutrient runoff, and other negative impacts on water quality. Soil disturbance in such areas is typically minimal or absent, and tree removal is carried out primarily for landscape maintenance or to mitigate risks from hazardous trees near infrastructure. In practice, this type of wood harvesting is low-intensity and has limited environmental impact, with no systematic degradation of soil or water quality observed. The existing regulatory framework in Latvia sets sufficient requirements for protecting soil and water resources in areas where non-forest wood is harvested. There are control mechanisms and permit systems in place that further reduce potential risks. A detailed risk assessment is available upon request at the company. Conclusion: The risk associated with wood harvested from protective zones near water bodies is considered low.
Risk Rating	Low Risk

Latvia Whole country	**Indicator**
2.2.4	Where the removal of harvest forest residues and/or stumps occurs, this shall not lead to irreversible negative impacts to the ecosystem.
Supply Base Verifiers	Environmental Protection Law Law on Chemical Substances Cabinet Regulation No. 309 “Regulations Regarding Tree Felling Outside Forests” Cabinet Regulation No. 318 “Monitoring and Control Procedure for CE-marked EU Fertilising Products”
Risk Rating justification	The assessment carried out for the following TOF sources of feedstock purchased by the company: • Agricultural land feedstock, 3A (Woody energy crops), for example, plantation-type stands established on agricultural land that are not classified as fast-growing energy crops. • Urban and landscape feedstock, 2A (Landscape - low grade stemwood, tree residues without stumps, trees removed for nature conservation), for example, biomass from small wooded areas, shelterbelts, trees along water bodies, clearing of overgrown agricultural land (arable land, meadows, pastures). In non-forest areas relevant to this criterion, wood harvesting is carried out at low intensity and typically without the use of chemical substances. The most common activities include shrub removal and manual or mechanical treatment. The use of chemicals is regulated under national and EU legislation. Latvia has a legal framework governing the circulation and application of chemicals, as well as air quality standards. These include safety requirements and

	restrictions on usage near water bodies and populated areas. Compliance with these regulations ensures minimal or no environmental and air quality impact. There is no evidence of systematic or significant chemical use in wood harvesting from such non-forest areas. Harvesting is done occasionally as part of landscape management and does not have a lasting effect on air quality. A detailed risk assessment is available upon request at the company. Conclusion: Due to the limited use of chemicals and low operational intensity, the risk of uncontrolled chemical application or negative impact on air quality is considered low.
Risk Rating	Low Risk

Latvia **Whole country**	**Indicator**
2.2.5	Quality and quantity of ground water, surface water and water downstream shall be maintained or enhanced.
Supply Base Verifiers	Law on Protective Zones Water Management Law SBP Regional Risk Assessment for Latvia (2024)
Risk Rating justification	The assessment carried out for the following TOF sources of feedstock purchased by the company: • Agricultural land feedstock, 3A (Woody energy crops), for example, plantation-type stands established on agricultural land that are not classified as fast-growing energy crops. • Urban and landscape feedstock, 2A (Landscape - low grade stemwood, tree residues without stumps, trees removed for nature conservation), for example, biomass from small wooded areas, shelterbelts, trees along water bodies, clearing of overgrown agricultural land (arable land, meadows, pastures). Latvia's regulatory framework establishes clear requirements for the management of water bodies and their buffer zones. The Law on Protective Zones and the Water Management Law impose restrictions on activities in riparian zones, including tree felling and soil disturbance. These rules are designed to maintain water quality and natural hydrological regimes. Tree felling in these areas is carried out in accordance with legal procedures, and in specific cases, must be coordinated with the Nature Conservation Agency or the State Environmental Service. There is no evidence that landscape maintenance in such zones has resulted in significant changes to groundwater levels or surface water quality. As stated in the SBP Regional Risk Assessment for forest land, the risk to water resources is low—and this is equally applicable to non-forest areas where activity intensity is lower and subject to the same legal controls.

	Conclusion: Based on activity type, scale, regulation, and oversight, wood harvesting in these areas does not pose a risk to water quality or availability. The risk is considered low. A detailed risk assessment is available upon request at the company.
Risk Rating	Low Risk

Latvia **Whole country**	**Indicator**
2.2.6	Air emissions shall comply with national legislation or in the absence of national legislation with industry best practice.
Supply Base Verifiers	Environmental Protection Law Law on Pollution Cabinet Regulation No. 614 “Regulations on the Reduction and Accounting of Emissions of Common Air Pollutants” SBP Regional Risk Assessment for Latvia (2024)
Risk Rating justification	The assessment carried out for the following TOF sources of feedstock purchased by the company: • Urban and landscape feedstock, 2A (Landscape - low grade stemwood, tree residues without stumps, trees removed for nature conservation), for example, biomass from small wooded areas, shelterbelts, trees along water bodies, clearing of overgrown agricultural land (arable land, meadows, pastures). • Urban and landscape feedstock, 2A (Urban, domestic and infrastructure - low grade stemwood, tree residues without stumps), for example, cleaning of railway and roadside vegetation, clearing of utility corridors under power lines. • Agricultural land feedstock, 3A (Woody energy crops), for example, plantation-type stands established on agricultural land that are not classified as fast-growing energy crops. In Latvia, there are no recorded cases where non-forest wood harvesting has resulted in significant air pollution. No examples have been identified where activities in such areas violated emission control requirements or environmental air quality regulations. Air protection and emissions are regulated by the Environmental Protection Law and related legal acts, which define emission limits for technological processes, including those outside industrial operations. Due to the nature of activities—low intensity and dispersed across small areas—these operations differ significantly from industrial or high-intensity forestry practices. Therefore, they do not pose a significant risk. Although the SBP Regional Risk Assessment for Latvia discusses emissions in the context of forestry, the observations apply equally to non-forest areas, where the scale and impact are even lower. A detailed risk assessment is available upon request at the company.

	Conclusion: Emissions and air pollution risks related to non-forest wood harvesting are considered low.
Risk Rating	Low Risk

Latvia **Whole country**	**Indicator**
2.2.7	Pesticides shall only be used as part of an Integrated Pest Management (IPM) plan in compliance with national legislation, chemical safety data sheets and industry best practice. Banned pesticides shall not be used.
Supply Base Verifiers	Environmental Protection Law Chemical Substances Law Plant Protection Law Cabinet Regulation No. 950 “Regulations on the Use of Plant Protection Products” Latvian Official List of Banned Plant Protection Products (VAAD) SBP Regional Risk Assessment for Latvia (2024) Cabinet Regulation No. 1056 – Requirements and Control Procedures for the Integrated Production, Storage, and Labelling of Agricultural Products List of Plant Protection Products Registered in the Republic of Latvia for 2025 2023 Annual Report of the State Plant Protection Service of Latvia
Risk Rating justification	The assessment carried out for the following TOF sources of feedstock purchased by the company: • Agricultural land feedstock, 3A (Woody energy crops), for example, plantation-type stands established on agricultural land that are not classified as fast-growing energy crops. In Latvia, pesticide use is regulated under integrated pest management (IPM) principles and national legislation. Only substances approved in EU regulations and listed in safety data sheets may be used. Pesticide use on non-forest wood sources—such as overgrown meadows or pastures—is minimal due to low-intensity land use. Such wood harvesting typically involves shrub or tree clearing without the need for regular pest control. Relevant legislation includes the Chemical Substances Law and Cabinet Regulation No. 950 on the use of plant protection products (PPPs). Only registered PPPs are allowed, and all use must comply with environmental and health safety standards. The Plant Protection Service maintains a register of approved and banned products. As of 2025, 564 PPPs are registered (480 chemical, 72 biological, 11 microbiological). According to the 2023 Plant Protection Service report: • 36 licensing decisions were made for PPP distribution. • 1224 inspections were conducted. • Illegal use of unregistered PPPs was found in only 0.2% of cases, all on active farmland. In agricultural lands where plantation-type tree stands are established, active

	agricultural activity does not take place, thus reducing the risk of pesticide presence. Since landscape maintenance and infrastructure areas are exempt, only wood from former agricultural land may be assessed. Pesticides, if used, must follow IPM principles—only as a last resort and with targeted application. No evidence suggests systematic or unauthorized pesticide use in non-forest wood harvesting. Given the low-intensity activity, existing controls, and legal framework, the risk is considered low, similar to forest sector assessments in SBP risk evaluations. A detailed risk assessment is available upon request at the company. Conclusion: The risk related to pesticide use in non-forest wood harvesting is low.
Risk Rating	Low Risk

Latvia **Whole country**	**Indicator**
2.2.8	Waste shall be disposed of in an environmentally appropriate manner.
Supply Base Verifiers	Waste Management Law SBP Regional Risk Assessment for Latvia (2024)
Risk Rating justification	The assessment carried out for the following TOF sources of feedstock purchased by the company: • Urban and landscape feedstock, 2A (Landscape - low grade stemwood, tree residues without stumps, trees removed for nature conservation), for example, biomass from small wooded areas, shelterbelts, trees along water bodies, clearing of overgrown agricultural land (arable land, meadows, pastures). • Urban and landscape feedstock, 2A (Urban, domestic and infrastructure - low grade stemwood, tree residues without stumps), for example, cleaning of railway and roadside vegetation, clearing of utility corridors under power lines. • Agricultural land feedstock, 3A (Woody energy crops), for example, plantation-type stands established on agricultural land that are not classified as fast-growing energy crops. In Latvia, waste management is regulated by the Waste Management Law, which establishes requirements for safe and environmentally responsible collection, sorting, and processing of waste. Biodegradable residues from wood processing—such as sawdust and bark—are commonly used as biofuel or for other beneficial purposes. Non-utilized or hazardous waste (e.g., plastic packaging, oil filters, household waste) must be disposed of in accordance with specific rules to ensure minimal environmental impact. Oversight is provided through regulatory frameworks and enforcement

	mechanisms implemented by local governments and institutions under the Ministry of Environmental Protection and Regional Development. There are no known violations of proper waste handling related to non-forest wood supply. Consistent with the SBP Regional Risk Assessment, where forest sector waste management is assessed as low risk, the same conclusion applies to non-forest sources. A detailed risk assessment is available upon request at the company. Conclusion: The risk related to improper waste management in the non-forest wood supply base is low.
Risk Rating	Low Risk

Latvia Whole country	**Indicator**
2.2.9	Harvesting levels shall be justified as to how they can be sustained with reference to inventory and growth data for the Supply Base.
Supply Base Verifiers	The requirement does not apply to non-forest feedstock
Risk Rating justification	The requirement does not apply to TOF sources of feedstock.
Risk Rating	Low Risk

Latvia Whole country	**Indicator**
2.2.10	Harvested areas shall be regenerated
Supply Base Verifiers	Cabinet Regulation No. 309 “Regulations Regarding Tree Felling Outside Forests”
Risk Rating justification	The assessment carried out for the following TOF sources of feedstock purchased by the company: • Urban and landscape feedstock, 2A (Landscape - low grade stemwood, tree residues without stumps, trees removed for nature conservation), for example, biomass from small wooded areas, shelterbelts, trees along water bodies, clearing of overgrown agricultural land (arable land, meadows, pastures). In Latvia, tree felling outside forests is regulated by Cabinet Regulation No. 309 “Regulations Regarding Tree Felling Outside Forests.” This regulation defines the procedure for issuing permits and the conditions under which such permits are required. Landscape restoration requirements are additionally specified in binding local government regulations. These include rules on compensation for biodiversity loss and mechanisms for restoration, encouraging proper landscape management. Since landscape maintenance felling is typically low in intensity and conducted under a permit that outlines specific conditions for landscape protection or restoration, the risk that cleared areas will not be restored in

	accordance with visual and ecological criteria is considered low. A detailed risk assessment is available upon request at the company. Conclusion: The requirement is clearly regulated and enforced—risk is low.
Risk Rating	Low Risk

Latvia Whole country	**Indicator**
2.2.11	The impacts of natural processes such as fires, pests and diseases shall be managed.
Supply Base Verifiers	The requirement does not apply to TOF sources of feedstock.
Risk Rating justification	The requirement does not apply to TOF sources of feedstock.
Risk Rating	Low Risk

Latvia Whole country	**Indicator**
2.2.12	Genetically modified trees shall not be used.
Supply Base Verifiers	Law on the Circulation of Genetically Modified Organisms
Risk Rating justification	The assessment carried out for the following TOF sources of feedstock purchased by the company: • Agricultural land feedstock, 3A (Woody energy crops), for example, plantation-type stands established on agricultural land that are not classified as fast-growing energy crops. The requirement applies only to agricultural primary production or residues. In Latvia, the use of genetically modified organisms (GMOs) is regulated by the Law on the Circulation of Genetically Modified Organisms, which imposes strict conditions for the research, cultivation, use, import, and sale of GMOs. Any activity involving genetically modified trees or plants requires prior authorization from the competent national authorities. To date, there have been no identified cases of genetically modified trees being cultivated or used in Latvia, including in agricultural or agroforestry contexts. No such species are registered for use in either the forestry or agricultural sectors. A detailed risk assessment is available upon request at the company. Conclusion: Given the legal framework, state oversight, and the absence of GMO tree use in practice, the risk of non-compliance with this criterion in non-forest wood sourcing is considered low.
Risk Rating	Low Risk

Latvia Whole country	**Indicator**

3.1.1	LULUCF emissions shall be accounted for through one of the following routes: Route A Feedstock may be sourced from a country of origin which is party to the Paris Agreement, and which has submitted a Nationally Determined Contribution to the United Nations Framework Convention on Climate Change (UNFCCC) covering carbon emissions and removals from agriculture, forestry and land use which ensure the changes in carbon stock associated with biomass harvest are counted towards the country's commitment to reduce or limit greenhouse gas emissions, or Route B Feedstock may be sourced from a country of origin which is party to the Paris Agreement and has national or sub-national laws in place (developed in accordance with Article 5 of the Paris Agreement and applicable in the area of harvest), to conserve and enhance carbon stocks and sinks, and provided there is evidence that reported LULUCF-sector emissions do not exceed removals, or Route C Feedstock may be sourced from a Supply Base where an assessment demonstrates that both the carbon stock is stable, and the forests' capacity to act as a carbon sink is stable or increasing over the long term.
Supply Base Verifiers	Paris Agreement EU Regulation 2018/841 on GHG Accounting in the LULUCF Sector Summary of Latvia's 2024 Greenhouse Gas Inventory
Risk Rating justification	Latvia has ratified the Paris Agreement and is committed to climate change mitigation, including monitoring and reducing emissions from the LULUCF sector (Land Use, Land-Use Change, and Forestry). In line with EU Regulation (2018/841) and national greenhouse gas (GHG) inventories, Latvia uses the IPCC methodology to account for emissions and carbon removals across land-use categories such as forests, grasslands, and agricultural land. Land-use changes—such as clearing overgrown agricultural lands—may affect GHG balances. However, these changes are accounted for at the national level and reported to the European Commission and UNFCCC. Wood suppliers are not required to conduct LULUCF accounting individually. A detailed risk assessment is available upon request at the company. Conclusion: Because LULUCF emissions are centrally tracked by the state and integrated into internationally approved reporting systems, the risk of unaccounted or inconsistent emissions in the non-forest wood supply chain is considered low.
Risk Rating	Low Risk

Latvia **Whole country**	**Indicator**
3.2.1	All feedstock sourcing shall be consistent with either of these two options: Option A. Feedstock may be sourced from Supply Bases where an assessment of the Supply Base shows that the forest carbon stocks are stable or increasing, or Option B. Feedstock may be sourced, if the assessment shows that the forest carbon stocks are declining in the Supply Base, provided that the decline is due to natural processes (fire, pests etc.), and sourcing of feedstock has the aim to recover feedstock that would otherwise be lost or to assist regeneration.
Supply Base Verifiers	The requirement does not apply to TOF sources of feedstock.

Risk Rating justification	The requirement does not apply to TOF sources of feedstock.
Risk Rating	Low Risk

Latvia Whole country	**Indicator**
3.2.2	Primary feedstock shall not be sourced from forest areas where site productivity is low and, according to local definitions or norms, the areas are classified as low-productive or difficult to regenerate.
Supply Base Verifiers	The requirement does not apply to TOF sources of feedstock.
Risk Rating justification	The requirement does not apply to TOF sources of feedstock.
Risk Rating	Low Risk

Latvia Whole country	**Indicator**
3.2.3	feedstock shall not be sourced from forest areas in the Supply Base which, according to local definitions or norms, are classified as having combined attributes of high carbon stocks and high conservation value (HCV).
Supply Base Verifiers	The requirement does not apply to TOF sources of feedstock.
Risk Rating justification	The requirement does not apply to TOF sources of feedstock.
Risk Rating	Low Risk

Latvia Whole country	**Indicator**
3.3.1	Feedstock sourcing shall be in compliance with the principles of cascading use, high quality stem wood shall not be used as feedstock if it is in substantial demand for long-lived products in the Supply Base.
Supply Base Verifiers	The requirement does not apply to TOF sources of feedstock.
Risk Rating justification	The requirement does not apply to TOF sources of feedstock.
Risk Rating	Low Risk

Latvia Whole country	**Indicator**
4.1.1	Freedom of association and the right to collective bargaining shall be respected in the workplace.
Supply Base Verifiers	Constitution of the Republic of Latvia Labour Law State Labour Inspectorate
Risk Rating justification	The assessment carried out for the following TOF sources of feedstock purchased by the company:

	• Urban and landscape feedstock, 2A (Landscape - low grade stemwood, tree residues without stumps, trees removed for nature conservation), for example, biomass from small wooded areas, shelterbelts, trees along water bodies, clearing of overgrown agricultural land (arable land, meadows, pastures). • Urban and landscape feedstock, 2A (Urban, domestic and infrastructure - low grade stemwood, tree residues without stumps), for example, cleaning of railway and roadside vegetation, clearing of utility corridors under power lines. • Agricultural land feedstock, 3A (Woody energy crops), for example, plantation-type stands established on agricultural land that are not classified as fast-growing energy crops. Latvian legislation fully protects workers' rights to freedom of association and collective bargaining. Article 102 of the Constitution guarantees the right to join public organizations, including trade unions. These rights are further detailed in the Labour Law, which affirms employees' rights to freely establish or join unions and to participate in collective bargaining. The State Labour Inspectorate (SLI) oversees the enforcement of these rights across all sectors. According to its public reports from 2021 to 2023, no violations related to union activity or collective bargaining have been recorded. In 2023, SLI conducted inspections in over 10,000 companies without identifying any systematic or serious infringements. Only two legal strikes occurred, both without incident. A detailed risk assessment is available upon request at the company. Conclusion: Given the legal framework, effective oversight, and the absence of violations, the risk of non-compliance with this criterion in Latvia is low.
Risk Rating	Low Risk

Latvia **Whole country**	**Indicator**
4.1.2	Forced or compulsory labour shall not be used.
Supply Base Verifiers	Constitution of the Republic of Latvia Labour Law State Labour Inspectorate ILO Conventions No. 29 and No. 105
Risk Rating justification	The assessment carried out for the following TOF sources of feedstock purchased by the company: • Urban and landscape feedstock, 2A (Landscape - low grade stemwood, tree residues without stumps, trees removed for nature conservation), for example, biomass from small wooded areas, shelterbelts, trees along water bodies, clearing of overgrown agricultural land (arable land, meadows, pastures).

	• Urban and landscape feedstock, 2A (Urban, domestic and infrastructure - low grade stemwood, tree residues without stumps), for example, cleaning of railway and roadside vegetation, clearing of utility corridors under power lines. • Agricultural land feedstock, 3A (Woody energy crops), for example, plantation-type stands established on agricultural land that are not classified as fast-growing energy crops. In Latvia, forced or compulsory labor is explicitly prohibited. Article 106 of the Constitution guarantees everyone the right to freely choose their occupation and workplace, while the Labour Law stipulates that employment relations must be voluntary. Latvia has also ratified ILO Conventions No. 29 and No. 105, which clearly define and prohibit forced labor. The State Labour Inspectorate (SLI) is the competent authority responsible for monitoring labor rights. According to public reports from 2021 to 2023, there have been no identified cases of forced or compulsory labor in Latvia. In 2023, the SLI conducted over 10,000 inspections and found no systemic human rights violations related to employment. A detailed risk assessment is available upon request at the company. Conclusion: Given the robust legal framework, active oversight, and absence of reported violations, the risk of forced labor in Latvia is considered low.
Risk Rating	Low Risk

Latvia **Whole country**	**Indicator**
4.1.3	Child labour shall not be used.
Supply Base Verifiers	Constitution of the Republic of Latvia Law on the Protection of the Rights of the Child Labour Law ILO Conventions State Labour Inspectorate reports
Risk Rating justification	The assessment carried out for the following TOF sources of feedstock purchased by the company: • Urban and landscape feedstock, 2A (Landscape - low grade stemwood, tree residues without stumps, trees removed for nature conservation), for example, biomass from small wooded areas, shelterbelts, trees along water bodies, clearing of overgrown agricultural land (arable land, meadows, pastures). • Urban and landscape feedstock, 2A (Urban, domestic and infrastructure - low grade stemwood, tree residues without stumps), for example, cleaning of railway and roadside vegetation, clearing of utility corridors under power lines. • Agricultural land feedstock, 3A (Woody energy crops), for example, plantation-type stands established on agricultural land that are not classified

	as fast-growing energy crops. In Latvia, the employment of children is regulated by the Labour Law and the Law on the Protection of the Rights of the Child. Children under the age of 13 may not be employed, while employment from age 13 is allowed under strict conditions. These regulations prioritize the protection of children's health, safety, development, and education. Latvia has ratified ILO conventions that set minimum age requirements and prohibit the worst forms of child labor. The State Labour Inspectorate (SLI) monitors compliance. According to its 2021–2023 public reports, no cases of child exploitation or illegal employment have been identified. All registered cases of child employment (mainly during summer) complied with national regulations. A detailed risk assessment is available upon request at the company. Conclusion: Given the strict legal framework and active supervision by the SLI, the risk of child labor violations in Latvia — including in the wood and forestry sectors — is considered low.
Risk Rating	Low Risk

Latvia **Whole country**	**Indicator**
4.1.4	Workers shall not be discriminated in hiring, remuneration, access to training, promotion, termination or retirement.
Supply Base Verifiers	Labour Law Constitution of the Republic of Latvia European Convention on Human Rights State Labour Inspectorate reports
Risk Rating justification	The assessment carried out for the following TOF sources of feedstock purchased by the company: • Urban and landscape feedstock, 2A (Landscape - low grade stemwood, tree residues without stumps, trees removed for nature conservation), for example, biomass from small wooded areas, shelterbelts, trees along water bodies, clearing of overgrown agricultural land (arable land, meadows, pastures). • Urban and landscape feedstock, 2A (Urban, domestic and infrastructure - low grade stemwood, tree residues without stumps), for example, cleaning of railway and roadside vegetation, clearing of utility corridors under power lines. • Agricultural land feedstock, 3A (Woody energy crops), for example, plantation-type stands established on agricultural land that are not classified as fast-growing energy crops. Discrimination at any stage of employment is prohibited under Latvian law,

	including the Labour Law, the Constitution, and international human rights instruments ratified by Latvia, such as the European Convention on Human Rights and Council Directive 2000/78/EC. Employers must ensure equal opportunities and prevent both direct and indirect discrimination. Effective legal remedies are available to employees through the State Labour Inspectorate (SLI), the Ombudsman, or the courts. According to SLI reports from 2021–2023, discrimination is not recorded as a significant or systemic issue. Complaints related to discrimination are few and not prominent within the overall pattern of violations. No specific cases have been identified concerning discriminatory practices in hiring, pay, or treatment. A detailed risk assessment is available upon request at the company. Conclusion: Given the robust legal framework, oversight by the SLI, and the low number of complaints, the risk related to employment discrimination in Latvia is considered low.
Risk Rating	Low Risk

Latvia **Whole country**	**Indicator**
4.1.5	Wages paid to workers shall meet or exceed the legal minimum wage or where there is no statutory minimum wage industry norms shall be met or exceeded
Supply Base Verifiers	Labour Law Cabinet Regulation No. 656 “Regulations on the Amount of the Minimum Monthly Wage within the Framework of Normal Working Time and the Calculation of the Minimum Hourly Wage Rate” Official Statistics Portal Methodology for Calculating Remuneration Data by Profession Information on Jobs in 2024 According to the Classification of Occupations
Risk Rating justification	The assessment carried out for the following TOF sources of feedstock purchased by the company: • Urban and landscape feedstock, 2A (Landscape - low grade stemwood, tree residues without stumps, trees removed for nature conservation), for example, biomass from small wooded areas, shelterbelts, trees along water bodies, clearing of overgrown agricultural land (arable land, meadows, pastures). • Urban and landscape feedstock, 2A (Urban, domestic and infrastructure - low grade stemwood, tree residues without stumps), for example, cleaning of railway and roadside vegetation, clearing of utility corridors under power lines. • Agricultural land feedstock, 3A (Woody energy crops), for example, plantation-type stands established on agricultural land that are not classified as fast-growing energy crops. The minimum wage in Latvia is defined by law (the Labour Law and Cabinet

	Regulation No. 656 “Regulations on the Amount of the Minimum Monthly Wage within Normal Working Hours and the Calculation of the Minimum Hourly Rate”), and its enforcement is monitored by the State Revenue Service (SRS). Employees in agriculture and other sectors, including those involved in tree felling outside forests, must receive at least the minimum wage. The SRS has published informational materials on its official website, including “Procedure for Calculating Remuneration Data by Occupation” and “Labour Market Information for 2024 by Occupational Classification.” These documents list all registered professions in 2024, working hours, income, and the number of jobs. According to this statistical data, workers in forestry and related occupations did not receive wages below the legally established minimum. According to the Official Statistics Portal, in 2024, the average gross monthly salary in Latvia was EUR 1,685, while in the agriculture, forestry, and fishing sector, it was EUR 1,632—close to the national average. Regional wage growth in 2024 compared to 2023 was most significant in Latgale (11.9%), Vidzeme (10.8%), and Zemgale (10.5%). A detailed risk assessment is available upon request at the company. Conclusion: Given the legal framework, enforcement, and current salary data, the risk of receiving feedstock harvested in violation of minimum wage standards is low.
Risk Rating	Low Risk

Latvia Whole country	**Indicator**
4.1.6	Working hours shall comply with legal requirements.
Supply Base Verifiers	Labour Law State Labour Inspectorate Information on Jobs in 2024 According to the Classification of Occupations
Risk Rating justification	The assessment carried out for the following TOF sources of feedstock purchased by the company: • Urban and landscape feedstock, 2A (Landscape - low grade stemwood, tree residues without stumps, trees removed for nature conservation), for example, biomass from small wooded areas, shelterbelts, trees along water bodies, clearing of overgrown agricultural land (arable land, meadows, pastures). • Urban and landscape feedstock, 2A (Urban, domestic and infrastructure - low grade stemwood, tree residues without stumps), for example, cleaning of railway and roadside vegetation, clearing of utility corridors under power lines. • Agricultural land feedstock, 3A (Woody energy crops), for example, plantation-type stands established on agricultural land that are not classified

	as fast-growing energy crops. In Latvia, working hours are strictly regulated by law. The Labour Law establishes a standard working time of 40 hours per week, with reduced limits for hazardous or harmful work. Overtime is allowed only in exceptional cases and with the employee's written consent. The law also defines rules for night work, rest breaks, and general work time organization. The State Labour Inspectorate monitors compliance with labour and occupational safety regulations. According to the State Revenue Service publication on job statistics for 2024, working hours in forestry and related sectors comply with the legal requirements. No systematic violations have been identified. A detailed risk assessment is available upon request at the company. Conclusion: Considering the clear regulatory framework, effective supervision, and statistical confirmation of compliance, the risk of violations regarding working time regulations is assessed as low.
Risk Rating	Low Risk

Latvia **Whole country**	**Indicator**
4.1.7	Workers shall have access to health care provisions, sickness benefits, retirement benefits, invalidity benefits, death benefits, and workers' compensation
Supply Base Verifiers	State Social Insurance Mandatory Contributions Law on State Social Insurance Law on Mandatory Social Insurance Against Accidents at Work and Occupational Diseases
Risk Rating justification	The assessment carried out for the following TOF sources of feedstock purchased by the company: • Urban and landscape feedstock, 2A (Landscape - low grade stemwood, tree residues without stumps, trees removed for nature conservation), for example, biomass from small wooded areas, shelterbelts, trees along water bodies, clearing of overgrown agricultural land (arable land, meadows, pastures). • Urban and landscape feedstock, 2A (Urban, domestic and infrastructure - low grade stemwood, tree residues without stumps), for example, cleaning of railway and roadside vegetation, clearing of utility corridors under power lines. • Agricultural land feedstock, 3A (Woody energy crops), for example, plantation-type stands established on agricultural land that are not classified as fast-growing energy crops. The statement that employees must have access to healthcare, sickness, pension, disability, death benefits, and compensation for work-related injuries corresponds to the fundamental principles of Latvia's social insurance

	system. These benefits are provided by the state and regulated by binding legal acts, such as the laws “On State Social Insurance” and “On Mandatory Social Insurance Against Accidents at Work and Occupational Diseases,” which require employers to provide health insurance and comply with provisions regarding pension and disability benefits, among others. These requirements apply across all sectors of employment. State social insurance mandatory contributions are legally prescribed payments to a special budget account, entitling the insured person to receive the legally defined social insurance services. Social insurance is a component of the national social security system. The official website of the State Revenue Service provides publicly accessible information and methodological materials regarding state social insurance mandatory contributions, including procedures for different taxpayer categories. Considering that employees in Latvia have access to health care, sickness, pension, disability, death benefits, and compensation for occupational injuries, the risk associated with this criterion is assessed as low. A detailed risk assessment is available upon request at the company.
Risk Rating	Low Risk

Latvia Whole country	**Indicator**
4.1.8	Training shall be provided for all workers to allow them to implement the conditions set out in all elements of the SBP Standards relevant to their responsibilities.
Supply Base Verifiers	Labour Law Occupational Safety and Health Law Cabinet Regulation No. 749 “Procedure for Training in Occupational Safety Matters” Cabinet Regulation No. 238 “Fire Safety Regulations” State Labour Inspectorate Annual Report 2023
Risk Rating justification	The assessment carried out for the following TOF sources of feedstock purchased by the company: • Urban and landscape feedstock, 2A (Landscape - low grade stemwood, tree residues without stumps, trees removed for nature conservation), for example, biomass from small wooded areas, shelterbelts, trees along water bodies, clearing of overgrown agricultural land (arable land, meadows, pastures). • Urban and landscape feedstock, 2A (Urban, domestic and infrastructure - low grade stemwood, tree residues without stumps), for example, cleaning of railway and roadside vegetation, clearing of utility corridors under power lines. • Agricultural land feedstock, 3A (Woody energy crops), for example, plantation-type stands established on agricultural land that are not classified as fast-growing energy crops.

	According to Latvian legislation (Labour Law, Occupational Safety and Health Law, Cabinet Regulation No. 749 “Procedure for Training in Occupational Safety Matters”, and Cabinet Regulation No. 238 “Fire Safety Regulations”), employers are obligated to provide training in health, safety, and job responsibilities. According to Article 14 of the Occupational Safety and Health Law, the employer must ensure that every employee, upon starting work or changing their workplace, receives training on occupational safety and health, as well as information on potential workplace risks. Training must also be repeated if there are changes in work equipment, technology, or legal acts. According to the 2023 public report of the State Labour Inspectorate, the results of thematic inspections show that employers carry out employee training. Good practices identified in companies include the use of video films for training, placing short reminders about occupational safety requirements near equipment, organizing practical training in production areas, reviewing and optimizing work processes, and posting video instructions in frequently used locations to remind employees of safe work methods. These practices indicate that employee training is increasingly being conducted meaningfully, rather than just formally, and that employers are generally interested in creating a safe working environment. A detailed risk assessment is available upon request at the company. Conclusion: Given the above, this risk is considered low.
Risk Rating	Low Risk

Latvia Whole country	**Indicator**
4.1.9	Mechanisms shall be in place for resolving grievances and disputes in the workplace.
Supply Base Verifiers	Labour Law Law on Labour Disputes State Labour Inspectorate Strategic Plan 2021–2023 State Labour Inspectorate Annual Report 2023 SBP Regional Risk Assessment for Latvia (2024)
Risk Rating justification	The assessment carried out for the following TOF sources of feedstock purchased by the company: • Urban and landscape feedstock, 2A (Landscape - low grade stemwood, tree residues without stumps, trees removed for nature conservation), for example, biomass from small wooded areas, shelterbelts, trees along water bodies, clearing of overgrown agricultural land (arable land, meadows, pastures). • Urban and landscape feedstock, 2A (Urban, domestic and infrastructure - low grade stemwood, tree residues without stumps), for example, cleaning of railway and roadside vegetation, clearing of utility corridors under power lines.

	• Agricultural land feedstock, 3A (Woody energy crops), for example, plantation-type stands established on agricultural land that are not classified as fast-growing energy crops. In Latvia, employees' rights to file complaints and resolve disputes are clearly established in national legislation, including the Labour Law and the Law on Labour Disputes. Workers may file complaints with the employer, State Labour Inspectorate, court, or the Ombudsman. Consultation and social dialogue mechanisms, including trade unions, are also available. The State Labour Inspectorate has an official complaint handling procedure. In 2023, only a small portion of decisions were contested (around 2%), and approximately half were upheld, while the rest were modified or reconsidered. This confirms the functionality and effectiveness of the institutional mechanism. Although an EU-funded project identified weak internal mechanisms in small and medium-sized enterprises and a lack of awareness among workers, this does not imply a lack of legal protection at the national level. The SBP Regional Risk Assessment for Latvia confirms the existence of institutional and legal dispute resolution mechanisms, with no evidence of ineffectiveness or inaccessibility. Thus, even in the context of non-forest feedstock sourcing, the risk related to access to grievance and dispute mechanisms is considered low. A detailed risk assessment is available upon request at the company.
Risk Rating	Low Risk

Latvia **Whole country**	**Indicator**
4.1.10	Safeguards shall be put in place to protect the health and safety of workers by developing, communicating and implementing policies and procedures.
Supply Base Verifiers	Exact references with source links are available at the company upon request and are also presented to auditors. Study “Working Conditions and Risks in Latvia 2019–2021” Study “Working Conditions and Risks in Latvia 2017–2018” Labour Protection Law State Labour Inspectorate SBP Regional Risk Assessment for Latvia (2024)
Risk Rating justification	The assessment carried out for the following TOF sources of feedstock purchased by the company: • Urban and landscape feedstock, 2A (Landscape - low grade stemwood, tree residues without stumps, trees removed for nature conservation), for example, biomass from small wooded areas, shelterbelts, trees along water bodies, clearing of overgrown agricultural land (arable land, meadows, pastures).

	• Urban and landscape feedstock, 2A (Urban, domestic and infrastructure - low grade stemwood, tree residues without stumps), for example, cleaning of railway and roadside vegetation, clearing of utility corridors under power lines. • Agricultural land feedstock, 3A (Woody energy crops), for example, plantation-type stands established on agricultural land that are not classified as fast-growing energy crops. In Latvia, the Labour Protection Law requires employers to develop, implement, and communicate occupational safety policies and procedures. Employers are obliged to ensure a safe working environment and to create safety plans that meet legal standards. The State Labour Inspectorate (SLI) oversees compliance with occupational safety regulations and conducts nationwide studies. The reports "Working Conditions and Risks in Latvia 2017–2018" and "2019–2021" assess awareness levels, risk culture, and employer engagement in safety practices. These findings support evidence-based policy development in labour protection. The SBP Regional Risk Assessment for Latvia confirms that a strong regulatory framework and supervision system is in place. Since non-forest activities are subject to the same legal obligations, the risk related to occupational health and safety compliance in non-forest wood sourcing is considered low. A detailed risk assessment is available upon request at the company.
Risk Rating	Low Risk

Latvia Whole country	**Indicator**
4.2.1	Negative social and community impacts shall be identified and avoided.
Supply Base Verifiers	Exact references with source links are available at the company upon request and are also presented to auditors. Labour Law Environmental Protection Law Law on the Development Planning System Latvian National Development Plan 2021–2027 Environmental Policy Guidelines On Environmental Impact Assessment Law on Spatial Development Planning SBP Regional Risk Assessment for Latvia (2024)
Risk Rating justification	The assessment carried out for the following TOF sources of feedstock purchased by the company: • Urban and landscape feedstock, 2A (Landscape - low grade stemwood, tree

	residues without stumps, trees removed for nature conservation), for example, biomass from small wooded areas, shelterbelts, trees along water bodies, clearing of overgrown agricultural land (arable land, meadows, pastures). • Urban and landscape feedstock, 2A (Urban, domestic and infrastructure - low grade stemwood, tree residues without stumps), for example, cleaning of railway and roadside vegetation, clearing of utility corridors under power lines. • Agricultural land feedstock, 3A (Woody energy crops), for example, plantation-type stands established on agricultural land that are not classified as fast-growing energy crops. Latvian legislation, such as the Labour Law and the Environmental Protection Law, requires identification and mitigation of social and environmental impacts. Local municipalities play an active role in project evaluation and public consultations, particularly when projects affect local communities. The Spatial Development Planning Law grants municipalities the right to participate in and influence decisions on projects that impact their territories and residents. It also mandates that planning processes align not only with the principles set out in the Law on Development Planning System but also with the principle of equal opportunities—ensuring that sectoral, territorial, and societal interests are balanced to promote sustainable local development. National strategic documents also emphasize the importance of public engagement and addressing regional and social disparities in planning economic activities and development projects. For example, the National Development Plan of Latvia for 2021–2027 (NAP2027) was developed with broad public participation, involving stakeholders from across all regions—sectoral representatives, experts, scientists, NGOs, public administration, municipalities, entrepreneurs, and politicians. The plan stresses the importance of considering public interests, ecosystem balance, and regional development. Similarly, the Environmental Policy Guidelines 2021–2027 call for the development of guidance on the distribution of responsibilities across governance levels to ensure effective land resource use, considering sectoral interests, climate change, and socio-economic development forecasts. Environmental Impact Assessments and Strategic Environmental Assessments in Latvia include analysis of both environmental and social impacts. These processes legally require public notification and participation. The SBP Regional Risk Assessment for Latvia identifies no significant risks related to adverse social or community impacts in connection with forest-sourced biomass. Given that non-forest wood sources often have equal or even lower impact, and the legal framework in Latvia ensures public interest protection in all land types, the risk of sourcing non-compliant material from outside forest areas is considered low. A detailed risk assessment is available upon request at the company.
Risk Rating	Low Risk

Latvia Whole country	Indicator
4.2.2	Feedstock sourcing shall positively contribute to the local economy, including employment.
Supply Base Verifiers	Exact references with source links are available at the company upon request and are also presented to auditors. Brochure “Forest Sector in Numbers and Facts” – Ministry of Agriculture of the Republic of Latvia Official Statistics Portal of Latvia “Forest Figures” – published by Zaļā māja with the support of the Forest Development Fund
Risk Rating justification	The assessment carried out for the following TOF sources of feedstock purchased by the company: • Agricultural land feedstock, 3A (Woody energy crops), for example, plantation-type stands established on agricultural land that are not classified as fast-growing energy crops. Wood harvesting and processing support local employment, particularly in rural areas. According to Latvian forestry sector statistics, the industry accounted for 6.4% of GDP in 2023. That year, approximately 40,000 people were employed in the forestry sector, including activities on non-forest lands. Various forestry-related specialisations can be acquired at 10 vocational education institutions, the Forest Faculty of the Latvia University of Life Sciences and Technologies (LBTU), and the Institute of Textile Technologies and Design at Riga Technical University. In cooperation with the Latvian Chamber of Crafts, individuals can also obtain informal woodworking education from certified master craftsmen, earning artisan, journeyman, or master diplomas. This promotes both education and employment, including in regional areas. Given this, it is concluded that wood supply has a positive impact on the local economy, including job creation, and the risk related to this criterion is considered low. A detailed risk assessment is available upon request at the company.
Risk Rating	Low Risk

Latvia Whole country	Indicator
4.2.3	Food, water supply or high conservation values (HCV) that are essential for the fulfilment of basic needs of communities shall be maintained or enhanced
Supply Base Verifiers	Water Management Law Cabinet Regulation No. 264 “General Protection and Use Regulations for Specially Protected Nature Areas” Natura 2000 areas in Latvia – Nature Conservation Agency Environmental Policy Guidelines for 2021–2027 SBP Regional Risk Assessment for Latvia (2024)

Risk Rating justification	The assessment carried out for the following TOF sources of feedstock purchased by the company: • Agricultural land feedstock, 3A (Woody energy crops), for example, plantation-type stands established on agricultural land that are not classified as fast-growing energy crops. The Water Management Law regulates the protection of water resources in Latvia. Its aim is to ensure that water resources are protected, improved, and used sustainably, guaranteeing adequate quantity and quality of water for human health and environmental protection. High-value natural areas in Latvia are identified and protected through the Natura 2000 network and micro-reserves. The Natura 2000 network in Latvia includes 333 sites: 4 nature reserves, 4 national parks, 239 nature restricted areas, 37 nature parks, 9 protected landscape areas, 7 marine protected areas, 9 nature monuments, and 24 micro-reserves. These areas cover 12% (787,729 ha) of Latvia's total land area. They are subject to varying levels of protection and management—from limited restrictions in protected landscape areas to full bans on economic activity in strict nature reserves. Cabinet Regulation No. 264 “General Protection and Use Rules for Specially Protected Nature Territories” defines the overall protection and permitted use of these areas, including allowed and prohibited activities, as well as standards for on-site signage. The Environmental Policy Guidelines 2021–2027 emphasize that natural values should be considered public welfare resources, and call for the preservation of ecosystem services such as clean water, fertile soil, and biodiversity. The SBP Regional Risk Assessment for Latvia confirms that a functioning legal and institutional framework is in place, allowing public participation in decision-making processes—e.g., through Environmental Impact Assessment (EIA), public consultations, and municipal involvement in spatial planning. Considering that the harvesting of non-forest wood typically involves land management activities carried out at small scale and without significant impact on local communities, and given Latvia’s regulatory environment that supports identification and mitigation of social and environmental risks, the risk associated with this criterion is considered low for non-forest biomass sources as well. A detailed risk assessment is available upon request at the company.
Risk Rating	Low Risk

Latvia **Whole country**	**Indicator**
4.2.4	Legal, customary, and traditional tenure and use rights of Indigenous Peoples and local communities related to the Supply Base shall be identified, documented, and respected.
Supply Base Verifiers	Civil Law Land Register Law Spatial Development Planning Law

	Constitution of the Republic of Latvia SBP Regional Risk Assessment for Latvia (2024)
Risk Rating justification	The assessment carried out for the following TOF sources of feedstock purchased by the company: • Agricultural land feedstock, 3A (Woody energy crops), for example, plantation-type stands established on agricultural land that are not classified as fast-growing energy crops. • Urban and landscape feedstock, 2A (Landscape - low grade stemwood, tree residues without stumps, trees removed for nature conservation), for example, biomass from small wooded areas, shelterbelts, trees along water bodies, clearing of overgrown agricultural land (arable land, meadows, pastures). In Latvia, land use rights of residents are protected by national legislation. The Civil Law guarantees the inviolability of property and the right to use and manage land. The Land Register Law ensures public registration of property rights, while the Spatial Development Planning Law grants citizens the right to participate in land use decision-making. There is no known evidence of significant conflicts related to non-forest land use. As the SBP Regional Risk Assessment for Latvia does not identify risks in the forest sector, the same low-risk conclusion is extended to non-forest biomass sourcing. A detailed risk assessment is available upon request at the company.
Risk Rating	Low Risk

Latvia Whole country	**Indicator**
4.2.5	Mechanisms shall be in place for resolving grievances and disputes relating to tenure and use rights of the forest and other land management practices.
Supply Base Verifiers	Administrative Procedure Law Forest Law State Land Service SBP Regional Risk Assessment for Latvia (2024)
Risk Rating justification	The assessment carried out for the following TOF sources of feedstock purchased by the company: • Urban and landscape feedstock, 2A (Landscape - low grade stemwood, tree residues without stumps, trees removed for nature conservation), for example, biomass from small wooded areas, shelterbelts, trees along water bodies, clearing of overgrown agricultural land (arable land, meadows, pastures). • Urban and landscape feedstock, 2A (Urban, domestic and infrastructure - low grade stemwood, tree residues without stumps), for example, cleaning of

	railway and roadside vegetation, clearing of utility corridors under power lines. • Agricultural land feedstock, 3A (Woody energy crops), for example, plantation-type stands established on agricultural land that are not classified as fast-growing energy crops. There are established mechanisms in Latvia for dispute resolution through the courts, local municipalities, and the State Land Service (SLS). Land use conflicts are typically addressed through administrative or legal procedures. The Administrative Procedure Law guarantees every person the right to appeal a decision made by a public authority if it affects their rights or legal interests. The SLS has an official procedure for receiving, reviewing, and resolving complaints, ensuring that stakeholder concerns are addressed in a structured manner. In the SBP Regional Risk Assessment for Latvia concerning forest-sourced biomass, this criterion is classified as low risk, based on the existence and functioning of legal protection mechanisms at the national level. These mechanisms allow landowners, users, and other stakeholders to appeal decisions affecting their rights or interests, including both administrative and judicial channels. The assessment also confirms that these mechanisms are accessible and actively used, citing examples such as formal complaint channels within the State Forest Service and the State Land Service, as well as the legal right to challenge administrative acts under the Administrative Procedure Law. As the sourcing of non-forest biomass (e.g. landscape maintenance, clearing of meadows or utility corridors) is also conducted on legally recognized land with clearly defined ownership and use rights, no evidence of systemic or unresolved conflicts with communities or stakeholders has been identified. In the updated version of the SBP risk assessment, the indicator's risk level was revised from "specified" to "low", based on stakeholder input and supporting evidence. Therefore, considering the consistent legal framework and functioning complaint mechanisms, the same conclusion applies to non-forest biomass, and the criterion is also assessed as low risk in this context. A detailed risk assessment is available upon request at the company.
Risk Rating	Low Risk

Latvia **Whole country**	**Indicator**
4.2.6	Where Indigenous Peoples' rights are identified in the Supply Base, and Free Prior and Informed Consent (FPIC) has not been achieved for the proposed and planned activities, a consultation and, if required, accommodation process shall be put in place.
Supply Base Verifiers	Spatial Development Planning Law Environmental Protection Law
Risk Rating justification	The assessment carried out for the following TOF sources of feedstock

	purchased by the company: • Urban and landscape feedstock, 2A (Landscape - low grade stemwood, tree residues without stumps, trees removed for nature conservation), for example, biomass from small wooded areas, shelterbelts, trees along water bodies, clearing of overgrown agricultural land (arable land, meadows, pastures). • Agricultural land feedstock, 3A (Woody energy crops), for example, plantation-type stands established on agricultural land that are not classified as fast-growing energy crops. In Latvia, there are no widely recognized indigenous or traditional communities that would require the application of the Free, Prior and Informed Consent (FPIC) process. However, local communities have the legal right to participate in land-use decision-making. For example, the Spatial Development Planning Law establishes that the development of territorial planning documents must include public participation. Additionally, the Environmental Protection Law outlines general public rights in environmental matters, granting these rights to individuals, as well as groups, organizations, and associations. Since non-forest biomass sourcing in Latvia does not involve interaction with any identified indigenous territories or populations—and such groups are not present in the country—there is no requirement to apply the FPIC principle in this context. Considering these factors, and the fact that Latvian legislation provides effective public participation mechanisms, with no known precedents or risks related to the violation of indigenous rights, the risk related to this criterion is considered low for wood sourced from outside forest areas. A detailed risk assessment is available upon request at the company.
Risk Rating	Low Risk

Latvia **Whole country**	**Indicator**
4.2.7	Designated cultural heritage sites shall be preserved.
Supply Base Verifiers	Law "On the Protection of Cultural Monuments" Environmental Protection Law Convention Concerning the Protection of the World Cultural and Natural Heritage Cabinet Regulation No. 518 “Regulations on the Digital Cultural Heritage Platform” Digital Cultural Heritage Platform National Heritage Board State Forest Service Public Report 2023 Audit reports conducted by the company
Risk Rating justification	The assessment carried out for the following TOF sources of feedstock

	purchased by the company: • Urban and landscape feedstock, 2A (Landscape - low grade stemwood, tree residues without stumps, trees removed for nature conservation), for example, biomass from small wooded areas, shelterbelts, trees along water bodies, clearing of overgrown agricultural land (arable land, meadows, pastures). • Urban and landscape feedstock, 2A (Urban, domestic and infrastructure - low grade stemwood, tree residues without stumps), for example, cleaning of railway and roadside vegetation, clearing of utility corridors under power lines. • Agricultural land feedstock, 3A (Woody energy crops), for example, plantation-type stands established on agricultural land that are not classified as fast-growing energy crops. Cultural heritage sites in Latvia are protected by national and international legal frameworks, including the Law on the Protection of Cultural Monuments, the Environmental Protection Law, and the UNESCO World Heritage Convention. Oversight and enforcement are carried out by the National Heritage Board of Latvia. According to Cabinet Regulation No. 518 “Regulations on the Digital Cultural Heritage Platform”, the platform is designed to ensure unified management, preservation, and dissemination of digital cultural heritage objects, and to facilitate data exchange between core information systems and shared-use systems. The platform also includes a digital library and national union catalogue, providing centralized access to cultural heritage data. The National Heritage Board oversees this platform and is responsible for restricting economic activities in cultural heritage sites, monitoring heritage sites affected by land-use changes, and suspending any activities that endanger protected monuments or violate heritage protection regulations. The 2023 Public Report of the State Forest Service outlines several types of areas with restrictions on economic activity, including zones for the protection of species, habitats, water resources, landscapes, and genetic resources. Restrictions vary from full-year prohibitions on forestry operations to seasonal limits or special felling requirements. In 2023, forests within or near cultural monuments and their buffer zones covered 112.9 thousand hectares. In accordance with the above-mentioned laws, timber harvesting activities must comply with cultural and historical protection rules, regardless of land type. From 2018 to 2024, AS Graanul Invest required all suppliers in Latvia to identify and protect cultural heritage objects, including those not listed in official registers. As part of compliance monitoring, company representatives conducted on-site field inspections, and no violations regarding the protection of cultural values were recorded—neither in forest areas nor in non-forest biomass sourcing locations. Based on this evidence and legal context, the risk related to this criterion is considered low. A detailed risk assessment is available upon request at the company.

Risk Rating	Low Risk

Annex 2: EU RED Supply Base Evaluation

Countries where EU RED Supply Base Evaluation is used	
Country	Latvia
Area	Whole country
Sustainable harvesting criteria 29(6)	
(i) The legality of harvesting operations	
Type of Risk Assessment used	☒ Level A – proof at national or sub-national level ☐ Level B – management system at forest sourcing area level
Level A risk assessment description	Level A for Latvia by Ministry of Agriculture of the Republic of Latvia (RED III)
Level B management system at the level of the forest sourcing area	N/A
(ii) Forest regeneration of harvested areas	
Type of Risk Assessment used	☒ Level A – proof at national or sub-national level ☐ Level B – management system at forest sourcing area level
Level A risk assessment description	Level A for Latvia by Ministry of Agriculture of the Republic of Latvia (RED III)
Level B management system at the level of the forest sourcing area	N/A
(iii) That areas designated by international or national law or by the relevant competent authority for nature protection purposes, including in wetlands, grasslands, heathland and peatlands, are protected with the aim of preserving biodiversity and preventing habitat destruction, unless evidence is provided that the harvesting of that raw material does not interfere with those nature protection purposes	
Type of Risk Assessment used	☒ Level A – proof at national or sub-national level ☐ Level B – management system at forest sourcing area level
Level A risk assessment description	Level A for Latvia by Ministry of Agriculture of the Republic of Latvia (RED III)
Level B management system at the level of the forest sourcing area	N/A
(iv) that harvesting is carried out considering the maintenance of soil quality and biodiversity in accordance with sustainable forest management principles, with the aim of preventing any adverse impact, in a way that avoids harvesting of stumps and roots, degradation of primary forests, and of old growth forests as defined in the country where the forest is located, or their conversion into plantation forests, and harvesting on vulnerable soils, that harvesting is carried out in compliance with maximum thresholds for large clear-cuts as defined in the country where the forest is located, and with locally and ecologically appropriate retention thresholds for deadwood extraction and that harvesting is carried out in compliance with requirements to use logging systems that minimise any adverse impact on soil quality, including soil compaction, and on biodiversity features and habitats	

Type of Risk Assessment used	☒ Level A – proof at national or sub-national level ☐ Level B – management system at forest sourcing area level
Level A risk assessment description	Level A for Latvia by Ministry of Agriculture of the Republic of Latvia (RED III)
Level B management system at the level of the forest sourcing area	N/A
(v) That harvesting maintains or improves the long-term production capacity of the forest.	
Type of Risk Assessment used	☒ Level A – proof at national or sub-national level ☐ Level B – management system at forest sourcing area level
Level A risk assessment description	Level A for Latvia by Ministry of Agriculture of the Republic of Latvia (RED III)
Level B management system at the level of the forest sourcing area	N/A
(vi)[1] That forests in which the forest biomass is harvested do not stem from the lands that have the statuses referred to in Article 29(3) points (a), (b), (d) and (e); Article 29(4), point (a), and Article 29(5), respectively under the same conditions of determination of the status of land specified in those paragraphs. *Article 29 (3): biomass fuel produced from agricultural biomass shall not be made from raw material obtained from land with a high biodiversity value, namely land that had one of the following statuses in or after January 2008, whether or not the land continues to have that status:* *(a)* ***primary forest*** *and other wooded land and* ***old growth forest,*** *namely forest and other wooded land of native species, where there is no clearly visible indication of human activity and the ecological processes are not significantly disturbed; and old growth forests as defined in the country where the forest is located. If there is no definition of* ***old growth forest*** *at the national level, then the following definition shall apply: A forest stand or area consisting of native tree species that have developed, predominantly through natural processes, structures and dynamics normally associated with late-seral developmental phases in primary or undisturbed forests of the same type. Signs of former human activities may be visible, but they are gradually disappearing or too limited to significantly disturb natural processes.*	
Type of Risk Assessment used	☒Level A – proof at national or sub-national level ☐Level B – management system at forest sourcing area level
Level A risk assessment description	Level A for Latvia by Ministry of Agriculture of the Republic of Latvia (RED III)
Level B management system at the level of the forest sourcing area	N/A
(vi)[2] That forests in which the forest biomass is harvested do not stem from the lands that have the statuses referred to in Article 29(3) points (a), (b), (d) and (e); Article 29(4), point (a), and Article 29(5), respectively under the same conditions of determination of the status of land specified in those paragraphs. *Article 29 (3): biomass fuel produced from agricultural biomass shall not be made from raw material obtained from land with a high biodiversity value, namely land that had one of the following statuses in or after January 2008, whether or not the land continues to have that status:* *(b)* ***highly biodiverse forest*** *and other wooded land which is species-rich and not degraded, and has been identified as being highly biodiverse by the relevant competent authority, unless evidence is provided that the production of that raw material did not interfere with those nature protection purposes.*	
Type of Risk Assessment used	☒Level A – proof at national or sub-national level ☐Level B – management system at forest sourcing area level
Level A risk assessment description	Level A for Latvia by Ministry of Agriculture of the Republic of Latvia (RED III)

Level B management system at the level of the forest sourcing area	N/A
(vi)[3] That forests in which the forest biomass is harvested do not stem from the lands that have the statuses referred to in Article 29(3) points (a), (b), (d) and (e); Article 29(4), point (a), and Article 29(5), respectively under the same conditions of determination of the status of land specified in those paragraphs. *Article 29 (3): biomass fuel produced from agricultural biomass shall not be made from raw material obtained from land with a high biodiversity value, namely land that had one of the following statuses in or after January 2008, whether or not the land continues to have that status:* *(d) **highly biodiverse grassland** spanning more than one hectare that is: (i) natural, namely grassland that would remain grassland in the absence of human intervention and that maintains the natural species composition and ecological characteristics and processes; or (ii) non-natural, namely grassland that would cease to be grassland in the absence of human intervention and that is species-rich and not degraded and has been identified as being highly biodiverse by the relevant competent authority, unless evidence is provided that the harvesting of the raw material is necessary to preserve its status as highly biodiverse grassland.*	
Type of Risk Assessment used	☒Level A – proof at national or sub-national level ☐Level B – management system at forest sourcing area level
Level A risk assessment description	Level A for Latvia by Ministry of Agriculture of the Republic of Latvia (RED III)
Level B management system at the level of the forest sourcing area	N/A
(vi)[4] That forests in which the forest biomass is harvested do not stem from the lands that have the statuses referred to in Article 29(3) points (a), (b), (d) and (e); Article 29(4), point (a), and Article 29(5), respectively under the same conditions of determination of the status of land specified in those paragraphs. *Article 29 (3): biomass fuel produced from agricultural biomass shall not be made from raw material obtained from land with a high biodiversity value, namely land that had one of the following statuses in or after January 2008, whether or not the land continues to have that status:* *(e) **heathland** - Biomass Producer shall use the official definition for Heathland used in the applicable feedstock origin country. In the absence of such a definition, then the following definition shall be applied: Vegetation with low and closed cover, dominated by bushes, shrubs, dwarf shrubs (heather, briars, broom, gorse, laburnum etc.) and herbaceous plants, forming a climax stage of development (Source: EU Copernicus).*	
Type of Risk Assessment used	☒Level A – proof at national or sub-national level ☐Level B – management system at forest sourcing area level
Level A risk assessment description	Level A for Latvia by Ministry of Agriculture of the Republic of Latvia (RED III)
Level B management system at the level of the forest sourcing area	N/A
(vi)[5] That forests in which the forest biomass is harvested do not stem from the lands that have the statuses referred to in Article 29(3) points (a), (b), (d) and (e); Article 29(4), point (a), and Article 29(5), respectively under the same conditions of determination of the status of land specified in those paragraphs. *Article 29 (4): biomass fuel produced from agricultural biomass shall not be made from raw material obtained from land with high-carbon stock, namely land that had one of the following statuses in January 2008 and no longer has that status:* *(a) **wetlands,** namely land that is covered with or saturated by water permanently or for a significant part of the year (NOTE: Evidence of verification of wetlands should reflect seasonal changes within a year).*	

Type of Risk Assessment used	☒Level A – proof at national or sub-national level ☐Level B – management system at forest sourcing area level
Level A risk assessment description	Level A for Latvia by Ministry of Agriculture of the Republic of Latvia (RED III)
Level B management system at the level of the forest sourcing area	N/A
(vi)[6] That forests in which the forest biomass is harvested do not stem from the lands that have the statuses referred to in Article 29(3) points (a), (b), (d) and (e); Article 29(4), point (a), and Article 29(5), respectively under the same conditions of determination of the status of land specified in those paragraphs. *Article 29 (5): biomass fuel produced from agricultural biomass shall not be made from raw material obtained from land that was **peatland** in January 2008, unless evidence is provided that the cultivation and harvesting of that raw material does not involve drainage of previously undrained soil. For a peatland that was partially drained in January 2008, a subsequent deeper drainage, affecting soil that was not fully drained, would constitute a breach of the criterion.*	
Type of Risk Assessment used	☒Level A – proof at national or sub-national level ☐Level B – management system at forest sourcing area level
Level A risk assessment description	Level A for Latvia by Ministry of Agriculture of the Republic of Latvia (RED III)
Level B management system at the level of the forest sourcing area	N/A
(vii) that installations producing biomass fuels from forest biomass, issue a statement of assurance, underpinned by company-level internal processes, for the purpose of the audits conducted pursuant to Article 30(3), that the forest biomass is not sourced from the lands referred to in point (vi).	
Type of Risk Assessment used	☒Level A – proof at national or sub-national level ☐Level B – management system at forest sourcing area level
Level A risk assessment description	N/A
Level B management system at the level of the forest sourcing area	*Not applicable, requirement only applies to Level A*

LULUCF criteria 29(7)	
Type of Risk Assessment used	☒ Level A – proof at national or sub-national level ☐ Level B – management system at forest sourcing area level
Level A risk assessment description	Level A for Latvia by Ministry of Agriculture of the Republic of Latvia (RED III)
Level B management system at the level of the forest sourcing area	N/A

Countries where EU RED Supply Base Evaluation is used

Country	Lithuania
Area	Whole country
Sustainable harvesting criteria 29(6)	
(i) The legality of harvesting operations	
Type of Risk Assessment used	☒ Level A – proof at national or sub-national level ☐ Level B – management system at forest sourcing area level
Level A risk assessment description	SBP-RED-EU-LT-FOR_v1.1 REDIII Level A for Lithuania FOR
Level B management system at the level of the forest sourcing area	N/A
(ii) Forest regeneration of harvested areas	
Type of Risk Assessment used	☒ Level A – proof at national or sub-national level ☐ Level B – management system at forest sourcing area level
Level A risk assessment description	SBP-RED-EU-LT-FOR_v1.1 REDIII Level A for Lithuania FOR
Level B management system at the level of the forest sourcing area	N/A
(iii) That areas designated by international or national law or by the relevant competent authority for nature protection purposes, including in wetlands, grasslands, heathland and peatlands, are protected with the aim of preserving biodiversity and preventing habitat destruction, unless evidence is provided that the harvesting of that raw material does not interfere with those nature protection purposes	
Type of Risk Assessment used	☐ Level A – proof at national or sub-national level ☒ Level B – management system at forest sourcing area level
Level A risk assessment description	N/A
Level B management system at the level of the forest sourcing area	Same risk mitigation activities are used as mentioned in section 3. Supply Base Risk Assessments and Risk Management Measures for mitigation of risks related to indicators 2.1.3 and 2.2.2. A detailed risk assessment can be obtained from the company upon request.
(iv) that harvesting is carried out considering the maintenance of soil quality and biodiversity in accordance with sustainable forest management principles, with the aim of preventing any adverse impact, in a way that avoids harvesting of stumps and roots, degradation of primary forests, and of old growth forests as defined in the country where the forest is located, or their conversion into plantation forests, and harvesting on vulnerable soils, that harvesting is carried out in compliance with maximum thresholds for large clear-cuts as defined in the country where the forest is located, and with locally and ecologically appropriate retention thresholds for deadwood extraction and that harvesting is carried out in compliance with requirements to use logging systems that minimise any adverse impact on soil quality, including soil compaction, and on biodiversity features and habitats	
Type of Risk Assessment used	☐ Level A – proof at national or sub-national level ☒ Level B – management system at forest sourcing area level
Level A risk assessment description	N/A

Level B management system at the level of the forest sourcing area	Same risk mitigation activities are used as mentioned in section 3. Supply Base Risk Assessments and Risk Management Measures for mitigation of risks related to indicators 2.1.3 and 2.2.2. A detailed risk assessment can be obtained from the company upon request.
(v) That harvesting maintains or improves the long-term production capacity of the forest.	
Type of Risk Assessment used	☒ Level A – proof at national or sub-national level ☐ Level B – management system at forest sourcing area level
Level A risk assessment description	SBP-RED-EU-LT-FOR_v1.1 REDIII Level A for Lithuania FOR
Level B management system at the level of the forest sourcing area	N/A
(vi)[1] That forests in which the forest biomass is harvested do not stem from the lands that have the statuses referred to in Article 29(3) points (a), (b), (d) and (e); Article 29(4), point (a), and Article 29(5), respectively under the same conditions of determination of the status of land specified in those paragraphs. *Article 29 (3): biomass fuel produced from agricultural biomass shall not be made from raw material obtained from land with a high biodiversity value, namely land that had one of the following statuses in or after January 2008, whether or not the land continues to have that status:* *(a) **primary forest** and other wooded land and **old growth forest,** namely forest and other wooded land of native species, where there is no clearly visible indication of human activity and the ecological processes are not significantly disturbed; and old growth forests as defined in the country where the forest is located. If there is no definition of **old growth forest** at the national level, then the following definition shall apply: A forest stand or area consisting of native tree species that have developed, predominantly through natural processes, structures and dynamics normally associated with late-seral developmental phases in primary or undisturbed forests of the same type. Signs of former human activities may be visible, but they are gradually disappearing or too limited to significantly disturb natural processes.*	
Type of Risk Assessment used	☐Level A – proof at national or sub-national level ☒Level B – management system at forest sourcing area level
Level A risk assessment description	N/A
Level B management system at the level of the forest sourcing area	Same risk mitigation activities are used as mentioned in section 3. Supply Base Risk Assessments and Risk Management Measures for mitigation of risks related to indicators 2.1.1, 2.1.2 and 2.1.3. A detailed risk assessment can be obtained from the company upon request.
(vi)[2] That forests in which the forest biomass is harvested do not stem from the lands that have the statuses referred to in Article 29(3) points (a), (b), (d) and (e); Article 29(4), point (a), and Article 29(5), respectively under the same conditions of determination of the status of land specified in those paragraphs. *Article 29 (3): biomass fuel produced from agricultural biomass shall not be made from raw material obtained from land with a high biodiversity value, namely land that had one of the following statuses in or after January 2008, whether or not the land continues to have that status:* *(b) **highly biodiverse forest** and other wooded land which is species-rich and not degraded, and has been identified as being highly biodiverse by the relevant competent authority, unless evidence is provided that the production of that raw material did not interfere with those nature protection purposes.*	
Type of Risk Assessment used	☐Level A – proof at national or sub-national level ☒Level B – management system at forest sourcing area level
Level A risk assessment description	N/A

Level B management system at the level of the forest sourcing area	Same risk mitigation activities are used as mentioned in section 3. Supply Base Risk Assessments and Risk Management Measures for mitigation of risks related to indicators 2.1.1, 2.1.2 and 2.1.3. A detailed risk assessment can be obtained from the company upon request.
(vi)[3] That forests in which the forest biomass is harvested do not stem from the lands that have the statuses referred to in Article 29(3) points (a), (b), (d) and (e); Article 29(4), point (a), and Article 29(5), respectively under the same conditions of determination of the status of land specified in those paragraphs. *Article 29 (3): biomass fuel produced from agricultural biomass shall not be made from raw material obtained from land with a high biodiversity value, namely land that had one of the following statuses in or after January 2008, whether or not the land continues to have that status:* *(d) **highly biodiverse grassland** spanning more than one hectare that is: (i) natural, namely grassland that would remain grassland in the absence of human intervention and that maintains the natural species composition and ecological characteristics and processes; or (ii) non-natural, namely grassland that would cease to be grassland in the absence of human intervention and that is species-rich and not degraded and has been identified as being highly biodiverse by the relevant competent authority, unless evidence is provided that the harvesting of the raw material is necessary to preserve its status as highly biodiverse grassland.*	
Type of Risk Assessment used	☒Level A – proof at national or sub-national level ☐Level B – management system at forest sourcing area level
Level A risk assessment description	SBP-RED-EU-LT-FOR_v1.1 REDIII Level A for Lithuania FOR
Level B management system at the level of the forest sourcing area	N/A
(vi)[4] That forests in which the forest biomass is harvested do not stem from the lands that have the statuses referred to in Article 29(3) points (a), (b), (d) and (e); Article 29(4), point (a), and Article 29(5), respectively under the same conditions of determination of the status of land specified in those paragraphs. *Article 29 (3): biomass fuel produced from agricultural biomass shall not be made from raw material obtained from land with a high biodiversity value, namely land that had one of the following statuses in or after January 2008, whether or not the land continues to have that status:* *(e) **heathland** - Biomass Producer shall use the official definition for Heathland used in the applicable feedstock origin country. In the absence of such a definition, then the following definition shall be applied: Vegetation with low and closed cover, dominated by bushes, shrubs, dwarf shrubs (heather, briars, broom, gorse, laburnum etc.) and herbaceous plants, forming a climax stage of development (Source: EU Copernicus).*	
Type of Risk Assessment used	☐Level A – proof at national or sub-national level ☒Level B – management system at forest sourcing area level
Level A risk assessment description	N/A
Level B management system at the level of the forest sourcing area	Same risk mitigation activities are used as mentioned in section 3. Supply Base Risk Assessments and Risk Management Measures for mitigation of risks related to indicators 2.1.1, 2.1.2 and 2.1.3. A detailed risk assessment can be obtained from the company upon request.
(vi)[5] That forests in which the forest biomass is harvested do not stem from the lands that have the statuses referred to in Article 29(3) points (a), (b), (d) and (e); Article 29(4), point (a), and Article 29(5), respectively under the same conditions of determination of the status of land specified in those paragraphs. *Article 29 (4): biomass fuel produced from agricultural biomass shall not be made from raw material obtained from land with high-carbon stock, namely land that had one of the following statuses in January 2008 and no longer has that status:* *(a) **wetlands,** namely land that is covered with or saturated by water permanently or for a significant part of the year*	

(NOTE: Evidence of verification of wetlands should reflect seasonal changes within a year).	
Type of Risk Assessment used	☒Level A – proof at national or sub-national level ☐Level B – management system at forest sourcing area level
Level A risk assessment description	SBP-RED-EU-LT-FOR_v1.1 REDIII Level A for Lithuania FOR
Level B management system at the level of the forest sourcing area	N/A
(vi)[6] That forests in which the forest biomass is harvested do not stem from the lands that have the statuses referred to in Article 29(3) points (a), (b), (d) and (e); Article 29(4), point (a), and Article 29(5), respectively under the same conditions of determination of the status of land specified in those paragraphs. *Article 29 (5): biomass fuel produced from agricultural biomass shall not be made from raw material obtained from land that was **peatland** in January 2008, unless evidence is provided that the cultivation and harvesting of that raw material does not involve drainage of previously undrained soil. For a peatland that was partially drained in January 2008, a subsequent deeper drainage, affecting soil that was not fully drained, would constitute a breach of the criterion.*	
Type of Risk Assessment used	☐Level A – proof at national or sub-national level ☒Level B – management system at forest sourcing area level
Level A risk assessment description	N/A
Level B management system at the level of the forest sourcing area	Same risk mitigation activities are used as mentioned in section 3. Supply Base Risk Assessments and Risk Management Measures for mitigation of risks related to indicators 2.1.1, 2.1.2 and 2.1.3. A detailed risk assessment can be obtained from the company upon request.
(vii) that installations producing biomass fuels from forest biomass, issue a statement of assurance, underpinned by company-level internal processes, for the purpose of the audits conducted pursuant to Article 30(3), that the forest biomass is not sourced from the lands referred to in point (vi).	
Type of Risk Assessment used	☒Level A – proof at national or sub-national level ☐Level B – management system at forest sourcing area level
Level A risk assessment description	N/A
Level B management system at the level of the forest sourcing area	*Not applicable, requirement only applies to Level A*

LULUCF criteria 29(7)	
Type of Risk Assessment used	☒ Level A – proof at national or sub-national level ☐ Level B – management system at forest sourcing area level
Level A risk assessment description	SBP-endorsed REDII Level A risk assessment for Article 29(7) LULUCF
Level B management system at the level of the forest sourcing area	N/A

Countries where EU RED Supply Base Evaluation is used	
Country	Estonia
Area	Whole country
Sustainable harvesting criteria 29(6)	
(i) The legality of harvesting operations	
Type of Risk Assessment used	☒ Level A – proof at national or sub-national level ☐ Level B – management system at forest sourcing area level
Level A risk assessment description	SBP-RED-EU-EE-FOR_v1.1 REDIII Level A for Estonia FOR
Level B management system at the level of the forest sourcing area	N/A
(ii) Forest regeneration of harvested areas	
Type of Risk Assessment used	☒ Level A – proof at national or sub-national level ☐ Level B – management system at forest sourcing area level
Level A risk assessment description	SBP-RED-EU-EE-FOR_v1.1 REDIII Level A for Estonia FOR
Level B management system at the level of the forest sourcing area	N/A
(iii) That areas designated by international or national law or by the relevant competent authority for nature protection purposes, including in wetlands, grasslands, heathland and peatlands, are protected with the aim of preserving biodiversity and preventing habitat destruction, unless evidence is provided that the harvesting of that raw material does not interfere with those nature protection purposes	
Type of Risk Assessment used	☐ Level A – proof at national or sub-national level ☒ Level B – management system at forest sourcing area level
Level A risk assessment description	N/A
Level B management system at the level of the forest sourcing area	Same risk mitigation activities are used as mentioned in SBR for mitigation of risks related to indicators 2.1.1; 2.1.2; 2.1.3 of “SBP Revised Regional risk Assessment for Estonia v2.0”.
(iv) that harvesting is carried out considering the maintenance of soil quality and biodiversity in accordance with sustainable forest management principles, with the aim of preventing any adverse impact, in a way that avoids harvesting of stumps and roots, degradation of primary forests, and of old growth forests as defined in the country where the forest is located, or their conversion into plantation forests, and harvesting on vulnerable soils, that harvesting is carried out in compliance with maximum thresholds for large clear-cuts as defined in the country where the forest is located, and with locally and ecologically appropriate retention thresholds for deadwood extraction and that harvesting is carried out in compliance with requirements to use logging systems that minimise any adverse impact on soil quality, including soil compaction, and on biodiversity features and habitats	
Type of Risk Assessment used	☐ Level A – proof at national or sub-national level ☒ Level B – management system at forest sourcing area level

Level A risk assessment description	N/A
Level B management system at the level of the forest sourcing area	Harvesting of stumps and roots – Level B Mitigation measures: Graanul Invest AS does not source stumps and roots. If such material is supplied, it will not be accepted. All incoming shipments are measured at the factory gate (including a visual inspection of the material). The suppliers' contracts include quality requirements for wood chips, which stipulate that chips can only be produced from roundwood, slash or whole-wood. Retention thresholds for deadwood extraction – Level A Primary forest and Old Growth Forest (OGF) – Level B Mitigation measures: Same risk mitigation activities are used as mentioned in SBR for mitigation of risks related to indicators 2.1.1; 2.1.2; 2.1.3 of "SBP Revised Regional risk Assessment for Estonia v2.0". Maximum thresholds for large clear-cuts. – Level A
(v) That harvesting maintains or improves the long-term production capacity of the forest.	
Type of Risk Assessment used	☒ Level A – proof at national or sub-national level ☐ Level B – management system at forest sourcing area level
Level A risk assessment description	SBP-RED-EU-EE-FOR_v1.1 REDIII Level A for Estonia FOR
Level B management system at the level of the forest sourcing area	N/A
(vi)[1] That forests in which the forest biomass is harvested do not stem from the lands that have the statuses referred to in Article 29(3) points (a), (b), (d) and (e); Article 29(4), point (a), and Article 29(5), respectively under the same conditions of determination of the status of land specified in those paragraphs. *Article 29 (3): biomass fuel produced from agricultural biomass shall not be made from raw material obtained from land with a high biodiversity value, namely land that had one of the following statuses in or after January 2008, whether or not the land continues to have that status:* *(a)* ***primary forest*** *and other wooded land and* ***old growth forest,*** *namely forest and other wooded land of native species, where there is no clearly visible indication of human activity and the ecological processes are not significantly disturbed; and old growth forests as defined in the country where the forest is located. If there is no definition of* ***old growth forest*** *at the national level, then the following definition shall apply: A forest stand or area consisting of native tree species that have developed, predominantly through natural processes, structures and dynamics normally associated with late-seral developmental phases in primary or undisturbed forests of the same type. Signs of former human activities may be visible, but they are gradually disappearing or too limited to significantly disturb natural processes.*	
Type of Risk Assessment used	☐Level A – proof at national or sub-national level ☒Level B – management system at forest sourcing area level
Level A risk assessment description	N/A
Level B management system at the level of the forest sourcing area	Same risk mitigation activities are used as mentioned in SBR for mitigation of risks related to indicators 2.1.1; 2.1.2; 2.1.3 of "SBP Revised Regional risk Assessment for Estonia v2.0".
(vi)[2] That forests in which the forest biomass is harvested do not stem from the lands that have the statuses referred to in Article 29(3) points (a), (b), (d) and (e); Article 29(4), point (a), and Article 29(5), respectively under	

the same conditions of determination of the status of land specified in those paragraphs. *Article 29 (3): biomass fuel produced from agricultural biomass shall not be made from raw material obtained from land with a high biodiversity value, namely land that had one of the following statuses in or after January 2008, whether or not the land continues to have that status:* *(b) **highly biodiverse forest** and other wooded land which is species-rich and not degraded, and has been identified as being highly biodiverse by the relevant competent authority, unless evidence is provided that the production of that raw material did not interfere with those nature protection purposes.*	
Type of Risk Assessment used	☐Level A – proof at national or sub-national level ☒Level B – management system at forest sourcing area level
Level A risk assessment description	N/A
Level B management system at the level of the forest sourcing area	Same risk mitigation activities are used as mentioned in SBR for mitigation of risks related to indicators 2.1.1; 2.1.2; 2.1.3 of "SBP Revised Regional risk Assessment for Estonia v2.0".
(vi)[3] That forests in which the forest biomass is harvested do not stem from the lands that have the statuses referred to in Article 29(3) points (a), (b), (d) and (e); Article 29(4), point (a), and Article 29(5), respectively under the same conditions of determination of the status of land specified in those paragraphs. *Article 29 (3): biomass fuel produced from agricultural biomass shall not be made from raw material obtained from land with a high biodiversity value, namely land that had one of the following statuses in or after January 2008, whether or not the land continues to have that status:* *(d) **highly biodiverse grassland** spanning more than one hectare that is: (i) natural, namely grassland that would remain grassland in the absence of human intervention and that maintains the natural species composition and ecological characteristics and processes; or (ii) non-natural, namely grassland that would cease to be grassland in the absence of human intervention and that is species-rich and not degraded and has been identified as being highly biodiverse by the relevant competent authority, unless evidence is provided that the harvesting of the raw material is necessary to preserve its status as highly biodiverse grassland.*	
Type of Risk Assessment used	☒Level A – proof at national or sub-national level ☐Level B – management system at forest sourcing area level
Level A risk assessment description	SBP-RED-EU-EE-FOR_v1.1 REDIII Level A for Estonia FOR
Level B management system at the level of the forest sourcing area	N/A
(vi)[4] That forests in which the forest biomass is harvested do not stem from the lands that have the statuses referred to in Article 29(3) points (a), (b), (d) and (e); Article 29(4), point (a), and Article 29(5), respectively under the same conditions of determination of the status of land specified in those paragraphs. *Article 29 (3): biomass fuel produced from agricultural biomass shall not be made from raw material obtained from land with a high biodiversity value, namely land that had one of the following statuses in or after January 2008, whether or not the land continues to have that status:* *(e) **heathland** - Biomass Producer shall use the official definition for Heathland used in the applicable feedstock origin country. In the absence of such a definition, then the following definition shall be applied: Vegetation with low and closed cover, dominated by bushes, shrubs, dwarf shrubs (heather, briars, broom, gorse, laburnum etc.) and herbaceous plants, forming a climax stage of development (Source: EU Copernicus).*	
Type of Risk Assessment used	☐Level A – proof at national or sub-national level ☒Level B – management system at forest sourcing area level

Level A risk assessment description	N/A
Level B management system at the level of the forest sourcing area	**Heathland** – The gate program monitors the areas of the heathlands. If the material is delivered from the heathland, it will not be accepted.
(vi)[5] That forests in which the forest biomass is harvested do not stem from the lands that have the statuses referred to in Article 29(3) points (a), (b), (d) and (e); Article 29(4), point (a), and Article 29(5), respectively under the same conditions of determination of the status of land specified in those paragraphs. *Article 29 (4): biomass fuel produced from agricultural biomass shall not be made from raw material obtained from land with high-carbon stock, namely land that had one of the following statuses in January 2008 and no longer has that status: (a)* ***wetlands,*** *namely land that is covered with or saturated by water permanently or for a significant part of the year (NOTE: Evidence of verification of wetlands should reflect seasonal changes within a year).*	
Type of Risk Assessment used	☒Level A – proof at national or sub-national level ☐Level B – management system at forest sourcing area level
Level A risk assessment description	SBP-RED-EU-EE-FOR_v1.1 REDIII Level A for Estonia FOR
Level B management system at the level of the forest sourcing area	N/A
(vi)[6] That forests in which the forest biomass is harvested do not stem from the lands that have the statuses referred to in Article 29(3) points (a), (b), (d) and (e); Article 29(4), point (a), and Article 29(5), respectively under the same conditions of determination of the status of land specified in those paragraphs. *Article 29 (5): biomass fuel produced from agricultural biomass shall not be made from raw material obtained from land that was* ***peatland*** *in January 2008, unless evidence is provided that the cultivation and harvesting of that raw material does not involve drainage of previously undrained soil. For a peatland that was partially drained in January 2008, a subsequent deeper drainage, affecting soil that was not fully drained, would constitute a breach of the criterion.*	
Type of Risk Assessment used	☐Level A – proof at national or sub-national level ☒Level B – management system at forest sourcing area level
Level A risk assessment description	N/A
Level B management system at the level of the forest sourcing area	To stop further drainage of natural peatlands and to continue peat extraction preferably in already drained and degraded areas until the resource is exhausted and the area is restored, the Minister of the Environment established the regulation on 27 December 2016 titled “List of peatlands damaged and abandoned by mining and suitable for extraction.” Residual bogs that, according to surveys, no longer have extractable peat reserves must be restored. Residual bogs are revalued by transforming them into wetlands, creating conditions for peat formation, agriculture, forestry, or other uses. Under SBP’s RED-II risk assessment for Estonia the indicator (iii) *„That areas designated by international or national law or by the relevant competent authority for nature protection purposes, including in wetlands and peatlands, are protected unless evidence is provided that the harvesting of that raw material does not interfere with those nature protection purposes „as well

	as the RRA indicator* *2.2.1“Feedstock shall not be sourced from land that had one of the following statuses in January 2008 and no longer has that status due to land conversion: (a) forests, (b) peatlands, (c) wetlands and (d) highly biodiverse grassland” were low risk.* In addition, Graanul Invest AS monitors that the delivered forest biomass does not originate from Natura 2000 areas where forest habitats are present including: Alluvial forests (91E0); Fennoscandian deciduous swamp woods (*9080) a Bog woodlands *91D0 and monitors and avoids material which has been harvested based on expansion of peat extraction areas.
(vii) that installations producing biomass fuels from forest biomass, issue a statement of assurance, underpinned by company-level internal processes, for the purpose of the audits conducted pursuant to Article 30(3), that the forest biomass is not sourced from the lands referred to in point (vi).	
Type of Risk Assessment used	☒Level A – proof at national or sub-national level ☐Level B – management system at forest sourcing area level
Level A risk assessment description	N/A
Level B management system at the level of the forest sourcing area	*Not applicable, requirement only applies to Level A*

LULUCF criteria 29(7)	
Type of Risk Assessment used	☒ Level A – proof at national or sub-national level ☐ Level B – management system at forest sourcing area level
Level A risk assessment description	SBP-endorsed REDII Level A risk assessment for Article 29(7) LULUCF
Level B management system at the level of the forest sourcing area	N/A

Annex 2a: EU RED II Supply Base Evaluation

Annex 3: SBP Processing residues and/or Post-consumer feedstock requirements

☐ Not Applicable (Processing Residues and/or post-consumer feedstock not used)

Verification and monitoring of suppliers

All incoming shipments are measured at the factory gate (including a visual inspection of the material). Supplier audits are conducted at secondary feedstock to demonstrate risk mitigation measures in accordance with the SBP scheme and also to make sure that the secondary material is waste from primary processing. All transport documents have the origin (supplier productions site) is always known. Moisture measurement process is in place.
Graanul Invest conducts supplier audits before the supplier is added to the supplier list. Supplier audit procedures are described on SBP handbook. Supplier audit includes supplier declaration that the material comes from their processing and it is not produced intentionally.
All suppliers of processing residues declare the origin country of the material used in supplier production and that the material comes from their processing and it is not produced intentionally.
Most of the information (supplier name, description of the feedstock, classification of the feedstock as secondary or tertiary etc) is saved in the production gate program.

Feedstock inspection and classification upon receipt

All material is measured and visually inspected at the gate. All cargo data is available at the gate program.
All relevant documents and information (invoices, delivery notes, supplier audit reports etc) is saved in the server.
Accepted feedstock is accounted with the volume and verified physical quality class.

Supplier audit for processing residues and post-consumer feedstock

The supplier audit includes the following points:

- Introduction of the activity (opening meeting)
- Review of raw material stocking policy
- Review of risk mitigation measures based on the SBP-endorsed Regional Risk Assessment applicable to the respective country of origin (Latvia, Lithuania or Estonia)

- Documentation check (evidence)
- Supplier-side demonstration of risk mitigation measures for high risk indicators (control of the procedure based on the documentation related to the cargo selected by the auditor).
- The supplier’s confirmation/declaration that the material supplied to AS Graanul Invest plants falls within the defined supply base boundaries covering Latvia, Lithuania and Estonia, in cases where the supplier sources material from multiple countries.

- The supplier's confirmation/declaration that production waste is delivered to AS Graanul Invest plants.
- Evaluation of the suitability of the material + tour.

If the company's verification process determines that the feedstock does not meet the SBP definition for processing residues and/or post-consumer feedstock requirements, the material shall not be recognised as SBP-compliant or compliant with RED III requirements.

Annex 4: EU RED detailed findings for Trees Outside Forest (TOF) feedstock

NOTE: For "Trees outside forests (TOF) – Urban and landscape feedstock" no EU RED sustainability requirements apply, only the GHG savings criteria apply (SBP EU RED Bridging ID v2.0 Section 1.1). The land use category in this case is neither forest land nor agricultural land. For "Trees outside forests (TOF) – Agricultural land feedstock" the applicable criteria are Article 29 paragraphs (2)-(5).

Country: Latvia - Whole country

Article 29 (2): Soil quality and soil carbon	
Biomass fuels produced from waste and residues derived not from forestry but from agricultural land shall be taken into account for the purposes referred to in points (a), (b) and (c) of the first subparagraph of paragraph 1 only where operators or national authorities have monitoring or management plans in place in order to address the impacts on soil quality and soil carbon. Information about how those impacts are monitored and managed shall be reported pursuant to Article 30(3).	
(i) Impacts on soil quality	
Step 1: Identification of applicable laws	
Have the applicable law(s) been identified?	No, management plan needed at economic operator level (go to step 4)
List of applicable law(s)	N/A
Sources	N/A
Step 2: Description of enforcement and monitoring by competent authorities	
Description of the practical implementation and monitoring of the law(s)	N/A
Sources	N/A
Is the enforcement and monitoring ensured for the identified law(s)?	No, management plan needed at economic operator level (go to step 4)
Step 3: Evaluation of the effectiveness of the legal framework	
Evaluation of the practical implementation of the law(s) and explanation	N/A

for the evaluation	
Sources	N/A
Is legal framework effective?	No, management plan needed at economic operator level (go to step 4)
Step 4: Detailed description of a management plan and monitoring at economic operator level	The company uses above-ground woody biomass, the harvesting of which does not require operations such as stump removal, which would directly affect the soil. In cases of overgrowth removal from agricultural lands, the impact on soil and its carbon storage capacity must not exceed that caused by typical agricultural operations.
(ii) Impact on soil carbon	
Step 1: Identification of applicable laws	
Have the applicable law(s) been identified?	No, management plan needed at economic operator level (go to step 4)
List of applicable law(s)	N/A
Sources	N/A
Step 2: Description of enforcement and monitoring by competent authorities	
Description of the practical implementation and monitoring of the law(s)	N/A
Sources	N/A
Is enforcement and monitoring ensured for the identified law(s)?	No, management plan needed at economic operator level (go to step 4)
Step 3: Evaluation of the effectiveness of the legal framework	
Evaluation of the practical implementation of the law and explanation for the evaluation	N/A
Sources	N/A

Is legal framework effective?	No, management plan needed at economic operator level (go to step 4)
Step 4: Detailed description of a management plan and monitoring applied at economic operator level	The company uses above-ground woody biomass, the harvesting of which does not require operations such as stump removal, which would directly affect the soil. In cases of overgrowth removal from agricultural lands, the impact on soil and its carbon storage capacity must not exceed that caused by typical agricultural operations.

Article 29 (3a): Protection of land with high biodiversity value	
Biomass fuel produced from agricultural biomass shall not be made from raw material obtained from land with a high biodiversity value, namely land that had one of the following statuses in or after January 2008, whether or not the land continues to have that status: *(a) primary forest and other wooded land and old growth forest, namely forest and other wooded land of native species, where there is no clearly visible indication of human activity and the ecological processes are not significantly disturbed; and old growth forests as defined in the country where the forest is located.* *;*	
Description of a management system process to meet the requirement.	In Latvia, such forest or non-forest areas are very limited or practically non-existent. Areas that meet these criteria have been designated as nature reserves and strictly protected territories (for example, Slītere National Park, Teiči and Krustkalni Nature Reserves) in order to preserve unique natural values with minimal human impact. Economic activities are prohibited in such areas. In addition, Latvia has carried out nationwide mapping and identification of protected and biologically valuable areas. The results of this mapping are available in the national nature protection database “Ozols”, maintained by the Nature Conservation Agency. The database contains information on protected habitats, micro-reserves, Natura 2000 sites, locations of protected species, and other nature conservation restrictions. The company’s cooperation partners use the “Ozols” database when planning forest management activities and evaluating logging sites in order to verify whether the respective areas are subject to nature protection restrictions or overlap with areas of high biological value. Furthermore, the database also provides access to historical maps and historical spatial data, enabling the assessment of land-use history and changes in protection status over time. This helps ensure that biomass is not sourced from areas of high biological value. Therefore, the risk that wood could be sourced from such non-forest areas is considered practically non-existent or very low.

Article 29 (3b): Protection of land with high biodiversity value
Biomass fuel produced from agricultural biomass shall not be made from raw material obtained from land with a high biodiversity value, namely land that had one of the following statuses in or after January 2008, whether or not the land continues to have that status: ***(b)*** *highly biodiverse forest and other wooded land which is species-rich and not degraded, or has been identified as being highly biodiverse by the relevant competent authority, unless evidence is provided that the production of that raw material did not interfere with those nature protection purposes;*

Description of a management system process to meet the requirement.	The Nature Data Management System “Ozols” (https://ozols.gov.lv/pub) stores and manages information on specially protected territories, including grassland habitats, species, microreserves, and nature management activities. It also includes data on non-forest land habitats that are not legally protected but have significant ecological or scientific value. The system provides up-to-date data to support nature conservation planning and biodiversity preservation in Latvia. To ensure that forest land has not been converted into non-forest land in the biomass origin area, historical maps available in Latvia are used—such as those included in the “Ozols” system or the map browsers available on the website of the Latvian Geospatial Information Agency (https://www.lgia.gov.lv/lv). To confirm that non-forest land was not established on forest land that existed before 2008, the company uses the “Ozols” system and historical map layers. Shrub and tree overgrowth removal is an important measure in preserving grassland habitats. To ensure the conservation of biodiversity within such habitats, the removal of woody vegetation must be carried out in a way that enables future management of the grassland through mowing or grazing. Suppliers have been informed about this requirement. When accepting wood from grassland habitats, the company carries out field inspections on a sampling basis in such areas to ensure that overgrowth removal has not caused negative impacts on the ground vegetation and that further grassland management by mowing or grazing remains feasible.

Article 29 (3c): Protection of land with high biodiversity value	
Biomass fuel produced from agricultural biomass shall not be made from raw material obtained from land with a high biodiversity value, namely land that had one of the following statuses in or after January 2008, whether or not the land continues to have that status: *(c) areas designated:* *(i) by law or by the relevant competent authority for nature protection purposes; or* *(ii) for the protection of rare, threatened or endangered ecosystems or species recognised by international agreements or included in lists drawn up by intergovernmental organisations or the International Union for the Conservation of Nature, subject to their recognition in accordance with the first subparagraph of Article 30(4), unless evidence is provided that the production of that raw material did not interfere with those nature protection purposes.* ***(i)***	
Description of a management system process to meet the requirement.	In Latvia, there are various categories of protected areas where different forest management restrictions apply: • Nature reserves: All forestry activities are strictly prohibited. • Nature restricted areas (dabas liegumi): Forestry operations are permitted only for specific purposes (e.g., habitat restoration) and require special permits. • National parks: Forestry may take place in designated landscape protection zones or zones for economic use, in compliance with nature protection requirements. • Protected landscape areas and biosphere reserves: Forestry is allowed in line with defined nature conservation objectives. Each protected area has a designated nature management plan specifying permissible activities. In order to carry out any forestry operations, forest owners or managers must submit an application to the Nature Conservation Agency (Dabas aizsardzības pārvalde). The Nature Conservation Agency and the State Forest Service (Valsts meža dienests) monitor compliance with all applicable regulations. The company only accepts wood from protected areas if the harvesting has been carried out under a valid permit issued by the Nature Conservation Agency. Based on historical supply data in the Latvian production units of AS Graanul Invest group, wood from such protected areas has been delivered less than once per year.

Article 29 (3d): Protection of land with high biodiversity value	
Biomass fuel produced from agricultural biomass shall not be made from raw material obtained from land with a high biodiversity value, namely land that had one of the following statuses in or after January 2008, whether or not the land continues to have that status: *(c) highly biodiverse grassland spanning more than one hectare that is:* *(i) natural, namely grassland that would remain grassland in the absence of human intervention and that maintains the natural species composition and ecological characteristics and processes; or* *(ii) non-natural, namely grassland that would cease to be grassland in the absence of human intervention and that is species-rich and not degraded and has been identified as being highly biodiverse by the relevant competent authority, unless evidence is provided that the harvesting of the raw material is necessary to preserve its status as highly biodiverse grassland.*	
Description of a management system process to meet the requirement.	Overgrowth removal is an important measure for the conservation of grassland habitats. To ensure the preservation of biodiversity in such habitats, the removal of woody vegetation must be carried out in a manner that allows for continued grassland management through mowing or grazing. The company uses the Nature Data Management System "Ozols" to evaluate the origin of each delivery. When accepting wood from grassland habitats, the company conducts field inspections on a sampling basis in such areas to verify that the overgrowth removal has not caused negative impacts on ground vegetation and that further management of the grassland by mowing or grazing remains feasible.

Article 29 (4a): Protection of land with high carbon stock	
Biomass fuel produced from agricultural biomass shall not be made from raw material obtained from land with high-carbon stock, namely land that had one of the following statuses in January 2008 and no longer has that status: *(a) wetlands, namely land that is covered with or saturated by water permanently or for a significant part of the year;* *This paragraph shall not apply if, at the time the raw material was obtained, the land had the same status as it had in January 2008.*	
Description of a management system process to meet the requirement.	To protect and preserve these valuable habitats, Latvia has implemented several wetland protection and restoration projects. For example, under the LIFE Programme, projects are being carried out to restore degraded peatlands and to develop wetland protection plans. In addition, several protected wetlands in Latvia are included in the Natura 2000 network. These areas are specially protected to conserve biodiversity and ensure the long-term survival of wetland ecosystems. (Source: https://mitraji.lv/mitraji-latvija/) To ensure that the area of origin of the wood has not been converted from wetland to non-forest land after 2008, the company uses historical maps available in Latvia—such as those provided in the "Ozols" Nature Data Management System or the map browsers published on the website of the Latvian Geospatial Information Agency (https://www.lgia.gov.lv/lv).

Article 29 (4b): Protection of land with high carbon stock
Biomass fuel produced from agricultural biomass shall not be made from raw material obtained from land with high-carbon stock, namely land that had one of the following statuses in January 2008 and no longer has that status: *(b) continuously forested areas, namely land spanning more than one hectare with trees higher than five metres and a canopy cover of more than 30 %, or trees able to reach those thresholds in situ;* *This paragraph shall not apply if, at the time the raw material was obtained, the land had the same status as it had in January*

2008.	
Description of a management system process to meet the requirement.	To ensure that forest land in the wood origin area has not been converted into non-forest land after January 2008, the company uses historical maps available in Latvia—such as those provided in the Nature Data Management System "Ozols" or in the map browsers published on the website of the Latvian Geospatial Information Agency (https://www.lgia.gov.lv/lv).

Article 29 (4c): Protection of land with high carbon stock	
Biomass fuel produced from agricultural biomass shall not be made from raw material obtained from land with high-carbon stock, namely land that had one of the following statuses in January 2008 and no longer has that status: *(c) land spanning more than one hectare with trees higher than five metres and a canopy cover of between 10 % and 30 %, or trees able to reach those thresholds in situ, unless evidence is provided that the carbon stock of the area before and after conversion is such that, when the methodology laid down in Part C of Annex V is applied, the conditions laid down in paragraph 10 of this Article would be fulfilled.* *This paragraph shall not apply if, at the time the raw material was obtained, the land had the same status as it had in January 2008.*	
Description of a management system process to meet the requirement.	To verify that there has been no change in land use in the wood origin area since 2008, the company uses historical maps available in Latvia—such as those provided in the Nature Data Management System "Ozols" or in the map browsers published on the website of the Latvian Geospatial Information Agency (https://www.lgia.gov.lv/lv).

Article 29 (5): Protection of peatland	
Biomass fuel produced from agricultural biomass shall not be made from raw material obtained from land that was peatland in January 2008, unless evidence is provided that the cultivation and harvesting of that raw material does not involve drainage of previously undrained soil. For a peatland that was partially drained in January 2008, a subsequent deeper drainage, affecting soil that was not fully drained, would constitute a breach of the criterion.	
Description of a management system process to meet the requirement.	In Latvia, forestry operations in peatland areas are strictly regulated by several legal acts, in force since the year 2000 and subsequently supplemented by specific regulations. For example, the Forest Law and Cabinet of Ministers Regulation No. 83 "General Protection and Use Regulations for Specially Protected Nature Territories," among others. The main objective of these regulations is to preserve the ecological value of these areas, minimise environmental impact, and protect biodiversity. Therefore, the risk of receiving wood sourced from peatland areas is considered low. As part of the wood procurement process, the origin documentation of each load is checked.

Country: Latvia - Whole country

Article 29 (2): Soil quality and soil carbon

Biomass fuels produced from waste and residues derived not from forestry but from agricultural land shall be taken into account for the purposes referred to in points (a), (b) and (c) of the first subparagraph of paragraph 1 only where operators or national authorities have monitoring or management plans in place in order to address the impacts on soil quality and soil carbon. Information about how those impacts are monitored and managed shall be reported pursuant to Article 30(3).	
(i) Impacts on soil quality	
Step 1: Identification of applicable laws	
Have the applicable law(s) been identified?	No, management plan needed at economic operator level (go to step 4)
List of applicable law(s)	N/A
Sources	N/A
Step 2: Description of enforcement and monitoring by competent authorities	
Description of the practical implementation and monitoring of the law(s)	N/A
Sources	N/A
Is the enforcement and monitoring ensured for the identified law(s)?	No, management plan needed at economic operator level (go to step 4)
Step 3: Evaluation of the effectiveness of the legal framework	
Evaluation of the practical implementation of the law(s) and explanation for the evaluation	N/A
Sources	N/A
Is legal framework effective?	No, management plan needed at economic operator level (go to step 4)
Step 4: Detailed description of a management plan and monitoring at economic operator level	The company uses above-ground woody biomass, the harvesting of which does not require operations such as stump removal, which would directly affect the soil. In cases of overgrowth removal from agricultural lands, the impact on soil and its carbon storage capacity must not exceed that caused by typical agricultural operations.

(ii) Impact on soil carbon	
Step 1: Identification of applicable laws	
Have the applicable law(s) been identified?	No, management plan needed at economic operator level (go to step 4)
List of applicable law(s)	N/A
Sources	N/A
Step 2: Description of enforcement and monitoring by competent authorities	
Description of the practical implementation and monitoring of the law(s)	N/A
Sources	N/A
Is enforcement and monitoring ensured for the identified law(s)?	No, management plan needed at economic operator level (go to step 4)
Step 3: Evaluation of the effectiveness of the legal framework	
Evaluation of the practical implementation of the law and explanation for the evaluation	N/A
Sources	N/A
Is legal framework effective?	No, management plan needed at economic operator level (go to step 4)
Step 4: Detailed description of a management plan and monitoring applied at economic operator level	The company uses above-ground woody biomass, the harvesting of which does not require operations such as stump removal, which would directly affect the soil. In cases of overgrowth removal from agricultural lands, the impact on soil and its carbon storage capacity must not exceed that caused by typical agricultural operations.

Article 29 (3a): Protection of land with high biodiversity value

Biomass fuel produced from agricultural biomass shall not be made from raw material obtained from land with a high biodiversity value, namely land that had one of the following statuses in or after January 2008, whether or not the land continues to have that status: *(d) primary forest and other wooded land and old growth forest, namely forest and other wooded land of native species, where there is no clearly visible indication of human activity and the ecological processes are not significantly disturbed; and old growth forests as defined in the country where the forest is located.* *;*	
Description of a management system process to meet the requirement.	In Latvia, such forest or non-forest areas are extremely limited or practically nonexistent. In areas that approach these criteria, nature reserves and strict protected areas (e.g., Slītere National Park, Teiči and Krustkalni Nature Reserves) have been established to preserve unique and minimally human-influenced natural values. Economic activity in such areas is prohibited. Therefore, the risk of sourcing wood fromsuch non-forest land areas is practically non-existent.

Article 29 (3b): Protection of land with high biodiversity value	
Biomass fuel produced from agricultural biomass shall not be made from raw material obtained from land with a high biodiversity value, namely land that had one of the following statuses in or after January 2008, whether or not the land continues to have that status: ***(e)*** *highly biodiverse forest and other wooded land which is species-rich and not degraded, or has been identified as being highly biodiverse by the relevant competent authority, unless evidence is provided that the production of that raw material did not interfere with those nature protection purposes;*	
Description of a management system process to meet the requirement.	The Nature Data Management System “Ozols” (https://ozols.gov.lv/pub) stores and manages information on specially protected territories, including grassland habitats, species, microreserves, and nature management activities. It also includes data on nonforest land habitats that are not legally protected but have significant ecological or scientific value. The system provides up-to-date data to support nature conservation planning and biodiversity preservation in Latvia. To ensure that forest land has not been converted into non-forest land in the biomass origin area, historical maps available in Latvia are used—such as those included in the “Ozols” system or the map browsers available on the website of the Latvian Geospatial Information Agency (https://www.lgia.gov.lv/lv). To confirm that non-forest land was not established on forest land that existed before 2008, the company uses the “Ozols” system and historical map layers. Shrub and tree overgrowth removal is an important measure in preserving grassland habitats. To ensure the conservation of biodiversity within such habitats, the removal of woody vegetation must be carried out in a way that enables future management of the grassland through mowing or grazing. Suppliers have been informed about this requirement.When accepting wood from grassland habitats, the company carries out field inspections on a sampling basis in such areas to ensure that overgrowth removal has not caused negative impacts on the ground vegetation and that further grassland management by mowing or grazing remains feasible.

Article 29 (3c): Protection of land with high biodiversity value
Biomass fuel produced from agricultural biomass shall not be made from raw material obtained from land with a high biodiversity value, namely land that had one of the following statuses in or after January 2008, whether or not the land

continues to have that status: *(c) areas designated:* *(i) by law or by the relevant competent authority for nature protection purposes; or* *(ii) for the protection of rare, threatened or endangered ecosystems or species recognised by international agreements or included in lists drawn up by intergovernmental organisations or the International Union for the Conservation of Nature, subject to their recognition in accordance with the first subparagraph of Article 30(4), unless evidence is provided that the production of that raw material did not interfere with those nature protection purposes.* ***(ii)***	
Description of a management system process to meet the requirement.	In Latvia, there are various categories of protected areas where different forest management restrictions apply: • Nature reserves: All forestry activities are strictly prohibited. • Nature restricted areas (dabas liegumi): Forestry operations are permitted only for specific purposes (e.g., habitat restoration) and require special permits. • National parks: Forestry may take place in designated landscape protection zones or zones for economic use, in compliance with nature protection requirements. • Protected landscape areas and biosphere reserves: Forestry is allowed in line with defined nature conservation objectives. Each protected area has a designated nature management plan specifying permissible activities. In order to carry out any forestry operations, forest owners or managers must submit an application to the Nature Conservation Agency (Dabas aizsardzības pārvalde). The Nature Conservation Agency and the State Forest Service (Valsts meža dienests) monitor compliance with all applicable regulations. The company only accepts wood from protected areas if the harvesting has been carried out under a valid permit issued by the Nature Conservation Agency. Based on historical supply data in the Latvian production units of AS Graanul Invest group, wood from such protected areas has been delivered less than once per year.

Article 29 (3d): Protection of land with high biodiversity value	
Biomass fuel produced from agricultural biomass shall not be made from raw material obtained from land with a high biodiversity value, namely land that had one of the following statuses in or after January 2008, whether or not the land continues to have that status: *(f) highly biodiverse grassland spanning more than one hectare that is:* *(iii) natural, namely grassland that would remain grassland in the absence of human intervention and that maintains the natural species composition and ecological characteristics and processes; or* *(iv) non-natural, namely grassland that would cease to be grassland in the absence of human intervention and that is species-rich and not degraded and has been identified as being highly biodiverse by the relevant competent authority, unless evidence is provided that the harvesting of the raw material is necessary to preserve its status as highly biodiverse grassland.*	
Description of a management system process to meet the requirement.	Overgrowth removal is an important measure for the conservation of grassland habitats. To ensure the preservation of biodiversity in such habitats, the removal of woody vegetation must be carried out in a manner that allows for continued grassland management through mowing or grazing. The company uses the Nature Data Management System “Ozols” to evaluate the origin of each delivery.When accepting wood from grassland habitats, the company conducts field inspections on a sampling basis in such areas to verify that the overgrowth removal has not caused negative impacts on ground vegetation and that further management of the grassland by mowing or grazing remains feasible.

Article 29 (4a): Protection of land with high carbon stock	
Biomass fuel produced from agricultural biomass shall not be made from raw material obtained from land with high-carbon stock, namely land that had one of the following statuses in January 2008 and no longer has that status: *(d) wetlands, namely land that is covered with or saturated by water permanently or for a significant part of the year;* *This paragraph shall not apply if, at the time the raw material was obtained, the land had the same status as it had in January 2008.*	
Description of a management system process to meet the requirement.	To protect and preserve these valuable habitats, Latvia has implemented several wetland protection and restoration projects. For example, under the LIFE Programme, projects are being carried out to restore degraded peatlands and to develop wetland protection plans. In addition, several protected wetlands in Latvia are included in the Natura 2000 network. These areas are specially protected to conserve biodiversity and ensure the long-term survival of wetland ecosystems. (Source: https://mitraji.lv/mitraji-latvija/) To ensure that the area of origin of the wood has not been converted from wetland to non-forest land after 2008, the company uses historical maps available in Latvia—such as those provided in the “Ozols” Nature Data Management System or the map browsers published on the website of the Latvian Geospatial Information Agency (https://www.lgia.gov.lv/lv).

Article 29 (4b): Protection of land with high carbon stock	
Biomass fuel produced from agricultural biomass shall not be made from raw material obtained from land with high-carbon stock, namely land that had one of the following statuses in January 2008 and no longer has that status: *(e) continuously forested areas, namely land spanning more than one hectare with trees higher than five metres and a canopy cover of more than 30 %, or trees able to reach those thresholds in situ;* *This paragraph shall not apply if, at the time the raw material was obtained, the land had the same status as it had in January 2008.*	
Description of a management system process to meet the	To ensure that forest land in the wood origin area has not been converted into non-forest land after January 2008, the company uses historical maps available in Latvia—such as those provided in the Nature Data Management System “Ozols” or in the map browsers published on the website of

requirement.	the Latvian Geospatial Information Agency (https://www.lgia.gov.lv/lv).

Article 29 (4c): Protection of land with high carbon stock	
Biomass fuel produced from agricultural biomass shall not be made from raw material obtained from land with high-carbon stock, namely land that had one of the following statuses in January 2008 and no longer has that status: *(f) land spanning more than one hectare with trees higher than five metres and a canopy cover of between 10 % and 30 %, or trees able to reach those thresholds in situ, unless evidence is provided that the carbon stock of the area before and after conversion is such that, when the methodology laid down in Part C of Annex V is applied, the conditions laid down in paragraph 10 of this Article would be fulfilled.* *This paragraph shall not apply if, at the time the raw material was obtained, the land had the same status as it had in January 2008.*	
Description of a management system process to meet the requirement.	To verify that there has been no change in land use in the wood origin area since 2008, the company uses historical maps available in Latvia—such as those provided in the Nature Data Management System "Ozols" or in the map browsers published on the website of the Latvian Geospatial Information Agency (https://www.lgia.gov.lv/lv).

Article 29 (5): Protection of peatland	
Biomass fuel produced from agricultural biomass shall not be made from raw material obtained from land that was peatland in January 2008, unless evidence is provided that the cultivation and harvesting of that raw material does not involve drainage of previously undrained soil. For a peatland that was partially drained in January 2008, a subsequent deeper drainage, affecting soil that was not fully drained, would constitute a breach of the criterion.	
Description of a management system process to meet the requirement.	In Latvia, forestry operations in peatland areas are strictly regulated by several legal acts, in force since the year 2000 and subsequently supplemented by specific regulations. For example, the Forest Law and Cabinet of Ministers Regulation No. 83 "General Protection and Use Regulations for Specially Protected Nature Territories," among others. The main objective of these regulations is to preserve the ecological value of these areas, minimise environmental impact, and protect biodiversity. Therefore, the risk of receiving wood sourced from peatland areas is considered low. As part of the wood procurement process, the origin documentation of each load is checked.

Annex 4a: RED II detailed findings for Trees Outside Forest (TOF) feedstock

NOTE: For "Trees outside forests (TOF) – Urban and landscape feedstock" no REDII sustainability requirements apply, only the GHG savings criteria apply (SBP REDII Bridging ID Section 4.2). The land use category in this case is neither forest land nor agricultural land. For "Trees outside forests (TOF) – Agricultural land feedstock" the applicable criteria are Article 29 paragraphs (2)-(5).