Compliance with the SBP Framework: Public Summary Report

Preferred by Nature OÜ
Evaluation of Timbro SIA

First Surveillance Audit

Sustainable Biomass Program
sbp-cert.org



Completed in accordance with the CB Public Summary Report Template Version 2.1 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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Table of contents

1 Overview **3**

2 Audit conclusions **4**

2.1 Certification decision 4
2.2 Open non-conformities and observations 4
2.2 Closed non-conformities 7
2.3 Actions taken by Organisation Prior to Report Finalisation 7
2.4 Notes for the next Audit 7

3 Scope of the audit and SBP certificate **8**

3.1 Description of the company 9
3.2 Site details 9
3.3 Detailed description of the Chain of Custody system and Product Groups 9

4 Specific objective of the audit **10**

5 Evaluation process **11**

5.1 Timing and duration of evaluation activities 11
5.2 Auditor team qualification 11
5.3 Description of evaluation activities 11
5.4 List of forest management units and feedstock suppliers visited 12
5.5 Describe audit sampling methodology used 14
5.6 CB stakeholder engagement 14
5.7 Stakeholder feedback and response 15
5.8 Main strengths and weaknesses of the management system and operations 15
5.9 Summary of evaluation activities for robustness of the Supply Base Evaluation 15
5.10 Summary of evaluation activities for Processing residues and/or Post-consumer feedstock requirements per Standard 2 and EU RED 15
5.11 Summary of evaluation activities for chain of custody system per Standard 4 15
5.12 Summary of evaluation activities for collection and communication of data per Standard 5 16
5.13 Summary of audit findings for competency of involved personnel 16
5.14 Summary of audit findings for GHG methodology per Standard 6 (if applicable) 16

6 Detailed evaluation of BP's Supply Base Evaluation (if applicable) **17**

6.1 Overview of BP's risk assessments and mitigation measures including EU RED scope 17
6.2 CB evaluation of specified risk indicators and mitigation measures 18

1 Overview

Certification Body (CB) Name:	Preferred by Nature OÜ
Primary CB contact for SBP:	Pilar Gorria Serrano
Primary CB contact email:	pgorria@preferredbynature.org
Audit team leader:	Girts Karss
Audit team members:	N/A
Name of the Company:	Timbro SIA
Company legal address:	Gaujas iela 5, LV-4101 Cēsis, Latvia
Company contact for SBP:	Didzis Palejs
Company contact email:	kristaps@timbro.lv
Company website:	
Date of installation:	
SBP Certificate Code:	SBP-13-46
Date of certificate issue:	23 Sep 2025
Date of certificate expiry:	22 Sep 2030
Audit closing meeting date:	03 Jul 2026
Audit cycle:	First Surveillance Audit

2 Audit conclusions

2.1 Certification decision

Based on the auditor's recommendation and the Certification Body's technical review, the following certification decision is taken:	
Certification decision:	Certification approved
Certification decision by (name of the person):	Kersti Kuum
Date of decision:	01 Oct 2026
Other comments:	N/A

2.2 Open non-conformities and observations

NC number 9783	NC Grading: Minor
Standard:	SBP Standard 4: Chain of Custody v2.0
Requirement:	1.11 The Organisation shall ensure that: a. internal audits are conducted by personnel knowledgeable of the requirements of the Standard(s); b. internal auditors do not audit their own work; c. internal audit documentation includes at minimum the scope of the internal audit; names of the internal auditor(s), date, conclusion of the evaluation of the Organisation's conformance with SBP requirements, and any corrective actions and associated deadlines; and d. any non-conformances found during internal audits are recorded as corrective actions, and actions are taken in a timely and appropriate manner. N/A N/A N/A
Description of Non-conformance and Related Evidence:	
Auditor reviewed the internal audit report and identified the following non-conformity with the standard requirements: during the internal audit the BP had identified a non-conformity, but the non-conformity had not been formulated as a corrective action request and description of actions taken to resolve the non-conformity and the root cause analysis was not provided. Furthermore, factual errors were identified upon reviewing the internal audit report, i.e. the BP is stating in the internal audit report that the company did not sell any SBP-certified ship cargo, which is not true. A minor non-conformity NCR 01/26 (2026-007468) raised. Non-conformity graded as minor because of limited scale and impact.	
Timeline for Conformance:	By the next surveillance audit, but no later than 12 months from report finalisation date
Evidence Provided by Company to close NC:	Pending
Findings for Evaluation of Evidence:	Pending
NC Status:	Open
Original Due Date:	2027-10-01
Closing Date:	N/A
Upgrade Date:	N/A
Update Date:	N/A

NC number 9784	NC Grading: Minor
Standard:	Instruction Document EU RED: Bridging Requirements for Meeting the Directive EU/2023/2413
Requirement:	3.1.2 "The organisation shall have written procedures and / or work instructions or equivalent to ensure the implementation of all elements of the chain of custody system and mass balance requirements. This shall include at minimum the following: – N/A N/A N/A
Description of Non-conformance and Related Evidence:	
Review of the EU RED documented procedure ((“SIA Timbro EU RED2 atbilstošas biomasas iepirkuma apraksts” (v. 1/aug2024) shows that the procedure is outdated and is not reflecting the actual provisions: the procedure contains references to outdated EU regulatory document - EU REDII Regulation 2018/2001/EU. Furthermore, few other inaccuracies were identified such as responsibility designations due to changes in responsibilities in the SBP management at the BP that had occurred during the audit period. . Non-conformity graded as minor since procedure-wise there are no substantial changes, particularly since the BP is opting to use risk assessment for forest-based feedstock with all risks defined as “low”.	
Timeline for Conformance:	By the next surveillance audit, but no later than 12 months from report finalisation date
Evidence Provided by Company to close NC:	Pending
Findings for Evaluation of Evidence:	Pending
NC Status:	Open
Original Due Date:	2027-10-01
Closing Date:	N/A
Upgrade Date:	N/A
Update Date:	N/A

NC number 9785	NC Grading: Minor
Standard:	Instruction Document EU RED: Bridging Requirements for Meeting the Directive EU/2023/2413
Requirement:	3.1.5 "The organisation shall conduct an annual internal audit to determine whether the organisation: – N/A N/A N/A
Description of Non-conformance and Related Evidence:	
During the internal audit the BP had identified an internal non-conformity in relation to chain of custody provisions, but the non-conformity had not been formulated as a corrective action request and description of actions taken to resolve the non-conformity. The BP had not documented the internal non-conformity as per requirements (lack of documentation of corrective actions, including dates and descriptions of actions taken to resolve them) of the standard and hence the minor non-conformity is raised against this SBP EU RED Instruction Document requirement.	
Timeline for Conformance:	By the next surveillance audit, but no later than 12 months from report finalisation date
Evidence Provided by Company to close NC:	Pending

Findings for Evaluation of Evidence:	Pending
NC Status:	Open
Original Due Date:	2027-10-01
Closing Date:	N/A
Upgrade Date:	N/A
Update Date:	N/A

2.2 Closed non-conformities

2.3 Actions taken by Organisation Prior to Report Finalisation

N/A

2.4 Notes for the next Audit

N/A

3 Scope of the audit and SBP certificate

Scope item	Check all that apply to the Certificate scope
Primary activity	Biomass Producer
Secondary activity	Trader
Approved Standards	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 5E: Collection and Communication of Energy and Carbon data. v2.1; Instruction Document EU RED: Bridging Requirements for Meeting the Directive EU/2023/2413
Product Group IDs	☒ Forest feedstock (1A) ☐ Trees outside forest (TOF) - Urban and landscape feedstock (2A) ☐ Trees outside forest (TOF) - Agricultural land feedstock (3A) ☒ Processing residues feedstock (4A) ☐ Post-consumer feedstock (5A) ☐ Other (please specify)
SBP Feedstock types	☒ SBP Compliant; ☒ SBP Controlled
Includes Supply Base Evaluation (SBE)	Yes
Includes EU RED Scheme	Yes
Includes EU RED Supply Base Evaluation (SBE)	No
Products	WB 2.1 Wood chips
Feedstock origin (countries):	Latvia
SBP-endorsed Regional Risk Assessments used: **Public link:** https://sbp-cert.org/documents/standards-documents/risk-assessments/	SBP-RRA-EU-LV-FOR_v2.0 RRA for Latvia FOR_Endorsed
Chain of custody system	☐ Physical separation ☒ Mass balance
Outsourcing	Yes
Changes in the scope	No changes

3.1 Description of the company

Guidance: Please describe the type, structure and operations of the company including its role in the supply chain, its inputs and outputs as they related to SBP Standards.

SIA "Timbro" is a new and ambitious forestry forest product trading company primarily oriented to logging and trading wood and wood products. The company is located in Cesis and is operating mainly in the Vidzeme region. The organization buys standing forest via stumpage sales from private forest owners, organizes logging, and sells roundwood logs to various buyers. The company is producing biomass - chips from logging residues and selling in export markets. Besides logging SIA Timbro is also providing a full spectrum of forest management services to forest owners, such as forest inventory, forest management planning, silviculture, harvesting and forest product sales services. The company is active in research and participating capacity of project implementing actor in EU funded projects targeted at innovations in forestry and timber trade.

3.2 Site details

Legal entity name	Address	Site Activity	Visited during the audit
SIA Timbro	Gaujas iela 5, Cēsis LV-4101 Latvia	Office	☒
Mērsrags harbour storage site	Lielā iela 62, Mērsrags, Talsu novads	Biomass storage site	☒
Skulte harbour storage site	Mandegas, Skultes pagasts, Limbažu novads, LV-4025	Biomass storage site	☐

3.3 Detailed description of the Chain of Custody system and Product Groups

Guidance: Please describe the operation of the CoC system including details of the mass balance management and a list of established Product Groups.

The BP is operating the SBP Chain of Custody and FSC chain of custody systems. There are two product groups: roundwood and wood chips in BP's FSC CoC product group. The BP is sourcing primary feedstock - wood chips, produced from logging residues (product group 1A) from private forest owners and other suppliers. BP is also sourcing processing residues - wood chips from FSC/PEFC certified suppliers – primary processors - sawmills (4A). As a production activity, the BP is producing wood chips from forest logging residues included in the Supply Base Evaluation process or verified according to the BP's Controlled Wood verification system for Latvia. Wood chips are produced from logging residues and arboricultural arisings [KK7.1]from the supply base region of the Republic of Latvia are sourced within BP's SBP Supply Base Evaluation process. The BP is implementing an FSC transfer system for certified material flow control. The FSC certified and SBP-Compliant biomass is exported from Mērsrags and Skulte harbors. Chips are delivered to Mērsrags and Skulte harbors by truck from the forest gate. Chips are sold on FOB conditions from both ports, where the BP is operating a biomass storage site.[KK8.1]. The BP is using mass balance system for controlling of SBP/RED claims in both harbors.

4 Specific objective of the audit

The specific objective of the annual surveillance audit is to confirm that the Biomass Producer's management system is capable of ensuring that all requirements of the specified SBP Standards are implemented across the entire scope of certification.
Audit comprise evaluation of the practical implementation of the requirements of the applicable standards:
- Review of the BP's management procedures;
- Review of the production processes,
- storage site visits in port/harbour terminals;
- Review of mass balance system control points;
- Interviews with responsible staff;
- Review of the records, calculations, and conversion coefficients;
- GHG data collection analysis and review of the applicable reports;
- Review of the BP's management procedures, including requirements designated in SBP standards: SBP Standard #1 V2.0; SBP Standard #2 V2.0; SBP Standard #4 V2.0, SBP Standard #5 V2.0, and related SBP instruction documents: Instruction Document 5E: Collection and Communication of Energy and Carbon data. v2.1, and Instruction Document EU RED: Bridging Requirements for Meeting the Renewable Energy Directive (EU/2023/2413)
- Review of the updated Supply Base Report;
- Review and validation of SBP SBP Audit Report (SAR) on Energy and Carbon Data for Woodchips with Mobile and/or Stationary Chipping;
- Evaluation of mitigation measures implemented for primary feedstock - forest based feedstock;
- Field visits of the primary and secondary feedstock suppliers;
- Interviews with responsible staff;
- Review of the reports and records,

5 Evaluation process

5.1 Timing and duration of evaluation activities

Audit Level of Effort (LoE)		
Activity	**Auditors**	**Auditor hours**
1. Preparation	GK	2.0
2. On-site (excl. travel time)	GK	16.0
3. Report writing	GK	16.0

5.2 Auditor team qualification

Auditor qualification		
Auditor name	**Role**	**Qualification**
Girts Karss	Lead auditor	Works for NEPCon since 2011 Girts Karss holds MSc in Environmental Science from the Lund University and the University of Latvia. Completed Rainforest Alliance lead assessor training course in FSC Forest Management and FSC Chain of Custody operations and obtained the FSC Forest Management and Chain of Custody lead auditor qualification. Completed SBP auditor training in 2016 and acquired SBP auditor qualification. Participated in capacity of auditor and lead auditor in SBP assessments and annual audits with Supply Base Evaluation in scope in biomass processing companies in Latvia and other countries.

5.3 Description of evaluation activities

The annual surveillance audit was carried out as an onsite audit. The aim of the audit is to verify the continuous compliance of the organization's SBP management system to SBP standard requirements, including the SBP SBE system used by the organization in sourcing primary feedstock and conducting mitigation measures in line with SBP standards version 2.0.
June 11
The annual surveillance audit began with an opening meeting in the organization's office in Cēsis attended by the responsible persons of the organization – the accountant, who is also the responsible for day-to-day SBP certification at the organization. At the opening meeting, the lead auditor introduced the auditing team, rehearsed the information contained in the audit plan, and clarified the audit methodology and verification scope. The auditor explained the aim and objectives of the audit, informed about the evaluation process, underlined the essence of the need to collect objective evidence through a combination of document review, site visits, interviews, and discussions, and explained the importance of the sampling aspect of the auditing. The auditor discussed the audit plan with the staff and clarified the details.
After the opening meeting, the responsible personnel was asked to describe the changes in the system with the SBP system and principal biomass production processes, the BP's SBE system, SBP chain of custody system and changes in GHG data management system as per SBP Instruction document 5E.

Further on auditor carried out an evaluation of the SBP chain of custody critical control points,. Auditors evaluated the application of requirements of the SBP standards No. 2 and 4 covering feedstock input clarification, existing chain of custody system, management system, recordkeeping/mass balance requirements, categorization of feedstock inputs, and verification of SBP compliant feedstock/ biomass. Chain of Custody implementation was reviewed briefly focusing on the Critical Control Points (feedstock procurement, production of biomass at the forest gate (multiple FMUs), feedstock reception at the port storage site), in particular the feedstock reception process and feedstock classification, identification of feedstock origin, production process with the conversion factors associated, mass balance, final product storage, and sales.
Auditor discussed the feedstock sourcing processes, SBE in particular. Risk mitigation measures were discussed with the responsible personnel. During the process, the overall responsible person for the SBP system as well as other staff having responsibilities within the system were interviewed.
Auditor also reviewed the recordkeeping system and verified records for accuracy, process of wood reception, biomass storage, and sales were discussed in detail.
Auditor reviewed applicable requirements of the SBP standard No. 5 and instruction documents 5E covering emission and energy data related to feedstock sourcing and biomass production. During the process, the overall responsible person for the SBP system as well as other staff having responsibilities within the system were interviewed. Auditors also reviewed the accountancy and ERP system data and validated the integrity of data included in the SBP Audit Report (SAR) on Energy and Carbon Data for Woodchips with Mobile Chipping. The auditor reviewed the Supply Base Report and validated data compiled in the SBR.
Auditor reviewed the biomass sales data in the DTS system and verified the integrity of the BP's ERP system with the biomass mass balance system.
In the last leg of the office audit the auditor summarized the office audit outcomes. A brief closing meeting summarizing the office audit results was conducted at the end of the audit day. Audit findings were summarized, and audit conclusions delivered based on the use of the 3-angle evaluation method were provided to the personnel of the organization that participated in the office audit.

June 18
The auditor carried out the field inspections at the FMU level with purpose of evaluating the Supply Base Evaluation process both for the SBP-Compliant primary feedstock and risk mitigation measures. The primary focus was to evaluate the risk mitigation measures in FMUs where the primary feedstock (logging residues) was sourced by the BP. At the same time did own independent evaluation of the suppliers to verify the correctness of the mitigation measure. (see the list of visited FMUs above in Section 2.1). For this purpose the auditor visited 3 sampled FMUs and evaluated the efficiency of High Conservation Value risk mitigation measures in areas, where the primary feedstock (logging residues) was sourced by the BP. (see the list of visited FMUs above in Section 2.1).

July 3
A brief closing meeting was held on July 3 after reviewing the additional evidence provided by the BP. Audit findings were summarized and audit conclusions based on the use of the 3-angle evaluation method were provided to the responsible persons at the organization.

5.4 List of forest management units and feedstock suppliers visited

☐ N/A – No forest sites or suppliers visited during this evaluation

Site name
FMU Brožēni
Site location
cad. No 88940080094, block No. 1, com. No. 12
Site description
N/A
Rationale and focus of visit
The focus of the inspection: evaluating BP's approach in implementing the risk mitigation measures for SBP risk indicators 2.1.1, 2.1.2., and 2.1.3 according to Revised Regional Risk Assessment (RA) for Latvia from July 8, 2024 related to identification and protection of HCVF category 3.
Description of audit activity
A veteran tree of Scots Pine (Pinus sylvestris L.) has been registered in data base "Ozols" in the forest land area, compartment No. 12. The field observation shows no signs of forest management activities in the compartment No. 12., including the vicinity of the veteran tree.

Site name
FMU "Pārslas"
Site location
Cad. No. 88820040085, block 1, comp. No 7.
Site description
N/A
Rationale and focus of visit
The focus of the inspection: evaluating BP's approach in implementing the risk mitigation measures for SBP risk indicators 2.1.1, 2.1.2., and 2.1.3 according to Revised Regional Risk Assessment (RA) for Latvia from July 8, 2024 related to identification and protection of HCVF category 3.
Description of audit activity
Desk review of feedstock origin data reveals compartment No. 7 falls within the area of EU habitat type Fennoscandian herb-rich forests with Picea abies (EU code 9050) in data base "Ozols". Onsite field inspection show that management activities had been carried out in adjacent compartments No. 1 and No. 14, but no harvesting activities have been conducted in compartment No. 7.

Site name
FMU "Caunas"
Site location
Cad. No. 98600070050, block 1, comp. No 1.1,2,22,29.
Site description
N/A
Rationale and focus of visit
The focus of the inspection: evaluating BP's approach in implementing the risk mitigation measures for SBP risk indicators 2.1.1, 2.1.2., and 2.1.3 according to Revised Regional Risk Assessment (RA) for Latvia from July 8, 2024

related to identification and protection of HCVF category 3.

Description of audit activity
Desk review of feedstock origin data reveals compartment No. 1.1, 2 falls within the area of EU habitat type Alluvial forests with Alnus Glutinosa and Fraxinus excelsior (Alno-Padion, Alnion Incanae, salicion albae) (EU code 91E0*) in data base “Ozols” (desk evaluation date: June 18, 2026. The status of EU habitat removed from the database “Ozols” by the time of the audit closing meeting). Onsite field inspection show that trees in mentioned compartments had been harvested at least 2 years ago. Review of State Forest Service database shows that the last harvesting activity was conducted in 2024, i.e. prior to certification and the BP had not sourced logging residues according to information from the responsible person. A recent tree felling activity observed in compartments No. 22 and 29, where the BP had sourced feedstock from. Mentioned compartments (22, 29) do not fall within the HCV area.

5.5 Describe audit sampling methodology used

Description of sampling During the office audit auditors conducted the sampling of the suppliers and FMUs for field inspections. Auditors made a plan for field inspections based on sampling, selecting for inspection feedstock suppliers included into Supply Base Evaluation: The following considerations have been taken into account to establish as sample and the sampling intensity: 1) Geographical area; 2) Type of the operations and activities; 3) Risk mitigation measures related to origin and mixing. Geographical area: BP is sourcing the primary feedstock included in the scope of the Supply Base Evaluation from Latvia. The BP is sourcing feedstock from the central part of Latvia primarily. So, FMUs and properties of forest and non-forest lands from the sourcing region shall be included in the sample. Type of operations and activities: The SBE covers the sourcing of primary feedstock (logging residues, branches, low-quality roundwood, etc.) from forest and non-forest lands (TOF). Thus, both FMUs in forest lands and properties of non-forest lands shall be included in the sample. In addition to the SBP SBE, the BP is employing the Supply Base Evaluation process for primary feedstock sourced in line with EU RED requirements. Hence, the mentioned feedstock types shall be evaluated in the context of BP RED SBE process. Risks identified in the SBP risk assessment for Latvia: 2.1.1. Key species, habitats, ecosystems, and areas of high conservation value (HCV) pertaining to biodiversity in the Supply Base shall be identified. 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. 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. 3.2.3. Primary 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). Field inspections are planned to verify the BP’s risk mitigation measures aimed at to preserving the High Conservation Values and high carbon stocks. Sampling intensity: Auditor reviewed the pool of all SBP-Compliant feedstock origin data for the presence of HCVs using desk tools. Based on the review only those FMUs were selected for field inspections that contain HCV attributes (compartments of HCV in felling permit, HCV border/topology issues etc). This approach in the auditor's opinion is more efficient and sensible since only those FMUs/compartments that have reason to inspect in the field are targeted.. It is considered sufficient to cover all major risk aspects and provide a sufficient level of assurance for compliance with the standard. Auditors checked the pool of origin data and selected potential sites for field inspections in Kurzeme region. All pool of feedstock origin data was verified using the database “Ozols” for HCV of category 1 and 3. As a result of desk data evaluation, several HCV of categories 1 and 3 in harvesting permits were identified. Those include High Conservation Value Forests category 3. The nominal number of FMUs (HCV category 3) to be included in the field visit program – 2 FMUs have been determined using the relationship $x \sim \sqrt{y} \times 0.6$, where y – number of FMUs containing HCV attributes (4). 3 FMUs were selected for onsite, field inspections. The total number of FMUs was considered, and no subsets (forest lands/non-forest lands) were used. The documents related to SBP Standards 4 and 5 were sampled using a general, Preferred by Nature-adopted uniform random sampling approach.

5.6 CB stakeholder engagement

☒ N/A – Certification Body stakeholder consultation not applicable for this evaluation

Guidance: Please specify the number and types of stakeholders engaged, method of engagement and its outcomes.

5.7 Stakeholder feedback and response

☒ N/A – Certification Body stakeholder consultation not applicable for this evaluation

5.8 Main strengths and weaknesses of the management system and operations

Strengths: small number of staff, with clearly designated responsibilities. Principal SBP system elements are well implemented. SBE processes are well documented; the main database for material accounting and risk mitigation records is well maintained and all relevant information can be easily retrieved and reported in various cross-sections.
The BP staff participated in the training for High Conservation Value identification and health and safety training courses with respected Latvian experts. Strong commitment to implementing the SBP system and positive approach has been observed during the audit.
Weaknesses: see detailed information in the Non-conformance report and audit findings sections (Annex A)

5.9 Summary of evaluation activities for robustness of the Supply Base Evaluation

☐ N/A – Standard 1 not in the scope of the evaluation

SIA Timbro is implementing the Supply Base Evaluation process for primary feedstock (roundwood) originating from Latviam, sourced without SBP-approved Forest Management Scheme claim, SBP-approved Forest Management partial claim, SBP-approved Chain-of-Custody (CoC) System claim. Risk mitigation measures have been elaborated and are being implemented for feedstock originating from forest land (material sourced under the FSC Controlled Wood system). The BP is applying the SBP-endorsed regional risk assessment for the feedstock supply base covering SBE – the Republic of Latvia. Based on the “specified risks” in the risk assessment the organization has suggested several mitigation measures which were consulted with relevant stakeholders before implementation. Risk mitigation measures are relevant in addressing risks. The BP has evaluated options for risk mitigation measures and selected the most appropriate and effective risk mitigation measures out of those referenced in the risk assessment. In fact, the most risk mitigation measures outlined in the RRA are used by the BP.
The stakeholder consultation process was conducted before the audit through notification of stakeholders and information on the planned risk mitigation measures to stakeholders. The BP is keeping records of communication with stakeholders.

5.10 Summary of evaluation activities for Processing residues and/or Post-consumer feedstock requirements per Standard 2 and EU RED

The scope of BP's SBP certificate includes sourcing processing residues with FSC/PEFC certification claims. The BP shall evalute compliance of processing residues with the requirements of SBP standard 2 and SBP RED Bridging document requirements (Article 29(1)). If necessary supplier audits shall be conducted on-site. The focus shall be on the evaluation of feedstock handling processes, assessing documentation accuracy, and verifying classification practices. It also involves reviews of documentation and interviews with supplier personnel to confirm adherence to standards. Supplier audits shall be recorded - defined compliance areas to ensure consistency across suppliers.
The BP had not sourced processing residues as part of the SBP biomass during the audit reporting period.

5.11 Summary of evaluation activities for chain of custody system per Standard 4

The chain of custody system was reviewed during the onsite audit. Critical control points have been evaluated during the process and the most important critical control points, such as port terminals have been visited onsite. BP's documented control system has been reviewed during the audit and discussed with BP's responsible personnel. BP's accounting system was reviewed and information in the CoC registers was verified.

5.12 Summary of evaluation activities for collection and communication of data per Standard 5

The organization has established a system for data collection and recording and has compiled data associated with feedstock sourcing and biomass production and delivery within the organization's supply chains. The organization has provided a detailed overview of the systems and databases to collect and record data during the audit. Information on GHG
has been compiled in the SAR document. All required data evidence was provided to auditors during the onsite audit. Auditors considered it sufficient enough to fulfill the requirements of SBP standards.

5.13 Summary of audit findings for competency of involved personnel

The SBP/SBE system is implemented by the organization staff, that have undergone training. Staff members are responsible for various aspects of the SBP certification system. The Member of the board holds the overall responsibility for implementing the FSC chain of custody certification system as well as the overall responsibility for the SBP and SBE system. He is responsible for feedstock and biomass procurement, entering agreements with suppliers. He has sufficient knowledge of the SBP requirements especially in the chain of custody or sourcing of raw materials and has experience in the forestry/wood processing industry. Forest foremen are involved in implementing the SBE processes and conducting risk mitigation measures on the ground (in the field).
The chief accountant is responsible for the accounting of SBP feedstock/bkiomass, sales of SBP biomass, communication to clients, and accounting of raw data for GHG calculations.
Involved BP staff and contractors demonstrated sufficient knowledge in relevant fields (recognition and identification of HCVF, health and safety requirements) during the sites visits.
In overall, auditors evaluate the competency of the main responsible staff to be sufficient for implementing the SBP system with primary material sourced within the SBE. The evaluation is based on interviews, a review of qualification documents, training records, and a set of procedures and documents that were composed for the SBP system as well as field observations.

5.14 Summary of audit findings for GHG methodology per Standard 6 (if applicable)

☒ N/A – Standard 6 not in the scope

6 Detailed evaluation of BP's Supply Base Evaluation (if applicable)

☐ N/A – Supply Base Evaluation not in the scope of the evaluation

6.1 Overview of BP's risk assessments and mitigation measures including EU RED scope

SBP Standard 1 sustainability criteria - forest feedstock

The organization has elaborated and is implementing mitigation measures of risks for non-certified feedstock, including FSC Controlled Wood originating from supply base - Latvia. The organization has designed and is implementing mitigation measures for 4 indicators evaluated as specified risk (2.1.1, 2.1.2, 2.1.3 and 3.2.2) as per SBP-endorsed RRA for Latvia (**SBP Revised Regional Risk Assessment for Latvia**, 12 July 2024). The BP is also requiring suppliers to take necessary actions – risk mitigation measures to avoid supplying material of "specified risk".

RED sustainability criteria for forest based primary feedstock: the BP had opted to use the Level A risk assessment for Latvia elaborated by the Ministry of Agriculture of Latvia and endorsed by SBP, covering sustainable harvesting criteria of Article 29(6) of the Renewable Energy Directive (REDIII) EU/2023/2413 "Izvērtējums par meža biomasas atbilstību ilgtspējības kritērijiem". (https://www.zm.gov.lv/lv/izvertejums-par-meza-biomasas-atbilstibu-ilgtspejas-kriterijiem).
The following risk designations have been specified by the Level A risk assessment of the Ministry of Agriculture:

- (i) The legality of harvesting operations: "**Low risk**".
- (ii) Forest regeneration of harvested areas: "**Low risk**".
- (iii) 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: "**Low risk**".
- (iv) That harvesting is carried out considering maintenance of soil quality and biodiversity in accordance with sustainable forest management principles, that avoids harvesting of stumps and roots, degradation of primary forests, and of old growth forests and harvesting on vulnerable soils, that harvesting is carried out in compliance with maximum thresholds for large clear-cuts and ecologically appropriate retention thresholds for deadwood extraction: "**Low risk**"
- (v) Harvesting maintains or improves the long-term production capacity of the forest: "**Low risk**".
- (vi 1) Biomass fuel shall not be made from raw material obtained from the primary forest (there is no clearly visible indication of human activity) and old-growth forest (signs of former human activities may be visible) (no-go area): "**Low risk**".
- (vi 2) Biomass fuel shall not be made from raw material obtained from highly biodiverse forests unless evidence is provided that the production of that raw material did not interfere with those nature protection purposes: "**Low risk**".
- (vi 3) Biomass fuel shall not be made from raw material obtained from natural, highly biodiverse grassland or non-natural, highly biodiverse grassland unless evidence is provided that the harvesting of the raw material is necessary to preserve its status as non-natural, highly biodiverse grassland (no-go area for natural): "**Low risk**"
- (vi 4) Biomass fuel shall not be made from raw material obtained from heathland (no-go area): "**Low risk**"
- (vi 5) Biomass fuel shall not be made from raw material obtained from land that had the status of wetlands in 2008, and no longer has that status: "**Low risk**".
- (vi 6) Biomass fuel shall not be made from raw material obtained from peatland unless evidence is provided that the cultivation and harvesting of that raw material does not involve drainage of previously

undrained soil: “**Low risk**”.

- (vii) That installations producing biomass fuels issue a statement of assurance that the forest biomass is not sourced from the lands referred to in point (vi): “**Low risk**”.
- LULUCF criteria 29(7): Is a Party to the Paris Agreement: “**Low risk**”.
- LULUCF criteria 29(7): Has submitted a nationally determined contribution (NDC): “**Low risk**”.
- LULUCF criteria 29(7): Has national or sub-national laws in place in accordance with Article 5 of the Paris Agreement: “**Low risk**”.

6.2 CB evaluation of specified risk indicators and mitigation measures

Country
Latvia
Area/Sub-Scope
None
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.
Specified risk description
See the description of the specified risk in the RRA document: https://sbp-cert.my.salesforce.com/sfc/p/#0Y000001duq6/a/P5000004AKsn/og1hZcJ8qu8IG3Fu43qJtWkVIuhslCkdlh11PZ2o1a8)
Detailed description of a mitigation measure
Means of Verification: Timbro identifies HCV Category 1 sites and locations before sourcing the feedstock. Where necessary, it conducts compliance evaluations—either internally or with the assistance of experts. Sources of Information: A wide range of data sources is used to assess and verify HCV areas, including: • The Ozols database (Nature Conservation Agency) • Field inspections and monitoring records • Interviews with supplier personnel and stakeholders • Expert consultations • Species protection maps and plans • Regional and national publicly available data • Reports and maps from environmental NGOs • Official websites (e.g. State Forest Service, Nature Conservation Agency, EU agencies) • Relevant Latvian and EU legislation and regulations Feedstock Origin Verification: To ensure the legality and accuracy of the feedstock origin:

- The Cadastre Number is required for every sourced load or logging site.
- This information is verified using Felling Permits and purchase agreements.
- Accuracy of feedstock origin (e.g. cadastre number, forest management unit, timber loading location) is cross-checked using official data from:
    - Ozols database
    - LVM GEO system
    - Felling Permit Verification tools of the Latvian State Forest Service

The purchasing specialist verifies the data in Ozols at the time of load reception. Loads are only accepted if accompanied by a valid Felling Permit.

Detailed description of CB evaluation of mitigation measure and its conclusions

The feedstock origin information for all SBP-Compliant primary feedstock covering period from November 2024 to March 2025 was validated against the Ozols database by screening deliveries for Natura 2000 forest habitats and the occurrence of protected species within harvesting sites. Desk review and field inspections conducted by the CB did not reveal occurrence of RTE species.

Country

Latvia

Area/Sub-Scope

none

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.

Specified risk description

see the description of risk in: https://sbp-cert.my.salesforce.com/sfc/p/#0Y000001duq6/a/P5000004AKsn/og1hZcJ8qu8IG3Fu43qJtWkVIuhslCkdlh11PZ2o1a8)

Detailed description of a mitigation measure

Scale of the Assessment:
The assessment covers potential threats and impacts to **key species**, **habitats**, **ecosystems**, and **High Conservation Value (HCV)** sites within **legally designated Latvian forests**, with a focus on protecting biodiversity values.
Means of Verification:
Timbro SIA performs both:

- **Desk-based evaluations**, and
- **On-site audits** of suppliers and forest managers

These evaluations assess potential threats to HCV areas and sites, and determine compliance—either independently or with input from qualified experts when necessary.
Information Sources:
The desk-based assessment uses a variety of data sources, as outlined under **Indicator 2.1.1**, including:

- The *Ozols* database of the Nature Conservation Agency (https://www.daba.gov.lv/public/lat/dati1/dabas/ozols/database)
- LVM GEO platform
- Felling Permit verification services
- Contracts, field inspections, and relevant national and EU legislation

Feedstock Origin Verification:
To ensure traceability and legality:

- The **Cadastre Number** is required for every sourced load or logging site.
- This data is verified using **Felling Permits** and **purchase agreements**.
- The **accuracy of feedstock origin** (e.g. FMU cadastre number, logging location) is confirmed using official databases and verification tools.

Upon receiving a load, the **purchasing specialist**:

- Verifies the feedstock origin data using the *Ozols* database;
- Confirms the Felling Permit is valid (loads are **not accepted without a permit**);
- Ensures the data matches the declared origin and management unit.

HCV Risk Mitigation – Based on SBP Regional Risk Assessment for Latvia v2.0:
HCV Category 1 – Rare, Threatened, and Endangered (RTE) Species:
If the *Ozols* database shows that the cadastre area listed in the Felling Permit overlaps with a **habitat of RTE species** (e.g. indicated by a red dot showing a protected species occurrence such as a bird nesting site or cave), the following mitigation steps are applied:

1. **On-site inspection** is conducted to ensure:
    - The habitat has not been destroyed by forest operations;
    - Logging activities have considered the specific needs of the RTE species;
    - All legal requirements have been met.
2. If needed, **expert opinion** is obtained to support the compliance evaluation.

Only if HCV Category 1 risks are fully mitigated and no signs of damage or non-compliance are found, the feedstock is accepted as SBP-compliant.
HCV Category 3 – Woodland Key Habitats (EU Important Protected Forest Habitats):
If the *feedstock origin data* (Felling Permit and cadastral FMU) indicates that the harvest area includes a **protected forest habitat of EU significance** (e.g. a woodland key habitat), the following procedure is followed:

- The company refers to its internal procedure titled **"Criteria for Acceptance of Biomass as SBP-Compliant"**.
- As a default, feedstock from HCV Category 3 areas is **not accepted as SBP-compliant**.
- However, if forest management activities are **clearly aimed at improving or restoring the habitat**, an **on-site field inspection** is carried out.
- If the field criteria are met, the feedstock may be accepted **only with written expert confirmation**.

Detailed description of CB evaluation of mitigation measure and its conclusions

Timbro SIA is implementing a robust system for identifying and mitigating risks related to HCV Categories 1 and 3. The procedures are grounded in official information sources (databases), formal verification steps, field inspections, and expert input when required. Feedstock is accepted as SBP-compliant only after clear evidence of risk mitigation and legal compliance is confirmed.

Country

Latvia

Area/Sub-Scope

none

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.

Specified risk description

see the description of risk here: https://sbp-cert.my.salesforce.com/sfc/p/#0Y000001duq6/a/P5000004AKsn/og1hZcJ8qu8IG3Fu43qJtWkVIuhslCkdlh11PZ2o1a8)

Detailed description of a mitigation measure

Scale of the Assessment:
The assessment identifies **key species, habitats, ecosystems**, and **High Conservation Value (HCV)** areas within the Supply Base that must be **maintained or enhanced** to protect biodiversity. The assessment covers the full geographic scope of raw material sourcing.
Means of Verification:
Timbro SIA applies both:

- **Desk-based evaluations**, and
- **On-site audits** of suppliers and forest managers

These are used to assess risks and actual threats to HCV sites and areas. When needed, **expert consultation** is obtained to form a formal compliance opinion.

Information Sources:
The desk-based evaluation uses the information sources detailed under **Indicator 2.1.1**, including:

- The *Ozols* database (Latvian State Forest Service)
- LVM GEO mapping services
- Felling Permit verification tools
- Purchase agreements, contracts, and related documentation
- Relevant Latvian and EU biodiversity legislation

Feedstock Origin Verification:

Accurate verification of feedstock origin is a critical control point:

- The **Cadastre Number** is required for each sourced load or logging site.
- Cadastre data is sourced from **Felling Permits** and **purchase contracts**.
- The accuracy of feedstock origin data—including **forest management unit (FMU) boundaries** and **timber loading locations**—is verified using:
  - *Ozols* database
  - LVM GEO
  - Official Felling Permit verification tools

At the point of receiving a load, the **purchasing specialist**:

- Confirms the cadastre number and FMU in *Ozols*;
- Checks that a valid **Felling Permit** is provided (no load is accepted without it);
- Verifies that the site is compliant with sourcing requirements.

Risk Identification and Mitigation Approach:

As per the **SBP Regional Risk Assessment for Latvia (v2.0)**, Timbro implements the following procedures for **HCV Category 1 and Category 3** areas:
HCV Category 1 – Rare, Threatened, and Endangered (RTE) Species:
If the feedstock origin data shows the presence of a **protected species habitat** (e.g., red dot in *Ozols* indicating bird nesting sites or cave habitats):

1. An **on-site inspection** is conducted to confirm:
   - The RTE habitat is intact and not adversely affected by forest operations.
   - The supplier has applied **appropriate forest management practices**, respecting species-specific habitat needs.
   - All **legal biodiversity protection requirements** have been met.
2. If necessary, **expert consultation** is sought to support the evaluation.

Only if all risks are **effectively mitigated** is the feedstock classified as **SBP-compliant**.
HCV Category 3 – EU-Protected Forest Habitats (Woodland Key Habitats):
If the feedstock origin data (via Felling Permit or cadastre record) indicates the presence of an **EU-designated protected forest habitat**, the following procedure is followed:

- By default, **feedstock from HCV Category 3 areas is not accepted** as SBP-compliant.
- If forest management is being conducted **specifically to improve or maintain**

habitat quality, the company:

1. Conducts a **field inspection** of the site;
2. Assesses compliance using the internal procedure **"Criteria for Acceptance of Biomass as SBP-Compliant"**;
3. Requires a **written expert opinion** validating that the habitat-related objectives are being met.

Only after these conditions are satisfied may the feedstock be registered as **SBP-compliant**.

Detailed description of CB evaluation of mitigation measure and its conclusions

Timbro SIA has established a robust system for assessing and mitigating risks related to biodiversity and high conservation values. The verification process is comprehensive—incorporating cadastral validation, field inspections, expert input, and documented procedures—to ensure only compliant feedstock enters the SBP-certified supply chain.

Country

Latvia

Area/Sub-Scope

none

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).

Specified risk description

see the description of risk here: https://sbp-cert.my.salesforce.com/sfc/p/#0Y000001duq6/a/P5000004AKsn/og1hZcJ8qu8IG3Fu43qJtWkVIuhslCkdlh11PZ2o1a8)

Detailed description of a mitigation measure

Scale of the Assessment:
The assessment scope includes the identification of **species, habitats, ecosystems**, and **High Conservation Value (HCV)** sites, as well as areas with **high carbon stock (HCS)** attributes. These components are addressed in accordance with **SBP Indicators 2.1.1–2.1.3**, and are essential for maintaining biodiversity and climate mitigation values within the Supply Base.
Risk Assessment Framework:
The Biomass Producer (BP), *Timbro SIA*, applies the **SBP-endorsed Regional Risk Assessment (RRA) for Latvia**. Through consultations with stakeholders—including logging and wood-processing companies—a dedicated **risk mitigation procedure** was developed. This procedure defines:

- **Methodologies for field and on-site inspections**;

- **Documentation requirements** for demonstrating compliance with HCV and HCS protection requirements.

Means of Verification:

Timbro SIA applies the following verification methods:

- **Desk-based audits** to evaluate the presence of HCVs and high carbon stocks in the sourcing area;
- **On-site audits** of suppliers or forest managers, following the methodology under Indicators 2.1.1–2.1.3;
- **Compliance evaluations** carried out independently or with the support of expert advice;
- **Carbon stock assessments** based on:
  - National forest inventory data,
  - Historical spatial datasets,
  - Remote sensing imagery.

Sourcing Exclusion Criteria:

The company enforces a **strict exclusion policy** for biomass sourced from:

- **Deforestation** activities (i.e. conversion of forest to non-forest land uses);
- **Drained wetlands**, due to their high carbon stock and ecological significance.

Information Sources and Tools:

The BP supports its verification and risk mitigation efforts using a wide range of data sources:

- **Field inspection records** and **monitoring reports**.
- **Interviews** with forest management entity (FME) staff and local stakeholders.
- Data from the **Ozols** nature data management system.
- Communication with **Nature Conservation Agency experts**.
- **Maps**, **satellite imagery**, and public data from **trusted third parties**.
- Reports and spatial layers from **environmental NGOs**.
- Official websites and datasets from the **State Forest Service**, **Nature Conservation Agency**, **EU institutions**, and the **Rural Support Service (Lauku atbalsta dienests)**.
- **Latvian national and EU legal frameworks**, including forestry and sustainability legislation.

HCV and HCS Identification:

- **HCV areas** are identified in accordance with procedures detailed in **Indicators 2.1.1–2.1.3**.
- **High carbon stock areas** are identified using the definition provided in national legislation—**Cabinet Regulation No. 686** (dated 02.11.2022): *"Regulations on sustainability and greenhouse gas emission savings criteria, criteria for*

electricity produced from biomass fuel, and procedures for justification, verification, and monitoring of compliance with these criteria."

Any area meeting this definition is treated as a **high carbon stock area** and is subject to BP's risk mitigation protocols.

Chain of Custody and Feedstock Records:

All relevant information related to feedstock is systematically recorded, including:

- **Feedstock origin** (e.g. cadastre number, FMU location);
- **Risk mitigation actions** taken;
- **Chain of Custody (CoC)** tracking;
- **Feedstock volumes** delivered and verified.

Only **low-risk feedstock**, confirmed to meet all **SBP-compliant low-risk conditions**, is recorded in the **BP's volume register** and accepted into the certified biomass supply chain.

Detailed description of CB evaluation of mitigation measure and its conclusions

Timbro SIA has implemented a rigorous and transparent system for identifying and mitigating biodiversity and carbon stock-related risks in accordance with SBP standards. The approach combines spatial analysis, field inspections, legal compliance, and stakeholder input to ensure that only verified, low-risk feedstock enters the certified supply chain.