



Preferred by Nature OÜ Evaluation of Meža Birojs SIA Compliance with the SBP Framework: Public Summary Report

Third Surveillance Audit

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The promise of good biomass



Completed in accordance with the CB Public Summary Report Template Version 1.8

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

Document history

Version 1.0: published 26 March 2015

Version 1.1: published 30 January 2018

Version 1.2: published 4 April 2018

Version 1.3: published 10 May 2018

Version 1.4: published 16 August 2018

Version 1.5: published 22 October 2020

Version 1.7: published 12 November 2022

Version 1.8: published 26 April 2023

Table of Contents

1	Overview
2	Scope of the evaluation and SBP certificate
2.1	Description of the company
2.2	Detailed description of the Chain of Custody system
3	Specific objective
4	Evaluation process
4.1	Timing of evaluation activities
4.2	Description of evaluation activities
4.3	Sampling methodology
4.4	CB stakeholder engagement
4.5	Stakeholder feedback
5	Results
5.1	Main strengths and weaknesses
5.2	Rigour of Supply Base Evaluation
5.3	Collection and communication of data
5.4	Competency of involved personnel
6	Review of company's risk assessments
6.1	Overview of company's risk assessments and mitigation measures
6.2	Specified risk indicators and mitigation measures
7	Non-conformities and observations
8	Certification decision

1 Overview

Certification Body (CB) Name:	Preferred by Nature OÜ
Primary CB contact for SBP:	Ondrej Tarabus
Primary CB contact email:	otarabus@preferredbynature.org
Audit team leader:	Girts Karss
Audit team members:	Liene Suveizda
Name of the Company:	Meža Birojs SIA
Company legal address:	Meža iela 4, LV-1048 Rīga, Latvia
Company contact for SBP:	Anita Freija
Company contact email:	anita@mezabirojs.lv
Company website:	N/A
Installation date:	N/A
(production of heat, cooling or electricity from biomass has started)	
SBP Certificate Code:	SBP-08-12
Date of certificate issue:	06 Jul 2020
Date of certificate expiry:	05 Jul 2025
Audit closing meeting date:	06 Jul 2023
Audit cycle:	Third Surveillance Audit

2 Scope of the evaluation and SBP certificate

Scope Item	Check all that apply to the Certificate Scope	Change in scope (N/A for Assessments)
Primary Activity:	Biomass Producer	☐
Approved Standards:	SBP Standard 1: Feedstock Compliance Standard; SBP Standard 2: Verification of SBP-compliant Feedstock; SBP Standard 4: Chain of Custody; SBP Standard 5: Collection and Communication of Data Instruction	☐
Includes Supply Base Evaluation (SBE):	Yes	☐
Includes REDII scheme	No	☐
Includes REDII SBE	No	☐
Includes communication of Dynamic Batch Sustainability Data (DBSD)	No	☐
Includes Group Scheme	No	☐
Products	Chips	☐

Feedstock types:	Primary, Secondary	☐
Feedstock origin (countries):	Latvia, Estonia	☐
SBP-endorsed Regional Risk Assessments used:	Latvia	☐
Public link: https://sbp-cert.org/documents/standards-documents/risk-assessments/		☐
Chain of custody system implemented:	FSC: FSC: NC-COC-060544 PEFC CoC: Certificate No. 03-26/20-2	☐
	Credit, Transfer	☐

2.1 Description of the company

SIA Meža Birojs is timber and biomass trading company, with harbor and office located in North part of Latvia. One of the business operation is production of wood chips and wood chip trading. The BP operates office in Limbaži town and the biomass storage facilities situated in the territory of Salacgrīva port. The organization operates a storage site – logyard for both roundwood and chips in Salacgrīva port. The main business activity of the organization is timber harvesting, in addition to this Organisation is dealing with timber trading, biomass production and trading activities. The organization produces wood chips itself from logging residues and low quality roundwood. Only low quality roundwood, diseased wood or thinning wood of different species is used for producing the biomass from the roundwood. The BP is producing biomass – chips from logging residues and by chipping biomass from non-forest land – arboricultural arisings. The BP is buying logging residues and bush/brush from owners of forest land, harvesting companies and owners of non-forest land for chipping. In addition to this low quality primary feedstock is sourced as a logging residues and chipped from low quality wood (pulpwood and firewood) in Salacgrīva harbour. The BP is sourcing wood chips from logging residues and bushes from external suppliers. The BP also source small amount of secondary feedstock – chips (co-products) from primary processors (sawmills). All primary feedstock originates from the territory of Latvia. Secondary feedstock originates from Latvia and Estonia. The BP is implementing FSC transfer and credit system as well as PEFC Chain of Custody system. FSC Transfer system is implemented for sales of certified timber in the internal market, i.e. controlling the certified material from the forest to the buyer in Latvia. FSC transfer system may also be used in Salacgrīva port in specific cases, e.g. for sales of FSC (FSC 100%) certified biomass in export markets. FSC Credit system is implemented in Salacgrīva port for controlling the SBP compliant feedstock. PEFC Physical Segregation Method (xx% PEFC) is used for volume control of PEFC certified biomass sales in local market as well as in export markets via Salacgrīva harbor. FSC, PEFC certified feedstock and the SBP – low-risk feedstock source that was approved within the SBE system is used for SBP compliant feedstock production. Non-certified feedstock is segregated. All feedstock is delivered to Salacgrīva port terminal by truck, where chips are stored. In few cases low grade roundwood chipping is taking place at the port, where low grade

roundwood logs are chipped. The trans-shipment and loading of chips onto vessels is taking place next to the wood chips storage site. Biomass (wood chips for energy production) are sold on FOB incoterm conditions in Salacgrīva port.

2.2 Detailed description of the Chain of Custody system

The BP is using both the FSC chain of custody systems to manage certified claims. The BP holds PEFC Forest Management certificate (Certificate No. 02-11/20-1) along with PEFC chain of custody certificate (Certificate No. 03-26/20-2). The BP is also holding FSC chain of custody certificate NC-COC-060544. FSC Transfer system is implemented for sales of certified timber in internal market, i.e. controlling the certified material from the forest to the buyer in Latvia. FSC transfer system may also be used in Salacgrīva port in specific cases, e.g. for sales of FSC (FSC 100%) certified biomass in export markets. FSC Credit system is implemented in Salacgrīva harbour for controlling the SBP compliant feedstock. FSC, PEFC certified feedstock and the SBP – low-risk feedstock source that was approved within the SBE system is used for SBP compliant feedstock production. The PEFC/FSC certified feedstock and SBP – low-risk feedstock that has been approved within the SBE system will be used for the SBP-compliant feedstock production and sales. After the SBP feedstock is received, feedstock of the applicable categories is stored in one pile. For roundwood and chips three feedstock categories - FSC 100%, PEFC 100% and low-risk feedstock source that has been approved within the SBE system are used which are stored in 3 separate places/piles in the port logyard. "Other" feedstock/biomass is not sourced. Low quality FSC / PEFC certified roundwood is used for the biomass - chips production. It is segregated from other material by placing in separate pile in the terminal internal area. In rare cases roundwood will be chipped in the harbor logyard. Roundwood and chips are sold on FOB incoterm conditions at Salacgrīva harbour.

3 Specific objective

Objective of the evaluation:

- Review of the BP's management procedures;
- Review of the production processes;
- Review of FSC system control points, analysis of the existing FSC CoC system;
- 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 standard SBP Standard #1 V1.0; SBP Standard #2 V1.0;
- Field visits of FMU to evaluate the risk mitigation measures;
- Evaluation of mitigation measures implemented for both primary and secondary feedstocks, including inspections of suppliers of primary (at FMU level);
- Review of the updated Supply Base Report;
- Assessing compliance against SBP Standard #5 V1.0 and accompanying Instruction Document 5E.
- Review of the reports and records, including DTS system information.

4 Evaluation process

4.1 Timing of evaluation activities

Audit Level of Effort (LoE)		
Activity	Auditors	Auditor hours
1. Preparation	GK, LS	4.0
2. On-site (excl. travel time)	GK, LS	16.0
3. Report writing	GK,LS	16.0
4. Other	N/A	

Audit Schedule			
Activity	Location	Auditor name	Date/time
<i>opening meeting</i>	Meža birojs office	GK, LS	28 Jun 2023/09:00
<i>office audit, reviewing documents</i>	Meža birojs office	GK, LS	28 Jun 2023/09:00
<i>SBP SBE management system review. STD 1</i>	Meža birojs office	LS	28 Jun 2023/13:00
<i>Std 5 evaluation, SAR review</i>	Meža birojs office	GK	28 Jun 2023/15:00

<i>Field inspections, health and safety, HCV evaluation</i>	Meža birojs office	GK, LS	29 Jun 2023/09:00
<i>office work, remaining questions</i>	Meža birojs office	GK, LS	29 Jun 2022/15:00
<i>resolving of remaining issues, closing meeting</i>	remote	GK, LS	06 Jul 2023/13:00
<i>Salacgrīva harbor terminal and biomass storage site</i>	Storage sites	GK	29 Jun 2022/9:00

Auditor qualification		
Auditor name	Role	Qualification
Ģirts Karss (GK)	Audit team leader, SBP standards #1, #2, #5	Works for NEPCon since 2011 Ģirts Karss holds MSc in Environmental Science from the Lund University and the University of Latvia. He has passed the Rainforest Alliance lead assessor training course in FSC Forest Management and FSC Chain of Custody operations and obtained the FSC lead auditor qualification. Ģirts Karss has conducted of FSC Chain of Custody audits in wood industry companies in Latvia and FSC forest management assessments and annual audits in Baltic countries and Russia. Ģirts had completed SBP training course and has participated in a number of SBP assessments, scope change and annual audits including Supply Base Evaluation in scope in Latvia and other countries.
Liene Suveizda (LS)	Audit team member, SBP standards #2,	Works for NEPCon since 2011 Ģirts Karss holds M.Sc in Environmental Science from the Lund University and the University of Latvia. Passed the Rainforest Alliance lead assessor training course

	#4	in FSC Forest Management and FSC Chain of Custody operations and obtained the FSC lead auditor qualification. Girts Karss had acquired SBP auditor qualification in 2016 and has participated in capacity of auditor and lead auditor in a number of SBP assessments, annual surveillance and re-assessment audits, including Supply Base Evaluation in biomass processing and trading companies in Latvia and other countries.
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4.2 Description of evaluation activities

The annual surveillance audit was carried out as an onsite audit. The aim of the audit is to verify the compliance of the organization with SBP standard requirements, including the SBP SBE system used by the organization in sourcing primary feedstock and conducting mitigation measures.

Pre-audit activities

Sites (FMUs and suppliers) related to risk mitigation of primary feedstock (SBP indicators 2.1.1, 2.1.2, and 2.8.1) have been evaluated based on feedstock origin data, that was provided by the BP prior to the audit. Auditors carried out a spatial analysis of all feedstock origin data with regard to HCV cat. 1, cat. 3 and cat. 6 risks. See the details of sampling described below in Section 6.2.

June 28, 2023

Joint FSC chain of custody (COC/CW) and SBP annual surveillance audit began with an opening meeting in the Meža birojs office attended by the responsible persons of the organization – the Board member, who is also the overall responsible person for SBP certification at the organization, and the Environmental Specialist (Consultant) of the organization. At the opening meeting, the lead auditor introduced the auditing team, rehearsed the information contained in the audit plan, and audit methodology, and clarified the verification scope. The auditor explained the aim and objectives of the audit, informed about the evaluation process, underlined the need to collect objective evidence through a combination of document review, site visits, interviews, and discussions, and explained the essence and importance of the sampling aspect of the auditing.

After the opening meeting, the responsible staff informed about general changes in the FSC COC/ SBP system and biomass production process.

Further on auditors evaluated the application of requirements of the SBP standards nr.2, 4, 5 and instruction documents 5E covering feedstock input clarification, an existing chain of custody and controlled wood system, management system, recordkeeping/mass balance requirements, applicable emission and energy data and categorization of input and verification of SBP compliant and SBP Controlled feedstock/ biomass. Chain of Custody implementation was reviewed focusing on the Critical Control Points, 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. 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 SBP documented procedures and records. The audit team reviewed SBR and validated data compiled in the Supply Base Report.

After this, auditors went through all applicable requirements of the SBP standard No., 5 and instruction document 5E covering input clarification, existing chain of custody and controlled wood systems,

management system, CoC, recordkeeping/mass balance requirements, emission and energy data and categorization of input and verification of SBP compliant and SBP Controlled feedstock/ biomass. Overall responsible person for the SBP system having key responsibilities within the system was interviewed during the process.

Further on the auditors discussed open NCRs and questions related to the SBP (SBE) system – effectiveness, monitoring, supplier review, evaluation of suppliers, and risk mitigation measures. Review of feedstock and biomass accounting system, purchase/delivery records, sales data, verification of FSC and SBP credit system, validation of the integrity of DTS data with organization's ERP and accountancy records (Standard #4)

SBP SBE system analysis and review. Review of procedures, records of risk mitigation measures, evaluation of efficiency of SBP risk mitigation measures, review of management review.

Interviews with responsible staff, management system (SBP standard 1,2,4)

June 29

The auditor visited the Salacgrīva harbor terminal and biomass storage site. During the visit, the receptionist was interviewed, the recordkeeping system was reviewed and records were verified for accuracy, the process of wood reception, storage, and loading into the vessel was discussed in detail. The storage site was visited and the type of feedstock in storage was identified.

In the second half of the day selected FMUs were visited. 5 FMUs were selected for evaluation of HCV risk mitigation measures in completed logging sites (see the list of visited FMUs above in Section 2.1).

The auditors carried out the field inspections at the FMU level. Auditors were evaluating how High Conservation Value risk mitigation measures were evaluated in 5 FMUs where the primary feedstock was sourced by the BP and at the same time doing their own independent evaluation of the suppliers to verify the correctness of the mitigation measure.

One auditor visited FMU where the contractor of the supplier had been conducting logging works, using manual labor (chainsaws). The auditor evaluated how the BP assessed the compliance to Health and safety requirements in logging works as risk mitigation means regarding SBP indicator 2.8.1.

Audit findings of both day's work were summarized and presented to the BP staff.

July 6, 2023

Auditors reviewed the remaining missing documentary evidence that was not reviewed during the onsite meeting. Also, the final versions of the SAR documents were reviewed.

The annual surveillance audit ended with a closing meeting based on the use of the 3 angle evaluation method. Audit findings were provided to the responsible persons at the organization – participating responsible staff - Board Member, and Environmental specialist (consultant). The closing meeting of the SBP audit and FSC COC evaluation was conducted remotely.

4.3 Sampling methodology

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 into SBE from Latvia. The BP is sourcing feedstock from Vidzeme region in Latvia primarily. So, FMUs and properties of non-forest lands from sourcing region shall be included in the sample. Type of the operations and activities: The SBE covers the sourcing of primary feedstock (logging residues, branches, low-quality roundwood etc.) from forest and non-forest lands. Thus, both FMUs in forest lands and properties of non-forest lands shall be included in the sample. Risks identified in the SBP risk assessment for Latvia: Regarding the feedstock origin for Latvia, the following risks considered as specified in Regional Risk Assessment endorsed by SBP: 2.1.1 Forests and other areas with

high conservation values in the Supply Base are identified and mapped; 2.1.2 Potential threats to forests and other areas with high conservation values from forest management activities are identified and addressed; 2.8.1 Appropriate safeguards are put in place to protect the health and safety of forest workers. To evaluate the risk mitigation measures implemented by BP for indicators 2.1.1 and 2.1.2, planned harvesting sites and sites after harvesting should be included in the sample. To evaluate the risk mitigation measures implemented by the BP for indicator 2.8.1, ongoing harvesting site should be included in the scope of sampling plan. Sampling intensity: The sampling process has been changed due to changes in BP's HCV risk mitigation system by switching to a desk-based risk mitigation system ("Ozols" database). Therefore, sampling by supplier, FMU/compartment level has been dropped due to a very small margin of error. Instead, all origin data have been checked for HCV presence using desk tools and 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 auditor opinion is more efficient and sensible by selecting only those FMUs/compartments that have some reason to inspect in the nature. It is considered sufficient to cover all major risk aspects and provide sufficient level of assurance for compliance with the standard. Initial desk-based analysis of HCVs in primary feedstock origin data at FMU level show that ca 16 FMUs are showing up HCV attributes in primary feedstock origin data (cadastral unit level) level. Those include primarily High Conservation Value Forests category - HCV cat. 3 – forest habitats of EU importance. 4 FMUs contain non-forest (grassland) habitats which not been included in the field inspections. The nominal number of FMUs to be included in the field visit programme – 4 FMUs has been determined using the relationship $x \sim \sqrt{y} \times 0.8$, where y – number of FMUs containing HCV attributes ($\sqrt{16} \times 0.8 \sim 4$). Thus, logging plots/compartments in 4 FMUs were determined to be visited in field inspections. The total number of FMUs was considered, and no subsets (forest lands/non-forest lands) were used, including both forests and non-forest lands. In order to evaluate health and safety risk mitigation measures, FMUs where on-going harvesting (manual logging works with chainsaws) took place at the time of audit were included in the list of FMUs for inspection. In overall, auditors decided to visit one site with on-going logging works. 1 contractor were possible to visit and evaluate for compliance to H&S requirements.

4.4 CB stakeholder engagement

Stakeholder consultation was carried out by both the Biomass Producer and the Certification Body prior to the assessment audit in 2020. The BP had not carried out additional stakeholder consultations during the audit period. The risk mitigation measures have been described in the Supply Base Report and are relevant and appropriate to the scale of the organization.

4.5 Stakeholder feedback

No stakeholder input was received during the reporting period.

5 Results

5.1 Main strengths and weaknesses

Strengths: A small number of staff involved in the management of the SBP system. The staff has long-term experience in FSC CoC/ CW certification, including experience in risk mitigation in the FSC Controlled Wood system. The BP staff participated in the training for High Conservation Value identification and health and safety training courses with respected Latvian experts. Proactive use of forest habitat expertise in routine work.

Weaknesses: See the NCR section of the report.

5.2 Rigour of Supply Base Evaluation

SIA Meža birojs is implementing the Supply Base Evaluation process for primary feedstock originating from Latvia and received 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 FSC Controlled Wood system) as well as non-forest land (arboriculture arisings on overgrown agriculture land, wood growing along the road, rails and other).

The BP is applying the SBP endorsed regional risk assessment for 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 prior to implementing. Risk mitigation measures are relevant in addressing risks. It was evaluated at the time of the assessment audit that BP has evaluated options for risk mitigation measures and selected the 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 BP had undertaken implementation of the mitigation measures for individual SBP standard indicators. This mitigation measures were designed in cooperation with external expert - nature/forest habitat experts, and expert on health and safety issues. The stakeholder consultation process has been conducted through notification of stakeholders and distributing the SBR report to stakeholders. Some stakeholders were also contacted directly. The BP is keeping records of communication with stakeholders.

5.3 Collection and communication of data

The BP has implemented a system to collect and record data on Greenhouse Gas emissions. A more detailed review of systems and databases (internal registers and sources of information) to collect and record Greenhouse Gas data were reviewed during the first surveillance audit. The BP also has provided detailed overview of the systems and databases to collect and record Greenhouse Gas data during the audit. All the GHG related information is indicated in the SAR document. All evidence was provided to auditors. In overall, auditors consider it is sufficient to fulfil the requirements of SBP standards.

5.4 Competency of involved personnel

The SBP and Supply Base Evaluation system is implemented by the organization staff, that have undergone external training and are supervised by the overall responsible person at the organization. Involved personnel demonstrated sufficient knowledge in relevant fields (recognition and identification of HC VF, health, and safety requirements) during the site visits. Relevant certificates were available at the

time of the assessment audit. Qualification requirements for personnel involved in the SBE system are provided in documented procedures of the BP.

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. It 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 during the assessment audit. The following key staff members are involved in SBP certification: SBP-related staff responsibilities are presented in Section 5.

“Responsibilities.” of the SBP Procedure. Few staff members are involved in SBP certification: Director and SBP responsible/ Board Member supported by the environmental specialist (maintaining of the management system, staff training, complaint handling, trademark use, and all SBP reporting), wood receptionist (wood reception and recordkeeping), accountant and department manager (recordkeeping, sales documents).

6 Review of company's risk assessments

6.1 Overview of company's risk assessments and mitigation measures

The organization has elaborated and is implementing mitigation measures of risks for non-certified feedstock including FSC Controlled Wood and PEFC Controlled Sources originating from Latvia. The organization has designed and is implementing mitigation measures for 3 indicators evaluated as specified risks (2.1.1, 2.1.2, and 2.8.1) according to SBP-endorsed RRA for Latvia. The BP is also requiring suppliers to take necessary actions – risk mitigation measures to avoid supplying material of “specified risk”. The same risk mitigation measures are applied to feedstock sourced from both forest and non-forest lands.

6.2 Specified risk indicators and mitigation measures

Country:
Latvia

Indicator:
2.1.1 The BP has implemented appropriate control systems and procedures for verifying that forests and other areas with high conservation value in the Supply Base are identified and mapped.

Specific risk description:
for specified risk description see Regional Risk Assessment for Latvia

Mitigation measure:

Indicator 2.1.1/2.1.2 (HCVF category 1):

According to the SBP endorsed risk assessment for Latvia, HCVF category 1 risks are related to Bird Directive's Annex 1 species (forest birds) whose populations are decreasing in the country. Risk mitigation measures envisages protection of existing bird habitats and protecting the nesting sites. The feedstock shall not be sourced from areas where the bird nesting sites had been destroyed as a result of forestry activities or feedstock sourced without proper forest management activities to preserve nesting sites. The BP staff involved in sourcing of primary feedstock within the SBE had undergone a training course for identification high conservation values in forest ecosystems, recognize HCVs (woodland key habitats, forest habitats of EU importance) and recognize important bird habitats and nesting sites and how these shall be protected.

The BP is using following risk mitigation measures to reduce the risk of threatening HCVF category 1 values: use of forest inventory data, if large-dimension trees with potential bird habitat are located in the area, a field audit is performed; information from the database „Ozols“; during the field audit, confirmation is obtained to make sure that the supplier identifies the bird's nesting sites and conserves them as far as possible. If that a large (above 50 cm) nest has not been preserved or is not planned to be preserved during development, such wood will not be accepted, as well as in case of risk the company refuses to further cooperate with the supplier. The BP is paying attention to preserving large bird nests. During supplier audits a special attention to preservation of large bird nests is paid. The BP is also considering necessity for training of the primary feedstock suppliers for recognizing the important bird areas, large diameter bird nests in particular and evaluating the logging site for presence of large diameter bird nests prior to harvesting. The presence of large diameter nests shall be noted in the WKH checklist. For all harvesting sites that are evaluated for the presence of Woodland Key Habitats with help of HCV checklist, a presence of large diameter (>50cm) nest or protected bird species is evaluated and noted in the checklist. Interviews with BP staff as well as review of records show that the responsible staff is aware

of the procedure. See more details in findings in Appendix B (section 9.1 Mitigation measures)

Indicator 2.1.1 (HCVF category 3):

The BP is utilizing a two step approach in assessing risks of indicator 2.1.1. The BP is using the Nature Conservation Agency's database "Ozols" as a primary source of information on High Conservation Value Forests. The database contains information on existing HCVs, including habitats of EU importance and/or Woodland Key Habitats. Database covers information on HCVs in all private owned forests, but is specifically focused on private forests due to risk designation in the SBP risk assessment. The database also contains the results of EU forest habitat inventory currently being undertaken in the private forests in Latvia. The BP has registered user (expert) level access to the database and has access to results of the inventory. If the information on HCV is not confirmed in the database, the BP shall carry out field verification. The BP has defined the following approach for risk mitigation with regard to identification of high conservation values – within the SBE system all harvesting sites that are not confirmed by the "Ozols" shall be inspected by the supplier of primary feedstock or the BP prior to harvesting and screened for presence of high conservation values using the WKH checklist. The BP is also accepting the supplier evaluation of HCV risks, but the supplier must have undergone training in identification of HCVs – biologically valuable forest habitats and the BP would verify data on a sampling basis. The checklist has been elaborated by forest habitat experts in Latvia and are used by many FSC and SBP certified biomass producers and forest management companies. See more details in findings in Appendix B (section 9.1 Mitigation measures)

During the reporting period the BP had conducted on-site field audits for those areas where the FMU has not been inventoried and evaluated by national EU habitat inventory managed by Nature Conservation Agency.

From review of risk mitigation measures and field audit observations audit team considers the mitigation measures related to HCV category 3 are implemented sufficiently to address the risk identified.

Indicator 2.1.1/2.1.2 (HCVF category 6):

The specified risk for this sub-indicator relates to large diameter noble tree species potentially originating from objects of cultural heritage value, for example, old manors, parks, tree alleys etc. The BP has implemented procurement policy specifying that noble tree species will not be sourced and in case it will be the diameter can't exceed 70cm. The chipping machinery has also maximum diameter restriction of this size. Field inspections showed that responsible staff demonstrated awareness of the requirement. Interviews with the responsible personnel as well as site tour through the storage area show that large sized noble tree species are not being put in the production processes and processed. See more details in findings in Appendix B (section 9.1 Mitigation measures)

From review of risk mitigation measures and field audit observations audit team considers the mitigation measures related to HCV category 6 are implemented sufficiently to address the risk identified.

Country:

Latvia

Indicator:

2.1.2 The BP has implemented appropriate control systems and procedures to identify and address potential threats to forests and other areas with high conservation values from forest management activities.

Specific risk description:

for specified risk description see Regional Risk Assessment for Latvia

Mitigation measure:

Indicator 2.1.1/2.1.2 (HCVF category 1):

According to the SBP endorsed risk assessment for Latvia, HCVF category 1 risks are related to Bird Directive's Annex 1 species (forest birds) whose populations are decreasing in the country. Risk mitigation measures envisages protection of existing bird habitats and protecting the nesting sites. The feedstock

shall not be sourced from areas where the bird nesting sites had been destroyed as a result of forestry activities or feedstock sourced without proper forest management activities to preserve nesting sites. The BP staff involved in sourcing of primary feedstock within the SBE had undergone a training course for identification high conservation values in forest ecosystems, recognize HCVs (woodland key habitats, forest habitats of EU importance) and recognize important bird habitats and nesting sites and how these shall be protected.

The BP is using following risk mitigation measures to reduce the risk of threatening HCVF category 1 values: use of forest inventory data, if large-dimension trees with potential bird habitat are located in the area, a field audit is performed; information from the database „Ozols“; during the field audit, confirmation is obtained to make sure that the supplier identifies the bird's nesting sites and conserves them as far as possible. If that a large (above 50 cm) nest has not been preserved or is not planned to be preserved during development, such wood will not be accepted, as well as in case of risk the company refuses to further cooperate with the supplier. The BP is paying attention to preserving large bird nests. During supplier audits a special attention to preservation of large bird nests is paid. The BP is also considering necessity for training of the primary feedstock suppliers for recognizing the important bird areas, large diameter bird nests in particular and evaluating the logging site for presence of large diameter bird nests prior to harvesting. The presence of large diameter nests shall be noted in the WKH checklist.

Indicator 2.1.2 (HCVF category 3):

Every source of primary feedstock shall be checked for presence of HCVF by verifying the “Ozols” database. In case the FMU/compartiment is not included in the “Ozols” database, the BP screens the compartment using tool “Latbio”. If tool “Latbio” indicates potential WKH, the site is visited and evaluated with the help of the checklist as potential woodland key habitat or forest habitat of EU importance, it can not be sourced as SBP Compliant feedstock. According to the procedure, the BP in such situation shall inquiry for a certified forest habitat expert advice to evaluate the harvesting site for presence of WKH or forest habitat of EU importance and determine the status the logging site. In case the decision is negative, the site can be harvested and supplied to BP as SBP Compliant feedstock. Feedstock from area of identified HCVs – WKHs/EU habitats (i.e. if the information on HCVF is included in the database “Ozols” or confirmed by expert opinion) is not accepted by the BP.

Field inspections showed that responsible staff demonstrated knowledge on how to identify HCV areas by using HCV checklists. See more details in findings in Appendix B (section 9.1 Mitigation measures)

From review of risk mitigation measures and field audit observations audit team considers the mitigation measures related to HCV category 3 are implemented sufficiently to address the risk identified.

Indicator 2.1.2 (HCVF category 6):

The specified risk for this sub-indicator relates to large diameter noble tree species potentially originating from objects of cultural heritage value, for example, old manors, parks, tree alleys etc. The BP has implemented procurement policy specifying that noble tree species will not be sourced and in case it will be the diameter can't exceed 70cm. The chipping machinery has also maximum diameter restriction of this size. Field inspections showed that responsible staff demonstrated awareness of the requirement.

Interviews with the responsible personnel as well as site tour through the storage area show that large sized noble tree species are not being put in the production processes and processed. See more details in findings in Appendix B (section 9.1 Mitigation measures)

From review of risk mitigation measures and field audit observations audit team considers the mitigation measures related to HCV category 6 are implemented sufficiently to address the risk identified.

Country:

Latvia

Indicator:

2.8.1 The BP has implemented appropriate control systems and procedures for verifying that appropriate safeguards are put in place to protect the health and safety of forest workers (CPET S12).

Specific risk description:

for specified risk description see Regional Risk Assessment for Latvia

Mitigation measure:

Indicator 2.8.1:

Each supplier/contractor shall be checked for H&S compliance by the BP prior to accepting him as a supplier/contractor under the SBE system. The BP uses the dedicated H&S checklist elaborated by the BP in consultation with H&S experts. The checklist is filled in during the supplier audit, via interviews with the workers in the forest. Each supplier/contractor shall be checked before accepting it as a „low risk“ feedstock supplier.

Surveillance/monitoring of suppliers of SBP Compliance feedstock is carried out through sampling, but at least one surveillance audit per calendar year. The supplier audits are conducted by the BP itself using the H&S checklist. The process of supplier verification with regard to H&S compliance has been observed by the CB during the assessment audit. See more details in findings in Appendix B (section 9.1 Mitigation measures)

The supplier audits are conducted by the BP. Field inspection observations and records show the BP has sufficient knowledge on H&S requirements as well as good timber harvesting practices. No substantial weaknesses related to the risk mitigation procedure and actual performance in the field have been identified as can be concluded from field inspection records and auditor observations in the field. It is thus concluded from the field inspections, BP is conducting the H&S compliance related risk mitigation measures properly.

7 Non-conformities and observations

NC number NC-003665 (06/21 (21675))	NC Grading: Minor
Standard:	SBP Standard 2: Verification of SBP-compliant Feedstock
Requirement:	6.1 The BP shall record the place of harvesting of inputs classified as SBP-compliant primary feedstock. N/A N/A N/A
Description of Non-conformance and Related Evidence:	
Auditors verified the information on the origin of wood from felling permits and compared the sourced volume with the volume of purchased wood (per hectare), and found out that in few cases the organisation had purchased more wood from particular FMU than could actually be harvested, i.e. exceeding the average yield of 250m³ per hectare. And no further details justifying the difference were available. From the interview with responsible persons, it appears that the organisation's procedures do not provide for verification of the volume of timber purchased against the area indicated in the felling permit. From this, auditors are drawing conclusion about the weaknesses in the organisation's procedure for verifying the origin of the wood and that the organisation might not have complete information on the origin of the wood supplied. The auditors raised a minor non-conformity NCR 06/21 due to isolated nature of cases.	
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:	Felling Permits, feedstock origin data, information on sourced feedstock volume
Findings for Evaluation of Evidence:	Auditors verified on the sampling basis the information on the origin of wood from felling permits and compared the sourced volume with the volume of purchased feedstock (per hectare). A sample-based review of Felling permit data (areas and felling types) compared with actual sourced volumes of showed that the volumes per area ratio is within typical range of harvesting yield of private owned forests. Based on the findings, auditors took a decision to close the non-conformity.
NC Status:	Closed

8 Certification decision

Based on the auditor's recommendation and the Certification Body's quality review, the following certification decision is taken:	
Certification decision:	Certification approved
Certification decision by (name of the person):	Pilar Gorria
Date of decision:	04 Oct 2023
Other comments:	N/A