



Compliance with the SBP Framework: Public Summary Report

Preferred by Nature OÜ
Evaluation of Latgran SIA - Gulbene
Re-assessment

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

Version 2.0	Published 10 August 2023
Version 2.1	Published 21 May 2025

© Copyright Sustainable Biomass Program Limited 2025

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	6
2.3 Actions taken by Organisation Prior to Report Finalisation	6
2.4 Notes for the next Audit	6
3 Scope of the audit and SBP certificate	7
3.1 Description of the company	8
3.2 Site details	8
3.3 Detailed description of the Chain of Custody system and Product Groups	8
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	12
5.4 List of forest management units and feedstock suppliers visited	13
5.5 Describe audit sampling methodology used	16
5.6 CB stakeholder engagement	18
5.7 Stakeholder feedback and response	18
5.8 Main strengths and weaknesses of the management system and operations	18
5.9 Summary of evaluation activities for robustness of the Supply Base Evaluation	19
5.10 Summary of evaluation activities for Processing residues and/or Post-consumer feedstock requirements per Standard 2 and EU RED	19
5.11 Summary of evaluation activities for chain of custody system per Standard 4	19
5.12 Summary of evaluation activities for collection and communication of data per Standard 5	19
5.13 Summary of audit findings for competency of involved personnel	20
5.14 Summary of audit findings for GHG methodology per Standard 6 (if applicable)	20
6 Detailed evaluation of BP's Supply Base Evaluation (if applicable)	21
6.1 Overview of BP's risk assessments and mitigation measures including EU RED scope	21
6.2 CB evaluation of specified risk indicators and mitigation measures	23

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:	Liene Suveizda
Audit team members:	ERROR: Works only for SBR or PSR form. Please alter the function by adding more tables, or by dynamic sql
Name of the Company:	Latgran SIA - Gulbene
Company legal address:	Muižas iela 3, LV-5222 Jēkabpils, Jēkabpils novads, Latvia
Company contact for SBP:	Līga Hermāne
Company contact email:	liga@latgran.com
Company website:	www.latgran.com
Date of installation:	
SBP Certificate Code:	SBP-01-64
Date of certificate issue:	30 Mar 2022
Date of certificate expiry:	29 Mar 2027
Audit closing meeting date:	22 May 2026
Audit cycle:	Re-assessment

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 not approved
Certification decision by (name of the person):	Mikhail Rai
Date of decision:	20 Aug 2026
Other comments:	A minor NCR was raised related to SBR sufficiency in terms of TOF 3A Category. SBR was not approved.

2.2 Open non-conformities and observations

NC number 9413	NC Grading: Observation
Standard:	SBP Standard 2: Feedstock Verification v2.0
Requirement:	1.1.7 The records of feedstock category inputs shall show the relative volumes of different feedstock inputs used. N/A N/A N/A
Description of Non-conformance and Related Evidence:	
All feedstock inputs, including their respective categories, are recorded in the Biomass Producer's (BP's) ERP system. The BP maintains records of the volumes of different feedstock inputs used. The ERP system contains information on both the feedstock category and volume for each individual feedstock delivery (load). The auditor selected FMU "Upmalas" (Cadastral No. 38460080003) as a primary feedstock source classified under TOF Category 2A for field verification. The feedstock was supplied to the SIA Latgran Gulbene pellet mill. The feedstock type registered in the ERP system was confirmed as TOF Category 2A. However, during the field visit, it was observed that no forest management activities had been carried out within the selected cadastral area. Based on information subsequently provided by the supplier, the feedstock actually originated from another cadastral unit within the same property, namely Cadastral No. 38460080016, Block No. 1, Compartments No. 1 and 2, and should have been classified as primary feedstock Category 1A originating from forest land. As no other high-risk indicators, such as protected species, protected habitats, or other environmental concerns, were identified within the actual harvesting area, an Observation was raised regarding the discrepancy between the feedstock origin and its classification recorded in the ERP system.	
Timeline for Conformance:	N/A
Evidence Provided by Company to close NC:	N/A
Findings for Evaluation of Evidence:	N/A
NC Status:	Open

NC number 9530	NC Grading: Minor
Standard:	SBP Standard 2: Feedstock Verification v2.0

Requirement:	1.1.2 The Organisation shall include which feedstock category is being sourced. N/A N/A N/A
Description of Non-conformance and Related Evidence:	
Review of the Supply Base Report shows that the Organisation has not provided correct and consistent information regarding the classification of the TOF 3A category in the SBR. According to interviews with the responsible staff, the Organisation intends to source woody biomass from forest plantations established on agricultural land. In accordance with the EU RED Instruction Document, this feedstock should be classified under the TOF 3A subcategory "Woody energy crops (i.e. woody biomass), short-rotation coppice." However, the Organisation has classified the feedstock under the subcategory "Woody residues from agricultural land." Furthermore, the feedstock described under category 3A in Annex I of the SBR should instead be classified under TOF 2A, subcategory "Landscape." Further details are provided in Annex I of the SBR. Due to the gaps identified in the TOF feedstock classification, Minor NCR 01/26 has been raised.	
Timeline for Conformance:	Prior to (re)certification
Evidence Provided by Company to close NC:	N/A
Findings for Evaluation of Evidence:	N/A
NC Status:	Open

2.2 Closed non-conformities

2.3 Actions taken by Organisation Prior to Report Finalisation

none

2.4 Notes for the next Audit

None

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 1A: SBP Requirements for Primary Feedstock from Trees Outside Forests (TOF) v1.0; Instruction Document 5E: Collection and Communication of Energy and Carbon data. v2.1; Instruction Document EU RED: Bridging Requirements for Meeting the Directive EU/2023/2413 v2.0
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)	Yes
Products	WB 1.1 Wood pellets
Feedstock origin (countries):	Latvia, Lithuania, Estonia
SBP-endorsed Regional Risk Assessments used: Public link: https://sbp-cert.org/documents/standards-documents/risk-assessments/	SBP-RRA-EU-EE-FOR_v2.0 RRA for Estonia FOR_Endorsed, SBP-RRA-EU-LT-FOR_v2.0 RRA for Lithuania FOR_Endorsed, 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	The BP added to the scope primary feedstock and processing residues from Estonia within SEB, processing residues and primary feedstock from Lithuania sourced from private owners within the SBP SBE system. The SBP Instruction Document EU RED Bridging Requirements for Meeting the Renewable Energy Directive (EU/2023/2413).

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 Latgran is a biomass – wood pellet producer (BP) operating 4 production sites – pellet mills. SIA Latgran was established in 2004. In 2015, it has been acquired by the AS Graanul Invest group. The office of SIA Latgran is situated in Jēkabpils town, the Republic of Latvia. Address: Muižas iela 3, Jēkabpils. The Gulbene pellet mill production site is located in Dauksti parish, near Gulbene town, address “Alkšņi”, Dauksti parish, Gulbene municipality, LV-4417. Geographic coordinates 57.1485N, 26.7228E. BP is sourcing both primary and secondary feedstock from Latvia and Lithuania. Logs for biomass production are bought directly from the forest, with a harvesting permit, where the place of harvesting can be found. Secondary feedstock is delivered from different sawmills, and the origin is verified based on supplier declarations, where the origin is specified and confirmed by supplier audits. All incoming feedstock is received as PEFC/FSC certified, received with FSC Controlled Wood/PEFC Controlled Sources claims, or controlled according to the PEFC Due Diligence System. Since 01.01.2018 all incoming feedstock is sourced as PEFC-certified or PEFC Controlled Sources. The BP is implementing the PEFC volume credit method. Biomass is transported by trucks and sold at FOB, CIF, CFR, and DES conditions from Riga port to different harbours.

3.2 Site details

Legal entity name	Address	Site Activity	Visited during the audit
SIA Latgran Gulbene ražotne	"Alkšņi" Daukstu pagasts, Gulbenes novads LV-4417 Latvija	Biomass production, office	☒
Rīgas universālais termināls (RUT)	Biržtalu iela 15, Rīga, LV-1015, Latvija	Biomass storage	☒
Port Mīlgrāvis	Meldru iela 3, Ziemeļu rajons, Rīga, LV-1015	Biomass storage	☐
Port Magnat	Daugavgrīvas iela 83, Kurzemes rajons, Rīga, LV-1055	Biomass storage	☒
B-Port	Traleru iela 2a, Ziemeļu rajons, Rīga, LV-1030	Biomass storage	☐
RCT TERMINAL	Uriekstes iela 9, Ziemeļu rajons, Rīga, LV-1005	Biomass storage	☐

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 feedstock sourced is either roundwood of low-quality (pine, spruce, birch, aspen, black alder, and willow) or secondary feedstock such as saw dust and wood chips. Primary feedstock is sourced from Latvia and Lithuania. Secondary feedstock is sourced from Latvia and Lithuania. Feedstock of Estonia origin is included in the scope of the BP's SBP certificate, but the BP is not sourcing the feedstock from Estonia at the time of the audit. Feedstock of category 3A also is included in the scope of the BP's SBP certificate, but the BP is not sourcing it at the time of re-assessment. The feedstock is delivered by trucks. Some volume of the delivered roundwood is FSC 100%, 100% PEFC certified or FSC Controlled Wood, whereas the rest primary supplies are non-certified and included into organisation's PEFC Due Diligence System of verification of controlled material suppliers. The BP has been using PEFC CoC system as primary CoC system for SBP certification since 01.01.2018. Each feedstock delivery is checked at the entrance (delivered roundwood and secondary feedstock is surveyed at gate, and measurement data is entered into company's database). In 2019 the organization had introduced an automatic volume measurement system at the reception gate in factories. Since 2025 the BP has started to implement the electronical waybills system and most of feedstock is delivered using electronical waybill system. The physical purchase documents are first verified and registered at the reception, later on the purchasing documents are checked by the accountant and the purchase managers to verify the correctness of the FSC/PEFC claim recorded in the internal accounting system. Once the feedstock is received as certified it can be added to the credit account. The organization has implemented the mass balance system. Feedstock which would be received as SBP compliant through supply base evaluation would be added to this mass balance system. The mass balance system is quarter based. The product groups distinguished in the mass balance system are Forest feedstock (1A), Processing Residues (4A), Trees outside forest (TOF) – Urban and landscape feedstock (2A) and Agriculture land feedstock (3A). The BP separates the accounts in the context of feedstock types. Mass Balance system currently distinguishes 3 Product Groups: wood chips from forest residues, wood chips from processing residues and logging residues originating from Trees outside forest category 2A – Urban and Landscape Areas. For each Product Group a separate account is maintained. As to category 3A, the BP will include the category 3A feedstock upon the first delivery. Country of origin for the RED scope is Latvia, Lithuania and Estonia. It is confirmed by auditor that feedstock of Latvia and Lithuania origin has been received during the reporting period. BP sources SBP compliant and SBP controlled feedstock. Wood pellets are loaded to containers and delivered to different 5 seaports by trucks. The sales are taking place at the seaport and the sales documents are issued just before the vessel is loaded.

4 Specific objective of the audit

The specific objective of this evaluation was 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.

The scope of the evaluation covered:

- Review of the BP's management procedures, focusing on all applicable SBP standards in scope.
- Review of the production processes, production site visit.
- Requirements designated in SBP standard #1 V2.0; SBP Standard #2 V2.0.
- Review of the SBP core documentation: Supply Base Report, SBP Audit Report (SAR) on Energy and Carbon Data for Pellets.
- SBP Chain of Custody Requirements designated in SBP standard #4 V2.0.
- Review of PEFC system control points, analysis of the existing PEFC CoC system.
- Interviews with responsible staff.
- Review of the mass balance records, calculations, and conversion coefficients.
- Review and verification of the BP's procurement and sales reports and records, including DTS system information.
- Assess compliance against SBP Standard #5 V2.0 and accompanying Instruction Document 5E (v2.1).
- Evaluation of BP's SBE system, including risk mitigation measures.
- field visits of FMU to evaluate the implementation of SBE risk mitigation measures, including inspections (at FMU level) of suppliers of primary feedstock. Field visits to suppliers of processing residues to evaluate compliance with SBP/RED sustainability requirements.
- Evaluation of requirements designated in the RED Bridging Document for primary and secondary feedstock.

5 Evaluation process

5.1 Timing and duration of evaluation activities

Audit Level of Effort (LoE)		
Activity	Auditors	Auditor hours
1. Preparation	LS,OP,GK	1.0
2. On-site (excl. travel time)	LS,OP,GK	20.0
3. Report writing	LS,OP,GK	13.0
4. Other	LS,OP,GK	1.0

5.2 Auditor team qualification

Auditor qualification		
Auditor name	Role	Qualification
Girts Karss	Auditor	Preferred by Nature lead auditor. Girts Karss holds an M.Sc. in Environmental Science from Lund University and the University of Latvia. SBP auditor qualification since 2016 and has since participated as both auditor and lead auditor in numerous SBP assessments, annual surveillance, and re-assessment audits. The experience includes audits with Supply Base Evaluation (SBE) in scope, covering biomass processing and trading companies in Latvia and other countries.
Liene Suveizda	Lead auditor	Liene has been with Preferred By Nature (NEPCon SIA) since 2016. She holds a Master's degree in Biology, specializing in Forest Ecology, from the University of Latvia. She has also studied law and obtained a Level 2 higher education degree in Legal Sciences from Turība Business School. Liene has extensive experience in the forestry sector in Latvia. She obtained the NEPCon FSC Forest Management and FSC Chain of Custody Lead Auditor qualification in 2016 and has six years of experience conducting FSC Forest management and Chain of custody audits in forestry, logging, and wood-processing companies in Latvia. In 2018, she obtained the SBP Auditor qualification. She has six years of SBP audit experience in biomass processing and trading companies in Latvia and Denmark, including Supply Base Evaluation within the SBP certificate scope.
Oļesja Puiso (OP)	Auditor	Olesja has passed FSC Chain of Custody and Forest Management lead auditor training, PEFC Chain of Custody, ISO 140001, SAN and Legal Source training courses and had acquired auditor competency in mentioned schemes. Previous experience in woodworking industry as well as many years of experience in FSC/PEFC chain of custody auditing in wood processing industry and printing companies in Latvia and other countries. Olesja had acquired SBP lead auditor competency in 2015 and had participated in numerous SBP assessments and annual surveillance audits in biomass processing industry companies in Latvia and other countries.

5.3 Description of evaluation activities

The office part of the reassessment audit was conducted on May 18th, 2026 with an opening meeting attended by the responsible person - Quality Manager of Graanul Invest group plants in Latvia, Raw material department responsible for Graanul Invest group plants in Latvia, Assistant to the Quality Manager, and Procurement managers. During the opening meeting, the auditors rehearsed details of the audit plan, clarified the work schedule, and methodology confidentiality issues, assessment methodology, and the scope of the audit. A need to collect objective evidence through a combination of document review, site visits, interviews, and discussions was stressed, and the importance of the sampling aspect of the auditing process was underlined. Auditor rehearsed the non-conformity (non-conformity reports) grading aspects and mentioned that NCRs are expected in the process designed to help the organization strengthen its procedures and processes. Discussed and confirmed the audit itinerary, based on the audit plan that was provided to the organization before the audit.

After the opening meeting audit team went on with document review and interviews with the BP's staff. Auditors split the responsibilities as per the audit plan. Auditors reviewed all applicable requirements of the SBP standards nr.2, 4, 5, instruction documents 5E and RED Bridging document, covering input clarification, existing chain of custody and controlled wood system, management system, recordkeeping/mass balance requirements, 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, it was verified the reception of the material and its 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 and other staff having responsibilities within the system were interviewed.

The documentation related to SBP as well as the FSC CoC/ CW system of the organization, including SBP Procedures were reviewed partly during the first day of the audit. GHG data calculations/ SAR reports, Supply Base Reports, and Biomass profiling data were reviewed partly during the first day of the audit. At the end of the day, the auditors planned and discussed the field and supplier visits for the following audit days.

The production site of SIA Graanul Invest was visited during first audit day. At the end of the day, the auditors planned and discussed the field and supplier visits for the following audit days.

A brief summary of the office audit results was provided to the participants at the end of the office audit. Office audit findings were summarized, and audit conclusions delivered based on the use of the 3-angle evaluation method were provided to the responsible person at the organization.

Day 2, 3 and 4

The work was split into 3 auditor teams. One auditor was conducting onsite audits to SIA Latgran pellet mills in Jaunjelgava, and Krāslava and related feedstock suppliers to those plants. Other auditor focused on conducting site visits to SIA Graanul Invest Launkalne pellet mill and SIA Latgran Gulbene pellet mill. Third auditor conducted site visits to SIA Graanul Pellets pellet mill in Inčukalns and Latgan Jēkabpils pellet mill. Field visits to suppliers and feedstock origin sites. Each pellet mill was planned approximately 1 auditor day. Auditors were focusing on verifying risk mitigation measures are implemented properly according to requirements of SBP standards #1 and #2 and BP's supplier verification program for suppliers supplying primary and secondary feedstock to Inčukalns, Launkalne, Jēkabpils, Gulbene, Krāslava, and Jaunjelgava production sites - pellet mills.

Auditors sampled and visited FMUs of suppliers of primary feedstock. See the list of FMUs visited in the Appendix G of the audit report. Auditors were witnessing the audit of the BP and at the same time doing their own

independent valuation of the suppliers to verify the correctness of the mitigation measure. As to High Conservation Values, auditors did their own evaluation of compliance with the risk mitigation measures and compliance with the organization's procedures. Besides primary feedstock suppliers, auditors visited secondary feedstock suppliers and verified the organization's procedures related to sourcing of secondary feedstock. Auditors witnessed the secondary feedstock supplier audit carried out by BP's representative. During field inspections, auditors focused on several aspects of SBP requirements: SBRs and primary data about origin and inputs; review of SARs, GHG data calculations; accounting and record-keeping system, and summary data obtained from databases; REDIII requirements, including changes in the management system and mass balancing.

Auditors accompanied procurement managers in witnessing secondary supplier audits and visited pellet mills in Laukalne, Inčukalns, Gulbene, Jaunjelgava, Krāslava, and Jēkabpils.

Day 5

The fieldwork findings were summarized and discussed with the responsible staff at the BP, including procurement managers. Additional questions related to fieldwork findings were discussed and clarified. Auditors also reviewed the outcomes of the risk mitigation measures as per requirements of SBP standards #1, #2, and EU RED Bridging document. BP's supplier verification program for suppliers supplying primary and secondary feedstock was reviewed as well as evaluation of risk mitigation measures and discussed with the responsible staff at the BP.

Auditors focused on verifying risk mitigation measure effectiveness, CoC system and finalization of SBRs review. Auditors reviewed applicable requirements of the SBP standards nr.2, 4, existing chain of custody and controlled wood system, management system, CoC, recordkeeping/mass balance requirements, categorization of input, and verification of SBP compliant and SBP Controlled feedstock/ biomass. Chain of Custody implementation at the HQ level. In particular, the feedstock classification, identification of feedstock origin, production process with the conversion factors associated, mass balance, final product storage, and sales were discussed and the recorded volumes were verified with the accounting records. During the process, the overall responsible person for the SBP system at Graanul Invest group and other involved staff having responsibilities within the system were interviewed.

The SBP, incl. SBE system related documentation in Estonia was evaluated by competent CB auditor from Estonia. Effectiveness of RMM audited during annual AS Graanul Invest group audit 2026 in Estonia.

The SBP, incl. SBE, system related documentation for Lithuania was evaluated by competent CB auditor from Lithuania. Effectiveness of RMM audited during annual AS Graanul Invest group audit 2026.

The audit was finalized with a closing meeting. The closing meeting was conducted onsite. Several participants joined the closing meeting remotely via MS Teams platform. Audit findings were summarised and audit conclusions based on the use of 3 angle evaluation method were provided to the responsible persons at the company – the Quality manager at Latgran and Graanul Invest group in Latvia, the raw material procurement head in Latvia, and other responsible personnel for SBP certification systems in Graanul Invest group companies in Latvia as well the procurement specialists.

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 "Salukalna mežs"

Site location
Cad. No. 42640050100, block No. 25, comp. No. 12&3
Site description
Primary feedstock from forest land Supplied to SIA Latgran Gulbene pellet mill
Rationale and focus of visit
Comp. No 20 borders with comp. No. 3. Protected habitat (EU code 91D0*) Swamp forests registered in comp. No. 3. Overlapping of clear cut shape area and protected habitat area in borderarea according IS "Ozols". Cutting license for clear cut issued in compartment No. 12.
Description of audit activity
Procurement specialist has carried out field visit before feedstock purchase. Field visit confirmed that the clear cut aligns with natural border of protected habitat. No forest management carried out in comp. No. 3.

Site name
FMU "Oldermani-7"
Site location
Cad. No. 50640190040, block No. 5
Site description
Primary feedstock from forest land Supplied to SIA Latgran Gulbene pellet mill
Rationale and focus of visit
The potential presence of protected bird specie Common merganser Mergus merganser registered in database "Ozols". An entry in the "Ozols" database indicates that the observation has low reliability, and merely shows that the bird has been present in this area.
Description of audit activity
The field visit identified a small watercourse crossing the compartment. No forest management activities were carried out near the watercourse or within the area recorded in the bird registry. The feedstock is therefore.

Site name
FMU "Upmalas"
Site location
Cad. No. 38460080003
Site description
Primary feedstock from TOF 2A land Supplied to SIA Latgran Gulbene pellet mill
Rationale and focus of visit
Confirmation of feedstock type for TOF2A category. Risk mitigation for TOF 2A feedstock. Protected bird specie Eurasian Wryneck Jynx torquilla observed in the MU.
Description of audit activity
Field visits confirmed that there is no forest management carried out in the mentioned cadastral area. According suppliers information provided after field visit the feedstock originates from other cadastral number within the same property (cad. No. 38460080016, block No. 1, comp. No 1&2). No protected species or habitat etc. registered in mentioned logging area. An Observation raised.

Site name
FMU "Raiti"
Site location
Cad. No 50900100028
Site description
Primary feedstock from TOF 2A ISupplied to SIA Latgran Gulbene pellet mill
Rationale and focus of visit
Specially protected conservation area "Mugurves pļavas" and habitats of EU importance Fennoscandian wooded meadows (EU code 6530) and Hardwood riparian mixed forests (EU code 91F0) registered in large part of property. Habitat preservation management activities planned in the large area in accordance with documented certified expert decision.
Description of audit activity
The removal of shrubs and wooded vegetation started in the area. Management stopped due wet weather and soil condition during spring

Site name
FMU "Romulj"
Site location
Cad. No. 70580160010, comp. No 9.
Site description
Primary feedstock from forest land Supplied to SIA Latgran Gulbene pellet mill
Rationale and focus of visit
Presence of black woodpecker Dryocopus martius registered in data base "Ozols". Cutting license for clear cut issued. Feedstock delivered with FSC 100% claim.
Description of audit activity
The field visit confirmed that tree logging in clear cut has been carried out in the compartment. High number of retention trees within groups left in the compartment. According opinion of Environmental specialist the surrounding forest stands and retention tree group is suitable as living habitat for black woodpecker. No signs of presence of black woodpecker impact like stem holes and peck marks on a tree trunk observed.

Site name
FMU "Brenčmilni"
Site location
Cad. No. 70900060063, comp. No. 24
Site description
Primary feedstock from forest land Supplied to SIA Latgran Gulbene pellet mill
Rationale and focus of visit

An entry in the "Ozols" database indicates that the observation has low reliability, is more than 10 years old, and merely shows that the Middle spotted woodpecker *Picoides medius* has been present in this area.

Description of audit activity

Field visit confirmed that environmental situation has changed in past years. Compartment located close to buildings. No presence of corresponding living habitat for Middle spotted woodpecker. Data base record informs only about short-time observation of the bird specie.

Site name

Stora Enso AS

Site location

Launkalne Sawmill Krogzemji, Launkalnes pagasts, Smiltenes novads, LV-4718

Site description

Supplier of processing residues for SIA Graanul Invest, SIA Graanul Pellets, SIA Latgran Jēkabpils, Gulbene and Krāslava pellet mills

Rationale and focus of visit

Verification of 3rd audit methodology carried out by auditor from SIA "Vides kvalitāte" -processing residue feedstock - origin, volumes, certification status etc. Compliance with RED requirements.

Description of audit activity

The representative of SIA Vides Kvalitāte carried out the feedstock verification audit by filling out the audit checklist.

Site name

SIA Zaļais Zelts

Site location

Brīvības iela 66, Gulbene, Gulbenes nov., LV-4401

Site description

Supplier/broker of processing residues for SIA Graanul Invest, Graanul Pellets, Latgran Gulbene and Jēkabpils production sites

Rationale and focus of visit

Verification of processing residue feedstock - origin, volumes, certification status etc.

Description of audit activity

The representative of BP carried out the feedstock verification audit by filling out the audit checklist.

5.5 Describe audit sampling methodology used

Since the Graanul Invest supplier structure is complicated and many suppliers overlap, i.e. the same suppliers of primary and secondary feedstock deliver feedstock to several Graanul Invest group/Latgran pellet mills, the sampling process was carried out with the following approach: • the suppliers supplying feedstock to several Latgran factories is given preference; • large suppliers are given preference in the selection process; • suppliers that have been evaluated in the previous audit are not considered. The sampling process of the primary feedstock suppliers is described below. Geographical area: BP is sourcing the primary feedstock included in the scope of the Supply Base Evaluation from Latvia, Lithuania and Estonia. The BP is actually

sourcing feedstock from Latvia and Lithuania. So, FMUs and properties of forest and non-forest lands from the both sourcing regions shall be included in the sample. Feedstock origin region: Latvia Type of operations and activities: The SBE covers primary feedstock (logging residues, branches, low quality roundwood etc.) from forest (product group 1A). Thus, FMUs in forest lands shall be included in the sample. Risks identified in the SBP Revised Regional Risk Assessment for Latvia (July 12, 2024): Regarding the feedstock origin for Latvia, the following risks are considered as "specified" in Regional Risk Assessment endorsed by SBP: 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). To evaluate the risk mitigation measures implemented by BP for indicators 2.1.1, 2.1.2, 2.1.3 and 3.2.3 sites after harvesting were included in the sample. Sampling intensity: The intensity of the sample was determined from the BP's supplied data on the audit period (January-December, 2025). The primary feedstock sourcing data for the audit period were used, covering 2 month period. A uniform random sampling was applied to select FMUs from the feedstock origin data, supplied by BP. The number of FMUs to visit in field evaluations was determined from the total number of FMUs for which the BP had sourced feedstock during the audit period. The nominal number of FMUs to be included in the field visit program has been determined using the relationship $x \sim \sqrt{y} \times 0.8$, where y is – number of FMUs having HCV attributes. The total number of FMUs was considered; no subsets were used. Auditors sampled the feedstock origin data covering the audit period for the presence of HCVs using desk tools and selected for field inspections FMUs that contain HCV attributes (compartments containing HCVs as per Felling Permit data, HCV border/topology issues etc.). This approach in the auditor's opinion is more efficient and sensible by selecting only those FMUs/compartments that have a substantiated reason to inspect in the field. It is considered sufficient to cover all major risk aspects and provide a sufficient level of assurance for compliance with the standard. Considering the substantial volume of data, it was decided to review the full set feedstock origin data covering 2 months, selected on a sampling basis. Besides feedstock origin data review, auditors sampled and evaluated in the field the risk mitigation records of BP, in particular field audit records conducted with purpose of evaluating the risks related to RTE bird species nesting sites and presence of RTE species. Desk-based analysis of primary feedstock origin data at FMU level was conducted to identify FMUs with HCV attributes such as High Conservation Value Forests category 3 – forest habitats of Latvia and EU importance, and High Conservation Value Forests category 1 objects - RTE species locations. A sample group of potential risk FMUs (17 properties) containing HCV1 and HCV3 attributes was selected based on data submitted by the company's responsible person, as well the the auditor's analysis of materials origin data. Minimum number of FMUs with HCV1 and HCV3 attributes to visit $x = 0.8 \times \sqrt{17} \sim 4$. 6 FMUs visited totally, including 3 MUs with TOF 2A feedstock category which contained also HCV3 category attributes. As to field work sampling regarding the EU RED sustainability requirements, the organisation has opted to choose Level A risk assessment (Ministry of Agriculture of the Republic of Latvia), which does not envisage "specified risks," hence field inspections to evaluate compliance with RED sustainability requirements were not conducted. Feedstock origin region: Lithuania The SBE covers primary feedstock from forest (product group 1A). Thus, FMUs in forest lands shall be included in the sample. Regarding the feedstock origin for Lithuania, the following risks are considered as "specified" in Regional Risk Assessment endorsed by SBP: 2.1.3, 2.2.2, 3.2.2, 3.2.3, 4.1.10. During the audit, Risk Mitigation Measure Plan was evaluated. Auditor sampled different FMUs with different origins and assessed the identification of high risk attribute values using online data bases, harvesting licences and origin information. No high risk attribute origins with HCV were found. Additionally, 1 FMU was selected to be visited on site at the forest level, where auditor evaluated on site during the harvesting operation efficiency of the RMM Plan. Auditor sampled different suppliers approved by the BP and analyzed information collected about H&S in the company data base following BP's RMM. On site audit were also conducted by auditor for 1 supplier in 1 FMU, the audit regarding occupational safety requirements in forest and out of forests operations are performed systematically regarding the list of wood harvesting companies. The SBP, incl. SBE, system related documentation for Lithuania was evaluated by competent CB auditor from Lithuania. Effectiveness of RMM audited during annual AS Graanul Invest group audit 2026. Feedstock origin region: Estonia The BP is not sourcing feedstock from feedstock origin region Estonia. Hence no field verification had been conducted. The documented procedures and risk mitigation measures regarding the feedstock of Estonia origin were reviewed by the CB. Regarding the feedstock origin for Estonia, the following risks are considered as "specified" in Regional Risk Assessment endorsed by SBP (July 12, 2024, V2.0): 2.1.1., 2.1.2., 2.1.3. and 3.2.3. The SBP, incl. SBE system related documentation in Estonia was evaluated by competent CB auditor from Estonia. Effectiveness of RMM audited during annual AS Graanul Invest group audit 2026 in Estonia. Processing residues With regard to supplies of secondary feedstock within the Supply Base Evaluation process there are 33 active suppliers (excluding sub suppliers) of "low risk" ("Gl atbilstoša biomasai") secondary feedstock (sawdust) and 40 suppliers of chips to all 4 Latgran pellet mills and SIA Graanul Invest Launkalne pellet mill and SIA Graanul pellets Inčukalns pellet mill. This figure was used for calculation of suppliers to be inspected onsite. During the audit auditors reviewed secondary feedstock supplier audit documents, and visited the supplier onsite and observed the process of supplier audit conducted by the representative of the BP. The nominal number of secondary feedstock suppliers - sawdust selected for onsite audit (5) was determined as $\sqrt{33} \times 0.8$, and 6 chips suppliers ($\sqrt{40} \times 0.8$). Supplier

audit records of several sub-suppliers of traders were reviewed also during the audit. In total 9 secondary feedstock suppliers and 1 sub-supplier were visited onsite. For storage sites a square root of number of the places sampling was implemented. Four secondary feedstock suppliers for Gulbene pellet mill 2 audits carried out. For storage sites a square root multiplied by 0,8 of number of the places (5) sampling was implemented. Two storage sites were visited on-site.

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.

Stakeholder consultation process was conducted from 17 April 2026 until May 17 through formal communication via email to a wide range of relevant stakeholder groups. Consultation included all Graanul Invest plants in Latvia, also Lithuanian and Estonian SBP and RED risk mitigation with attached risk mitigation plans.

During the audit auditors reviewed stakeholder consultation records – notification letter and attached supplementary documents. The BP had provided information on planned Lithuanian and Estonian RED risk mitigation measures, including the Risk Management Measures and Means of Verification both for the forest feedstock and TOF feedstock. Besides the BP had met with few key stakeholders and discussed the proposed risk management plan.

Stakeholders groups contacted include: professional associations, educational institutions providing forestry education, non-profit organizations and citizen associations involved in nature conservation and/or forestry, cooperation partners, suppliers, certification bodies, representatives of local communities (municipalities), forestry worker associations, representatives of indigenous and/or traditional peoples, government agencies related to renewable energy and forestry, and local representatives of certification systems (FSC and PEFC).

All received feedback was reviewed, documented, and considered in finalising the SBE. One stakeholder response was received, confirming engagement in the consultation process and providing feedback on the applicability of mitigation measures in the context of downstream processing activities

Discussions regarding risk mitigation measures and their potential impacts on the industry were conducted with representatives of the wood sector, including the Latvian Timber Producers and Traders Association, the Latvian Bioenergy Association, and the Latvian Renewable Energy Federation.

5.7 Stakeholder feedback and response

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

The BP had consulted a few key stakeholders directly (e.g., Nature Conservation Agency, Forestry Research Institute “Silava”) and discussed any possible concerns in relation to the organization’s risk management plan and risk mitigation measures. According to an interview with the responsible person, the BP had considered the concerns of stakeholders and explained briefly the subject of the discussions. All received feedback was reviewed, documented, and considered in finalising the SBE. One stakeholder response was received, confirming engagement in the consultation process and providing feedback on the applicability of mitigation measures in the context of downstream processing activities.

5.8 Main strengths and weaknesses of the management system and operations

Strengths: SBP system elements were implemented at the time of the assessment. Efficient recordkeeping system and, automated roundwood measurement system. A small number of the management staff and clearly designated responsibilities within the staff members. SBE processes are well documented; the main database for material balances is well maintained, and all relevant information can be easily retrieved and reported. The BP has provided training to primary and secondary feedstock suppliers and sub-suppliers through a number of biotope identification and health and safety training courses with respected Latvian experts and trained their

suppliers. Strong commitment to the implementation of the SBP system and a proactive, positive approach have been observed during the audit.

Weaknesses: see the non-conformances.

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 Latgran Gulbene pellet mill is implementing SBE for primary and secondary feedstock (forest products) that originates from Latvia, Lithuania and Estonia and is sold without an SBP-approved Forest Management Scheme claim, an SBP-approved Forest Management partial claim, SBP-approved Chain-of-Custody (CoC) System claim. Risk mitigation measures are implemented for feedstock originating from forest land (material sourced under FSC Controlled Wood system) as well as non-forest land (such as overgrown agricultural land – arboricultural arisings, along the road, rails, or parks).

The BP is using the SBP-endorsed Regional Risk Assessments for primary feedstock from forest with approved “Locally Adaptable Verifiers”. The risk assessment mitigation measures were consulted with relevant stakeholders during the SBP audit period. Consultation included all Graanul invest plants in Latvia, also Lithuanian and Estonian SBP and RED III risk mitigation with attached risk mitigation plans. The BP keeps records of communication with stakeholders.

TOF risk assessment for TOF 2A and 3A feedstock types has been developed for feedstock from non-forest lands in accordance with Standard 1 and Instruction document 1A.

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

The BP is conducting a supplier audit to comply with the requirements of SBP standard 2 and SBP RED Bridging document requirements (Article 29(1)). Supplier audits are conducted on-site. On-site audits focus on the evaluation of feedstock handling processes, assessing documentation accuracy, and verifying classification practices for secondary feedstock. It also involves reviews of documentation and interviews with supplier personnel to confirm adherence to standards. Each audit follows a checklist -defined compliance areas to ensure consistency across suppliers. BP's approach in conducting supplier audits for compliance with SBP/RED requirements was evaluated in a witness audit.

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

The CoC system and other documents associated with all certifications were reviewed during the on-site audit. Critical control points of the CoC system were evaluated. The BP is storing biomass with similar sustainability and/or energy data. The BP is implementing the SBE system for the primary feedstock source. All feedstock used for biomass production meets at least the SBP Controlled feedstock criteria. If controlled input material is to be upgraded to SBP Compliant Feedstock status, the company performs an origin control of the SBP supply base and mitigates identified risks.

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

BP has established a system to record and collect data. During the audit, the BP made a detailed overview of the systems and databases to gather and record such data. Evidence was provided to auditors.

Data is gathered from suppliers. The distances from where the material is transported is determined by the BP considering the point of origin. All production data is recorded in BP production database, and information about fossil fuels used is based on invoices and production logs.

Transportation distances from pellet factories to harbors and pellet volumes are recorded. Information about energy and fuels used during the loading of the material in ports is obtained from port operators.

All the GHG-related information is indicated in the SAR document. All evidence was provided to the auditor, responsible for GHG data evaluation, and the auditor considered it sufficient to fulfill the requirements.

Transportation distances from pellet factories to harbors and pellet volumes are recorded. Information about energy and fuels used during the loading of the material in ports is obtained from port operators.

All the GHG-related information is indicated in the SAR document. All evidence was provided to the auditor, responsible for GHG data evaluation, and the auditor considered it sufficient to fulfill the requirements. Transportation distances from pellet factories to harbors and pellet volumes are recorded. Information about energy and fuels used during the loading of the material in ports is obtained from port operators. All the GHG-related information is indicated in the SAR document. All evidence was provided to the auditor, responsible for GHG data evaluation, and the auditor considered it sufficient to fulfill the requirements.

5.13 Summary of audit findings for competency of involved personnel

The Supply Base Evaluation system is implemented by internal personnel of the company, trained and supervised by responsible person at the Graanul Invest group companies in Latvia. Internally different staff members hold responsibility for different aspects of the SBP certification.

The quality manager is responsible for the implementation of the SBP system in the Latgran group. She holds the overall responsibility for SBP and SBE system. She holds good knowledge of the SBP requirements, especially in area of energy and emission data, chain of custody or definition of material origin. The quality manager is also responsible for FSC and other certification systems.

The procurement manager is responsible for all procurement and supplier-related issues, SBE system implementation, and supplier audits.

Accountancy staff is responsible for recordkeeping, accounting, and mass-balance accounting.

Receptionists are responsible for the reception of incoming feedstock and moisture measurements for incoming feedstock.

Operators are responsible for feedstock and biomass product moisture measurements during the production process (before drying, after drying, pellet moisture).

All involved personnel, including responsible staff at supplier and sub-supplier levels, have demonstrated good knowledge in relevant fields. Primary suppliers demonstrated knowledge in recognition and identification of HCV, health, and safety requirements in the case of primary suppliers. Relevant certificates and diplomas were presented during the re-assessment audit. Qualification requirements for personnel involved in the SBE system are provided in documented procedures of the BP.

In overall, auditors evaluate the competency of the main responsible staff to be sufficient for implementing the SBP system with both primary and secondary material sourced within the SBE. This has been based on interviews, review of qualification documents, training records, and set of procedures and documents that were composed for the SBP system as well as field observations during the audit.

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

Latvia

SBP-compliant biomass: the BP is using the SBP Revised national risk assessment for Latvia (v.2.0, in force since July 2024), where risks for each indicator have been evaluated. "Specified risk" in the National Risk Assessment has been assigned to indicators 2.1.1, 2.1.2, and 2.1.3, as well as indicator 3.2.3. Mitigation measures planned and implemented by BP can be considered sufficient in order to reduce the risk to "low risk" for the indicators mentioned. See risk ratings in Table 1. In case of TOF 2A category, the company risk assessment concludes the same indicators as specified risk, and the Mitigation Measures implemented for forest feedstock are also applicable to TOF 2A.

RED sustainability criteria for forest based primary feedstock: there is a 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”**.

The BP is also implementing the RED SBE for secondary feedstock sourced from Latvia, complying with the requirements of the RED Article 29(1) – Exemption for processing residues and post-consumer feedstock (wastes and residues).

Lithuania:

SBP-compliant biomass: the BP is using the SBP Revised regional risk assessment for Lithuania v2.0 (16.02.2024) for primary forest-based feedstock (<https://sbp-cert.org/documents/consultation-documents/archive/revised-rra-lithuania>). See the overview of risks and risk mitigation measures below.

RED sustainability criteria for primary forest-based feedstock. There is a Level A risk assessment for Lithuania (SBP-RED-EU-LT-FOR_v1.0 REDIII Level A for Lithuania FOR) available for use in the capacity of a Level B risk assessment for biomass producers. The risk assessment is being developed by the SBP.

The following risk designations have been specified by the draft Level A risk assessment for Lithuania:

- (i) The legality of harvesting operations: **“Low risk”** (Level A – proof at national or sub-national level).
- (ii) Forest regeneration of harvested areas: **“Low risk”** (Level A – proof at national or sub-national level).
- (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: **“Specified risk”** (Level B – management system at forest sourcing area level).
- (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: **“Specified risk”** (Level B – management system at forest sourcing area level).
- (v) Harvesting maintains or improves the long-term production capacity of the forest: **“Low risk”** (Level A – proof at national or sub-national level).
- (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): **“Specified risk”** (Level B – management system at forest sourcing area level).
- (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: **“Specified risk”** (Level B – management system at forest sourcing area level).
- (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”** (Level A – proof at national or sub-national level).
- (vi 4) Biomass fuel shall not be made from raw material obtained from heathland (no-go area): **“Specified risk”** (Level B – management system at forest sourcing level).

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

RED SBE risk mitigation measures for "Specified risk" indicators:

- **criteria (iii), (iv):** The BP is applying the same risk mitigation activities as Risk Management Measures for mitigation of risks related to SBP Standard 1 indicators 2.1.3 (specified risk) and 2.2.2. (specified risk). See the risk mitigation measures below.
- **criteria (vi), (vi 2), (vi 4), (vi 6):** The BP is applying the same risk mitigation activities as Risk Management Measures for mitigation of risks related to SBP Standard 1 indicators 2.1.1, 2.1.2 and 2.1.3. See the risk mitigation measures below.

Estonia:

The BP has included Estonia in the SBE system during re-assessment audit. No feedstock from Estonia sourced so far.

The SBP certification system includes a Supply Base Evaluation, based on regional risk assessments and the mitigation of identified risks. The Organisation accepts certified or controlled forest feedstock and processing residues from Estonia. Feedstock subject to these mitigation measures qualifies as SBP-Compliant.

To minimize risks related to sourcing from high conservation value forests and to ensure SBP-compliant biomass, the Organisation conducted an SBE for primary feedstock from Estonia in accordance with SBP Framework Standard 1 (Feedstock Compliance) and Standard 2 (Verification of SBP-Compliant Feedstock). The SBE risk assessment uses the Revised Regional Risk Assessment for Estonia (12 July 2024).

As to RED sustainability requirements, the company uses the SBP-provided REDIII Level A Risk Assessment for Estonia (v1.1, 2025). In addition, a Level B risk assessment was carried out in Estonia for:

- (iv) Harvesting and soil/biodiversity safeguards (except clear-cut thresholds)
- (vi)1 Primary forests and old-growth forests (no-go areas)
- (vi)2 Highly biodiverse forests
- (vi)4 Biomass fuel shall not be made from raw material obtained from heathland (no-go area)
- (vi)6 Peatlands (drainage risk)
- (vii) Statement of assurance from biomass producers

For LULUCF (Article 29(7)), Estonia is fully covered through EU and international commitments and assessed as low risk (Level A).

6.2 CB evaluation of specified risk indicators and mitigation measures

Country
Latvia
Area/Sub-Scope
All
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 risk description in the Regional Risk Assessment for Latvia: https://sbp-cert.org/documents/consultation-documents/archive/revised-rra-latvia/
Detailed description of a mitigation measure
The risk mitigation measures implemented by the company are aimed at preventing the inclusion of feedstock from areas containing High Conservation Value (HCV) forests in the wood supply chain. This approach serves as an incentive for the forestry sector to preserve these biologically valuable elements. As a result, all three biodiversity-related risks are simultaneously mitigated—identification (2.1.1), threat assessment (2.1.2), and habitat conservation (2.1.3). Each supplier is informed about the SBP risks and the required actions for risk mitigation. An agreement is signed confirming that the supplied wood will comply with the company's established requirements and will not be sourced from areas where HCV areas or protected species have been identified. Furthermore, the wood must not be mixed with non-compliant material at any stage of the supply chain. Primary Feedstock Verification Regardless of the certification status of the purchased feedstock under FSC or PEFC systems, the company verifies the origin of each load of primary feedstock using the nature data management system "Ozols" during the acceptance process. This ensures that the feedstock is not sourced from areas identified as HCV. Feedstock from HCV areas is not accepted. Audits are conducted for each supplier according to the frequency and scope defined in the company's internal procedures. The number of audits is determined based on the number of felling permits, and felling sites are selected randomly using the website www.random.org to determine the ordinal number in the list. Audits are performed using company-developed forms that include the requirement to assess risk factors listed in the SBP Regional Risk Assessment, including the evaluation of habitat conservation for species identified in the risk assessment. The first audit steps include a detailed review of the origin information in the "Ozols" system, followed by field inspections if certain criteria are met. Trees Outside Forests: The BP had elaborated the risk assessment for feedstock that is sourced from non-forest lands in accordance with SBP Standard 2 and SBP Instruction document 1A requirements. The same criteria as for the forest feedstock have been designated "specified risk" status in BP's own risk assessment. Risk mitigation measures are similar to the forest feedstock.

Secondary Feedstock Verification

Each secondary feedstock supplier delivering FSC or PEFC controlled wood is audited according to the company's internal procedures, which define both frequency and scope. The audit involves a review of origin documentation for feedstock purchased during the reporting period. For a defined number of origins, in-depth primary feedstock verification is conducted as described above. Company-developed forms are used during the audit.

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

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

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

Detailed description of CB evaluation of mitigation measure and its conclusions

Risk mitigation measures were evaluated by the CB by a desk review of feedstock origin data and onsite field inspections. A sample-based verification of risk mitigation measures did not reveal deficiencies in BP's risk mitigation measures.

Country

Latvia

Area/Sub-Scope

all

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 risk description in the Regional Risk Assessment for Latvia: <https://sbp-cert.org/documents/consultation-documents/archive/revised-rra-latvia/>

Detailed description of a mitigation measure

The company applies strict risk mitigation measures to prevent feedstock from High Conservation Value (HCV) areas entering the supply chain. This ensures biodiversity risks—identification (2.1.1), threat assessment (2.1.2), and habitat conservation (2.1.3)—are effectively addressed. All suppliers are made aware of SBP risks and required actions, and sign agreements confirming that supplied material will not originate from HCV areas or protected species habitats. Suppliers must also guarantee

that compliant wood remains separate from any non-compliant material throughout the chain of custody.

Primary Feedstock Each load of primary feedstock, regardless of FSC or PEFC certification, is verified using the national “Ozols” nature data management system. Loads linked to HCV areas are not accepted. Supplier audits are conducted according to company procedures, with the frequency determined by the number of felling permits. Audit sites are selected randomly, ensuring impartiality. Company-developed audit forms are used to assess origin data, evaluate risk factors from the SBP Regional Risk Assessment, and confirm habitat conservation requirements. Where risks are flagged, field inspections are carried out in addition to desk reviews.

Trees Outside Forest: similar risk mitigation measures are applied in sourcing of TOF feedstock from non-forest lands. Each load of primary feedstock, regardless of FSC or PEFC certification, is verified using the national “Ozols” nature data management system. The feedstock may be accepted from non-forest HCV areas, considering that HCV values had not been impacted.

Secondary Feedstock Suppliers of FSC or PEFC-controlled secondary feedstock are also audited under defined internal procedures. Audits include checking supply documentation, confirming the material qualifies as processing residues, and, where necessary, applying the same in-depth origin verification as used for primary feedstock. For FSC or PEFC certified suppliers, the number of audits is calculated using a company formula that accounts for the number of active suppliers during the reporting period. The selection of suppliers to visit is done randomly. Each visit is documented with company forms and aims to confirm that the feedstock is a genuine by-product and meets SBP requirements.

Conclusion: Only feedstock that is clearly verified, free from mixing with non-compliant material, and compliant with SBP requirements is accepted. For secondary feedstock, compliance also requires meeting the SBP definition of processing residues. Through this structured system of origin checks, audits, and documentation, the company ensures that all accepted feedstock is sustainable and SBP-compliant.

Detailed description of CB evaluation of mitigation measure and its conclusions

Risk mitigation measures were evaluated by the CB by a desk review of feedstock origin data and onsite field inspections. A sample-based verification of risk mitigation measures did not reveal deficiencies in BP's risk mitigation measures. See further details in the audit report.

Country

Latvia

Area/Sub-Scope

all

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 risk description in the Regional Risk Assessment for Latvia: <https://sbp-cert.org/documents/consultation-documents/archive/revised-rra-latvia/>

Detailed description of a mitigation measure

The company has established risk mitigation measures to ensure that feedstock originating from High Conservation Value (HCV) areas does not enter the supply chain. This system not only prevents the inclusion of non-compliant material but also incentivizes suppliers and forest managers to preserve biologically valuable areas. In doing so, the company addresses all three biodiversity-related risks under SBP: identification of HCVs (2.1.1), threat assessment (2.1.2), and habitat conservation (2.1.3).

Suppliers are informed of SBP requirements in advance and must sign contractual agreements confirming compliance. These agreements stipulate that feedstock may not be sourced from areas where HCVs or protected species are identified and that no mixing with non-compliant material may occur at any stage of the supply chain.

Primary Feedstock Every load of primary feedstock is verified in the “Ozols” nature data management system during the acceptance process, regardless of FSC or PEFC certification status. Feedstock linked to HCV areas is automatically rejected. To further strengthen control, the company carries out supplier audits in line with internal procedures. Audit frequency is based on the number of felling permits issued, while felling sites are randomly selected. Audits use company-developed forms that require checking origin documentation, evaluating risk factors outlined in the SBP Regional Risk Assessment, and, when triggered, conducting field inspections to confirm habitat conservation and species protection measures.

Trees Outside Forest: similar risk mitigation measures are applied in sourcing of TOF feedstock from non-forest lands. Each load of primary feedstock, regardless of FSC or PEFC certification, is verified using the national “Ozols” nature data management system. The feedstock may be accepted from non-forest HCV areas, considering that HCV values had not been impacted.

Secondary Feedstock Secondary feedstock suppliers delivering FSC or PEFC controlled wood are subject to regular audits defined by internal procedures. These audits review origin documentation for all purchased feedstock and, in selected cases, apply the same in-depth verification used for primary feedstock. Each audit also confirms that the material delivered qualifies as a genuine processing residue. For suppliers providing only FSC or PEFC certified secondary feedstock, the number of audits to be conducted is determined using an internal formula that considers the total number of certified suppliers during the reporting period. Suppliers to be audited are then randomly selected. During each visit, company forms are completed to confirm the status of the feedstock and compliance with SBP requirements.

Conclusion Through these combined measures—supplier contracts, systematic verification of origin, use of the “Ozols” database, and risk-based audits—the company ensures that only low-risk feedstock is accepted into its supply chain. Primary and secondary feedstock must both comply with SBP requirements, and in the case of secondary material, it must also meet the SBP definition of processing residues. Any material that does not meet these criteria is excluded from SBP-compliant output.

Detailed description of CB evaluation of mitigation measure and its conclusions

Risk mitigation measures were evaluated by the CB by a desk review of feedstock origin data and onsite field inspections. A sample-based verification of risk mitigation measures did not reveal deficiencies in BP's risk mitigation measures. See further details in the audit report.

Country
Latvia
Area/Sub-Scope
all
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 risk description in the Regional Risk Assessment for Latvia: https://sbp-cert.org/documents/consultation-documents/archive/revised-rra-latvia/
Detailed description of a mitigation measure
Research indicates that areas with the highest carbon stocks are typically old and mature forest stands, where both living biomass and deadwood are abundant. These areas correspond to biologically valuable territories, including those protected under Latvian legislation and EU priority HCV areas recorded in the "Ozols" database. Such forests are important for biodiversity and play a key role in carbon sequestration and storage. Suppliers are informed about SBP-related risks and required mitigation measures. They sign agreements confirming that all supplied feedstock will comply with company requirements, will not originate from areas with combined high carbon stock and HCV attributes, and will not be mixed with non-compliant material at any stage of the supply chain. Primary Feedstock Verification Every load of primary feedstock, regardless of FSC or PEFC certification, is checked in the "Ozols" system during the acceptance process. Feedstock from areas identified as HCV or high carbon stock is not accepted. Supplier audits are conducted in line with internal procedures, with the frequency determined by the number of harvesting permits issued. Harvesting sites are selected randomly to ensure impartiality. Audits are performed using company-developed forms that include an assessment of SBP risk factors. The process begins with a detailed review of origin data in "Ozols" and, where criteria indicate potential risk, is followed by on-site field inspections to confirm habitat protection. Secondary Feedstock Verification Suppliers of FSC or PEFC controlled secondary feedstock are audited according to defined procedures, covering both frequency and scope. Audits involve reviewing documentation for feedstock acquired during the reporting period, and selected origins undergo in-depth verification as described for primary feedstock. Each audit also confirms that the material supplied qualifies as processing residues.

For suppliers providing only FSC or PEFC certified secondary feedstock, the number of audits is calculated using an internal formula considering the total number of certified suppliers, and audited suppliers are selected randomly. During each visit, company forms are completed to verify that secondary feedstock meets the SBP definition of processing residues and remains segregated from non-compliant material.

Conclusion Through this system of origin verification, supplier audits, and strict adherence to SBP requirements, the company ensures that only feedstock harvested under low-risk conditions, verified as SBP-compliant, and free from mixing with non-compliant material is accepted. Secondary feedstock must additionally qualify as processing residues to be recognized as SBP-compliant.

Detailed description of CB evaluation of mitigation measure and its conclusions

Risk mitigation measures were evaluated by the CB by a desk review of feedstock origin data and onsite field inspections. A sample-based verification of risk mitigation measures did not reveal deficiencies in BP's risk mitigation measures.

Country

Lithuania

Area/Sub-Scope

all

Indicator

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

Specified risk description

See risk description in the Regional Risk Assessment for Lithuania: <https://sbp-cert.org/documents/consultation-documents/archive/revised-rra-lithuania/>

Detailed description of a mitigation measure

1. The company's specialists, using official forest inventory data and/or approved forest management plans, verify the forest site index (productivity class) for each harvesting site. If the plot is classified as bonitet class V (very low productivity or difficult to regenerate), the material from such a plot is not accepted.
2. GIS and cadastral is checked in the Lithuanian geoportal to ensure the area is not a wetland, peatland, heatland or other HCV area.
3. The Wood Origin Declaration (Annex No. 1) shall include provisions ensuring that primary feedstock is not sourced from forest areas that are difficult to regenerate or are of low productivity.
4. Actions in case of non-conformity:
 - wood supply from the supplier harvesting in such a plot shall be suspended;
 - supply may be resumed only upon submission of evidence proving that the feedstock did not originate from low-productive or difficult-to-regenerate areas;
 - if the information cannot be obtained or verified, the feedstock shall not be included in SBP accounting.

5. If the inspection is performed after raw material reception and non-conformities are identified:

- have been made the necessary corrections in the records;
- require the supplier to present documented evidence that the feedstock did not originate from areas with low productivity or difficult regeneration;
- if uncertainty remains, conduct a follow-up on-site inspection to confirm the bonitet class and site conditions;
- if the non-conformity hasn't been corrected, the supplier shall be removed from the approved supplier list.

Detailed description of CB evaluation of mitigation measure and its conclusions

Data on all cargo is stored at the factory gate system. Data on field inspections shall be recorded and stored. If, on the basis of the results of the field inspections, natural values are found, the necessary measures shall be taken to maintain the natural values. Graanul Invest UAB reviews its risk mitigation plan annually and evaluates the effectiveness of the risk mitigation measures. Adjustments to the mitigation measures are made as necessary. During the audit, Risk Mitigation Measure Plan was evaluated. Auditor sampled different FMUs from private forest and assessed Site Index in the Forest State Cadaster. No origins SI Va or V were found. Additionally, 1 FMU was selected to be visited on site at the forest level, where auditor evaluated on site during the harvesting operation forest productivity and efficiency of the RMM Plan. Based on the documentation analysis, staff interviews and forest inspection, auditor concludes that RMM Plan is sufficient to ensure feedstock is not sourced from low productivity forest.

Country

Lithuania

Area/Sub-Scope

all

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 risk description in the Regional Risk Assessment for Lithuania: <https://sbpcert.org/documents/consultation-documents/archive/revised-rra-lithuania/>

Detailed description of a mitigation measure

Feedstock purchased from State Forests falls into the low-risk sphere, as State Forests (State Forest Enterprises) are committed to protecting biodiversity by legislation (including WKH, Natura 2000) as well as by FSC Forest Management standard), and is therefore classified as low-risk. Private forest owners who sell raw material are in the higher risk area and are therefore controlled and monitored by the company on the

basis of harvesting ticket data with origin and primary information (regional unit/forestry/quarter/parcel, plot) whether they (the owners) are ensuring the conservation of biodiversity. According to the initial information (felling ticket data), the raw material to be purchased from the private forest is checked in the databases (www.geoportal.lt) for origin from places such as -WKH, NATURA-2000 sites, wetlands. This is done before the decision to buy raw material is taken. If it is determined that the raw material comes from WKH, NATURA-2000, the wetlands the Company makes a decision not to buy such raw material.

Detailed description of CB evaluation of mitigation measure and its conclusions

Before the material is included in the SBP material flow, its origin is assessed regarding company's SBP manual procedure: the forest unit had been tested regarding due diligence of suppliers' checklist. Before SBP main evaluation, the mitigation measures have been implemented and no one biomass sourcing unit from WKH, NATURA 2000 or form protective area had been identified. If any deviations or non-conformities from this visit or other observations occur, the risk approach and its mitigation measures shall be reviewed. During the audit responsible person demonstrated the inspection of suppliers materials using database and other public sources as well as during the visit to the forests. During the audit, Risk Mitigation Measure Plan was evaluated. Auditor sampled different FMUs with different origins and assessed the identification of WKH and Natura 2000 using online data bases, harvesting licences and origin information. No origins with HCV were found. Additionally, 1 FMU was selected to be visited on site at the forest level, where auditor evaluated on site during the harvesting operation efficiency of the RMM Plan. Based on the documentation analysis, staff interviews and forest inspection, auditor concludes that RMM Plan is sufficient to ensure feedstock is not sourced from origins with key species, ecosystems and HCV are maintained or enhanced.

Country

Lithuania

Area/Sub-Scope

all

Indicator

2.2.2 Ecosystems, their health, vitality, functions and services in the Supply Base shall be maintained or enhanced.

Specified risk description

See risk description in the Regional Risk Assessment for Lithuania: <https://sbp-cert.org/documents/consultation-documents/archive/revised-rra-lithuania/>

Detailed description of a mitigation measure

Feedstock purchased from State Forests falls into the low-risk sphere, as State Forests (State Forest Enterprises) are committed to protecting biodiversity by legislation (including WKH, Natura 2000) as well as by FSC Forest Management standard), and is

therefore classified as low-risk. Private forest owners who sell raw material are in the higher risk area and are therefore controlled and monitored by the company on the basis of harvesting ticket data with origin and primary information (regional unit/forestry/quarter/parcel, plot) whether they (the owners) are ensuring the conservation of biodiversity. According to the initial information (felling ticket data), the raw material to be purchased from the private forest is checked in the databases (www.geoportal.lt) for origin from places such as -WKH, NATURA-2000 sites, wetlands. This is done before the decision to buy raw material is taken. If it is determined that the raw material comes from WKH, NATURA-2000, the wetlands the Company makes a decision not to buy such raw material.

Detailed description of CB evaluation of mitigation measure and its conclusions

Before the material is included in the SBP material flow, its origin is assessed regarding company's SBP manual procedure: the forest unit had been tested regarding due diligence of suppliers' checklist. Before SBP main evaluation, the mitigation measures have been implemented and no one biomass sourcing unit from WKH, NATURA 2000 or form protective area had been identified. If any deviations or non-conformities from this visit or other observations occur, the risk approach and its mitigation measures shall be reviewed. During the audit responsible person demonstrated the inspection of suppliers materials using database and other public sources as well as during the visit to the forests.

During the audit, Risk Mitigation Measure Plan was evaluated. Auditor sampled different FMUs with different origins and assessed the identification of WKH and Natura 2000 using online data bases, harvesting licenses and origin information. No origins with HCV were found. Additionally, 1 FMU was selected to be visited on site at the forest level, where auditor evaluated on site during the harvesting operation efficiency of the RMM Plan. Based on the documentation analysis, staff interviews and forest inspection, auditor concludes that RMM Plan is sufficient to ensure feedstock is not sourced from origins with key species, ecosystems and HCV are maintained or enhanced.

Country

Lithuania

Area/Sub-Scope

all

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 risk description in the Regional Risk Assessment for Lithuania: <https://sbpcert.org/documents/consultation-documents/archive/revised-rra-lithuania/>

Detailed description of a mitigation measure

Raw material purchased from state forests falls into the low-risk sphere, as state forests (State Forest Enterprise) are committed to protecting biodiversity - they do not harvest timber from KBAs (scrub forest habitats), NATURA2000 sites, swamps, old-growth forests - and therefore such raw material is classified as low risk and is not monitored. Private forest owners who sell raw material are at higher risk and are therefore monitored by the company on the basis of the felling ticket data-primary information (regional unit/forestry/quarter/parcel) to see if they (the owners) do not cut timber from KMB (ceramic forest habitats), NATURA2000 sites, wetlands, old-growth forests. According to the initial information (felling ticket data), the raw material to be purchased from the private forest is checked in the databases (www.geoportal.lt) for origin from places such as -WKH, NATURA-2000 sites, wetlands. This is done before the decision to buy raw material is taken. If it is determined that the raw material comes from WKH, NATURA-2000, the wetlands the Company makes a decision not to buy such raw material.

Detailed description of CB evaluation of mitigation measure and its conclusions

All non-certified forest unit had been checked if the site does not enter to WKH or protected territories such as peatland, wetlands and old-growth forest regarding cadastral number or geographic coordinates in the data bases <https://stvk.lt/> or <https://www.geoportal.lt/map/>.

Before main assessment the company carried out inspection of incoming material through cutting permits and databases. Haven't been identified any material from above mentioned areas. If any deviations or non-conformities from this visit or other observations occur, the risk approach and its mitigation measures shall be reviewed. During the audit responsible person demonstrated the inspection of suppliers materials using database and other public sources as well as during the visit to the forests.

Country

Lithuania

Area/Sub-Scope

all

Indicator

4.1.10 Safeguards shall be put in place to protect the health and safety of workers by developing, communicating and implementing policies and procedures.

Specified risk description

See risk description in the Regional Risk Assessment for Lithuania: <https://sbp-cert.org/documents/consultation-documents/archive/revised-rra-lithuania/>

Detailed description of a mitigation measure

As the State Forest Enterprise is sufficiently good at ensuring the health and safety of workers (certified by FSC and controlled and monitored by CB as well as implement relevant measures), it is classified as low risk and is not subject to controls. Private

forest owners selling raw material are at higher risk and are therefore controlled by the company according to the procedures described in the SBP procedures.

In order to mitigate the risk: specialist responsible for purchase shall:

- collect information from all suppliers about logging company and registers it in internal system;
- company's forestry specialist samples and carries out work safety risk mitigation audit on site and checks if all occupational safety measures are in place.

Company generates a list of wood harvesting companies and service providers separately in Lithuania in the system and performs audit under the formula $X=0,3*\sqrt{Y}$. Auditable areas and suppliers are selected so that supply region and a variety of contractors are maximally covered. If any non-conformance is detected, shall be done re-audit.

Detailed description of CB evaluation of mitigation measure and its conclusions

Auditor sampled different suppliers approved by the BP and analyzed information collected about H&S in the company data base following BP's RMM. On site audit were also conducted by auditor for 1 supplier in 1 FMU, the audit regarding occupational safety requirements in forest and out of forests operations are performed systematically regarding the list of wood harvesting companies. During a safety audit, the auditor assessed the safety requirements on the basis of a questionnaire. During the period before main assessment, no non conformities were identified. If any deviations or non-conformities from this visit or other observations occur, the risk approach and its mitigation measures shall be reviewed. During the audit responsible person demonstrated the inspection of suppliers materials using database and other public sources as well as during the visit to the forests. Based on the documentation analysis, staff interviews and forest inspection, auditor concludes that RMM Plan is sufficient to ensure feedstock H&S of workers is properly managed.

Country
Estonia
Area/Sub-Scope
N/A
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
Analysis suggests that although the key species, ecosystems, and HCVs in forests are generally identified, some WKHs and Natura 2000 forest land are not inventoried and thus this indicator is assigned a specified risk.
Detailed description of a mitigation measure
Graanul Invest excludes material originating from WKHs, potential WKHs, and Natura 2000 habitats. Graanul Invest uses a DESKIS-integrated gate control system to verify

cadastral data against environmental databases before accepting any deliveries. Suppliers are contract-bound to provide accurate origin data. Material from flagged areas is held and inspected further. Natural value field inspections are conducted pre-harvest using a statistical sampling approach using the $0.3\sqrt{x}$ formula. All FSC 100%, FSC Controlled Wood, PEFC 100%, and PEFC Controlled Sources deliveries are verified at entry via gate software. Controlled feedstock (without full certification) is always included in the SBE and subject to the above mitigation procedures. Only residuals and non-sawlog grade material are accepted from sawmills, ensuring claim integrity. Cadastral-based gate software blocks material linked to WKHs or Natura 2000. Field inspections and document verification confirm supplier compliance. This system has consistently proven effective during third-party audits. See SBR for additional information.

Detailed description of CB evaluation of mitigation measure and its conclusions

The Certification Body (CB) reviews the gate software integration and audit procedures to ensure they effectively exclude material from HCV areas. The CB verifies that flagged shipments are properly segregated and subjected to additional inspection. Conclusion: The mitigation measures are effective in preventing the acceptance of material from HCV areas. The CB confirms that Graanul Invest AS's system aligns with SBP and EU RED requirements for HCV protection.

Country

Estonia

Area/Sub-Scope

N/A

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

The analysis suggests that some WKHs and Natura 2000 forest land are not inventoried and thus, threats to and impacts on the identified key species, habitats, ecosystems, and HCV pertaining to biodiversity in these areas are not known. Therefore, the risk class for this indicator is assessed to be specified.

Detailed description of a mitigation measure

Same Estonia measure set as for 2.1.1, plus bulk-material supplier audits focused on 2.1.1–2.1.3 and 3.2.3 and including procedural verification and production-site inspection for processing residues. See SBR for additional information.

Detailed description of CB evaluation of mitigation measure and its conclusions

The CB evaluates the audit reports and supplier documentation to ensure threats to HCV areas are identified and mitigated. The CB confirms that supplier audits are comprehensive and include HCV-specific checks.

Conclusion: The mitigation measures are adequate and align with SBP and EU RED requirements for threat assessment and mitigation in HCV areas in Estonia.

Country
Estonia
Area/Sub-Scope
N/A
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
Key species, habitats, ecosystems, and areas of high conservation value (HCV) pertaining to biodiversity in the Supply Base shall be maintained or enhanced.
Detailed description of a mitigation measure
The same DESKIS gate controls, Natura double-check, segregation/escalation, and additional pre-harvest field inspections are used. For FSC 100% and PEFC 100% the internal table says 2.1.3 is benchmark-covered. See SBR for additional information.
Detailed description of CB evaluation of mitigation measure and its conclusions
The CB reviews supplier agreements and monitoring reports to ensure HCV areas are maintained or enhanced. The CB confirms that exclusion measures are effective in preventing the use of material from non-compliant HCV areas. Conclusion: The mitigation measures are effective in maintaining or enhancing HCV areas. The CB concludes that Graanul Invest AS's system aligns with SBP and EU RED requirements.

Country
Estonia
Area/Sub-Scope
N/A
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

Based on the evidence reviewed, the risk for non-compliance with this indicator is concluded to be specified. Related to the risk conclusion, see also indicators 2.1.1 and 2.1.3.

Detailed description of a mitigation measure

BP excludes all known HCV-designated areas (WKHs, potential WKHs, Natura 2000) as a proxy for high carbon stock areas. This exclusion policy is validated by SBP and CB interpretation.

All FSC 100%, FSC Controlled Wood, PEFC 100%, and PEFC Controlled Sources deliveries are verified at entry via gate software.

Controlled feedstock (without full certification) is always included in the SBE and subject to the above mitigation procedures.

Only residuals and non-sawlog grade material are accepted from sawmills, ensuring claim integrity.

Detailed description of CB evaluation of mitigation measure and its conclusions

The CB reviews the gate software integration and audit procedures to ensure they effectively exclude material from HCV and high carbon stock areas.

The CB verifies that flagged shipments are properly segregated and subjected to additional inspection.

Conclusion: The mitigation measures are effective in excluding material from HCV and high carbon stock areas. The CB concludes that Graanul Invest AS's system aligns with SBP and EU RED requirements.