

Supply Base Report: PATA SIA

First Surveillance Audit

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The promise of good biomass



Completed in accordance with the Supply Base Report Template Version 1.5

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

Document history

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1 Overview

Producer name: PATA SIA

Producer address: Cēsu Iela 14, LV-1012 Rīga, Latvia

SBP Certificate Code: SBP-04-07

Geographic position: 56.964710, 24.139170

Primary contact: Vita Rudzīte, +371 291 570 44, vita.rudzite@pata.lv

Company website: www.pata.lv

Date report finalised: 17 May 2023

Close of last CB audit: 27 May 2022

Name of CB: SCS Global Services

SBP Standard(s) used: SBP Standard 1: Feedstock Compliance Standard, SBP Standard 2: Verification of SBP-compliant Feedstock, SBP Standard 4: Chain of Custody, SBP Standard 5: Collection and Communication of Data Instruction

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

SBP Endorsed Regional Risk Assessment: Lithuania, Latvia

Weblink to SBR on Company website: <https://pata.lv/energetiskas-koksnes-sertifikacija/>

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

2 Description of the Supply Base

2.1 General description

Feedstock types: Primary, Secondary

Includes Supply Base evaluation (SBE): Yes

Includes REDII: N/A

Includes REDII SBE: N/A

Feedstock origin (countries): Latvia, Lithuania, Norway, Sweden

2.2 Description of countries included in the Supply Base

Country: Latvia

Area/Region: Kurzeme, Zemgale, Vidzeme, Latgale

Sub-Scope: N/A

Exclusions: No

In Latvia (data for 2022), forests cover area of 3,435 million ha. According to the data of the State Forest Service, woodness amounts to 53 %. Latvia is one of the most forested EU member states.

The Latvian State owns 1,62 million ha of forest (47 % of the total forest area), while the other 1,815 million ha belong to other owners (50% - private owned forests, 3% - municipal and other forests). Forests owned by the state main part are managed by stock company Latvijas Valsts Meži (Latvian State Forests). Private forest owners in Latvia amount to approximately 140 000.

Forest land consists of:

- forests 3,09 mill ha ;
- marshes 0,17 mill ha ;
- flooded areas 0,018 mill ha ;
- objects of infrastructure 0,087 mill ha .

For most of forest the dominant tree species are coniferous trees - pine and spruce. Latvia forests mainly consists of coniferous trees, but significant part are also occupied by other species.

Forest area by dominant species:

- pine 32 %;
- spruce 19 %;
- birch 30 %;
- gray alder 7 %;
- black alder 4 %;
- aspen 7 %;
- other species 1 %.

The amount of forestland is constantly expanding, both naturally and thanks to afforestation of infertile land and other land that is not used for agriculture.

In historical terms, the intensive use of Latvia's forests for economic purposes began comparatively later than in many other European countries, and that has allowed to preserve extensive biological diversity. Limitations on economic activity apply to 18% of Latvia's forests at this time, and most of this territory is owned by the state. 658 especially protected environmental territories have been set aside to protect nature. Many of the areas have been included in the European network of protected areas Natura 2000. In order to ensure the protection of a specially protected species or a biotope outside specially protected nature territories, micro-reserves are created, if any of the functional zones does not provide it. According to the State forest service, the total area of the micro-reserves in 2022 was 45 100 ha.

The forest sector in Latvia is under the supervision of the Ministry of Agriculture. It works with stakeholders to draft forest policies, development strategies for the sector, as well as regulations on forest management, the use of forest resources, environment protection and hunting.

The state forest service, under the Ministry of Agriculture, is the responsible agency for supervising how the provisions of the laws and regulations are observed in forest management irrespective of the ownership type.

State--

owned forests are managed by Stock Company "Latvian State Forests", which was established in 1999. It implements the state's interests in terms of preserving and increasing the value of the forest and enhancing the contributions of the forest to the national economy.

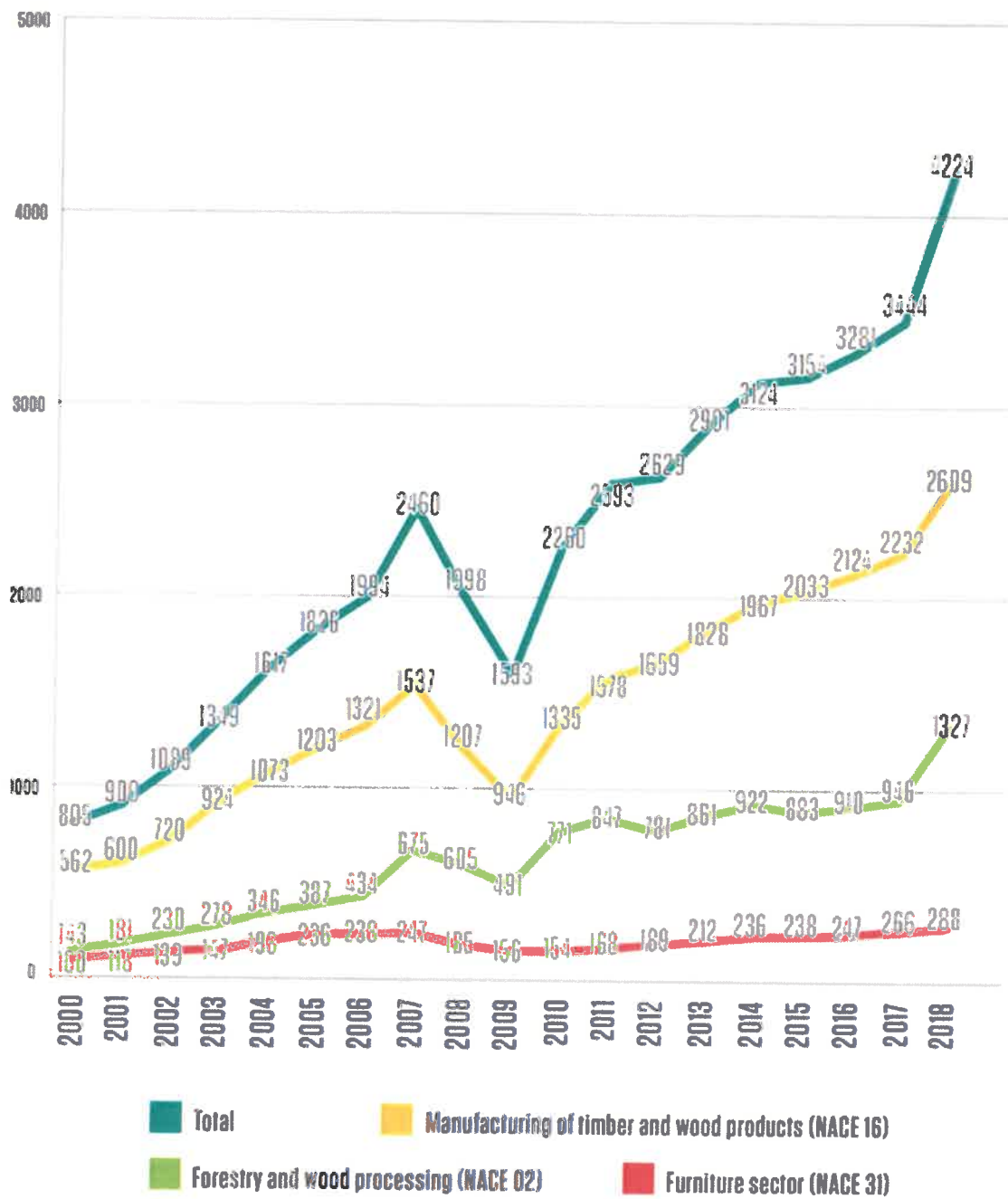
During the past decade, forest owners and manufacturing companies in Latvia have sought to receive certification of the sustainable use of forest resources. Forest management processes and timber product delivery chains in Latvia are certified on the basis of the two most widely used systems in the world – FSC and PEFC. This proves that the country's forests are managed according to internationally acknowledged standards of good forestry.

In December 2022 total PEFC Certified Forest Area in Latvia was 1 756 747 hectares and 73 Chain of Custody Certificates.

In December 2022 total FSC Certified Forest Area in Latvia was 1 217 943 hectares, 17 Forest Management Certificates and 331 Chain of Custody Certificates.

CITES came into force in Latvia on 12/05/1997.

Net turnover of Forest sector (Million EUR)



SOURCE: CSB

TIMBER INDUSTRY

31

The forest sector in Latvia is traditionally one of the most important sectors of the national economy. The share of the forest sector in the gross domestic product in 2020 was 5.3 percent. The added value of forest sector products has increased significantly - from 434 million euros in 2003 to 1.349 billion euros in 2020.

Since 1993, the total export contribution of wood products has reached 2.588 billion euros.

The forest sector plays a key role in providing employment for the population. The sector directly employs more than 44 thousand people, while together with related industries, forestry and the forest sector provide income for more than 70 thousand people. The forest sector plays a particularly important role in regional development and regional employment. For example, in the wood industry, about 80% of jobs are located in one of the regions of Latvia, and only 20% of jobs are located in Riga.

SIA PATA has 41 suppliers of SBP feedstock in Latvia. 35 of them deliver SBP-compliant Primary Feedstock from mix trees species, and 6 of them deliver SBP-compliant Secondary Feedstock from mix trees species.

Country:Lithuania

Area/Region: Aukštaitija, Samogitia, Dzūkija, Suvalkija, Lithuania Minor

Sub-Scope: N/A

Exclusions: No

Forests cover amounts to 35.59 per cent of the territory of the Republic of Lithuania and forest land constitute an area of 2 286

105 hectares as of data 2020. Expansion of the forest area has been one of the main objectives of Lithuanian forestry policy over the last years. Due to the implementation of sustainable forest management and national afforestation measures, forest coverage in Lithuania has increased by 3 per cent since 2003.

Approximately a half of forest land in Lithuania is owned by the State and managed by 42 State Forest Enterprises and the Directorate General of State Forests. Respectively, around 40 per cent of forest land is privately owned and the rest 10 per cent is still reserved for restitution.

Occupying 1 156 700 ha, coniferous stands prevail in Lithuania, covering 56.2 per cent of the forest area. They are followed by softwood deciduous forests (827 500 ha, 40.3 per cent) and hardwood deciduous forest (75 800 ha, 3.7 per cent). The dominant tree species are pine (occupying 727 100 ha) and spruce (429 600 ha). Birch stands are prevalent among deciduous trees, covering an area of 459 700 ha.

Sustainable forest management is the overriding objective for forest policy and practice in Lithuania. Therefore, forest resources are used responsibly and annual timber harvest rate does not exceed the annual increment. Lithuania's forests produce around 7,4 million m³ of round wood per year. Annual fellings do not exceed 60 per cent of gross total annual increment.

Forests are divided into groups upon the objectives of the economic activities, their regime and the major functional purpose.

Group I – strict reserves forests. These are the strict reserves and small strict reserves forests on the territories of state strict nature reserves, state parks and biosphere monitoring territories. Objective of economic activities – to preserve the forests for a natural growth.

Group II – forests of special purpose, split into the following: A – ecosystem protection forests. Landscape, botanical, forest genetic, zoological, botanical–zoological reserves and reserves of these types in state parks and biosphere monitoring territories. Objective of economic activities – to preserve or restore forest ecosystems or separate ecosystem components. B – recreational forests. Recreational forests cover forest parks, urban (city) forests, forests of recreation zones of the state parks, recreational forest areas and other forests defined for recreation. Objective of economic activities – to form and preserve the recreational forest environment.

Group III – protective forests. These are the forests in the territories of geological, geomorphological, hydrographical, and cultural reserves, forests of protection zones. Objective of economic activities – to form productive forest stands capable of performing the functions of protection of soil, air, water and human living surroundings.

Group IV – commercial forests, split into the following: A – commercial forests of normal cutting age. Objective of economic activities – to form productive forest stands and supply wood continuously following the requirements of environmental protection;; B -- forest plantations. Objective of economic activities – to grow as much wood as possible in the shortest period of time.

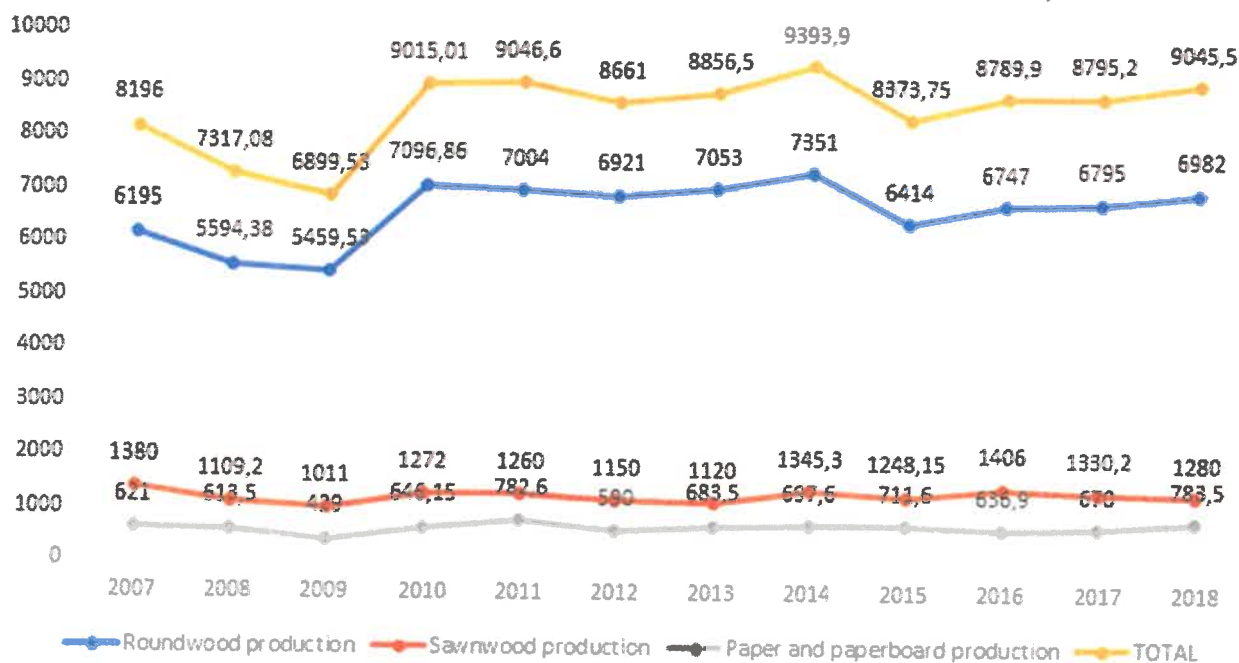
FSC and PEFC certificates are used in Lithuania.

In December 2022 total FSC Certified Forest Area in Lithuania was 1 267 182 hectares with 32 Forest Management Certificates and 441 Chain of Custody Certificates.

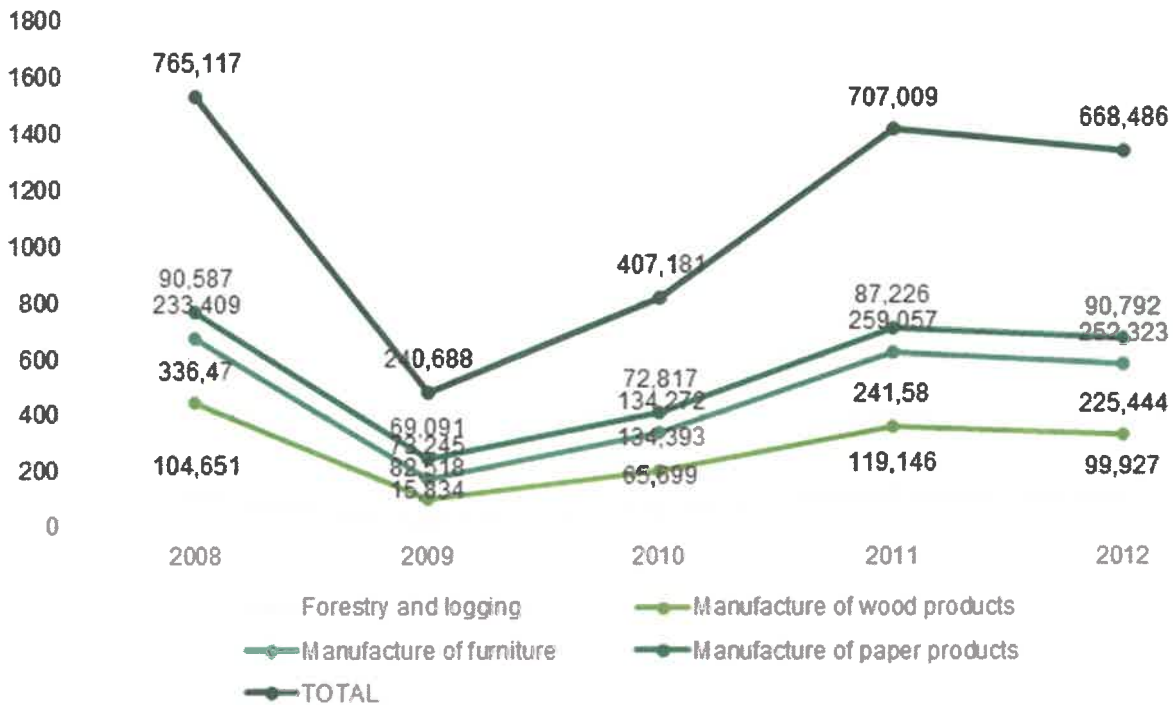
In December 2022 there were 19 PEFC Chain of Custody Certificates.

CITES came into force in Lithuania on 09/03/2002.

Total production in forest sector in Lithuania (1000 m3)



Gross fixed capital formation in forest sector in Lithuania (million LTL)



Forests and wood product industries provide over 60,000 jobs in forestry and logging, wood manufacturing and the paper and furniture industries. This is 6 percent of total employment in the country. In 2018 the forest and wood processing sector's share of total national value added reached 4.5 percent, with forestry adding about 0.6 percent. The biggest share of the value added in the sector was generated by the furniture industry, some 2 percent. The number of companies in forestry, logging and the forest industry diminished while their average size increased in recent years. The Lithuanian forest and wood processing sector has over 2,000 operating companies as of 2018.

SIA PATA has purchased FSC certified sawlogs from Lithuania (for production of SBP-compliant secondary feedstock).

Country: Norway

Area/Region: Trondelag, Western Norway, Southern Norway, Eastern Norway

Sub-Scope: N/A

Exclusions: No

In Norway, forests cover 38% of the total land area and are 12,200,000 ha (according to 2022 data). Of this area, 8,600,000 ha are productive forests. By 2022, there will be about 11 billion trees (5 cm and thicker) in Norway.

The Norwegian state owns large areas of forest and land - about one-fifth of mainland Norway. Half of these lands are so-called state commons, areas open to everyone. State owned forests and rangelands are

managed by State Forests ("Statskog"), making this government agency the country's largest landholder. Private forest owners and their associations are owned 120 716 forest properties.

The most common tree species in Norway are spruce, pine and birch. The total growing stock of spruce is 44% or 432.96 million m³, the total growing stock of pine is 31% or 304.47 million m³, and the growing stock of deciduous trees is about 25% or 250.11 million m³.

Sustainable forest management is the overriding objective for forest policy and practice in Norway. Therefore, forest resources are used responsibly and annual timber harvest rate does not exceed the annual increment. On average, Norwegian forests increase by about 25 million cubic meters of timber per year. Spruce accounts for half of this growth. Every year about ten million cubic meters of timber are felled.

It is not only industrial timber that increases. National parks and forest reserves, too, make up an increasing proportion of the forest area in Norway.

Threatened and vulnerable species and their habitats are strictly protected under the Nature Diversity Act. 17.6% of mainland Norway is nature reserve territory. In addition to 47 national parks, Norway has more than 3,200 other protected areas for the conservation of plants, animal species and habitats.

Norway's three national biodiversity targets:

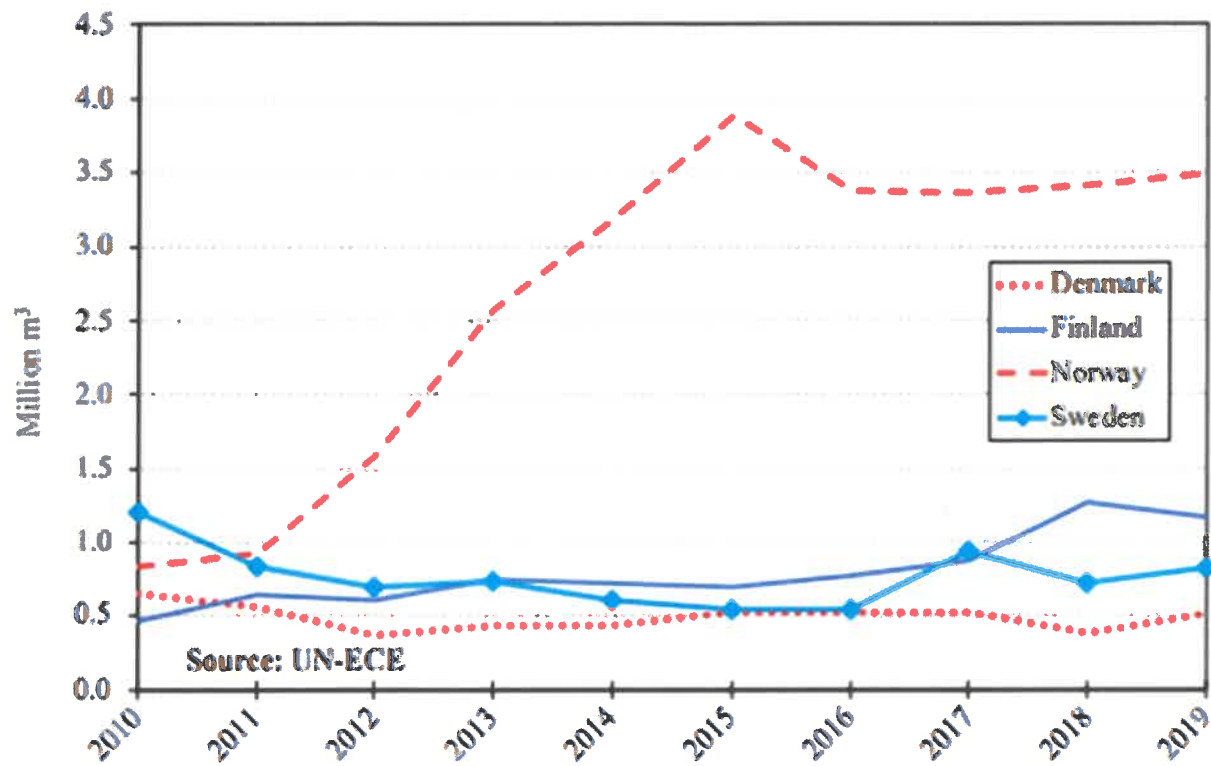
- 1) Achieving good ecological status in ecosystems;
- 2) Safeguarding threatened species and habitats;
- 3) Maintaining a representative selection of Norwegian nature (the conservation of areas covering the whole range of habitats and ecosystems).

FSC and PEFC certificates are used in Norway. In 2022 total FSC Certified Forest Area in Norway was 679 480 hectares with 5 Forest Management Certificates and 71 Chain of Custody Certificates. In 2022 there were 86 PEFC Chain of Custody Certificates and 7 351 500 ha of PEFC certified forests.

Compliance with CITES in Norway is the responsibility of the VKM – Norwegian Scientific Committee for Food and Environment.

Forestry is a traditional and important industry in Norway. About 50 percent of the harvested timber is used by sawmills in Norway. There are 225 sawmills operating on an industrial scale. It provides jobs and export earnings. Forestry and related industries provide around 25,000 jobs.

C1. Softwood Log Exports - Nordic



Export and imports of roundwood. Cubic metres				
	Imports		Exports	
	2020	2021	2020	2021
Sawlogs, coniferous	153 216	170 106	1 271 815	1 816 640
Pulpwood, coniferous	169 738	167 202	2 063 034	1 837 545
Pulpwood, birch	32	35	200 218	187 317
Other roundwood	13 570	11 994	19 170	31 900

Forest products account for almost 5% of the export income of Norway.

SIA PATA has purchased FSC/PEFC certified sawlogs from Norway (for production of SBP-compliant secondary feedstock).

Country:Sweden

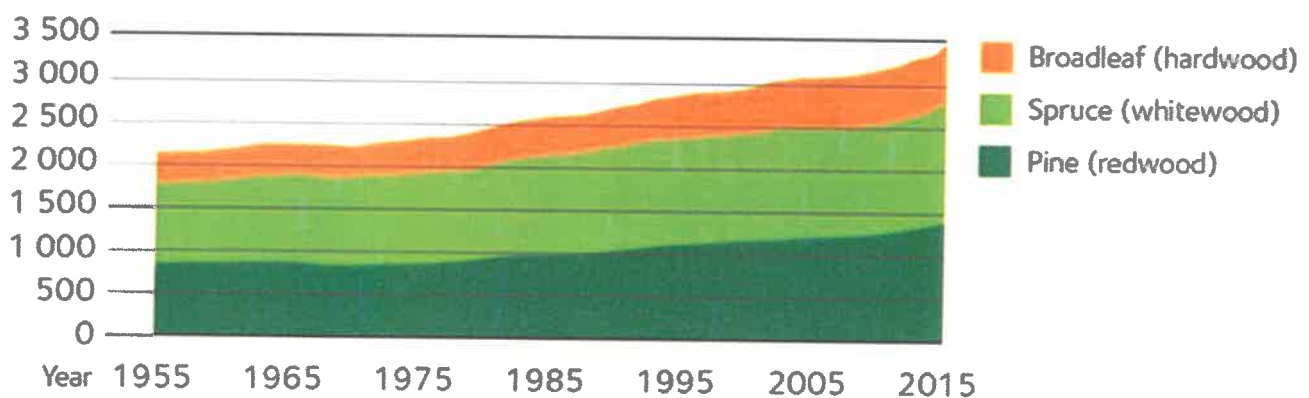
Area/Region: Götaland, Svealand

Sub-Scope: N/A

Exclusions: No

Swedish forest has to meet a number of different demands. Despite making up less than one percent of the planet's forested land, it makes Sweden the world's second-biggest exporter of pulp, paper and sawn wood products. Sweden's total land area covers 40.8 million hectares, while Swedish forest comprises 22.5 million hectares of productive forest land. Growth is greater than the amount felled, and has been for the entire 20th century onwards. Annual growth stands at around 120 million cubic metres growing stock, solid over bark (m³), and each year around 90 million m³ of that growth is harvested -the amount of forest in Sweden is constantly growing year on year, with the total volume of wood amounting to over 3 billion m³. In less than 100 years, Sweden's forest assets have doubled.

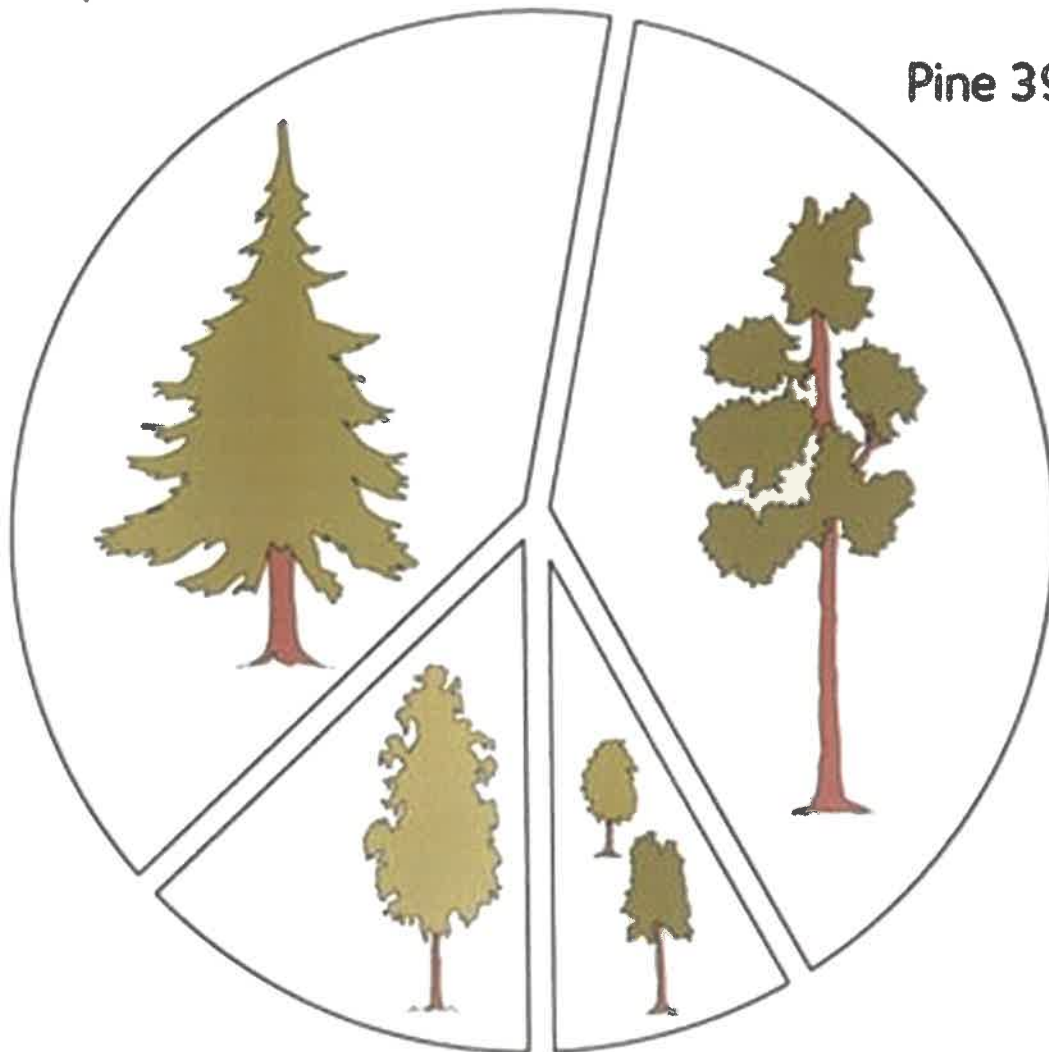
Million cubic metres growing stock, solid over bark (mn m³sk)



Almost 70 percent of Sweden's land area is covered in forest, and that figure has remained stable for a long time. As much as 83 percent of Sweden's forest land is coniferous forest, with mixed forest accounting for 12 percent and pure broadleaf forest 5 percent. The volume of wood comprises 40 percent spruce, followed by 39 percent pine, then 13 percent birch and 8 percent other broadleaf trees

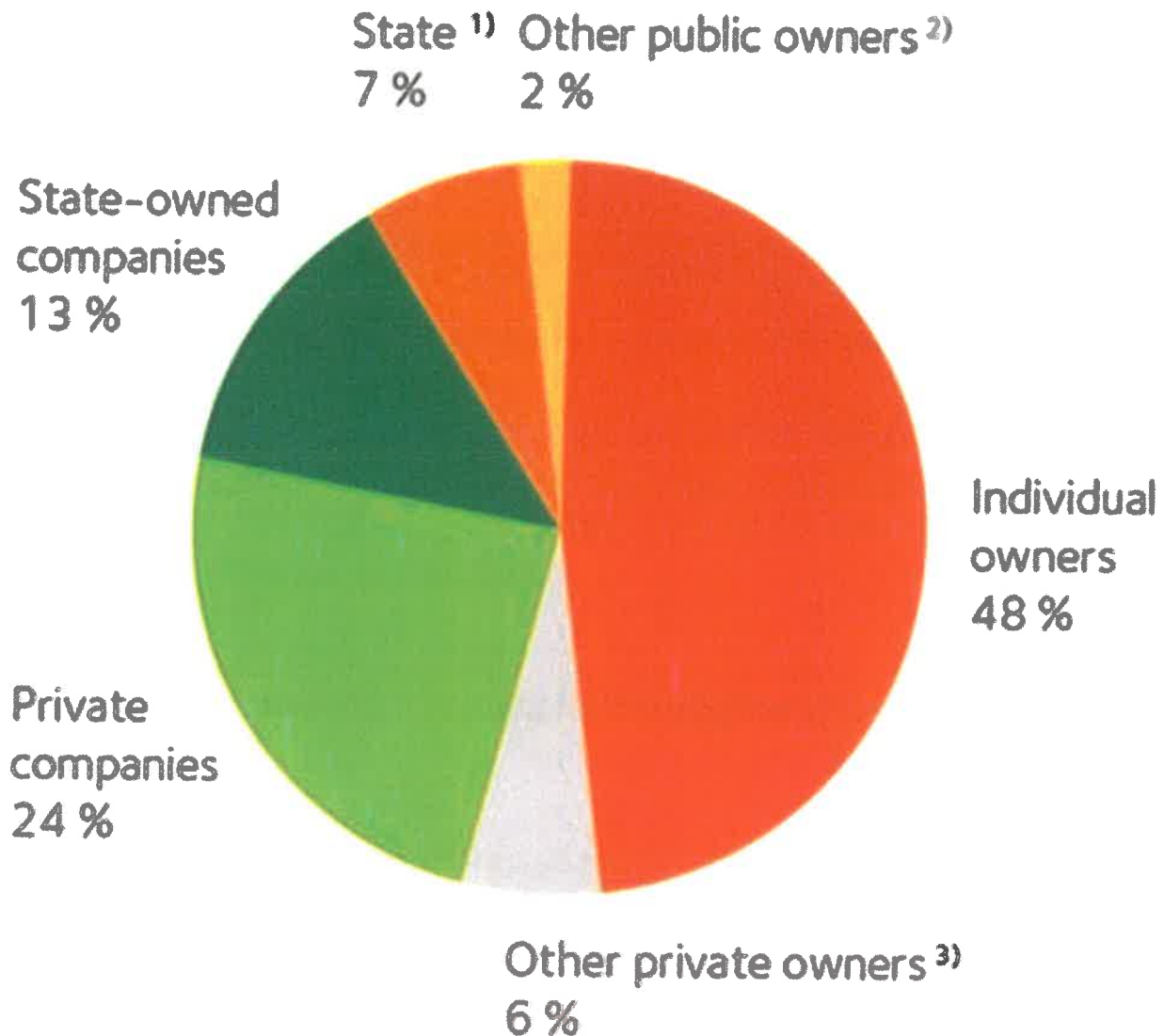
Spruce 40.3 %

Pine 39.3 %



Birch 12.4 %

Other broadleaf species 8 %



Of the forest harvested in Sweden, around 47 percent goes to sawmills, 45 percent to the pulp industry in the form of pulpwood, and 8 percent becomes firewood, poles and so on.

Almost all the forest in Sweden can be defined as managed. Only the northernmost mountain regions have areas of virgin forest, areas that have not been affected by agriculture or silviculture. These are called natural forests.

Sweden has 28 million hectares of forest land, but not all of it is used for forestry purposes. Sweden has 30 national parks, over 5,200 nature reserves, over 8,400 habitat protection areas and 5,400 nature conservation agreements. Formally protected forest totalled 2.4 million hectares as at the end of 2020. This corresponds to 9 percent of Sweden's forest land. Of this, a little over 1.3 million hectares relate to productive forest, representing almost 6 percent of the nation's productive forest land.

Sweden's sustainable forestry is subject to legislation that balances production and environmental objectives. Harvested forest must be regenerated either through planned planting or by leaving trees that

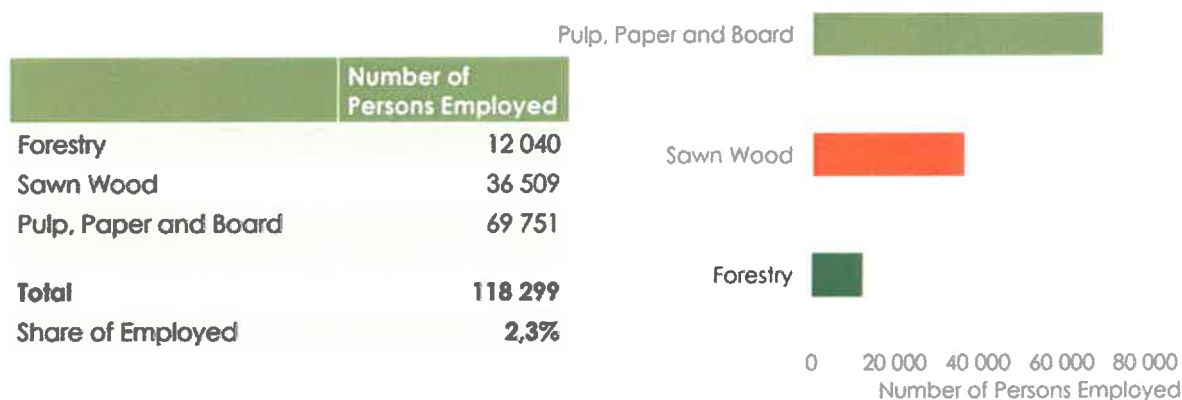
naturally produce seeds and new seedlings, known as natural regeneration. In addition to forest-related legislation, there are also voluntary international forest certification schemes, under which sustainable forestry is verified through third-party certification. The two schemes that operate in Sweden are FSC and PEFC.

In 2022 total FSC Certified Forest Area in Sweden was 19 676 950 hectares with 18 Forest Management Certificates and 430 Chain of Custody Certificates.

In 2022 there were 204 PEFC Chain of Custody Certificates and 16 522 111 ha of PEFC certified forests.

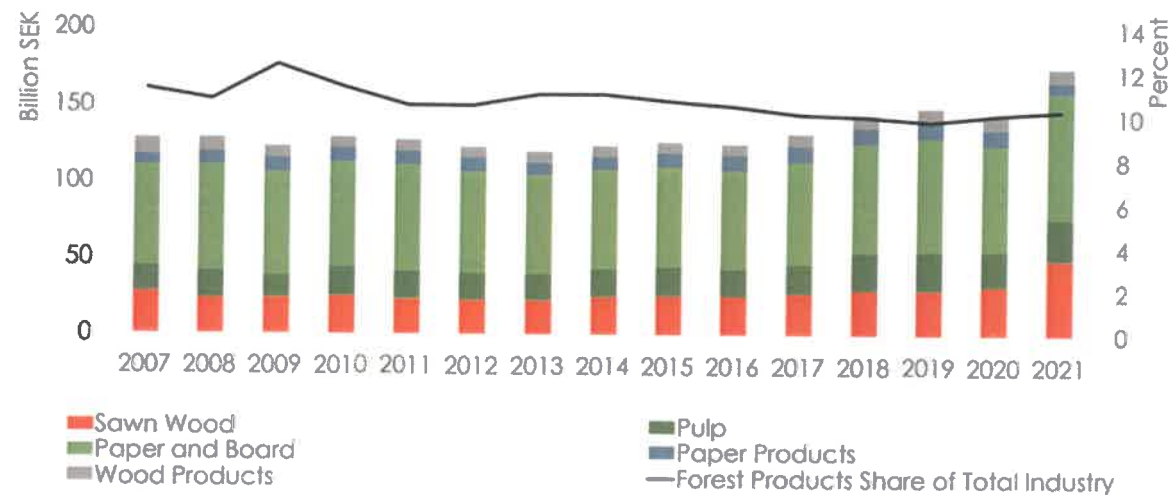
In Sweden, the forest provides a living for many people. 118 300 people work in the forest-based industry, and some are part of the country's 320 000 forest owners.

Number of persons employed, National Accounts, Input-output 2019



Source: Statistics Sweden

Export Value of Forest Industry Products



Source: Statistics Sweden



SIA PATA has purchased FSC certified sawlogs from Sweden (for production of SBP-compliant secondary feedstock).

2.3 Actions taken to promote certification amongst feedstock supplier

SIA PATA informs suppliers about criteria and importance of FSC and PEFC certificates.

SIA PATA also is informing suppliers about SBP objectives and requirements and importance to comply with them.

Feedstocks for biomass production are supplied from FSC and PEFC certified forests, and part from Latvian private forests (non certified). 40% of the total SBP-compliant biomass amount makes secondary feedstocks. The main part of feedstocks – 80% - are FSC or PEFC certified.

2.4 Quantification of the Supply Base

Supply Base

- Total Supply Base area (million ha):** 40.42
- Tenure by type (million ha):** 29.33 (Privately owned), 10.15 (Public), 0.94 (Community concession), 29.33 (Privately owned), 10.15 (Public), 0.94 (Community concession)
- Forest by type (million ha):** 40.42 (Boreal), 40.42 (Boreal)

- d. **Forest by management type (million ha):** 40.42 (Managed natural), 40.42 (Managed natural)
e. **Certified forest by scheme (million ha):** 22.84 (FSC), 25.63 (PEFC), 22.84 (FSC), 25.63 (PEFC)

Describe the harvesting type which best describes how your material is sourced: Mix of the above

Explanation: Max area of clear cut shall be 2-5 ha (it's depend from forest type); in trees felling use harvesters and chainsaws.

Was the forest in the Supply Base managed for a purpose other than for energy markets? Yes - Majority

Explanation: The main use of logs is the wood industry and furniture production

For the forests in the Supply Base, is there an intention to retain, restock or encourage natural regeneration within 5 years of felling? Yes - Majority

Explanation: Specified in the Forest Law

Was the feedstock used in the biomass removed from a forest as part of a pest/disease control measure or a salvage operation? No

Explanation: N/A

What is the estimated amount of REDII-compliant sustainable feedstock that could be harvested annually in a Supply Base (estimated): N/A N/A

Explanation: N/A

Feedstock

Reporting period from: 01 Jan 2022

Reporting period to: 31 Dec 2022

- a. **Total volume of Feedstock:** 200,000-400,000 tonnes
b. **Volume of primary feedstock:** 1-200,000 tonnes
c. **List percentage of primary feedstock, by the following categories.**
 - Certified to an SBP-approved Forest Management Scheme: 40% - 59%
 - Not certified to an SBP-approved Forest Management Scheme: 40% - 59%
- d. **List of all the species in primary feedstock, including scientific name:** Pinus sylvestris (Pine); Picea abies (Spruce); Betula pendula (Birch); Alnus glutinosa (Black alder); Alnus incana (White alder); Populus tremula (Aspen); Fraxinus excelsior (Ash); Quercus robur (Oak); Betula pubescens (Birch); Acer platanoides (Maple); Carpinus betulus (Hornbeam); Fagus spp (Beech); Salix caprea (Willow); Sorbus aucuparia (Rowan); Tilia cordata (Lime); Ulmus glabra (Elm); Ulmus laevis (Elm); Salix alba (Willow); Prunus padus (Cherry); Betula pubescens (Birch); Acer platanoides (Maple); Carpinus betulus (Hornbeam); Fagus spp (Beech); Salix caprea (Willow); Sorbus aucuparia (Rowan); Tilia cordata (Lime); Ulmus glabra (Elm); Ulmus laevis (Elm); Salix alba (Willow); Prunus padus (Cherry);
- e. **Is any of the feedstock used likely to have come from protected or threatened species?** No
 - Name of species: N/A
 - Biomass proportion, by weight, that is likely to be composed of that species (%): N/A
- f. **Hardwood (i.e. broadleaf trees): specify proportion of biomass from (%):** 88,00
g. **Softwood (i.e. coniferous trees): specify proportion of biomass from (%):** 12,00
h. **Proportion of biomass composed of or derived from saw logs (%):** 0,00
i. **Specify the local regulations or industry standards that define saw logs:** NA
j. **Roundwood from final fellings from forests with > 40 yr rotation times - Average % volume of fellings delivered to BP (%):** 70,00

- k. **Volume of primary feedstock from primary forest:** 0 N/A
- l. **List percentage of primary feedstock from primary forest, by the following categories. Subdivide by SBP-approved Forest Management Schemes:**
- Primary feedstock from primary forest certified to an SBP-approved Forest Management Scheme: N/A
 - Primary feedstock from primary forest not certified to an SBP-approved Forest Management Scheme: N/A
- m. **Volume of secondary feedstock:** 1-200,000 tonnes
- Physical form of the feedstock: Chips
- n. **Volume of tertiary feedstock:** 0 N/A
- Physical form of the feedstock: N/A
- o. **Estimated amount of REDII-compliant sustainable feedstock that could be collected annually by the BP:** N/AN/A

Proportion of feedstock sourced per type of claim during the reporting period				
Feedstock type	Sourced by using Supply Base Evaluation (SBE) %	FSC %	PEFC %	SFI %
Primary	60,00	20,00	20,00	N/A
Secondary	N/A	90,00	10,00	N/A
Tertiary	N/A	N/A	N/A	N/A
Other	N/A	N/A	N/A	N/A

3 Requirement for a Supply Base Evaluation

Note: Annex 1 is generated by the system if the SBE is used without Region Risk Assessment(s). Annex 2 is generated if RED II SBE is in the scope.

Is Supply Base Evaluation (SBE) is completed? Yes

SBP biomass supply evaluation includes:

- Primary wood (round wood) after logging

SIA PATA defines the feedstock/biomass received from the approved sources and supplies as a "SBP-compliant biomass".

SBP-endorsed Regional Risk Assessments for Latvia and Lithuania are used. The company has performed a risk assessment for Norway and Sweden. Company has been developed inspection program for supply risk mitigation.

The risk assessment is divided into : "low risk", "specified risk" or "unspecified risk".

Is REDII SBE completed? N/A

N/A

4 Supply Base Evaluation

Note: Annex 2 is generated if RED II is in the scope.

4.1 Scope

Feedstock types included in SBE: Primary

SBP-endorsed Regional Risk Assessments used: Lithuania, Latvia

List of countries and regions included in the SBE:

Country: Latvia

Indicator with specified risk in the risk assessment used:

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

Specific risk description:

High Conservation Value Forests : include Natura 2000 sites, EU protected habitats, Woodland key habitats - the risk level for this subcategory is considered to be specified risk for non-certified forests.

High Conservation Value Forests : Forest and parks in or around objects of cultural heritage, for instance, manor parks, urban forests, forests of important historical sites - there is no information compiled on the cultural heritage of such forests and the actual cultural heritage status is not fully acknowledged in private, municipal and church owned forests.

Country: Latvia

Indicator with specified risk in the risk assessment used:

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

Specific risk description:

High Conservation Value Forests : With regard to identification and protection of conservation values, there is an expert concern about nesting areas of a number of species included in the Bird's Directive Annex I which are not identified and registered in the forest register databases and thus "de facto" are not protected outside protected nature territories with special protection regimes.

High Conservation Value Forests : Problematic areas in relation to threats to forests and other areas with high conservation values, are nature values in woodland key habitats (WKH) and/or EU protected forest habitats in non-certified forests.

High Conservation Value Forests : isolated cases of destruction/damaging of objects of cultural heritage in private forests.

Country: Latvia

Indicator with specified risk in the risk assessment used:

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

Specific risk description:

Low risk can be considered for: • companies working as subcontractors for certified forest managers and who are routinely checked for OH&S issues or are implementing quality management systems in relation to OH&S issues (ISO 45001 for example); • harvesting works which are carried out exclusively with forest machinery (harvesters). "Specified risk" is considered for: Harvesting works which are carried out by manual harvesting means (chainsaws) in noncertified forests. Special focus shall be paid to self-employed persons and workers of microenterprises.

Country: Lithuania

Indicator with specified risk in the risk assessment used:

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

Specific risk description:

The indicator is identified as low risk for state forest enterprises and specified risk for private forest.

Country: Lithuania

Indicator with specified risk in the risk assessment used:

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

Specific risk description:

Within the EU forest sector, compared to other countries the situation in Lithuania is not so bad in risk related to health and safety. The risk exists for contractors working in the private forest, because of periodically occurring serious injuries at the work place. Therefore it was decided to assign specified risk to this indicator for the contractors working in private forest.

Country: Norway

Indicator with specified risk in the risk assessment used:

1.6.1 The BP has implemented appropriate control systems and procedures to ensure that feedstock is not sourced from areas where there are violations of traditional or civil rights.

Specific risk description:

Norway recognizes the rights of the Sami indigenous peoples. But also in Norway there are still ongoing barriers to the full realization of the right of Sami people to self-determination, to land and to resources.

Country: Norway

Indicator with specified risk in the risk assessment used:

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

Specific risk description:

Specific HCV types are not defined. Previously identified and mapped natural resources are adapted. Protected areas are at low risk.

Specific risks have been identified for the level of landscape protection in the Finnmark county and for the protection of Cultural Modified trees in the Nordland, Troms and Finnmark counties

Country: Norway

Indicator with specified risk in the risk assessment used:

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

Specific risk description:

Biodiversity concentration sites - the occurrence of 4 different species and forest environment must be identified.

In areas of untouched forest landscape, fragmentation of the territory must be prevented.

All HCVs have been identified in areas of national importance, but they have not been identified in areas of regional importance.

Cultural Modified trees are not mapped and registered, but are easily recognizable in forest.

Country: Sweden

Indicator with specified risk in the risk assessment used:

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

Specific risk description:

Low risk are considered in Blekinge, Jonkoping and Skane regions. In other regions low risk are considered for companies that implement pre-harvest nature value assessments and with effective policies not to source from WKHs. Montane forests at elevations above the Naturvårdsgränsen and reindeer herding area to be specified risk. An additional mitigation measure is the implementation of green plans and ecological landscape plans by companies and forest owners' organizations. The risk of impact on reindeer herding areas can be prevented through a consultation mechanism.

Country: Sweden

Indicator with specified risk in the risk assessment used:

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

Specific risk description:

Low risk are considered in Blekinge, Jonkoping and Skane regions. In other regions low risk are considered for companies that implement pre-harvest nature value assessments and with effective policies not to source from WKHs. Montane forests at elevations above the Naturvårdsgränsen and reindeer herding area to be specified risk. An additional mitigation measure is the implementation of green plans and ecological landscape plans by companies and forest owners' organizations. The risk of impact on reindeer herding areas can be prevented through a consultation mechanism.

4.2 Justification

SBP endorsed SBP Regional Risks Assessments have been developed in accordance with SBP standard Nr.1 version 1.0 of March 2015 and SBP standard Nr.2 version 1.0 of March 2015, assessing the risk category for each SBP indicator. Through reviewing and assessing the risk, the company acquired an in-depth understanding of the wood supply risks that could affect the acceptance of SBP non-compliant material for biomass production.

By introducing efficient risk mitigation measures, the company has the option to purchase SBP approved and compliant assortment to produce the required amount of "SBP compliant biomass" products.

SIA PATA as forest company with 20 years experience, integrating leading expertise in forest industry, has developed risk mitigation and control mechanism for the evaluation and confirmation of its biomass which comply with the "SBP compliant biomass" status.

4.3 Results of risk assessment and Supplier Verification Programme

Taking into account the specific characters of Latvia and expert advice and recommendations, "specified risk" was applied in relation to identification and protection of EU importance and natural forest habitats, bird species, identification and protection of cultural heritage objects (HCV category 3) in non-certificate forests and work safety(if work with chainsaw in non-certificate forests).

In Lithuania "specified risk" was applied to biotope protection and work safety in private forests.

In Norway "specified risk" was applied for the protection of species, habitats, landscapes, the identification of cultural heritage sites and the protection of Sámi rights.

In Sweden "specified risk" was applied for the protection of species, habitats, landscapes in some regions.

Supplier Verification Programme does not apply in PATA case, since we did not identify "unspecified risk" in PATA Supply Base Evaluation.

4.4 Conclusion

Since June 1, 2018 when the requirements of SBE standards were initiated and introduced, the compliance of feedstock suppliers to specific risks was reviewed. The suppliers who are informed and competent on

assessment of possible risks, but who are not certified by requirements of PEFC or FSC standards, are approved as SBP wood suppliers.

The volume of FSC or PEFC certified wood is not enough to ensure that 100% of the biomass is a "SBP compliant biomass".

As a result of risk mitigation measures, SIA PATA has confirmed that the suppliers who logging round wood at self own or other own forests and hand in all requested information, can be provided risk mitigation measures and conform to SBE low-risk category at supply level.

5 Supply Base Evaluation process

SIA PATA "SBP compliant biomass" assessment refers to supplies from Latvia, Lithuania, Norway and Sweden, and obtaining of biomass from :

- SBP-approved forestry certification scheme;
- SBP-approved supply chain (CoC) system;
- SBP low risk feedstocks sourced within SBE system.

The company has developed and implemented a risk mitigation procedure where the identified risk mitigation measures and tools are described.

Checking questionnaires to each specified risk indicator were designed and applied to objectively assess and obtain all information on each wood extraction site, which is approved as "SBP compliant biomass" or "SBP compliant feedstock".

Check frequency and plan is designed so that all suppliers are checked one time per year.

Approved suppliers cutting places are checked by OZOLS data base -

https://www.daba.gov.lv/public/lat/dati1/dabas_datu_parvaldibas_sistema_ozols/ (in Latvia);

www.geoportal.lt www.natura2000info.lt (in Lithuania) – in Lithuania natural forest habitats and WKH designated as Natura 2000 sites at the EU level or biosphere polygons at the national level.

-in databases Kilden, Artskart and Borchbio (Norway).

- in Sweden protected areas, Natura 2000 sites, cultural reserves and world heritage sites <http://mdp.vic-metria.nu/miljodataportalen/> ; WKHs <http://skogsdataportalen.skogsstyrelsen.se> ; important bird areas <http://www.birdlife.org.za/conservation/important-bird-areasmetria.nu/miljodataportalenetria.nu/miljodataportalen/>://mdp.vic

Checking are performed prior to logging. The checking procedure is available at the company only by request, taking into account confidentiality, and is discussed with interested parties to improve it effectively.

As the basis for the establishment of the SBP and SBE risk mitigation system, there were taken requirements of the PEFC Supply chain certification system standards, staff competence in the wood supply chain as well as knowledge in forestry, wood industry and the legality of wood supplies.

6 Stakeholder consultation

On 31 October 2022, the company published the SBP risk assessments and the draft SBR on its website. An informative letter was sent electronically to the interested parties on the risk assessment and draft SBR. The list of interested parties was created so that it includes the maximum number of recipients that represent economic, social and environmental interests of society, as well as local municipalities. The total number of recipients is 57 correspondent.

SBR is available on the company's website:

<https://pata.lv/en/about-us/>

On November 2, 2022, a comment was received from A.G. Chairman of the Board of Forest and Land Owners Association of Lithuania (info@forest.lt).

6.1 Response to stakeholder comments

Description: A.G., Chairman of the Board of Forest and Land Owners Association of Lithuania

Comment: "It is a bit surprise for us the statement in page 17, that "Within the EU forest sector, Lithuania is the country with the highest risk in relation to health and safety." .That statement should be based on valid data. Also you can consult on this issue the association of forest contractors of Lithuania [Miško darbų rangovų asociacija, web: <https://www.miskorangovai.lt/>; e-mail" rangovu.asociacija@gmail.com]"

Response: SBR was worded differently - "Within the EU forest sector, compared to other countries the situation in Lithuania is not so bad in risk related to health and safety. The risk exists for contractors working in the private forest, because of periodically occurring serious injuries at the work place. Therefore it was decided to assign specified risk to this indicator for the contractors working in private forest."

7 Mitigation measures

7.1 Mitigation measures

Country:
Latvia

Specified risk indicator:

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

Specific risk description:

High Conservation Value Forests : include Natura 2000 sites, EU protected habitats, Woodland key habitats - the risk level for this subcategory is considered to be specified risk for non-certified forests.

High Conservation Value Forests : Forest and parks in or around objects of cultural heritage, for instance, manor parks, urban forests, forests of important historical sites - there is no information compiled on the cultural heritage of such forests and the actual cultural heritage status is not fully acknowledged in private, municipal and church owned forests.

Mitigation measure:

Peerperforming areas with high conservation values risk assessment procedures prior to logging and checking cadastre numbers using the

https://www.daba.gov.lv/public/lat/dati1/dabas_datu_parvaldibas_sistema_ozols/. Verification in forest

- protection of bird species and the possibility of cultural and historical objects are documented in the MDI (logging questionnaire).

Country:
Latvia

Specified risk indicator:

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

Specific risk description:

High Conservation Value Forests : With regard to identification and protection of conservation values, there is an expert concern about nesting areas of a number of species included in the Bird's Directive Annex I which are not identified and registered in the forest register databases and thus "de facto" are not protected outside protected nature territories with special protection regimes.

High Conservation Value Forests : Problematic areas in relation to threats to forests and other areas with high conservation values, are nature values in woodland key habitats (WKH) and/or EU protected forest habitats in non-certified forests.

High Conservation Value Forests : isolated cases of destruction/damaging of objects of cultural heritage in private forests.

Mitigation measure:

Performing biotope risk assessment procedures prior to logging and checking cadastre numbers using the https://www.daba.gov.lv/public/lat/dati1/dabas_datu_parvaldibas_sistema_ozols/. Verification in forest - protection of bird species and the possibility of cultural and historical objects are documented in the MDI (logging questionnaire).

Country:
Latvia

Specified risk indicator:

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

Specific risk description:

Low risk can be considered for: • companies working as subcontractors for certified forest managers and who are routinely checked for OH&S issues or are implementing quality management systems in relation to OH&S issues (ISO 45001 for example); • harvesting works which are carried out exclusively with forest machinery (harvesters). "Specified risk" is considered for: Harvesting works which are carried out by manual harvesting means (chainsaws) in noncertified forests. Special focus shall be paid to self-employed persons and workers of microenterprises.

Mitigation measure:

An assessment form is designed where minimal requirements for maintaining work safety in the forest are included.

Country:
Lithuania

Specified risk indicator:

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

Specific risk description:

The indicator is identified as low risk for state forest enterprises and specified risk for private forest.

Mitigation measure:

Performing biotope risk assessment procedures prior to logging and checking cadastre numbers using the www.geoportal.lt www.natura2000info.lt

Country:
Lithuania

Specified risk indicator:

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

Specific risk description:

Within the EU forest sector, compared to other countries the situation in Lithuania is not so bad in risk related to health and safety. The risk exists for contractors working in the private forest, because of

periodically occurring serious injuries at the work place. Therefore it was decided to assign specified risk to this indicator for the contractors working in private forest.

Mitigation measure:

An assessment form is designed where minimal requirements for maintaining work safety in the forest are included.

Country:

Norway

Specified risk indicator:

1.6.1 The BP has implemented appropriate control systems and procedures to ensure that feedstock is not sourced from areas where there are violations of traditional or civil rights.

Specific risk description:

Norway recognizes the rights of the Sami indigenous peoples. But also in Norway there are still ongoing barriers to the full realization of the right of Sami people to self-determination, to land and to resources.

Mitigation measure:

When planning clear-cutting larger than 10 ha, the Sámi community must be informed, consulted and must be accepted. The process must be documented.

Country:

Norway

Specified risk indicator:

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

Specific risk description:

Specific HCV types are not defined. Previously identified and mapped natural resources are adapted. Protected areas are at low risk.

Specific risks have been identified for the level of landscape protection in the Finnmark county and for the protection of Cultural Modified trees in the Nordland, Troms and Finnmark counties

Mitigation measure:

Check in databases Borchbio, Kilden, Artskart. Distribution of information on Cultivated Trees among forestry professionals.

Country:

Norway

Specified risk indicator:

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

Specific risk description:

Biodiversity concentration sites - the occurrence of 4 different species and forest environment must be identified.

In areas of untouched forest landscape, fragmentation of the territory must be prevented.

All HCVs have been identified in areas of national importance, but they have not been identified in areas of regional importance.

Cultural Modified trees are not mapped and registered, but are easily recognizable in forest.

Mitigation measure:

Check in databases Borchbio, Kilden, Artskart. If protected species have been identified, it is necessary to obtain an expert opinion on forest management. In virgin forest landscapes, practice small clearcuts with natural regeneration. Cultural Modified trees have a low economic value, the distribution of information should be necessary.

Country:

Norway

Specified risk indicator:

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

Specific risk description:

Specific HCV types are not defined. Previously identified and mapped natural resources are adapted. Protected areas are at low risk.

Specific risks have been identified for the level of landscape protection in the Finnmark county and for the protection of Cultural Modified trees in the Nordland, Troms and Finnmark counties

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Cultural Modified trees are not mapped and registered, but are easily recognizable in forest.

Mitigation measure:

Check in databases Borchbio, Kilden, Artskart. If protected species have been identified, it is necessary to obtain an expert opinion on forest management. In virgin forest landscapes, practice small clearcuts with

natural regeneration. Cultural Modified trees have a low economic value, the distribution of information should be necessary.

Country:
Sweden

Specified risk indicator:

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

Specific risk description:

Low risk are considered in Blekinge, Jonkoping and Skane regions. In other regions low risk are considered for companies that implement pre-harvest nature value assessments and with effective policies not to source from WKHs. Montane forests at elevations above the Naturvårdsgränsen and reindeer herding area to be specified risk. An additional mitigation measure is the implementation of green plans and ecological landscape plans by companies and forest owners' organizations. The risk of impact on reindeer herding areas can be prevented through a consultation mechanism.

Mitigation measure:

Most large forest owners in Sweden are FSC-certified and as such committed to maintain HCVs.

In addition protection, threats to WKHs could be mitigated through voluntary measures such as pre-harvest nature value assessments and effective commitments not to source from WKHs.

HCVs are check in databases <http://mdp.vic-metria.nu/miljodataportalen/>; <http://skogsdataportalen.skogsstyrelsen.se>;
<http://www.birdlife.org.za/conservation/important-bird-areas>

Country:
Sweden

Specified risk indicator:

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

Specific risk description:

Low risk are considered in Blekinge, Jonkoping and Skane regions. In other regions low risk are considered for companies that implement pre-harvest nature value assessments and with effective policies not to source from WKHs. Montane forests at elevations above the Naturvårdsgränsen and reindeer herding area to be specified risk. An additional mitigation measure is the implementation of green plans and ecological landscape plans by companies and forest owners' organizations. The risk of impact on reindeer herding areas can be prevented through a consultation mechanism.

Mitigation measure:

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In addition protection, threats to WKHs could be mitigated through voluntary measures such as pre-harvest nature value assessments and effective commitments not to source from WKHs.

HCVs are check in databases <http://mdp.vic-metria.nu/miljodataportalen/>; <http://skogsdataportalen.skogsstyrelsen.se>;
<http://www.birdlife.org.za/conservation/important-bird-areas>

7.2 Monitoring and outcomes

The suppliers that refuse to cooperate with SIA PATA in the identification of the preserve biotopes, protected bird species, cultural heritage objects and complying with work safety requirements, thus mitigated the risk of supplying SBP non-compliant feedstocks, were not approved for wood supply.

All suppliers are checked in OZOLS database for existing preserve biotopes and checked in forest for protected bird species and cultural heritage objects, thus provide SBP compliant feedstocks supplies.

After SBP risk mitigation inspections, as well as creation of information materials, the supplier and forest owner have developed an understanding of SBE requirements regarding risk categories, their recognition and mitigation mechanism.

The company performed field inspections as part of SBP certification.

As part of risk mitigation measures in Latvia, in 2022 in 5448 forest areas were carry out inspections of possible WKH, cultural and historical objects and possible nesting places of protected bird species. In order to reduce the risks of threatment of the protected areas and species, field inspections were carried out by invited industry experts in 107 forest areas. No protected values were identified during field inspections.

In 2022, 29 occupational safety risk assessments have been performed in felling areas; of which 15 were assessed in felling areas with chainsaws. The main remarks for the observance of work safety requirements - incomplete technological map of the felling site, no qualification documents are available at the felling site, incomplete environmental safety equipment.

In 2022, PATA has 41 suppliers of feedstocks for production of SBP-compliant biomass.

8 Detailed findings for indicators

Detailed findings for each Indicator are given in Annex 1 in case the Regional Risk Assessment (RRA) is not used.

Is RRA used? Yes

9 Review of report

9.1 Peer review

No external peer review was carried out

9.2 Public or additional reviews

No additional information for the time being

10 Approval of report

Approval of Supply Base Report by senior management			
Report Prepared by:	Vita Rudzīte	Certification system manager	15 May 2023 
	Name	Title	Date
The undersigned persons confirm that I/we are members of the organisation's senior management and do hereby affirm that the contents of this evaluation report were duly acknowledged by senior management as being accurate prior to approval and finalisation of the report.			
Report approved by:	Jānis Mierkalns	Member of the Board	17 May 2023 
	Name	Title	Date

Annex 1: Detailed findings for Supply Base Evaluation indicators

N/A

Annex 2: Detailed findings for REDII

Section 1. RED II Supply Base Evaluation

N/A

Section 2. RED II detailed findings for secondary and tertiary feedstock

10.1 Verification and monitoring of suppliers

[[SBR_verification_and_monitoring_of_suppliers]]

10.2 Feedstock inspection and classification upon receipt

[[SBR_feedstock_inspection_and_classification_upon]]

10.3 Supplier audit for secondary and tertiary feedstock

[[RSL_SBR_supplier_audit_for_secondary_and_tertiary_feed]]

