

Sveaskog Baltfor SIA

Biomass supply chain risk mitigation measures:

Description of risk reduction activities is directly related to SBP risk evaluation for Latvia available at the company's homepage info page for public consultations.

Having evaluated, detected and accepted four risk categories for biomass supply, company has developed the system of risk reduction activities.

This description of risk reduction activities provides general insight and daily activities performed by the company in receiving biomass and controlling its origin, reducing receiving of improper biomass assortment.

Risk evaluation concerns supply of primary, secondary raw materials from Latvian forest properties, round timbers, wood after timber cutting, branch woodchips after timber cutting, woodchips from overgrown agricultural areas (non-forest lands), and woodchips as wood residues after forest operations.

Active field check system audit results described below and related to a specific risk, as well as documentary evidences on performed audits available to third parties, allow obtaining information about each supplier's supply risk level, duly identifying potential threats in any of indicators of a specific risk.

Information obtained during the risk evaluation both from legislation and in physical field checks on all SBE risk categories confirmed that a specific risk is attributed to four categories: bird habitats (HCV Category 1), HCV (HCV Category 3), cultural and historical sites (HCV Category 6) and labour safety in other categories risk is low. Risk reduction plan and intensity are performed for each risk separately or simultaneously before, during and after development.

Minimum number of field checks is defined by how many biomass suppliers are involved in inspection system, as well as by development intensity, in order to maximally grasp and duly evaluate and prevent risks.

In field checks, company applies developed control sheets, where criteria and indicators specify risk indications and allow the company's auditor to identify, whether the risk is low or high. If necessary and in case of risk indicator confirmation, company involves any of the experts, who provides a complete opinion on the potential risk.

Company involves experts, in order to perform efficient risk reduction activities in field checks and to improve efficiency of risk reduction system.

General description of the risk mitigation system:

Risk mitigation activities apply to the following categories:

- Identification of potential biotope indications,
- Identification of cultural and historical monuments,
- Identification of bird nesting grounds,
- Reduction of labour safety risks.

Habitat identification and general risk mitigation measures:

1. FSC or PEFC certified timber procurement and initiation as a priority for biomass procurement.

2. Duly identification and reduction of supply risks in cooperation with suppliers by concluding supply contracts and including provisions for biomass supply.

2.1. Risk evaluation process before, during or after timber cutting:

2.2. Verification of cadastral numbers before or during development by using: <https://www.kadastrs.lv/>

2.3. Verifies existence of potential forest biotope (FB) in each procured plot, using Nature Data Management System OZOLS <https://ozols.gov.lv/ozols/> and FB database LATBIO http://latbio.lv/MBI/search_db

2.4. Identification of cultural and historical objects in a publicly accessible database <https://is.mantojums.lv/>

2.5. Felling area audit inspection indicators approved by a licensed labour safety specialist, a tool for defining and minimizing labour safety risks in timber cutting.

2.6. Felling area audit register table approved by a licensed biotope expert, also a good tool for defining and minimizing impact on bird nesting grounds.

2.7. Initiate and conduct training workshops for suppliers, involving experts, for trainings to identify potential biotope indicators, bird nesting grounds, cultural and historical sites, as well as fully provide for labour safety requirements in own company and companies providing services. Risk reduction efficiency and results are available upon request from interested parties by meeting personally and explaining general mechanism, benefits, as well as favouring further cooperation in risk identification reduction process.