

## **AS “Latvijas Finieris” Due Diligence system description**

**Name of the company:** AS “Latvijas Finieris”

**Contact person:** Andris Žogota, ph.: +37167065973,  
e-pasts andris.zogota@finieris.lv

**Date of the publication:** 12.10.2017

### **DDS system summary for Lithuania**

The main operation profile of the concern “Latvijas Finieris” is production of the birch plywood, sales, product development and providing related products to its customers. Concern is also dealing with sales of the different board format product sales, forest management, logging activities, as well as manufacture of resin and phenolic films.

“Latvijas Finieris” is present into the international market for more than 20 years. The Organisation is selling appr. 95% of its products to outside Latvia to customers situated in more than 60 countries. .

“Likmere” is the first production site within “Latvijas Finieris” concern situated outside Latvia. The Organisation is giving Lithuanian forest owners the opportunity to collaborate on a new level (using innovative and environmentally-friendly technologies for the efficient production of high quality veneers for further processing in other group factories).

“Likmere” is sourcing wood originating from Lithuania, wood from other regions was bought as FSC certified.

Organisation is having approximately 180 suppliers a year, 134 suppliers are direct suppliers, others are wood traders. 36 of the wood traders are FSC certified.

Due Diligence system of the Organisation covers supplier approval program implemented prior to the wood delivery. Supplier approval program consist of the following parts

1. Evaluation of the legal registration and document evaluation.
2. Agreement with the suppliers, designating obligation of the supplier to implement FSC controlled Wood requirements as well as other requirements .

After this the Organisation is implementing monitoring activities. The monitoring consist of the following elements:

1. Evaluation of the documentation provided prior to the delivery;
2. Supplier onsite audits, for high risk suppliers.

More detailed information about the risk assessment and control measures are described below:

## 1. tab. Description of the supply base

1. Supply Area information:		
Supply base are	Risk category	Risk assessment
LITHUANIA	<p>LOW risk for majority of the categories.</p> <p>Specified risk for: 1.11, 1.21 and 3.3 indicators (see below)</p>	Centralized National risk assessment FSC-CNRA-LT-V1-0 EN

Full version of the risk assessment is available here: <https://ic.fsc.org/en/document-center/id/135>

<b>Certificate holder:</b>	AS "Latvijas Finieris"	<b>Certification Body (CB):</b>	NEPCon SIA
<b>FSC CW certificate code:</b>	NC-CW—012535	<b>Date of CB approval:</b>	
<b>Date of risk assessment:</b>	13.04.2017	<b>Address of CB:</b>	Gunāra Astras str 8B
<b>Certificate holder address:</b>	<p>Bauskas str.59 , Riga, Latvia ,LV1004</p> <p>Kauno 122, Ukmerge, LT-20115, Lithuania (<a href="#">location on a map and bank account specifications</a>)</p> <p>Phone: +370 34060054</p> <p>Fax: +370 34044419</p> <p>E-mail: <a href="mailto:info@likmere.lt">info@likmere.lt</a></p> <p><a href="http://www.likmere.lt">www.likmere.lt</a></p>		

2. tabula: Centralizētā nacionālā riska novērtējuma kopsavilkums

Risk designations in finalized risk assessments for Lithuania

Indicator	Risk designation (including functional scale when relevant)
Controlled wood category 1: Illegally harvested wood	
1.1	Low risk
1.2	Low risk
1.3	Low risk
1.4	Low risk
1.5	N/A
1.6	Low risk
1.7	Low risk
1.8	Low risk
1.9	Low risk
1.10	Low risk
1.11	Specified risk
1.12	Low risk
1.13	Low risk
1.14	Low risk
1.15	N/A
1.16	Low risk
1.17	Low risk
1.18	Low risk
1.19	Low risk
1.20	Low risk
1.21	Low risk for state forests Specified risk for private forests
Controlled wood category 2: Wood harvested in violation of traditional and human rights	
2.1	Low risk
2.2	Low risk
2.3	Low risk
Controlled wood category 3: Wood from forests where high conservation values are threatened by management activities	
3.0	Low risk
3.1	Low risk
3.2	Low risk
3.3	Specified risk
3.4	Low risk
3.5	Low risk
3.6	Low risk
Controlled wood category 4: Wood from forests being converted to plantations or non-forest use	
4.1	Low risk
Controlled wood category 5: Wood from forests in which genetically modified trees are planted	
5.1	Low risk

## **Risk mitigation activities**

### **1.11. Health and safety.**

Sampling methodology: The Organisation had calculated number of suppliers to be audited based on the following sampling based on the >60% of the total deliveries. In fact the Organisation had identified 12 bigger suppliers, supplying 70% of the whole raw material volume.

The Organisation is making supplier on site evaluations. During the evaluation template generated by the Organisation is filled in .

Information about the results of evaluation is available upon the certification body request and is provided within the agreement signed in between Organisation and certification body.

### **1.21. Legislation requiring due diligence/*due care* procedures.**

The Organisation is buying raw materials from suppliers using logyards, however the wood is not getting stored in the railway terminals, there the wood from different origins might be mixed up. Additional information is available in table 3.

**3.tabula: piegādes ķēdes apraksts, sajaukšanās risks un kontroles pasākumi:**

Supply chain type	Tiers	Risk of Mixing	Control Measure	Verification Cycle	Verification summary
1. Describe the different types of supply chains	The number of tiers	Evaluate the risk of mixing.	Describe the established control measures	Describe the verification cycle planned.	Provide a summary of the results of the verification conducted by the company.
2. Wood delivered and purchased directly from forest owner to Organisation's log yard	1	Low	N/A	N/A	N/A
3. Wood delivered and purchased directly from forest owner to Organisation's log yard, but purchased through a round wood trader or harvesting company.	2	Low	N/A	N/A	N/A
3. Wood delivered from forest to railway terminal and transported by train to organisation.	1 – 2	There is a risk that wood is mixed other sources that informed to the organisation that the railway terminals. It may be from sources within the same supply area or from another supply area not covered by DDS	<ol style="list-style-type: none"> <li>1. Contract with the supplier to keep material segregated.</li> <li>2. Verify that suppliers have procedures in place not to mix material from Estonia and Latvia with material from other countries.</li> <li>3. Audit of suppliers checking procedures, records and staff interviews</li> </ol>	<ol style="list-style-type: none"> <li>1. Prior to first purchase.</li> <li>2. Audit at terminals at least every year.</li> </ol>	No deliveries from railway terminals had been taken during the previous year. At the moment risk of such a deliveries is evaluation as low.

Supply chain type	Tiers	Risk of Mixing	Control Measure	Verification Cycle	Verification summary
4. Logs bought from log traders, which bought them from forest owners and delivered them at first to its own logyards and then to the logyard of the Organisation .	1-2	Risk of the mixing exist. At the logyard level.	<p>1. Contract with the supplier to keep material segregated.</p> <p>2.Evaluation if supplier is having procedures in place to ensure no mixing of materials from different origins such as Latvia, Estonia and other countries exist.</p> <p>3.Supplier evaluation covering review of procedures, records and interviews with the suppliers' personal.</p>	<p>1.prior to the first delivert.</p> <p>2.Logyards are audited at least once in a year</p>	During the last year no suppliers delivering logs from logyard had been identified. At the moment risk is identified as low.

### 3.1.HCV

Evaluation is done at the reception level. With the aim to make sure the wood is not coming from the WKH categories marked as a specified risk in the risk assessment. The following database is used for the evaluatrion. : [www.amvmt.lt.81/vmtgis](http://www.amvmt.lt.81/vmtgis) .

In case Organisation deem necessary, written agreement is signed with the suppliers, there the suppliers is taking obligation of the implementing of the FSC Controlled Wood requirements. Monitoring/ evaluation data is available as per certification body requirement within the agreement signed in between certification body and the Organisation.

#### Description of source types:

The Organisation buys and use for the production Birch logs (Betula spp). In addition to this small quantities of other wood species such as aspen (Populus spp), and black alder(Alnus glutinosa) logs. Full information about the wood species used in production and sales are available at: <https://info.fsc.org/certificate.php>

## **Comments or complaints**

AS" Latvijas Finieris" is certified according to the following Quality Management standards: ISO 9001, ISO 14001 un ISO 50001. The Organisation is having its complain resolution procedure operating within more then 15 years.

The procedure is applicable to all sites of concern, including "Likmere"

Stakeholders who have suggestions for improvements, comments or complaints related the organisations due diligence system are encouraged to contact responsible person of the organisation by mail, email or phone. The organisation is committed to immediately follow up on stakeholder input and to provide stakeholders with feedback within 2 weeks.

Information about the responsible person is available here:<https://info.fsc.org/certificate.php>

Contact person responsible for site "Likmere":[dalius@likmere.lt](mailto:dalius@likmere.lt)

## **Stakeholder Consultation Processes/Summary**

Stakeholder consultation is currently in a process

## **Technical Experts Used for Development of Control Measures**

Control measures are not done, as soon no technical experts were deem necessary within the monitoring process.

## **General summary of verification program**

Monitoring summary is provided to the certification body as per request within the agreement signed in between the certification body and the organisation.