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**LATVIJAS VALSTS MEŽI**  
PLANTS • WOOD • RECREATION



# The Land of Forests – Latvia

02 > 03 >

2023





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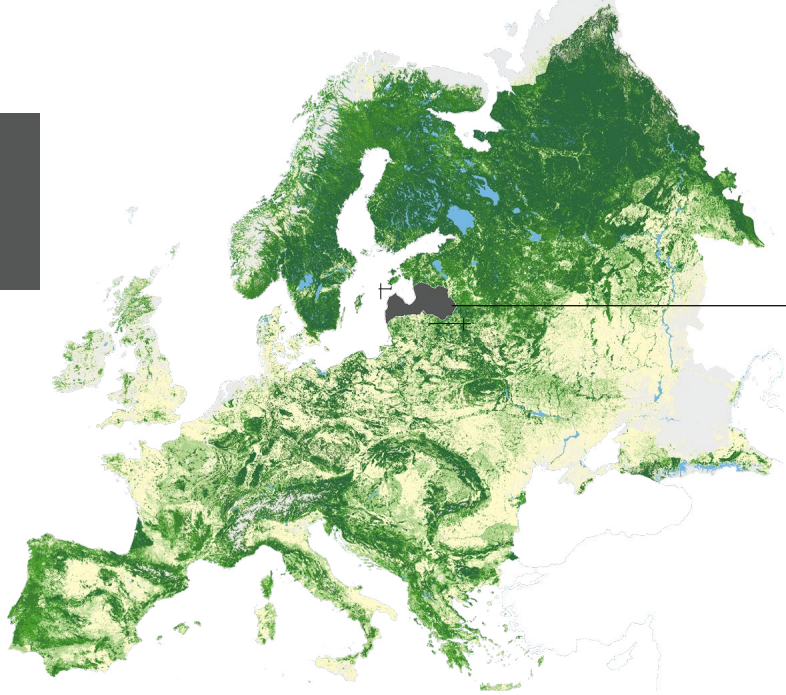
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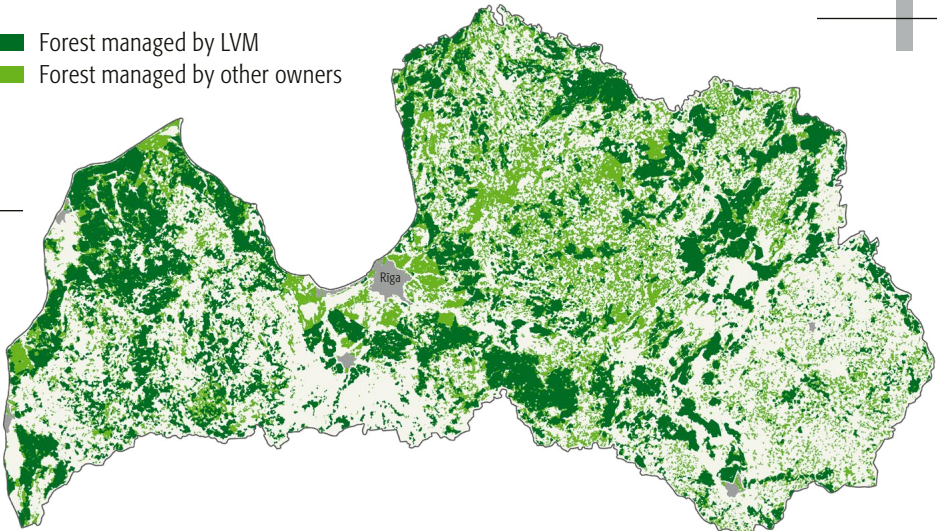
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With 3.4 million ha of forests (53 % of the territory) Latvia is among the most forested countries in Europe.\*



53%

- Forest managed by LVM
- Forest managed by other owners



JSC "Latvia's State Forests" (LVM) manages half of Latvia's forests.\*

# The Land of Forests – Latvia

\* Source: Forest Statistical Inventory

# 1999



## JSC “Latvia's State Forests”

By a Cabinet order, Joint Stock Company “Latvia’s State Forests” (LVM) was established in October 1999. The company pursues state interests in forestry by sustaining and increasing the forest value, while gaining maximum possible value from forest management.

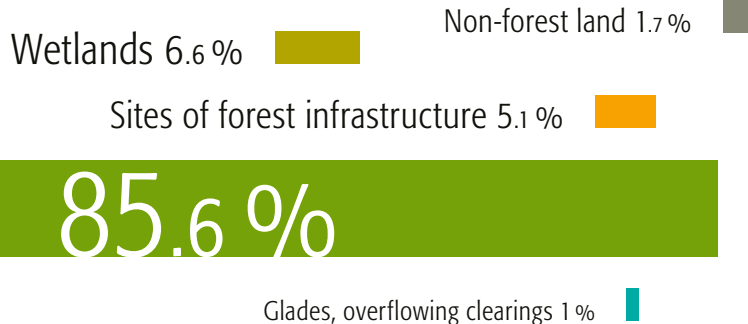
## Basic Information

The main product of the company is timber. In addition to forestry, LVM also provides hunting and recreational services, produces selected seeds and saplings for reforestation, offers subsoil resources and land leases for subsoil resource extraction, and provides geospatial IT development services.

	2020	2021	2022
Net turnover (million EUR)	349.7	405.3	566.6
Profit before taxes (million EUR)	76.1	127.4	260.3
Net profit (million EUR)	62.3	111.5	242.2
Return on equity ( <i>ROE</i> %)	13.0	23.0	40.0
Volume of wood sales (million m <sup>3</sup> )	7.5	6.6	6.4
Area managed (million ha)	1.6	1.6	1.6
Forest area (million ha)	1.4	1.4	1.4

The total area managed by LVM accounts for 1.62 million ha, of which 1.60 million ha are forestlands. Forest is the company's most valuable asset with forest management as the main source of value and profit.

## Area under Management





Conifers account for 67.7% of the forests managed by LVM, 45.4% are pine stands, but 22.3% – spruce stands.

Pine 45.4%

The rest of the area is covered by deciduous forests, of which birch stands are the most widespread.

Birch 23.3%

Spruce 22.3%

Aspen 4.0%

Black alder 3.7%

Other 1.3%



# Our Products



## Roundwood

LVM produces and supplies logs for a wide range of processing applications to ensure and promote the competitiveness of the overall supply chain.

The product range offered by LVM includes higher, medium, and lower quality coniferous and deciduous sawlogs, veneer logs, packing timber, posts, poles, technological wood, firewood, and fuel wood. LVM mainly supplies these products to processing companies in Latvia.



## Fuel Chips

To encourage the use of renewable resources for energy production, LVM offers fuel chips to both the heating and industrial sectors. LVM arranges deliveries with due regard given to differences in the seasonal consumption of wood chips by customers.

## Recreation and Hunting Services

At its recreation facilities, LVM offers services in licensed angling, crayfish catching, as well as sells hunting rights in its managed forest areas to local and foreign customers.

## Seeds and Plants

LVM supplies forest tree seeds, as well as forest and ornamental planting stock.

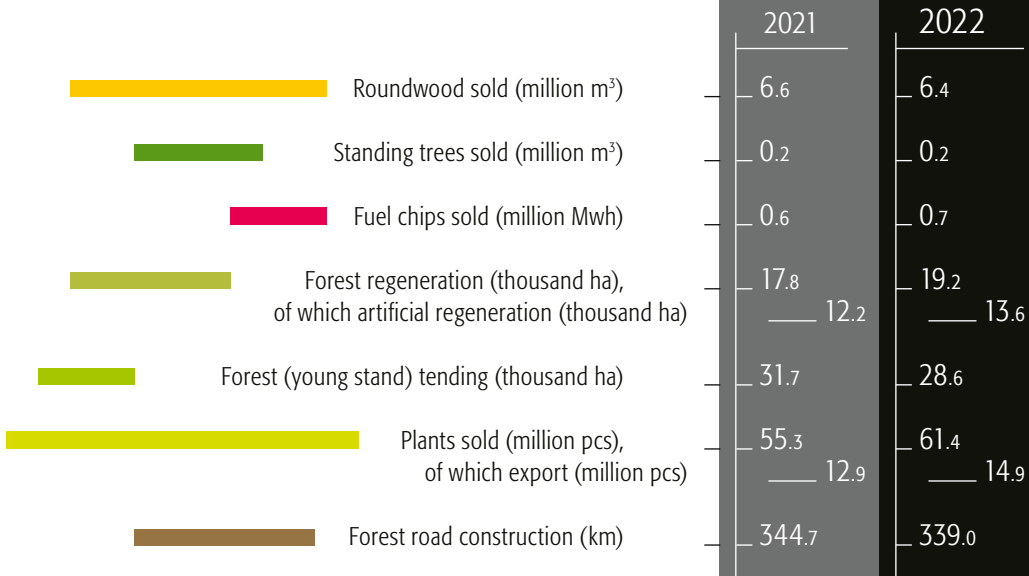
## Geospatial Data

LVM offers applications and tools for geospatial data collection, storage, processing and analysis for any user of the geospatial technologies.

## Mineral Resources

LVM offers certified mineral materials and their mixtures, land lease for extraction of peat and provides mineral materials testing in an accredited laboratory.





Supply of

# Roundwood

Total

6.39

million m<sup>3</sup>

With the sales volume of 6.39 million m<sup>3</sup> in 2022 , LVM is among Latvia's major roundwood suppliers, providing predictable production, sales and supply volumes, medium-term development planning opportunities and competitiveness of the supply chain.

# Supply of Roundwood 2022

Coniferous sawlogs 3.3 million m<sup>3</sup>

52.0 %

Technological wood 1.8 million m<sup>3</sup>

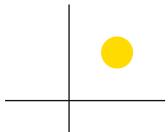
28.1 %

Fuelwood 0.4 million m<sup>3</sup> 6.4 %

Deciduous packing logs 0.4 million m<sup>3</sup> 5.9 %

Birch veneer logs 0.4 million m<sup>3</sup> 6.3 %

Deciduous sawlogs 0.1 million m<sup>3</sup> 1.4 %



LVM produces and sells forest tree seeds and seedlings. The production capacity of nine nurseries allows LVM to put on the market over 61 million forest tree seedlings per year. 14.9 million seedlings were sold on foreign markets in 2022. The company plans to increase its annual production of forest saplings up to 68 million plants.

# Seeds and Plants

Nurseries offer seedlings of more than 850 different types of ornamental plants. The company also manages Kalsnava Arboretum or the garden of extraordinary trees.



Container seedlings 32.42 million pieces

53 %

Seedlings with an improved root system

22.49 million pieces

36 %

Bareroots 6.47 million pieces

11 %

Total

61.38

million pieces



Conservation




of

Biodiversity


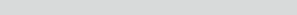




Preservation of natural diversity has always been an essential part of LVM forest management. More than 24.9% of the forest and other lands (forests, bogs, meadows, waters) owned by the company are managed with the aim of nature conservation.


LVM not only manages special areas of conservation (including *Natura2000*), micro-reserves, but also territories such as forest stands of genetic resources of forest tree species. When planning forestry operations, every year LVM identifies new deposits of protected species (vascular plants, mosses, lichens, fungi), nesting sites of protected birds, mating sites, forest, bog, water, grassland, dune habitats of EU importance. In order to ensure their appropriate management, LVM designates additional protected nature territories.



LVM assesses the impact of the planned forestry activities on the environment and plans measures to reduce the impact; among other things, it observes the restrictions on the term of performance of forestry operations in spring and summer – during the nesting period for birds. The elements of natural forest structure (ecological trees, dead wood, wet depressions, undergrowth, advanced growth) are preserved in the sites of forestry operations, and protection zones are planned along the waters, around the sites of protected species and wet forest habitats.



Within the framework of the development project, LVM is improving forest management planning in order to purposefully preserve the most biologically valuable territories and ensure their ecological relevance at the landscape level. LVM finances long-term research in the field of environmental protection, including the interaction between forestry activities and ecosystem services, the increase of CO<sub>2</sub> sequestration in forest management and the possibilities to reduce greenhouse gas emissions.



In cooperation with other partners, LVM implements various environmental projects, such as “Implementation of Management Measures in the Special Areas of Conservation and Micro-Reserves to Improve the Conservation Status of Habitats and Species”, “Implementation of River Basin Management Plans of Latvia Towards Good Surface Water Status”, and “Optimising the Governance and Management of the Natura 2000 Protected Areas Network” within the framework of which, among other things, comprehensive biotechnical measures are conducted to renew protected species’ habitats and biotopes of EU importance.

LVM environmental experts carry out annual monitoring of protected species, including the nesting success of protected species of birds, plant deposits, etc., as well as evaluate the results and prepare a public environmental report every year.



# Recreation and Hunting Services

Currently, LVM offers more than 300 free tourist places in the state forests and provides infrastructure for various outdoor activities, such as Mammadaba Dēka (a mother-nature adventure). LVM also offers skiing and orienteering opportunities.

LVM Nature Park in Tērvete, which has been recognized in surveys as the most family friendly place in Latvia for several years, and LVM Pokaiņu Forest, which is surrounded by mythical stories, have gained popularity among both Latvian and foreign tourists. In 2022, more than 158 thousand Latvian residents and foreign visitors visited Tērvete Nature Park. The LVM Pokaiņu Forest is free of charge.



It means Mother Nature.  
And it's true.

LVM offers licensed fishing opportunities and various recreational services to all interested persons in the four largest lakes in the territory of the company.

LVM offers hunting services to both Latvian and foreign customers in the hunting districts.

# Social

## responsibility

Balancing the various interests in the society, LVM plans such forest management which would provide the greatest possible added value and the increasing number of new job opportunities for the population at present and in the future.



Every year, LVM implements projects also in environmental cleanup, paying particular attention to the involvement of children and young people in outdoor activities, to the popularization of wooden buildings and wood finishing, promoting the creation of a harmonious and healthy living space. LVM offers also various environmental education activities, promoting environmental awareness and respect for the environment.

The company is aware of the important role it plays in resolving economic, social and environmental issues for stakeholders – the company's strategy is oriented towards balanced development of the economic, social and environmental realms.

# Personnel

The following values have been declared by LVM employees as the most important in their daily work:



988 In regional offices

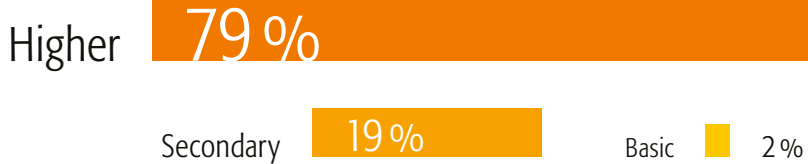
In central office 365

55 % Male

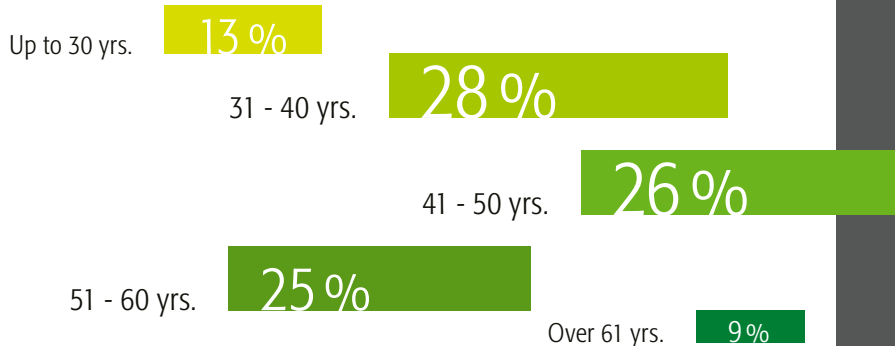
Female 45 %

Total of 1353 were employed at LVM on 01.01.2023.

## Education



## Age groups



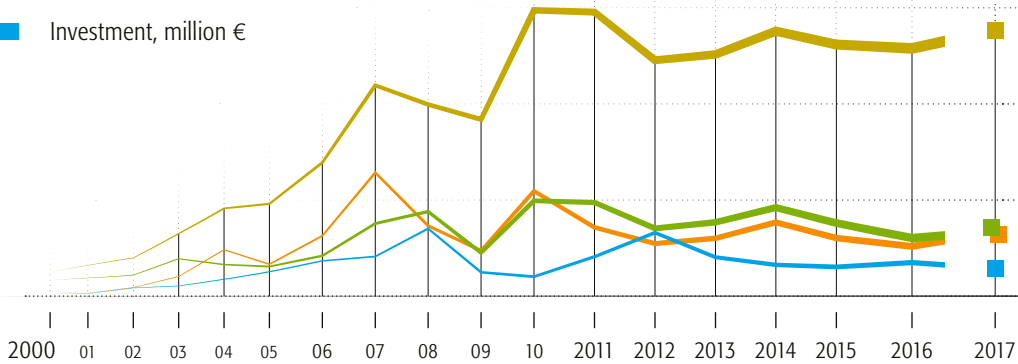
# Finances

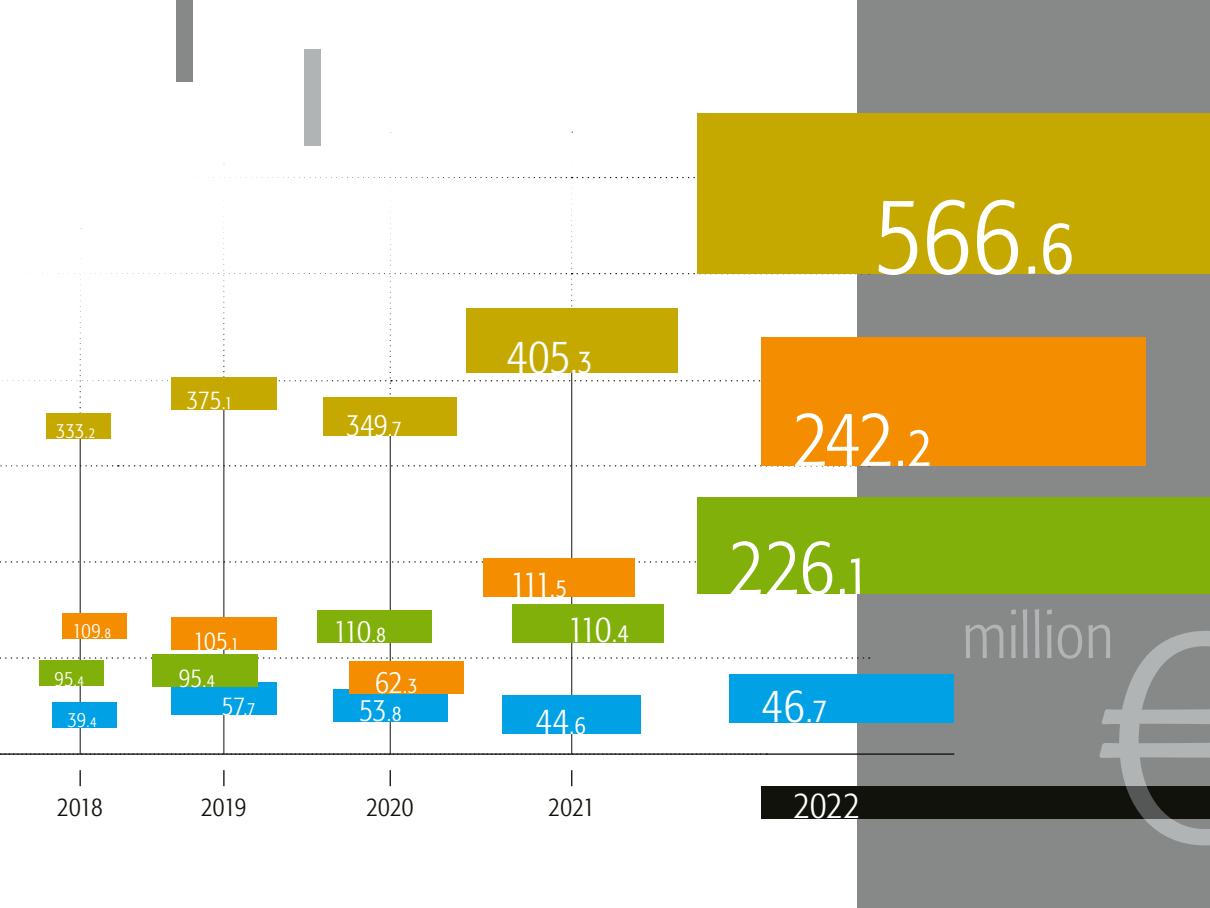
Turnover, million €

Profit after taxes, million €

Contribution to the government and municipal budgets, million €

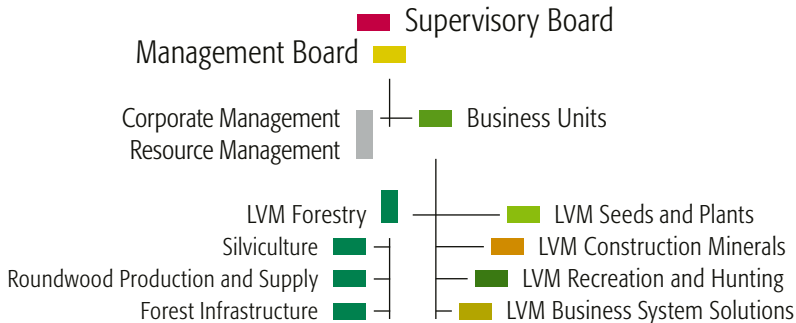
Investment, million €





# Organisational Set-up

## Shareholders' Meeting



## Saistītie uzņēmumi

- LTD "Jaunmokas Castle" (100%)
- LTD "Forest and Wood Products Development Institute" (40.22%)
- LTD "Latvia's Wind Parks" (20%)



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