**Supply Base Report:**

**Pusbroliai UAB**

Second Surveillance Audit

www.sbp-cert.org

Completed in accordance with the Supply Base Report Template Version 1.4

*For further information on the SBP Framework and to view the full set of documentation see* [*www.sbp-cert.org*](http://www.sbp-cert.org)

*Document history*

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# Overview

**Producer name:** Pusbroliai UAB

**Producer address:** Šilutės pl. 2, LT-91111 Klaipėda, Lithuania

**SBP Certificate Code:** SBP-07-39

**Geographic position:** 55.703993, 21.163770

**Primary contact:** Rūta Gaber, +370 655 13365,ruta@pusbroliai.eu

**Company website:** http://www.pusbroliai.eu/

**Date report finalised:** N/A

**Close of last CB audit:** N/A

**Name of CB:** NEPCon OÜ

**SBP Standard(s) used:** SBP Standard 1: Feedstock Compliance Standard, 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:** N/A

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| **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** |
| ☐ | ☐ | ☒ | ☐ | ☐ | ☐ |

# Description of the Supply Base

## General description

**Feedstock types:** Primary, Secondary

**Includes Supply Base evaluation (SBE):** Yes

**Feedstock origin (countries):** Lithuania, Latvia

## Description of countries included in the Supply Base

**Country:**Lithuania

**Area/Region:** Lithuania

**Exclusions:** No

The feedstock is sourced from Lithuanian suppliers including state forests and forests form owners, areas outside forests (overgrown agricultural areas, powerline, ditch areas, branches after clearing, sides of the roads). As Secondary Feedstock company purchases wood residual from sawmills.

**Country:**Latvia

**Area/Region:** Latvia

**Exclusions:** No

In Latvia SBP-compliant material is sourced from SBP certified supplier and/or from FSC and PEFS forests. For every consignment will be signed contract and will be completed proper documents. The origin of supplies is proved by purchase agreements signed with them, invoices and accompanying documents. Additionally, company must control the validity of the certificate.

## Actions taken to promote certification amongst feedstock supplier

Pusbroliai UAB informs suppliers about criteria and importance of FSC and PEFC certificates, as the industry requires more and more certification. Pusbroliai UAB also is informing suppliers about SBP objectives and requirements and importance to comply with them. These documents promote legal and sustainable forest management, exclude timber from undefined sources and from Woodland Key Habitats (WKH).

## Quantification of the Supply Base

Supply Base

1. **Total Supply Base area (million ha)**: 5.24
2. **Tenure by type (million ha):**1.31 (Privately owned), 3.93 (Public)
3. **Forest by type (million ha):**N/A
4. **Forest by management type (million ha):**N/A
5. **Certified forest by scheme (million ha):**2.50 (FSC)

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

**Explanation:** The feedstock comes from thinning operations and from final harvest as firewood and timber offcuts and from areas outside forests (overgrown agricultural areas, powerline, ditch areas, branches after clearing, sides of the roads).

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

**Explanation:** Forest is using for timber production. Material for chips are only from low value wood.

**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:** Reforestation or regeneration is mandatory under Lithuanian Republic 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

Feedstock

**Reporting period from:** 01 Nov 2020

**Reporting period to:** 31 Oct 2021

1. **Total volume of Feedstock**: 200,000-400,000 tonnes
2. **Volume of primary feedstoc**k: 1-200,000 tonnes
3. **List percentage of primary feedstock, by the following categories.**
   1. Certified to an SBP-approved Forest Management Scheme: 60% - 79%
   2. Not certified to an SBP-approved Forest Management Scheme: 20% - 39%
4. **List of all the species in primary feedstock, including scientific name:** Alnus glutinosa (Black alder); Betula pendula (European birch); Populus tremula (European aspen); Picea abies (Spruce scots pine);
5. **Is any of the feedstock used likely to have come from protected or threatened species?** No
   1. Name of species: N/A
   2. Biomass proportion, by weight, that is likely to be composed of that species (%): N/A
6. **Hardwood (i.e. broadleaf trees): specify proportion of biomass from (%):** N/A
7. **Softwood (i.e. coniferous trees): specify proportion of biomass from (%):** N/A
8. **Proportion of biomass composed of or derived from saw logs (%):** N/A
9. **Specify the local regulations or industry standards that define saw logs:** N/A
10. **Roundwood from final fellings from forests with > 40 yr rotation times - Average % volume of fellings delivered to BP (%):** N/A
11. **Volume of primary feedstock from primary forest:** 60 %
12. **List percentage of primary feedstock from primary forest, by the following categories. Subdivide by SBP-approved Forest Management Schemes**:
    1. Primary feedstock from primary forest certified to an SBP-approved Forest Management Scheme: 40% - 59%
    2. Primary feedstock from primary forest not certified to an SBP-approved Forest Management Scheme: 40% - 59%
13. **Volume of secondary feedstock**: 1-200,000 tonnes
    1. Physical form of the feedstock: Offcuts
14. **Volume of tertiary feedstock**: 0 N/A
    1. Physical form of the feedstock: N/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 %** |
| Secondary | 0,00 | 100,00 | 0,00 | 0,00 |
| Tertiary | 0,00 | 0,00 | 0,00 | 0,00 |
| Primary | 29,00 | 71,00 | 0,00 | 0,00 |
| Other | 0,00 | 0,00 | 0,00 | 0,00 |

# Requirement for a Supply Base Evaluation

**Is Supply Base Evaluation (SBE) is completed?** Yes

The Supply Base Evaluation (SBE) is applicable for feedstock sourced in Lithuania. Because Pusbroliai UAB is buying from different sources, that are not all FSC certified and in order to produce SBP compliant wood chips from this supply base the SBE is necessary. There is thus of a supply base and this require a detailed evaluation to identify the risk, and to mitigate them.

# Supply Base Evaluation

## Scope

**Feedstock types included in SBE:** Primary, Secondary

**SBP-endorsed Regional Risk Assessments used**: Lithuania, Latvia

**List of countries and regions included in the SBE:**

**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:**

Specified risk. Indicator 2.1.2 related to areas with WKH - woodland key habitats.

**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:**

Specified risk. Indicator 2.8.1 related to health and safety of forestry workers.

## Justification

The basis of the provisions of agreements concluded by Pusbroliai UAB  with biomass and wood  buyers is the supply of SBP-compliant products. Therefore, the decision of the company management is to design SBE risk minimization measures and to implement the highest social and environmental standards, cooperate with suppliers, attract experts to exclude the purchase of wood that does not meet the SBP-certified product status.

SBP endorsed SBP Regional Risks Assessments have been developed in accordance with SBP standard assessing the risk category for Lithuania as well as 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.

The evaluation process use the SBP endorsed risk assessment for LT (indicators 2.1.2., 2.8.1.). Pusbroliai UAB agrees with all findings, conclusions and mitigation measures set out in the reports.

## Results of risk assessment and Supplier Verification Programme

The risk assessment analysis includes the requirements provided by the laws and regulations of the Republic of Lithuania, regulatory activities of the State legislation and laws and regulations for primary and secondary wood supply from the Lithuania forest properties and protected areas.

Considering the specific character of Lithuania and expert advices and recommendations "Specified risk" was applied to:

2.1.2 – Potential threats to forests and other areas with high conservation values from forest management activities are identified and addressed (HCV category 3).

2.8.1 - Appropriate safeguards are put in place to protect the health and safety of forest workers.

The information obtained during risk assessment from both the legislative and the physical information verification on site on all SBE risk categories has confirmed that “Specific risk” are applicable to 2 categories: biotope protection (HCV category) and work safety, whereas the risk for other categories is low.

Risk evaluation and mitigation actions for primary feedstock about WKH can be done at the database and compliance with work safety demands shall be based on audits at forest management units. Secondary feedstock approval is possible only for that processors who have rough wood suppliers, which correspond to Risk mitigation requirements and who agreed to cooperate for the purpose of evaluation and mitigation of risks on their processing places before processing the wood.

Supplier testing programme and selection criteria are described in the company SBE system procedure. General description of the testing programme:

·   All supplies of primary feedstock submit information on the properties planned for logging, additional documents, and the volumes supplied are tested at the moment of delivery according to available databases to identify risks (material do not originate from areas with WKH or Protected Areas).

·      Secondary feedstock (wood chips, sawdust from sawmill) suppliers shall have all supplies of their feedstock corresponding to the FSC or PEFC Controlled Wood requirements. They shall track the origin of all their feedstock supplies and gather documentary evidences correspondingly. During the audit 1 case is selected by chance and the supply base is traced according to the documents. When the supply base is identified, the forest or out of forest site’s owner is contacted and the loggers or  their  sub­contractors is determined.

·    Pusbroliai UAB carries out audits in the forest during logging in advance and checks if all occupational safety measures are in place. In additional, all wood  harvesting  companies  and  their  sub­contractors must sign contract in order to work under labor safety regulations in accordance with the legislation of the Republic of Lithuania.

For reason to minimize the risks, the company carries out audits according to the wood origin documents. All the possible forest and outside forest area felling sites are inspected and audited at the WKH-registry and at the State Cadastre Maps of Protected Areas.

Pusbroliai UAB generates a list of wood harvesting companies and their sub-contractors and service providers separately in Lithuania working with chainsaws in the system and performs audit once a quarter.

Pusbroliai UAB selects contractors for audit in accordance:

-has not been inspected during the last calendar year;

-auditable  areas  and  suppliers  are  selected  so  that   supply  region  and  a  variety  of  contractors   are  maximally  covered.

Wood harvesting contractors of Secondary Feedstock (sawdust, barks and wood chips) Pusbroliai UAB performs audit in such order and frequency:

-audit once per year;

-during the audit 1 case is selected by chance and the supply base is traced according to the documents;

-when the supply base is identified, the forest or out of forest site’s owner is contacted and the loggers or  their  sub­contractors is determined.

## Conclusion

The purpose with the SVP, supplier program is to ensure that the subcontractors does fulfill Pusbroliai UAB procedures and do the mitigation measures. Further to ensure that the requirements in standard 1 is fulfilled, and hereby ensure harvest of primary feedstock in low risk areas. The risk mitigation measures refer to the supply of primary and secondary wood material.

In Lithuania company secures low risk in indicators 2.1.1 and 2.8.1 by ensuring that no material is sourced from cadastral with WKH and harvesting companies work under labor safety.

 Have been initiated and introduced, the compliance of feedstock suppliers to specific risks was reviewed. Verification of suppliers is done of all contractors, which produces biomass of primary feedstock, that was or will be sold as SBP-compliant. During the secondary suppliers audit was visited the production site, where it was confirmed the origin and region according documents (invoices, waybills, documents of wood origin) and identified loggers. Many of logging companies use harvesters in logging operations, that reduce the risk. The results of the supplier verification on the contractors shows that the risk mitigation measures ensure that the indicators with “specified risk” is possible to classify as low risk.

# Supply Base Evaluation process

﻿SBE risk assessment results is achieved by performing sawmills and physical audits with the presence of logging companies. In Lithuania supply base evaluation process entails the verification of accompanying proper documents, purchase agreements, invoices and delivery documents to identify the origins of SBP material. The suppliers sign a contract that they do not source feedstock from WKH areas. In additional, company check database for avoiding feedstock from WKH.

All properties are under risk assessment and inspection is carried out in harvesting sites to identify WKH areas and work under labor safety regulations in accordance with the legislation of the Republic of Lithuania as well as an on-site audit.

The SBE is made of company own staff, which is educated in forestry and have longterm of experience and knowledge in forestry, supplies of wood, procurement and legislation. Also have several years experience in maintaining FSC system and assessment of wood origin at forest management.

As the basis for the SBP SBE risk minimization system, an audit programmer has been designed and FSC CRN minimization measures programmer guidelines, FSC supply and FSC Forest certification system experience and knowledge in forestry and in the field of wood supply legislation have been used. The company has prepared and applied verification questionnaires for each risk indicator in order to objectively evaluate and obtain general information for each wood extraction site that has been approved or not approved as the SBP-compliant biomass.

# Stakeholder consultation

﻿﻿SBP risk assessment is uploaded on company's website. An informative letter was sent electronically to the interested parties on the risk assessment developed according to SBP standard in 2020.

## Response to stakeholder comments

|  |  |
| --- | --- |
| **Description:** | Has not been received any response from any of the stakeholders. |
| **Comment:** | No comments received |
| **Response:** | No comments received |

# Mitigation measures

## Mitigation measures

|  |  |
| --- | --- |
| **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:** | Specified risk. Indicator 2.1.2 related to areas with WKH - woodland key habitats. |
| **Mitigation measure:** | The supplier overview must contain: Cadastral number, Block number and Compartment number.  The supplier checks all property numbers on the Date base WKH for Lithuania.  The outside forests supplier checks all properties’ numbers on State Cadastre Maps of Protected Areas.  Material from WKH cannot be trade to Pusbroliai UAB. |

|  |  |
| --- | --- |
| **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:** | Specified risk. Indicator 2.8.1 related to health and safety of forestry workers. |
| **Mitigation measure:** | The safety of forest workers is ensured by the suppliers having a complete overview of all employees in the company. It is required that forest workers must undergo legally required certificates. In connection with the annual check, it is also ensured that everyone has the required safety equipment for working in the woods with chainsaws. |

## Monitoring and outcomes

WKHs is checked from the Environment Agency database. Valid forest notices are listed in the Forest Registry database. Proof of ownership is checked in the Land Register. There is checking all deliveries without an FSC or PEFC certification, to guarantee, that they are not sourced from a WKH or protectable territories. Documents of origin and databases mentioned above are used for the purpose.

During reporting period have not been shown any instances of material that has been sourced from WKH or protectable areas or that is of dubious origin. All documents are inspected for each client and each patch, on-site checks are conducted when necessary.

Pusbroliai UAB with all wood harvesting companies and their sub-contractors, and service providers sign the contract to remain very aware that the supplier ensures that all forest workers use the correct safety equipment and all works meet the requirements of work safety.

# 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

# Review of report

## Peer review

No peer review was done during this report period.

## Public or additional reviews

No additional reports or additional information.

# Approval of report

|  |  |  |  |
| --- | --- | --- | --- |
| **Approval of Supply Base Report by senior management** N/A | | | |
|  |  |  |  |
| **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.** N/A | | | |

# Annex 1: Detailed findings for Supply Base Evaluation indicators

N/A