

**Supply Base Report:**

**Pusbroliai UAB**

Third 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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Contents

[1 Overview](#_Toc63846072)

[2 Description of the Supply Base](#_Toc63846073)

[2.1 General description](#_Toc63846074)

[2.2 Description of countries included in the Supply Base](#_Toc63846075)

[2.3 Actions taken to promote certification amongst feedstock supplier](#_Toc63846076)

[2.4 Quantification of the Supply Base](#_Toc63846077)

[3 Requirement for a Supply Base Evaluation](#_Toc63846078)

[4 Supply Base Evaluation](#_Toc63846079)

[4.1 Scope](#_Toc63846080)

[4.2 Justification](#_Toc63846081)

[4.3 Results of risk assessment and Supplier Verification Programme](#_Toc63846082)

[4.4 Conclusion](#_Toc63846083)

[5 Supply Base Evaluation process](#_Toc63846084)

[6 Stakeholder consultation](#_Toc63846085)

[6.1 Response to stakeholder comments](#_Toc63846086)

[7 Mitigation measures](#_Toc63846087)

[7.1 Mitigation measures](#_Toc63846088)

[7.2 Monitoring and outcomes](#_Toc63846089)

[8 Detailed findings for indicators](#_Toc63846090)

[9 Review of report](#_Toc63846091)

[9.1 Peer review](#_Toc63846092)

[9.2 Public or additional reviews](#_Toc63846093)

[10 Approval of report](#_Toc63846094)

[Annex 1: Detailed findings for Supply Base Evaluation indicators](#_Toc63846095)

# 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:** Preferred by Nature 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

**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

## 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. The origin of supplies is proved by purchase agreements signed with them, invoices and accompanying documents (proper documents harvesting permission).

## Actions taken to promote certification amongst feedstock supplier

Pusbroliai UAB informs suppliers about criteria and importance of FSC and/or SBP certificates, as the industry requires certified feedstock. Company informs 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) and ensures the implementation of work safety requirements.﻿

## Quantification of the Supply Base

Supply Base

1. **Total Supply Base area (million ha)**: 2,20
2. **Tenure by type (million ha):**0.92 (Privately owned), 1.28 (Public)
3. **Forest by type (million ha):**2.20 (Boreal)
4. **Forest by management type (million ha):**2.20 (Managed natural)
5. **Certified forest by scheme (million ha):**1.10 (FSC)

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

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

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

**Explanation:** Material for chips are only from low value wood. Forest's timber majority is using for wood 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:** Reforestation or regeneration is mandatory under Lithuanian Republic law. Along with the felling permit, reforestation must be carried out within 5 years and 10 years in wet swamp forests. A natural way of regeneration is allowed.

**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 2021

**Reporting period to:** 31 Oct 2022

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: 40% - 59%
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 (European spruce); Pinus sylvestris (Scots pine); Tilia cordata (Tilia cordata);
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 (%):** 65,00
7. **Softwood (i.e. coniferous trees): specify proportion of biomass from (%):** 35,00
8. **Proportion of biomass composed of or derived from saw logs (%):** 0,00
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 (%):** 0,00
11. **Volume of primary feedstock from primary forest:** 40 %
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: 20% - 39%
    2. Primary feedstock from primary forest not certified to an SBP-approved Forest Management Scheme: 60% - 79%
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

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| **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 | 46,00 | 54,00 | 0,00 | 0,00 |
| Secondary | 100,00 | 0,00 | 0,00 | 0,00 |
| Tertiary | 0,00 | 0,00 | 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

SBE is applicable for feedstock sourced in Lithuania, includes: primary (offcuts from forest harvest, firewood, clearings from areas outside forests), firewood and secondary feedstock (offcuts after processing). The SBP endorses risk assessment for Lithuania is used in evaluation process.

# Supply Base Evaluation

## Scope

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

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

**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:**

Indicator 2.1.2 related to areas with WKH - woodland key habitats. Information about all volumes of wood origin is compared with the data submitted from the State Forest Service to exclude wood from Woodland Key Habitats (WKH) and from protected areas regarding cadastres.  To accept feedstock from areas with high conservation values and other protected areas is prohibited.

**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:**

Indicator 2.8.1 related to health and safety of forestry workers. The indicator is ensured by reviewing logging companies in the site. If revealed significant violations of labour protection in the site audits, the contractor may be accepted only after correction.

## Justification

The decision of the company 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 uses 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. For above mentioned indicators has been developed risk mitigation and control process for the evaluation and confirmation of its biomass supplies and suppliers, delivered products of which comply with the SBP-compliant biomass.

## 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, laws and regulations for primary and secondary wood supply from the Lithuania forest properties and other protected areas.

Considering the specific character of Lithuania and expert advice 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.

Risk evaluation and mitigation actions for primary feedstock about WKH have been done at the database of State Forest Service and compliance with work safety demands have been 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. The company has prepared and applied verification questionnaires for each risk indicator in order to objectively evaluate and obtain general information. General description of the testing programme:

· Primary feedstock suppliers 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 (offcuts from sawmill) suppliers  have all supplies of their feedstock corresponding to the FSC or Controlled Wood requirements. They shall track the origin of all their feedstock supplies and gather documentary evidence 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 owner is contacted and the loggers or their sub­contractors are determined.

The company carries out audits in the forest during logging 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 labour 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 service providers separately in Lithuania working with chainsaws in the system and performs audit under the formula X=0,8\*√Y .

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 fulfil 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 territories with WKH and harvesting companies work under labour safety.

During the reporting period have been initiated and introduced, the compliance of feedstock suppliers to specific risks was reviewed. Verification of suppliers is done of 6 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 are 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 or protected areas and loggers work under labour 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 long term 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

An informative letter was sent electronically to the interested parties on the risk assessment developed according to SBP standard.  A list of stakeholders has been developed in such a way that to include the maximum number of recipients representing the economic, social and environmental interests of the society as well as local governments.

## Response to stakeholder comments

N/A

# 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:** | Indicator 2.1.2 related to areas with WKH - woodland key habitats. Information about all volumes of wood origin is compared with the data submitted from the State Forest Service to exclude wood from Woodland Key Habitats (WKH) and from protected areas regarding cadastres.  To accept feedstock from areas with high conservation values and other protected areas is prohibited. |
| **Mitigation measure:** | During reporting period all forest feedstocks have been checked on the Date base WKH for Lithuania under Cadastral number, Block number and Compartment number from felling permission.  The outside forests supplier has been checked by properties’ numbers on State Cadastral Maps of Protected Areas.  If the feedstock is controlled feedstock, then the harvesting site information has to be shown in the inner IT program with certification claims “FSC Controlled Wood”.  If the feedstock is forest management certified, then it is SBP-compliant. The accepted certification claims are FSC 100%, FSC Mix Credit.  Material from WKH cannot be trade. |

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| --- | --- |
| **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:** | Indicator 2.8.1 related to health and safety of forestry workers. The indicator is ensured by reviewing logging companies in the site. If revealed significant violations of labour protection in the site audits, the contractor may be accepted only after correction. |
| **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

During reporting period, the mitigation measures have been implemented and all feedstock supplies are according to SBE and SBP requirements and no non-conformities detected.

# 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

Report have been sent to the forestry specialist.

## Public or additional reviews

The review will be attached.

# Approval of report

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| --- | --- | --- | --- |
| **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