Compliance with the SBP Framework: Public Summary Report

Preferred by Nature OÜ
Evaluation of Granulita UAB

Second Surveillance Audit

Sustainable Biomass Program
sbp-cert.org



Completed in accordance with the CB Public Summary Report Template Version 2.1 and SBP Bridging Requirements for Meeting the Directive EU/2023/2413 (REDIII)

For further information on the SBP Framework and to view the full set of documentation see **www.sbp-cert.org**

Document history

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1 Overview

Certification Body (CB) Name:	Preferred by Nature OÜ
Primary CB contact for SBP:	Pilar Gorria Serrano
Primary CB contact email:	pgorria@preferredbynature.org
Audit team leader:	Gerimantas Gaigalas
Audit team members:	none
Name of the Company:	Granulita UAB
Company legal address:	Draugyste st. 41, LT-82293 Vainiunai, Lithuania
Company contact for SBP:	Arūnas Norušas
Company contact email:	arunas@granulita.lt
Company website:	
Date of installation:	
SBP Certificate Code:	SBP-10-86
Date of certificate issue:	01 Jul 2024
Date of certificate expiry:	30 Jun 2029
Audit closing meeting date:	15 Sep 2026
Audit cycle:	Second Surveillance Audit

2 Audit conclusions

2.1 Certification decision

Based on the auditor's recommendation and the Certification Body's technical review, the following certification decision is taken:	
Certification decision:	Certification approved
Certification decision by (name of the person):	Kersti Kuum
Date of decision:	28 Sep 2026
Other comments:	N/A

2.2 Open non-conformities and observations

2.2 Closed non-conformities

NC number 8719 copied from 5792	NC Grading: Minor
Standard:	SBP Standard 4: Chain of Custody v2.0
Requirement:	1.5 The Organisation shall maintain documented procedures (i.e., work instructions or equivalent documentation), covering all relevant requirements within the scope of the certificate and reflecting current Organisational activities. Documented procedures shall include at a minimum: – training, – internal audits, – record-keeping, – stakeholder engagement, including management of comments and complaints, – handling non-conforming products and non-appropriate documentation, – material receipt: input/purchasing, – material accounting, – sales transactions: output/sales, – claims, – business integrity, social, and health and safety requirements, – subcontracting activities/subcontractors (where applicable), and – collection and communication of data for energy and carbon balance calculations. N/A N/A
Description of Non-conformance and Related Evidence:	
The Company has several documents, which covers the main requirements of the certificate scope. In addition, the Company prepared the separate document with RRM defined. However, after evaluating all procedural documents, it was noticed that some requirements of the standards are not updated or reflected in the procedures, namely: internal audits, stakeholder engagement, monitoring system of RMM effectiveness. Even the Company hires the external consultant, who explains and trains the responsible person about the SBP requirements and the responsible person knows and understands these requirements, there is the risk that some requirements could be omitted or not well followed in case the responsible person changes or is not present for certain reasons. Taking aforementioned it was decided to issue minor non conformity.	
Timeline for Conformance:	By the next surveillance audit, but no later than 12 months from report finalisation date
Evidence Provided by Company to close NC:	Updated procedures; Separate documents on internal audit and evaluation of effectiveness; Internal audit protocol; Training protocol.
Findings for Evaluation of Evidence:	The responsible person analyzed the root causes of NCR and implemented corresponding measures. The main SBP proce4dures were updated and additional document related to internal audit and evaluation of effectiveness of SBE and RMM was created. In addition the internal audit was conducted 30.05.2026 together with training. During the auditing period no SBP material were received and no SBP products have been sold. However the documented system was updated. In internal audit it was noticed that additional document related to evaluation of effectiveness and internal auditing procedures haver to improved eliminating the part which were not necessary and clarifying it in more concise way. Taking into account aforementioned it was decided to close this non -conformity.
NC Status:	Closed
Original Due Date:	2027-09-28
Closing Date:	2026-09-28
Upgrade Date:	N/A
Update Date:	N/A

NC number 8720 copied from 5793	NC Grading: Minor
Standard:	SBP Standard 4: Chain of Custody v2.0
Requirement:	1.9 Records of training participants and content shall be maintained. N/A N/A
Description of Non-conformance and Related Evidence:	
Training needs are defined in the Procedures. During the audit the responsible persons demonstrated good awareness about the updated and new SBP requirements. In addition, the Company hires external consultant, who explains, trains and helps to implement SVP requirements. The meeting with consultant took place before conducting stakeholder notification (1 May 2025) when the training according to responsible person was conducted, however during the audit no training documents were available. Taking aforementioned, it was decided to issue minor non conformity.	
Timeline for Conformance:	By the next surveillance audit, but no later than 12 months from report finalisation date
Evidence Provided by Company to close NC:	Training protocol.
Findings for Evaluation of Evidence:	The responsible person analyzed the root causes of NCR and implemented corresponding measures. The internal audit was conducted 30.05.2026 together with training. During the auditing period no SBP material were received and no SBP products have been sold. During the interview with responsible person it was confirmed that training have been conducted and the corresponding training protocol was provided. I Taking into account aforementioned it was decided to close this non -conformity.
NC Status:	Closed
Original Due Date:	2027-09-28
Closing Date:	2026-09-28
Upgrade Date:	N/A
Update Date:	N/A

NC number 8721 copied from 5794	NC Grading: Minor
Standard:	SBP Standard 4: Chain of Custody v2.0
Requirement:	1.10 The Organisation shall conduct an internal audit, not later than 12 months after the preceding audit (internal or external) for the purpose of evaluating the Organisation's conformance with SBP requirements, considering the size and scope of the Organisation and certificate. Note: An internal audit is not required to be conducted before the external initial certification audit by the CB. N/A N/A
Description of Non-conformance and Related Evidence:	

The company has a procedure in place to conduct internal audits and management reviews. The main assessment was conducted 2024.06.06. During this audit the SBP V2 standards with SBE are included in the scope. As this audit took place on 2025.06.12, it was already 1year after main assessment. Considering that the internal audit is planned this year with the help of external consultant, but due to personal reason was not implemented on time, it was decided to issue minor non-conformance	
Timeline for Conformance:	By the next surveillance audit, but no later than 12 months from report finalisation date
Evidence Provided by Company to close NC:	Updated procedures; Separate documents on internal audit and evaluation of effectiveness; Internal audit protocol; Training protocol.
Findings for Evaluation of Evidence:	The responsible person analyzed the root causes of NCR and implemented corresponding measures. The main SBP procedures were updated and additional document related to internal audit and evaluation of effectiveness of SBE and RMM was created. In addition the internal audit was conducted 30.05.2026 together with training. During the auditing period no SBP material were received and no SBP products have been sold. However the documented system was updated. In internal audit it was noticed that additional document related to evaluation of effectiveness and internal auditing procedures haver to improved eliminating the part which were not necessary and clarifying it in more concise way. Taking into account aforementioned it was decided to close this non -conformity.
NC Status:	Closed
Original Due Date:	2027-09-28
Closing Date:	2026-09-28
Upgrade Date:	N/A
Update Date:	N/A

NC number 8722 copied from 5795	**NC Grading: Minor**
Standard:	Instruction Document EU RED: Bridging Requirements for Meeting the Directive EU/2023/2413
Requirement:	3.1.2 "The organisation shall have written procedures and / or work instructions or equivalent to ensure the implementation of all elements of the chain of custody system and mass balance requirements. This shall include at minimum the following: – N/A N/A
Description of Non-conformance and Related Evidence:	
The Company has several documents, which covers the main requirements of the certificate scope. In addition, the Company prepared the separate document with RRM defined. However, after evaluating all procedural documents, it was noticed that some requirements related to REDII are not properly defines in the procedures, namely: training need of REDII, mass balance detailed description, internal audit. Even the Company hires the external consultant, who explains and trains the responsible person about the SBP requirements and the responsible person knows and understands these requirements, there is the risk that some requirements could be omitted or not well followed in case the responsible person changes or is not present for certain reasons. Taking aforementioned it was decided to issue minor non conformity.	
Timeline for Conformance:	By the next surveillance audit, but no later than 12 months from report finalisation date

Evidence Provided by Company to close NC:	Updated procedures; Separate documents on internal audit and evaluation of effectiveness; Internal audit protocol; Training protocol.
Findings for Evaluation of Evidence:	The responsible person analyzed the root causes of NCR and implemented corresponding measures. The main SBP procedures were updated and additional document related to internal audit and evaluation of effectiveness of SBE and RMM was created. In addition the internal audit was conducted 30.05.2026 together with training. During the auditing period no SBP material were received and no SBP products have been sold. However the documented system was updated. In internal audit it was noticed that additional document related to evaluation of effectiveness and internal auditing procedures haver to improved eliminating the part which were not necessary and clarifying it in more concise way. Taking into account aforementioned it was decided to close this non -conformity.
NC Status:	Closed
Original Due Date:	2027-09-28
Closing Date:	2026-09-28
Upgrade Date:	N/A
Update Date:	N/A

NC number 8723 copied from 5796	**NC Grading: Minor**
Standard:	Instruction Document EU RED: Bridging Requirements for Meeting the Directive EU/2023/2413
Requirement:	3.1.4 The organisation shall have a training plan covering chain of custody and mass balance requirements, which is subject to on-going or at least annual review. Appropriate training shall be provided by the organisation for personnel carrying out the tasks critical to the effective implementation of the mass balance requirements. Training shall be specific and relevant to the task(s) performed. Records of participants and content shall be maintained. N/A N/A
Description of Non-conformance and Related Evidence:	
Training needs are defined in the Procedures. During the audit the responsible persons demonstrated good awareness about the REDII requirements. In addition, the Company hires external consultant, who explains, trains and helps to implement SBP and REDII requirements. The meeting with consultant took place before conducting stakeholder notification (1 May 2025) when the training according to responsible person was conducted, however during the audit no training documents were available. Taking aforementioned, it was decided to issue minor non conformity.	
Timeline for Conformance:	By the next surveillance audit, but no later than 12 months from report finalisation date
Evidence Provided by Company to close NC:	Training protocol
Findings for Evaluation of Evidence:	The responsible person analyzed the root causes of NCR and implemented corresponding measures. The internal audit was conducted 30.05.2026 together with training. During the auditing period no SBP material were received and no SBP products have been sold. During the interview with responsible person it was confirmed that training have been conducted and the corresponding training protocol was provided. I Taking into account aforementioned it was decided to close this non -conformity.

NC Status:	Closed
Original Due Date:	2027-09-28
Closing Date:	2026-09-28
Upgrade Date:	N/A
Update Date:	N/A

NC number 8724 copied from 5797	**NC Grading: Minor**
Standard:	Instruction Document EU RED: Bridging Requirements for Meeting the Directive EU/2023/2413
Requirement:	3.1.6 The procedure for the annual internal audit process shall be documented. N/A N/A
Description of Non-conformance and Related Evidence:	
The Company has several documents, which covers the main requirements of the certificate scope. In addition, the Company prepared the separate document with RRM defined. However, after evaluating all procedural documents, it was noticed that internal auditing procedures are not properly described. Taking aforementioned, it was decided to issue minor non conformity.	
Timeline for Conformance:	By the next surveillance audit, but no later than 12 months from report finalisation date
Evidence Provided by Company to close NC:	Updated procedures; Separate documents on internal audit and evaluation of effectiveness; Internal audit protocol; Training protocol.
Findings for Evaluation of Evidence:	The responsible person analyzed the root causes of NCR and implemented corresponding measures. The main SBP procedures were updated and additional document related to internal audit and evaluation of effectiveness of SBE and RMM was created. In addition the internal audit was conducted 30.05.2026 together with training. During the auditing period no SBP material were received and no SBP products have been sold. However the documented system was updated. In internal audit it was noticed that additional document related to evaluation of effectiveness and internal auditing procedures haver to improved eliminating the part which were not necessary and clarifying it in more concise way. Taking into account aforementioned it was decided to close this non -conformity.
NC Status:	Closed
Original Due Date:	2027-09-28
Closing Date:	2026-09-28
Upgrade Date:	N/A
Update Date:	N/A

2.3 Actions taken by Organisation Prior to Report Finalisation

none

2.4 Notes for the next Audit

none

3 Scope of the audit and SBP certificate

Scope item	Check all that apply to the Certificate scope
Primary activity	Biomass Producer
Secondary activity	
Approved Standards	SBP Standard 1: Feedstock Compliance v2.0; SBP Standard 2: Feedstock Verification v2.0; SBP Standard 4: Chain of Custody v2.0; SBP Standard 5: Collection and Communication of Data v2.0; Instruction Document EU RED: Bridging Requirements for Meeting the Directive EU/2023/2413; Instruction Document 5E: Collection and Communication of Energy and Carbon data. v2.1
Product Group IDs	☒ Forest feedstock (1A) ☐ Trees outside forest (TOF) - Urban and landscape feedstock (2A) ☐ Trees outside forest (TOF) - Agricultural land feedstock (3A) ☐ Processing residues feedstock (4A) ☐ Post-consumer feedstock (5A) ☐ Other (please specify)
SBP Feedstock types	☒ SBP Compliant; ☒ SBP Controlled
Includes Supply Base Evaluation (SBE)	Yes
Includes EU RED Scheme	Yes
Includes EU RED Supply Base Evaluation (SBE)	Yes
Products	WB 1.1 Wood pellets
Feedstock origin (countries):	Lithuania
SBP-endorsed Regional Risk Assessments used: **Public link:** https://sbp-cert.org/documents/standards-documents/risk-assessments/	SBP-RRA-EU-LT-FOR_v2.0 RRA for Lithuania FOR_Endorsed
Chain of custody system	☒ Physical separation ☒ Mass balance
Outsourcing	No
Changes in the scope	none

3.1 Description of the company

Guidance: Please describe the type, structure and operations of the company including its role in the supply chain, its inputs and outputs as they related to SBP Standards.

BP is a biomass producer with a production site situated in Radviliskis r., Lithuania. BP is sourcing primary feedstock for its production. Pellets are produced from low grade fuel wood. The pellets could be sold as SBP compliant. The primary suppliers are from Lithuania. All Feedstock is delivered to the pellet plant by road transport directly from forests, so the information about the producer is available and is trustworthy. Incoming feedstock is FSC certified or non certified trough SBE RMM. Origin information is kept, and origin information access agreements are signed with feedstock suppliers. The BP is implementing FSC transfer system and mass balance. The amount of the biomass produced according to FSC system and goes trought SBE RMM might be sold as SBP-compliant claim. After the production, pellets are stored in BP's facilities and then loading into the buyer's transport. Sales are done based on the FOB, DAP or EXW sales conditions.

3.2 Site details

Legal entity name	Address	Site Activity	Visited during the audit
UAB Granulita	Draugystes st. 41, Vainiunu village, Lithuania	Pellets production	☒

3.3 Detailed description of the Chain of Custody system and Product Groups

Guidance: Please describe the operation of the CoC system including details of the mass balance management and a list of established Product Groups.

The Organization is holding valid FSC Chain of Custody certificate. Valid FSC system description and other documents exist. The Organization is implementing FSC transfer system which is used for materials received as FSC certified. Certified and non certified material is stored separately as well as FSC/SBP certified and non certified products. The Company uses mass balance for SBP material which goes trought SBE RMM. The CoC system guaranties that during the whole production process, accounting and management, the certified and non certified material and products are treated separately. Supplier list is maintained. After the reception, incoming feedstock and unloaded into piles according to type of feedstock and load is registered into the recordkeeping system.

4 Specific objective of the audit

The specific objective of this evaluation was to confirm that the Biomass Producer's management system is capable of ensuring that all requirements of specified SBP Standards are implemented across the entire scope of certification.
The scope of the evaluation covered:

- Review of the BP's management procedures;
- Review of the production processes, production sites visit;
- Review of SBP system control points, analysis of the existing SBP and FSC CoC systems;
- Interviews with responsible staff;
- Review of the records, calculations and conversion coefficients;
- Review of the updated Supply Base Report;
- SAR and profiling data collection analysis;
- Instruction Document 5E Dynamic Batch Sustainability Data
- Review SBE and RMM
- Review REDIII requirements implementation.

5 Evaluation process

5.1 Timing and duration of evaluation activities

Audit Level of Effort (LoE)		
Activity	**Auditors**	**Auditor hours**
1. Preparation	Gerimantas Gaigalas	6.0
2. On-site (excl. travel time)	Gerimantas Gaigalas	12.0
3. Report writing	Gerimantas Gaigalas	8.0
4. Other	Gerimantas Gaigalas	2.0

5.2 Auditor team qualification

Auditor qualification		
Auditor name	**Role**	**Qualification**
Gerimantas Gaigalas	Lead auditor	Gerimantas has Master ‘s degree on Forestry (graduated in Lithuanian Academy of Agriculture), BSc degree in Law and Master ‘s degree in International Law (graduated in University of Mykolas Romeris) and diploma in programming (Electronic College in Vilnius). He has experience leading the International Relations and Agreements Division in the Ministry of Environment as well as experience working in United Nations Development Program (UNDP) Papua New Guinea regional office and Institute of Environment Sustainability of EU Commission in Italy. Gerimantas has successfully passed Forest Management and Chain of Custody lead auditor training. Gerimantas is working in UAB ”NEPCon LT” as certification manager since 2013. Since 2014 he is implementing PEFC CoC audits, in 2013 completed PEFC CoC auditor training according to the new Chain of Custody standard. In 2016, he got the SBP lead auditor qualification and started to audit according to SBP scheme.

5.3 Description of evaluation activities

Impartiality commitment: Preferred by Nature commits to using impartial auditors and our clients are encouraged to inform Preferred by Nature management if violations of this are noted. Please see our Impartiality Policy here: https://preferredbynature.org/impartiality-policy

The audit was focused on management system evaluation: division of the responsibilities, document and system, input material classification (reception and registration), analysis of the existing SBP and FSC systems, their control points as well as GHG data availability.

Description of the audit:

Auditor was welcomed in UAB Granulita office in Radviliškis r. Auditor started with an opening meeting attended by responsible persons. Auditor provided information about audit plan, methodology, auditor qualification, confidentiality issues, and clarified the audit scope.

During the audit, the auditor evaluated existing production. After that auditor went through all applicable requirements of the SBP standards No. 2, 4, 5, existing chain of custody and management system, CoC, record keeping / mass balance requirements, emission, energy data, and categorization of input and verification of SBP compliant feedstock/ biomass. During the process, overall responsible person for SBP system and over responsible staff having key responsibilities within the system were interviewed. In addition the SBE with RMM were evaluated as well as RED requirements were inspected. The field visit of on going harvesting was carried out.

After a roundtrip around BP's pellet production was undertaken. During the site tour applicable records were reviewed, production staff was interviewed. At the end of the day the preliminary results were presented during the closing meeting.

5.4 List of forest management units and feedstock suppliers visited

☐ N/A – No forest sites or suppliers visited during this evaluation

Site name
Radviliskis regional unite
Site location
55.6450140, 23.622930
Site description
Final cuttings performed by contractor UAB "Girile"
Rationale and focus of visit
Verification of RMM on H&S
Description of audit activity
Inspection of health and safety requirements, cuttings done by harvester, interview with operator, evaluation of RMM checked by Organization. The form completed by responsible person. No issue identified.

5.5 Describe audit sampling methodology used

Production facilities were checked without any exclusion. Reviewing of documents was based on sampling approach - several months were randomly selected (waybills and invoices for the selected months). All responsible personnel was interviewed. During the auditing period no SBP material / products have been used, therefore in order to control how the Company implements RMM on site, only one on going harvesting was visited in order to check RMM.

5.6 CB stakeholder engagement

☒ N/A – Certification Body stakeholder consultation not applicable for this evaluation

Guidance: Please specify the number and types of stakeholders engaged, method of engagement and its outcomes.

5.7 Stakeholder feedback and response

☒ N/A – Certification Body stakeholder consultation not applicable for this evaluation

5.8 Main strengths and weaknesses of the management system and operations

Strength: SBP system elements are implemented at the time of the audit. Very simple supply chain, only primary feedstock . Efficient record keeping system. Small number of the management staff and clearly designated responsibilities within the staff members.

Weaknesses: no practical experience in SBE as during the auditing period no SBP material / products took place.

5.9 Summary of evaluation activities for robustness of the Supply Base Evaluation

☐ N/A – Standard 1 not in the scope of the evaluation

The supply base evaluation aims to provide assurance that the biomass used is from legal and sustainable sources. The SBE for Lithuania highlights key aspects of supply that could potentially present risks from unsustainable biomass from forest. These aspects are managed by implementing mitigation measures, which are deemed sufficient to lower the risks, and the rigor with which the Supply Base Evaluation was performed is sufficient to properly evaluate the risks within the chosen Supply Base. The current definition of scope, as adopted by the company, includes biomass sourced from Lithuania. BP uses the RRA approved for Lithuania for forest feedstock.

5.10 Summary of evaluation activities for Processing residues and/or Post-consumer feedstock requirements per Standard 2 and EU RED

☒ N/A – processing residues and/or post-consumer feedstock not used.

5.11 Summary of evaluation activities for chain of custody system per Standard 4

During the audit, a valid CoC system description and other documents associated with FSC CoC certification was reviewed. Critical control points of the CoC system were evaluated also during SBP audit. The Company has a Chain of Custody system where they have implemented a Mass Balance system for SBP and RED III requirements. The Company is implementing the SBE system for primary feedstock sourced, even if certified under FSC. In case there would be any non-compliant material it would be kept physically separated in the harvest/chipping/storage site. For RED III scope, the Company implements a mass balance system with 3 months balancing period.

5.12 Summary of evaluation activities for collection and communication of data per Standard 5

BP has a system to gather and record Greenhouse Gas emissions. During the audit, BP made detailed overview of the systems and databases to gather and record such data. Evidence was provided to auditors.

5.13 Summary of audit findings for competency of involved personnel

The SBP responsible person was supported by external consultant who was closely involved in helping to set up and maintain the management system. The SBP responsible staff has shown good understanding of the requirements in relation to SBP certification and of the FSC CoC system. Overall responsible person has all required competences, education and work experience from timber and industry sector, but these requirements are not described in procedures. According to interviews, review of biomass producer supply manager's CV and set of procedures and documents that were composed for the SBP system, auditors evaluated the competency of main responsible staff to be sufficient.

5.14 Summary of audit findings for GHG methodology per Standard 6 (if applicable)

☒ N/A – Standard 6 not in the scope

6 Detailed evaluation of BP's Supply Base Evaluation (if applicable)

☐ N/A – Supply Base Evaluation not in the scope of the evaluation

6.1 Overview of BP's risk assessments and mitigation measures including EU RED scope

There is approved SBP risk assessment for Lithuania. The Company sources primary feedstock only from Lithuania. For the Company's primary feedstock sourced from Lithuania, the applicable SBP-endorsed Lithuanian Regional Risk Assessment is considered as part of the evaluation of the relevant EU RED criteria. Where the Level A assessment does not adequately address a particular risk or where a specified risk is identified, the Company applies the applicable Level B assessment and mitigation requirements.

The organization has elaborated and is implementing mitigation measures of risks for non-certified feedstock originating from Lithuania. The organization has designed and is implementing mitigation measures for 5 indicators evaluated as specified risk (2.1.3, 2.2.2, 3.2.2, 3.2.3 and 4.1.10) during the audit.
According to the SBP endorsed risk assessment for Lithuania, HCVF category 3 risks are related to Woodland Key Habitats in private forests. The feedstock shall not be sourced from areas of WKH. The BP staff involved in sourcing of primary feedstock within the SBE had undergone a training for using the official websites and geoportal information in order to check of existence of WKH in relation to areas of coming material. Every source of primary feedstock shall be checked for presence of WKH by verifying the database or geoportal information based on origin and transportation documents. In case the material is coming from WKH, the supplier is notified, the material is not accepted. According to CH verification program all secondary suppliers (20 at the moment) have to be audited once per year. Each secondary supplier checks periodically WKH database in order to control if material is not coming from WKH. No such cases ever found. For FSC certified and state forests (all state forests are FSC certified) the risk is no identified as according to legislation they have to protect WKH. The audit material and documents confirmed that primary suppliers know and control this risk and CH correctly audits and evaluates control measure effectiveness.
The audit and review of purchase documents, the interview with responsible person and the checking on sample method the WKH database and geoportal information showed that responsible staff demonstrated knowledge on how to identify WKH by using the public sources database and geoportal.

Surveillance/monitoring of suppliers of SBP Compliance feedstock is carried out through sampling, but at least one surveillance audit per calendar year. The supplier audits are conducted by the BP itself using the H&S checklist. The process of supplier verification with regard to H&S compliance has been observed by the CB during the audit.
UAB Granulita developed the mitigation measures and demonstrated the implementation during the on-site visits. The REDIII SBE considers: continuous monitoring from UAB Granulita; -on-site audits of the suppliers; - high level of control directly by the authorities; - rejection of material if control measures cannot be implemented.

6.2 CB evaluation of specified risk indicators and mitigation measures

Country
Lithuania
Area/Sub-Scope
All
Indicator

2.1.3 Key species, habitats, ecosystems, and areas of high conservation value (HCV) pertaining to biodiversity in the Supply Base shall be maintained or enhanced.

Specified risk description

Some habitats of EU importance, particularly those located in private forests, (notably, Natura 2000 sites and WKHs) are not protected and thus their maintenance and enhancement are at risk.

Detailed description of a mitigation measure

Feedstock purchased from State Forests falls into the low-risk sphere, as State Forests (State Forest Enterprises) are committed to protecting biodiversity by legislation (including WKH, Natura 2000) as well as by FSC Forest Management standard), and is therefore classified as low-risk. Private forest owners who sell raw material are in the higher risk area and are therefore controlled and monitored by the company on the basis of harvesting ticket data with origin and primary information (regional unit/forestry/quarter/parcel, plot) whether they (the owners) are ensuring the conservation of biodiversity. According to the initial information (felling ticket data), the raw material to be purchased from the private forest is checked in the databases (www.geoportal.lt) for origin from places such as -WKH, NATURA-2000 sites, wetlands. This is done before the decision to buy raw material is taken. If it is determined that the raw material comes from WKH, NATURA-2000, the wetlands the Company makes a decision not to buy such raw material.

Detailed description of CB evaluation of mitigation measure and its conclusions

Before the material is included in the SBP material flow, its origin is assessed regarding company's SBP manual procedure: the forest unit had been tested regarding due diligence of suppliers' checklist. Before SBP main evaluation, the mitigation measures have been implemented and no one biomass sourcing unit from WKH, NATURA 2000 or form protective area had been identified. If any deviations or non-conformities from this visit or other observations occur, the risk approach and its mitigation measures shall be reviewed. During the audit responsible person demonstrated the inspection of suppliers materials using database and other public sources as well as during the visit to the forests. During the audit, Risk Mitigation Measure Plan was evaluated. Auditor sampled different FMUs with different origins and assessed the identification of WKH and Natura 2000 using online data bases, harvesting licenses and origin information. No origins with HCV were found. Additionally, 1 FMU was selected to be visited on site at the forest level, where auditor evaluated on site during the harvesting operation efficiency of the RMM Plan. Based on the documentation analysis, staff interviews and forest inspection, auditor concludes that RMM Plan is sufficient to ensure feedstock is not sourced from origins with key species, ecosystems and HCV are maintained or enhanced. During the auditing period no SBP material were received and no SBP products have been sold.

Country

Lithuania

Area/Sub-Scope

All

Indicator
2.2.2 Ecosystems, their health, vitality, functions and services in the Supply Base shall be maintained or enhanced.
Specified risk description
As analyzed in indicator 2.1.3, while it is evident that the majority of habitats of EU importance have a certain level of protection through their Natura 2000 status or voluntary protection by forest managers. However, a significant area of WKHs still have no legal protection at all. This is particularly true for private forests. The protection of WKHs (which are outside protected areas) in a private forest is not covered by any legislation and relies on a voluntary approach by private forest owners. On top of this, according to the National Audit Office of Lithuania (2022), the protection of rare, endangered or vulnerable habitats, plants and animals in all forests is not ensured.
Detailed description of a mitigation measure
Feedstock purchased from State Forests falls into the low-risk sphere, as State Forests (State Forest Enterprises) are committed to protecting biodiversity by legislation (including WKH, Natura 2000) as well as by FSC Forest Management standard), and is therefore classified as low-risk. Private forest owners who sell raw material are in the higher risk area and are therefore controlled and monitored by the company on the basis of harvesting ticket data with origin and primary information (regional unit/forestry/quarter/parcel, plot) whether they (the owners) are ensuring the conservation of biodiversity. According to the initial information (felling ticket data), the raw material to be purchased from the private forest is checked in the databases (www.geoportal.lt) for origin from places such as -WKH, NATURA-2000 sites, wetlands. This is done before the decision to buy raw material is taken. If it is determined that the raw material comes from WKH, NATURA-2000, the wetlands the Company makes a decision not to buy such raw material.
Detailed description of CB evaluation of mitigation measure and its conclusions
Before the material is included in the SBP material flow, its origin is assessed regarding company's SBP manual procedure: the forest unit had been tested regarding due diligence of suppliers' checklist. Before SBP main evaluation, the mitigation measures have been implemented and no one biomass sourcing unit from WKH, NATURA 2000 or form protective area had been identified. If any deviations or non-conformities from this visit or other observations occur, the risk approach and its mitigation measures shall be reviewed. During the audit responsible person demonstrated the inspection of suppliers materials using database and other public sources as well as during the visit to the forests. During the audit, Risk Mitigation Measure Plan was evaluated. Auditor sampled different FMUs with different origins and assessed the identification of WKH and Natura 2000 using online data bases, harvesting licenses and origin information. No origins with HCV were found. Additionally, 1 FMU was selected to be visited on site at the forest level, where auditor evaluated on site during the harvesting operation efficiency of the RMM Plan. Based on the documentation analysis, staff interviews and forest inspection, auditor concludes that RMM Plan is sufficient to ensure feedstock is not sourced from origins with key species, ecosystems and HCV are maintained or enhanced. During the auditing period no SBP material were received and no SBP products have been sold.

Country
Lithuania
Area/Sub-Scope
All
Indicator
3.2.2 Primary feedstock shall not be sourced from forest areas where site productivity is low and, according to local definitions or norms, the areas are classified as low-productive or difficult to regenerate.
Specified risk description
t is stated in the approval of the methodology for setting the rate of main forest felling that mature conifer stands with site index (SI) Va or lower and mature deciduous stands with SI V or lower are excluded from the felling rate calculations i.e. they are not included in the fellings. The methodology is applied to state forests but private forest owners can harvest stands with any SI.A substantial portion of low-productive forest (such as wetland forests) is under some kind of protection regime (e.g. they are included in the protected area network or representative area network).
Detailed description of a mitigation measure
The raw material purchased from State Forests falls into the low-risk sphere, as the State Forests (State Forest Enterprise) do not include coniferous forest parcels of rating 5a and below, deciduous forest parcels of rating 5 and below, and swamps when planning their felling operations (the annual felling inventory). Therefore, such raw material is classified as low risk. Private forest owners who sell raw material are at higher risk and are therefore monitored by the company on the basis of the felling ticket data-primary information (regional unit/forestry/quarter/parcel) to ensure that the raw material does not originate from coniferous forest parcels of grade 5a and below, broadleaved forest parcels of grade 5 and below, and wetlands. specialist responsible for purchase must: - check site index (SI) of feedstock from non-certified forest Forest state cadaster map (VMT-GIS) as SI for all origins can be checked using online database in the Forest state cadaster registry; - carry out risk assessment procedures and register all SBP suppliers in the register of qualified suppliers checklist regarding SBP manual procedure form; - conduct suppliers audits to verify over a sample the efficiency of the RMM and check onsite forest productivity; If during this process it's determined that part of the feedstock doesn't meet SBP requirements, it will not be accepted and sold as SBP biomass.
Detailed description of CB evaluation of mitigation measure and its conclusions
Before the material is included in the SBP material, its origin is assessed by BP: - sampled forest unit has been assessed by the Biomass Producer regarding site index to avoid material from conifer stands with site index (SI) Va or lower and/or deciduous stands with SI V or lower before the main assessment. Haven't been identified any material form low SI. If any deviations or non-conformities from this visit or other observations occur, the risk approach and its mitigation measures shall be reviewed. During the audit responsible person demonstrated the inspection of suppliers materials

using database and other public sources as well as during the visit to the forests. However in practice because of the production specifics, it is hardly possible that feedstock could arrive from risk areas.
During the audit, Risk Mitigation Measure Plan was evaluated. Auditor sampled different FMUs from private forest and assessed Site Index in the Forest State Cadaster. No origins SI Va or V were found. Additionally, 1 FMU was selected to be visited on site at the forest level, where auditor evaluated on site during the harvesting operation forest productivity and efficiency of the RMM Plan. Based on the documentation analysis, staff interviews and forest inspection, auditor concludes that RMM Plan is sufficient to ensure feedstock is not sourced from low productivity forest.During the auditing period no SBP material were received and no SBP products have been sold.

Country
Lithuania
Area/Sub-Scope
All
Indicator
3.2.3 feedstock shall not be sourced from forest areas in the Supply Base which, according to local definitions or norms, are classified as having combined attributes of high carbon stocks and high conservation value (HCV).
Specified risk description
There is the risk that primary feedstock can be sourced from the territories with high carbon stocks and/or HCV that are not protected. It is considering high carbon socks is in wetlands, peatlands and old-growth forests. Currently, there is sufficient information concerning HCV forest location, key species, habitats and ecosystems pertaining to biodiversity. However, some of the key results were that forests and their natural values are not adequately protected, the forestry objectives set out in the strategic planning documents have not been met, and the designation of areas important for the conservation of the habitats is delayed.
Detailed description of a mitigation measure
Raw material purchased from state forests falls into the low-risk sphere, as state forests (State Forest Enterprise) are committed to protecting biodiversity - they do not harvest timber from KBAs (scrub forest habitats), NATURA2000 sites, swamps, old-growth forests - and therefore such raw material is classified as low risk and is not monitored. Private forest owners who sell raw material are at higher risk and are therefore monitored by the company on the basis of the felling ticket data-primary information (regional unit/forestry/quarter/parcel) to see if they (the owners) do not cut timber from KMB (ceramic forest habitats), NATURA2000 sites, wetlands, old-growth forests. According to the initial information (felling ticket data), the raw material to be purchased from the private forest is checked in the databases (www.geoportal.lt) for origin from places such as -WKH, NATURA-2000 sites, wetlands. This is done before the decision to buy raw material is taken. If it is determined that the raw material comes from WKH, NATURA-2000, the wetlands the Company makes a decision not to buy such raw material.

Detailed description of CB evaluation of mitigation measure and its conclusions
All non-certified forest unit had been checked if the site does not enter to WKH or protected territories such as peatland, wetlands and old-growth forest regarding cadastral number or geographic coordinates in the data bases https://stvk.lt/ or https://www.geoportal.lt/map/. Before main assessment the company carried out inspection of incoming material trough cutting permits and databases. Haven't been identified any material form above mentioned areas. If any deviations or non-conformities from this visit or other observations occur, the risk approach and its mitigation measures shall be reviewed. During the audit responsible person demonstrated the inspection of suppliers materials using database and other public sources as well as during the visit to the forests. During the auditing period no SBP material were received and no SBP products have been sold.

Country
Lithuania
Area/Sub-Scope
All
Indicator
4.1.10 Safeguards shall be put in place to protect the health and safety of workers by developing, communicating and implementing policies and procedures.
Specified risk description
Occupational health and safety (OHS) services in enterprises are ensured by the employer, who may appoint one or more OHS specialists or establish an OHS service. In the absence of competent staff able to ensure all OHS service functions, the employer can hire external OHS services. Enterprises shall make a risk assessment on occupational health in line with the templates of the State Labour Inspectorate and take measures to mitigate the identified risks. Personal protective equipment shall be used when the risks cannot be avoided or sufficiently mitigated by technical means of collective protection or by measures, methods or procedures of work organisation. The employer shall provide protective equipment. Qualification requirements set for forestry enterprises and workers including their demonstration with a certificate contribute to workplace safety. Employers shall also provide regular training on workplace safety. The numbers for people working illegally (undeclared) in the forestry sector were not available but the figure for combined forestry, agriculture and fishery was 8% in 2021. The forestry sector in Lithuania is considered to be among the most dangerous sectors regarding work safety. The State Inspectorate annual report of 2022 (State Labour Inspectorate 2022) reported three cases of occupational diseases. Lethal accidents occur one to three times a year. The typical occupational diseases include vibration (45%), repetitive hand movements (22%), noise (16%), manual handling of loads (14%) and Lyme disease (3%) (2021 data). Within the EU forest sector, Lithuania is the country with the fourth highest risk concerning health and safety. Lithuania has a risk level of 3 / 100,000, while the highest in the EU is 3.5 / 100,000 employees.
Detailed description of a mitigation measure
As the State Forest Enterprise is sufficiently good at ensuring the health and safety of workers (certified by FSC and controlled and monitored by CB as well as implement relevant measures), it is classified as low risk and is not subject to controls. Private forest owners selling raw material are at higher risk and are therefore controlled by the

company according to the procedures described in the SBP procedures.

In order to mitigate the risk:
specialist responsible for purchase shall:
- collect information from all suppliers about logging company and registers it in internal system;
- company's forestry specialist samples and carries out work safety risk mitigation audit on site and checks if all occupational safety measures are in place.

Company generates a list of wood harvesting companies and service providers separately in Lithuania in the system and performs audit under the formula $X=0,8*\sqrt{Y}$. Auditable areas and suppliers are selected so that supply region and a variety of contractors are maximally covered.

If any non-conformance is detected, shall be done re-audit.

Detailed description of CB evaluation of mitigation measure and its conclusions

Auditor sampled different suppliers approved by the BP and analyzed information collected about H&S in the company data base following BP's RMM. On site audit were also conducted by auditor for 1 supplier in 1 FMU, the audit regarding occupational safety requirements in forest and out of forests operations are performed systematically regarding the list of wood harvesting companies. During a safety audit, the auditor assessed the safety requirements on the basis of a questionnaire. During the period before main assessment, no non conformities were identified. If any deviations or non-conformities from this visit or other observations occur, the risk approach and its mitigation measures shall be reviewed. During the audit responsible person demonstrated the inspection of suppliers materials using database and other public sources as well as during the visit to the forests. Based on the documentation analysis, staff interviews and forest inspection, auditor concludes that RMM Plan is sufficient to ensure feedstock H&S of workers is properly managed. During the auditing period no SBP material were received and no SBP products have been sold.