

SBP

Sustainable Biomass Partnership

Supply Base Report: Bio Wood UAB

www.sustainablebiomasspartnership.org



Completed in accordance with the Supply Base Report Template Version 1.0

For further information on the SBP Framework and to view the full set of documentation see www.sustainablebiomasspartnership.org

Document history

Version 1.0: published 26 March 2015

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Contents

1	Overview	1
2	Description of the Supply Base	2
2.1	General description	2
2.2	Actions taken to promote certification amongst feedstock supplier	6
2.3	Final harvest sampling programme	6
2.4	Flow diagram of feedstock inputs showing feedstock type [optional].....	6
2.5	Quantification of the Supply Base	7
3	Requirement for a Supply Base Evaluation	8
4	Supply Base Evaluation	9
4.1	Scope	9
4.2	Justification	9
4.3	Results of Risk Assessment.....	9
4.4	Results of Supplier Verification Programme	9
4.5	Conclusion	9
5	Supply Base Evaluation Process	10
6	Stakeholder Consultation	11
6.1	Response to stakeholder comments	11
7	Overview of Initial Assessment of Risk	12
8	Supplier Verification Programme	13
8.1	Description of the Supplier Verification Programme	13
8.2	Site visits	13
8.3	Conclusions from the Supplier Verification Programme.....	13
9	Mitigation Measures	14
9.1	Mitigation measures	14
9.2	Monitoring and outcomes	14
10	Detailed Findings for Indicators	15
11	Review of Report	16
11.1	Peer review	16
11.2	Public or additional reviews.....	16
12	Approval of Report	17

13	Updates	18
13.1	Significant changes in the Supply Base	18
13.2	Effectiveness of previous mitigation measures	18
13.3	New risk ratings and mitigation measures	18
13.4	Actual values of feedstock over the previous 12 months	18
13.5	Projected values of feedstock over the next 12 months	18

1 Overview

(Report period: 01/01/2014 – 31/12/2014)

Producer name: Joint Stock Company JSC “Bio Wood”

Producer location: Palangos pl. 23, Vigantiškių k., LT-88438 Telšių raj., Lithuania

Geographic position: 56.009832, 22.163004

Primary contact: *Indrė Stonytė*; T. +370 68674767; e mail: uab.biowood@gmail.com

Company website: www.biowood.eu

Date report finalised: 17/Jul/2015

Close of last CB audit: 22/Sep/2015

Name of CB: NEPCon

Translations from English: Yes

SBP Standard(s) used: Standard 2 version 1.0; Standard 4 version 1.0; Standard 5 version 1.0;

Weblink to Standard(s) used: <http://www.sustainablebiomasspartnership.org/documents>

SBP Endorsed Regional Risk Assessment: N/A

Weblink to SBE on Company website: www.biowood.eu

Indicate how the current evaluation fits within the cycle of Supply Base Evaluations				
Main (Initial) Evaluation	First Surveillance	Second Surveillance	Third Surveillance	Fourth Surveillance
X	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

2 Description of the Supply Base

2.1 General description

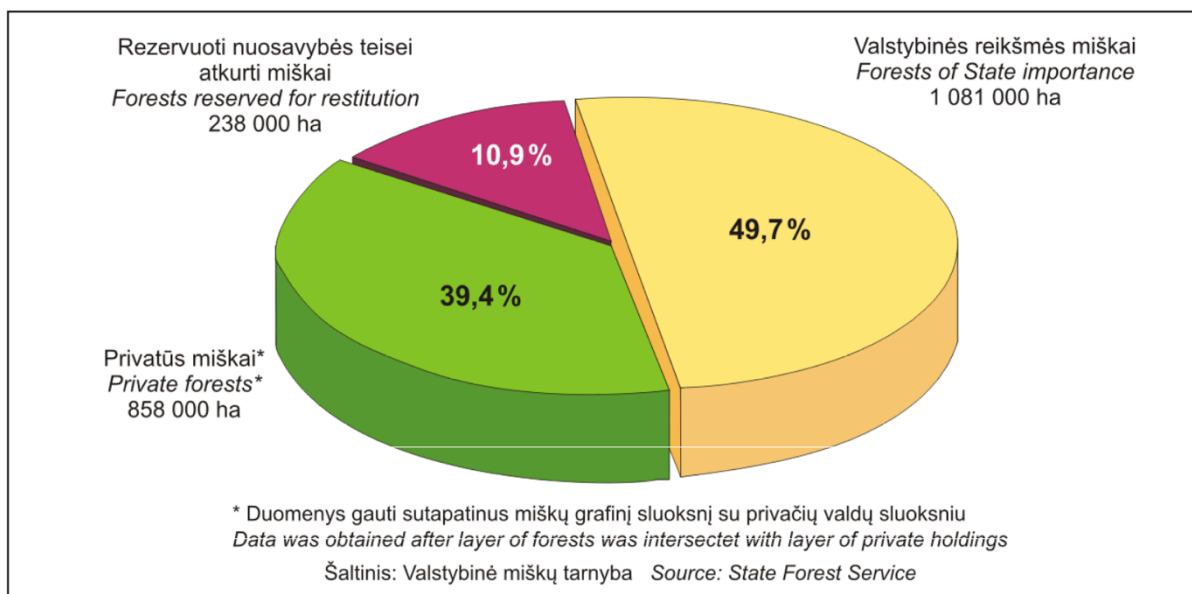
JSC “BIOWOOD” is supplied with wood raw material from woodworking enterprises based in Lithuania and Latvia.

JSC “BIOWOOD” used for the SBP production of pellets 2-3 suppliers who bring the necessary raw material.

Lithuania, forest resources

Agricultural land covers more than 50 percent of Lithuania. Forested land consists of about 28 percent, with 2,18 million ha, while land classified as forest corresponds to about 30 percent of the total land area. The south-eastern part of the country is most heavily forested, and here forests cover about 45 percent of the land. The total land area under the state Forest Enterprises is divided into forest and non-forest land. Forest land is divided into forested and non-forested land. The total value added in the forest sector (including manufacture of furniture) reached LTL 4.9 billion in 2013 and was 10% higher than in 2012.

FOREST LAND BY OWNERSHIP 01.01.2014



Forest land is divided into four protection classes: reserves (2 %); ecological (5.8 %); protected (14.9 %); and commercial (77.3 %). In reserves all types of cuttings are prohibited. In national parks, clear cuttings are prohibited while thinnings and sanitary cuttings are allowed. Clear cutting is permitted, however, with certain restrictions, in protected forests; and thinnings as well. In commercial forests, there are almost no restrictions as to harvesting methods.

Lithuania has been a signatory of the CITES Convention since 2001. CITES requirements are respected in forest management, although there are no species included in the CITES lists in Lithuania.

Lithuania is situated within the so-called mixed forest belt with a high percentage of broadleaves and mixed conifer-broadleaved stands. Most of the forests - especially spruce and birch - often grow in mixed stands. Pine forest is the most common forest type, covering about 38 percent of the forest area. Spruce and birch account for about 24 and 20 percent respectively. Alder forests make up about 12 percent of the forest area, which is fairly high, and indicates the moisture quantity of the sites. Oak and ash can each be found on about 2 percent of the forest area. The area occupied by aspen stands is close to 3 percent.

The growing stock given as standing volume per hectare is on the average of 180 m³ in Lithuania. In nature stands, the average growing stock in all Lithuanian forests is about 244 m³ per hectare. Total annual growth comes to 11 900 000 m³ and the mean timber increment has reached 6.3 m³ per year and per hectare.

Current harvest has reached some 3.0 million m³ u.b. per year. The consumption of industrial wood in the domestic forest industry, including export of industrial wood, is estimated to be less than 2.0 million m³. The remainder is used for fuel or stored in the forests, with a deteriorating quality as a result.

The potential future annual cut is calculated at 5.2 million m³, of which 2.4 million m³ is made up of sawn timber and the remaining 2.8 million m³ of small dimension wood for pulp or board production, or for fuel. The figures refer to the nearest 10-year period. Thereafter a successive increase should be possible if more intensive and efficient forest management systems are introduced.

Certification of all state forests in Lithuania is done according to the strictest certification in the world – the FSC (Forest Stewardship Council) certificate. The audit of this certificate testifies to the fact that Lithuanian state forests are managed especially well – following the principles of the requirements set to protection of and an increase in biological diversity.

(Resources: <http://www.fao.org/docrep/w3722e/w3722e22.htm>)

Latvia, Forest Resources

In Latvia, forests cover area of 3 056 578 hectares. According to the data of the State Forest Service (concerning the surveyed area allocated to management activities regulated by the Forest Law), woodenness amounts to 51.8 % (ratio of the 3 347 409 hectares covered by forest to the entire territory of the country). The Latvian State owns 1 495 616 ha of forest (48.97% of the total forest area), while the other 1 560 961 ha (51.68 % of the total forest area) belong to other owners. Private forest owners in Latvia amount to approximately 144 thousand.

5% of Latvian inhabitants are employed in forestry, wood-working industry, furniture production Industries. Forest industry employs appr. 20 000 people, wood industry 25 000, furniture production 5 000 According to statistics from y.2012. Wood industry input into IKP is 5-6%.

The area covered by forest is increasing. The expansion happens both naturally and by afforestation of infertile land unsuitable for agriculture.

Within the last decade, the timber production in Latvia has fluctuated between 9 and 13 million cubic metres (source: vmd.gov.lv, 2015).

Forest land consists of:

- forests 3 056 578 ha (91.3%);
- marshes 175 111.8 ha (5.3%);
- open areas 35 446.7 ha (1.1%);
- flooded areas 18 453.2 ha (0,5%);
- objects of infrastructure 61 813.4 ha (1.8%).

Source: vmd.gov.lv, 2015.

Distribution of forests by the dominant species:

- pine 34.3 %;
- spruce 18.0 %;
- birch 30.8 %;
- black alder 3.0 %;
- grey alder 7.4 %;
- aspen 5.4 %;
- oak 0.3 %;
- ash 0.5 %;
- other species 0.3 %.

Source: vmd.gov.lv, 2015.

Share of species used in reforestation, by planting area (2014):

- pine 20 %;
- spruce 17 %;
- birch 28 %;
- grey alder 12 %;
- aspen 20 %;
- other species 3 %.

Source: vmd.gov.lv, 2015.

Timber production by types of cuts, by volume produced (2014):

- final cuts 81.00 %;
- thinning 12.57 %;
- sanitary clear-cuts 3.63 %;
- sanitary selective cuts 1.43 %;
- deforestation cuts 0.76 %;
- other types of cuts 0.06 %.

Source: vmd.gov.lv, 2015.

The field of forestry

In Latvia, the field of forestry is supervised by the Ministry of Agriculture, which in cooperation with stakeholders of the sphere develops forest policy, development strategy of the field, as well as drafts of legislative acts concerning forest management, use of forest resources, nature protection and hunting (www.zm.gov.lv).

Implementation of requirements of the national law and regulations issued by the Cabinet of Ministers notwithstanding the type of tenure is carried out by the State Forest Service under the Ministry of Agriculture (www.vmd.gov.lv).

Management of the state-owned forests is performed by the public limited company *Latvijas Valsts Meži*, established in 1999. The enterprise ensures implementation of the best interests of the state by preserving value of the forest and increasing the share of forest in the national economy (www.lvm.lv).

The share of forestry, wood-working industry and furniture production amounted to 6 % GDP in 2012, while export yielded 1.7 billion euro (17 % of the total amount).

Biological diversity

Historically, extensive use of forests as a source of profit began later than in many other European countries, therefore a greater biological diversity has been preserved in Latvia.

For the sake of conservation of natural values, a total number of 674 protected areas have been established. Part of the areas have been included in the European network of protected areas *Natura 2000*. Most of the protected areas are state-owned.

In order to protect highly endangered species and biotopes located without the designated protected areas, if a functional zone does not provide that, microreserves are established. According to data of the State Forest Service (2015), the total area of micro reserves is 40 595 ha. Identification and protection planning of biologically valuable forest stands is carried out continuously.

On the other hand, for preservation of biological diversity during forest management activities, general nature protection requirements binding to all forest managers have been developed. They stipulate that at felling selected old and large trees, dead wood, undergrowth trees and shrubs, land cover around micro-depressions are to be preserved, thus providing habitat for many organisms.

Latvia has been a signatory of the CITES Convention since 1997. CITES requirements are respected in forest management, although there are no species included in the CITES lists in Latvia.

Forest and community

Areas where recreation is one of the main forest management objectives add up to 8 % of the total forest area or 293 000 ha (2012). Observation towers, educational trails, natural objects of culture history value, picnic venues: they are just a few of recreational infrastructure objects available to everyone free of charge. Special attention is devoted to creation of such areas in state-owned forests. Recreational forest areas include national parks (excluding strictly protected areas), nature parks, protected landscape areas, protected dendrological

objects, protected geological and geomorphologic objects, nature parks of local significance, the Baltic Sea dune protection zone, protective zones around cities and towns, forests within administrative territory of cities and towns. Management and governance of specially protected natural areas in Latvia is co-ordinated by the Nature Conservation Agency under the Ministry for Environmental Protection and Regional Development.

Certification

All forest area of “Latvijas valsts meži” as well as some part of forests in private and other ownership are FSC and PEFC certified. From all totally forest area 3 056 578 ha is approximately 1,4milj. ha of Latvian forest are certified according to FSC and PEFC certification scheme. Both the FSC and PEFC systems have found their way into Latvia.

2.2 Actions taken to promote certification amongst feedstock supplier

For the production of SBP pellets are mostly used FSC certified supplier material (8%). The company policy is to give a preference to certified suppliers. Raw material (sawdust, roundwood) consists of wood waste from main production of suppliers. Therefore, uncertified and new suppliers are invited to certify their base production and get benefit from residues.

2.3 Final harvest sampling programme

The proportion of final fellings which end up in biomass among our suppliers of raw material (feedstock for biomass production) is about 20% compared other end uses (i.e. sawlogs).

This information is derived from the documents submitted by suppliers (of forest declaration and material monetary valuation of the harvesting area)

2.4 Flow diagram of feedstock inputs showing feedstock type [optional]

Coniferous species - 85 % (sawdust),

Deciduous species 15 % (sawdust).

Wood species: *Picea abies* (L.) H. Karst.; *Pinus sylvestris* (L.); *Betula pendula* (Roth.); *Betula pubescens* (Ehrh.); *Populus tremula* (L.); *Alnus glutinosa*

2.5 Quantification of the Supply Base

Supply Base

- a. Total Supply Base area 5,07 milj (ha): Cumulative area of all forest types within SB
- b. Tenure by type (ha): Government 2,53milj., ha; Privately owned 2,15 milj., ha; / other 0,44 milj., ha
- c. Forest by type (ha): Boreal 5,07 milj., ha
- d. Forest by management type (ha): Managed Natural 5,07, milj., ha
- e. Certified forest by scheme (ha): 2,68 milj. ha FSC and 1,68 milj/ ha PEFC-certified forest

Feedstock

- f. Total volume of Feedstock: 17831,13 t
- g. Volume of primary feedstock: 2590,20 m³
- h. List percentage of primary feedstock (g), by the following categories. Subdivide by SBP-approved Forest Management Schemes
 - Large forest holdings certified to an SBP-approved Forest Management Schemes
- i. List all species in primary feedstock, including scientific name
Picea abies (L.) H. Karst.); Pinus sylvestris (L.); Betula pendula (Roth.); Betula pubescens (Ehrh.); Populus tremula (L.); Alnus glutinosa
- j. Volume of primary feedstock from primary forest 2590,20 m³
- k. List percentage of primary feedstock from primary forest (i), by the following categories. Subdivide by SBP-approved Forest Management Schemes
 - Primary feedstock from primary forest certified to an SBP-approved Forest Management Schemes:
All volume 100% are certified as FSC
 - Primary feedstock from primary forest not certified to an SBP-approved Forest Management Schemes)%
- l. Volume of secondary feedstock: 15214,26 t **SAWDUST (Sawmill residue)** feedstock as production waste prom producers com from Latvia, Lithuania

Species: Picea abies (L.) H. Karst.); Pinus sylvestris (L.); Betula pendula (Roth.); Betula pubescens (Ehrh.); Populus tremula (L.); Alnus glutinosa
- m. Volume of tertiary feedstock: Specify origin and composition

3 Requirement for a Supply Base Evaluation

SBE completed	SBE not completed
<input type="checkbox"/>	x

4 Supply Base Evaluation

4.1 Scope

Not applicable.

4.2 Justification

Not applicable.

4.3 Results of Risk Assessment

Not applicable.

4.4 Results of Supplier Verification Programme

Not applicable.

4.5 Conclusion

Not applicable.

5 Supply Base Evaluation Process

Not applicable.

6 Stakeholder Consultation

Not applicable.

6.1 Response to stakeholder comments

Not applicable.

7 Overview of Initial Assessment of Risk

Not applicable.

8 Supplier Verification Programme

8.1 Description of the Supplier Verification Programme

Not applicable.

8.2 Site visits

Not applicable.

8.3 Conclusions from the Supplier Verification Programme

Not applicable.

9 Mitigation Measures

9.1 Mitigation measures

Not applicable.

9.2 Monitoring and outcomes

Not applicable.

10 Detailed Findings for Indicators

Not applicable.

11 Review of Report

11.1 Peer review

The final version of the report was submitted to the Forestry and forest-environment processes to engage professionals.

The report was reviewed and returned with comments were received from:

WWF International Director Janis Rozītis- experience in sustainable forestry practice, assessment

Sigita Girdziušas- Lithuanian Agricultural University, Master of Forestry, forestry specialists.

11.2 Public or additional reviews

The public report, examination is not carried out, except in paragraph in the 11.1.

12 Approval of Report

Approval of Supply Base Report by senior management			
Report Prepared by:	<i>Indrė Stonytė</i>	<i>Komercijos vadovė</i>	<i>08.09.2015</i>
	Name	Title	Date
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.			
Report approved by:	<i>Vytautas Juška</i>	<i>Direktorius</i>	<i>08.09.2015</i>
	Name	Title	Date
Report approved by:	<i>[name]</i>	<i>[title]</i>	<i>[date]</i>
	Name	Title	Date
Report approved by:	<i>[name]</i>	<i>[title]</i>	<i>[date]</i>
	Name	Title	Date

13 Updates

No applicable.

13.1 Significant changes in the Supply Base

Not applicable.

13.2 Effectiveness of previous mitigation measures

Not applicable.

13.3 New risk ratings and mitigation measures

Not applicable.

13.4 Actual values of feedstock over the previous 12 months

Not applicable.

13.5 Projected values of feedstock over the next 12 months

Not applicable.