SBP

Sustainable Biomass Program

Supply Base Report: UAB Granulta

First Surveillance Audit

www.sbp-cert.org

Completed in accordance with the Supply Base Report Template Version 1.3

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

Document history

Version 1.0: published 26 March 2015

Version 1.1 published 22 February 2016

Version 1.2 published 23 June 2016

Version 1.3 published 14 January 2019

Contents

1 Overview

Producer name:	UAB “GRANULTA”
Producer location:	Plytinės skg.72, LT-81118, Kuršėnai, Šiaulių r. sav., Lietuva
Geographic position:	55.98806, 22.962455
Primary contact:	Armandas Kazlauskas, +370 633 40070 , info@granulta.lt
Company website:	www.granulta.lt
Date report finalised:	06/Sep/2020
Close of last CB audit:	05/Oct/2020
Name of CB:	UAB “Nepcon”
Translations from English:	Yes
SBP Standard(s) used:	SBP standard No. 2-V1.0 ; SBP standard No. 4-V1.0. ; SBP standard No 5-V1.0.
Weblink to Standard(s) used:	https://sbp-cert.org/documents/standards-documents/standards
SBP Endorsed Regional Risk Assessment:	not applicable
Weblink to SBE on Company website:	not applicable

Indicate how the current evaluation fits within the cycle of Supply Base Evaluations				
Main (Initial) Evaluation	**First Surveillance**	**Second Surveillance**	**Third Surveillance**	**Fourth Surveillance**
☐	☑	☐	☐	☐

2 Description of the Supply Base

2.1 General description

GRANULTA UAB is a privately owned company, established in 2002. It operates in the field of biomass production. The company produces wood pellets and wood briquettes.
The plant receives the raw material from Lithuania primary (wood logs) and secondary (sawdust and chips, wood residues after wood processing).

SBP--compliant primary feedstock: 38 % (wood logs from 9 suppliers)
SBP--compliant secondary feedstock, 5 % (Wood industry residues/ Chips from 2 suppliers)
SBP--compliant secondary feedstock, 21 % (Wood industry residues/ sawdust wet from 5 suppliers)
SBP--compliant tertiary feedstock: 0 %
SBP--noncompliant feedstock: 36 %

This report will account for total feedstock volumes but will not include a SBE (controlled material). Certified e.g. SBP-Compliant material accounts for 64% of all production feedstock.
The plant has around 29 stable suppliers.

Picea abies (L.) H. Karst.; Pinus sylvestris (L.); Alnus glutinosa (L.) Gaertn.; Alnus incana (L.) Moench, Populus tremula (L.); Betula pendula (Roth); Betula pubescens (Ehrh.)

Lithuania Forest Resources

According to 2017 forest statistics, the total forest land area was 2,189,600 ha, covering 33.5% of the country's territory. Since the 1st January 2003, the forest land area has increased by 144,300 ha corresponding to 2.2% of the total forest cover. During the same period, forest stands expanded by 107,400 ha to 2,058,400 ha. Occupying 1,145,100 ha, coniferous stands prevail in Lithuania, covering 55.6% of the forest area. They are followed by softwood deciduous forests (841,100 ha, 40.9%). Hardwood deciduous forests occupy 72,200 ha (3.5%). The total area of softwood deciduous forest land increased by 142,700 ha over the last fourteen years. The area of hardwood deciduous has decreased by 20,400 ha (mainly due to dieback of ash stands) and coniferous forest by 14,900 ha. Scots pine occupies the biggest share in Lithuanian forests – 713,200 ha. Compared to 2003, the area of pine expanded by 1,700 ha. Norway spruce stands covers 429,500 ha, witha reduction of 15,800 ha.Birch stands covers the largest area among deciduous trees. Since 2003, it increased by 64,400 ha and reached 456,600 ha by the 1st January 2017. Area of black alder increased by 36,600 ha, to 156,100 ha. The area of grey alder decreased by 400 ha reaching 121,600 ha. The area of aspen stands expanded by 36,500 to 93,800 ha. The area of oak stands increased from 35,700 ha to 46,300 ha. The area of ash stands diminished by half to 18,200 ha. The average forest area per capita increased to 0.77 ha. Since 2003 total growing stock volume increased from 453.4 million m3 up to 542.7 million m3. The average growing stock volume in all forests since 2003 increased by 30 m3/ha up to 256 m3/ha.
In the beginning of 2017, the distribution of forests by functional groups was as follows. Group I (strict nature reserves): 24,900 ha (1.1%); group II (ecosystem protection and recreational): 260,800 ha (11.9%); group III (protective): 320,300 ha (14.6%); and group IV (commercial): 1,583,500 ha (72.3%). Changes of forest land area distribution by forest groups area based on the decisions of forest management schemes.
By 1st January 2017, around a half of all forest land in Lithuania was of State importance – 1088,600 ha.

848,800 ha of private forests were registered in the State Enterprise Centre of Registers. After intersection of layers of all forests and private holdings the estimated area of private forests was 882,900 ha. The number of private forest owners amounted to almost 250,100, a forest estate averaging 3.4 ha.
Various forest protection measures were applied by the state forest enterprises on 27,200 ha of forest land in 2016. Biological treatment was applied on 300 ha. Foresters from 2,600 ha removed 106,000 m3 of trees damaged by wind and snow. Chemical protection measures were used on area 2,700 ha. For sanitary protection, state forest enterprises set up 11,700 new nesting-boxes.
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.

No CITES species in feedstock.

“Lithuanian Statistical Yearbook of Forestry 2017” found here https://osp.stat.gov.lt/services-portlet/pubedition-file?id=32300
http://www.fao.org/docrep/w3722E/w3722e22.htm

2.2 Actions taken to promote certification amongst feedstock supplier

For the production of SBP pellets only FSC certified supplier material is used. Since company’s policy is to give preference to certified suppliers, the company constantly invites other non-certified suppliers to participate in FSC/PEFC certification.

2.3 Final harvest sampling programme

The Food and Agriculture Organization of the United Nationsglobal forest resource resources assessment 2015 report for Lithuania indicates the total woodfuel (energy use) of all wood removals from forests between 16-32% in recent history. http://www.fao.org/3/a-az262e.pdf

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

Wood species Picea abies (L.) H. Karst.; Pinus sylvestris (L.); Alnus glutinosa (L.) Gaertn.; Alnus incana (L.) Moench, Populus tremula (L.); Betula pendula (Roth); Betula pubescens (Ehrh.)

2.5 Quantification of the Supply Base

Supply Base

a. Total Supply Base area (ha): Lithuania 2,18 mln

b. Tenure by type (ha): 1.089 ha mln state forests; 0.883 mln private forests, 0.2 mln reserved forests
c. Forest by type (ha): Boreal
d. Forest by management type (ha): 2,18 mln Managed Semi-Natural
e. Certified forest by scheme (ha): 1.140 mln FSC
f. Number of suppliers: 41

Feedstock

g. Total volume of Feedstock: 0 – 200,000 m^3
h. Volume of primary feedstock: 0 – 200,000 m^3
i. List percentage of primary feedstock (g), by the following categories.
    - Certified to an SBP-approved Forest Management Scheme 64% FSC
    - Not certified to an SBP-approved Forest Management Scheme 36%
j. List all species in primary feedstock, including scientific name:

- Picea abies (L.) H. Karst.; Pinus sylvestris (L.); Alnus glutinosa (L.) Gaertn.; Alnus incana (L.) Moench, Populus tremula (L.); Betula pendula (Roth); Betula pubescens (Ehrh.)

k. Volume of primary feedstock from primary forest 38%
l. List percentage of primary feedstock from primary forest (j), by the following categories. Subdivide by SBP-approved Forest Management Schemes:
    - Primary feedstock forest certified to an SBP-approved Forest Management Scheme 100%
    - Primary feedstock not certified to an SBP-approved Forest Management Scheme 0%
m. Volume of secondary feedstock: 0 – 200,000 m^3 (Sawdust 85%; wood chips – 15%
n. Volume of tertiary feedstock: specify origin and composition – 0 tonnes

* Compelling justification would be specific evidence that, for example, disclosure of the exact figure would reveal commercially sensitive information that could be used by competitors to gain competitive advantage. State the reasons why the information is commercially sensitive, for example, what competitors would be able to do or determine with knowledge of the information.

Bands for (f) and (g) are:

1. 0 – 200,000 tonnes or m^3

2. 200,000 – 400,000 tonnes or m^3

3. 400,000 – 600,000 tonnes or m^3

4. 600,000 – 800,000 tonnes or m^3

5. 800,000 – 1,000,000 tonnes or m^3

6. >1,000, 000 tonnes or m^3

Bands for (h), (l) and (m) are:

1. 0%-19%
2. 20%-39%
3. 40%-59%
4. 60%-79%
5. 80%-100%

NB: Percentage values to be calculated as rounded-up integers.

3 Requirement for a Supply Base Evaluation

SBE completed	SBE not completed
☐	☑

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

This is a preliminary version of the SBR which will go through CB stakeholder consultation and then will be published on company's home page.

6.1 Response to stakeholder comments

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7 Overview of Initial Assessment of Risk

Not applicable.

8 Supplier Verification Programme

8.1 Description of the Supplier Verification Programme

Not applicable.

9 Mitigation Measures

Not applicable..

10 Detailed Findings for Indicators

Not applicable.

11 Review of Report

11.1 Peer review

In 2019 the end version of the report was sent to specialists working with wood industry, forest management and forest environment processes

This report was reviewed by:

Vygantas Šimkus - UAB Granulta director; wood industry specialist.

Edvardas Žalneravičius UAB Kamjorda director; wood industry, forest management, forest environment processes specialist.

Simonas Vaitekūnas - Kursenai regional division of State Forest Enterprise; forest inventory and management specialist

The SBR will be published to all stakeholders and feedback will be provided to whoever expresses interest or concern.

12 Approval of Report

Approval of Supply Base Report by senior management			
Report Prepared by:	***Armandas Kazlauskas***	***Director***	***06-09-2020***
	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:	***Vygantas Šimkus***	***Manager For Engineering***	***06-09-2020***
	Name	**Title**	**Date**
Report approved by:	***Edvardas Žalneravičius***	***Consultant***	***06-09-20***
	Name	**Title**	**Date**

13 Updates

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 figures for feedstock over the previous 12 months

g. Total volume of Feedstock: 0 – 200,000 m3

h. Volume of primary feedstock: 0 – 200,000 m3

i. List percentage of primary feedstock (g), by the following categories.

- Certified to an SBP-approved Forest Management Scheme 64% FSC

- Not certified to an SBP-approved Forest Management Scheme 36%

j. List all species in primary feedstock, including scientific name:

• Picea abies (L.) H. Karst.; Pinus sylvestris (L.); Alnus glutinosa (L.) Gaertn.; Alnus incana (L.) Moench, Populus tremula (L.); Betula pendula (Roth); Betula pubescens (Ehrh.)

k. Volume of primary feedstock from primary forest 38%

l. List percentage of primary feedstock from primary forest (j), by the following categories. Subdivide by SBP-approved Forest Management Schemes:

- Primary feedstock from primary forest certified to an SBP-approved Forest Management Scheme 100%

- Primary feedstock from primary forest not certified to an SBP-approved Forest Management Scheme 0%

m. Volume of secondary feedstock: 0 – 200,000 m3 (Sawdust 85%; wood chips – 15%)

13.5 Projected figures for feedstock over the next 12 months

g. Total volume of Feedstock: 0 – 200,000 m3

h. Volume of primary feedstock: 0 – 200,000 m3

i. List percentage of primary feedstock (g), by the following categories.

- Certified to an SBP-approved Forest Management Scheme 60-70% FSC

- Not certified to an SBP-approved Forest Management Scheme 40-30%

j. List all species in primary feedstock, including scientific name:

• Picea abies (L.) H. Karst.; Pinus sylvestris (L.); Alnus glutinosa (L.) Gaertn.; Alnus incana (L.) Moench, Populus tremula (L.); Betula pendula (Roth); Betula pubescens (Ehrh.)

k. Volume of primary feedstock from primary forest 30-60%

l. List percentage of primary feedstock from primary forest (j), by the following categories. Subdivide by SBP-approved Forest Management Schemes:

- Primary feedstock from primary forest certified to an SBP-approved Forest Management Scheme 100%

- Primary feedstock from primary forest not certified to an SBP-approved Forest Management Scheme 0%

m. Volume of secondary feedstock: 0 – 200,000 m3 (Sawdust 70-90%; wood chips – 10-30%)