



Supply Base Report: SILALES MEDIENA UAB

First Surveillance Audit

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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; re-published 3 April 2020

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1 Overview

Producer name: **Joint Stock Company “Silales mediena”**

Producer location: Raganines str. 26, LT-75283 Tubuciai village, Pajuris subdistr., Silale distr.

Geographic position: 55.4537° N 22.0581° E

Primary contact: Mr. Vaidotas Benėta, +37068786697 info@silalesmediena.eu

Company website: www.silalesmediena.eu

Date report finalised: 28/Oct/2020

Close of last CB audit: 31/Oct/2020 Silale

Name of CB: JSC “NEPCon Lt”

Translations from English: Yes

SBP Standard(s) used: SBP Standard 2-V1.0 ; SBP Standard 4-V1.0. ; SBP Standard 5-V1.0

Weblink to Standard(s) used: <https://sbp-cert.org/documents/standards-documents/standards>

SBP Endorsed Regional Risk Assessment: N/A

Weblink to SBE on Company website: N/A

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

2 Description of the Supply Base

2.1 General description

Silales mediena UAB receives all feedstock from own sawmill next to pellet factory as wood residues after wood processing.

SBP-compliant primary feedstock: 0 %

SBP-compliant secondary feedstock, 30 % (Wood industry residues/ Chips)

SBP-compliant secondary feedstock, 70 % (Wood industry residues/ sawdust wet)

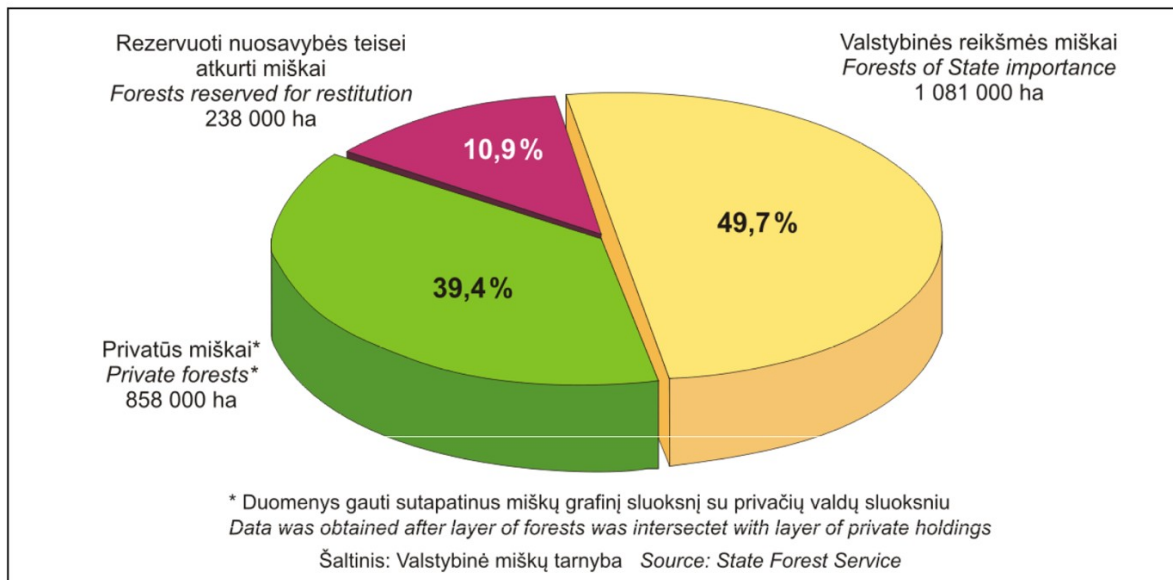
SBP-compliant tertiary feedstock: 0%

SBP-noncompliant feedstock: 0 %

Species: *Picea abies* (L.) H. Karst.; *Pinus sylvestris* (L.);

Agricultural land covers more than 50 % of Lithuania. The forested land occupies about 28 % or 2.18 million ha, while the land classified as forest occupies about 30 % of the total land area. The south-eastern part of the country is most heavily forested, and here forests cover about 45 % of the land. The total land area belonged to 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 forestry sector (including manufacture of furniture) reached

FOREST LAND BY OWNERSHIP 01.01.2014



LTL 4.9 billion in 2013 and was 10 % higher than in 2012. Forest land is divided into four protection categories: reserves (2 %), ecological category (5.8 %), protected category (14.9 %) and commercial category (77.3 %). All types of cuttings are prohibited in reserves. Clear cuttings are prohibited in national

parks, while thinning and sanitary cuttings are allowed there. Clear cutting is permitted, however, with certain restrictions, in protected forests; and thinning as well. Almost no restrictions as to logging methods exist in the forests of commercial category.

Lithuania has signed the CITES Convention in 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 forests are the most common type of forests, covering about 38 % of the woodland. Spruce and birch forests account for 24 % and 20 % respectively. Alder forests occupy about 12 % of the forest area, which is a relatively high figure that indicates the moisture level on specific sites. Oak and ash account for about 2 % of the forest area each. The area occupied by aspen stands is almost 3 %.

The growing stock in Lithuanian forests is about 180 m³ per hectare. In nature stands, the average growing stock in all Lithuanian forests is 244 m³ per hectare. Total annual growth is almost 11,900,000 m³ and the average annual wood increase has reached 6.3 m³ per hectare.

The expected annual logging volume is 5.2 million m³, 2.4 million m³ of which are sawn wood and the remaining 2.8 million m³ are small dimension wood for production of paper pulp or boards or for using as firewood. The calculations refer to the nearest 10-year period. If more intensive and efficient forest management systems are implemented, successful growth should be achieved.

Certification of all State forests in Lithuania is performed according to the strictest certification system in the world – the FSC (Forest Stewardship Council) certificate. The audit of this certification confirms the fact that Lithuanian State forests are managed responsibly, in compliance with the requirements of protection and conservation of biodiversity.

No CITES species are used.

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

2.2 Actions taken to promote certification amongst feedstock supplier

For the production of SBP pellets are mostly used FSC certified supplier material (51%). The company policy is to give a preference to certified suppliers. Raw material consists of wood logs from main production of suppliers. Therefore, uncertified and new suppliers are invited to certify their base production and get additional benefit.

2.3 Final harvest sampling programme

Not applicable

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

Coniferous species - 100 %

Wood logs *Picea abies* – 85%

Wood logs *Pinus sylvestris* – 15%

Wet sawdust - 70%

Wood chips – 30%

2.5 Quantification of the Supply Base

Provide metrics for the Supply Base including the following. Where estimates are provided these shall be justified.

Supply Base

- a. Total Supply Base area 2,18 milj (ha): Cumulative area of all forest types within SB
- b. Tenure by type (ha): Government 1088,6 thousand ha; Privately owned 882.9 thousand ha; other 295.5 thousand ha
- c. Forest by type (ha): Boreal
- d. Forest by management type (ha): Managed Natural 2.18 million
- e. Certified forest by scheme (ha): 1088,6 thousand/ ha FSC certified forest

Feedstock

- f. Total volume of Feedstock: 134 224 m³
- g. Volume of primary feedstock: 0 tonnes
- h. List percentage of primary feedstock (g), by the following categories. – 0% Subdivide by SBP-approved Forest Management Schemes:
 - Certified to an SBP-approved Forest Management Scheme 0%
 - Not certified to an SBP-approved Forest Management Scheme)%
- i. List all species in primary feedstock, including scientific name
Picea abies (L.) H. Karst.; *Pinus sylvestris* (L.)
Volume of primary feedstock from primary forest 0 %
- j. 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
 - Primary feedstock from primary forest not certified to an SBP-approved Forest Management Scheme
- k. Volume of secondary feedstock: total Sawdust wet and chips 134 224 m³
(Sawmill residue) Sawdust 93956,8 m³, Wood chips 40267,2 m³ feedstock as production waste

3 Requirement for a Supply Base Evaluation

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

4 Supply Base Evaluation

4.1 Scope

N/A.

4.2 Justification

N/A.

4.3 Results of Risk Assessment

N/A.

4.4 Results of Supplier Verification Programme

N/A.

4.5 Conclusion

N/A.

5 Supply Base Evaluation Process

N/A.

6 Stakeholder Consultation

N/A.

6.1 Response to stakeholder comments

N/A.

7 Overview of Initial Assessment of Risk

N/A

8 Supplier Verification Programme

8.1 Description of the Supplier Verification Programme

N/A.

8.2 Site visits

N/A.

8.3 Conclusions from the Supplier Verification Programme

N/A.

9 Mitigation Measures

9.1 Mitigation measures

N/A.

9.2 Monitoring and outcomes

N/A.

10 Detailed Findings for Indicators

N/A.

11 Review of Report

11.1 Peer review

Valdas Girskis, Forestry technician

11.2 Public or additional reviews

N/A.

12 Approval of Report

Approval of Supply Base Report by senior management			
Report Prepared by:	<i>Mr. Vaidotas Benėta</i>	<i>Sales manager</i>	<i>2020.10.28</i>
	Name	Title	Date
<p>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.</p>			
Report approved by:	<i>Mr. Kęstutis Žygaistis</i>	<i>Supply</i>	<i>2020.10.28</i>
	Name	Title	Date
Report approved by:	<i>Mr. Virgilijus Žygaitis</i>	<i>Director</i>	<i>2020.10.28</i>
	Name	Title	Date
Report approved by:	<i>[name]</i>	<i>[title]</i>	<i>[date]</i>
	Name	Title	Date

13 Updates

13.1 Significant changes in the Supply Base

N/A.

13.2 Effectiveness of previous mitigation measures

N/A.

13.3 New risk ratings and mitigation measures

N/A.

13.1 Actual figures for feedstock over the previous 12 months

2019.06.01 to 2020.06.01 – 93956,8 m³ saw dust and 40267,2 m³ swood chips

13.2 Projected figures for feedstock over the next 12 months

2020.06.01 to 2021.06.01 – 100000 m³ saw dust and 40000 m³ swood chips

- * 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 are:

1. 0 – 200,000 tonnes or m³
2. 200,000 – 400,000 tonnes or m³
3. 400,000 – 600,000 tonnes or m³
4. 600,000 – 800,000 tonnes or m³
5. 800,000 – 1,000,000 tonnes or m³
6. >1,000, 000 tonnes or m³