

SBP

Sustainable Biomass Partnership

GaireLita JSC Supply Base Report for Biomass Producers

www.sustainablebiomasspartnership.org



Version 1.2 June 2016

NOTE:

This template, v1.2, is effective as of the date of publication, that is, 23 June 2016. Template v1.1 may still be used for those audits undertaken prior to 23 June 2016 and where the certificate is issued to Certificate Holders before 1 October 2016.

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

Document history

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1 Overview

On the first page include the following information:

Producer name: JSC “Gairelita”
 Producer location: Zironu 12, **LT-82043**, Radviliskis, Lithuania **s**
 Geographic position: [55.827932, 23.530378](#)
 Primary contact: Mr. Kestutis Burdulis, **+370 422 60080**, pellets@gairelita.lt
 Company website: www.gairelita.com
 Date report finalised: 20 July 2016
 Close of last CB audit: [Date and location of the closing meeting CB]
 Name of CB: NEPCon UAB
 Translations from English: [Yes]
 SBP Standard(s) used: Standard 2, version 1.0; Standard 4, version 1.0; Standard 5, version 1.0; 5A instruction Version 1.0
 Weblink to Standard(s) used: <http://www.sustainablebiomasspartnership.org/documents>
 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
	X	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

2 Description of the Supply Base

2.1 General description

All part of JSC Gairelita raw material is received from Lithuania, Latvia by-products (sawmill residues) as well as a small part of the raw material, which is indirectly supply after wood processing as secondary feedstock from Norway, Belarus, Russia as by-products (sawmill residues).

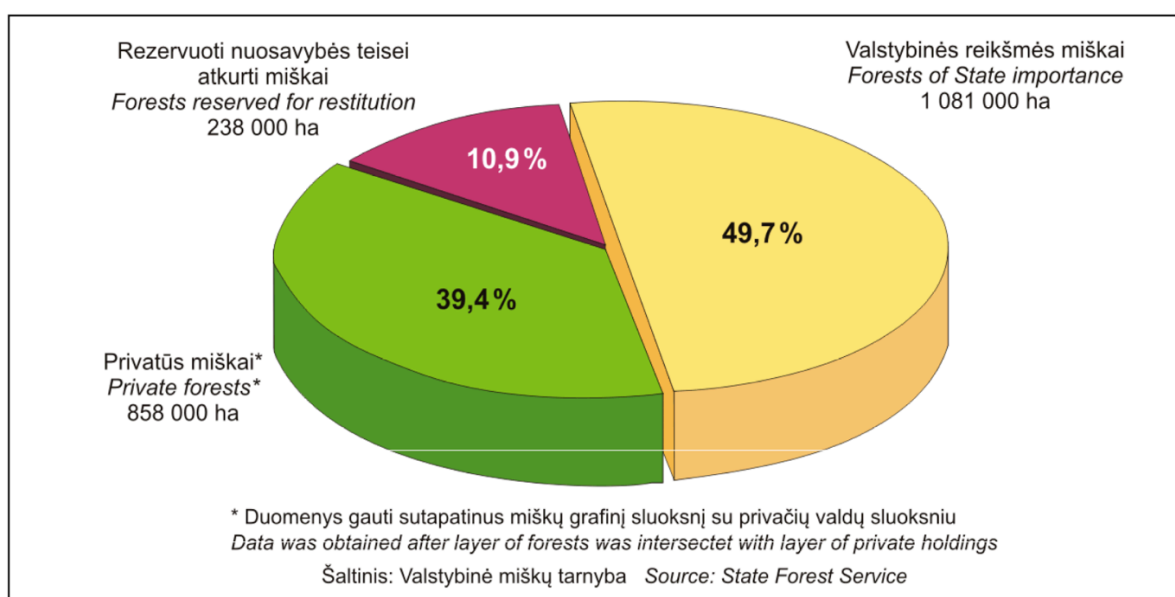
SBP approved controlled feedstock: 50,17 %
 SBP approved primary feedstock: 0%
 SBP approved secondary feedstock: 38,68 %
 SBP approved tertiary feedstock: 11,15 %
 SBP not approved feedstock: 0%

Species of raw material: *Picea abies* (L.) H. Karst.); *Pinus sylvestris* (L.); *Alnus glutinosa* (L.) Gaertn.); *Alnus incana* (L.) Moench) *Populus tremula* (L.); *Betula pendula* (Roth; silver; *Betula pubescens* (Ehrh

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), woodness 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.

Belorussia

In Belorussia forests cover area of 9,5 milj hectares. According to the data of the State Forest Ministry Woodeness amounts to 39,3 %

Country area 20760 (1000 Ha);

Agricultural area 8796 (1000 Ha);

Land area 20291 (1000 Ha);

Forest area 8707.6 (1000 Ha);

Forest industry input into IKP is 1,1%;

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 Belorussia has fluctuated aprox., 11 million cubic metres (<http://www.mlh.by> , 2015.)

Forest land consists of:

Area (1000 hectares)

Forest	7,894
Other wooded land	914
Forest and other wooded land	8,808

Other land	11,94
Total land area	20,748
Inland water bodies	12
Total area of country	20,76

Source: <http://www.mlh.by> , 2015.

Distribution of forests by the dominant species:

- pine 50,4%;
- spruce 9,2%;
- birch 23,1%;
- black alder 3,3%;
- grey alder 3,3 %;
- aspen 2,1%;
- other species 3,3%.

Source: <http://www.mlh.by> , 2015.

Timber production by types of cuts, by volume produced (2013):

- final cuts 34,5 %;
- thinning 45,79 %;
- other types of cuts 19,62 %.

Source: <http://www.mlh.by>,

The field of forestry

Management of the state-owned forests is performed by different types of state organisations.

Biological diversity

Belorussia has been a signatory of the CITES Convention since 1995. CITES requirements are respected in forest management, although there are no species included in the CITES lists in Belorussia.

Forest regeneration is carried out annually over an area of 32,000 ha, including 81% of the forest planting planting and seeding and 19% by natural regeneration. <http://belstat.gov.by/> (2015.y.)

There are 2 strictly protected Nation reserves and 4 National parks present in Belarus at the moment. Area of National reserves accounts 2,98 milj ha and area of National parks is 3,98 milj ha.

Forest and community

In 2014 in all kinds of felling there were harvested 12,5 million m3 marketable timber.

Foreign trade surplus made USD 104 million. 1.9 million cubic meter round timber and 191.8 thousand cubic meter sawn timber were sold abroad.

Forest products and services were exported to 25 states, including 95,3% to the near abroad and 4,7% to the remote countries. Among the main forest export directions are Poland (47,9% of the total export volume in value terms), Germany (11,4%), Lithuania (10%), Latvia (8,62%), the Netherlands (3,3%), Belgium (3,46%), Sweden (3,25%).

Certification

All forest area is certified by PEFC certification scheme. 7,7 milj. ha (83 forestries) are certified according to PEFC. 5milj. ha (61 forestries) are certified according to FSC FM standards.

Both the FSC and PEFC systems have found their way into Belorussia.

Norway , forest resources

Forest facts

About 38% of the surface area in Norway is covered by forest. The total forested area amounts to 12 million hectares, including more than 7 million hectares of productive forest. 15% of the productive forest has been estimated as non-economic operational areas due to difficult terrain and long distance transport, which means that economical forestry may only be operated in about 50% of the forested area. The most important species are Norway spruce (47%), Scots pine (33%) and birch (18%).

From the forest area: Privately owned forests 80 % ; State and municipalities 12 %

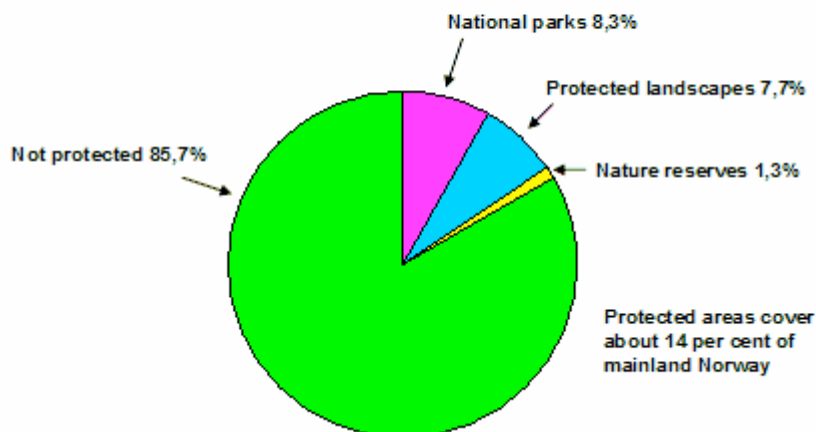
Industrial private 4 %; Local common land 4 %

Forest certification

All productive forests in Norway are certified, i.e. 7.397.000 hectares. The number of certified forest owners is approximately 43.000 (private, municipalities, state).

Forest protection

Areas protected under the Nature Conservation Act 2008



Areas protected under the Nature Conservation Act 2008

Biodiversity

Approximately 6.4% of mainland Norway has protected area status. In addition, 15,000 square km of Spitsbergen is designated as conservation area - national parks, nature reserves or other kinds of protected area cover 10-12% of the area of the remote islands.

The total number of species in Norway is estimated to be 45,000, of which approximately 33,000 are known and described. It exists information enough to estimate wether a species is threatened or not for only 10,000 species. Of these, 150 are threatened by extinction, 279 are deemed vulnerable, 800 are categorized as rare (the last number also includes species which are rare of natural causes, and not only because of human intervention). 359 are deemed species of special concern, 36 species are indeterminate, while 169 species are classified as insufficiently known.

Species "Red lists" can be used to point out the habitats containing an especially rich variety of endangered species. Red list species have often proved to be the red warning lights of nature to tell us that a biotope is threatened or something else is wrong in nature. The red lists also give us a picture of the condition of our flora and fauna, and may contribute to the efforts of securing and

improve the ecosystem for these species. http://www.borealforest.org/world/world_norway.htm

In the country there are areas of endangered high conservation value forests. More specifically there are Global200 and IFL areas in the northern mountain regions.

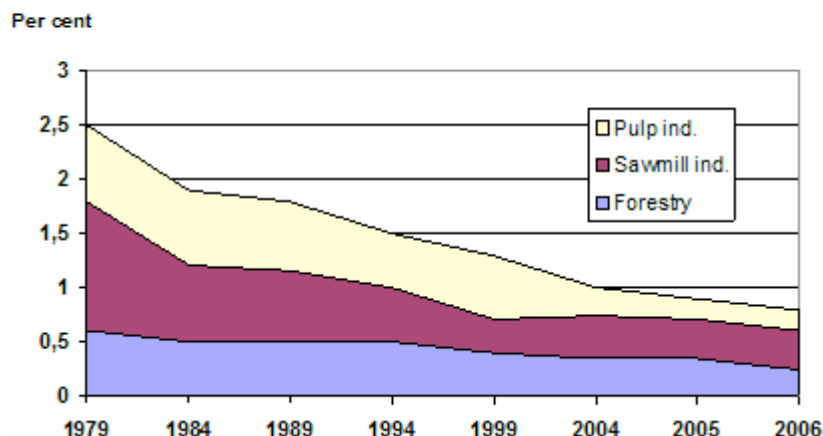
Those regions identified by Conservation International as a Biodiversity Hotspot <http://www.biodiversityhotspots.org/xp/hotspots/Pages/default.aspx> Those forest, woodland, or mangrove ecoregions identified by World Wildlife Fund as a Global 200 Ecoregion and assessed by WWF as having a conservation status of endangered or critical. Those regions identified by the World Resources Institute as a Frontier Forest Intact Forests Landscapes, as identified by Greenpeace (www.intactforests.org)

Forest sector in Norway’s national economy

In 2006 forestry and the forest industries accounted for about 0.8% of the Gross National Product in Norway. Of the total employment of 2.443.000 persons in Norway approximately 40.000 people receive their income from forestry and from the forest industry. 6.700 persons (0.3%) are directly employed in forestry.

About 50 percent of the Norwegian round wood harvested is used by sawmills. There are 225 sawmills in Norway operating on an industrial scale.

**Forestry and forest industry as part of GNP
1979-2006**



Forestry and forest industry as part of the GNP 1979-2006

A lot of people use the forest for recreational activities, both traditional and modern, including walking, picking berries and mushrooms, hunting and fishing.

Russia forest resources

The total area of FSC forest land on the territory of the Russian Federation is 764 million hectares, accounting for about 21% of world reserves of standing timber. Forests cover 46.6% of the area of the Russian Federation, which is 1183.3 million hectares. Forests are mainly boreal. The main wood species are pine, spruce, birch, aspen. Areas occupied by the main wood species plantations remain rather stable within last decades. Hardwood species compose 68.4%, softwood – 21,7%. Other wood species compose less than 1% of the forests. The total reserve of the wood in the forests located on forest fund land is 80 billion m³. In accordance with Russian legislation all forest fund land are state property. Legal entities can use forest areas in lease and short-term use. Lease relations are the dominant legal form of forests using. The lease term may continue from 10 to 49 years. The using of forests as an entrepreneurial activity, can be given to entities registered in the territory of the Russian Federation as a legal entity or individual entrepreneur (in accordance with the legislation of the Russian Federation). Entering into the lease agreement or sale contract of forest plantations is carried out at the auction for the selling the right to enter into such agreements. Forest areas for a lease must pass a state cadastral registration. According to the Forest Code of the Russian Federation each forest user taking a lease forest land obliged:

- to carry out the activities on protection and reproduction of forests;
- to provide annual forest declaration;
- to issue a project of forest assimilation;
- to provide a report on the use of forests, their protection and reproduction.

Allowable wood-cutting area in the Russian Federation is about 660 million m³, including softwood - 370 million m³. Using the allowable wood-cutting area does not exceed 35% of the country territory. According to Rosleskhoz (Russian Forestry) data the total recourses of increased volumes of cutting with the aim of cutting

within the country is about 400 million m³ per year. High quality reproduction of forest resources and protective forestation is a prerequisite for use of forests. All reforestation activities in leased forest areas are planned and carried out by forest users at their own expense in accordance with the forest management projects. The main way of reforestation in the Russian Federation is the procurement of natural regeneration. Artificial reforestation is carried out by creating forest plantations: planting or seeding of forest plants in the region of the supply base where active wood-cutting is taking place. As well all forest users plan and implement a set of fire-prevention measures aimed at preventing and reducing the after-effects of forest fires in the summer period.

According to the forest legislation of the Russian Federation the species listed in the Red Book shall be preserved as well as their habitats when harvesting. Banned is harvesting of precious, become extinct and specially protected wood species.

Traditionally in Russia softwood is harvested. However, for the pellets production a substantial part of the raw material is hardwood.

Forest complex of the Russian Federation, including the forestry and forest industry of harvesting and wood handling occupies an important place in the economy of the country. Products of forest complex are widely used in many industries, construction, agriculture, printing, trade and medicine.

The forest complex of the Russian Federation employs about 60 thousand of large, medium and small enterprises in all regions of the country.

The share of the forestry sector accounts 1.3% of GDP; 3.7% of the total industrial output, 2.4% of foreign profits in the scale of the Russian Federation. The total number of employees in the forest complex of Russia is about 1 million people.

From the total production of forest complex of the Russian Federation about 60% products are for the domestic market and 40% - for export.

The consumers of the forest products at shaped and expanding markets require from their suppliers to refuse from the participation in the harvesting of forest products of dubious origin, as well their processing and marketing.

Forest certification is an effective tool for combating against illegal harvesting and illegal wood trade. The forest certification FSC (Forest Stewardship Council) is widely used in Russia. Also the certification system PEFC (Program for the Endorsement of Forest Certification Schemes) is used but less extensively. Certified forest area in Russia is about 40 million hectares, or 30% of the total number of forest under lease. Certified forests are located in 25 regions of Russia. The number of FM certificates on forest management is 121, the number of chain of custody certificate CoC is 320. Also the number of certificates for controlled wood is growing steadily, according to recent data it was about 140. The dynamics of forest certification in Russia points to the ever-increasing activity of wood companies, which indicates to the responsibility to ensure the legality of wood harvested and compliance with environmental and other requirements.

As raw material for the production of pellets used sawdust, wood chips, waste wood of coniferous and deciduous trees.

SBP-compliant Secondary Feedstock - 100%. Number of FSC FSC certified 100% of the total volume of supply of raw materials 100%

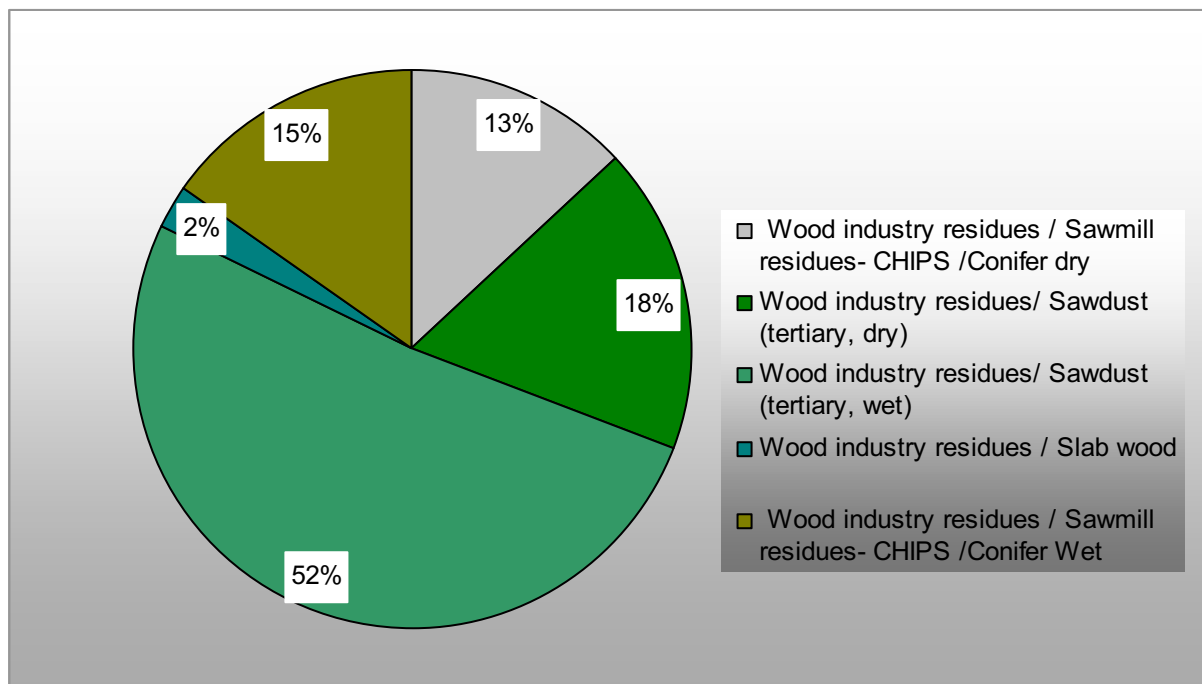
2.2 Actions taken to promote certification amongst feedstock supplier

For the production of SBP pellets are mostly used FSC certified supplier material (73%). The company policy is to give a preference to certified suppliers. Raw material (sawdust, 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. During the annual auditing period for SBP certification, the company has increased the share of FSC-certified raw materials from 50% to 73 %, and the management of the company has decided to increase procurement of *FSC certified* materials by more than 80 % between till December 2017

2.3 Final harvest sampling programme

Not Applicable

2.4 Flow diagram of feedstock inputs showing feedstock type



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

- Total Supply Base area (ha): 14,88 milj/ ha cumulative area of all forest types within SB
- Tenure by type (ha): Government 12,18 milj., ha; Privately owned 2,36 milj., ha/ other 0,33 milj/ha
- Forest by type (ha): Boreal 14,88 milj., ha
- Forest by management type (ha): Managed natural
- Certified forest by scheme (ha): 7,68 milj/ ha FSC and 9,38 milj/ ha PEFC-certified forest

Feedstock

- Total volume of Feedstock: **26000- 28000 tonnes**
- Volume of primary feedstock: **0 tonnes**
- List percentage of primary feedstock (g), by the following categories. – **Not applicable**
Subdivide by SBP-approved Forest Management Schemes:
 - Certified to an SBP-approved Forest Management Scheme
 - Not certified to an SBP-approved Forest Management Scheme
- List all species in primary feedstock, including scientific name- **Not applicable**

- j. Volume of primary feedstock from primary forest- Not applicable
- k. List percentage of primary feedstock from primary forest (j), by the following categories. Subdivide by SBP-approved Forest Management Schemes: **Not applicable**
 - 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
- l. Volume of secondary feedstock: specify origin and type –**for period 3 month 8152 tonnes Sawmill residue** feedstock as production waste from producers com from Lithuania, Latvia
- m. Volume of tertiary feedstock: specify origin and composition – **18293 tonnes Wood industry residues/ Sawdust (dry and wet)**

3 Requirement for a Supply Base Evaluation

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

The SBE system of the Organisation is not finished and is not ready at the moment. As soon as SBE system implementation is time consuming and needs long term preparation and Organization is having a share of the FSC certified (SBP-compliant) feedstock entering their production already, it was decided to divide certification process into 2 parts: a) SBP assessment without SBE; b) scope expansion assessment, after SBE system is completed. It is planned that SBE evaluation will take place after 8 months from the main assessment.

Give a concise summary of the overall conclusions from the SBE as to whether the organisation meets SBP requirements. This summary should include a discussion of the main strengths and weaknesses of the supply base evaluation, and a statement about the confidence that the evaluators have that the Biomass Producer can ensure that all specified feedstock are in full compliance with SBP Standards.

4 Supply Base Evaluation Process

Give a general description of the process for Supply Base Evaluation including any relevant consultations with stakeholders. Specify whether the SBE was performed 'in house' or whether an external party was contracted to perform the SBE. If the latter, give a full description of the competencies of the contracted party that includes a justification for the appointment of personnel to the evaluation team.

Although not required by SBP, it is likely that the verification system will also include a sampling plan for assessing forest operations within the Supply Base. If such a plan has been developed for monitoring suppliers, it should be described here.

4.1 Scope

Provide a concise summary of the scope of the evaluation.

4.2 Justification

Provide a justification for the approach used in the evaluation.

4.3 Results of Risk Assessment

Give a brief summary of the results of the risk assessment.

4.4 Results of Supplier Verification Programme

Give a brief summary of the results of the SVP.

4.5 Conclusion

5 Stakeholder Consultation

Give a general description of the process of Stakeholder Consultation, including stakeholders contacted and method of communication.

5.1 Response to stakeholder comments

Provide a summary of all stakeholder comments received and how the comments were taken into consideration in the SBE process.

Comment 1:

Response 1:

Comment 2:

Response 2:

6 Overview of Initial Assessment of Risk

Briefly describe the results of the Risk Assessment. This represents the initial evaluation of risk done prior to the SVP and prior to any mitigation measures.

This section provides an opportunity to detail how the BP's management system is effective in reducing risk.

List the result for each Indicator in Table 1.

Where multiple sub-scopes are involved, prepare a separate overview table for each sub-scope showing the initial risk ratings for each Indicator.

Table 1. Overview of results from the risk assessment of all Indicators (prior to SVP)

Indicator	Initial Risk Rating		
	Specified	Low	Unspecified
1.1.1			
1.1.2			
1.1.3			
1.2.1			
1.3.1			
1.4.1			
1.5.1			
1.6.1			
2.1.1			
2.1.2			
2.1.3			
2.2.1			
2.2.2			
2.2.3			
2.2.4			
2.2.5			
2.2.6			
2.2.7			
2.2.8			
2.2.9			

Indicator	Initial Risk Rating		
	Specified	Low	Unspecified
2.3.1			
2.3.2			
2.3.3			
2.4.1			
2.4.2			
2.4.3			
2.5.1			
2.5.2			
2.6.1			
2.7.1			
2.7.2			
2.7.3			
2.7.4			
2.7.5			
2.8.1			
2.9.1			
2.9.2			
2.10.1			

7 Supplier Verification Programme

7.1 Description of the Supplier Verification Programme

Give a general description of the Supplier Verification Program (SVP) including the criteria used for monitoring suppliers (e.g. supplier characteristics, risk factors, or local circumstances) as applicable. Describe how the control system in place will ensure that all Feedstock remains in compliance with SBP Standards. If applicable, explain how the sampling frequency and intensity was chosen, and why certain suppliers were grouped together for sampling purposes.

7.2 Site visits

Describe any field assessments of Indicators.

7.3 Conclusions from the Supplier Verification Programme

Summarise conclusions from the SVP.

8 Mitigation Measures

8.1 Mitigation measures

Describe any mitigation measures taken to address specified risks associated with Indicators.

8.2 Monitoring and outcomes

Describe how the Indicators are being monitoring and what the outcomes are (if known) from that monitoring.

9 Detailed Findings for Indicators

Detailed findings for each Indicator are given in Annex 1.

10 Review of Report

10.1 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:

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

10.2 Public or additional reviews

For interested stakeholders the SBR is available to view on company's homepage: <http://www.gairelita.com> , all comments can be sent to pellets@gairelita.lt

11 Approval of Report

Approval of Supply Base Report by senior management			
Report Prepared by:	Mr. Kestutis Burdulis 	<i>Adviser</i>	<i>20 JUL 2016</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>Edmundas Vilčiauskas</i> 	<i>Director</i>	<i>20. JUL 2016</i>
	Name	Title	Date
Report approved by:	<i>Saulius Jakelaitis</i> 	<i>Chief financial officer</i>	<i>20. JUL 2016</i>
	Name	Title	Date
Report approved by:	<i>[name]</i>	<i>[title]</i>	
	Name	Title	Date

12 Updates

Note: Updates should be provided in the form of additional pages, either published separately or added to the original public summary report.

12.1 Significant changes in the Supply Base

Provide a description of any significant changes to the supply base.

12.2 Effectiveness of previous mitigation measures

For each mitigation measure identified during the evaluation, give a detailed account of whether the measures were shown to be effective or not.

12.3 New risk ratings and mitigation measures

Provide an update of risk ratings for all relevant Indicators.

12.4 Actual figures for feedstock over the previous 3 months

Secondary feedstock bands are 24000- 26000 tonnes

12.5 Projected figures for feedstock over the next 12 months

Secondary feedstock bands will be 260 000 – 280 000 tonnes