

VARPA SIA

Supply Base Risk Mitigation Measures for Lithuanian Feedstock Supplies.

These mitigation measures have been developed with the purpose to fulfill all feedstock compliance principles, criteria and indicators given in Sections 5 and 6 of the SBP Standard 1: “Feedstock Compliance Standard” (<https://sbp-cert.org/documents/standards-documents/standards>), as a part of Supply Base Evaluation (SBE) procedures in the frame of company’s SBP certification.

The indicators having incompliance risk are taken from “SBP-endorsed Regional Risk Assessment for Lithuania” (<https://sbp-cert.org/documents/risk-assessments/lithuania>). All other indicators are considered as having low incompliance risk.

The following two risks are determined as Specified and asking mitigation measures implementation:

- Indicator 2.1.2 “Potential threats to forests and other areas with high conservation values from forest management activities are identified and addressed”, and
- Indicator 2.8.1 “Appropriate safeguards are put in place to protect the health and safety of forest workers”.

General description of risk mitigation system

Varpa SIA has developed a system of risk mitigation measures.

This description of risk mitigation measures provides a general insight and steps the company carries out on a daily basis, receiving biomass and controlling its origin and excluding inappropriate biomass assortment.

The risk mitigation measures refer to the supply of primary and secondary raw materials from Lithuanian forests: round timber, firewood after logging, wood chips after logging, chips from overgrown agricultural areas, sawdust, chips as wood residues after wood processing. Proactive field test audits system, as well as available 3-party documentary evidences, allows obtaining information about the supply risk on the delivery level for each supplier.

All supplies of primary feedstock shall identify the origin of the biomass, by attaching a copy of the wood cutting license to waybills.

The risk mitigation plan and the intensity are determined for each risk individually or simultaneously before harvesting, during and after harvesting.

The number of field inspections is determined by the number of potentially risky biomass supplies.

All contracts with suppliers comprise demands on necessary checks and measures to exclude biomass of risky origin.

At field tests the company uses its developed checklists, where all criteria and indicators are assessed by an auditor to recognize whether the risk is low or high.

In disputable or sophisticated cases the company attracts experts to carry out risk mitigation measures, or with the purpose to improve the effectiveness of company’s risk mitigation system.

Risk mitigation procedure for Indicator 2.1.2.

Most High Conservation Values (HCV) in the forest are duly protected by Lithuanian legislation, and threats for these HCV are addressed.

Nevertheless one exception exists, it is the protection of Woodland key habitats (WKH). Lithuanian state forests by their initiative have implemented comprehensive measures to protect WKH, and therefore risk for WKH in state forests is considered as low. Correspondingly, the feedstock coming from state forests does not need mitigation. Risk mitigation measures shall be applied to feedstock originating from private forests.

WKH were invented in Lithuania in 2013.

The information about areas with WKH among others is acceptable at the web page <https://www.geoportal.lt/geoportal/>.

Each supplier wanting to supply primary feedstock to Varpa SIA as compliant with SBE requirements shall check cutting areas on the presence of WKH at the given web-site, as well as document the results of these checks (eg. printout of screenshots).

If a cutting area appears having no WKH, the wooden feedstock from it can be supplied as compliant with SBE requirements, and the primary supplier places the inscription "SBE NR" on waybills what indicates the Negligible Risk.

If WKH are present on the cutting area, such feedstock cannot be supplied to Varpa SIA.

To exclude the risk of improper supplies SIA Varpa to makes random checks of suppliers and cutting areas as a 0.8 multiplied by square root of total quantity of suppliers or risky cutting areas offered for Varpa SIA during the year evenly spreading checks by suppliers and months.

Secondary feedstock (waste of sawmilling) suppliers shall have all supplies of their feedstock (sawlogs) corresponding to the FSC[®] or PEFC[®] controlled wood requirements, i.e be supplied from Lithuanian or Latvian forests.

They shall track the origin of all their feedstock supplies and gather documentary evidences correspondingly.

These suppliers, can get "SBE NR" marked feedstock from Varpa SIA approved forestry companies.

Secondary feedstock suppliers can supply part of their sawmilling waste, corresponding to the volume of their feedstock received as "SBE NR", with "SBE NR" inscription in their waybills.

For the purpose of determination of the wooden waste volume, which can be supplied with "SBE NR" mark, these suppliers shall keep up-to-date credit accounts.

Credit account are maintained in accordance with the written instructions given to suppliers by Varpa SIA and are presented to Varpa SIA for auditing and statistics on a monthly basis.

Risk mitigation procedure for Indicator 2.8.1.

Forestry in Lithuania has the highest risk in relation to health and safety.

Corresponding measures have been prepared in Lithuanian state forest, namely: periodical monitoring of all contractors and subcontractors working in state forest and checks if they are following health and safety requirements.

Logging companies that are working in FSC FM/COC certified forest operations based on subcontracting agreements are monitored not only by the forest managers, but are required to fulfill the FSC requirements set in P4 (P2 in FSC-STD-01-001 v 5-0).

Therefore logging companies, which work in certified forests and who have valid contracts with state forests or FSC FM certified forest owners are exempt from risk mitigation activities.

Mechanized forestry operations (by harvesters) represent much lower risk level compared with traditional hand-held chainsaw operations. Therefore occupational safety risk mitigation measures only apply to hand-held chainsaws, operating in non-certified private forests.

The Varpa SIA Licensing Specialist carries out field audits in the forest during logging in advance, i.e. before the first wood cutting for supplies to Varpa SIA, and checks if all occupational safety measures are in place.

The task of the audit is to make sure that the supplier complies with labor safety regulations in accordance with the legislation of the Republic of Lithuania.

The auditor fills the questionnaire “Safety Requirements Questionnaire” (is available on request) and assesses each safety aspect by five-point grading scale.

If the number of points in the questionnaire equals to 1-2, then such grade is considered as unsatisfactory, and the supplier will not be qualified to be allowed to purchase logs at him until it is confirmed by an additional audit that the safety issues are fully addressed.

To minimize the risks, the Licensing Specialist of SIA Varpa makes random checks of woodcutters as a 0.8 multiplied by square root of total quantity of hand-logging squads implemented during the year evenly spreading checks by suppliers and months.

Measures for addressing SBE risks and their effectiveness are reconsidered by SIA “Varpa” Board annually.

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