

Supply Base Report: BIOMASA FORESTAL, S.L.

Second Surveillance Audit

www.sbp-cert.org



Completed in accordance with the Supply Base Report Template Version 1.2

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

Document history

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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 suppliers.....	13
2.3	Final harvest sampling programme	14
2.4	Flow diagram of feedstock inputs showing feedstock type	15
2.5	Quantification of the Supply Base	16
3	Requirement for a Supply Base Evaluation.....	17
4	Supply Base Evaluation	18
4.1	Scope	18
4.2	Justification	18
4.3	Results of Risk Assessment.....	18
4.4	Results of Supplier Verification Programme	18
4.5	Conclusion	18
5	Supply Base Evaluation Process	19
6	Stakeholder Consultation.....	20
6.1	Response to stakeholder comments	20
7	Overview of Initial Assessment of Risk	21
8	Supplier Verification Programme	22
8.1	Description of the Supplier Verification Programme	22
8.2	Site visits	22
8.3	Conclusions from the Supplier Verification Programme.....	22
9	Mitigation Measures.....	23
9.1	Mitigation measures	23
9.2	Monitoring and outcomes	23
10	Detailed Findings for Indicators	24
11	Review of Report	25
11.1	Peer review	25
11.2	Public or additional reviews.....	25
12	Approval of Report.....	26

13	Updates	27
13.1	Significant changes in the Supply Base	27
13.2	Effectiveness of previous mitigation measures	27
13.3	New risk ratings and mitigation measures	27
13.4	Actual values of feedstock over the previous 12 months	27
13.5	Projected values of feedstock over the next 12 months.....	27

1 Overview

Producer name: BIOMASA FORESTAL, S.L.

Producer location: Pol. Penapurreira, Parc. C3-A
As Pontes de García Rodríguez
A Coruña

Geographic position: N46°26'24.969" O7°55'39.751"

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Date report finalised: 31/Dec/2017

Close of last CB audit: 23/Feb/2017, As Pontes de García Rodríguez

Name of CB: NEPCon OU

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: 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

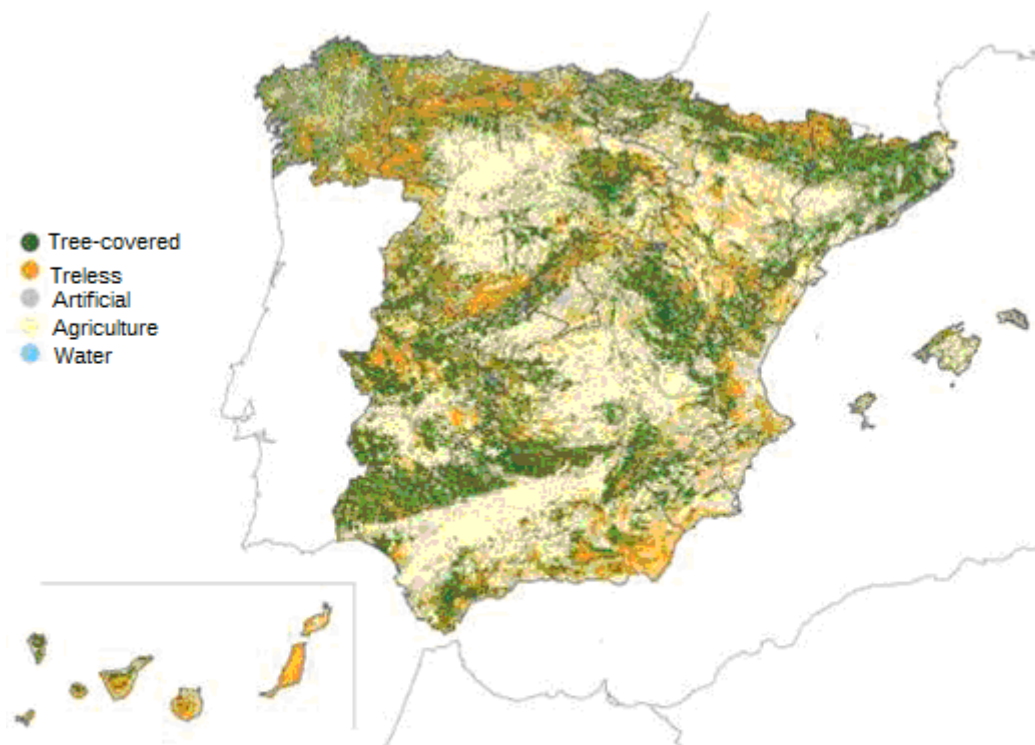
2.1 General description

All the raw materials used by BIOMASA FORESTAL to produce pellets come from Spain. In 2017 around 65 % of the raw material comes from Galicia, around 34 % comes from Asturias and barely 1 % comes from Leon.

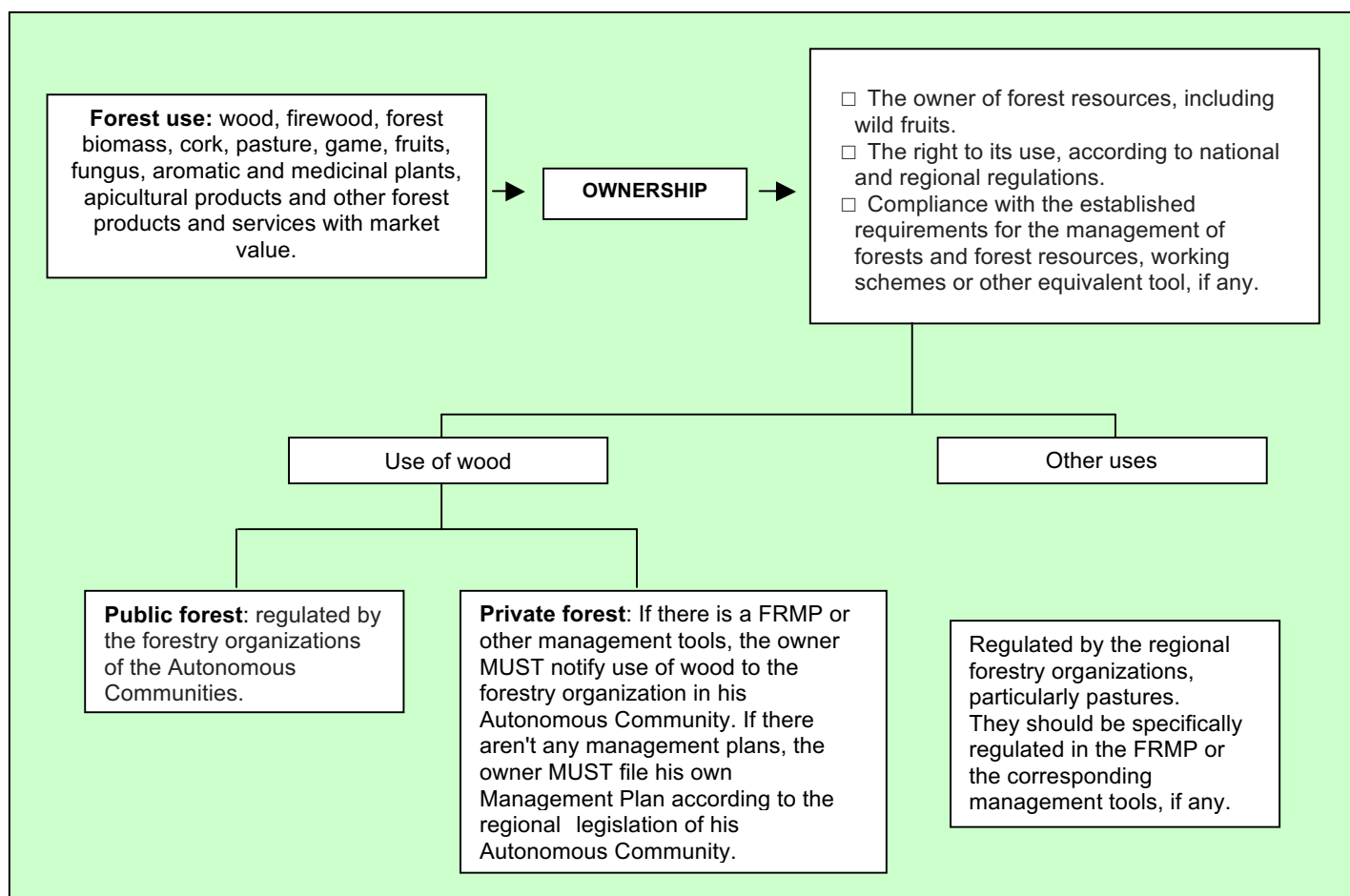
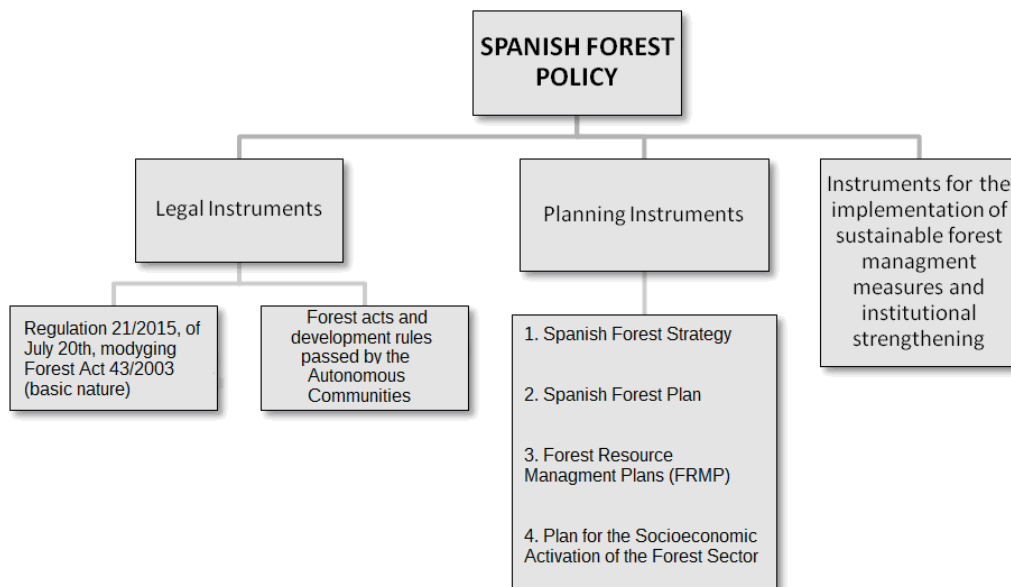
The Spanish forest area represents 54.8% of the national territory, 27.7M ha. With 18.4 M ha, covering 36.3% of its territory, Spain has the third largest extension of tree-covered forest area in the EU, equivalent to 0.4 ha per capita. On the other hand, Spain has 9.3 M ha of treeless area, covering 18.5% of its national territory.

Spain has 4 biogeographical regions with distinctive vegetation features: Atlantic, Mediterranean, Macaronesian and Alpine.

According to the National Forest Inventories, over 80 % of forests in Spain are composed of two or more tree types. The largest formation is made of holm oaks, which represents 15.3% of the tree-covered area, about 2.8 M ha, followed by pasture with 2.4 M ha and pine with 2 M ha.



Regarding the structure of the Spanish Forest Policy, it is defined as follows:



Since BIOMASA FORESTAL uses wood coming from Galicia, Asturias and Castilla y Leon, we will now describe forest management within each Autonomous Community in more detail:

a) Galicia:

In Galicia, forest use is controlled by the Regional Government through the *Dirección Xeral de Montes* (Directorate General of Forestry), organisation belonging to the *Consellería de Medio Rural* (Regional Environmental Department).

According to Act 50/2014 of April 10th, which regulates the use of wood in Galicia:

1. Forest exploitation requires authorization, notice or communication to be executed under the terms established in this Forest Act.

Article 6. Authorization cases

The use of wood and cork from forests that do not have a management plan approved by the Forestry Organization or, if they have it, they do not comply with its provisions, will be subject to authorization.

Article 7. Notice cases.

The use of wood and cork from forests complying with the provisions established in their management plans approved by the Forestry Organization will be subject to notice.

Article 8. Communication cases.

1. The use of wood for domestic and non-commercial use, as well as the use of wood in expropriated areas, the mandatory use of wood according to the legislation in force and the use of wood from areas where the organization in charge has declared the existence of a pest or disease and dictated compulsory phytosanitary measures and treatments to control and fight against such pests and diseases will be subject to communication.

2. The prohibition or authorization issued by the owner of forest land for the use of pastures will also be subject to communication if this land does not have a management plan approved by the Forestry Organization in charge. This prohibitions and authorizations will be regulated by inscription in the *Registro Público de Terrenos Forestales de Pastoreo* ("Public Registry of Forest Land for Pasture").

3. Finally, the land owner may prohibit the entry of unauthorized people to all or part of his land to pick fruit and mushrooms, regardless of the land's use, by enclosing and signalling his forest land without a management plan approved by the Forestry Organization in charge.

Article 11. Authorization requests, notices or communications

1. Land owners and their representatives may use their forest land by submitting the relevant authorization request, communication or notice to the competent body.

2. If the forest land belongs to a community of neighbours, authorization requests must include proof of a prior general assembly approval, either through a copy of the meeting minutes or through certification issued by the community's secretary. In the event of default, following a report from a relevant regional service in charge of Community Concessions, the following article applies.

3. Natural individuals or legal entities who manage or make use of forests and forest lands instead of the owner may request authorization, or file communications and notices referred to in this act when they duly justify their representation by letter of delegation, commercial contract, or any other valid means of evidence in law.

b) Asturias:

In Asturias, forest use is controlled by the Regional Government through the *Servicio de Ordenación Forestal* (Forest Management Service) registered in the *Dirección General de Ordenación Agraria y Forestal* (Directorate General of Agricultural and Forestry Management) of the *Consejería de Agroganadería y Recursos Autóctonos* (Regional Department of Agriculture, Livestock and Natural Resources).

According to Act 3/2004 of November 23rd:

1. The use of wood must be subject to an explicit authorisation issued by the body in charge of Forestry Affairs, in accordance with the following requirements, and without prejudice to its regulations:

- a) If the forest has an approved management plan, the land owner seeking to use its wood must inform in advance the body in charge of Forestry Affairs so that this body can assess compliance with the premises established in the management plan. The Forestry Organisation must resolve within 15 days after communication is submitted, and it will be deemed approved if there is no explicit resolution in the specified term.
- b) If the forest does not have an approved management plan, the land owner seeking to use its wood must ask the body in charge of Forestry Affairs for an authorisation in advance. The Forestry Organisation must resolve within 15 days after request is submitted, and it will be deemed approved if there is no explicit resolution in the specified term.
- c) The use of wood for domestic or non-commercial purposes must under no circumstances exceed 10 m³ per year per owner and will not require authorization. The owner of the forest land shall inform the regional body in charge of Forest Affairs of his intention to use the wood resources in his land at least two days in advance. Such communication must include information regarding the location, number of trees, species and approximate volume that is going to be used.

c) Castilla y León:

In Castilla y León, forest use is controlled by the regional government through the *Servicio de Gestión Forestal* (Forest Management Service) of the *Dirección General de Medio Natural* (Directorate General of Natural Environment), institution belonging to the *Consejería de Fomento y Medio Ambiente* (Department of Development and Environment) and represented in the 9 provinces through regional offices.

According to the Decree FYM / 985/2014, of November 5th, amending Act 1/2012 of January 12th, on wood use from forests and other tree-covered areas not managed by the Government of Castilla y León:

- (1) If there is a forest management plan: The land owner must first notify the body in charge of Forestry Affairs his intention of making use of the wood. If this body does not object within a month, the land owner will be deemed authorised to make use of it.
- (2) If there is no forest management plan: the land owner must file a management scheme to obtain an authorisation from the body in charge of Forestry Affairs. This body must resolve and notify this decision not later than three months after the authorisation request. If the

body does not notify this decision in the established term, the land owner will be deemed authorised to make use of the forest.

As part of the set of good practices for forest use adopted by BIOMASA FORESTAL, we commit to:

- Take the necessary measures to ensure the persistence of woodland, encouraging, whenever possible, natural regeneration, but recurring to artificial planting when successful natural regeneration is not guaranteed or the genetic features of the woodland are not the most appropriate.
- Promote the formation of mixed woodland, or at least ensure the emergence and maintenance of species other than the main one, especially native hardwood, providing more stability to the forest ecosystem.
- Use the most appropriate species for the forest region and reproductive material with an identified origin, and use, whenever possible, select material.
- Have a forest management scheme for the management units (forest or group of forests), complying with the legislation in force and following the structural and coding instructions of the current management plans that incorporate sustainability criteria and indicators.
- Ensure that all actors involved in sustainable forest management comply with the applicable law.
- Take the necessary measures to minimize the impacts on remaining vegetation after regeneration felling or silvicultural treatment.
- Only fertilize plantations if there is a technical justification and using only legally authorized products after analysing and diagnosing the soil to assess deficiencies and avoid nutritional imbalances.
- Monitor woodland so as to detect the outbreak of a possible pest or disease in a short time lapse.
- Not to use chemical pesticides or doses that are not legally authorized, technically justify the use of approved products and, whenever possible, recur to integrated pest management techniques.
- Ensure the success of regenerated vegetation and take appropriate measures for its development, particularly with regard to its protection against wild and domestic herbivores.
- Take appropriate measures to rationalise the forest road network by minimizing the number of dead-end roads, avoiding abrupt stretches and building technically justified drainage infrastructure.
- Promote maintenance and conservation of species and ecosystems diversity in the management units, such as the creation of mature forest stands where naturalization processes take place.
- Promote the maintenance of dead trees, provided that they do not jeopardize the stability of the ecosystem (pests, diseases and fires).
- Ensure the protection, maintenance and enhancement of riparian vegetation areas, i.e. areas on the bank of a river, avoiding the use of chemicals and waste build-up that could damage the riverbeds.
- Ensure that the waste originated within the management unit as part of the forestry activity is cleaned and avoid industrial waste disposal (lubricants, oil) in forestry works by using biodegradable products and preparing a special area to clean machines and equipment.
- Minimize the use of silvicultural treatments that have a significant impact on the landscape by rationalising the felling area and leaving small mature or dead-tree stands that disrupt the uniformity of the felling area.
- Achieve multifunctionality by promoting the recreational and social functions of the forest, especially when it is near a city, and keep in mind the importance of the economic profitability resulting from the exploitation of forest resources.

FOREST CERTIFICATION IN SPAIN:

Within the policy of sustainable forest management, a good indicator of the situation is the level of forest certification. In Spain, the Sustainable Forest Certification is “a voluntary procedure where an independent third party assesses and grants by writing that the forest management conforms to sustainability criteria and that there is a reliable traceability from the forest origin until the final product” (Forest Act 21/2015 of July 20th).

Any institution that wishes to have a forest certification in Spain must have a forest management plan with defined management goals, techniques and actions. As stated in the Forest Act, forest management plans are a key tool to ensure the sustainability of forest management and they are obligatory for all public and private forests, except those that do not meet the minimum area each Autonomous Community determines.

In Spain, there are two coexisting forest certification systems: FSC and PEFC. Both of them have international value, the same goals and validity, but different origin and nature.

In addition, Spain has its own sustainable forest management regulation: the UNE 162.000. This norm is consistent with the pan-European criteria and indicators for sustainable forest management, as well as with the operational pan-European guidelines and national forest programs.

At the end of 2017, the world's forest area are certified is about 498 million ha, there are 303 million ha PEFC certified and 195 million ha FSC certified. In the EU, countries such as Sweden, Finland and Germany stand out, with certification levels above 70% of their total forest area. More specifically, in 2014, the certified forest area per region was distributed as follows:

- North America: 71,232,024 ha (36.64% of the total area)
- South America and Caribbean: 12,911,082 ha (7% of the total area)
- Europe: 81,377,072 ha (44.14 % of the total area)
- Africa: 6,405,279 ha (3.47 % of the total area)
- Asia: 9,782,590 ha (5.31 % of the total area)
- Australia: 2,663,423 ha (1.44% of the total area)

In Spain there is an important increase in the forest area certified in recent years. In 2017, the forest area certified by FSC had reached 260.000 ha and the forest area certified by the PEFC system had reached 2.108.000 ha in 2017.

By Autonomous Community, the use of forest certification systems is very uneven. While Castilla y León, Andalucía and Navarra have certified 76% of all forest area, the implementation of these systems in other Communities is non-existent (Madrid, Murcia and Baleares). Likewise, if we consider the tree-covered forest area of each region, Navarra and Rioja stand out, with 60% and 43% of their tree-covered area certified, respectively.

The chain of custody constitutes a subsequent phase in forest certification. It is defined as the monitoring of forest products (wood, paper, cork, bark, resins ...) during the various phases of production until their commercialisation. The chain of custody ensures the traceability of forest products from the forest to the end consumer. It is necessary to establish an information link between the raw material included in a forest product and its origin, ensuring that it comes from a sustainably managed forest. This certification is aimed at any entity, company or facility that produces, sells or handles forest products in its production process. In 2010, 1,053 Spanish premises had a chain of custody certificate (PEFC: 619; FCS: 434). Sawmills, wood dealers and wood and construction premises are the most representative types of PEFC certified entities, while FCS is mostly represented by pulp and paper industries. In 2017, the PEFC chain of custody certificates reached 880 and the FSC chain of custody certificates reached 893.

CITES IN SPAIN:

The **Convention on International Trade in Endangered Species of Wild Fauna and Flora**, known as CITES, seeks to preserve the conservation of endangered species of wild fauna and flora by regulating trade.

It was signed by 21 countries in Washington on 3 March 1973 and entered into force in 1975. Nowadays, 180 countries, called Parties, have joined this convention. This means that almost every country in the world is part of the Convention. **Spain joined CITES on 16 May 1986.**

The CITES Convention establishes a global network of controls on international trade of endangered wildlife and its products, requiring the use of official permits to authorize trade. Therefore, not only animals and plants (living or dead), but also their parts, derivatives or other products made from specimens of species included in the Convention; i.e. furs, ivory, shells, musical instruments, seeds, extracts for perfumery, etc. are protected.

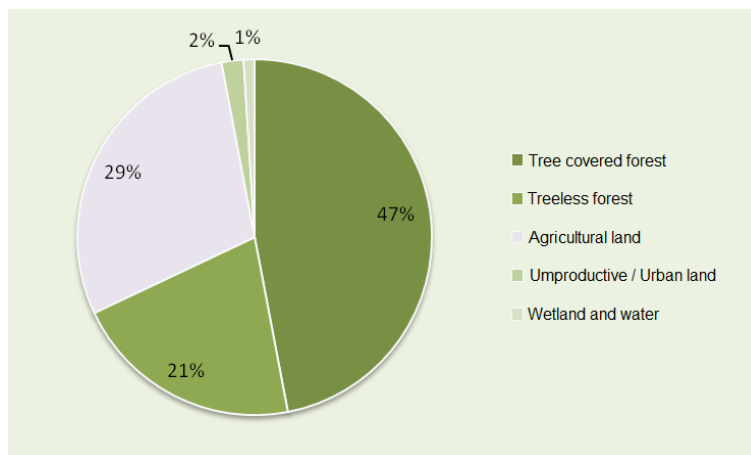
By adhering to CITES, Spain ensures that international trade of wildlife specimens is sustainable and does not endanger their survival. Basically, this involves banning the trade of endangered species and regulating the trade of species that could be threatened.

THE FORESTRY SECTOR IN THE SUPPLYING REGIONS:

1. GALICIA

The forestry sector in Galicia

If we look at the forestry sector in Galicia, land use is distributed according to the following graph:

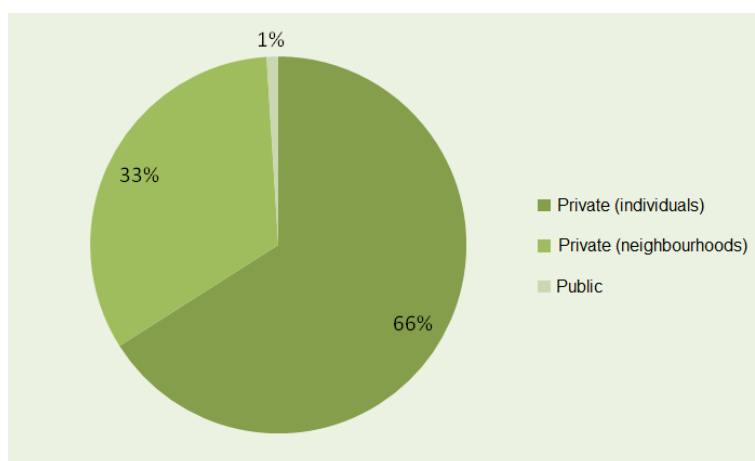


Graph 1: Galicia. Land use (Source: Confemaderera Galicia 2014)

According to the Fourth National Forest Inventory, published by the *Ministerio de Agricultura, Alimentación y Medio Ambiente* (Department of Agriculture and Environment), the Galician forest area has barely suffered any changes in the last thirteen years. The region has over 2 million hectares of forest area, 70 % of which is tree-covered. In addition, there are 600,000 hectares susceptible of becoming productive.

By province, Lugo has the largest forest area (656,842), followed by Ourense (575,264), A Coruña (501,586) and Pontevedra (296,988).

If we look into land ownership, the following graph shows that 66% of Galician forests are Private and belong to individuals, 33% are Private and belong to neighbourhoods and the remaining 1% is Public.

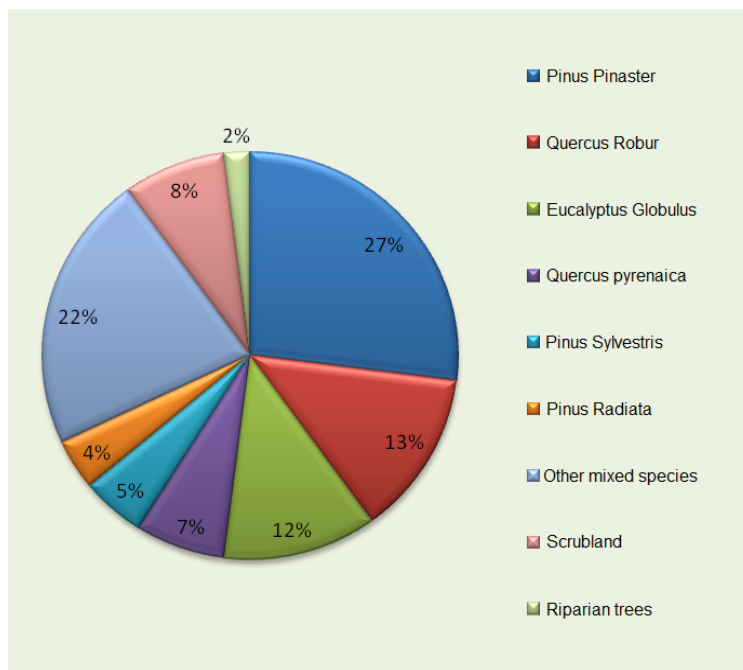


Graph 2: Galicia. Land ownership (Source: Confemaderera Galicia 2014)

According to last year's data, forest certification is significantly growing (16%) in privately managed forests in Galicia: PEFC (87,532 ha) and FSC (27,505 ha).

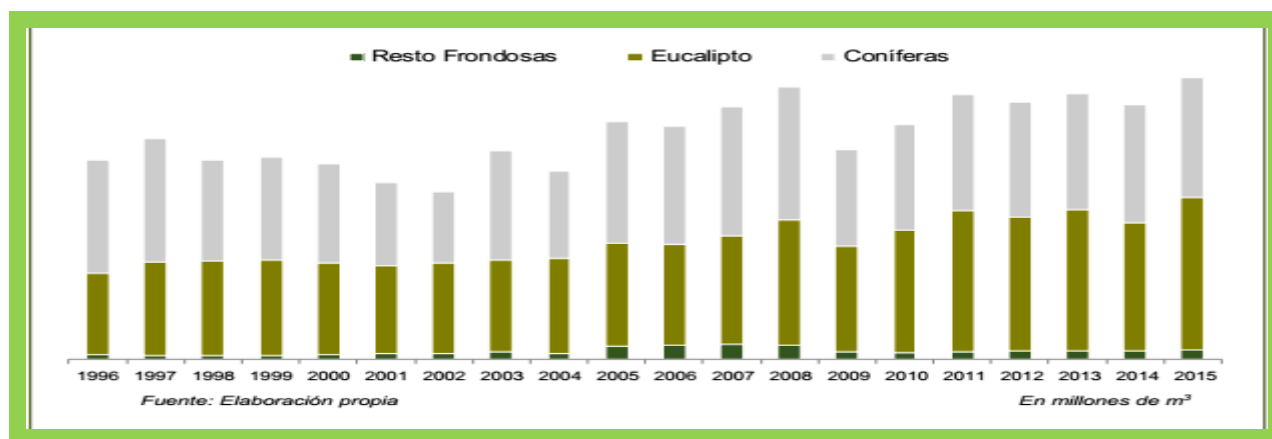
Composition and use of forest land in Galicia

The following graph shows the species distribution in Galicia:



Graph 3: Galicia. Species distribution (Source: Confemaderera Galicia)

In 2014, the felling volume in Galicia amounted to 8.0 million m³, a higher figure to that of 2014, when 7.5 million m³ were felled.



Graph 4: Galicia. Felling evolution per species (Source: Confemaderera Galicia)

As for the final use, according to the Annual Agricultural Statistics published by the *Consellería de Medio Rural e Mar* (Regional Department of Sea and Rural Environment), 84.21% of the final agricultural production with forest resources belongs to first processing industries. This figure rises to 92.5% if we take into account the use of firewood.

SOCIOECONOMIC CONDITIONS IN GALICIA:

As for the contribution to local prosperity, the Analysis on the Galician Forest Wood Chain, issued by the *Instituto Galego de Estadística* ("Galician Statistics Institute"), highlights the important role of this industry in the local economy. According to this study, the sector accounts for 30% of the settled industries in 52

municipalities in rural settings. The study emphasizes that the sector represents more than 50% of industrial employment in some inland municipalities such as Alfoz, Coles, Piñor, Pontedeva, Quintela de Leirado or Sarreaus. Compared to other industries, the Galician forestry and timber processing industry accounts for 9.9% of the industrial added value and 12.4% of the industrial employment.

2. ASTURIAS

The forestry sector in Asturias

If we look at the forestry sector in Asturias, according to the Fourth National Forest Inventory published by the *Ministerio de Agricultura, Alimentación y Medio Ambiente* (Department of Agriculture and Environment), land uses are distributed as follows:

- 73% Forestry activities
- 24.7% Agricultural activities
- 2,3% Artificial use (mining, urban areas)

According to the same sources, the Asturian forest area has barely suffered any changes in the last thirteen years. The region has over 770,000 hectares of forest land, 60% of which is covered by trees (450,000 hectares).

If we look into land ownership, 38% of Asturian forests are Public, 61% are Private and belong to individuals and the remaining 0.2% of them are Private and belong to neighbourhoods.

Forest composition and use in Asturias

In Asturias, tree-covered forests occupy about 60% of the total area, being deciduous forests the most typical ones. Chestnuts are the predominant type of tree, but there are also other hardwood species such as oaks, birches, eucalyptus and beeches.

According to the Fourth National Forest Inventory, Asturian forests have the following species distribution:

SPECIES	AREA	
	Hectares	(%)
Chestnut	80,560	17.85%
Beech	68,287	15.13%
Oak	28,663	6.35%
Pyrenean Oak	9,694	2.15%
Birch	13,520	3%
Holm Oak	4,653	1.03%
Hazel	2,223	0.49%
Holly	1,368	0.3%
Scots pine	7,916	1.75%

Riparian Forests	7,975	1.77%
Mixed stands of several native species	105,350	23.34%
Scrubland	2,383	
Eucalyptus	60,311	13.36%
<i>Pinus radiata</i>	25,385	5.635
<i>Pinus pinaster</i>	22,523	4.995
Other mixed species	12,889	2.86%

TOTAL: 453,700 hectares

Asturian

Forests produce between 500,000 and 600,000 tonnes of wood per year: 450,000t of eucalyptus, 150,000t of pine and 26,000t of chestnut.

According to data collected in 2014 (source: *Sociedad Asturiana de Estudios Económicos e Industriales* ("ASTURIAN SOCIETY FOR ECONOMIC AND INDUSTRIAL STUDIES"), labour statistics) 3.98% of employment in the region belongs to the agricultural and fishing sector, 14.41% to Industry, 6.16% to Construction and 75.44% to Services. About 250 Asturian companies work in the Forestry sector, either in forestry works, in wood processing industries or in the furniture industry. According to Asmadera (the "Asturian Association of Wood, Forest and Furniture Companies"), they create more than 3,000 jobs. Apart from this, we must also take into account the jobs generated by the activity of Grupo ENCE in the region. Altogether, the forestry sector accounts for 10% of the agricultural production in Asturias.

3. CASTILLA Y LEÓN

Although only 1% of the supply base comes from Castilla y León, we will briefly describe the main forest features of this region.

The forestry sector in Castilla y León

If we look at the forestry sector in Castilla y León, according to the Third National Forest Inventory published by the *Ministerio de Agricultura, Alimentación y Medio Ambiente* (Department of Agriculture and Environment), land uses are distributed as follows:

- 50.8% Forestry activities
- 47.4% Agricultural activities
- 1.3% Urban areas
- 0.5 % Wetland and water

The total tree-covered area in the region has increased by 40% in recent years. The forest area in this region amounts to 4,815,357 hectares, 1,000,000 of which are in the province of León. The tree-covered area represents 61% of it (almost 3,000,000 hectares).

If we look into ownership, 35% of the forest is Public and 65% is Private.

Forest composition and use in Asturias

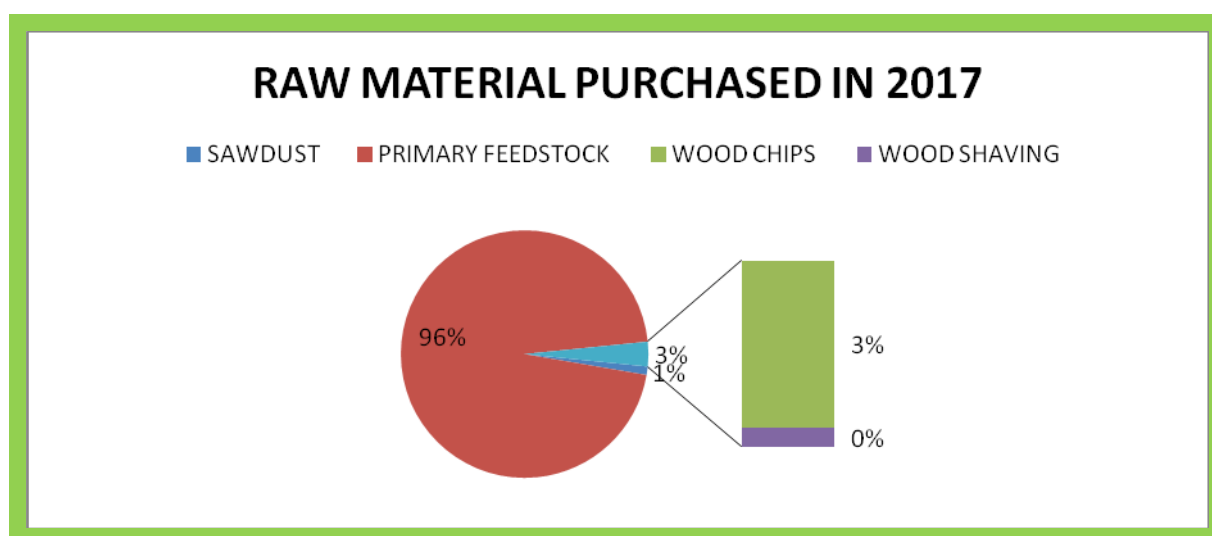
Castilla y León has 2,933,030 hectares of tree-covered forest: 973,898 hectares of conifers, 1,812,718 hectares of hardwood and 146.414 hectares of mixed species.

SBP-CONTROLLED RAW MATERIAL PURCHASED BY BIOMASA FORESTAL:

Biomasa Forestal has its own PEFC and FSC Chain of Custody certificate since 2011 and 2016 respectively. The 100% of the raw material acquired for the production of pellets is controlled under these certifications. Therefore, it is considered to be SBP controlled raw material.

The raw material was provided by a sole raw material supplier since 2016. This supplier is both PEFC and FSC certified.

The types of raw material acquired Biomasa Forestal are distributed as shown in the following graph:



Graph 5: Raw material purchased in 2017.

2.2 Actions taken to promote certification amongst feedstock suppliers

BIOMASA FORESTAL is PEFC and FSC certified in Chain of Custody and, as a consequence of this, has given priority to raw materials supplied by PEFC and FSC certified suppliers. It has also requested information to ensure the legal origin of the purchased raw materials at all times. On the other hand, it has submitted its Code of Best Practices in Forest Management and its Chain of Custody Policy to all providers, along with various statements promoting sustainable forest management.

BIOMASA FORESTAL has an agreement with a sole raw material supplier that is both PEFC and FSC certified. This agreement establishes that at least 70% of the raw material supplied in 2016 must be certified.

The proportion of raw material purchased in 2017 has been 67%, slightly inferior to the previous year, when the purchased raw material was lower.

2.3 Final harvest sampling programme

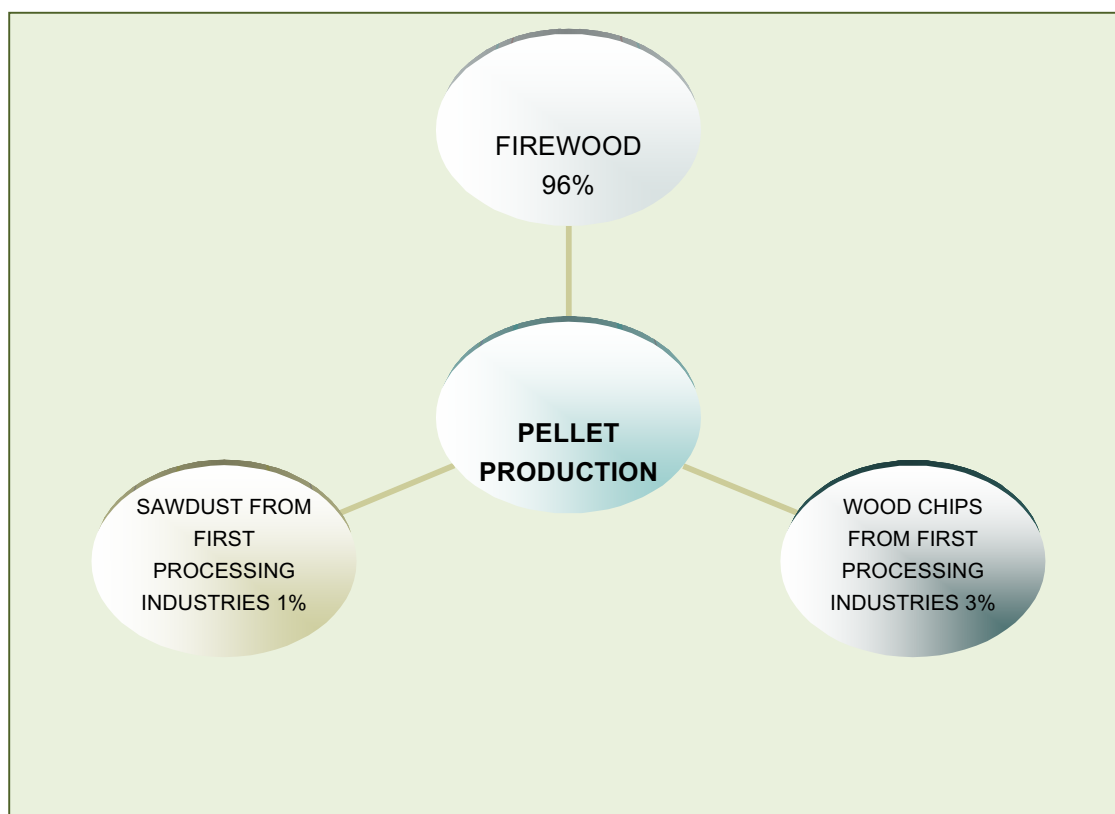
Does not apply.

The raw material used by BIOMASA FORESTAL has been felled with a purpose different from energy use: it is primarily made of, on the one hand, waste from first wood processing industries in the form of chips, sawdust, wood shavings and slab wood and, on the other hand, material with the following features:

- ☐ Pine and / or other species round wood from final fellings, with dimensions or characteristics unsuitable for other uses of higher value (short diameter trees, tree tops, branches, curved or untrimmed logs, dried-up trees, etc.)
- ☐ Pine and / or other species round wood from forestry treatments such as thinnings and fellings of dried-up, sick or damaged trees.
- ☐ Wood from felling of trees that are or may be affected by plagues, forest fires or mandatory fellings ordered by the authority in charge of fire prevention and rejected by other industries
- ☐ Wood rejected by the sawmill industry due to quality problems detected in the factory, such as stained wood, presence of resin pockets, rottenness, etc.

The pinaster pine cuttings have an expected rotation of 30-40 years, so that it is ensured that the diameters of the trees that reach the final cut will oscillate between 35 and 40 cm (*Source: Pine Pinaster Forestry Technical Manual - Agrobyte Project*). Taking into account that the size of the wood we use for the manufacture of pellets has a lower average diameter, we can conclude that their age will be less than 40 years.

2.4 Flow diagram of feedstock inputs showing feedstock type



2.5 Quantification of the Supply Base

Supply Base

- a. Total Supply Base area (ha): 2,600,000 hectares (55% Galicia, 31,5% Asturias, 13,5% León)
- b. Tenure by type (ha): 99% Privately owned and 1% Public owned
- c. Forest by type (ha): 100% Temperate
- d. Forest by management type (ha): 2,150,000 ha Plantation/ 450,000 ha Managed Natural
- e. Certified forest by scheme (ha): 45,800 hectares of FSC and 201,200 ha of PEFC-certified forest

Feedstock

- f. Total volume of Feedstock: 132,404 tonnes in 2017
- g. Volume of primary feedstock: 126,699 tonnes in 2017
- h. List percentage of primary feedstock (g), by the following categories.
 - Forest holdings certified to an SBP-approved Forest Management Scheme: In 2017, 67% of the raw material came from forest farms certified in PEFC and/or FSC
 - Forest holdings not certified to an SBP-approved Forest Management Scheme: 100% of the raw material purchased is considered to be a controlled SBP, since it has been evaluated and subject to the requirements of our PEFC chain of custody system, although 33% of the raw material came from forestry operations not certified by Management Schemes Forest.
- i. List all species in primary feedstock, including scientific name
 - ✓ Pine (*pinus pinaster* and *pinus radiata*)
 - ✓ Poplar (*populus alba*)
 - ✓ Birch (*betula pendula*)
 - ✓ Chestnut (*castanea sativa*)
 - ✓ Alder (*alnus glutinosa*)
 - ✓ Willow (*salix atrocinerea*)
 - ✓ Oak (*quercus robur*)
 - ✓ Cypress (*cupressus sempervirens*)
- j. Volume of primary feedstock from primary forest: 0 tonnes of primary feedstock come from primary forests. Supply base does not include any primary or virgin forests.
- k. List percentage of primary feedstock from primary forest: does not apply.
- l. Volume of secondary feedstock: 5,705 tonnes from the first processing industry (sawmills) in 2017, distributed as follows:
 - ✓ 1,452 t SAWDUST
 - ✓ 3,832 t WOOD CHIP
 - ✓ 421 t WOOD SHAVINGS
- m. Volume of tertiary feedstock: does not apply.

3 Requirement for a Supply Base Evaluation

SBE completed	SBE not completed
☐	☒

BIOMASA FORESTAL is PEFC certified in Chain of Custody for the production of wood pellets in compliance with the standard PEFC ST 2002: 2013. The certifying system used by BIOMASA FORESTAL is the so called Volume Credit Method. BIOMASA FORESTAL is also FSC certified in compliance with the standard FSC-STD-40-004 v 2.1 and FSC-STD-40-005 v.2.1, to produce wood pellet FSC Mixt. Under these certifications systems, BIOMASA FORESTAL assesses all raw materials purchased for the manufacture of wood pellets.

The raw material from PEFC and / or FSC certified Forest Holdings is considered SBP compliant raw material and therefore it is not necessary to submit it to a "Supply Base Evaluation".

The raw material from non-certified PEFC and / or FSC Forest Holdings is subject to the requirements of the PEFC and FSC Chain of Custody System of BIOMASA FORESTAL, so it is considered SBP controlled raw material and is not required to be submitted to an "Assessment of the Supply Base".

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

BIOMASA FORESTAL carried out an internal review of the report.

11.2 Public or additional reviews

See section 6.

12 Approval of Report

Approval of Supply Base Report by senior management			
Report Prepared by:	 María Vázquez García	Quality manager	31.12.2017
	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:	 Luz Pardo Longueira	CEO	31.12.2017
	Name	Title	Date

13 Updates

13.1 Significant changes in the Supply Base

In 2016 BIOMASA FORESTAL is certified in chain of custody FSC and there is a significant increase in certified raw material, from 8% in 2015 to 71% in 2016, staying in the 67% in 2017: 19.5% has been PEFC, 0.5% FSC and 47% have been PEFC and FSC certified.

In addition, a procedure was implemented to not use wood with a diameter greater than 40 cm in the production of pellets since 2016.

As for the secondary raw material, which had stopped being acquired in 2016 due to the difficulty in tracing the origin of the same, it was re-used in 2017 after an intense audit effort to the sawmills in the area of influence of the factory.

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

132,404 t

13.5 Projected values of feedstock over the next 12 months

145,000 t