



# Supply Base Report: BIFESA SL

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](http://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

On the first page include the following information:

Producer name: BIFESA SL

Producer location: CALLE RICARDO VELÁZQUEZ 11-1°HUELVA, Spain

Geographic position: Lat 6.948086 E, Long 37.257059 N

Primary contact: Oliver Camacho +34626570893, administracion@bifesa.com

Company website: www.bifesa.com

Date report finalised: 23/03/2019, updated 06/05/2020

Close of last CB audit: 04/05/2019, Huelva, Spain

Name of CB: Control Union Certifications B.V.

Translations from English: Yes

SBP Standard(s) used: Standard 1 version 1.0,  
Standard 2 version 1.0,  
Standard 4 version 1.0,  
Standard 5 version 1.0

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: www.bifesa.com/sobre-nosotros/

| 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

Bifesa SL is a biomass producer located in the city of Huelva and performing harvesting operations within the Huelva, Seville and Cadiz provinces of the Andalusia Autonomous Community.



Bifesa SL is a 30 years old, vertically integrated company specialised in the production and delivery of wood products for different users: roundwood for pulpmills and wood chips for biofuel producers. It has multidisciplinary staff of around 80 people and 7 – 8 permanent harvesting teams. The harvesting teams consist of 2 to 8 people, which are mainly performing harvesting manually, but sometimes by means of a harvester. Other machines used in forest operations are: forwarders, skidders, forestry tractors and chipping machines. Bifesa SL has a team of engineers, responsible for the technical processes. They organize the harvesting, chipping and transport processes. Bifesa SL is mainly engaged in maintenance cuttings, thinnings, sanitary cuttings, selective fellings and final cuts of mature trees, as well as fire protection cuttings, and reforestation. In total, it harvests more than 50 000 tons of wood per year, of which around 30 000 tons is for biomass production. Regionally, Bifesa SL is considered a large sized enterprise. Bifesa SL is the second biggest company in the region. The biggest forest company in the region is producing biomass for its own energy plant.

#### Country level description of the Supply base

Spain has approximately 27,7 million ha of forests and wood lands, representing 56% of total land area. Of this area 18,0 million ha is considered 'Forested land' (36%) and 9,5 million (19%) falls in the category of 'Other wooded land'. Of the forested land, approximately 90% is considered semi natural; 10% are plantations. A small, but growing, proportion of these plantations consists primarily of introduced eucalyptus species (580.000 ha, representing 5% of the forested land in 2005).

According to the National Forest Inventories, in Spain over 80% of forests are composed of two or three species. The largest formation is made of holm oaks (which represents 15,3% of the tree covered area), followed by pine stands.

There are four main categories of forest types:

- The Mediterranean broadleaved forests (in the south-central region);
- The Mediterranean conifer forests (also in the south-central region);
- The Atlantic forests, a group of mixed formations of beech, oak, chestnut, etc;
- Plantations of mainly introduced tree species.

The Spanish Forest Law (Law 43/2003, '*Ley de Montes*') forms the legislative basis for forest management. Most Autonomous Communities have their own forestry laws regulating the protection, management and harvesting of forests in their territory. Article 33 establishes the need for public utility forests and protective forests to have a Forest Management Plan and a Working Scheme or other equivalent Management Instrument. These documents will be elaborated by the holder of the forest and must always be approved by the regional forestry organization. Regional forestry organization will regulate in which cases it may be mandatory to have a management instrument for non-protected private and not catalogued public forests. Multiple laws in each Autonomous Community regulate forestry and harvesting and the specific technical forest operating constraints.

According to the 2010 report of the SECF "Spanish Society of Forestry Sciences" these are the aspects of Spanish forests that serve as the basis for a better understanding of the forestry sector:

- Spanish forests are expanding and this trend manifests itself to a greater extent than in other European countries. Spanish forests occupy more than half of the national surface and Spain is the third European country with the largest forested area, ahead of France, Germany and Poland.
- The forested area per inhabitant is higher in Spain than the average of the European Union. There are 0,4 ha of forest per inhabitant compared to 0,3 ha per inhabitant in the EU.
- Most forests are populated by native species. Contrary to what is usually disseminated, the area occupied by hardwood species is greater than that occupied by coniferous species.
- Spanish forests are multifunctional. The main role is nature conservation and the conservation of the hydrological cycle and biodiversity, but its productive capacity of raw materials: wood, firewood, biomass for energy, cork, resins, edible mushrooms, pinion, livestock is not negligible. This includes hunting, that scarcely is taken advantage of. The role related to the fixation of carbon and the maintenance of the landscape and biological wealth is transcendent.
- **The annual growth of wood in Spanish forests is three times higher than the amount that is actually cut and harvested.** The increment is 45 million m<sup>3</sup> annually and the extraction is around 15 million m<sup>3</sup> per year. The annual consumption ranges from 32 to 33 million m<sup>3</sup>, so the import from other countries is about 15 million m<sup>3</sup>. Certain guidelines contained in forestry policies, aspects related to the costs of exploitation, the structure of the market for forest products and the use of current legal, financial and administrative instruments that have become obsolete in today's society are some of the causes of this situation.
- The current average consumption of wood in Spain is 0.8 m<sup>3</sup> per inhabitant, in Central Europe 1,5 m<sup>3</sup> and in Northern Europe 3,0 m<sup>3</sup> per inhabitant. Everything indicates that Spanish consumption of wood will continue to grow and that there will be a need to extract it from forests or import it from other countries.
- More than 2/3 of the Spanish forest area is privately owned, which poses some difficulties that must be taken into account when encouraging certain forest policies.

- The Forestry Sector has a great potential in the creation of rural employment. If wood removals increased from 15 to 30 million m<sup>3</sup>, forestry employment could double, going from the current 155 000 to around 300 000 job positions.
- The Forestry Sector has an increasing influence on rural development through forestry, hunting, landscape formations, recreational use and rural tourism.
- **Spanish forests are to a large extent abandoned.** The lack of management and exploitation has declined due to an array of different causes. The forests are accumulating fuel biomass in excess, which favours the development of large fires, and yet the use of biomass for energy purposes is not considered an attractive business by energy companies.
- Spanish forests play an important role in air purification and mitigation of climate change. A study carried out in the CIFOR-INIA shows that at present, Spanish forests accumulate around 87 million tons of CO<sub>2</sub> every year due to their growth. This means that the forests fix more than 24% of the total emissions of Spain each year.

### Region level description of the Supply base

In the Supply Base there are Mediterranean conifer forests (in the south-central region) with a clear presence of eucalyptus plantations. Other tree species within the Supply Base are native:

- Umbrella pine - *Pinus pinea*;
- Maritime pine - *Pinus pinaster*;
- White eucalyptus - *Eucalyptus globulus*;
- Red eucalyptus - *Eucalyptus camaldulensis* (= *E. rostrata*);
- Holm oak - *Quercus ilex*;
- Cork oak - *Quercus suber*;
- Sweet chestnut - *Castanea sativa*.

Introduced species, such as eucalyptus (*Eucalyptus spp.*) are allowed in short rotation forestry, but on a very limited scale.

For biomass production, Bifesa SL is mainly working in conifer forests, mostly formed by Umbrella pine and Maritime pine, and in a very limited extend – in eucalyptus plantations.

Table 1 indicates the forest area, canopy-covered forest area, coniferous forest area and Umbrella pine forest area for Huelva, Seville and Cadiz province.

Table 1: Forest cover characteristics per region of the Supply Base (National Forest Inventory).

| Supply Base      | Total forest area (ha) | Coniferous forest area (ha) | Pinus pinea forest area (ha) | Eucalyptus forest area (ha) |
|------------------|------------------------|-----------------------------|------------------------------|-----------------------------|
| Huelva province  | 787 737                | 149 670                     | 88 467                       | 234 794                     |
| Cádiz province   | 373 670                | 70 997                      | 41 964                       | 3 500                       |
| Seville province | 422 001                | 80 180                      | 47 392                       | 28 000                      |
| <b>Total</b>     | <b>1583 408</b>        | <b>300 847</b>              | <b>177 823</b>               | <b>266 294</b>              |

82% of the forest area in the Supply Base is private property (table 2). The prevailing private forest property size of the Supply Base is around 60 ha, but the total of private forest areas is larger than the area of public forests. Public forests are larger in scale, but much less frequent.

Table 2: Characteristics of forest properties per region of the Supply Base

| Supply Base      | Ownership |           |         | Prevailing property size* |        |
|------------------|-----------|-----------|---------|---------------------------|--------|
|                  | National  | Municipal | Private | Private                   | Public |
| Huelva province  | 11,9%     | 15,0%     | 73,1%   | Medium                    | Large  |
| Cádiz province   | 8,9%      | 12,8%     | 91,4%   | Medium                    | Large  |
| Seville province | 5,3%      | 3,3%      | 91,4%   | Medium                    | Large  |

\* Property size:

Large = more than 100 ha;

Medium = 20-100 ha;

Small = 6-20 ha;

The dominant use of the land is forestry. Land use is characterized by a small number of large properties and a great number of small owners.

From a socio-economic point of view, people nowadays do not depend on forests. The forest industry is also not developed well within the regions of the Supply Base, in comparison to the rest of Spain. This is mostly due to the complex macro relief (hills, slopes and mountains), which makes forestry operations very difficult.

The proportion of wood used for biomass production within the Supply Base is relatively the same compared to the other main variants of using the wood. Umbrella pine trunks (50% per tree) and eucalyptus trunks (75% per tree) are used for pulp and paper production. Only branches are used for biomass production (50% of pine trees, and 25% of eucalyptus trees). The production of wood pallets and boxes for the agricultural sector is another important final use of pine wood in the Huelva province. There are quite some sawmills in the region using sawn wood as well. However, the other industries can hardly utilize branch wood, which nevertheless needs to be removed from the forest plots, due to forest fire risks. The only feasible use for this feedstock is biomass production.

Nowadays, most of the pine forests in the Supply Base area are abandoned and unmanaged. This is due to the low profitability of the forests, these forests are capitalized, divided by the slopes, which normally are difficult to enter with machinery. The final product (wood) is of low quality and the forest industry produces products with little added value.

Umbrella pine wood is of poor quality, it usually has many knots, it is crooked and its diameter stays small. The forests are not managed intensively and without maintenance the quality of the wood only keeps deteriorating. Increased biomass (wood chips) production is an excellent incentive and opportunity for the reconstruction of the pine forests in the Supply Base.

ADJACENT LAND PROFILES: other provinces of Andalusia (same legislation within the Region), Extremadura (similar regional Legislation) and Portugal (no forest sites in Portugal). The Regions have the same types of forests, mandatory felling licences and similar prescription for cutting.

## Silviculture in Supply base area

The harvesting will be carried out mostly in **Umbrella pine** forests. The silviculture of this species is generalized by a rotation length of around 100 years, and thinnings should be done every 20 to 25 years. It should be mentioned that most of these plots are old, planted forests, which have been abandoned. The relevant thinnings have not been made. Due to the fact that most of forests have not been managed during the last decades, the main purpose of the operations is stand improvement and preventing forest fires. Stand improvement operations consist of practices designed to produce more and better-quality wood and to increasing the rate of growth of the maintained trees in the stands. Several methods can be used, such as thinnings, clearings, regeneration fellings and phytosanitary harvesting operations. Clear cuts are theoretically possible however Andalusia Autonomous Community is not allowing clear-cuts in pine forest.

**Eucalyptus** plantations are harvested approximately every 12 years. Several investigations have been made in creating clones of eucalyptus that allow to increase the growth rate and to speed up rotations to 10 years (for pulp production).

## SBP product characteristics

SBP-compliant primary feedstock is the only product group that Bifesa SL has, within the scope of SBP certification. Bifesa SL prioritizes acquiring wood from forests harvested by its own harvesting teams. It will be able to take exhaustive control of all the SBP indicators.

The tree species harvested for SBP biomass production include:

- Umbrella pine - *Pinus pinea* – 89%;
- Maritime pine - *Pinus pinaster* – 1%;
- White eucalyptus - *Eucalyptus globulus* – 5%;
- Red eucalyptus - *Eucalyptus camaldulensis* – 5%;

Bifesa SL does not harvest or purchase any tree species included in the CITES or IUCN lists. The CITES list does not include any tree species from Spain. The IUCN list includes Common Ash (*Fraxinus excelsior*) under “Near Threatened” status and Horse Chestnut (*Aesculus hippocastanum*) as “Vulnerable”.

The feedstock types in 2019 are described in the following Table 2.1.A.

The datas refers to 2019 feedstock sold as PEFC or other material, because no SBP-feedstock was bought or sold in 2019, that means that table 2.1.A could be an estimate of what could be certified

Table 2.1.A – Estimate Feedstock types and proportion certified

| # | Feedstock type for biomass production | Origin             | Raw mass as received in metric tonnes | %  | Certified Tons and % | Non certified Tons and % | Number of suppliers | Notes         |
|---|---------------------------------------|--------------------|---------------------------------------|----|----------------------|--------------------------|---------------------|---------------|
| 1 | Thinning from (semi-)natural forests  | Low grade stemwood | 15000                                 | 95 | 15000<br>100%        | 0<br>0%                  | 14                  | Pinus forests |

|   |                                |                                 |     |   |             |         |   |                        |
|---|--------------------------------|---------------------------------|-----|---|-------------|---------|---|------------------------|
|   |                                | (co-product)                    |     |   |             |         |   |                        |
| 2 | Final harvest from plantations | Low grade stemwood (co-product) | 800 | 5 | 800<br>100% | 0<br>0% | 1 | Eucalyptus plantations |

## 2.2 Actions taken to promote certification amongst feedstock supplier

Bifesa SL actively promotes FSC and PEFC certification among forest owners. Forest owners are invited to conferences organised by the local “Association of Huelva Producers of Wood” and are introduced to forest management certification. Bifesa SL is one of the founding companies of this association. Bifesa SL explains the benefits of becoming certified and offers a better price for certified wood. Final harvest sampling programme

## 2.3 Flow diagram of feedstock inputs showing feedstock type [optional]

## 2.4 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): 1.583.408 ha (Cadiz: 373.670 ha + Huelva 787.737 ha + Sevilla 422.001 ha)
- Tenure by type (ha): Privately owned: 1.221.160 ha  
Public: 362.248 ha
- Forest by type (ha): 1.583.408 ha temperate;
- Forest by management type (ha): 394.149 ha plantation / 187.070 ha managed natural / 1.002.189 ha natural
- Certified forest by scheme (ha): FSC: 12.891 ha  
PEFC: 13.084 ha

### Feedstock

- Total volume of Feedstock: 0 tons
- Volume of primary feedstock: 0 tons
- List percentage of primary feedstock (g), by the following categories. Subdivide by SBP-approved Forest Management Schemes:

- Certified to an SBP-approved Forest Management Scheme: 0 tons;
- Not certified to an SBP-approved Forest Management Scheme: 0 tons.
- List all species in primary feedstock, including scientific name.

| <b>Common name</b>      | <b>Scientific name</b>          |
|-------------------------|---------------------------------|
| <i>Umbrella pine</i>    | <i>Pinus pinea</i>              |
| <i>Maritime pine</i>    | <i>Pinus pinaster</i>           |
| <i>White eucalyptus</i> | <i>Eucalyptus globulus</i>      |
| <i>Red eucalyptus</i>   | <i>Eucalyptus camaldulensis</i> |

- Volume of primary feedstock from primary forest – 0 tonne;
- 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: 0%
  - Primary feedstock from primary forest not certified to an SBP-approved Forest Management Scheme: 0%
- Volume of secondary feedstock: specify origin and type: 0 ton
- Volume of tertiary feedstock: 0 ton

### 3 Requirement for a Supply Base Evaluation

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

The SBE was carried out, because feedstock is coming from uncertified forests.

# 4 Supply Base Evaluation

## 4.1 Scope

The scope of the SBE is:

- The Supply Base, which covers the forest areas from 3 provinces in Andalucía (Huelva, Sevilla, Cadiz).
- Forest maintenance operations: thinnings, selective (final) cutting, no clear-cuts in pine, semi-natural forests, as also clear-cuts of eucalyptus plantations.
- Forest operations carried out in private and public forests by own harvesting teams.

## 4.2 Justification

The approach used in this SBE is risk assessment, according to legality and sustainability principles. The following sources of information were studied to assess the risks:

- Applicable legislation;
- Reports of official organizations;
- National statistics;
- FSC National Risk Assessment 2018;
- Scientific studies;
- Mass media sources;
- Company specific information of Bifesa SL forest work.

Besides that, the SBR and SBE were published online for stakeholder consultation. Stakeholders were proactively approached and invited to provide their input and comments.

## 4.3 Results of Risk Assessment

Bifesa SL had standard operational procedures in place mitigating risks, already before start of preparing for SBP certification and also some additional measures were implemented.

The result of the risk assessment was the identification of eight specified risks within the supply base related to:

- indicator 2.2.1 (The Biomass Producer has implemented appropriate control systems and procedures to verify that feedstock is sourced from forests where there is appropriate assessment of impacts, and planning, implementation and monitoring to minimise them);
- indicator 2.2.2 (The Biomass Producer has implemented appropriate control systems and procedures for verifying that feedstock is sourced from forests where management maintains or improves soil quality);
- indicator 2.2.3 (The Biomass Producer has implemented appropriate control systems and procedures to ensure that key ecosystems and habitats are conserved or set aside in their natural state (CPET S8b));

- indicator 2.2.5 (The Biomass Producer has implemented appropriate control systems and procedures for verifying that the process of residue removal minimises harm to ecosystems);
- indicator 2.2.7 (The Biomass Producer has implemented appropriate control systems and procedures for verifying that air quality is not adversely affected by forest management activities);
- indicator 2.2.8 (The Biomass Producer has implemented appropriate control systems and procedures for verifying that there is controlled and appropriate use of chemicals, and that Integrated Pest Management (IPM) is implemented wherever possible in forest management activities - CPET S5c);
- indicator 2.4.2 (The Biomass Producer has implemented appropriate control systems and procedures for verifying that natural processes, such as fires, pests and diseases are managed appropriately),
- indicator 2.8.1 (The BP has implemented appropriate control systems and procedures for verifying that appropriate safeguards are put in place to protect the health and safety of forest workers).

## 4.4 Results of Supplier Verification Programme

Supplier verification program was not developed as there were no unspecified risks.

Bifesa SL only harvests biomass using own harvesting teams. Sometimes the feedstock can be bought not from the forest owner, but from a supplier, who sells standing timber stock. In this case forest work is carried out by the harvesting team of Bifesa SL. All legal documents required from the supplier are collected from them on a regular basis. If some legal documents are not available, the contract cannot be signed and no feedstock is coming from such sources.

## 4.5 Conclusion

Every indicator was deeply studied on the level of the supply base and/or at the level of country (Spain). Different sources of information were used to analyse every indicator in application to the scope of this SBE project. The analysis showed legality issues are very well covered by the company own procedures: they don't start business relationship without availability of any kind of legal documentation related to the forest work under consideration. Sustainability requirements investigation generally show low risk, except of 2.2.1, 2.2.2, 2.2.3, 2.2.5, 2.2.7, 2.2.8, 2.4.2 and 2.8.1. However, some mitigation measures were already implemented by the company before starting evaluation of risks and additional measures were developed and implemented during the process. Sustainability issues related with ecological values are additionally mitigated by the company within the ISO 14001 Ecological management certification. Social issues are managed by the ISO 9001 certification system, for instance, the company already has complaint procedure for taking into consideration concerns raised by interested parties. Health and safety issues are managed by OHSAS 18001 certification. This is a main strength of the company being ISO 9001, ISO 14001 and OHSAS 18001 certified. Besides that, the company does all harvesting operations itself and not through the suppliers or subcontractor. In this way the full control of the processes is ensured and risks can be mitigated or in some cases even excluded. Thus, the evaluators have good confidence that the Biomass Producer can ensure that all specified feedstock are in full compliance with SBP Standards.

# 5 Supply Base Evaluation Process

The Supply Base Evaluation process covered:

- An extensive literature study;
- Excursions to plots where forest operations were being conducted;
- Consultations with local and international specialists, and people working within forestry;
- An open stakeholder consultation process.

The process was managed by the consulting company BiomassConsult. The project leader was Tatiana Savelyeva, who has over four years of experience in SBP. She prepared around 30 Biomass Producers, including three SBE projects in Portugal. Tatiana Savelyeva passed the SBP auditor exams in 2017. She completed forestry engineering studies in Russia, Sweden and Finland.

Pedro Garcia and Oliver Camacho are the experienced forestry specialists of Bifesa SL contributed greatly to the process as the expert in legality and sustainability issues specific to the Supply Base.

Two more consultants of BiomassConsult were involved in the project: Bea Groenen and Rens Hartkamp.

Bea Groenen is a specialist from Belgium, who studied forestry in the Netherlands. She has experience with biomass certification systems and with assessing PEFC national certification systems. She conducted several biomass utilization and market researches.

Rens Hartkamp is an M.Sc. in forestry and a Ph.D. in forestry economics. He has around 20 years of experience in forest management and biomass certification, criteria development, and benchmarking. His experience with SBP certification starts from the beginning of its development. He assisted around 40 companies on SBP certification, some including SBE projects.

One consultant was involved in the 2020 review: Simona Ferutta, M.Sc. in Forestry and Environmental Sciences.

The monitoring plan for assessing forest operations within the supply base is not needed, because all the forest sites are subject to verification (100% sample) – see findings in Annexes 4.

## 6 Stakeholder Consultation

Stakeholders were contacted by e-mail, providing the link to the Supply Base Report and Supply Base Evaluation report. Stakeholders are encouraged to provide their concerns starting on March, 22nd 2019 within one month from the beginning of stakeholder consultation. However, all concerns raised after this period would be taken into consideration at a full extent. There were 32 stakeholders identified. The list is withheld by the company, here in the following there is a list sorted by category:

| Number of stakeholders | Category                                  |
|------------------------|---|
| 5                      | Enterprises Associations                  |
| 4                      | ONG, other associations                   |
| 8                      | Public authorities, government            |
| 4                      | Certification bodies                      |
| 6                      | Private enterprise, private forest owners |
| 3                      | Trade Unions, board associations          |
| 2                      | Universities                              |

### 6.1 Response to stakeholder comments

No responses or comments from stakeholders were received during the stakeholder consultation process. However, all comments that might be provided later on will be considered by Bifesa SL.

## 7 Overview of Initial Assessment of Risk

Bifesa's management system is established in a way that legal and sustainable principles of forest management are well taken into account. For instance, no work can be carried out before the ownership is established. Authorization for harvesting or a forest management plan are always collected in advance of harvesting work performed. These documents cannot be issued by the authorities if ownership is not well established. These documents also reflect all restrictions regarding sustainability issues, for instance, habitats and biodiversity concerns in the forest in question, time limitations for work performance (due to breeding time for protected species or high fire risks), silviculture methods ensuring no damage to the environment and ecosystems, prescriptions of machinery that is allowed to be used in the forest area, and other.

Conducting the SBE, Bifesa identified eight specified risks on the level of the Supply Base: 2.2.1, 2.2.2, 2.2.3, 2.2.5, 2.2.7, 2.2.8, 2.4.2 and 2.8.1.

Indicator 2.2.1 related to verify that feedstock is sourced from forests where there is appropriate assessment of impacts, and planning, implementation and monitoring to minimise them is a specified risk because Bifesa is in charge of monitoring activity.

Indicator 2.2.2 related to soil quality is considered specified risk in relation to two aspects: a high risk of soil erosion in the mountain area, in the rare chance when there is an end of cycle cut in eucalyptus stand and soil depletion in eucalyptus stands.

Indicator 2.2.3 related to control systems and procedures to ensure that key ecosystems and habitats are conserved or set aside in their natural state (CPET S8b) is a specified risk because Bifesa is in charge of monitoring activity.

Indicator 2.2.5 related to appropriate control systems and procedures for verifying that the process of residue removal minimises harm to ecosystems is a specified risk since performing only thinnings does not automatically minimise harm to ecosystems.

Indicator 2.2.7 related to appropriate control systems and procedures for verifying that air quality is not adversely affected by forest management activities is a specified risk because technical personnel of Bifesa are responsible for collecting this information and ensuring compliance.

Indicator 2.2.8 related to appropriate control systems and procedures for verifying that there is controlled and appropriate use of chemicals, and that Integrated Pest Management (IPM) is implemented wherever possible in forest management activities (CPET S5c) is a specified risk and Bifesa holds a ISO 14001 certificate which ensures that non forest sprayed with chemicals are dealt by Bifesa.

Indicator 2.4.2 in relation to forest fires was considered a specified risk, since it is the Mediterranean Region.

Indicator 2.8.1 in relation to health and safety of forest workers is considered a specified risk related to the kind of jobs (forestry).

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     |                     | X   |             |
| 1.1.2     |                     | X   |             |
| 1.1.3     |                     | X   |             |
| 1.2.1     |                     | X   |             |
| 1.3.1     |                     | X   |             |
| 1.4.1     |                     | X   |             |
| 1.5.1     |                     | X   |             |
| 1.6.1     |                     | X   |             |
| 2.1.1     |                     | X   |             |
| 2.1.2     |                     | X   |             |
| 2.1.3     |                     | X   |             |
| 2.2.1     | X                   |     |             |
| 2.2.2     | X                   |     |             |
| 2.2.3     | X                   |     |             |
| 2.2.4     |                     | X   |             |
| 2.2.5     | X                   |     |             |
| 2.2.6     |                     | X   |             |
| 2.2.7     | X                   |     |             |
| 2.2.8     | X                   |     |             |
| 2.2.9     |                     | X   |             |

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

# 8 Supplier Verification Programme

## 8.1 Description of the Supplier Verification Programme

Supplier verification program was not developed, because Bifesa SL does not have any unspecified risks evaluated in Risk Assessment (4.3). All was clear and was explained to most stakeholders.

Bifesa harvesting operations in private forests are performed by its own harvesting teams. In this way, all possible risks related to suppliers work in private forest are excluded.

However, Bifesa SL can buy standing timber from suppliers, who act as a middleman between Bifesa SL and the forest owner. In this case, legal questions play the most important role. Bifesa SL ensures that supplier have all legal documentation in place and have paid all the taxes. In case the supplier has tax debts, they are notified by the state to Bifesa SL before payment to the supplier, in this way Bifesa SL can be confident that there are no tax debts. Bifesa SL ensures that the name of the forest owner is included in the contract and all documentation related to harvesting permits is available (authorization for harvesting, or notification and the forest management plan).

In relation to public forests, Bifesa SL can buy some timber that was harvested by the subcontractors of responsible authorities. Since the level of control is considered high in the region of the Supply Base, and Bifesa SL analysed all possible risks on the level of the Supply Base and have concluded that they are low, the feedstock coming from public forests is taken as SBP-compliant without additional mitigation measures from Bifesa SL's side.

In this way Bifesa SL ensures that the feedstock remains in compliance with SBP Standards. If, for any reason, there is not enough confidence, Bifesa SL does not take particular feedstock as SBP-compliant and can take it as non-SBP or reject it.

## 8.2 Site visits

Not required, since Bifesa SL does all harvesting operations itself in private forests. In public forests, harvesting could be done by the companies hired by responsible municipalities. Bifesa SL considers that as a low risk in terms of legality and sustainability, since this is well checked by the responsible authorities before, during and after the works; besides monitoring is done by Bifesa (see Annex 4 Handbook: "Monitoring activity in forest sites") in 100% of forest sites.

## 8.3 Conclusions from the Supplier Verification Programme

Not applicable.

Higher risks potentially could be related to suppliers from private forests. This is excluded, because Bifesa SL does all harvesting using own forestry teams. Feedstock coming from public forests has low risk according to all indicators, since, as the analysis shows, the level of legislation implementation is high. This feedstock can be taken as SBP-compliant without additional mitigation measures. This way the compliance to SBP standards is ensured.

# 9 Mitigation Measures

## 9.1 Mitigation measures

Indicator 2.2.1 regards appropriate control systems and procedures to verify that feedstock is sourced from forests where there is appropriate assessment of impacts, and planning, implementation and monitoring to minimise them. Bifesa has implemented a checking system and records are kept in Annex 4 of the Handbook (Monitoring activity in forest sites).

Indicator 2.2.2 for eucalyptus plantation in regards to clear cut in the mountain areas is considered a specified risk, however, best forest management practices and specific measures to avoid this are always taken by Bifesa, for instance: the cut is done in counter lines avoiding the maximum slope, machinery movements are avoided in the mountain areas, cord off the residues in contour lines to reduce the streams produced by rain, remaining stumps on the harvesting site after re-planting and other, specific ones for the signal site.

Inspection on all sites (100% sampling) are made by Bifesa Forestry Engineers that report their findings according to Annex 4 Handbook: "Monitoring activity in forest sites".

Soil depletion in eucalyptus stands is avoided by working only in inspected plantations whose management system can ensure: use of best practices (cut of alternative rows or plots), fertilization at least once per rotation period of 10-12 years, focusing on planting of new improved clones of eucalyptus that require less nutrients, etc.. Records of the findings can be found in the sheet Annex 4 Handbook: "Monitoring activity in forest sites".

Most of the eucalyptus stands of the Region have a Sustainable Forest Management Plan in accordance to FSC principles. Bifesa owns around 600 hectares of eucalyptus plantation managed through an FSC FM Plan and buy only some lots where sustainable principles are respected.

Eucalyptus feedstock represents a small part of the total feedstock, that is mostly represented by pinus semi-natural forest, where only thinnings are performed.

Indicator 2.2.3 regards appropriate control systems and procedures to ensure that key ecosystems and habitats are conserved or set aside in their natural state (CPET S8b).

Technical personnel of Bifesa are responsible for collecting information and ensuring compliance, performing monitoring operations (Annex 4, Handbook). Manual of good practices applies to all forest sites.

Indicator 2.2.5 appropriate control systems and procedures for verifying that the process of residue removal minimises harm to ecosystems.

Monitoring operations (annex 4, Handbook) are carried out by Bifesa during forest harvesting by professional personnel to ensure that minimal harm affects the ecosystem during residual removal.

Indicator 2.2.7 is related to appropriate control systems and procedures for verifying that air quality is not adversely affected by forest management activities. Bifesa holds the ISO 9001, ISO 14001 and OSHAS 18001 certifications, and has an environmental policy with procedures implemented to minimise the emission of atmospheric pollutants.

Indicator 2.2.8 regards appropriate control systems and procedures for verifying that there is controlled and appropriate use of chemicals, and that Integrated Pest Management (IPM) is implemented wherever possible in forest management activities (CPET S5c). Bifesa holds the ISO 9001, ISO 14001 and OSHAS

18001 certifications, and has an environmental policy with procedures to avoid dealing with forest where chemicals were used.

Indicator 2.4.2 in respect of fire risk is considered specified risk on the level of the country. However, Bifesa's management system has always the following mitigation measures implemented: fire protection equipment is always in place of every harvesting operation, harvesting is performed only during the allowed time of the day, forest residues are removed from the harvesting site. Records of the findings can be found in the sheet Annex 4 Handbook: "Monitoring activity in forest sites".

Indicator 2.8.1 related to health and safety of forestry workers is also considered specified at the level of the country, however, Bifesa has a robust control system implemented for OHSAS 18001 certification. This proves to be very effective and the results of this system are reflected in the reduction of number of accidents. The annual Accident Report prepared by the insurance company provided that number of accidents has decreased during past years due to effective measures taken by Bifesa SL to manage the issue of health and safety. In spite of this, it is considered that it is impossible to exclude this risk and the risk was considered specified. Small accidents could occur in the forest due to the uneven soil surface.

Together with mentioned above, Bifesa is PEFC, FSC, ISO 9001, ISO 14001 and OHSAS 18001 certified and these systems includes well developed mitigation measures that are applicable to the scope of SBP certification as well. For instance, waste management system was developed in line with ISO 14001, complaint management was established within ISO 9001 and, as mentioned above, health and safety control system works effectively due to OHSAS 18001 certification system implemented. Evidences of compliance to proper mitigation measures can be found in the activities related to other certifications management systems.

Table 2. Overview of results from the risk assessment of all Indicators after implementation of mitigation measures.

| Indicator | Initial Risk Rating |     |             |
|-----------|---------------------|-----|-------------|
|           | Specified           | Low | Unspecified |
| 1.1.1     |                     | X   |             |
| 1.1.2     |                     | X   |             |
| 1.1.3     |                     | X   |             |
| 1.2.1     |                     | X   |             |
| 1.3.1     |                     | X   |             |
| 1.4.1     |                     | X   |             |
| 1.5.1     |                     | X   |             |
| 1.6.1     |                     | X   |             |
| 2.1.1     |                     | X   |             |
| 2.1.2     |                     | X   |             |
| 2.1.3     |                     | X   |             |
| 2.2.1     |                     | X   |             |
| 2.2.2     |                     | X   |             |

| Indicator | Initial Risk Rating |     |             |
|-----------|---------------------|-----|-------------|
|           | Specified           | Low | Unspecified |
| 2.3.1     |                     | X   |             |
| 2.3.2     |                     | X   |             |
| 2.3.3     |                     | X   |             |
| 2.4.1     |                     | X   |             |
| 2.4.2     |                     | X   |             |
| 2.4.3     |                     | X   |             |
| 2.5.1     |                     | X   |             |
| 2.5.2     |                     | X   |             |
| 2.6.1     |                     | X   |             |
| 2.7.1     |                     | X   |             |
| 2.7.2     |                     | X   |             |
| 2.7.3     |                     | X   |             |
| 2.7.4     |                     | X   |             |

|       |  |   |  |
|-------|--|---|--|
| 2.2.3 |  | X |  |
| 2.2.4 |  | X |  |
| 2.2.5 |  | X |  |
| 2.2.6 |  | X |  |
| 2.2.7 |  | X |  |
| 2.2.8 |  | X |  |
| 2.2.9 |  | X |  |

|        |  |   |  |
|--------|--|---|--|
| 2.7.5  |  | X |  |
| 2.8.1  |  | X |  |
| 2.9.1  |  | X |  |
| 2.9.2  |  | X |  |
| 2.10.1 |  | X |  |

## 9.2 Monitoring and outcomes

The DIRECTOR ensures the implementation of the monitoring procedure for every forest plot where SBP-compliant biomass potentially could come from. The monitoring procedure includes collecting of the documents related to:

- Health and Safety;
- Legal documents;
- Issues related to sustainability, that need to be checked for every forest area.

and filling the checklist according to **Annex 4** Handbook: “Monitoring activity in forest sites”.

If after implementation of the monitoring procedure the required legal documentation is not provided (delayed), then the feedstock is downgraded to not-SBP.

In any other issue related to impact assessment or species protection or damages, the feedstock is downgraded to not-SBP and a note

In case of non-compliance with Health and Safety rules by own harvesting teams, suppliers or subcontractors, the DIRECTOR issues a warning to the harvesting team leader. In this case, a second unannounced visit is carried out to verify if the requirements are met. In case no improvements have been made, the feedstock is downgraded to not-SBP. These incidences are recorded in the checklist Annex 4 in the box “Other evidences”.

Once a year the review of mitigation measures for specified risks is done and findings recorded in Annex 3 annual report.

# 10 Detailed Findings for Indicators

Detailed findings for each Indicator are given in Annex 1.

# 11 Review of Report

## 11.1 Peer review

No peer review was done, because not required.

## 11.2 Public or additional reviews

Not applicable.

# 12 Approval of Report

| Approval of Supply Base Report by senior management   |                       |                              |                   |
|---|-----------------------|------------------------------|-------------------|
| Report Prepared by:   | <i>Pedro Garcia</i>   | <i>Certification Manager</i> | <i>06/05/2020</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>Oliver Camacho</i> | <i>Director</i>              | <i>06/05/2020</i> |
|   | Name                  | Title                        | Date              |

# 13 Updates

Updated in 2020, as risk ratings were revised.

## 13.1 Significant changes in the Supply Base

None.

## 13.2 Effectiveness of previous mitigation measures

All 3 mitigation measures identified during the first evaluation were shown to be effective, since there were 0 non-conformities related to these risks in the audits of ISO 9001, ISO 14001 and OHSAS 18001.

A specific evaluation for SBP purposes is resumed in the following table:

| INDICATORS                               | Mitigation measures   | Evidence collected  | Effectiveness |
|--|---|---|---------------|
| <b>2.2.2</b><br><b>Soil quality</b>      | <p>Conservation of soil quality: Bifesa has implemented a procedure to reduce risks of erosion.</p> <p>Bifesa provides training of Best forest practices to new workers and updates the training for the usual workers.</p> | <p>Findings are recorded in the Annex 4.</p> <p>Training and information sheets about Best forest practices can be found in each contract with each worker. The document is signed by each worker.</p>  | Yes           |
| <b>2.4.2</b><br><b>Pests and fire</b>    | <p>Even if Spain have and hight risk in forest fires, harvesting operations take place in the allowed periods and Bifesa's workers have got equipment such as fire extinguishers, water supply and fire beater.</p>         | <p>Site inspections during works.</p> <p>Authorization for harvesting in hight fire period and in hight risk zones (15/06 to 15/09) by Department of fire prevention</p>  | Yes           |
| <b>2.8.1</b><br><b>Health and safety</b> | <p>Site inpsctions in all forests to check that all workers are wearing PPE and control of legally required health and safety documentation of eventual suppliers.</p>  | <ul style="list-style-type: none"> <li>- Annex 4</li> <li>- Contacts with workers and suppliers</li> <li>- Accreditation of having contracted the risk prevention service</li> <li>- Training records on health and safety risks</li> <li>- Record of delivery of PPE to all workers</li> <li>- Positive certificate for each worker by a doctor (not mandatory)</li> </ul> | Yes           |

## 13.3 New risk ratings and mitigation measures

Risk ratings for all relevant Indicators have changed, since 5 more risks were identified as specified risks:

- INDICATOR 2.2.1 The Biomass Producer has implemented appropriate control systems and procedures to verify that feedstock is sourced from forests where there is appropriate assessment of impacts, and planning, implementation and monitoring to minimise them;
- INDICATOR 2.2.3 The Biomass Producer has implemented appropriate control systems and procedures to ensure that key ecosystems and habitats are conserved or set aside in their natural state (CPET S8b);
- INDICATOR 2.2.5 The Biomass Producer has implemented appropriate control systems and procedures for verifying that the process of residue removal minimises harm to ecosystems;
- INDICATOR 2.2.7 The Biomass Producer has implemented appropriate control systems and procedures for verifying that air quality is not adversely affected by forest management activities;
- INDICATOR 2.2.8 The Biomass Producer has implemented appropriate control systems and procedures for verifying that there is controlled and appropriate use of chemicals, and that Integrated Pest Management (IPM) is implemented wherever possible in forest management activities - CPET S5c.

Actual figures for feedstock over the previous 12 months:

0 – 200,000 tonnes

The disclosure of the exact figure would reveal commercially sensitive information that could be used by competitors to gain competitive advantage, since they don't know at the moment their exact amount of biomass and they could figure from that also the total timber handled every year and the share of the market.

## 13.4 Projected figures for feedstock over the next 12 months

0 – 200,000 tonnes

The disclosure of the exact figure would reveal commercially sensitive information that could be used by competitors to gain competitive advantage, since they don't know at the moment their exact amount of biomass and they could figure from that also the total timber handled every year and the share of the market.