Supply Base Report: Forestal Soliva SL

www.sbp-cert.org
Completed in accordance with the Supply Base Report Template Version 1.3

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

Document history
Version 1.0: published 26 March 2015
Version 1.1 published 22 February 2016
Version 1.2 published 23 June 2016
Version 1.3 published 14 January 2019

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1 Overview

Producer name: Forestal Soliva SL
Producer location: Ctra. De Sils nº 109, 17430 Sta, Coloma de Farners, GIRONA
Geographic position: 41.853734, 2.681772
Primary contact: Laura Ivorra Revelles; Ctra. de Sils nº 109, 17430 Santa Coloma de Farners, Girona-SPAIN; M +34 650 93 54 07; T +34 972 84 31 78; livorra@forestalsoliva.com
Company website: www.forestalsoliva.com
Date report finalised: 05/04/2019
Close of last CB audit: [Date and location of the closing meeting CB]
Name of CB: Control Union BV
Translations from English: Spanish
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 available
Weblink to SBE on Company website: www.forestalsoliva.com

| Indicate how the current evaluation fits within the cycle of Supply Base Evaluations |
|----------------------------------|------------------|------------------|------------------|------------------|------------------|
| Main (Initial) Evaluation        | First Surveillance| Second Surveillance| Third Surveillance| Fourth Surveillance|
| ☒                                | ☐                | ☐                | ☐                | ☐                |

SBP Framework Supply Base Report: Template for BPs v1.3
2 Description of the Supply Base

2.1 General description

Forestal Soliva SL is a biomass producer located in Catalunya and performing harvesting operations in Spain. The company defined six Autonomous Communities as its Supply Base:

1. Aragon
2. Catalunya
3. Castilla-La Mancha
4. Valencian Community
5. Murcia
6. Andalusia

Forestal Soliva is a 70 years old, vertically integrated company specialised in the production and delivery of wood chips. It has a multidisciplinary staff of around 30 people. Its harvesting teams are equipped with forwarders, skidders, forestry tractors and chipping machines. Forestal Soliva has a team of engineers, responsible for the technical processes in the company. They are organizing the harvesting, chipping and transportation processes. Forestal Soliva is mainly engaged in thinnings with the following objectives: maintenance, improvement, sanitary, fire protection, etc. In total, Forestal Soliva harvests over 100 000 tons
of wood per year. Regionally, Forestal Soliva is considered a large company in the forest sector, in terms of economic turnover and the production of G100 wood chips (industrial quality). However, Forestal Soliva is not the largest in the region, there are companies harvesting much more. In Andalusia there are many companies with a vertically integrated process from harvesting, to sawn wood production. They utilize their own residues, for example, by producing wood pellets.

Country level description of the Supply base

Spain has approximately 27.7 million ha of forests and woodlands, representing 56% of total land cover. 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 seminatural; 10% are plantations. Spain has the third highest forest cover in the European Union, after Sweden and Finland.

According to the National Forest Inventories, over 80% of forests in Spain consist two or more tree species. The most common is holm oak (which represents 15.3% of the tree covered area, around 2.8 million ha), followed by pastures and pine forests.

There are four biogeographical regions in Spain, the Boreoalpina (high mountain areas), the Eurosiberian (area associated with the Atlantic climate), the Mediterranean (the rest of the Peninsula) and the Macaronesia (Canary Islands). The last three regions include a varied amount of exceptional forest habitats and species.

The protected area in Spain is 13% for natural spaces and reaches 28% when the Natura 2000 Network is included. Spain is the country that contributes most to the Natura 2000 Network. The protected areas cover both public and private forests.

The Forest Law (Law 43/2003, ‘Ley de Montes’) forms the legislative basis for forest management in Spain. Additionally, the Autonomous Communities have their own forestry laws regulating the protection, management and harvesting of forests in their territory.

Article 33 of the Forest Law establishes the necessity for public forests and protected forest areas to have a Forest Management Plan and an Operational Scheme or another equivalent Management Instrument. These documents are elaborated by forest management units and must always be approved by the regional forestry organization. Regional forestry organizations regulate in which cases it is mandatory to have a management instrument for regular private and public forests (not catalogued as protected). Multiple laws in each Autonomous Community regulate the specific technical forestry operating constraints of forest management.

In accordance with Spanish legislation, there are three possible legal documents that prove legality of forest operations:

- Notification for harvesting (in private forests with Forest Management Plan or equivalent). The owner must notify the competent body of the Autonomous Community before harvesting;
- Authorisation for harvesting (in private forests without a Forest Management Plan). It is required to obtain the Authorisation before harvesting;
- Adjudication for harvesting (in public forests).
The three documents are evaluated by forestry technicians of the administration which enhance the legality, sustainability and respect for the environment of the harvesting requested. The technicians, in all three cases, make an on-site inspection of the forest to be sure of the best sustainable management of the forest. If the area of harvesting is affected by any special protection, they consult with the competent organism to make sure that environmental aspect are respect, for example, if the harvesting is within of a natural park, the technician of the natural park, if he thinks fit, can mark restrictions in the cutting season, for example so as not to interfere in the nesting of certain species or even to prohibit acting in certain areas.

In the case of natural catastrophes, such as fires, winds, snowfalls or pests, additional cutting authorizations can be issued to mitigate the effect and preventing forest pests and guaranteeing a good regeneration of the area.

According to the 2010 report of the SECF “Spanish Society of Forestry Sciences”, the following characteristics of Spanish forests serve as the basis for understanding the situation in forestry today:

- The annual growth (net increment) of wood is three times higher than the amount that is cut and harvested. The increment is 45 million m³ annually and wood extraction is around 15 million m³ a year. The total annual consumption of wood is around 32 to 33 million m³; Spain imports around 15 million m³ a year. Certain 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 disbalance.
- Spanish forest area is expanding, and this trend manifests itself to a greater extent than in other European countries. Spanish forests cover over half the national surface. Regarding total forest area Spain is the third country in the European Union, behind Sweden and Finland, but ahead of France, Germany, and Poland.
- The forested area per inhabitant is higher in Spain than the average in the European Union. Spain has in average 0.4 ha of forest per inhabitant, compared to 0.3 ha per inhabitant in the EU.
- Most of the Spanish forests consists of native species. Contrary to what is often mentioned in various media, the area covered by hardwood species exceeds the area covered by coniferous species.
- Spanish forests are multifunctional. Important is the protective role of forests and their ability to conserve the hydrological cycle, and biodiversity. Its production function of forest products (wood, firewood, biomass for energy, cork, resins, edible mushrooms, pinion, livestock) is not negligible either. Hunting is also practised in Spain. The role of forests related to carbon fixation and the maintenance of the landscape and its biological wealth is transcendent. Spanish forests play an important role in improving air quality and mitigating of climate change. A study carried out in the CIFOR-INIA shows that at present, Spanish forests accumulate around 87 million tons of CO2 every year due to their growth. This means that the forests fix more than 24% of the total CO2 emissions of Spain each year.
- The current average consumption of wood in Spain is 0.8 m³ per inhabitant, in Central Europe it is 1.5 m³ and in Northern Europe 3.0 m³. Everything indicates that Spanish consumption of wood will continue to grow and that there will be a need to extract more wood from the Spanish forests or import more from other countries. The Forestry Sector has a great potential in the creation of rural employment (unemployment is a major problem in Spain, it decreased to 14.55% of the active population in 2018). If harvesting would increase from 15 to 30 million m³ a year, forestry employment could double, from the current 155 000 to around 300 000 jobs. The Forestry Sector has an increasing influence on rural development through forestry, hunting, recreational use and rural tourism.
• More than 2/3 of the Spanish forest area is privately owned, what must be taken into account when encouraging certain forest policies.

• Spanish forests are to a large extent abandoned. The forests are accumulating fuel biomass in excess, which increases the risk of large forest fires, and yet the use of its biomass for energy purposes is not considered an attractive business by energy companies.

Region level description of the Supply Base

In the Supply Base are mediterranean broadleaved and conifer forests (in the south-central region), however, Forestal Soliva is mainly working in the conifer forests, mostly formed by Aleppo pine (*Pinus halepensis*).

Aleppo pine is the most common tree species in the six areas of the Supply Base. Other native tree species within the Supply Base are:

- Holm oak (*Quercus ilex*);
- Maritime pine (*Pinus pinaster*);
- Umbrella pine (*Pinus pinea*);
- Black pine (*Pinus nigra*);
- Downy oak (*Quercus humilis*);
- Cork oak (*Quercus suber*); and
- Spanish juniper (*Juniperus thunifera*).

Introduced species, such as *Eucaliptus* spp. and *Populus* spp. are allowed to use in short rotation forestry, but on a very limited scale.

Table 1 indicates the forest area, and some typical characteristics, for each Autonomous Community.

<table>
<thead>
<tr>
<th>Autonomous Community</th>
<th>Forest area (ha)</th>
<th>Canopy-covered forest area (ha)</th>
<th>Coniferous forest area (ha)</th>
<th>Aleppo pine forest area (ha)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Andalusia</td>
<td>4.345.500</td>
<td>2.641.000</td>
<td>824.700</td>
<td>564.910</td>
</tr>
<tr>
<td>Aragon</td>
<td>2.615.332</td>
<td>1.543.465</td>
<td>953.440</td>
<td>186.508</td>
</tr>
<tr>
<td>Castilla-La Mancha</td>
<td>3.564.779</td>
<td>2.739.597</td>
<td>1.103.669</td>
<td>No data</td>
</tr>
<tr>
<td>Catalunya</td>
<td>2.060.174</td>
<td>1.626.212</td>
<td>716.058</td>
<td>300.645</td>
</tr>
<tr>
<td>Murcia</td>
<td>486.019</td>
<td>289.550</td>
<td>260.595</td>
<td>232.401</td>
</tr>
<tr>
<td>TOTAL (ha)</td>
<td>9.512.762</td>
<td>6.074.210</td>
<td>2.549.157</td>
<td></td>
</tr>
</tbody>
</table>

Most of the forest area in the Supply Base is private property (table 2). The prevailing private forest property size in five of the six Autonomous Communities of the Supply Base is small. This is not an issue in the public forests. Managing and harvesting smallholdings is more time consuming and costly. In Andalusia, however, large forest properties predominate.
Table 2: Characteristics of forest properties per Autonomous Community of the Supply Base

<table>
<thead>
<tr>
<th>Autonomous Community</th>
<th>Area covered by forests</th>
<th>Ownership</th>
<th>Prevailing property size*</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Public</td>
<td>Private</td>
</tr>
<tr>
<td>Andalusia</td>
<td>50%</td>
<td>28%</td>
<td>72%</td>
</tr>
<tr>
<td>Aragon</td>
<td>55%</td>
<td>40%</td>
<td>60%</td>
</tr>
<tr>
<td>Valencia</td>
<td>56%</td>
<td>34%</td>
<td>66%</td>
</tr>
<tr>
<td>Castilla-La Mancha</td>
<td>45%</td>
<td>32%</td>
<td>68%</td>
</tr>
<tr>
<td>Catalunya</td>
<td>64%</td>
<td>25%</td>
<td>75%</td>
</tr>
<tr>
<td>Murcia</td>
<td>43%</td>
<td>34%</td>
<td>66%</td>
</tr>
</tbody>
</table>

*Property sizes:
- Large - 880 ha in average
- Medium - 400 ha in average
- Small - 8 ha in average

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 as biomass within the Supply Base is relatively substantial compared to other end-uses. Aleppo pine has low quality wood and is considered unsuitable by the industry. As a result, the regional forest industry procures other tree species from all over Spain and Europe. Wood pallets and boxes for the agricultural sector are the main products produced in the Supply Base. There are also some companies producing fibreboards and a few pellet plants. These companies utilize sawmill residues and low grade roundwood. This shows that there is hardly any other application for Aleppo pine than biomass.

The use of the potential wood available in Spain is very low. For example, only 36% of the net annual growth of forests is used, while the average in the EU is 69%. Another example is that in Catalonia the forests grow 2.9 million cubic meters per year, of which only 20% are used. In addition, only 10% of the annual wood consumption of forest industries comes from Catalan forests. This panorama is repeated in the 6 regions of the supply base.

Today, most of the forests in the area of the supply base are abandoned and are not managed. This is due to the low profitability of the forests because the mountains are capitalized, they are located in complicated orography and with steep slopes (which makes their mechanization difficult), the final product (wood) is of low quality (many knots, trunks twisted, small diameter) and the forest industry produces products with little added value.

As already mentioned, Aleppo pine wood is generally of poor quality, has many knots, is twisted and has small diameters. The forests are not managed, so the quality of the wood deteriorates more and more. The increase
Focusing on sustainable sourcing solutions

in biomass production (wood chips) is an excellent incentive and opportunity for the management and improvement of pine forests in these six regions.

SBP product characteristics

Forestal Soliva mainly carries out maintenance operations in Aleppo pine forest stands (around 90% of feedstock supply). The silviculture of this tree species is generalized by rotation lengths of about 100 years. Thinning should be done every 15-20 years. It should be mentioned that most of these forests are old repopulations that have been abandoned and that the relevant thinnings have not been made. Due to the fact that most of these forests have not been managed during the last decades, currently stand improvement are been done to improve the mass and reduce the risk of forest fire. stand improvement consist of practices designed to improve the mass and its production, as well as improve the quality of the remaining wood and the overall growth of the dough. Occasionally, other methods of harvesting will be used, such as regeneration cuttings and phytosanitary cuttings. Clear cutting has been done is not a usual practice in any situation.

SBP-compliant primary feedstock is the only product group that Forestal Soliva focusses on and has in its scope. If the raw material does not turn out to be SBP-compliant primary feedstock, it will be physically separated.

Forestal Soliva is going to prioritize obtaining wood from own forest operations, so it will be able to take exhaustive control of its feedstock supply. Forestal Soliva will probably work with two or three external suppliers per year.

The tree species harvested for SBP biomass production are:

- Aleppo pine (*Pinus halepensis*);
- Black pine (*Pinus nigra*); and
- Umbrella pine (*Pinus pinea*); and
- Maritime pine (*Pinus pinaster*).

Forestal Soliva does not harvest, nor purchase tree species listed by CITES, or IUCN.

Regarding Spain, CITES does not list any tree species. IUCN lists Common Ash (*Fraxinus excelsior*) as “Near Threatened”, and Horse Chestnut (*Aesculus hippocastanum*) as “Vulnerable”.

2.2 Actions taken to promote certification amongst feedstock suppliers

Engineers of Forestal Soliva promote FSC and PEFC certification among forest owners. They explain the benefits of becoming a certified as well as the realization of forest management plans, not only from an environmental point of view, but also from an economical one. However, considering the possible market prices for the wood, nearly all land owners consider the costs of certification unfeasible.
2.3 Final harvest sampling programme

Forestal Soliva performs only maintenance operations approved by the state authorities. Most of the forests within the supply base are in high need of maintenance operations. The operations that are being carried out focus on forest stand improvement. In no case clear cuts are made. The regional administrations prefer to create uneven-aged forest stands, which are ideal to manage through continuous selective cutting. Selective cuttings secure the continuity of the carbon stock and enable natural forest regeneration.

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

<table>
<thead>
<tr>
<th>Forestal Soliva SL</th>
<th>Independent harvesting companies</th>
</tr>
</thead>
<tbody>
<tr>
<td>Forest maintenance operations (no clear-cuts)</td>
<td>Forest maintenance operations (no clear-cuts)</td>
</tr>
<tr>
<td>semi-natural pine forests</td>
<td>semi-natural pine forests</td>
</tr>
</tbody>
</table>

- Forestal Soliva SL or another company subcontracted by FS
  - chips the feedstock at the harvesting site

- Forestal Soliva SL or another company subcontracted by FS
  - transports the wood chips to the port

- Forestal Soliva SL
  - stores wood chips at port
2.5 Quantification of the Supply Base

Supply Base

a. Total Supply Base area (ha): 9512762 ha
b. Tenure by type (ha):
   - Privately owned: 6610449 ha
   - Public: 2902313 ha
c. Forest by type (ha): 9512762 ha temperate;
d. Forest by management type (ha): 9512762 ha managed natural
e. Certified forest by scheme (ha):
   - FSC: 301000 ha
   - PEFC: 2197393 ha

Feedstock

f. Total volume of Feedstock: 20844.750 tonnes
g. Volume of primary feedstock: 20844.750 tonnes
h. 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%
   - Not certified to an SBP-approved Forest Management Scheme: 100%
i. List all species in primary feedstock, including scientific name.

<table>
<thead>
<tr>
<th>Common name</th>
<th>Scientific name</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aleppo pine</td>
<td>Pinus halepensis</td>
<td>90%</td>
</tr>
<tr>
<td>Umbrella pine</td>
<td>Pinus pinea</td>
<td></td>
</tr>
<tr>
<td>Black pine</td>
<td>Pinus nigra</td>
<td>10%</td>
</tr>
<tr>
<td>Maritime pine</td>
<td>Pinus pinaster</td>
<td></td>
</tr>
</tbody>
</table>

j. Volume of primary feedstock from primary forest – 0 ton
k. 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%
l. Volume of secondary feedstock: specify origin and type: 0 ton
m. Volume of tertiary feedstock: 0 ton
3  Requirement for a Supply Base Evaluation

<table>
<thead>
<tr>
<th>SBE completed</th>
<th>SBE not completed</th>
</tr>
</thead>
<tbody>
<tr>
<td>☒</td>
<td>☐</td>
</tr>
</tbody>
</table>

SBE was completed for primary feedstock supplied to BP, because insufficient forests are FSC or PEFC certified in the Supply Base.
4 Supply Base Evaluation

4.1 Scope

The scope of SBE is:

- The Supply Base, which includes forest areas from six Autonomous Communities of Spain (Aragon, Andalusia, Catalunya, Castilla-La Mancha, Valencia, and Murcia).
- Forest maintenance operations (thinning, no clear-cuts) in semi-natural pine forests.
- Forest operations carried out in private and public forests by own harvesting teams, subcontracted teams and teams of suppliers.

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 and regulations;
- Reports on other SBP projects in Spain;
- Publications of national organizations and of the Autonomous Communities,
- Publications of NGOs, e.g. the FSC National Risk Assessment (2018);
- Scientific studies;
- Mass media sources.

Besides that, the SBR and SBE were published for stakeholder consultation. Stakeholders were proactively invited to provide their comments by e-mail.

Forestal Soliva has 70 years of experience with forest management operations in the Supply Base and has consulted with international specialists on SBP certification.

4.3 Results of Risk Assessment

A few indicators showed potential risks, but Forestal Soliva had standard operational procedures in place mitigating these risks, already before the start of preparing for SBP certification.

The risk assessment identified one (1) specified risk, related to 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.”

Forestal Soliva already had implemented control systems and procedures for verifying that appropriate safeguards are in place to protect health and safety during forestry operations. However, to be sure, and because this is an actual problem within the Supply Base, the indicator was categorised “specified risk”.

4.4 Results of Supplier Verification Programme

Not applicable, as there were no unspecified risks.

4.5 Conclusion

Every indicator was thoroughly studied at the level of country (Spain) and at the level of the selected Autonomous Communities. Many sources of information were used to assess each indicator, regarding the scope of this SBE.

In general, the SBE indicated:

- Laws and regulations on forestry in Spain and the Autonomous Communities within the Supply Base protect the environment well and the system of law enforcement is effective;
- The forest cover in Spain has increased with 1/3 over the last 30 years. The forests are mainly multifunctional, protected areas are well designated;
- Forestal Soliva does maintenance operations in forest stands that mostly need such operations desperately from every sustainability point of view. The ecological, economic and social impact of these operations are positive (and no clear cutting);
- Forestal Soliva uses four common, native tree species only (not protected species);
- Forestal Soliva has 70 years of experience in forest maintenance operations.

Forestal Soliva has several strengths, regarding its management system. On legality issues, the company has a strong administration system that ensures the collection of legal documentation from suppliers and subcontractors. Tax payments are verified throughout the whole supply chain, starting at the forest owner. Besides that, Code of good practices in Sustainable Forest Management is always implemented.

The analysis showed legality issues are well covered by law enforcement organisations and the company’s every-day business procedures. Forestal Soliva does not start a business relationship without essential legal documentation related to the planned forest operations.

The assessment of the SBP sustainability requirements resulted in low risk evaluations, except for indicator 2.8.1, which covers health and safety issues of forest workers. Forestal Soliva takes additional measures to mitigate this risk.

Sustainability issues related with ecological values are additionally mitigated by using Code of good practices in Sustainable Forest Management.

The team of specialists working on the SBE is confident the Biomass Producer can ensure its feedstock complies with the SBP requirements on legality and sustainability.
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.

Laura Ivorra is the forestry engineer at Forestal Soliva 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.
6 Stakeholder Consultation

Around 30 stakeholders were identified and approached. Stakeholders were contacted by e-mail, providing a link to the Supply Base Report and Supply Base Evaluation.

The stakeholders were encouraged to provide contributions and comments to the SBE, within the one-month consultation period.

Also, after the consultation period, Forestal Soliva will take into consideration at the full extent any concerns about the SBE.

6.1 Response to stakeholder comments

A summary of the stakeholder comments and how they were taken into consideration will be listed here after finalization of consultation period.

Comment 1: …

Response 1: …
7 Overview of Initial Assessment of Risk

Table 7.1. Overview of results from the risk assessment of all Indicators

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Initial Risk Rating</th>
<th>Indicator</th>
<th>Initial Risk Rating</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Specified</td>
<td></td>
<td>Specified</td>
</tr>
<tr>
<td>1.1.1</td>
<td>X</td>
<td>2.3.1</td>
<td>X</td>
</tr>
<tr>
<td>1.1.2</td>
<td>X</td>
<td>2.3.2</td>
<td>X</td>
</tr>
<tr>
<td>1.1.3</td>
<td>X</td>
<td>2.3.3</td>
<td>X</td>
</tr>
<tr>
<td>1.2.1</td>
<td>X</td>
<td>2.4.1</td>
<td>X</td>
</tr>
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<td>1.3.1</td>
<td>X</td>
<td>2.4.2</td>
<td>X</td>
</tr>
<tr>
<td>1.4.1</td>
<td>X</td>
<td>2.4.3</td>
<td>X</td>
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<td>1.5.1</td>
<td>X</td>
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<tr>
<td>1.6.1</td>
<td>X</td>
<td>2.5.2</td>
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<td>2.1.1</td>
<td>X</td>
<td>2.6.1</td>
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<td>2.1.2</td>
<td>X</td>
<td>2.7.1</td>
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<td>2.1.3</td>
<td>X</td>
<td>2.7.2</td>
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<td>2.2.1</td>
<td>X</td>
<td>2.7.3</td>
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<td>2.2.2</td>
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<td>2.7.4</td>
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<td>2.2.3</td>
<td>X</td>
<td>2.7.5</td>
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<tr>
<td>2.2.4</td>
<td>X</td>
<td>2.8.1</td>
<td>X</td>
</tr>
<tr>
<td>2.2.5</td>
<td>X</td>
<td>2.9.1</td>
<td>X</td>
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<tr>
<td>2.2.6</td>
<td>X</td>
<td>2.9.2</td>
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<td>2.2.7</td>
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<td>2.10.1</td>
<td>X</td>
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<td>2.2.8</td>
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<td>2.2.9</td>
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</tbody>
</table>
8 Supplier Verification Programme

8.1 Description of the Supplier Verification Programme
N/A

8.2 Site visits
N/A

8.3 Conclusions from the Supplier Verification Programme
N/A
9 Mitigation Measures

9.1 Mitigation measures

The risk assessment identified one (1) specified risk, namely on 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.”

Forestal Soliva:

- Obliges suppliers and subcontractors to provide all necessary legal documentation (certificate of accident insurance, training records on health and safety risks, record of delivery of PPE to all workers, a positive certificate for each worker issued by a doctor);
- Refuses to buy wood from suppliers that are not able to provide all necessary documentation related to health and safety requirements from its workers or subcontractors;
- Provides training to its own forest harvesting teams (obligatory);
- Provides a copy of best forest management practices, including explanations on health and safety, to the forest workers;
- Supervises own harvesting operations and the operations of suppliers (80% random checks) on the fulfilment of the health and safety requirements. All required PPE must be used, and other protection equipment must available onsite. A check list on different health and safety issues has been developed.

If the health and safety requirements are not fulfilled in full during a harvesting operation, the SBP-compliant claim is rejected for the feedstock coming from such operations.

9.2 Monitoring and outcomes

After explaining the requirements to the forest workers, the results of the mitigation measures where positive. Most of the feedstock is harvested by the harvesting teams of Forestal Soliva. Within the company itself the risks are well mitigated. External harvesting teams checked 80% of the time, at random. The instruction material proved to be clear.
10 Detailed Findings for Indicators

Findings for each Indicator are given in Annex 1, below the most important points:

<table>
<thead>
<tr>
<th>1.1.1</th>
<th>The BP Supply Base is defined and mapped</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Low Risk</strong></td>
<td>The Supply Base is limited to the official area of forest fund of six defined Autonomous Communities of Spain. The forest area in these Autonomous Communities are well mapped (inventories by the government). Forestal Soliva only carries out thinnings (forest maintenance and selective harvesting operations) that are approved by the Forest Service and that are not a subject to environmental impact assessments. Forestal Soliva harvests four common coniferous tree species only. The main tree species is Aleppo pine (Pinus halepensis).</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>1.1.2</th>
<th>Feedstock can be traced back to the defined Supply Base</th>
</tr>
</thead>
</table>
| **Low Risk** | In Spain, cadastral information on properties throughout the country is available. All properties have a unique cadastral reference. Forestal Soliva collects delivery notes for every delivery and records the inputs. These documents can be trusted in Spain, and there are no intermediate storages. The location of the plots is well described and visited by Forestal Soliva. One of the following documents is always collected:  
- Authorization of harvesting (in private forests without Forest Management Plan, FMP);  
- Notification of harvesting and FMP (if available), (in private forests with FMP);  
- Adjudication of harvesting or contract with public authority (in public forests). |

<table>
<thead>
<tr>
<th>1.1.3</th>
<th>The feedstock input profile is described and categorised by the mix of inputs</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Low Risk</strong></td>
<td>There is only one input profile: “pine wood chips”. Forestal Soliva keeps an internal register on feedstock inputs (an Excel file). Forestal Soliva obtain from the port authorities daily entry reports and monthly storage reports that also include descriptions of the material entering to the port.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>1.2.1</th>
<th>The BP has implemented appropriate control systems and procedures to ensure that legality of ownership and land use can be demonstrated for the Supply Base</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Low Risk</strong></td>
<td>A contract/authorization with the private owner or an agreement with a public authority is in place for every work carried out by Forestal Soliva.</td>
</tr>
</tbody>
</table>
One of the following documents need to be available (issued by the authorities and specifying the owner):

- Authorization of harvesting;
- Notification of harvesting and copy of FMP (if available);
- Adjudication of harvesting or contract with public authority.

Cadastral data are available within all Autonomous Communities and these are checked by the authorities when issuing the required permit for operations in private forests.

**1.3.1 The BP has implemented appropriate control systems and procedures to ensure that feedstock is legally harvested and supplied and is in compliance with EUTR legality requirements**

Forestal Soliva has developed a Due Diligence System (DDS) for EUTR compliance. Key elements of the DDS are:

- Availability of authorization for Harvesting, or Forest Management Plan with notification of harvesting;
- Presence of a contract with the supplier, mentioning the land owner (must be identified);
- A Forestal Soliva technician coordinates chipping and transport operations to the port.
- Deliveries are direct from the forest to the port, without intermediate storage, supported by delivery notes, thus excluding risk of mixing with wood from unclear origin.

Local authorities conduct checking against EUTR compliance. Law enforcement on legality is strong. Forestal Soliva has a long track record of forest operations without any violations.

**1.4.1 The BP has implemented appropriate control systems and procedures to verify that payments for harvest rights and timber, including duties, relevant royalties and taxes related to timber harvesting, are complete and up to date**

A contract/authorization between Forestal Soliva and the supplier, the forest owner, or the public authority is always in place.

Forestal Soliva has certificates of the tax authorities on non-debt.

Invoices/receipts are available for every purchase, they include VAT.

Tax payments by the owners and suppliers is ensured through official procedures: if there is a debt, Forestal Soliva receives a notification from the tax authorities and pays to the authorities the owner’s or supplier’s debt first, then pays the owner and/or company, according to the contract.

The main tax related to harvesting rights are paid by the private owners to the Autonomous Communities before receiving the Authorization for harvesting. The payment is verified by the authorities before issuing authorization of harvesting. There are communities that do not have to pay any fees to obtain authorization.
1.5.1 **The BP has implemented appropriate control systems and procedures to verify that feedstock is supplied in compliance with the requirements of CITES**

**Low Risk**

The tree species procured by Forestal Soliva do not included CITES listed tree species. Forestal Soliva uses only: Aleppo pine (*Pinus halapensis*), Umbrella pine (*Pinus pinea*), Maritime pine (*Pinus pinaster*), Black pine (*Pinus nigra*).

Spain has a high number of endangered species, mostly protected in dedicated parks or Natura 2000 network sites. Spain also a strong legal framework and sufficient law enforcement on CITES and protected species.

Before working in an area, the protection status of the forest is known and CITES species are taken into account. In regular forests, key-ecosystems, where protected species can occur are identified.

1.6.1 **The BP has implemented appropriate control systems and procedures to ensure that feedstock is not sourced from areas where there are violations of traditional or civil rights.**

**Low Risk**

There are no indigenous people is Spain, nor minorities that claim exceptional customary, or traditional use rights. In general, some customary rights related to forests exist, but there are no relevant issues or conflicts related to these rights. Besides, an effective legislation is in place.

Multiple international reports do not identify Spain and the Spanish forest sector as an area where violations of traditional or civil rights occur.

2.1.1 **The BP has implemented appropriate control systems and procedures for verifying that forests and other areas with high conservation value in the Supply Base are identified and mapped.**

**Low Risk**

The Natura 2000 network are very closely related to HCV 1, 2, 3 and 4. Spain is contributing the most to the Natura 2000 network among all European countries. The implementation of it in Spain means extending the protected area status to approximately 28% of the territory, a significant proportion.

UNESCO is a source of information on HCV 6. HCV 5 is relevant in terms of potable water and sanitary needs of the population. There are no indigenous people in Spain, nor minorities solely dependent on forests as a livelihood.

There are high conservation values linked to cultural property and prehistoric events. The Iberian Peninsula is an area with a large amount of archaeological and prehistoric sites. There is legislation, both at the National as the Autonomous Community level that protects and catalogues sites and objects of historical and cultural value.

Maps related to the forests and areas with high conservation value are available in open sources and on websites of the national government and Autonomous Communities.
### 2.1.2 The BP has implemented appropriate control systems and procedures to identify and address potential threats to forests and other areas with high conservation values from forest management activities.

#### Low Risk

During the process of approving Forest Management Plans or obtaining the Authorization for Harvesting for a particular area, the HCVs are studied by forest engineers. This is related to any harvesting being conducted on the public and private properties.

Legislation on Natural Heritage and Biodiversity covering HCV is in force and has high degree of implementation. Forest Service evaluations of HCVs reflected in:

- Forest Management Plans;
- Authorizations for Harvesting;
- Contracts with public authorities (in case of work in public forest).

Concrete requirements are issued to the forest owner and companies in writing, and the fulfilment is checked by the Forest Service.

Soliva and its suppliers only carries out thinnings (forest maintenance and selective harvesting operations) that are approved by the Forest Service.

### 2.1.3 The BP has implemented appropriate control systems and procedures for verifying that feedstock is not sourced from forests converted to production plantation forest or non-forest lands after January 2008.

#### Low Risk

In Spain, the forest area increased by 33.6% between 1990 and 2016.

Forestal Soliva does not perform clearcutting operations, so it does not perform conversions itself. The maintenance operations are only performed in managed (semi)natural forest, not in plantations. Forestal Soliva harvests and processes four common, native species of pine trees.

### 2.2.1 The BP 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.

#### Low Risk

The Forest Service of each administration covers these requirements in any harvesting authorization.

By law, forest activities with certain characteristics must have an environmental impact report. The assessment of environmental impacts of harvesting activities are well regulated in Spanish legislation. An environmental impact report for operations near water zones, for example, needs to be provided to the Forest Service when applying for the Authorization for Harvesting, otherwise it cannot be issued.
Focusing on sustainable sourcing solutions

<table>
<thead>
<tr>
<th>2.2.2</th>
<th>The BP has implemented appropriate control systems and procedures for verifying that feedstock is sourced from forests where management maintains or improves soil quality (CPET S5b)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Low Risk</td>
<td>Main problem of soil quality of Mediterranean forests is soil desertification and erosion. These questions are regulated by the Forest Service. Spain has a Flood Risk Prevention and Management Directive, and a National Plan of Prioritized Actions to Hydrological and Forest Restoration, Soil Erosion Control and Combating Desertification. Forestal Soliva obtains wood from forest maintenance operations only that are approved by the Forest Service. Within the pine forest stands, the organic matter is preserved, as no clear cuts are performed.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>2.2.3</th>
<th>The BP 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).</th>
</tr>
</thead>
<tbody>
<tr>
<td>Low Risk</td>
<td>All Autonomous Communities have legislation on vulnerable ecosystems: They are referred to as National Parks, Natural Parks, Nature Reserves, Natura 2000 Network Areas, Biosphere Reserves, etc. Spain is contributing the most to the Natura 2000 network among all European countries. The Forest Service covers these requirements in any harvesting being conducted in either Forest Management Plans, authorizations for harvesting or harvesting contracts in public forest. Nature Protection Service, SEPRONA, carries out environmental law enforcement and checks the execution of the requirements. Code of good practices in Sustainable Forest Management is always used by Forestal Soliva. This document also covers key-ecosystems. Forestal Soliva inspects if forest operations are being executed correctly.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>2.2.4</th>
<th>The BP has implemented appropriate control systems and procedures to ensure that biodiversity is protected (CPET S5b).</th>
</tr>
</thead>
<tbody>
<tr>
<td>Low Risk</td>
<td>Law 42/2007 on Natural Heritage and Biodiversity establishes the basic legal framework for the conservation, sustainable use, improvement and restoration of natural heritage and biodiversity. Protected species are listed in Wild Species in Special Protection Regime and Spanish Catalogue of Endangered Species.</td>
</tr>
<tr>
<td>2.2.5</td>
<td>The BP has implemented appropriate control systems and procedures for verifying that the process of residue removal minimises harm to ecosystems.</td>
</tr>
<tr>
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<tr>
<td>Low Risk</td>
<td>Forest Service regulates forest residue management. The Nature Protection Service conducts inspections how forest residue is treated. Authorisations for Harvesting, or Forest Management Plans include relevant restrictions of treating forest residues. The Nature Protection Service carries out law enforcement and verifies the compliance of the work performed. A study in publicly available information on the protection of ecosystems did not result in any concerns. Forestal Soliva implements guidelines on forest residue removals as mentioned in publications like “Good Environmental Practices in Sustainable Forest Management” and the “Code of good practices in Sustainable Forest Management”.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>2.2.6</th>
<th>The BP has implemented appropriate control systems and procedures to verify that negative impacts on ground water, surface water and water downstream from forest management are minimised (CPET S5b).</th>
</tr>
</thead>
<tbody>
<tr>
<td>Low Risk</td>
<td>Environmental impacts of harvesting activities, like soil or water course damage, are generally well regulated in Spanish legislation. As a major branch of forest policy, Spain continues to be aimed at ensuring the supply of water in sufficient quantity and quality”. The authorizations of harvesting (authorization, notification or adjudication) guarantee that the work is carried out minimizing the effects on the water, in addition, if the action affects a zone of Public Hydraulic Domain, an extra authorization to act in this area must be requested. and the competent technicians of the river basin can mark restrictions or mitigation measures. Forestal Soliva implements best practices on ground water and surface water issues. The forest maintenance operations Forestal Soliva performs can be considered a mitigation measure in relation to water management.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>2.2.7</th>
<th>The BP has implemented appropriate control systems and procedures for verifying that air quality is not adversely affected by forest management activities.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Low Risk</td>
<td>There are reports from the European Commission and NGOs that too little is being done with regard to air pollution control. The greatest impacts on air quality in forests are caused by fires or emissions from nearby heavy industries. Forestal Soliva only impacts air quality by the emissions from its machinery. The work is not continuous in just one zone, so the impact is intermittent. When Forestal Soliva buys chips...</td>
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<tr>
<td><strong>Focusing on sustainable sourcing solutions</strong></td>
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<td>from other suppliers, under contract it demands the supplier to follow the Manual of Good Environmental and Forestry Practices and implement it. This is being checked.</td>
</tr>
<tr>
<td><strong>2.2.8</strong></td>
<td><strong>The BP 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).</strong></td>
</tr>
<tr>
<td><strong>Low Risk</strong></td>
<td>Royal Decree 494/2012 of 9 March includes the risks of pesticide application. Currently in Spain only treatments are being carried out against the pine processory (Thaumetopoea pityocampa), these treatments are only carried out by the Government in exceptional cases, when it deems appropriate. No reports have been found on relevant environmental damage caused by using chemicals linked to forestry operations. Forestal Soliva does not approve the inefficient use of pesticides. In case, this inefficient method would be used, the feedstock from these forests would not classify as SBP-compliant primary feedstock.</td>
</tr>
<tr>
<td><strong>2.2.9</strong></td>
<td><strong>The BP has implemented appropriate control systems and procedures for verifying that methods of waste disposal minimise negative impacts on forest ecosystems (CPET S5d).</strong></td>
</tr>
<tr>
<td><strong>Low Risk</strong></td>
<td>There are laws in force that forbid any waste disposal in the forest, such as Law 22/2011 on “The contaminated soil by waste”. The Nature Protection Service (SEPRONA) are heavily involved in the protection against waste. The service carries out inspections how the waste management has been carried out. When the Forest Service technicians make field visits, they also check that there are no wastes in the area. Forestal Soliva technicians always make a final visit to the area of action to verify that there is no waste or damage in the area.</td>
</tr>
<tr>
<td><strong>2.3.1</strong></td>
<td><strong>Analysis shows that feedstock harvesting does not exceed the long-term production capacity of the forest, avoids significant negative impacts on forest productivity and ensures long-term economic viability. Harvest levels are justified by inventory and growth data.</strong></td>
</tr>
<tr>
<td><strong>Low Risk</strong></td>
<td>The official statistics of national forestry inventory (IFN3) show a continuous and significant increase in standing stocks in Spain. Harvesting volumes within the Supply Base are lower than the Annual Allowable Cut. The annual increment in Spanish forests (45 million m³) is about three times greater than the amount harvested (15 million m³ per year). Harvest levels are always approved in front by the authorities when approving Forest Management Plans or issuing the Authorization for Harvesting. Forestal Soliva performs only thinnings (forest maintenance and selective harvesting operations) approved by the state authorities. Most of the forests within the supply base are</td>
</tr>
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</table>
in high need of maintenance operations. The operations that are being carried out focus on forest stand improvement. In no case clear cuts are made. Selective cuttings and maintenance operations secure the continuity of the forest, improve the quality of the stand, and enable natural forest regeneration. As a result, the net increment of wood within the forest increases.

### 2.3.2 Adequate training is provided for all personnel, including employees and contractors (CPET S6d).

**Low Risk**

According to Law 31/1995 on the Prevention of Occupational Risks, every forest worker of Forestal Soliva needs to receive training in Occupational Risk Prevention, with a 3-hour training (and certificate) and must be done annually and specifically for your job.

In addition, Forestal Soliva implements a Manual of Good Forestry Practices and does additional instructions to all employees and subcontractors on the way to perform the forest operations. Forestal Soliva checks its suppliers (on the performed trainings/certificates and field work).

### 2.3.3 Analysis shows that feedstock harvesting and biomass production positively contribute to the local economy, including employment.

**Low Risk**

Foreign trade in the forestry sector presents a positive balance from 2012 to 2016. With regards to economic impacts and employment in the local economy of the Autonomous Communities, timber producing forests are scarce and income comes mainly from other products and services. The working population employed in fields related to the forestry sector represents 5.7% (in 2016), of the total active population employed.

Spain importing most of its wood, and demand is growing. The Forestry Sector has a great potential in the creation of rural employment. The domestic forestry sector should increase and considering the present circumstances, more economic activity could double employment in forestry, from the current 155,000 to around 300,000 jobs. Unemployment is a major problem in Spain.

The impact of the work carried out by Forestal Soliva covers both forestry harvesting in private forests and the mobilisation of resources from public Administrations. Maintenance operations prove the yield of the stands improve, and thus also the profitability of the land.

Forestal Soliva incorporates local workers in its harvesting teams. The displacement of the teams has a positive impact on local economies.

### 2.4.1 The BP has implemented appropriate control systems and procedures for verifying that the health, vitality and other services provided by forest ecosystems are maintained or improved (CPET S7a).

**Low Risk**

Pests, pathogens and climate change are the main threats to the health and vitality of the forests, along with forest fires. There is a systematic legal framework, with action plans implemented at the government level to manage the main problems detected and a data
monitoring network (European Forest Damage Monitoring Network). In addition, the level of control by the forestry authority is sound throughout the whole country. The Spanish regulations and the surveillance procedures carried out by the Autonomous Communities are coherent.

Forestal Soliva and its suppliers implement “Good Environmental Practices in Sustainable Forest Management” and perform only maintenance operations. Frequently these are carried out manually. These kind of forest operations improve the health and vitality of forest ecosystems.

<table>
<thead>
<tr>
<th>2.4.2</th>
<th><strong>The BP has implemented appropriate control systems and procedures for verifying that natural processes, such as fires, pests and diseases are managed appropriately (CPET S7b).</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Low Risk</td>
<td>Fires currently represent one of the greatest threats to forests in Spain. Climate affects the susceptibility of forests to disturbances, as well as the frequency, intensity, duration and timing of these disturbances, including pest outbreaks. The national and regional governments are well aware of these problems and have developed policies and regulations to fight them. The work carried out by Forestal Soliva, which normally involves forest maintenance operations, has a positive impact on the prevention against forest fires, pests and diseases. Forestal Soliva and its suppliers carry out measures to prevent forest fires while the operations are being carried out.</td>
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<thead>
<tr>
<th>2.4.3</th>
<th><strong>The BP has implemented appropriate control systems and procedures for verifying that there is adequate protection of the forest from unauthorised activities, such as illegal logging, mining and encroachment (CPET S7c).</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Low Risk</td>
<td>The assessment of harvesting activities is well regulated in Spanish legislation. On a national and regional level law enforcement is carried out well. No reports were found on substantial problems regarding illegal logging, mining and encroachment in Spain.</td>
</tr>
</tbody>
</table>

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<tr>
<th>2.5.1</th>
<th><strong>The BP has implemented appropriate control systems and procedures for verifying that legal, customary and traditional tenure and use rights of indigenous people and local communities related to the forest, are identified, documented and respected (CPET S9).</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Low Risk</td>
<td>There are no indigenous people in Spain that required special protection in terms of their forests use rights, and there are no local communities that depend on the services of the forests in order to survive. Customary rights are considered before the harvesting operations are permitted. The implementation of these rights is regulated by means of the Civil Code and via regional legislation. Communally-owned community forests with their specific laws, have their own courts, subsequent to each Autonomous Community.</td>
</tr>
</tbody>
</table>
No publications were found on (significant) problems regarding violations of customary and traditional tenure and use rights.

### 2.5.2 The BP has implemented appropriate control systems and procedures for verifying that production of feedstock does not endanger food, water supply or subsistence means of communities, where the use of this specific feedstock or water is essential for the fulfillment of basic needs.

**Low Risk**

Regarding the basic needs of local communities, dependence of some local communities on unregulated water for human consumption and sanitary water, it is widely accepted among the experts that the present forest management activities do not threaten water availability, and that the governmental water policy (on forest restoration and hydrological protection measures) and regulations are sufficient safeguards.

Forest maintenance operations do not threaten water availability. This aspect is well regulated by the water law and the restrictions are reflected in the Authorization for Harvesting and in Forest Management Plans.

### 2.6.1 The BP has implemented appropriate control systems and procedures for verifying that appropriate mechanisms are in place for resolving grievances and disputes, including those relating to tenure and use rights, to forest management practices and to work conditions.

**Low Risk**

There is a well-established legal framework for land use and ownership rights, forest management activities and work conditions.

Grievances and disputes, including those relating to tenure and use rights, to forest management practices and to work conditions, can be reported to appropriate authorities regulating the issue in question. There are different channels established to address the relevant issues, for example: official appeals, hot-lines, and visits of authorities.

The SBP compliant procedure covers all complaints regarding forestry activities the company and its suppliers are performing.

### 2.7.1 The BP has implemented appropriate control systems and procedures for verifying that Freedom of Association and the effective recognition of the right to collective bargaining are respected.

**Low Risk**

Spain has ratified the ILO’s eight Fundamental Conventions.

One of the fundamental legal principles that underpins the current system of labour relations in Spain is the one contained in Spanish Constitution, which recognises freedom of association as being a fundamental right for all people to freely form trade unions.

There are some concerns over civil rights in Spain, as reflected in reports by international organisations like Amnesty International, but none of these concerns are related to the forestry sector.
<table>
<thead>
<tr>
<th>2.7.2</th>
<th>The BP has implemented appropriate control systems and procedures for verifying that feedstock is not supplied using any form of compulsory labour.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Low Risk</td>
<td>Spain has developed a solid legal and institutional framework to fight human rights violations and illegal employment. There is also a National Plan to fight illegal employment and Social Security fraud. International reports show, that violations of rights can affect improvements in working conditions. However, no relevant violations have been found of the laws on forced labour in relation to the forestry sector.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>2.7.3</th>
<th>The BP has implemented appropriate control systems and procedures to verify that feedstock is not supplied using child labour.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Low Risk</td>
<td>Spain has ratified the eight Fundamental ILO Conventions. In relation to the forestry sector, no violations were found of the laws regarding child labour.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>2.7.4</th>
<th>The BP has implemented appropriate control systems and procedures for verifying that feedstock is not supplied using labour which is discriminated against in respect of employment and occupation.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Low Risk</td>
<td>Spain has ratified the eight Fundamental ILO Conventions. In relation to discrimination, international research does not find significant problems in Spain.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>2.7.5</th>
<th>The BP has implemented appropriate control systems and procedures for verifying that feedstock is supplied using labour where the pay and employment conditions are fair and meet, or exceed, minimum requirements.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Low Risk</td>
<td>Spain has ratified the eight Fundamental ILO Conventions. Collective bargaining agreements exist, in which remuneration and employment conditions are settled for forest sector workers. There are some concerns regarding civil rights in Spain, but none of these concerns is related to the forestry sector.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>2.8.1</th>
<th>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 (CPET S12).</th>
</tr>
</thead>
<tbody>
<tr>
<td>Specified Risk</td>
<td>Health and safety issues are regulated by several laws and the level of control by state authorities is high. Companies are obliged to provide health and safety training and PPE to workers on regular basis. Random government technicians make on-site inspections to verify that all workers wear PPE and all regulations are complied with. Forest Police officers check ongoing harvesting operations without preliminary notice.</td>
</tr>
</tbody>
</table>
However, analysis shows that the forestry sector is, after the construction sector, the sector with the highest rate of occupational accidents and occupational diseases. Despite all efforts, the level of accidents does not decrease already many years.

Besides legally required mitigation measures, Forestal Soliva therefore implements additional mitigation measures to reduce this persistent risk.

Forestal Soliva obliges suppliers and subcontractors to provide all necessary legal documentation (certificates of insurances, training records, records of delivery of PPE to all workers, a positive health certificate issued by a doctor) and does continuous checks for own workers and of their suppliers (80%, random checks). An advanced check list on different health and safety issues has been developed and is being used.

If the health and safety requirements are not fulfilled in full during a harvesting operation, the SBP-compliant claim is rejected for the feedstock coming from such operations.

### 2.9.1 Feedstock is not sourced from areas that had high carbon stocks in January 2008 and no longer have those high carbon stocks.

Spain established at the national level measures aimed at securing carbon stocks and the reduction of emissions. In the framework of forestry, these measure entail:

- Promoting Sustainable Forest Management;
- Restoring and expanding a forest cover.

Forests which occupy almost 29% of Spain’s total land area are increasing by about 86 000 ha per year, both through natural expansion and through the forest plantation programme that has been under way for more than 50 years, with soil protection and erosion prevention as its main aims. This affected carbon stock in a very positive way.

In Spain, the land-use change, and forestry sector is a net sink of CO\textsubscript{2}, sequestering an average of 43.5tCO\textsubscript{2}e/yr from 1990 to 2014. This represents an offset of 14% of Spain’s total greenhouse gas emissions over the same period. Carbon sequestration according to last available data is higher in 2016 than in 2008.

Forestal Soliva and its suppliers perform only forest maintenance operations. Most of the forests within the supply base are in high need of maintenance operations. The regional administrations prefer to create uneven-aged forest stands, which can be managed by selective cuttings and maintenance operations. These operations guarantee a continuous forest cover, and high carbon stocks.

### 2.9.2 Analysis demonstrates that feedstock harvesting does not diminish the capability of the forest to act as an effective sink or store of carbon over the long term.

Forests are the greatest carbon sink compared to other land uses.

In forests, silviculture practices affect the level of carbon stock. Analysed studies show that maintenance operations and selective thinnings positively affect the carbon stock level in
the forest stand. They show the highest carbon sequestration rate. These operations guarantee a continuous forest cover, high carbon stocks, and improved growth rates. Forestal Soliva only conducts maintenance operations and selective thinnings.

<table>
<thead>
<tr>
<th>2.10.1</th>
<th>Genetically modified trees are not used.</th>
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</thead>
<tbody>
<tr>
<td>Low Risk</td>
<td>Activities with genetically modified organisms are regulated by Royal Decree 178/2004. Although there is no total prohibition on the use of GMO, it is strictly regulated, and licensing is required for this activity. The use of, for example, eucalypt plantations is restricted by law. Forestal Soliva does not operate in forests with genetically modified trees, and such wood is not utilized. Used are only four common, native pine species.</td>
</tr>
</tbody>
</table>
11 Review of Report

11.1 Peer review

A peer review was not conducted.

11.2 Public or additional reviews

Next to the regular stakeholder consultation process, no public or additional reviews were conducted.
## Approval of Report

### Approval of Supply Base Report by senior management

<table>
<thead>
<tr>
<th>Report Prepared by:</th>
<th>Laura Ivorra</th>
<th>SBP manager</th>
<th>04/04/2019</th>
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<td>Name</td>
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<tr>
<th>Report approved by:</th>
<th>Miguel Soliva</th>
<th>Director</th>
<th>04/04/2019</th>
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<tbody>
<tr>
<td>Name</td>
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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.
13 Updates

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

13.1 Significant changes in the Supply Base
N/A - Initial audit

13.2 Effectiveness of previous mitigation measures
N/A - Initial audit

13.3 New risk ratings and mitigation measures
N/A - Initial audit

13.4 Actual figures for feedstock over the previous 12 months
20845 tonnes

13.5 Projected figures for feedstock over the next 12 months
30000 tonnes