Supply Base Report:
Skovdyrkerforeningen Midt A.M.B.A.

Second Surveillance Audit

www.sbp-cert.org

Completed in accordance with the Supply Base Report Template Version 1.5

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

Document history

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Contents

1 Overview

Producer name: Skovdyrkerforeningen Midt A.M.B.A.

Producer address: Parallelvej 9a, 8680 Ry, Denmark

SBP Certificate Code: SBP-08-50

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Company website: www.skovdyrkerne.dk/midt

Date report finalised: 02 Jun 2021

Close of last CB audit: 10 May 2023

Name of CB: Preferred by Nature OÜ

SBP Standard(s) used: SBP Standard 1: Feedstock Compliance Standard, SBP Standard 2: Verification of SBP-compliant Feedstock, SBP Standard 4: Chain of Custody, SBP Standard 5: Collection and Communication of Data Instruction, Instruction Document 5E: Collection and Communication of Energy and Carbon Data 1.5

Weblink to Standard(s) used: https://sbp-cert.org/documents/standards-documents/standards

SBP Endorsed Regional Risk Assessment: Denmark

Weblink to SBR on Company website: N/A

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

2 Description of the Supply Base

2.1 General description

Feedstock types: Primary, Secondary

Includes Supply Base evaluation (SBE): Yes

Includes REDII: N/A

Includes REDII SBE: N/A

Feedstock origin (countries): Denmark

2.2 Description of countries included in the Supply Base

Country: Denmark

Area/Region: Denmark

Sub-Scope: N/A

Exclusions: No

The scope of this description is to provide the necessary background information to read and understand this Supply Base Report - which constitutes a central part of the preparations for documenting the procedures involved in sustainable harvesting of forest biomass at Skovdyrkerne Midt.

2.1General description

Skovdyrkerne Midt (Smi) is a service organisation owned and controlled by local forest owners. The purpose of the organisation is to provide all services related to forest management – delivered in a way that takes the conditions and outlook of each forest owner as the starting point. Skovdyrkerne Midt is one of 5 local branches that constitute 'De Danske Skovdyrkerforeninger' - together forming a nationwide network providing services to the forest owners. Midt has, per 1st of May 2023, 762 members owning a total of 11.585 ha forest land (including Christmas tree plantations and open nature types related to forests). The members control the management of their organisation through a board of directors – elected on an annual general assembly. The service and the operations of the organisation are carried out by a staff of foresters (all educated with a M.Sc. or B.Sc. in forestry) under the leadership of a forest supervisor (CEO). Per 1st of May 2023 the staff included 15 foresters. The services of Midt comprise all aspects of forest management: Advisory services (on site, written reports, green forest management plans, project plans for afforestation etc.). Harvest operations in forest - timber and biomass (from tree to industry). Harvest operations in Christmas trees and decoration foliage (from tree to end user). All types of manual and mechanical operations in relation to silviculture, Christmas trees, foliage and management of nature in the open range. Most of the activity and operations takes place in forests owned by the members of Midt - who has also certain advantages compared with other forest owners (non-members). But buying / selling forest products and services from / to other forest owners also takes place, as well as buying / and selling forest products on a gross basis (acting as a trader).

2.1.1 Baseline definitions and scope: In this context the following baseline definition about Midt as a biomass producer (BP) can be made: Biomass sourced has to undergo the procedures described in the management system that determine whether it can be considered sustainable according to the SBP standard. Biomass from all harvest operations (from planning, felling and all the way to the customer) can be considered as 'within the production facility' - and all procedures in the Supply Base Evaluation, including risk assessment and mitigation measures, are carried out by Midt own forest educated and trained staff. The scope of this Supply Base Report is restricted to primary- and secondary feedstock. As an operator closely connected to the forests, Midt does not work with tertiary feedstock at all.

Please find sustainability characteristics inthe SAR (Audit portal). The definition of forest land - where SBP is applicable - is the FAO standard: Tree covered area of no less than 0.5 ha where the trees becomes higher than 5 m. - With the extension from the Danish department of Nature that the width is at least 20 m.

2.1.2Defining the Supply Base Area The Supply base is all of Denmark, but MIDT is mainly harvesting biomass in the central part of Jutland. By far the largest proportions originate from the regions "Midtjylland"

2.1.3Denmark - forest resources Where no other source or reference is given, this section - giving a description of the forest resources in Denmark - is based on the similar description in 'SBP Regional Risk Assessment for Denmark'. This choice is made for several reasons: The RRA gives an updated overview of the relevant information, The RRA contains the necessary and relevant references to sources of information - please press this link for further information. The stakeholder involvement secures that the description is made in consensus with other stakeholders - even if we at MIDT are a bit more optimistic in our view on the current status in the Danish forests, we in this manner includes the precautionary principle in our approach. The terrestrial environment of Denmark is divided between two EU biogeographical regions by means of a north-south divide through the middle of the Jutland Peninsula: 1) the Atlantic region, covering the western part of Jutland and the Continental region, and 2) the Continental region covering the eastern part of Jutland and Denmark's islands. These regions are used by the Danish Nature Agency under the Ministry of the Environment and Food to the EU Commission to report on the status and management results of Natura 2000 conservation areas. In the early 1800's, the forest cover in Denmark is estimated to have been as low as 3-4% of the total land area. Deforestation was caused by logging for timber and firewood and for animal grazing areas. Denmark's first forest legislation came into force in 1805. Its main objective - as wells as following Danish forest acts - has been to maintain the forest covered area and to protect the existing forest from overexploitation, premature felling and grazing by farm animals. In the mid nineteenth century, intensive forest management became widespread and large afforestation projects were carried out. Today approximately 14% (615,000 hectares) of Denmark's land area is covered by various types of forest. According to the Danish National Forest Inventory, conducted by the Danish Nature Agency, 44% of Denmark's forest area is dominated by broadleaved trees, 36% by coniferous tree species, 10% by a mixed coniferous and broadleaved tree species, 5% are Christmas tree plantation (located within all the above forest types) and 2% of the area is unstocked, e.g., log loading and landing yards, fire prevention areas etc. Furthermore, 67% of the Danish forest area is covered with even-aged planted stands with 9% being even-aged stands from natural regeneration and 6% of the forest area is uneven-aged natural forest. The latter represent pockets forests that would be closest to what is considered of natural forest stands having retained or regained natural forest characteristics; which can be found in forests both under private and public ownership and they are predominantly located in the Continental region (east Jutland and the isles). The location of these natural forest stands is generally well-known, but some may still be unidentified. Of Denmark's 633,000 hectares of forest, 440,000 hectares are managed as forest reserves (called 'fredskov' in Danish) governed under the Danish Forest Act. The Forest Act permits forest management activities within these areas; however, Article 8 requires the managed area shall regain forest cover within 10 years from felling, that a maximum of 10% of the forest area can be used for short rotation Christmas trees or greenery production (e.g., cuttings typically from Abies procera), and another maximum of 10% of the area can be used for coppicing or for animal forest grazing. The Forest Act also protects streams and wetlands in forests that are not covered by the Nature Protection Act or under the Ministry of Environment or local authorities. It stipulates that lakes, bogs,

heathlands, species-rich grasslands, coastal grasslands and bogs and fens located in “fredskov” forest reserve may not be planted or cultivated, drained or in other way changed. It is also important to note the Forest Act does not include many regulations regarding, e.g. harvesting, planting or thinning. There are 75,296 hectares of forests designated as Natura 2000 areas (12% of the Danish forest area) which have some overlap with the 70,944 hectares forests and other natural areas designated under the EU Habitat Directive, 49,134 hectares under the EU Birds Directive and 9,668 hectares as Ramsar sites. A harvest permit must be obtained from the Danish Nature Agency to conduct any timber harvesting activities within Natura 2000 forests; permits are given provided that the forest ecosystem will not be degraded. Issuing such permit is to be regarded more as an exception than common practice. In relation to HCV category 3, it is worth noting that although the Forest Act §25 sets standards for registering ‘especially valuable forests’ i.e., valuable in terms of their biodiversity and conservation value, and accompanying appropriate conservation management activities for these areas, these areas have not yet been registered by the Danish Nature Agency. Danish forests biodiversity and conservation values have been surveyed by Department of Geosciences and Natural Resource Management at Copenhagen University through a sampling methodological approach. Therefore, not all forest areas have been systematically surveyed, particularly small privately forests area. The Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) was introduced on 1 July 1975. In Denmark, the convention has been in force since 24 October 1977. In December 2020, 183 countries worldwide had joined the convention. Endangered species are not included in BP's production of biomass. Forest ownership in Denmark is divided by private forests owners, (71%), State and Municipal owners (23%), trust funds or foundations (5%) and unknown owners (1%). 2.1.4 Production of roundwood, firewood and wood for energy The felling in the Danish forests is calculated not only by Denmark's Forest Statistics but also by Denmark's Statistics on the basis of questionnaires circulated to the Danish forest owners. The forest owners report the quantities of wood processed and therefore include, in contrast to the figures from Denmark's Forest Statistics, only the part of the wood mass that has been taken out of the forest. The difference in the methods used must therefore be expected to result in differences in the calculated quantities of felling, as some wood is left in the forest in connection with felling. In the latest statement from Statistics Denmark (2019), the total felling has been calculated to 3.8 million m3, of which 68% was coniferous wood and 32% hardwood. The harvest calculated by Statistics Denmark is thus close to the quantities calculated by field measurements in Denmark's Forest Statistics. The felling volumes calculated by Statistics Denmark are rising strongly from 2012, which is partly due to a method change at Denmark's Statistics. Of the total felling volume in 2019, 43% was used for for construction, furniture, floors, etc. and 57% was used for energy in the form of firewood, wood chips or round wood for energy. In comparison, MIDT produced approx. 230.000 m3 of wood chips in the current season. In other words, MIDT is not dominant in the market. 2.1.5 Biodiversity in Danish forests In general the biodiversity in the Danish forests are affected by the historical development. In the beginning of the 18th century the forest cover was reduced to a few percent of the land coverage. In 1805 the forest act was implemented for all most all the forests at that time. This shifted focus to the production on timber and over the next 200 years exotic tree species and especially coniferous tree species were increasing. The immediate consequence of the Forest Act was that the forest cover became denser because the trees and the regeneration was protected from the grazing livestock, the open areas within the forest was planted. The actions initiated 200 years ago have had a great impact on the biodiversity in the forests and we are now obligated to stop the reduction of biodiversity in the forest. Since the 1990’s forestry practices in Denmark, especially in State and Municipality owned forest, have shifted from traditional, production oriented forest management towards management regimes with a wider set of goals for conservation, biodiversity, recreation and addressing other social needs such as preserving cultural heritage sites. Today there is a vast focus on preserving and even increasing the biodiversity in the forest. The awareness of this issue is an important step in a sustainable forest management, where a lot of factors must be balanced. Danish forest have been surveyed by Department of Geosciences and Natural Resource Management at Copenhagen University by means of a sample methodology and their biodiversity and conservation values have been documented under the Danish National Forest Inventory (NFI) hosted by the Danish Nature Agency. Denmark ratified the Convention on Biological Diversity in 1994. Today more than 14,84% of Denmark’s terrestrial lands are protected, one third of which are classified as IUCN Categories I and II; of which a large number are protected under the Nature Protection Act and the Natura 2000 EU Directive. These areas have been

designated specifically to protect species, landscapes, cultural heritage and/or for scientific research and/or education purposes. 13.276 species in 8 major species groups in Denmark have been assessed (2019) according to IUCN Red List criteria. 4.431 or 42% of these have been red-listed (including category DD, insuffient data). 22% of the red-listed species are afilliated to the forest, 30% of these relate to dead wood from domestic species (beech, oak, birch). Furthermore, areas enjoying protection under the Forest Act, Natura 2000 and/or the Nature Protection Act are also mapped and available online via the Danish Nature Agency's digital nature map. There is one forest area in North Zealand which is listed as UNESCO world heritage due to its historical significance as royal 'Parforce' hunting grounds landscape as, the site demonstrates the application of Baroque landscaping principles to forested areas.

2.3 Actions taken to promote certification amongst feedstock supplier

SMI have since 2007 been approved to hold a PEFC group certificate. SMI is also approved to assist forest owners to be certified under the FSC group certificate.

SMI has embraced the SBP standard as a mean to ensure the procurement of sustainable biomass in a scheme that is affordable for small scale forestry. Skovdyrkerne have been a strong driver and stakeholder in the process towards a Regional Risk Assessment on a national level in Denmark.

SMI implements SBP risk assessment and mitigation measures in procurement of all primary feedstock - both biomass and timber - and through our Supplier Verification Programme we reach out to further increase the level of sustainability within our geographical work range.

2.4 Quantification of the Supply Base

Supply Base

a. **Total Supply Base area (million ha)**: 0,62
b. **Tenure by type (million ha):**0.47 (Privately owned), 0.14 (Public), 0.00 (Community concession)
c. **Forest by type (million ha):**0.62 (Temperate)
d. **Forest by management type (million ha):**0.60 (Plantation), 0.02 (Natural)
e. **Certified forest by scheme (million ha):**0.14 (FSC), 0.30 (PEFC)

Describe the harvesting type which best describes how your material is sourced: Mix of the above
Explanation: Skovdyrkerne Midt, serves all type of forest owners, and thereby undertake all types of forest operations.
Was the forest in the Supply Base managed for a purpose other than for energy markets? Yes - Majority
Explanation: For the following purposes: - Nature conservation - Leisure and sport - Hunting - Sale of hard and softwood

For the forests in the Supply Base, is there an intention to retain, restock or encourage natural regeneration within 5 years of felling? Yes - Majority
Explanation: General practice is, that completed forest stands are replanted within 1 to 5 years or left for natural regeneration - where a viable forest is achieved withing 5 years. This, because the silvicultural challenges of establishing forest becomes harder with e.g. grasses prolonging the establishment period -

more problems the longer time that the forest owner waits with reforestation or other nature conservation activities. The following is from the guidelines to the Danish Forest Act. §1 Areas subject to the protected forest obligation must be overgrown with trees that are or can become high-stemmed forest. The operation of protected forest obliged areas is based on a holistic view. The use of a holistic consideration in the administration of the law and in the operation of the forests means that all the considerations mentioned in the provision (§ 1, subsection 3, ed.) Must be included in the decisionmaking process regarding the future dispositions for the individual protected forest obliged area. The holistic consideration applies - as under the current law - to the individual protected forest obliged area, ie. for the physical aggregate unit constituting 'a forest'. The overall consideration therefore implies that an area subject to the protected obligation, where all stands are operated so that they only cater for one consideration, does not live up to the intentions in the bill. The following applies to the individual forest areas with protected forest obligation: The area must meet the requirement in no. 1 within the last 10 years after the completion of a mature stand. The comments on § 8, no. 3: "Ad No. 3) The provision maintains the obligation in section 17 (1) of the current Act. 2, to rejuvenate the forest. According to the current law, there has been a practice for the rejuvenation to be completed within a period of 3-4 years. According to the proposal, there is a period of 10 years from the time when the existing vegetation is phased out until the area must be overgrown again in a way that ensures that closed highstemmed forest is formed. This applies regardless of the rejuvenation method used. Thus, natural overgrowth can be used as a rejuvenation method without dispensation. As far as possible, large, cohesive, mature stands should be avoided at once (monocultures). Reindeer herding should be avoided for environmental reasons, but also because it can cause the area to grow with grass and weeds, which makes it difficult and expensive to re-establish forest. Although there is a deadline of 10 years to establish a culture that can form closed forest of high-stemmed trees, a sustainable operation will in many cases mean that a new culture should be established relatively soon after completion. Lack of canopy cover, especially in frostexposed localities that grow with grass and weeds, can make it difficult and expensive to establish trees on the area if the culture is only established 5-10 years after drift. "
https://mst.dk/erhverv/skovbrug/lovgivning/vejledning-om-skovloven/8/#4

Was the feedstock used in the biomass removed from a forest as part of a pest/disease control measure or a salvage operation? No
Explanation: In general no. However some coniferous stands attacked by micans or similar diseases are removed as part of a local pest/disease control

What is the estimated amount of REDII-compliant sustainable feedstock that could be harvested annually in a Supply Base (estimated): N/A N/A
Explanation:N/A

Feedstock

Reporting period from: 01 Apr 2022

Reporting period to: 31 Mar 2023

a. **Total volume of Feedstock**: 1-200,000 tonnes
b. **Volume of primary feedstoc**k: 1-200,000 tonnes
c. **List percentage of primary feedstock, by the following categories.**
    - Certified to an SBP-approved Forest Management Scheme: 1% - 19%
    - Not certified to an SBP-approved Forest Management Scheme: 80% - 100%
d. **List of all the species in primary feedstock, including scientific name:** Acer pseudoplatanus (Sycamore); Fraxinus excelsior (Ash); Carpinus betulus (Hornbeam); Betula pubescens (white beach);

Betula pendula (silver birch); Pinus mugo (Mountain pine); Populus tremula (Aspen); Fagus sylvatica (Beech); Pinus contorta (lodgepole pine); Chamaecyparis lawsoniana (Lawson Cypress); Pseudotsuga menziesii (Douglas Fir); Quercus robur (Common Oak); Quercus petraea (Sessile Oak); Ulmus glabra (Mountain Elm); Juniperus communis (Juniper); Prunus avium (Wild Cherry/Gean); Abies grandis (Grand Fir); Corylus avellana (Hazel); Aesculus hippocastanum (Horse Chestnut); Picea glauca (White Spruce); Crataegus laevigata (Hawthorn); Crataegus monogyna (Hawthorn); Tilia cordata (Common lime); Larix decidua (European larch); Larix kaempferi (Japanese larch); Larix eurolepis (Dunkeld larch); Acer campestre (Field maple); Abies procera (Noble fir); Abies nordmanniana (Nordmann fir); Picea omorika (Serbian spruce); Salix spp (Willow); Populus spp (Poplar); Quercus rubra (Northern red oak); Alnus glutinosa (Common alder); Picea abies (Norway spruce); Sorbus aucuparia (Rowan tree); Sorbus intermedia (Swedish whitebeam); Picea sitchensis (Sitka spruce); Pinus sylvestris (Scots pine); Acer platanoides (Maple); Taxus baccata (Yew); Thuja plicata (Western red cedar); Tsuga heterophylla (Hemlock); Juglans nigra (Walnut); Abies alba (Silver fir); Pinus nigra (Austrian pine);

e. **Is any of the feedstock used likely to have come from protected or threatened species?** No
   - Name of species: N/A
   - Biomass proportion, by weight, that is likely to be composed of that species (%): N/A

f. **Hardwood (i.e. broadleaf trees): specify proportion of biomass from (%):** 30,00

g. **Softwood (i.e. coniferous trees): specify proportion of biomass from (%):** 70,00

h. **Proportion of biomass composed of or derived from saw logs (%):** 0,00

i. **Specify the local regulations or industry standards that define saw logs:** DS/EN 844:2019; TheDanish Forest Association also defines these, for members however: https://www.skovforeningen.dk/nyhed/find-handelsbetingelserne-for-trae-i-raatraehaeftet/

j. **Roundwood from final fellings from forests with > 40 yr rotation times - Average % volume of fellings delivered to BP (%):** 5,00

k. **Volume of primary feedstock from primary forest:** 0 N/A

l. **List percentage of primary feedstock from primary forest, by the following categories. Subdivide by SBP-approved Forest Management Schemes**:
   - Primary feedstock from primary forest certified to an SBP-approved Forest Management Scheme: N/A
   - Primary feedstock from primary forest not certified to an SBP-approved Forest Management Scheme: N/A

m. **Volume of secondary feedstock**: 0 N/A
   - Physical form of the feedstock: N/A

n. **Volume of tertiary feedstock**: 0 N/A
   - Physical form of the feedstock: N/A

o. **Estimated amount of REDII-compliant sustainable feedstock that could be collected annually by the BP:** N/AN/A

Proportion of feedstock sourced per type of claim during the reporting period				
Feedstock type	**Sourced by using Supply Base Evaluation (SBE) %**	**FSC %**	**PEFC %**	**SFI %**

Primary	95,00	0,00	5,00	0,00
Secondary	0,00	0,00	100,00	0,00
Tertiary	100,00	0,00	0,00	0,00
Other	100,00	0,00	0,00	0,00

3 Requirement for a Supply Base Evaluation

Note: Annex 1 is generated by the system if the SBE is used without Region Risk Assessment(s). Annex 2 is generated if RED II SBE is in the scope.

Is Supply Base Evaluation (SBE) is completed? Yes

Skovdyrkerne Midt adopts the 'The Regional Risk Assessment for Denmark'. The RRA is prepared according to SBP Regional Risk Assessment Procedure Version 1.0 and is a thorough investigation of relevant risks in a Danish forest management context.

Is REDII SBE completed? N/A

N/A

4 Supply Base Evaluation

Note: Annex 2 is generated if RED II is in the scope.

4.1 Scope

Feedstock types included in SBE: Primary, Secondary

SBP-endorsed Regional Risk Assessments used: Denmark

List of countries and regions included in the SBE:

Country: Denmark

Indicator with specified risk in the risk assessment used:
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.

Specific risk description:
Forests and other areas with high conservation values in the Supply Base are identified and mapped.

Country: Denmark

Indicator with specified risk in the risk assessment used:
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.

Specific risk description:
Potential threats to forests and other areas with high conservation values from forest management activities are identified and addressed.

Country: Denmark

Indicator with specified risk in the risk assessment used:
2.2.3 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).

Specific risk description:
Key ecosystems and habitats are conserved or set aside in their natural state (CPET S8b).

Country: Denmark

Indicator with specified risk in the risk assessment used:
2.2.4 The BP has implemented appropriate control systems and procedures to ensure that biodiversity is protected (CPET S5b).

Specific risk description:

Biodiversity is protected (CPET S5b).

4.2 Justification

Skovdyrkerne Midt adopts the 'The Regional Risk Assessment for Denmark'. The RRA is prepared according to SBP Regional Risk Assessment Procedure Version 1.0 and is a thorough investigation of relevant risks in a Danish forest management context.

The RRA concludes that there is a specified risk for 4 indicators; all related to mapping and protection of areas of high conservation values (HCV) in the supply base. When an area of high conservation value is mapped and defined, it is possible to identify and address potential threats from forest harvest operations, and hence conserve and protect key ecosystems and the adjacent biodiversity.

However, in a Danish context coniferous species are all imported and therefore not a part of a natural forest type. The biodiversity is sparse and in case of thinning operations there is no negative impact on the biodiversity. This justifies making a sub-scope including all feedstock sourced from coniferous thinning operations.

In the same way, first generation afforestation holds no high conservation value that can be negatively affected by a harvest operation. Therefore harvesting operations in forests established as first generation afforestation are all low risk.

A forestholding with a forest management certificate has a detailed description of the forest including a detailed map with areas in the forest that have a high conservation value (specific HCV map). All risks are low when consulting the map prior to sourcing biomass from broadleaved stands or clear cuts.

For the group in the scope that contains areas without a forest management certificate, there is a specified risk that areas of high conservation value have not been mapped. A further consultation of the HNV forest map is needed prior to sourcing biomass from thinning in broadleaved stands or clear cuts from areas that are not first generation afforestation.

SMI has implemented a procedure where all harvesting areas of primary feedstock are assessed according to the above sub-scopes prior to biomass production. The procedure is described in the management system and all staff is educated in the procedures.

The last group in the scope that contains secondary feedstock from a local sawmill has a PEFC-claim and is therefor 100% SBP-compliant and low risk.

4.3 Results of risk assessment and Supplier Verification Programme

There is a coherency between identifying areas with high conservation values and being able to conserve habitats and protect the biodiversity. There is also a coherency between threats to high conservation value and the type of forest operation and forest type.

The HCV are identified and mapped in some forestholdings (FSC/PEFC certified forestholdings) and in other areas there is a specified risk that there may be unidentified areas with high conservation values.

Thinning operations in coniferous stands and in first generation afforestation is always low risk.

The supply base is therefore divided in the following sub-scopes:

- Primary feedstock sourced from coniferous thinning operations – all low risk
- Primary feedstock sourced from areas of first generation afforestation – all low risk
- Primary feedstock sourced from a forest holding with a FM certificate (FSC/PEFC) – all low risk
- Primary feedstock sourced from a forest holding without a FM certificate (FSC/PEFC) – specified risk
- Primary feedstock sourced from non-forest areas – all low risk
- Secondary feedstock sourced from supplier with a valid certificate – all low risk

The RRA has low risk or specified risk in all indicators. Therefore SVP is not applicaple in this SBR. See discription of mitigation measures.

4.4 Conclusion

The organisation meets SBP requirement due to a concise approach to risk assessment, where the supply base is divided in 8 different sub-scopes. The competent staff at Skovdyrkerne Midt all have a degree as B.sc or M.sc in forestry and they are able to identify the registered HCV areas within the supply base and determine in which operation a field assessment is demanded. Mitigation methods are described in the plan and also the screening that is handed to the contractor prior to harvest.

External suppliers can provide FSC/PEFC certified feedstock as SBP-compliant feedstock if they hold a valid PEFC CoC or FSC CoC certificate – or if the feedstock can be determined as ‘low risk’ according to the same criteria’s as included in the SBE.

The strength of this approach is:

- It provides the necessary protection of biodiversity in harvesting areas.
- It is integrated in the workflow at Skovdyrkerne Midt and thus feasible and controllable.

5 Supply Base Evaluation process

The Supply Base evaluation process was initiated by the Regional Risk Assessment for Denmark. Skovdyrkerne Midt has by the representation of Skovdyrkerne Vestjylland been an indirect stakeholder in the process leading to the decision of making an RRA for Denmark. Through Skovdyrkerne Vestjylland has De Danske Skovdyrkerneforeninger also played an active role in the RRA stakeholder consultation meeting on May 20th 2016, where the stakeholders were invited to see how Skovdyrkerne in Vestjylland asses risks and implement mitigation measure in two different harvest operations:

· thinning operation in coniferous stands

· thinning operation in an old broadleaved stand

After the stakeholder meeting Skovdyrkerne Vestjylland has submitted stakeholder comments to the RRA. The comments were submitted on June 26th 2016.

This Supply Base Report (SBR) describes how Skovdyrkerne Midt will assure that sourcing of biomass is SBP-compliant. The original SBR will be submitted for public consultation after its ‘Main (initial) Evaluation’.

6 Stakeholder consultation

The stakeholder consultation took place in a 30 day period from March 31th 2021 to April 30th 2021

The SBR were submitted by e-mail to:

Danmarks Naturfredningsforening	Lars Midtiby	lars@dn.dk
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6.1 Response to stakeholder comments

Description: Verdens Skove

Comment: ”Som jeg ganske rigtig husker det så er den problematik jeg nævner godt nok nævnt under 2.2.4 [i RRA]men der henvises til indikator 2.1.1 [i RRA] der godt nok har til formål at sikre at der ikke kommer HCV ind i jeres feedstock, men til gengæld slet ikke adresserer den problematik der rejses under 2.2.4 [i RRA] ang. veterantræer og dødt ved i skove uden FSC certificering (kan ikke huske hvordan det ser ud i seneste PEFC standard - men muligvis på nogenlunde samme niveau som FSC i forhold til at sikre veterantræer til naturlig henfald og død). Aller helst ville vi foreslå at især hjemmehørende træer over en vis stammediameter slet ikke må indgå i kategorien energitræ. Så vidt vi har fået forklaret fra Bla. NEPCon (Prefered by Nature) og Ørsted så er det en meget lille del af det energitræ der hives ud, så det burde ikke være et stort problem i forhold til den mængde flis i får igennem jeres system - men som du sikkert ved har det MEGET stor betydning for biodiversiteten at enkelte gamle træer, vindfælder osv. får lov til at blive i skoven. Så jeg ville anbefale (hvilket jeg allerede også har gjort til SBP, Ørsted og andre i sketoren) at der udvikles en indikator til 2.2.4 der specifikt adresserer værdifulde veterantræer så vi ikke fortsat ser dem i flisstakkene hvor jeg tror de fleste er enige om at de ikke hører hjemme. Jeg ved godt at det ikke er en garanti for at de bliver stående, men så bliver det ikke Skovdyrkerne og energisektoren der får skylden for at de fældes.”
Comment translated to english: ”As I rightfully remember it, the problem I mention is addressed in section 2.2.4. [in the RRA] but is referred to section 2.1.1. [from the RRA] which purpose is no High Conservation Values will be found in your feedstock but it does not address the problem raised in section 2.2.4. [in the RRA] regarding veteran trees and dead wood in forests without FSC certificate (I don’t remember the legislation in the latest PEFC standard – but it is possibly on the same level as FSC in regards to keeping veteran trees for natural death). At best we would propose especially non-indigenious trees above a specific diameter could not be found in the category for biomass. Though we have been explained by NEPcon (Preferred by Nature) and Ørsted, that these mentioned trees only hold a very small part of the biomass that is produced in general, therefore it should not be a problem in regards to the produced feedstock in your system – but as you probably know, it has a BIG significance for the biodiversity that few old trees, fallen trees etc stays in the forest. Therefore I would recommend (which I already have to SBP, Ørsted and others in the sector) that there will be developed an indicator to section 2.2.4. [in the RRA] which addresses valuable veterantrees so these won’t end up in the production of biomass where, as I believe most will agree on, these trees do not belong. I know this is not a guarantee for these trees to be left standing but then it won’t be Skovdyrkerne og the energy sector who gets blamed for the felling of them.”

Response: In respons to the comment from Verdens Skove (Jens Holm Kanstrup), section 9.1. has been expanded.

7 Mitigation measures

7.1 Mitigation measures

Country:
Denmark

Specified risk indicator:
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.

Specific risk description:
Forests and other areas with high conservation values in the Supply Base are identified and mapped.

Mitigation measure:
All harvest operations are planned and supervised by own forest staff (B.Sc. or M.Sc. in forestry).

a. All staff is trained in the below procedures.

b. All staff is trained in identifying areas of high conservation value according to the catalogue of key biotopes within the supply base. All operations are supervised and mapped for high conservation values.

Country:
Denmark

Specified risk indicator:
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.

Specific risk description:
Potential threats to forests and other areas with high conservation values from forest management activities are identified and addressed.

Mitigation measure:
All harvest operations are planned and supervised by own forest staff (B.Sc. or M.Sc. in forestry).

a. All staff is trained in the below procedures.

b. All staff is trained in identifying areas of high conservation value according to the catalogue of key biotopes within the supply base. All operations are supervised and mapped for high conservation values.

Country:
Denmark

Specified risk indicator:
2.2.3 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).

Specific risk description:

Key ecosystems and habitats are conserved or set aside in their natural state (CPET S8b).

Mitigation measure:
The screening (document with information and map of harvest area and HCV-values) is e-mailed to the sub-contractors who is instructed to respond if there is a SBP status without a corresponding conclusion and description of the mitigation measures.

A screening assesses the operationareas HCV values, compliance with danish laws and EUTR with:

i. Nature Protection Law §3

ii. Natura 2000-areas

iii. Protected areas or monuments

iv. HNV forest online map

The conclusion is described in the screening.

Country:
Denmark

Specified risk indicator:
2.2.4 The BP has implemented appropriate control systems and procedures to ensure that biodiversity is protected (CPET S5b).

Specific risk description:
Biodiversity is protected (CPET S5b).

Mitigation measure:
See the other three mitigation measures. These will also indicate that biodiversity will be protected. Both with HNV forest online map and forest staff (B.Sc. or M.Sc. in forestry) is trained in identifying areas with high conservation value and therefore biodiversity.

Also see the comment

7.2 Monitoring and outcomes

With respect to the precautionary principle it is decided, that:

· When harvesting in 'Value 4' areas (Value 4 – the harvest operation and the resulting biomass is SBP-non-compliant (but still legal according to EUTR).

)- work instructions must be emailed cc. to the internal auditor (pse@skovdyrkerne.dk). The screening will be reviewed and mitigation measures evaluated prior to felling.

· Secondary feedstock suppliers will be assessed by the primary biomass manager and internal auditor Peter Sejr (pse@skovdyrkerne.dk). The following chapter also describes this process.

8 Detailed findings for indicators

Detailed findings for each Indicator are given in Annex 1 in case the Regional Risk Assessment (RRA) is not used.

Is RRA used? Yes

9 Review of report

9.1 Peer review

No peer review has been conducted.

9.2 Public or additional reviews

no Public or additional reviews has been conducted

10 Approval of report

Approval of Supply Base Report by senior management			
Report Prepared by:	**Peter Sejr**	**Senior WoodChip Manager**	**01 May 2023**
	Name	**Title**	**Date**
The undersigned persons confirm that I/we are members of the organisation's senior management and do hereby affirm that the contents of this evaluation report were duly acknowledged by senior management as being accurate prior to approval and finalisation of the report.			
Report approved by:	**Kristian Løkke Kristensen**	**Forest Manager (CEO)**	**02 Jun 2021**
	Name	**Title**	**Date**

Annex 1: Detailed findings for Supply Base Evaluation indicators

N/A

Annex 2: Detailed findings for REDII Supply Base Evaluation

Section 1. RED II

N/A

Section 2. RED II detailed findings for secondary and tertiary feedstock

10.1 Verification and monitoring of suppliers

N/A

10.2 Feedstock inspection and classification upon receipt

N/A

10.3 Supplier audit for secondary and tertiary feedstock

N/A