



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

Second Surveillance Audit

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Completed in accordance with the Supply Base Report Template Version 1.5

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2 Description of the Supply Base

2.1 General description

Feedstock types: Primary

Includes Supply Base evaluation (SBE): Yes

Includes REDII: No

Includes REDII SBE: No

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 SYD. 2.1 General description Skovdyrkerne SYD (SYD) 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 SYD is one of 5 local branches that constitute 'De Danske Skovdyrkerforeninger' - together forming a nationwide network providing services to the forest owners. SYD has, per 1st of July 2022, 1283 members owning a total of 17.649 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 July 2022 the staff included 13 foresters. The services of SYD 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 SYD - 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 SYD 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 SYD own forest educated and trained staff. The scope of this Supply Base Report is restricted to primary feedstock. As an operator closely connected to the forests, SYD does not work with secondary or tertiary feedstock at all. Please find sustainability characteristics in the 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 SYD is mainly harvesting biomass in the southern part of Jutland with occasional operations in the neighbouring areas to the east. By far the largest proportions originate from the regions "Midtjylland" and "Syddanmark".

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 SYD 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, SYD produced approx. 230.000 m³ of wood chips in the current season. In other words, SYD 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, insufficient data). 22% of the red-listed species are affiliated 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

SYD have since 2007 been approved to hold a PEFC group forest management as well as CoC certificate. This was followed by a FSC group forest management certificate in 2010.

SYD 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.

SYD implements the 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)
- c. **Forest by type (million ha):**0.62 (Temperate)
- d. **Forest by management type (million ha):**0.60 (Managed natural), 0.02 (Natural)
- e. **Certified forest by scheme (million ha):**0.30 (PEFC), 0.14 (FSC)

Describe the harvesting type which best describes how your material is sourced: Mix of the above

Explanation: Skovdyrkerne SYD estimates the feedstock inputs as follows. Final Harvest from (semi-) natural forest: 20% Thinning from (semi-) natural forest: 64% Final harvest -roundwood from (Semi-) natural forest: 1% Thinning-roundwood from (Semi-) natural forest: 1% Other trees from parks or landscape: 13%. short rotation coppice 1 % Before deforestation clearfelling is mostly being practiced in coniferous stands whereas in stands of broadleaved treespecies the dominant method is self-rejuvenation and targeted diameter felling. Clearfelling of areas larger than 5 hectare is being limited. Thinning regimes are normally within the AD intensity where, simply explained, A-thinning leaves about 100% trees growing and D-thinning leaves about 50% of trees growing. The A-D thinning regimes assures stable, good and continued growth. Thinnings are carried out by harvesters and sorted and forwarded by forwarding machines. Manual labor is mainly used for overturning large-diameter broadleave trees of high value.

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 within 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>

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

Explanation: N/A

Feedstock

Reporting period from: 01 Jan 2023

Reporting period to: 31 Dec 2023

- a. **Total volume of Feedstock:** 1-200,000 tonnes
- b. **Volume of primary feedstock:** 1-200,000 m³
- 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 (Common ash); Betula pubescens (White birch); 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); Abies grandis (Grand fir); Aesculus hippocastanum (Horse chestnut); Picea glauca (White Spruce); Tilia cordata (Common lime); Larix decidua (European larch); Abies nordmanniana (Nordmann fir); Picea omorika (Serbian spruce); Populus spp (Poplar); Quercus rubra (Northern red oak); Alnus glutinosa (Common alder); Picea abies (Norway Spruce); Picea sitchensis (Sitka spruce); Pinus sylvestris (Scots pine); Acer platanoides (Maple); Taxus baccata (Yew); Thuja plicata (Western red cedar); Tsuga heterophylla (Hemlock); 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 (%):
- f. **Hardwood (i.e. broadleaf trees): specify proportion of biomass from (%):** 80.00
- g. **Softwood (i.e. coniferous trees): specify proportion of biomass from (%):** 80.00
- h. **Proportion of biomass composed of or derived from saw logs (%):** 0
- i. **Specify the local regulations or industry standards that define saw logs:** DS/EN 844:2019; The Danish 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 (%):** 11.00
- 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. **Volume of tertiary feedstock:** 0 N/A
 - Physical form of the feedstock:
- o. **Estimated amount of REDII-compliant sustainable feedstock that could be collected annually by the BP:** N/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	100.00	0.00	0.00	0.00
Secondary	0.00	0.00	0.00	0.00
Tertiary	0.00	0.00	0.00	0.00
Other	0.00	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

A SBE was included as it was estimated that about 5% of the forests in the supply base had a SBP approved forest management scheme. Therefore, in order to be able to supply volumes of SBP compliant biomass, the SBE was included.

The feedstock is divided in following sub-scopes:

- Primary feedstock sourced from coniferous thinning operations
- Primary feedstock sourced from areas of first generation afforestation
- Primary feedstock sourced from a forest holding with a FM certificate (FSC/PEFC)
- Primary feedstock sourced from a forest holding with a Green Management Plan
- Primary feedstock sourced from areas without a Green Management Plan
- Primary feedstock sourced from non-forest areas

Skovdyrkerforeningen SYD has implemented procedures for traceability, risk assessment and risk management.

Note:

Skovdyrkerforeningen SYD has 5 years experience as a SBP certificate holder. See former SBR on the company website. New Danish regulations (VE direktiv + extra Danish requirements) were introduced 30/06/2021 and are fully effective by 1/1/2022. The regulation is based on the EU RED II directive. In order to meet the requirements. Skovdyrkerforeningen SYD will adapt biomass categories and reporting in compliance with the new legislation.

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

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 have been identified and mapped.

HCV occurrence in Danish forests has been surveyed by the Department of Geosciences and Natural Resource Management at Copenhagen University by means of a sampling methodology and documented

under the Danish National Forest Inventory (NFI) hosted by The Danish Agency for Water and Nature Management. As Danish forests have been well-researched and significant conservation values have been

identified, it can be concluded – based on consultations with experts – that there are no major knowledge/ data gaps in relation to significant and important HCV areas and these areas are mapped and available to the public through the website Danmarks Miljøportal

(<http://arealinformation.miljoportal.dk/distribution/>) While significant and important HCV areas critical to conservation are designated as protected areas at national or EU level (Natura 2000), one consulted key forest ecology expert and two consulted environmental NonGovernmental Organisations (eNGOs) argue that there are very likely a large number of smaller areas or biotopes of local or regional importance to biodiversity or as species habitats. In a Danish context these are called Key Biotopes (“nøglebiotoper”). These areas are not systematically identified or mapped. The tool recommended by The Danish Agency for Water and Nature Management for identification of Key Biotopes is a catalogue of examples developed and published in 2000. A recent report by the Department of Geosciences and Natural Resource Management at Copenhagen University describes a method for generating a High Nature Value (HNV) forest map for Denmark. Based on this, an interactive map has been developed and made publicly available online. The online map will provide an indication of areas (shown as a color gradient) where a combination of factors makes the occurrence of High Nature Value forest more likely. Further identification of ‘forests containing particular natural values’ is a goal of the most recent Danish Forest Act (Article 25). This project was initiated in early 2016 with the work by The Danish Agency for Water and Nature Management and is expected to be re-initiated in 2022.

This project will identify previously unknown ‘forests containing particular natural values’ that is not already covered by Natura 2000 or protected status. These could be Woodland key habitats or biodiversity hotspots, and could likely be found in forests that were previously under no or low-intensity forest management.

For this assessment the HCV categories 1–6 refer to the document Common Guidance for the Identification

of High Conservation Values from the HCV Resource Network.

- HCV 1: Habitats/ breeding/ resting places for conservation-reliant and Red List plant and animal species; An overview of conservation-reliant species in the EU Habitats Directive Annexes II, IV and V and the Birds Directive Annex I can be found on The Danish Agency for Water and Nature Management's website; Endangered and rare animal and plant species on the Danish Red List.

- HCV 2: Large woodland territories: N/A – as according to FSC's definition, Denmark does not contain these types of forests.

- HCV 3: In a Danish context, it is determined that this category is covered by Natura 2000 areas, areas covered by the Nature Protection Act (Article 3), other protected areas, as well as an identification of Key

Biotopes (Nøglebiotoper). Natura 2000 areas are aligned with the European Commission's Habitats and Birds Directives; and contain Woodland Key Habitats (WKH), protected habitats conserved under the Nature Conservation Act (Article 3), and the Forest Act (Articles 25 , 26 and 27). Focusing on sustainable sourcing solutions SBP-endorsed Regional Risk Assessment for Denmark Page 29 Other protected areas

and key habitats such as protected lakes, streams, moors, marshes, salt marshes, fresh meadows and grasslands conserved under Nature Conservation Act (Article 3); and Oak shrub forests are preserved under the Forest Act (Article 26). Deciduous forest boundary areas are protected under the Forest Act (Article 27). Natura 2000 areas and protected areas are completely mapped, but there is currently no legal

requirement for mapping of areas covered by the Forest Act Articles 27 to 28, nor for the identification and mapping of Key Biotopes.

- HCV 4: Natura 2000 areas, Nature Protection Act (Article 3), other protected areas and "near-well protected areas" (Boringsnære Beskyttelsesområder – BNBO) which describe the protected area surrounding a water source (a well), and are areas with important water protection values.

- HCV 5: Forest sites and resources are not fundamental to meeting the necessities of communities in Denmark. Forests protected by the Forest Act also provide basic protection of local communities' needs. Therefore, it is concluded that this category is not applicable in the Danish context, and thus it is not addressed here.

- HCV 6: This includes areas with significant national cultural and historical values, including ancient burial mounds and other archaeological sites, but also early industrial sites and other significant cultural sites. HCV Mapping and Identification HCVs have been identified and mapped in all Danish forests that are FSC- or PEFC-certified, and also in forests that have received government subsidies for the development of a so-called 'green management plan'; since a requirement for the payment of the subsidy is that HCVs are identified, mapped and incorporated into the management plan. There is still a significant number of forests that are not FSC- or PEFC-certified and that do not have a green management plan. There is no public register of forests that have a green management plan, nor are there any requirements that the HCVs identified and mapped in the green management plans are made public. The identification and mapping of 'forests containing particular natural values' as per the Danish Forest Act (Article 25) has started (spring 2016) and is expected to be concluded in 2019. Since the maps are still being developed, these cannot currently be used for protection of HCVs when planning feedstock sourcing

Source Types and their risk levels

Different "source types" can be defined, i.e. sources of biomass feedstock that share properties with regard to presence, mapping and protection of HCVs, including Key biotopes and biodiversity in a broader sense.

The following source types are defined and their risk levels assessed:

- 1. Feedstock originating from FSC or PEFC certified forests: Feedstock originating from FSC or PEFC certified forests is recognised by SBP as sustainable, and identification, mapping and protection of HCV is seen as sufficient. These forests are also subject to third party evaluation. Risk is evaluated as LOW

- 2. Feedstock originating from forest estates with a Green Management plan: It is a requirement for receiving subsidies for developing a Green Management plan that HCV areas in the forest are identified and mapped. Risk is evaluated as LOW
- 3. Feedstock from thinning in even-aged stands of conifers: Based on feedback from several stakeholders and key experts it is concluded that chances of key biotopes being under threat from thinning operations in even-aged conifers in Danish forests are minimal, and taking into account existing mapping of other HCV categories the risk is assessed as being LOW
- 4. Feedstock from thinning in first generation afforestation areas: Based on feedback from several stakeholders and key experts, it is concluded that chances of key biotopes being under threat from thinning operations in first generation afforestation areas are minimal, and taking into account existing mapping of other HCV categories the risk is assessed as being LOW
- 5. Feedstock from uneven-aged stands or stands of broadleaf species: Due to no legal requirements for identification and mapping of Key biotopes, it is assessed that for all other forest sources of biomass feedstock, the risk of HCVs being present but not identified or mapped, is SPECIFIED
- 6. Feedstock from non-forest areas, e.g. nature maintenance projects, windbreaks or residential areas: For feedstock from non-forest areas it is concluded that HCVs are mapped and/or legally protected, and as such the risk related to identification and mapping HCV is evaluated to be LOW.

Risk conclusion

Based on the evidence provided above, it is concluded that there is a specific risk that at least locally important Key Biotopes in forests have not yet been identified and mapped, and may therefore be at risk from threats due to sourcing of biomass. However, it is also concluded that some source types are inherently low in key biotopes, such as first generation afforestation areas or even-aged stands of conifers.

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 cultivation activities have been identified and addressed.

Please see Indicator 2.1.1 for discussion regarding the risk designation for identification and mapping of HCVs.

Source Types and their risk levels

Different "source types" can be defined i.e. sources of biomass feedstock that share properties with regard to presence, mapping and protection HCVs, including Key biotopes and biodiversity in a broader sense, the following source types are defined and their risk levels assessed:

1. **Feedstock originating from FSC or PEFC certified forests:** Feedstock originating from FSC or PEFC certified forests is recognised by SBP as sustainable. The certification standards include requirements for identification, mapping and protection of HCV and FMUs that have carried out sufficient mapping and implemented procedures to ensure proper protection of HCV's can provide assurance of compliance with these requirements through certification. **Risk is evaluated as LOW**
2. **Feedstock originating from forest estates with a Green Management plan:** It is a requirement for receiving subsidies for developing a Green Management plan that HCV areas in the forest are identified and mapped. However, there is no strict requirement that the HCVs are monitored and protected from

forest management, and therefore **risk is evaluated as SPECIFIED**.

3. **Feedstock from thinning in even-aged stands of conifers:** Based on feedback from several stakeholders and key experts, it is concluded that chances of key biotopes being under threat from thinning operations in even-aged conifers in Danish forests are minimal, and taking into account existing mapping of other HCV categories the **risk is assessed as being LOW**

4. **Feedstock from thinning in first generation afforestation areas:** Based on feedback from several stakeholders and key experts, it is concluded that chances of key biotopes being under threat from thinning operations in first generation afforestation areas are minimal, and taking into account existing mapping of other HCV categories **the risk is assessed as being LOW**

5. **Feedstock from uneven-aged stands or stands of broadleaf species:** Due to no legal requirement for identification and mapping of Key biotopes, it is assessed that **for all other forest sources of biomass feedstock, the risk of HCVs being present, but not identified or mapped is SPECIFIED**

6. **Feedstock from non-forest areas, e.g. nature maintenance projects, windbreaks or residential areas:** For feedstock from non-forest areas, it is concluded that HCVs are mapped and/or legally protected, and as such **the risk related to identification and mapping HCV is evaluated to be LOW**.

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:

Important ecosystems and habitats are preserved or protected in their natural state (CPET S8b).

The Danish Forest Act (Article 14–24) establishes legal protection of key ecosystems and habitats in Denmark by means of designation of Natura 2000 areas (approx. 19.000 hectares - comprised of EU Habitats Directive areas and EU Birds Directive areas). With the designation of 21.000 hectares of untouched forest or forests with old management systems such as coppicing, forest grazing, and oak shrub forest, the total forest area where protection of natural values or biodiversity is app. 35.000 hectares or approx. 5,7% of the total forest area (there is some overlap).

Some forest landscapes are protected by “fredning” which is a form of legal protection in Denmark. Protected areas can be designated with objectives of landscape or wildlife protection. Protected areas cannot be changed, but maintenance is typically carried out. Protected areas can have regulation of public access to the area, to either maintain right of access; or – where specific wildlife interests mandate this – prohibit public access without a specific permit. A scientific report (Johannsen et al. 2013) concludes that clear goals and better mapping of species, along with evidence-based measures, are prerequisites for future efforts for biodiversity in Danish forests, and ensuring protection of threatened species, structures and habitats should be prioritised.

Risk conclusion: Based on the existing protection through the Forest Act and designation of Natura 2000 areas and individual protected areas, it is concluded that larger scale key ecosystems and habitats are sufficiently protected, and that sourcing of feedstock for biomass does not pose a threat towards these areas.

As mentioned in the findings for criteria 2.1.1 it is likely that a large number of smaller areas or biotopes of local or regional importance to biodiversity or as species habitats, in a Danish context called Key Biotopes (“nøglebiotoper”), which are not systematically identified and mapped. Based on a precautionary approach the risk assessment conclude that for these areas the risk is specified based on the same findings as for Indicators 2.1.1 and 2.1.2.

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).

The Danish Forest Act (Article 14–24) establishes legal protection of key ecosystems and habitats in Denmark by means of designation of Natura 2000 areas (approx. 19.000 hectares - comprised of EU Habitats Directive areas and EU Birds Directive areas). With the designation of 21.000 hectares of untouched forest or forests with old management systems such as coppicing, forest grazing, and Oak brushwood, the total forest area where protection of natural values or biodiversity is approx. 35.000 hectares or approx. 5,7% of the total forest area (there is some overlap).

A scientific report (Johannsen et al. 2013) concludes that clear goals and better mapping of species, along with evidence-based measures, are prerequisites for future efforts for biodiversity in Danish forests, and ensuring protection of threatened species, structures and habitats should be prioritised.

Two consulted environmental Non-Governmental Organisations (eNGOs) argue that increased demand for biomass feedstock will provide a new incentive for forest managers to remove additional woody biomass from forests, giving rise to a risk that biodiversity will not be sufficiently protected. Especially dead and decaying trees and deadwood on the forest floor have an important role in maintaining biodiversity in Danish forests.

Risk conclusion: As this Indicator is seen as being partially covered by Indicators 2.1.1 and 2.1.2, for which low risk must be demonstrated or reached through mitigating measures. The risk for this Indicator is also assessed as Specified. Required risk mitigation measures are the same as outlined for Indicators 2.1.1 and 2.1.2.

4.2 Justification

Skovdyrkerne SYD has adopted the 'The Regional Risk Assessment for Denmark' – SBP endorsed June 29 2017. The RRA is prepared according to SBP Regional Risk Assessment Procedure Version 1.0 and is a thorough investigation / evaluation 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 associated 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 categorising all feedstock sourced from coniferous thinning operations as low risk. In the same way, first generation afforestation holds no high conservation values that can be negatively affected by a harvest operation. Therefore, harvesting operations in forests established as first generation afforestation are all categorised as low risk. forest holding with a FSC/PEFC forest management certificate has a detailed description of the forest including detailed maps with areas in the forest that has high conservation values (specific HCV map). All risks are low when consulting the maps and initiating necessary mitigations actions prior to sourcing biomass from broadleaved stands or clear cuts. A forest holding with a green management plan has a detailed description of the forest. The plan

includes detailed maps with areas in the forests that have high conservation values (specific HCV map). The HCV registration is mandatory. All risks are low when consulting the HCV maps and initiating necessary mitigations actions prior to sourcing biomass from broadleaved stands or clear cuts. The last “source type” in the scope consists of areas without a forest management certificate or a green management plan. 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, possibly complemented by field visits prior to sourcing biomass from thinning in broadleaved stands or clear cuts from areas that are not first generation afforestation. If HCV’s are identified, mitigating actions are made. SYD has implemented a procedure where all harvesting areas are assessed according to the above subsopes prior to biomass production. The procedure is described in the management system and all staff is educated in the procedures. Furthermore SYD has adapted its operations to the new Danish regulations (VE direktiv + extra Danish requirements). They were introduced 30/06/2021 and are fully effective by 1/1/2022. The regulation is based on the EU RED II directive. In order to meet the requierments. Skovdyrkerforeningen SYD has adapted biomass categories and reporting in compliance with the new legislation

4.3 Results of risk assessment and Supplier Verification Programme

At all new tasks a screening is carry out, of the areas harvested from the indicators: 2.1.1, 2.1.2, 2.2.3, 2.2.4. The screening is based on available map material and databases, as well as visual review of the area before start-up. For each task, a map and working instructions are prepared to ensure that the operator is aware of protected or protected nature/culture.

The forest area is categorized in to one of the six categories.

1. Primary raw material from FSC or PEFC certified forests - low risk
2. Primary raw material from forests with green operating plan - specified risk
3. Primary raw material from thinning in coniferous stands - low risk
4. Primary raw material from first generation afforestation - low risk
5. Primary raw material from forests without green operating plan or certification - specified risk
6. Primary raw material from non-forest areas, e.g. windbreaking hedgerow, urban and park areas, nature projects - low risk., however the new Danish regulations (VE direktiv + extra Danish requirements) were introduced 30/06/2021 and are fully effective by 1/1/2022. In order to meet the requierments. Skovdyrkerforeningen SYD has adapted to operations procedures, biomass categories and reporting in compliance with the new legislation.

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.

Planning and risk management:

- a. Operations are planned and described in the company database (Pinus) with a corresponding geographic location (GIS) showing a map of the forest with a clear demarcation of ownership, the planned harvest area and eventual areas of high conservation value, that needs to be taken into consideration.
- b. The database holds information about the forest owner and the basic risk class of the sourcing area. If the feedstock is sourced from thinning in coniferous stands or 1. Generation afforestation – and legality

(EUTR) is ok, - the operation is low risk and status is changed to 'Green light'. The conclusion is described in the work instructions.

Work instructions

The work instruction is emailed or handed out to the sub-contractor, who is instructed to respond if there is a SBP status without a corresponding conclusion and description of the mitigation measures.

Harvest operations

All harvest operations (cutting, wood chipping, transport etc.) are conducted by trained subcontractors with long term relationships and contracts to the BP.

- d. All contractors and staff are trained in understanding the work instructions set of documents.
- e. All contractors work under the instruction of a SOP for harvesting operations.
- f. All contractors and staff have basic training in identifying areas of high conservation value. In case that biologically valuable dead or decaying wood (especially such as large dimensioned domestic species, standing or laying trunks inhabited by woodpeckers or characterized by fungus fruitbodies) is present in the harvest area, measures should be taken to assure that it is left in the stand.
- g. Forest staff should address this issue in relevant projects.
- h. Contractors shall ask whenever in doubt.

SBP compliance - conclusion

Skovdyrkerforeningen SYD assesses that:

Feedstock sourced from harvest operations conducted under the above SOP with:

- 'Green light' – feedstock is low risk.
- 'Orange light' – the harvest operation contains specified risk, but feedstock is delivered through a mitigation process, that ensures that the biomass is non-controversial in relation to SBP.
- Primary feedstock sourced from coniferous thinning operations is low risk.
- Primary feedstock sourced from areas of first generation afforestation is low risk.

Feedstock sourced from areas outside the forest (farmland) according to FAO definition of forest. All is non-controversial according to the SBP scope and is hence SBP-compliant, whereas ...

Feedstock sourced from harvest operations conducted under the above SOP with:

- 'Red light' – the harvest operation contains specified risk, and the resulting biomass is SBP-noncompliant (but still legal according to EUTR). Can be considered as legally s

4.4 Conclusion

The organisation meets the SBP requirement due to a concise approach to risk assessment, where the supply base is divided in 5 different sub-scopes. The competent staff at Skovdyrkerne SYD 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 operations a field assessment is demanded. Necessary mitigation methods are described in the operational plan and map that is handed to the contractor prior to harvest. Furthermore the new Danish regulations (VE direktiv + extra Danish requirements) were introduced 30/06/2021 and are fully effective by 1/1/2022. The regulation is based on the EU RED II directive. In order

to meet the requirements. Skovdyrkerforeningen SYD has adapted to biomass categories and reporting in compliance with the new legislation.

External suppliers can provide FSC/PEFC certified feedstock as SBP-compliant feedstock if they hold a valid PEFC CoC/FM or FSC CoC/FM certificate – or if the feedstock can be determined as 'low risk' according to the same criteria 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 SYD and thus feasible and controllable.

The educated staff of Skovdyrkerforeningen SYD, who is responsible for task planning, identifying key biotopes and mapping projects, has extensive experience working in the forest and taking into account nature worthy of preservation. This is a re-assessment, so the SBP procedures are implemented and effective.

5 Supply Base Evaluation process

The Supply Base evaluation process was initiated by the Regional Risk Assessment for Denmark. Skovdyrkerne SYD was via Skovdyrkerne Vestjylland an active stakeholder in the process leading to the decision of making an RRA for Denmark. Skovdyrkerne Vestjylland also played an active role in the RRA stakeholder consultation meeting on May 20th 2016, where the stakeholders were invited to see how Skovdyrkerne Vestjylland assesses risks and implements mitigation measures in two different harvest operations.

- thinning operation in coniferous stands
- thinning operation in an old broadleaved stand

After the stakeholder meeting Skovdyrkerne Vestjylland submitted stakeholder comments to the RRA. The comments were submitted on June 26th 2016. This Supply Base Report (SBR) describes how Skovdyrkerne SYD assures that sourcing of biomass is SBP-compliant. The original SBR was submitted for public consultation on December 1st 2016 and approved May 17th 2017. Skovdyrkerforeningen SYD has implemented a set of working procedures of risk-reducing control measures that meets the standard due diligence requirements. The working procedures including the risk mitigation measures can be found described in detail in the company Management System.

Skovdyrkerforeningen has used internal resources for working with SBE. SBE has been prepared with its own staff who has extensive experience in the production of biomass and 5 years experience with the SBP system.

The Technical Manager and SBP responsible at Skovdyrkerforeningen SYD has an MSc in Forest and Nature management and thus have extensive 5+ years of experience working with certification, practical forest management, optimizing and documenting work processes, as well as in collecting and verifying data.

Machine operators and subcontractors at Skovdyrkerforeningen SYD have a high level of competence after several years of work with sustainable wood chip production.

6 Stakeholder consultation

This is a re-assessment, hence a new stakeholder consultation is required. The previous SBR has been publicly available to stakeholders for 5 years. This SBR has only minor adjustments (Supply base is now the same as the RRA (Denmark)). This SBE is based on the SBP endorsed (June 2017) RRA for Denmark, and a thorough stakeholder process, including a physical meeting, was carried out in 2016 during the development of this document. Skovdyrkerforeningen SYD has conducted a stakeholder consultation for a 30-day period in March and ended the 7 april 2022. No comments where recieved from any stakeholders

6.1 Response to stakeholder comments

Description: No Comments were made.

Comment: No Comments were made.

Response: No Comments were made.

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 have been identified and mapped.

HCV occurrence in Danish forests has been surveyed by the Department of Geosciences and Natural Resource Management at Copenhagen University by means of a sampling methodology and documented

under the Danish National Forest Inventory (NFI) hosted by The Danish Agency for Water and Nature Management. As Danish forests have been well-researched and significant conservation values have been

identified, it can be concluded – based on consultations with experts – that there are no major knowledge/ data gaps in relation to significant and important HCV areas and these areas are mapped and available to the public through the website Danmarks Miljøportal (<http://arealinformation.miljoportal.dk/distribution/>) While significant and important HCV areas critical to conservation are designated as protected areas at national or EU level (Natura 2000), one consulted key forest ecology expert and two consulted environmental NonGovernmental Organisations (eNGOs) argue that there are very likely a large number of smaller areas or biotopes of local or regional importance to biodiversity or as species habitats. In a Danish context these are called Key Biotopes (“nøglebiotoper”). These areas are not systematically identified or mapped. The tool recommended by The Danish Agency for Water and Nature Management for identification of Key Biotopes is a catalogue of examples developed and published in 2000. A recent report by the Department of Geosciences and Natural Resource Management at Copenhagen University describes a method for generating a High Nature Value (HNV) forest map for Denmark. Based on this, an interactive map has been developed and made publicly available online. The online map will provide an indication of areas (shown as a color gradient) where a combination of factors makes the occurrence of High Nature Value forest more likely. Further identification of ‘forests containing particular natural values’ is a goal of the most recent Danish Forest Act (Article 25). This project was initiated in early 2016 with the work by The Danish Agency for Water and Nature Management and is expected to be re-initiated in 2022.

This project will identify previously unknown ‘forests containing particular natural values’ that is not already covered by Natura 2000 or protected status. These could be Woodland key habitats or biodiversity hotspots, and could likely be found in forests that were previously under no or low-intensity forest management.

For this assessment the HCV categories 1–6 refer to the document Common Guidance for the Identification of High Conservation Values from the HCV Resource Network.

- HCV 1: Habitats/ breeding/ resting places for conservation-reliant and Red List plant and animal species; An overview of conservation-reliant species in the EU Habitats Directive Annexes II, IV and V and the Birds Directive Annex I can be found on The Danish Agency for Water and Nature Management’s website; Endangered and rare animal and plant species on the Danish Red List.
- HCV 2: Large woodland territories: N/A – as according to FSC’s definition, Denmark does not contain these types of forests.

• HCV 3: In a Danish context, it is determined that this category is covered by Natura 2000 areas, areas covered by the Nature Protection Act (Article 3), other protected areas, as well as an identification of Key

Biotopes (Nøglebiotoper). Natura 2000 areas are aligned with the European Commission's Habitats and Birds Directives; and contain Woodland Key Habitats (WKH), protected habitats conserved under the Nature Conservation Act (Article 3), and the Forest Act (Articles 25, 26 and 27). Focusing on sustainable sourcing solutions SBP-endorsed Regional Risk Assessment for Denmark Page 29 Other protected areas

and key habitats such as protected lakes, streams, moors, marshes, salt marshes, fresh meadows and grasslands conserved under Nature Conservation Act (Article 3); and Oak shrub forests are preserved under the Forest Act (Article 26). Deciduous forest boundary areas are protected under the Forest Act (Article 27). Natura 2000 areas and protected areas are completely mapped, but there is currently no legal

requirement for mapping of areas covered by the Forest Act Articles 27 to 28, nor for the identification and mapping of Key Biotopes.

• HCV 4: Natura 2000 areas, Nature Protection Act (Article 3), other protected areas and "near-well protected areas" (Boringsnære Beskyttelsesområder – BNBO) which describe the protected area surrounding a water source (a well), and are areas with important water protection values.

• HCV 5: Forest sites and resources are not fundamental to meeting the necessities of communities in Denmark. Forests protected by the Forest Act also provide basic protection of local communities' needs. Therefore, it is concluded that this category is not applicable in the Danish context, and thus it is not addressed here.

• HCV 6: This includes areas with significant national cultural and historical values, including ancient burial mounds and other archaeological sites, but also early industrial sites and other significant cultural sites. HCV Mapping and Identification HCVs have been identified and mapped in all Danish forests that are FSC- or PEFC-certified, and also in forests that have received government subsidies for the development of a so-called 'green management plan'; since a requirement for the payment of the subsidy is that HCVs are identified, mapped and incorporated into the management plan. There is still a significant number of forests that are not FSC- or PEFC-certified and that do not have a green management plan. There is no public register of forests that have a green management plan, nor are there any requirements that the HCVs identified and mapped in the green management plans are made public. The identification and mapping of 'forests containing particular natural values' as per the Danish Forest Act (Article 25) has started (spring 2016) and is expected to be concluded in 2019. Since the maps are still being developed, these cannot currently be used for protection of HCVs when planning feedstock sourcing

Source Types and their risk levels

Different "source types" can be defined, i.e. sources of biomass feedstock that share properties with regard to presence, mapping and protection of HCVs, including Key biotopes and biodiversity in a broader sense.

The following source types are defined and their risk levels assessed:

- 1. Feedstock originating from FSC or PEFC certified forests: Feedstock originating from FSC or PEFC certified forests is recognised by SBP as sustainable, and identification, mapping and protection of HCV is seen as sufficient. These forests are also subject to third party evaluation. Risk is evaluated as LOW
- 2. Feedstock originating from forest estates with a Green Management plan: It is a requirement for receiving subsidies for developing a Green Management plan that HCV areas in the forest are identified and mapped. Risk is evaluated as LOW
- 3. Feedstock from thinning in even-aged stands of conifers: Based on feedback from several stakeholders and key experts it is concluded that chances of key biotopes being under threat from thinning operations in even-aged conifers in Danish forests are minimal, and taking into account existing mapping of other HCV categories the risk is assessed as being LOW

- 4. Feedstock from thinning in first generation afforestation areas: Based on feedback from several stakeholders and key experts, it is concluded that chances of key biotopes being under threat from thinning operations in first generation afforestation areas are minimal, and taking into account existing mapping of other HCV categories the risk is assessed as being LOW
- 5. Feedstock from uneven-aged stands or stands of broadleaf species: Due to no legal requirements for identification and mapping of Key biotopes, it is assessed that for all other forest sources of biomass feedstock, the risk of HCVs being present but not identified or mapped, is SPECIFIED
- 6. Feedstock from non-forest areas, e.g. nature maintenance projects, windbreaks or residential areas: For feedstock from non-forest areas it is concluded that HCVs are mapped and/or legally protected, and as such the risk related to identification and mapping HCV is evaluated to be LOW.

Risk conclusion

Based on the evidence provided above, it is concluded that there is a specific risk that at least locally important Key Biotopes in forests have not yet been identified and mapped, and may therefore be at risk from threats due to sourcing of biomass. However, it is also concluded that some source types are inherently low in key biotopes, such as first generation afforestation areas or even-aged stands of conifers.

Mitigation measure:

Skovdyrkerforeningen SYD, as the Biomass Producer (BP), has implemented mitigation measures according to the below standard operation procedure (SOP):

Basics - level of expertise:

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

- All staff is trained in the below procedures.
- All staff is trained in identifying areas of high conservation value according to the catalogue of key biotopes within the supply base.

Planning and risk management:

- Operations are planned and described in the company database (Pinus) with a corresponding geographic location (GIS) showing a map of the forest with a clear demarcation of ownership, the planned harvest area and eventual areas of high conservation value, that needs to be taken into consideration.
- The database holds information about the forest owner and the basic risk class of the sourcing area. If the feedstock is sourced from thinning in coniferous stands or 1. Generation afforestation – and legality (EUTR) is ok, - the operation is low risk and status is changed to 'Green light'. The conclusion is described in the work instructions.

Work instructions

The work instruction is emailed to the sub-contractor, who is instructed to respond if there is a SBP status without a corresponding conclusion and description of the mitigation measures.

Harvest operations

All harvest operations (cutting, wood chipping, transport etc.) are conducted by trained subcontractors with long term relationships and contracts to the BP.

- All contractors and staff are trained in understanding the work instructions set of documents.
- All contractors work under the instruction of a SOP for harvesting operations.
- All contractors and staff have basic training in identifying areas of high conservation value.

In case that biologically valuable dead or decaying wood (especially such as large dimensioned domestic species, standing or laying trunks inhabited by woodpeckers or characterized by fungus fruitbodies) is present in the harvest area, measures should be taken to assure that it is left in the stand.

g. Forest staff should address this issue in relevant projects.

h. Contractors shall ask whenever in doubt.

SBP compliance - conclusion

Skovdyrkerforeningen SYD assesses that:

Feedstock sourced from harvest operations conducted under the above SOP with:

- 'Green light' – feedstock is low risk.

- 'Orange light' – the harvest operation contains specified risk, but feedstock is delivered through a mitigation process, that ensures that the biomass is non-controversial in relation to SBP.
- Primary feedstock sourced from coniferous thinning operations is low risk.
- Primary feedstock sourced from areas of first generation afforestation is low risk.

Feedstock sourced from areas outside the forest (farmland) according to FAO definition of forest.

All is non-controversial according to the SBP scope and is hence SBP-compliant, whereas ...

Feedstock sourced from harvest operations conducted under the above SOP with:

- 'Red light' – the harvest operation contains specified risk, and the resulting biomass is SBP-non-compliant (but still legal according to EUTR). Can be considered as legally sourced and hence non-controversial (SBP Controlled) – but not passed on as SBP Compliant.

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 cultivation activities have been identified and addressed.

Please see Indicator 2.1.1 for discussion regarding the risk designation for identification and mapping of HCVs.

Source Types and their risk levels

Different "source types" can be defined i.e. sources of biomass feedstock that share properties with regard to presence, mapping and protection HCVs, including Key biotopes and biodiversity in a broader sense, the following source types are defined and their risk levels assessed:

1. **Feedstock originating from FSC or PEFC certified forests:** Feedstock originating from FSC or PEFC certified forests is recognised by SBP as sustainable. The certification standards include requirements for identification, mapping and protection of HCV and FMUs that have carried out sufficient mapping and implemented procedures to ensure proper protection of HCV's can provide assurance of compliance with these requirements through certification. **Risk is evaluated as LOW**
2. **Feedstock originating from forest estates with a Green Management plan:** It is a requirement for receiving subsidies for developing a Green Management plan that HCV areas in the forest are identified and mapped. However, there is no strict requirement that the HCVs are monitored and protected from forest management, and therefore **risk is evaluated as SPECIFIED**.
3. **Feedstock from thinning in even-aged stands of conifers:** Based on feedback from several stakeholders and key experts, it is concluded that chances of key biotopes being under threat from thinning operations in even-aged conifers in Danish forests are minimal, and taking into account existing mapping of other HCV categories the **risk is assessed as being LOW**
4. **Feedstock from thinning in first generation afforestation areas:** Based on feedback from several stakeholders and key experts, it is concluded that chances of key biotopes being under threat from thinning operations in first generation afforestation areas are minimal, and taking into account existing mapping of other HCV categories **the risk is assessed as being LOW**
5. **Feedstock from uneven-aged stands or stands of broadleaf species:** Due to no legal requirement for identification and mapping of Key biotopes, it is assessed that **for all other forest sources of biomass feedstock, the risk of HCVs being present, but not identified or mapped is SPECIFIED**
6. **Feedstock from non-forest areas, e.g. nature maintenance projects, windbreaks or residential**

areas: For feedstock from non-forest areas, it is concluded that HCVs are mapped and/or legally protected, and as such **the risk related to identification and mapping HCV is evaluated to be LOW.**

Mitigation measure:

Skovdyrkerforeningen SYD, as the Biomass Producer (BP), has implemented mitigation measures according to the below standard operation procedure (SOP):

Basics - level of expertise:

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.

Planning and risk management:

- a. Operations are planned and described in the company database (Pinus) with a corresponding geographic location (GIS) showing a map of the forest with a clear demarcation of ownership, the planned harvest area and eventual areas of high conservation value, that needs to be taken into consideration.
- b. The database holds information about the forest owner and the basic risk class of the sourcing area.

If the feedstock is sourced from thinning in coniferous stands or 1. Generation afforestation – and legality (EUTR) is ok, - the operation is low risk and status is changed to 'Green light'. The conclusion is described in the work instructions.

Work instructions

The work instruction is emailed to the sub-contractor, who is instructed to respond if there is a SBP status without a corresponding conclusion and description of the mitigation measures.

Harvest operations

All harvest operations (cutting, wood chipping, transport etc.) are conducted by trained subcontractors with long term relationships and contracts to the BP.

- d. All contractors and staff are trained in understanding the work instructions set of documents.
- e. All contractors work under the instruction of a SOP for harvesting operations.
- f. All contractors and staff have basic training in identifying areas of high conservation value.

In case that biologically valuable dead or decaying wood (especially such as large dimensioned domestic species, standing or laying trunks inhabited by woodpeckers or characterized by fungus fruitbodies) is present in the harvest area, measures should be taken to assure that it is left in the stand.

- g. Forest staff should address this issue in relevant projects.
- h. Contractors shall ask whenever in doubt.

SBP compliance - conclusion

Skovdyrkerforeningen SYD assesses that:

Feedstock sourced from harvest operations conducted under the above SOP with:

- 'Green light' – feedstock is low risk.
- 'Orange light' – the harvest operation contains specified risk, but feedstock is delivered through a mitigation process, that ensures that the biomass is non-controversial in relation to SBP.
- Primary feedstock sourced from coniferous thinning operations is low risk.
- Primary feedstock sourced from areas of first generation afforestation is low risk.

Feedstock sourced from areas outside the forest (farmland) according to FAO definition of forest.

All is non-controversial according to the SBP scope and is hence SBP-compliant, whereas ...

Feedstock sourced from harvest operations conducted under the above SOP with:

- 'Red light' – the harvest operation contains specified risk, and the resulting biomass is SBP-non-compliant (but still legal according to EUTR). Can be considered as legally sourced and hence non-controversial (SBP Controlled) – but not passed on as SBP Compliant.

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:

Important ecosystems and habitats are preserved or protected in their natural state (CPET S8b).

The Danish Forest Act (Article 14–24) establishes legal protection of key ecosystems and habitats in Denmark by means of designation of Natura 2000 areas (approx. 19.000 hectares - comprised of EU Habitats Directive areas and EU Birds Directive areas). With the designation of 21.000 hectares of untouched forest or forests with old management systems such as coppicing, forest grazing, and oak shrub forest, the total forest area where protection of natural values or biodiversity is app. 35.000 hectares or approx. 5,7% of the total forest area (there is some overlap).

Some forest landscapes are protected by “fredning” which is a form of legal protection in Denmark. Protected areas can be designated with objectives of landscape or wildlife protection. Protected areas cannot be changed, but maintenance is typically carried out. Protected areas can have regulation of public access to the area, to either maintain right of access; or – where specific wildlife interests mandate this – prohibit public access without a specific permit. A scientific report (Johannsen et al. 2013) concludes that clear goals and better mapping of species, along with evidence-based measures, are prerequisites for future efforts for biodiversity in Danish forests, and ensuring protection of threatened species, structures and habitats should be prioritised.

Risk conclusion: Based on the existing protection through the Forest Act and designation of Natura 2000 areas and individual protected areas, it is concluded that larger scale key ecosystems and habitats are sufficiently protected, and that sourcing of feedstock for biomass does not pose a threat towards these areas.

As mentioned in the findings for criteria 2.1.1 it is likely that a large number of smaller areas or biotopes of local or regional importance to biodiversity or as species habitats, in a Danish context called Key Biotopes (“nøglebiotoper”), which are not systematically identified and mapped. Based on a precautionary approach the risk assessment conclude that for these areas the risk is specified based on the same findings as for Indicators 2.1.1 and 2.1.2.

Mitigation measure:

Skovdyrkerforeningen SYD, as the Biomass Producer (BP), has implemented mitigation measures according to the below standard operation procedure (SOP):

Basics - level of expertise:

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.

Planning and risk management:

- a. Operations are planned and described in the company database (Pinus) with a corresponding geographic location (GIS) showing a map of the forest with a clear demarcation of ownership, the planned harvest area and eventual areas of high conservation value, that needs to be taken into consideration.
- b. The database holds information about the forest owner and the basic risk class of the sourcing area.

If the feedstock is sourced from thinning in coniferous stands or 1. Generation afforestation – and legality (EUTR) is ok, - the operation is low risk and status is changed to 'Green light'. The conclusion is described in the work instructions.

Work instructions

The work instruction is emailed to the sub-contractor, who is instructed to respond if there is a SBP status without a corresponding conclusion and description of the mitigation measures.

Harvest operations

All harvest operations (cutting, wood chipping, transport etc.) are conducted by trained subcontractors with long term relationships and contracts to the BP.

- d. All contractors and staff are trained in understanding the work instructions set of documents.
- e. All contractors work under the instruction of a SOP for harvesting operations.
- f. All contractors and staff have basic training in identifying areas of high conservation value.

In case that biologically valuable dead or decaying wood (especially such as large dimensioned domestic species, standing or laying trunks inhabited by woodpeckers or characterized by fungus fruitbodies) is present in the harvest area, measures should be taken to assure that it is left in the stand.

- g. Forest staff should address this issue in relevant projects.
- h. Contractors shall ask whenever in doubt.

SBP compliance - conclusion

Skovdyrkerforeningen SYD assesses that:

Feedstock sourced from harvest operations conducted under the above SOP with:

- 'Green light' – feedstock is low risk.

- 'Orange light' – the harvest operation contains specified risk, but feedstock is delivered through a mitigation process, that ensures that the biomass is non-controversial in relation to SBP.
- Primary feedstock sourced from coniferous thinning operations is low risk.
- Primary feedstock sourced from areas of first generation afforestation is low risk.

Feedstock sourced from areas outside the forest (farmland) according to FAO definition of forest.

All is non-controversial according to the SBP scope and is hence SBP-compliant, whereas ...

Feedstock sourced from harvest operations conducted under the above SOP with:

- 'Red light' – the harvest operation contains specified risk, and the resulting biomass is SBP-non-compliant (but still legal according to EUTR). Can be considered as legally sourced and hence non-controversial (SBP Controlled) – but not passed on as SBP Compliant.

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).

The Danish Forest Act (Article 14–24) establishes legal protection of key ecosystems and habitats in Denmark by means of designation of Natura 2000 areas (approx. 19.000 hectares - comprised of EU Habitats Directive areas and EU Birds Directive areas). With the designation of 21.000 hectares of untouched forest or forests with old management systems such as coppicing, forest grazing, and Oak brushwood, the total forest area where protection of natural values or biodiversity is approx. 35.000 hectares or approx. 5,7% of the total forest area (there is some overlap).

A scientific report (Johannsen et al. 2013) concludes that clear goals and better mapping of species, along with evidence-based measures, are prerequisites for future efforts for biodiversity in Danish forests, and ensuring protection of threatened species, structures and habitats should be prioritised.

Two consulted environmental Non-Governmental Organisations (eNGOs) argue that increased demand for biomass feedstock will provide a new incentive for forest managers to remove additional woody biomass from forests, giving rise to a risk that biodiversity will not be sufficiently protected. Especially dead and decaying trees and deadwood on the forest floor have an important role in maintaining biodiversity in Danish forests.

Risk conclusion: As this Indicator is seen as being partially covered by Indicators 2.1.1 and 2.1.2, for which low risk must be demonstrated or reached through mitigating measures. The risk for this Indicator is also assessed as Specified. Required risk mitigation measures are the same as outlined for Indicators 2.1.1 and 2.1.2.

Mitigation measure:

Skovdyrkerforeningen SYD, as the Biomass Producer (BP), has implemented mitigation measures according to the below standard operation procedure (SOP):

Basics - level of expertise:

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.

Planning and risk management:

a. Operations are planned and described in the company database (Pinus) with a corresponding geographic location (GIS) showing a map of the forest with a clear demarcation of ownership, the planned harvest area and eventual areas of high conservation value, that needs to be taken into consideration.

b. The database holds information about the forest owner and the basic risk class of the sourcing area. If the feedstock is sourced from thinning in coniferous stands or 1. Generation afforestation – and legality (EUTR) is ok, - the operation is low risk and status is changed to 'Green light'. The conclusion is described in the work instructions.

Work instructions

The work instruction is emailed to the sub-contractor, who is instructed to respond if there is a SBP status without a corresponding conclusion and description of the mitigation measures.

Harvest operations

All harvest operations (cutting, wood chipping, transport etc.) are conducted by trained subcontractors with long term relationships and contracts to the BP.

d. All contractors and staff are trained in understanding the work instructions set of documents.

e. All contractors work under the instruction of a SOP for harvesting operations.

f. All contractors and staff have basic training in identifying areas of high conservation value.

In case that biologically valuable dead or decaying wood (especially such as large dimensioned domestic species, standing or laying trunks inhabited by woodpeckers or characterized by fungus fruitbodies) is present in the harvest area, measures should be taken to assure that it is left in the stand.

g. Forest staff should address this issue in relevant projects.

h. Contractors shall ask whenever in doubt.

SBP compliance - conclusion

Skovdyrkerforeningen SYD assesses that:

Feedstock sourced from harvest operations conducted under the above SOP with:

- 'Green light' – feedstock is low risk.
- 'Orange light' – the harvest operation contains specified risk, but feedstock is delivered through a mitigation process, that ensures that the biomass is non-controversial in relation to SBP.
- Primary feedstock sourced from coniferous thinning operations is low risk.
- Primary feedstock sourced from areas of first generation afforestation is low risk.

Feedstock sourced from areas outside the forest (farmland) according to FAO definition of forest.

All is non-controversial according to the SBP scope and is hence SBP-compliant, whereas ...

Feedstock sourced from harvest operations conducted under the above SOP with:

- 'Red light' – the harvest operation contains specified risk, and the resulting biomass is SBP-non-compliant (but still legal according to EUTR). Can be considered as legally sourced and hence non-controversial (SBP Controlled) – but not passed on as SBP Compliant.

7.2 Monitoring and outcomes

Skovdyrkerforeningen SYD ensures that all biomass with a SBP-claim is sourced in compliance with the SBP standards. The following sampling measure is used: Every three months a list "of delivered projects the past periode" is made from the company database NIGRA. 10% of all projects is randomized for control and the internal auditor is conducting an unannounced paper tracking and visits to some of the sourcing areas.

The internal auditor must control that:

- There must be a corresponding work instruction controlled by BP own forest staff for each project.
- The origin of the biomass is within the supply base
- The biomass category and the distance from the forest to the end-user is correctly recorded / reported.
- If the biomass originates from a forest with a PEFC og FSC FM certificate, the auditor must control

the validity of the certificate.

- If the biomass is from supplier, - there must be a corresponding work instruction controlled by BP own forest staff.

Written record is kept from the monitoring (internal audit)

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

The Supply Base Report is submitted to the SBP responsible of the sister organisations of Skovdyrkerne. The Peer Reviewers is Rasmus Gregersen (MSc. Forestry), both with with 1 and 5 years experience in SBP certification. The peer reviewers responded that they had no comments to the SBR.

9.2 Public or additional reviews

The original SBR has been public available since 2016 on SBP website and the BP Company Website

10 Approval of report

Approval of Supply Base Report by senior management			
Report Prepared by:	Anders Holm-Holt	Forestsupervisor	16 Feb 2024
	Name	Title	Date
Report Prepared by:	Henrik Fredslund-Petursson	CEO	20 Feb 2024
	Name	Title	Date
<p>The undersigned persons confirm that I/we are members of the organisation's senior management and do hereby affirm that the contents of this evaluation report were duly acknowledged by senior management as being accurate prior to approval and finalisation of the report.</p>			
Report approved by:	Henrik Fredslund-Petursson	CO	20 Feb 2024
	Name	Title	Date

Annex 1: Detailed findings for Supply Base Evaluation indicators

N/A

Annex 2: Detailed findings for REDII
Section 1. RED II Supply Base Evaluation

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