



Supply Base Report: Braspine Madeiras Ltda

Scope Change Audit

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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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1 Overview

Producer name:	Braspine Madeiras Ltda
Producer address:	Rodovia PR 151, km 207,5, 84200-000 Jaguariaíva, Paraná, Brazil
SBP Certificate Code:	SBP-04-70
Geographic position:	-24.231258, -49.674854
Primary contact:	Audrey Avila, 42.3271.3000,audrey.avila@braslumber.com.br
Company website:	www.braspine.com.br
Date report finalised:	21 Nov 2023
Close of last CB audit:	29 Nov 2023
Name of CB:	SCS Global Services
SBP Standard(s) used:	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:	Not applicable
Weblink to SBR on Company website:	N/A

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2 Description of the Supply Base

2.1 General description

Feedstock types: Secondary

Includes Supply Base evaluation (SBE): No

Includes REDII: Yes

Includes REDII SBE: No

Feedstock origin (countries): Brazil

2.2 Description of countries included in the Supply Base

Country: Brazil

Area/Region: South state of Paraná and Southeast state of São Paulo

Sub-Scope: N/A

Exclusions: No

BrasPine Madeiras was founded in Jaguariaíva, in 1997, with 80 employees, and three years after, the group company Braslumber -Indústria de Molduras, started operations. Currently, together, BrasPine & Braslumber employ approximately 2700 direct employees and export their products to several countries. Braspine and Braslumber produce and sell pine mouldings and millwork, such as door and window casing, base, crown moulding, chair railing, door frames, door components, and many other materials. Its line of products offers various models and has approximately two thousand profiles. BrasPine & Braslumber are FSC® certified, and all their products guarantee the FSC® seal. Furthermore, BrasPine & Braslumber are quality and environment certified ISO 9001 and ISO 14001, and in 2021 achieved GPTW (Great Place To Work) certification, which recognizes companies that have an excellent work environment and value their professionals.

All of Braspine feedstock for its moulding and millwork production is sourced in two states of Brazil: the south state of Paraná and the southeast state of São Paulo.



Figure 1: Map of Brazil and its states. Identification of Braspine's feedstock origin: states of Paraná (PR) and São Paulo (SP).

In July of 2021 Braspine started its wood pellet production. The feedstock used is exclusively wood industry residues from Braspine's own moulding and millwork production, in the form of sawdust, shavings and offcuts. 100% of this feedstock to produce pellets is SBP-compliant secondary feedstock (FSC® certified).

In the first five months of pellet production, approximately 8,6 thousand tonnes of wood pellets were produced and bagged, and practically sold 8,1 thousand tonnes on the local heating market. Considering its wood industry residues average yearly production of over 75 thousand tonnes, this is practically the quantity which Braspine may produce yearly of wood pellets (no drying is required for making pellets as all lumber is kiln dried previously for the moulding and millwork production). 2% of mass loss in the pelletizing process is considered. Braspine has been selling the wooden industrial residues but the aim is to produce pellets to serve the European and/or other continents markets.

For its moulding and millwork production Braspine uses pine wood mostly from the *Pinus taeda* species (also known as loblolly pine, one of the Southern Yellow Pine species). Other species of pine are also used, in smaller volumes: *Pinus elliottii* (slash pine), *Pinus maximinoi*, *Pinus caribaea*, *Pinus oocarpa* and *Pinus tecunumanii*. None of these species are in the CITES or IUCN species lists.

The company meets SBP standard requirements, which can be identified in internal documents, procedures, standards, including compliance with FSC-STD-BRA-01-2014 V1-0 EN.

The feedstock used by Braspine comes exclusively from planted forests. The areas of natural vegetation existing in the Forest Management Units are protected by being in Permanent Preservation Areas (APP), being made a Legal Reserve, or by the policy and regulations to conserve and map all the remnants of native forests.

Within the reference period, January 2022 to December 2022, Braspine sourced roundwood from 18 (eighteen suppliers), which delivered mostly from FSC® certified areas (562.342,033 ha) and a smaller portion of the volumes from not certified areas (1.845,4681 ha).

According to PEVS (Produção da Extração Vegetal e da Silvicultura 2020), in 2019, it is estimated that Brazil's forest area was 487.991.966 ha, with 478.008.871 ha of natural forest, including 28.165.927 in regenerated areas, and 9.983.095* ha of planted forests. From the planted areas: 77,3% eucalyptus, 19,0% pine and 3,7% other species.

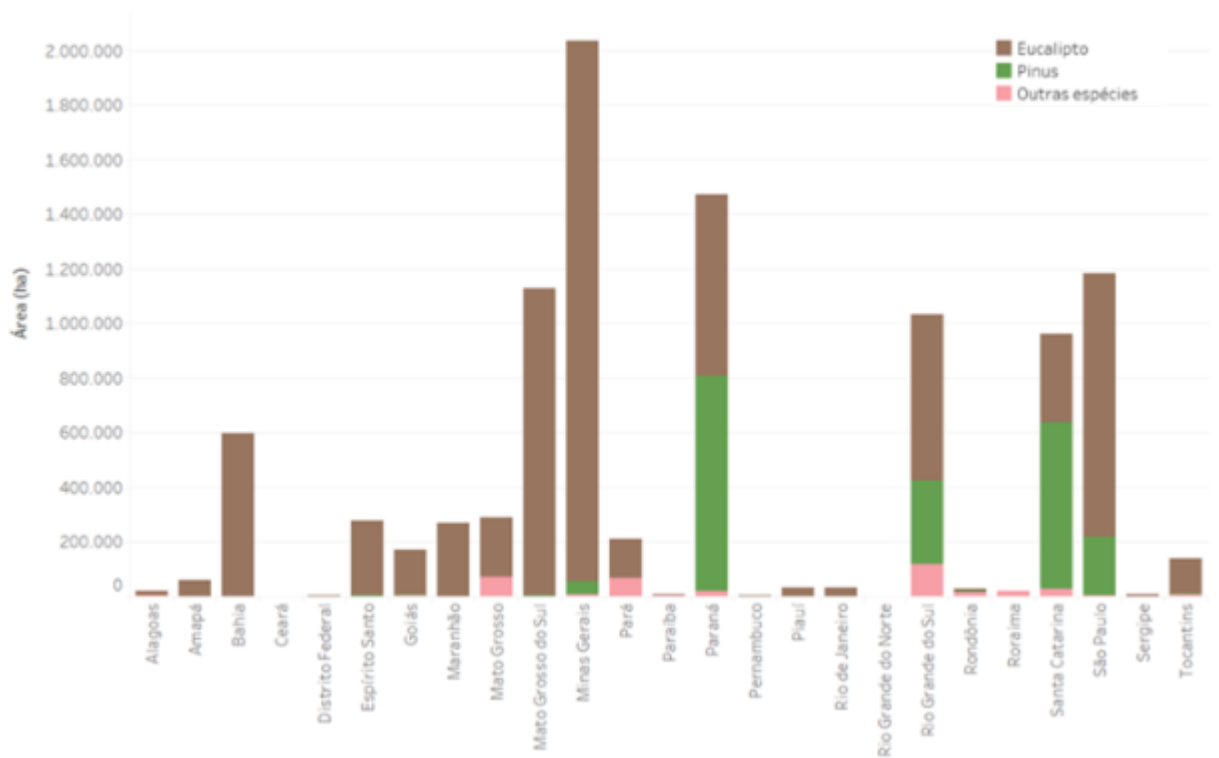


Figure 2: Planted forest areas in Brazil, by state, in 2019 (Paraná and São Paulo have the 2nd and 3rd bigger areas of the country)

Elaboração | Prepared by: FGV IBRE, Fonte | Source: FGV & Ibá

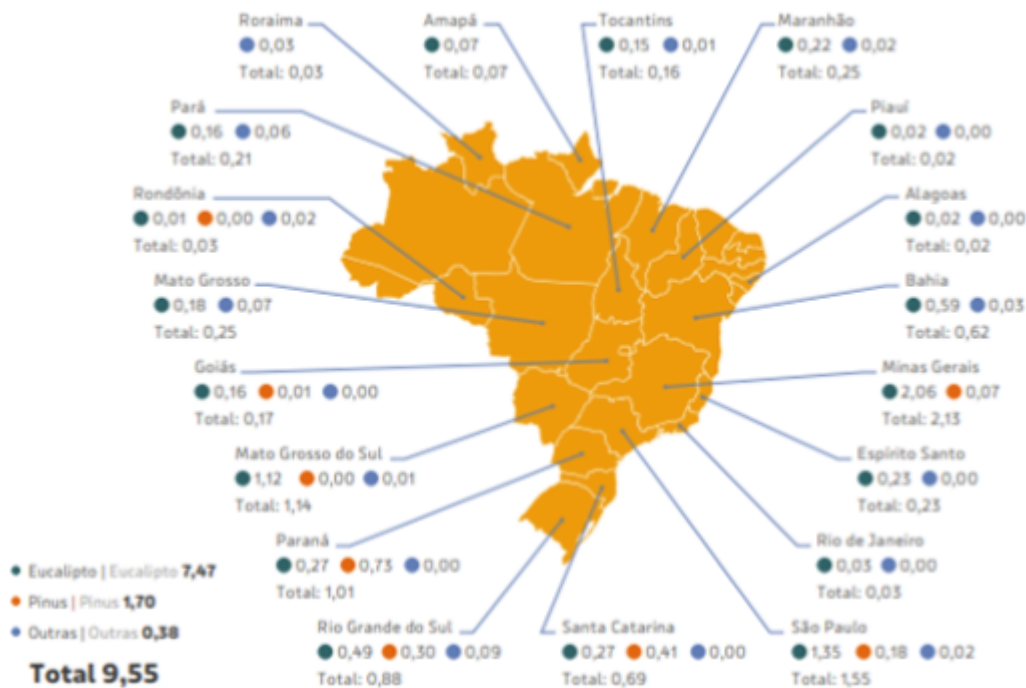


Figure 3: Area of planted trees in Brazil by state and by species, 2020, in million ha (Paraná and São Paulo add together 2,56 million ha, which 0,91 million ha of pine)

Fonte | Source: FGV & Ibá

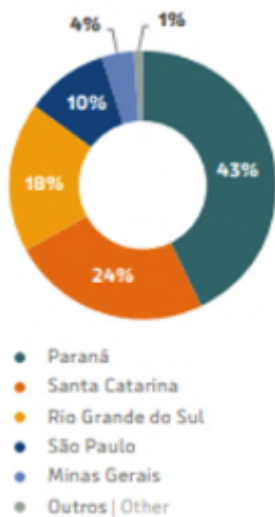


Figure 4: Distribution of pine plantations by state, 2020

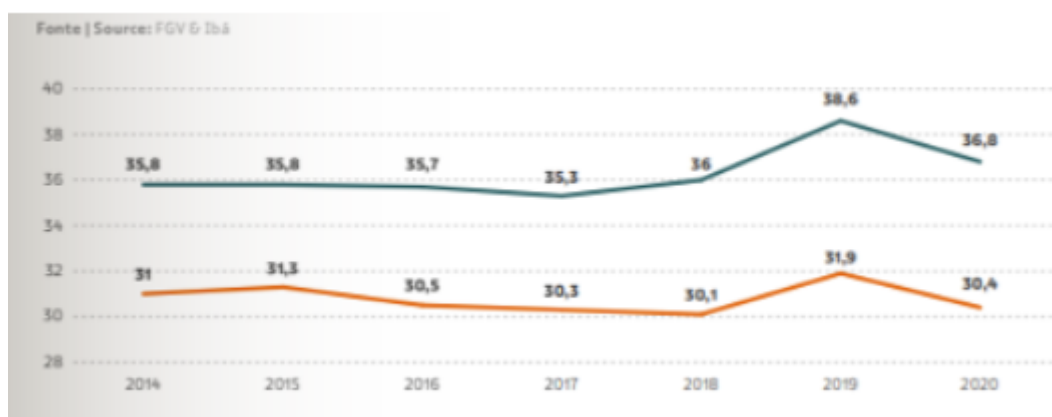


Figure 5: Eucalyptus and pine productivity in Brazil, 2014-2020 (m3 /ha)

Paraná, the state where Braspine is located and from where most of its feedstock comes from, is one of the leaders in wood production in Brazil. From the forests planted for the production of paper, pulp and furniture, Paraná is among the leaders in Brazilian forest production. This is a robust market that, according to APRE, moved nearly R\$ 1 billion in the state of Paraná in 2020. Of the entire territorial area of Paraná, APRE estimates that only 5% are covered with planted forests - this is equivalent to just over a million hectares. The state is one of the leaders in the plantation, production, industrialization and export of forest products. Two species are cultivated for this purpose: pine and eucalyptus, which are not native in Brazil. Of the largest forestry companies in Paraná, almost 90% of the planted area is certified, attesting the origin of the feedstock and the environmental principles used. The state of Paraná is the second largest exporter of pine lumber and plywood of the country, and It is estimated that, in Brazil, 20% of paper consumed and 25% of cellulose is produced in Paraná. Source: Paranaense Association of Forest-Based Companies (APRE), June 2021.

Data from APRE -Associação Paranaense de Empresas de base Florestal, 02/2018, indicates that in Brazil, the level of direct and formal employment in activities related to the planted forest-based sector Presentations fell by 6.5% between 2006 and 2016, which reflects a reduction of 0,7% per year. In 2016, there were 611,1 thousand jobs. Paraná was responsible for 16% of jobs in the sector nationwide, totaling 96.496 jobs. The state also occupies second place in the 2016 national ranking in terms of total job creation in the planted forest-based sector, with 16%, just behind São Paulo, which had 24%.

The Land Use Mapping in Paraná (Figure 6), completed by Instituto Água e Terra in June 2020, provides the geographic distribution of the land use and coverage typology. The area of Paraná has 19.987.987,15 ha; 29,117% are occupied by native forests (5.819.950,07 ha) and 6,466% by forest plantations (1.292.507,40 ha).

Adjacent lands to the Supply Base area of Braspine, with similar profile resources, are the Brazilian states of Santa Catarina (south of Paraná) Mato Grosso do Sul (west), Minas Gerais and Rio de Janeiro (northeast of São Paulo).

2.3 Actions taken to promote certification amongst feedstock supplier

Braspine interacts with its suppliers and encourages forest certification, and underlines the advantages and importance of forest certification to its wood production sector and to the wood pellet business.

2.4 Quantification of the Supply Base

Supply Base

- a. **Total Supply Base area (million ha):** 0.56
- b. **Tenure by type (million ha):**0.56 (Privately owned)
- c. **Forest by type (million ha):**0.56 (Tropical)
- d. **Forest by management type (million ha):**0.56 (Plantation)
- e. **Certified forest by scheme (million ha):**0.55 (FSC)

Describe the harvesting type which best describes how your material is sourced: Clearcutting

Explanation: Mainly mechanical harvesting operations. Machinery used are forestry equipment such as harvesters and forwarders.

Was the forest in the Supply Base managed for a purpose other than for energy markets? Yes - Majority

Explanation: The pine forests from the Supply Base are managed either for multiproduct purpose (to produce both sawmill logs and pulpwood) or pulpwood (dedicated for pulp and paper production). Pellets produced by BrasPine used exclusively wood residues of its own moulding and millwork production. The planted areas in the Supply Base (Brazilian states of Paraná and São Paulo) serve the industrial market of wooden products such as Braspine's. Furthermore, the state that exported more wood forest products in 2019 was Paraná, and São Paulo is in the 4th position of this ranking. Cellulose, paper, cardboard and plywood are the main produced and exported products.

For the forests in the Supply Base, is there an intention to retain, restock or encourage natural regeneration within 5 years of felling? No

Explanation: Planted forests are mostly replanted. In Brazil reforestation is mandatory since September 16, 1965, according to Federal Law 4,771. The Brazilian Forest Code declares that consumers of forest materials such as wood and wood-based products, have the obligation to reforest the equivalent of what was consumed so that there is no shortage of trees. In addition to this law, which is part of the forest code, there is another that determines mandatory reforestation: state law 10.780 of March 9, 2001. Federal law requires reforestation and punishes those who fail to comply with a fine of 10% of the value of the material used. The text of the law offers two ways to carry out reforestation, the first of which is to plant new seedlings in private areas or even in authorized public areas. The second way to carry out reforestation is the same way as the first, but with the intermediation of reforestation associations that exist in all states.

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: The feedstock used was originally sourced from planted forests.

What is the estimated amount of REDII-compliant sustainable feedstock that could be harvested annually in a Supply Base (estimated): 0.00 tonnes

Explanation: BrasPine only uses secondary feedstock to produce wood pellets.

Feedstock

Reporting period from: 01 Jan 2022

Reporting period to: 31 Dec 2022

- a. **Total volume of Feedstock:** 1-200,000 tonnes
- b. **Volume of primary feedstock:** 0 N/A
- c. **List percentage of primary feedstock, by the following categories.**
 - Certified to an SBP-approved Forest Management Scheme: N/A
 - Not certified to an SBP-approved Forest Management Scheme: N/A
- d. **List of all the species in primary feedstock, including scientific name:**
- e. **Is any of the feedstock used likely to have come from protected or threatened species?** N/A
 - 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 (%):**
- g. **Softwood (i.e. coniferous trees): specify proportion of biomass from (%):**
- h. **Proportion of biomass composed of or derived from saw logs (%):**
- i. **Specify the local regulations or industry standards that define saw logs:** N/A
- j. **Roundwood from final fellings from forests with > 40 yr rotation times - Average % volume of fellings delivered to BP (%):**
- k. **Volume of primary feedstock from primary forest:** 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:** 1-200,000 tonnes
 - Physical form of the feedstock: Sawdust, Offcuts, Other (specify)
- 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:** 75000.00tonnes

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	0.00	0.00	0.00	0.00
Secondary	0.00	100.00	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? No

N/A

Is REDII SBE completed? No

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:

SBP-endorsed Regional Risk Assessments used: Not applicable

List of countries and regions included in the SBE:

Country:

Indicator with specified risk in the risk assessment used:

Specific risk description:

N/A

4.2 Justification

N/A

4.3 Results of risk assessment and Supplier Verification Programme

N/A

4.4 Conclusion

N/A

5 Supply Base Evaluation process

N/A

6 Stakeholder consultation

N/A

6.1 Response to stakeholder comments

7 Mitigation measures

7.1 Mitigation measures

7.2 Monitoring and outcomes

N/A

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? N/A

9 Review of report

9.1 Peer review

N/A

9.2 Public or additional reviews

N/A

10 Approval of report

Approval of Supply Base Report by senior management			
Report Prepared by:	Audrey Rose de Avila	Sgi Specialist	20 Nov 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:	Roberto Andrade Lima	Manager	21 Nov 2023
	Name	Title	Date

Annex 1: Detailed findings for Supply Base Evaluation indicators

Annex 2: Detailed findings for REDII Supply Base Evaluation

Section 1. RED II

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

10.1 Verification and monitoring of suppliers

BrasPine has documented its procedure for verification and monitoring secondary feedstock suppliers in its SBP handbook. Production process of the secondary feedstock suppliers are visited at least annually. Applicable documents are supplier declaration and supplier evaluation.

10.2 Feedstock inspection and classification upon receipt

The wood pellets plant of BrasPine only uses secondary feedstock of its own to produce pellets. The feedstock are the residues of BrasPine wood products plant, next to the pellets plant (c. 200 meters apart facilities). Residues are gathered and chipped at the wood products site and go by a tube conveyor to the reception silo at the pellets plant. Audit is to be made annually to the process that originates the residues, which includes, among others, visual inspections and taking of pictures of the residues production. Quantity and residues type is calculated, recorded and related to the wood products production, and the pellets production.

10.3 Supplier audit for secondary and tertiary feedstock

BrasPine has documented its procedure for verification and monitoring secondary feedstock suppliers in its SBP handbook. Production process of the secondary feedstock suppliers are visited at least annually. Applicable documents are supplier declaration and supplier evaluation. Such visits/ audits are planned and made by the SBP certification responsible. All documentation resulting from these audits is compiled and filed for at least five years, also including the audits findings. In case of verification of any document and/or product non-conformity, procedures for solving non-conformities apply. As long as such non-conformities are not addressed the feedstock is not considered eligible to produce pellets with the SBP REDII-compliant biomass claim.