Compliance with the SBP Framework: Public Summary Report

Preferred by Nature OÜ
Evaluation of Pelletspor Energy Investments, Unipessoal Lda. (Alcácer)

Third Surveillance Audit

Sustainable Biomass Program
sbp-cert.org

Completed in accordance with the CB Public Summary Report Template Version 2.0

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

Document history

Version 2.0	**Published 10 August 2023**

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1 Overview

Certification Body (CB) Name:	Preferred by Nature OÜ
Primary CB contact for SBP:	Pilar Gorria Serrano
Primary CB contact email:	pgorria@preferredbynature.org
Audit team leader:	Gabriel Poveda
Audit team members:	ERROR: Works only for SBR or PSR form. Please alter the function by adding more tables, or by dynamic sql
Name of the Company:	Pelletspor Energy Investments, Unipessoal Lda. (Alcácer)
Company legal address:	Av. Engenheiro Duarte Pacheco Empreendimento Amoreiras, Torre 2 - 11º Andar, Sala 3, 1070-102 Lisboa, Portugal
Company contact for SBP:	Joana Carvalho
Company contact email:	sustainability@pelletspor.com
Company website:	https://pelletspor.com
Date of installation:	
SBP Certificate Code:	SBP-10-01
Date of certificate issue:	13 Sep 2023
Date of certificate expiry:	12 Sep 2028
Audit closing meeting date:	19 Jun 2026
Audit cycle:	Third Surveillance Audit

2 Audit conclusions

2.1 Certification decision

Based on the auditor's recommendation and the Certification Body's technical review, the following certification decision is taken:	
Certification decision:	Certification approved
Certification decision by (name of the person):	Kersti Kuum
Date of decision:	10 Sep 2026
Other comments:	N/A

2.2 Open non-conformities and observations

NC number 9423	NC Grading: Observation
Standard:	SBP Standard 1: Feedstock Compliance v2.0
Requirement:	N/A N/A 2 Feedstock sourcing does not harm the environment 22 Ecosystem productivity, functions, and services are maintained or enhanced. 221 Feedstock shall not be sourced from land that had one of the following statuses in January 2008 and no longer has that status due to land conversion: a. Forests b. Wetlands c. Peatlands d. Highly biodiverse grasslands.
Description of Non-conformance and Related Evidence:	
Verification of the January 2008 land status was difficult during this audit, as historical orthophotos — though publicly available — are hard to locate by coordinates and to interpret for 2008, and the organisation has no straightforward means to demonstrate the 2008 status of its sourcing parcels. During the evaluation, no evidence was found of sourcing from land converted after January 2008; this was therefore not raised as a non-conformity. This shall be followed up at future surveillance audits to determine whether the organisation has established a practical and repeatable method to identify and evidence the 2008 land status.	
Timeline for Conformance:	N/A
Evidence Provided by Company to close NC:	N/A
Findings for Evaluation of Evidence:	N/A
NC Status:	Open

NC number 9424	NC Grading: Observation
Standard:	SBP Standard 1: Feedstock Compliance v2.0
Requirement:	N/A N/A 2 Feedstock sourcing does not harm the environment 22 Ecosystem productivity, functions, and services are maintained or enhanced. 2211 The impacts of natural processes such as fires, pests and diseases shall be managed.
Description of Non-conformance and Related Evidence:	
The Supply Base Report focuses mainly on forest fires as the natural-process risk, but the impact of the pine wood nematode (Bursaphelenchus xylophilus) is also a reality in Portugal. National legislation requires the organisation, and the industry more broadly, to implement specific phytosanitary practices — including controls on the movement and processing of susceptible conifer material, debarking, and the use of authorised operators within designated zones — to prevent the spread and limit the impact of the nematode. The organisation should ensure these legal obligations are reflected in its risk assessment and monitoring.	
Timeline for Conformance:	N/A
Evidence Provided by Company to close NC:	N/A
Findings for Evaluation of Evidence:	N/A
NC Status:	Open

2.3 Closed non-conformities

2.4 Actions taken by Organisation Prior to Report Finalisation

No actions taken.

2.5 Notes for the next Audit

A better definition of the FMUs.

3 Scope of the audit and SBP certificate

Scope item	Check all that apply to the Certificate scope
Primary activity	Biomass Producer
Secondary activity	Trader
Approved Standards	SBP Standard 1: Feedstock Compliance v2.0; SBP Standard 2: Feedstock Verification v2.0; SBP Standard 4: Chain of Custody v2.0; SBP Standard 5: Collection and Communication of Data v2.0; Instruction Document 5E: Collection and Communication of Energy and Carbon data. v2.1; Instruction Document EU RED: Bridging Requirements for Meeting the Directive EU/2023/2413 v2.0
Product Group IDs	☒ Forest feedstock (1A) ☐ Trees outside forest (TOF) - Urban and landscape feedstock (2A) ☐ Trees outside forest (TOF) - Agricultural land feedstock (3A) ☐ Processing residues feedstock (4A) ☐ Post-consumer feedstock (5A) ☐ Other (please specify)
SBP Feedstock types	☒ SBP Compliant; ☒ SBP Controlled
Includes Supply Base Evaluation (SBE)	Yes
Includes RED II Scheme	Yes
Includes RED II Supply Base Evaluation (SBE)	Yes
Products	WB 1.1 Wood pellets
Feedstock origin (countries):	Portugal
SBP-endorsed Regional Risk Assessments used: **Public link:** **https://sbp-cert.org/documents/standards-documents/risk-assessments/**	Not applicable
Chain of custody system	☐ Physical separation ☒ Mass balance
Outsourcing	No
Changes in the scope	No

3.1 Description of the company

Guidance: Please describe the type, structure and operations of the company including its role in the supply chain, its inputs and outputs as they related to SBP Standards.

Pelletspor (Alcácer) is one of the pellets production and trading units owned by Pelletspor Energy Investments, Unipessoal Lda. The plant is located in Alcácer do Sal, Portugal, and has a design capacity of 100.000 tonnes of wood pellets per year. Is an existing plant, previously owned by a different entity, which has only produced pellets to the industrial market. Pelletspor (Alcácer) started production in November 2023. The feedstock sourcing of Pelletspor (Alcácer) is only primary feedstock: branches, tree tops, stem wood from thinning and final harvest operations. Secondary feedstock (processing residues) could technically be used by the plant, but it is not currently sourced and is therefore not included within the scope of the SBP certificate at this time. Most of the feedstock delivered to Pelletspor (Alcácer) is from pine stands of Pinus pinea and Pinus pinaster and is either low quality stemwood or from pruning of Pinus pinea trees planted for production of pine nuts. Pelletspor (Alcácer) feedstock is supplied locally from an average radius of 60km around the plant. The feedstock is delivered to the plant in trucks. They rely on one main supplier who uses around 50 sub-suppliers. All the feedstock is from continental Portugal. Feedstock suppliers may be FSC® certified but not all shall deliver the feedstock with an FSC® claim. Pelletspor (Alcácer) is certified against the FSC Controlled Wood standard (FSC-STD-40-005) to evaluate incoming feedstock volumes accordingly, applicable for feedstock originating from Portugal. Pellets are sold FOB in Sines Port (Portugal) Scope includes EU RED III Level B from primary feedstock from Portugal

3.2 Site details

Legal entity name	Address	Site Activity	Visited during the audit
Pelletspor - (Alcácer do Sal)	Castelo de Arêz, Barrosinha, 7580-508 Alcácer do Sal	Pellet production	☒

3.3 Detailed description of the Chain of Custody system and Product Groups

Guidance: Please describe the operation of the CoC system including details of the mass balance management and a list of established Product Groups.

4 Specific objective of the audit

The objective of this evaluation was to confirm that the Biomass Producer's management system is capable of ensuring that all requirements of specified SBP Standards are implemented across the entire scope of certification. The scope of this evaluation also covered the Supply Base Evaluation and their mitigation measures as well as EU RED III requirements for primary feedstock.

The scope of the evaluation covered
- Review of the BP's management procedures, including requirements designated in applicable SBP Standards and Instruction Documents;
- Review of the production processes, production site visit;
- Review of the updated Supply Base Report;
- Review of the risk assessment results;
- Review of SBP system control points, analysis of the existing FSC Coc system;
- Evaluation of mitigation measures implemented for primary feedstock (including inspection of primary feedstock suppliers);
- Review of the records, calculations and conversion factors;
- GHG data collection analysis
- Interviews with responsible staff;
- EU RED III bridging requirements for meeting RED III for primary feedstock
- Level B sustainability criteria for primary feedstock from Portugal

5 Evaluation process

5.1 Timing and duration of evaluation activities

Audit Level of Effort (LoE)		
Activity	**Auditors**	**Auditor hours**
1. Preparation	Gabriel Poveda	8.0
2. On-site (excl. travel time)	Gabriel Poveda	16.0
3. Report writing	Gabriel Poveda	6.0

5.2 Auditor team qualification

Auditor qualification		
Auditor name	**Role**	**Qualification**
Gabriel Poveda	Lead auditor	Gabriel Poveda, Forest Engineer — Gabriel is a Forest Engineer and Auditor with Preferred by Nature since 2020. Gabriel is qualified in FSC Chain of Custody and Forest Management, PEFC Chain of Custody, and SBP audits. He is also a former auditor for the Rainforest Alliance Sustainable Supply Chain certification. Gabriel brings multidisciplinary expertise in forest certification and biomass sustainability to this evaluation. — Lead auditor

5.3 Description of evaluation activities

The annual SBP audit was carried out between June 17 to 19, 2026, thus a total of 3 days were used for this audit which was combined with the FSC COC audit. The audit was carried out through visits to the pellet production site and office in Alcáçer do Sal, Portugal, as well as a visits to suppliers of primary raw materials and field inspection of forest properties where the raw material is currently obtained.

Opening meeting was followed by review of the SAR, management system and the SBR and SBE. Requirements for EU RED III procedures and Level B risk assessment for RED III sustainability requirements were reviewed on the last day of the audit. Risk assessment prepared by the organization as well as the mitigation measures were evaluated, evaluation was also supported by findings from the last annual audit where field visits and other document revision was conducted.

This report is the result of the findings of a follow-up audit carried out by an independent lead auditor. The purpose of the assessment was to assess the client's compliance with the standards used within the scope of the certificate.

A sufficient amount of people were interviewed during the site and field visits.

Critical Control points were evaluated and found to be sufficiently well managaed and controlled.

A closing meeting was conducted where auditor summarized conclusions and next steps where clarified.

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5.4 List of forest management units and feedstock suppliers visited

☐ N/A – No forest sites or suppliers visited during this evaluation

Site name
Herdade da Diabróia
Site location
Grândola (parcel A1181226 — 31.51 ha)
Site description
hinning (desbaste) of umbrella pine (Pinus pinea). Flat site, no signs of erosion or environmental constraints. In some zones a clear-cut (corte raso) of pine was carried out with intent of subsequent cork oak (Quercus suber) plantation.
Rationale and focus of visit
Verification of mitigation measures implemented for the SBE. Material FSC 100% (BMC-COC-006135-AA53) sold to the pellet plant. MCA-127182/2026.
Description of audit activity
On-site verification of harvesting operations and site conditions. Pré-avaliação das Origens da Matéria-Prima completed (visit 06.05.2026). Confirmation of mitigation measures implementation for SBE. Operator: VR Forest; owner: José J. M. André Rodrigues.

Site name
Herdade da Torre
Site location
Alcácer do Sal – Comporta (parcel A118426 — 414.95 ha)
Site description
Thinning (desbaste) of maritime pine (Pinus pinaster); phytosanitary cut under the Pine Wood Nematode plan (NMP). Good existing road network, flat site, no erosion.

Rationale and focus of visit
Verification of mitigation measures implemented for the SBE. Material sold to the pellet plant. MCA-140198/2026.
Description of audit activity
On-site verification of harvesting operations and NMP phytosanitary cut. Pré-avaliação completed (visit 28.05.2026). Confirmation of mitigation measures implementation for SBE. Operator: Filipe & Miranda; owner: Pniluxinvest — Investimentos Imobiliários SA.

Site name
Herdade da Considerada
Site location
Alcácer do Sal – Sta. Maria do Castelo (parcel A1144125 — 90.19 ha)
Site description
Thinning (desbaste) of maritime pine (Pinus pinaster) and umbrella pine (Pinus pinea); NMP phytosanitary cut.
Rationale and focus of visit
Verification of mitigation measures implemented for the SBE. Material (cert. N/A) sold to the pellet plant. MCA-138484/2026.
Description of audit activity
On-site verification of harvesting operations and phytosanitary cut. Pré-avaliação completed. Confirmation of mitigation measures implementation for SBE. Operator: Domínio Florestal; owner: Herdade da Considerada S.A.

Site name
Herdade do Pinheiro
Site location
Alcácer do Sal – Sta. Maria do Castelo (parcels A1141233 — 1174.69 ha; A1184252 — 116.22 ha; A1104530 — 7.17 ha)
Site description
Thinning (desbaste) of umbrella pine (Pinus pinea) and eucalyptus (Eucalyptus globulus), plus an extraordinary cut (corte extraordinário) of maritime pine (Pinus pinaster, 4000 t).
Rationale and focus of visit
erification of mitigation measures implemented for the SBE. Material sold to the pellet plant. MCA-130932/2026 (prior: 085967/2025, 097446/2025).
Description of audit activity
On-site verification of thinning and extraordinary cut operations. Pré-avaliação completed. Confirmation of mitigation measures implementation for SBE. Operator: Litoflora Gestão Agro-Florestal; owner: Herdade do Pinheiro S.A.

Site name
Municipality of Grândola
Site location

38°13'27"N, 8°32'27"W; 38°14'14"N, 8°31'26"W
Site description
This visit was conducted to verify the implementation of the RMMs (indicators 3.3.1 — cascading use, and 4.1.10 — worker health and safety), and the effectiveness of the Organisation's front-end origin selection and qualification process
Rationale and focus of visit
Forest operations had been concluded and the material had not yet been transacted to the Organisation.
Description of audit activity
a Pinus pinea stand with concluded thinning; chipped material and slash stored at a landing adjacent to an existing track, outside protection strips; fine residues left on site, returning nutrients to the soil (indicator 2.2.3); machine circulation confined to existing trails (indicator 2.2.3).

5.5 Describe audit sampling methodology used

During audit preparation, a sampling plan was developed based on the following criteria: a review of documentation related to energy and carbon data for the chosen SAR reporting period (01/06/2025–31/05/2026); an assessment of the DTS (RadixTree); inspection of the pellet plant in Alcácer do Sal and interviews with the relevant team; and a risk-based selection of forest management units (FMUs) for field verification. The Organisation's SBE (Portugal Continental) rated 9 of 42 indicators as specified risk. For all 9, the Annual Risk Management Plan (RMP, 03/05/2026) defines the Means of Verification as a field visit to the intervention area, with the implementation deadline for the Risk Management Measures set between the issuance of the MCA licence and the conclusion of forest operations at that source. Direct field verification of RMM implementation — observation of the operations themselves, of the operator's practices and of worker health and safety conditions (indicators 2.2.2, 2.2.3, 2.2.5, 2.2.11, 3.3.1 and 4.1.10) — is therefore only evidential while operations are ongoing at the source; once operations have concluded, only residual post-operation indicators remain observable, and the RMP assigns these to the Organisation's own specified-risk monitoring sampling procedure rather than to a full verification visit. Accordingly, the CB sampling pool was defined as the FMUs with operations active and field-verifiable within the audit window, rather than the cumulative annual list of sourcing origins, the majority of which had concluded operations before the audit dates. FMUs were determined by management entity/owner, grouping cadastral parcels and successive MCAs under the same management entity as a single FMU. Based on the reception records, the number of FMUs with active operations in a comparable field-audit window is in the order of 52–68. Applying $Y = 0.6 \cdot \sqrt{X}$ (surveillance) to this verifiable pool yields a required sample of 5 FMUs. The FMUs sampled cover the three species representing 98.4% of the volume, both dominant municipalities (71.3% of the volume), all harvest types occurring in the Supply Base (thinning, phytosanitary felling under the Pine Wood Nematode plan, extraordinary felling, and a clear-cut with intent of subsequent cork oak plantation), four distinct forest operators (VR Forest Unipessoal Lda, Filipe & Miranda Lda, Domínio Florestal Unipessoal Lda, Litoflora Gestão Agro-Florestal Lda), both individual and corporate ownership structures. They further cover all nine specified-risk indicators subject to RMMs under the RMP. Given the homogeneity documented above, the sample is considered representative of the Supply Base as a whole, and no risk category, feedstock type, silvicultural practice or geographic area of material significance remained unrepresented.

5.6 CB stakeholder engagement

☐ N/A – Certification Body stakeholder consultation not applicable for this evaluation

Guidance: Please specify the number and types of stakeholders engaged, method of engagement and its outcomes.

Stakeholder engagement process is defined in Exhibit 9-POR.PEPI. The company conducted stakeholder consultation as engagement between May 19 to June 19, 2026.

5.7 Stakeholder feedback and response

☐ N/A – Certification Body stakeholder consultation not applicable for this evaluation

No comments were received

5.8 Main strengths and weaknesses of the management system and operations

Strengths: The audit of Pelletspor demonstrated a good level of compliance with the required criteria of Standards 1, 2, 4 and 5, and the RED III requirements. There was reasonable evidence provided to support compliance where a Non-Conformity was not detected.

The existence of a FSC Chain of Custody system is considered a main strength with respect to Pelletspor´s overall conformity with the relevant SBP standards. The organization has implemented well functional system and has a close relationship with the suppliers and forest owners.

Weaknesses: Only primary feedstock is used in the production.

5.9 Summary of evaluation activities for robustness of the Supply Base Evaluation

☐ N/A – Standard 1 not in the scope of the evaluation

The Organisation’s Supply Base Evaluation (SBE) for its sole feedstock category, Forest feedstock (1A) sourced from Portugal Continental, was reviewed for robustness. Of the applicable SBP Standard 1 indicators, 9 were designated specified risk (2.1.2, 2.1.3, 2.2.1, 2.2.2, 2.2.3, 2.2.5, 2.2.11, 3.3.1 and 4.1.10), each with a defined risk mitigation measure (RMM). The auditor verified implementation of the RMMs through a risk-based sample of field-verifiable Forest Management Units during the on-site visit and confirmed the SBE remains robust, up to date and consistent with the certified scope.

5.10 Summary of evaluation activities for Processing residues and/or Post-consumer feedstock requirements per Standard 2 and REDII

☒ N/A – processing residues and/or post-consumer feedstock not used.

5.11 Summary of evaluation activities for chain of custody system per Standard 4

During the audit, a valid FSC CoC system description and other documents associated with FSC and CoC certification was reviewed. Critical control points of the CoC system were evaluated also during SBP audit. Enermontijon has a Chain of Custody system where they have implemented physical separation method, supported by a Mass Balance system for SBP and RED III requirements. Pelletspor is implementing the SBE system for all feedstock sourced, even if certified under FSC and/or PEFC FM. In case there would be any non-compliant material it would be kept physically separated in the harvest site or in the log yard. The material is transported to Pelletspor and comes with a delivery note where the forest stand and potential claim is indicated. For RED III scope, Pelletspor implements a mass balance system with 12 months balancing period.

5.12 Summary of evaluation activities for collection and communication of data per Standard 5

Pelletspor do have in depth procedures for this and have supplied actual data on Greenhouse Gas emissions, as well as provided a good overview of the requirements for energy data collection. The responsible person has benefited from previous experience with other certification schemes (like GGL) for energy data collection

5.13 Summary of audit findings for competency of involved personnel

Staff members involved into the SBP system management and implementation, include the quality manager, supply raw materials responsible and industrial director as well as administrative staff. Interviewed staff demonstrated awareness of their responsibilities within SBP system.
The SBE was mainly implemented by Supply raw materials responsible (holding M.Sc. degree in forestry) and the responsible for certifications. Between them, they have implemented the system. Supply raw materials responsible is covering the implementation of the mitigation measure and providing input to about forest specific issues while the quality manager is responsible for the process part of the work.
Supply raw materials responsible has provided good knowledge in relevant fields, including project management and recognition of HCVF aspects, and implementation of relevant mitigating measures during the site visits.

5.14 Summary of audit findings for GHG methodology per Standard 6 (if applicable)

☒ N/A – Standard 6 not in the scope

6 Detailed evaluation of BP's Supply Base Evaluation (if applicable)

☐ N/A – Supply Base Evaluation not in the scope of the evaluation

6.1 Overview of BP's risk assessments and mitigation measures including REDII scope

The Supply Base Evaluation was implemented only for primary feedstock sourced from Portugal. Pelletspor has developed an SBE for primary feedstock from forests that are sourced from suppliers who are doing the harvesting work. Once all the indicators defined by SBP have been analyzed, 9 indicators were designated as specified risk for primary feedstock from forests in Portugal requiring risk mitigation measures: 2.1.2, 2.1.3, 2.2.1, 2.2.2, 2.2.3, 2.2.5, 2.2.11, 3.3.1 and 4.1.10. Pelletspor developed the mitigation measures and demonstrated the implementation during the on-site visits. For EU RED sustainability criteria the SBE made by the Company covers: Forest feedstock form Portugal. The EU RED SBE considers: continuous monitoring from Pelletspor; -on-site audits of the suppliers; - high level of control directly by the authorities; - rejection of material if control measures cannot be implemented.

6.2 CB evaluation of specified risk indicators and mitigation measures

Country
Portugal
Area/Sub-Scope
Mailnalnd
Indicator
2.1.2 Threats to and impacts on the identified key species, habitats, ecosystems, and areas of high conservation value (HCV) pertaining to biodiversity in the Supply Base shall be identified and evaluated.
Specified risk description
There are HCV areas designated as protected and classified areas as national or EU level (Natura 2000). There are also smaller areas and biotopes important to biodiversity, which can be classified as priority species habitats. Specific risks are considered for HCV1 and HCV3 as follows: • HCV1 –Species diversity: there is a specified risk that forest operations could harm species diversity on private, community and public areas not managed by ICNF. • HCV3 –Ecosystems and habitats: there is a specified risk that forest operations could harm ecosystems and habitats on private, community and public areas not managed by ICNF.
Detailed description of a mitigation measure
- Desk assessment of possible impacts of harvesting operations regarding publicly available information from credible third parties. - Identification and mapping of protected species, habitats and key ecosystems. - Training/information to suppliers on identification of forests with HCVs, and methods to protect HCVs.

- Harvesting according to best practices in sustainable forest management.
Detailed description of CB evaluation of mitigation measure and its conclusions
1. Auditor analyzed a sample of entries of primary feedstock received in the reporting period and evaluated harvest permits, purchase documents, delivery notes, invoices, supplier audits, Pelletspor checklist, origin information, etc. 2. Auditor analyzed geo-coordinates of a sample of entries and verified with geo databases potential HCV 3. Auditor witnessed how Pelletspor staff evaluated harvesting practices and HCV. 3. Mitigation found sufficient to ensure that the feedstock is received as low risk The control system for feedstock includes regular follow-up of suppliers and inspections to suppliers harvesting operations to check if harvesting is made according to best practices, including for this indicator, if protection of HCV's 1 and 3 is ensured. If any deviations or non-conformities from this visit or other observations occur, the risk approach and its mitigation measures shall be reviewed.

Country
Portugal
Area/Sub-Scope
Mainland
Indicator
2.1.3 Key species, habitats, ecosystems, and areas of high conservation value (HCV) pertaining to biodiversity in the Supply Base shall be maintained or enhanced.
Specified risk description
Around 3600 species of plants can be found in Portugal. There are 69 taxa of terrestrial mammals, a total of 313 bird species, of which around 35% are threatened, and 17 amphibians and 34 reptile species that are present in Portugal. Some of the main threats to the biological diversity of Portugal include change or destruction of habitats; pollution; overexploitation; invasive alien species; urbanization and fires. This, in combination with the fact that there are many small parcels to which few regulations apply puts biodiversity under pressure.
Detailed description of a mitigation measure
Desk assessment on key ecosystems and habitats-all classified areas: - National Network of Protected Areas. - Special Areas of Conservation (SAC). - Special Protection Areas (SPA). - Ramsar sites. - Important Bird Areas (IBA). - Priority habitats in Natura 2000 network. - Areas where threatened species occur. - Areas where endemic species of the Iberian Peninsula occur. - Areas where seasonal concentrations of species occur. - Large landscape level forests. - Important areas for watershed protection. Data on ecosystems and habitats is prepared (publicly available). This information is shared by Pelletspor with its suppliers and with the harvesting teams. The harvesting

teams are trained/informed to recognise key ecosystems and habitats. Mapping of the harvesting plot, indicating key ecosystems, habitats and objects of importance to biodiversity; making photos prior to harvesting. Best forestry practices, including measures to conserve and increase biodiversity (for example, standing dead wood).
Detailed description of CB evaluation of mitigation measure and its conclusions
1. Auditor analyzed a sample of entries of primary feedstock received in the reporting period and evaluated harvest permits, purchase documents, delivery notes, invoices, supplier audits, Pelletspor checklist, origin information, etc. 2. Auditor analyzed geo-coordinates of a sample of entries and verified with geo databases potential HCV 3. Auditor witnessed how Pelletspor staff evaluated harvesting practices and HCV. 3. Mitigation found sufficient to ensure that the feedstock is received as low risk . The control system for feedstock includes regular follow-up of suppliers and inspections to suppliers harvesting operations to check if harvesting is made according to best practices, including for this indicator, if protection of key species and habitats is ensured. If any deviations or non-conformities from this visit or other observations occur, the risk approach and its mitigation measures shall be reviewed.

Country
Portugal
Area/Sub-Scope
Mainland
Indicator
2.2.1 Feedstock shall not be sourced from land that had one of the following statuses in January 2008 and no longer has that status due to land conversion: a. Forests b. Wetlands c. Peatlands d. Highly biodiverse grasslands.
Specified risk description
The conversion of forests to urban and agricultural is a reality: in total, the forest area decreased by 150 611 ha (between 1995 and 2010, according to the 6th National Forest Inventory). ICNF states that the increase of woodlands exceeds the decline in forests. FAO statistics (2016) show a decrease in forest and agricultural area in Portugal.
Detailed description of a mitigation measure
Pelletspor checks if forests have been changed due to land conversion after 2008, i.e., the history of the land use is investigated. If needed, interviews with stakeholders and residents are taken. This is dealt within the Feedstock Supplier Declaration.
Detailed description of CB evaluation of mitigation measure and its conclusions
1. Auditor analyzed a sample of entries of primary feedstock received in the reporting period and evaluated harvest permits, purchase documents, delivery notes, invoices, supplier audits, Pelletspor checklist, origin information, etc. 2. Auditor analyzed geo-coordinates of a sample of entries and verified that with geo databases that origin has not been converted.

3. Mitigation found sufficient to ensure that the feedstock is received as low risk The control system for feedstock includes regular follow-up of suppliers and inspections to suppliers harvesting operations to check if harvesting is made according to best practices, including for this indicator, evaluation of conversion of forests . If any deviations or non-conformities from this visit or other observations occur, the risk approach and its mitigation measures shall be reviewed.

Country
Portugal
Area/Sub-Scope
Mainland
Indicator
2.2.2 Ecosystems, their health, vitality, functions and services in the Supply Base shall be maintained or enhanced.
Specified risk description
The Portuguese legal framework covering these aspects is robust, but the different aspects covered by this indicator and the ownership of the Portuguese forest, mostly small size private properties, makes it difficult to ensure that in all territory this indicator can be classified as Low risk. Thus, this indicator has Low risk in areas where management plan exists, and Specified risk in areas with no management plan.
Detailed description of a mitigation measure
-Desk assessment on potential impacts of operations on forest ecosystem health, functions, vitality and services, using publicly available information. -Training /information to harvesting teams on best management practices, including measures to minimize impacts of operations.
Detailed description of CB evaluation of mitigation measure and its conclusions
1. Auditor analyzed a sample of entries of primary feedstock received in the reporting period and evaluated harvest permits, purchase documents, delivery notes, invoices, supplier audits, Pelletspor checklist, origin information, etc. 2. Auditor analyzed geo-coordinates of a sample of entries and verified that with geo databases that ecosystems are maintained or enhanced. 3. Mitigation found sufficient to ensure that the feedstock is received as low risk The control system for feedstock includes regular follow-up of suppliers and inspections to suppliers harvesting operations to check if harvesting is made according to best practices, including for this indicator, ecosystem maintenance or enhancement. If any deviations or non-conformities from this visit or other observations occur, the risk approach and its mitigation measures shall be reviewed.

Country
Portugal
Area/Sub-Scope

Mainland
Indicator
2.2.3 Soil quality in the Supply Base shall be maintained or enhanced
Specified risk description
In some regions of the supply base there is a risk of degradation of soils (drought), mainly due to previous land-use practices and to climate change.
Detailed description of a mitigation measure
- Desk assessment of the site on soil quality using publicly available information and mapping; - Training/information to suppliers on best forestry practices, including on soil protection.
Detailed description of CB evaluation of mitigation measure and its conclusions
Field visits are performed during and after the field work to check compliance to soil quality maintenance in the forest lots. Mitigation measures such as erosion mitigation are implemented according to the best practices and site specific prescriptions. Verified on several sites during the audit. Mitigation found sufficient to ensure that the feedstock is received as low risk The control system for feedstock includes regular follow-up of suppliers and inspections to suppliers harvesting operations to check if harvesting is made according to best practices, including for this indicator

Country
Portugal
Area/Sub-Scope
Mainland
Indicator
2.2.5 Quality and quantity of ground water, surface water and water downstream shall be maintained or enhanced.
Specified risk description
The thresholds mentioned by law are 50 ha and 10 ha. These are still large areas regarding the populated and hilly countryside of Portugal. A clear-cut area of less than 10ha can easily create runoff and erosion dangers. The landscape can create dangerous situations; residents could be living in the valley. Small landowners are not obliged to take risks to the surroundings into consideration. These risks can also be related to water lines.
Detailed description of a mitigation measure
- Desk assessment on important areas for watershed protection. - Training feedstock suppliers on best forestry practices, including to not contaminate groundwater and protect the soil, forest and surroundings from surface water runoff.
Detailed description of CB evaluation of mitigation measure and its conclusions
1. Auditor analyzed a sample of entries of primary feedstock received in the reporting

period and evaluated harvest permits, purchase documents, delivery notes, invoices, supplier audits, Pelletspor checklist, origin information, etc. 2. Auditor evaluated during field visits harvesting practices and potential impacts on water. During field visits auditor witnessed Pelletspor staff to verify their own evaluation. No discrepancies were found between auditor and Pelletspor staff criteria. 3. The mitigation measure is considered sufficient. Verified on several sites during the audit.

Country
Portugal
Area/Sub-Scope
Mainland
Indicator
2.2.11 The impacts of natural processes such as fires, pests and diseases shall be managed.
Specified risk description
The specific risk considered for this indicator is related with forest wildfires. Since 2017, the most recent tragic year, the awareness of the population has raised, and some legal mechanisms and obligations were implemented to better prevent and facilitate the wildfire intervention. A recent study showed that summer values of fire risk tend to substantially increase in the future, due to climate change, with a likely stretching of the danger period. The north-western region of Iberia, including the north of Portugal and the north-western-to-central Spain were the regions where larger increases in fire risk in the future were found
Detailed description of a mitigation measure
- Investigation of PMDFCI (Forest Defense Against Fires Municipal Plan/Plano Municipal de Defesa da Floresta Contra Incêndios). - Implementation of forest fire fighting measures according to legal requirements. - Training /information to suppliers on best forestry practices, including related with fire protection and prevention during operations.
Detailed description of CB evaluation of mitigation measure and its conclusions
1. The control system for feedstock includes regular follow-up of (sub)suppliers and inspections to the harvesting operations to check if the best practices are used, namely for this indicator to monitor if legal requirements for fire fighting prevention are in place, including valid fire fighting equipment. If the PMDFCI of the harvesting site is found expired, the reason for this is investigated. If no reasonable justification exists (such as Plan not being updated or was never was developed by the reference Municipality), the feedstock from that site cannot be considered as SBP-compliant until the Municipality has a valid PMDFCI. 2. Field visits where conducted and mitigation found sufficient to ensure that the feedstock is received as low risk. Verified on several sites during the audit

Country

Portugal
Area/Sub-Scope
Mainland
Indicator
3.3.1 Feedstock sourcing shall be in compliance with the principles of cascading use, high quality stem wood shall not be used as feedstock if it is in substantial demand for long-lived products in the Supply Base.
Specified risk description
Although the experience shows that market itself regulates the proper use of wood, there are conditions that may justify a deviation on the cascade use, but this shall be properly justified.
Detailed description of a mitigation measure
- Feedstock agreement with supplier specifying type and main characteristics of received feedstock. - Visual and document control of the feedstock reception.
Detailed description of CB evaluation of mitigation measure and its conclusions
Visit the site during or after conclusion of harvesting operations. The control system for feedstock includes regular follow-up of suppliers and inspections to suppliers harvesting operations to check if harvesting is made according to best practices, namely for this indicator to monitor if the feedstock being considered cannot be used for other purposes other than energy, i.e., if it is burnt wood or does not comply with the minimum requirements to serve other markets, such as related with dimensions and density. If feedstock characteristics is different from required by Pelletspor, not respecting the cascading principle, reason of such is investigated and the risk approach and its mitigation measures shall be reviewed. If reason found unjustifiable, the feedstock is not accepted as SBP-compliant feedstock.

Country
Portugal
Area/Sub-Scope
Mainland
Indicator
4.1.10 Safeguards shall be put in place to protect the health and safety of workers by developing, communicating and implementing policies and procedures.
Specified risk description
This indicator is identified as specified risk due to the inherent risk of jobs in the forests.
Detailed description of a mitigation measure
Pelletspor has a control system and adequate procedures related to health and safety and demands the same from its feedstock suppliers. The harvesting teams are required to be qualified and approved before performing any operations.

Pelletspor's feedstock suppliers' qualification process includes checking: - Work accidents Insurance and health aptitude forms. - Social Security responsibilities. - Workers training on health and safety. - Health and safety procedures. - Records of Personal Protection Equipment (PPE) delivery to workers. - Records of machinery safety inspections.
Detailed description of CB evaluation of mitigation measure and its conclusions
1. Auditor analyzed a sample of entries of primary feedstock received in the reporting period and evaluated harvest permits, purchase documents, applicable OSHAS certification, accident insurances and reports, clearance letters, Pelletspor checklist, supplier audits, origin information, etc. 2. Interviews with workers during field visits confirmed that workers were aware of the safeguards put in place to protect the health and safety of workers by developing, communicating and implementing policies and procedures 3. Mitigation found sufficient to ensure that the feedstock is received as low risk